

Sustainability

inspired diversity

As modern lifestyles continue to place an ever-increasing strain on the global environment, the potential for sustainability grows like the adaptability of Africa's iconic "tree of life".



Dr. Igazeuma Okoroba
Group Head, Sustainability



Our approach to advancing SDG 11 puts cities and people's well-being at the centre. As waste generation in Africa becomes significant, we aim to turn the possibility of a waste-free Africa into reality."

Our growth story in 2023 provides irrefutable evidence that manufacturing lies at the core of industrialisation, which remains the key to the continent's economic transformation. Developing the manufacturing sector has helped us increase value addition, create jobs and promote import substitution, with positive implications for our host countries' trade balance and foreign exchange reserves.

This year's key challenge for the industry was access to clean fuels and technology. Africa's primary reliance on clean fuels and technology is substantially lower than the global adoption. This pattern mirrors the 36% of Africa's urban population (excluding North Africa), which relies on clean fuels and technology much lower than urban dwellers in advanced economies. As the prevailing economic uncertainty worldwide caused significant fluctuations in energy prices, our development strategies to address the trend leaned to climate adaption and empowering our people with tools for resilience. As Africa's largest indigenous cement manufacturer, Dangote Cement inherits these resilience traits from one of the longest-living trees in the world.

As a business with mining operations located mainly in remote regions, we adopted rural accessibility as the key to reducing poverty and promoting inclusive economic growth in our local communities. Investment in infrastructure, education and skills empowerment is crucial for sustainable and inclusive economic transformation.

We targeted communities without access to an all-season road within an approximate walking distance of 2 km and those with impeding access to critical public services, including schools, healthcare centres and other vital facilities. These formed part of the 89 social investment projects we deployed in our host communities during the year. Our approach to advancing SDG 11 puts cities and people's well-being at the centre by tackling the threat of waste on the people's livelihoods. As waste generation in Africa becomes significant, we aim to turn the possibility of a waste-free Africa into reality. Dangote Cement tackles the anticipated increase in waste production through the Alternative Fuel project and the DangCircular initiative, which promotes nature-based solutions to climate change.

Although progress in 2023 was uneven, with significant differences in our countries, Dangote Cement's accelerated efforts towards sustainable development is turning an inspiring possibility into reality, just like the baobab tree.

Sustainability performance 2023



Environmental

- 184% increase in co-processed waste as alternative fuel
- Reduced up to 13kgC₂/tonne cem in scope 1 emissions
- 4.8% reduction in water consumption
- 1.89 tonnes of waste recycled in DangCircular initiative



Economic

- 60% increase in local content procurement
- 12,051 direct employment across Africa



Safety

- 22% reduction in Lost Time injury (LTI)
- 495 employees certified in first aid
- Improved enforcement of the 15 golden rules yielding improved incidence reporting and resolution



Social

- 59 direct jobs and 417,700 indirect job opportunities created in the AF value chain
- 81 graduates employed through the Graduate Trainee scheme
- 5.2% increase in female workforce

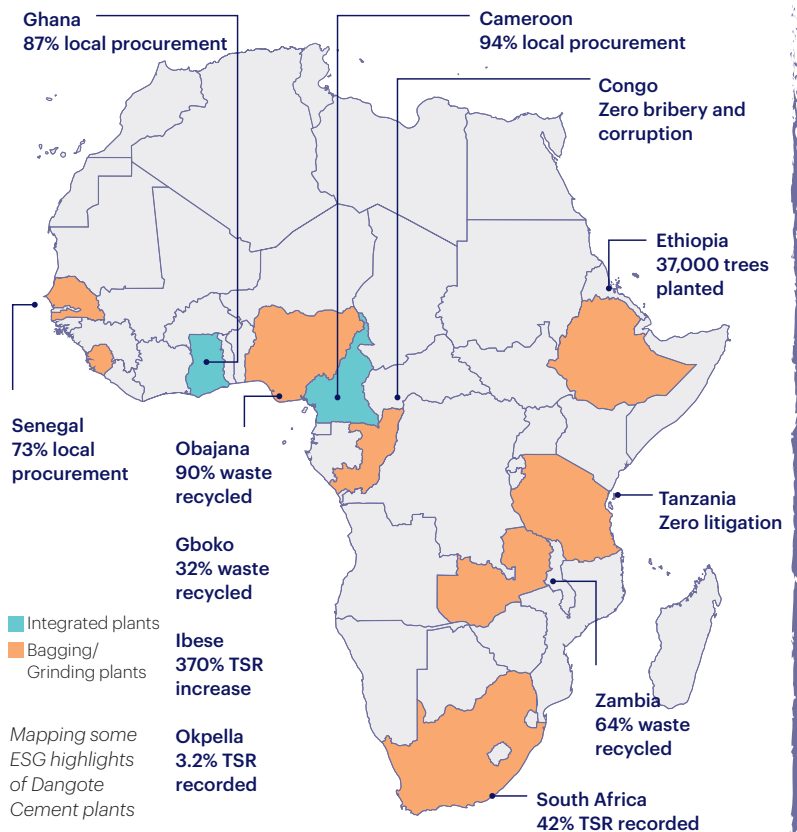


Community

- Reached up to 6,696 direct beneficiaries through climate literacy and volunteer initiatives
- 810 stakeholder engagements
- 43% increase in social investment

A growth story of purpose-driven agenda for Africa

In the context of global climate and societal challenges, the manufacturing industry strives to demonstrate its ability to create value, build trust and contribute to solving society's problems. Dangote Cement does this through a commitment to addressing environmental, social and governance (ESG) factors. Key lessons we learned on this journey to integrating ESG in our operations were the African governments cannot address all development challenges, data delivers insight informing priorities for development investment, an effective ESG approach must be operational and holistic and climate change requires urgent action. In our survey of how Dangote leaders in all operational locations approached a purpose-driven sustainability agenda, they shared strategies for leveraging opportunities to drive ESG integration. While some efforts paid off in 2023, we believe the outcome of other ESG indicators will be fully realised in the mid- to long-term. The snapshot of how the plants performed on their top ESG indicators represents just how diverse ESG priorities can be.



Our shared value model

A shared value model supports the redefinition of markets and productivity in the value chain to strengthen the local economy. In line with the tenets of sustainability, the integration of business success with societal well-being ensures that we source materials sustainably and that the production process considers its impact on nature and people. This model results from a fusion of the United Nations Sustainable Development Goals (UN SDGs) and the Dangote Sustainability Pillars.

Our shared value model continued

Dangote Cement identifies seven sustainability pillars: financial, institutional, economic, cultural, operational, environmental and social. These pillars influence a corporate culture deeply embedded in our business strategy. Importantly, all seven sustainability pillars align with the United Nations Sustainable Development Goals (SDGs).


At DCP, we adopted a stakeholder-oriented approach to diligently define our identity, current position, and aspirational future. By aligning with the seven sustainability pillars, we ensure that every facet of our business adheres to global sustainability principles. Through the seven pillars—institutional, cultural, operational, environmental, economic, social and financial—every business function is engaged and involved in our sustainability journey, elevating sustainability beyond risk management or compliance. Our 2023 performance in the institutional pillar reflects our

steadfast focus on global standards and principles of the UN Global Compact (UNGC). Operating our business to meet the world's best standards keeps us at the forefront of competition while fortifying our corporate existence.

In the cultural pillar in 2023, our effort to cultivate a workplace with excellent leadership underscores our commitment to sustainability acculturation. At DCP, we nurture diversity, equality, values, ethics, the rule of law and active staff involvement. Our performance in the operational and environmental pillars reflects our progress in our commitment to innovation in production processes and standards, particularly in Operational Health and Safety. Likewise, we continuously strive to enhance our environmental stewardship, committing additional resources to improvements that address growing concerns about energy efficiency, resource optimisation, circular economy, carbon emissions and climate change.

Aligning the sustainability pillars to the UN SDGs

The fundamental ways that business can contribute to the powerful aspiration for improving our world is by aligning with the United Nations Sustainable Development Goals. As signatories of the United Nations Global compact, Dangote Cement commits to responsible business and adherence to universal principles of sustainability. Our alignment of Dangote Sustainability Pillars to the SDGs involved assessing our impact against the 17 goals, engagement of the Board, shareholders and employees. This report presents another opportunity to reiterate that commitment to the public. We translate the SDGs into responsible business practices, innovation and investment in material ESG key performance indicators based on the principles of the Dangote Sustainability pillars as shown below.

 **SDGs x 7** 8 11

Financial

Attain optimal financial health by cultivating a business model that results in robust returns to our esteemed shareholders and engenders value in the economies we serve through producing and selling high-quality products at accessible price points, underpinned by a commitment to exceptional customer service.

 **SDGs x 7** 8 16 17


Institutional

Become a world-class institution anchored in corporate governance best practices and sustainability principles by fostering legal and regulatory compliance, transparency, effective internal controls, risk management, and seamless business continuity.

 **SDGs x 7** 1 2 8 11 16

Economic

Champion inclusive and sustainable economic growth across Africa by advancing self-reliance, self-sufficiency, and industrialisation by providing efficient production facilities and cultivating resilient local economies strategically positioned in key markets across the continent.

 **SDGs x 7** 4 5 10 11 16 17

Cultural

Exemplify our core values in every facet of our business, consistently demonstrating our commitment to fostering respect for cultural diversity in internal and external relations. This pillar is evident through our active promotion of teamwork, empowerment, inclusion, equal opportunities, mutual respect, integrity, and meritocracy.

 **SDGs x 7** 8 9 12 13

Operational

Dedicated service to meet and exceed the expectations of our markets through collaborative partnerships, optimisation of product value, sustained operational excellence, the pursuit of new business development opportunities, cost efficiencies, and the integration of state-of-the-art technologies and systems that deliver unparalleled products and services to our valued customers and stakeholders.

 **SDGs x 7** 6 7 9 12 13

Environmental

Take a proactive stance in addressing the challenges and opportunities presented by climate change through optimised performance in resource and energy efficiency, water management, and carbon emissions by embracing state-of-the-art practices and technologies to ensure sustainable environmental management practices that contribute to a healthier planet.

 **SDGs x 7** 1 3 4 5 10 15

Social

Maintain a value-based learning environment where employees realise their fullest potential and constructive conduct is encouraged and promoted while upholding the highest health and safety standards. We are committed to fostering resilient and sustainable prosperity in our host communities through direct and indirect employment opportunities, skills transfer initiatives, local entrepreneurship boosts, strategic social investments, and the implementation of best practices in corporate social responsibility.

Aligned to the UN Goals



Aligning our ESG with UN SDG priorities

DCP aligns ESG factors by analysing current practices to identify which SDGs are most relevant to operations. We set clear targets to contribute to those goals, mapping determinants and opportunities.



Approach to materiality

DCP's sustainability strategy is anchored in carefully considering our material environmental, social and governance (ESG) topics. Through open and candid dialogues with our stakeholders, we strive to ensure that our focus aligns with the most critical priorities. In 2023, we comprehensively reviewed our materiality assessment by engaging our employees, host communities, supply chain partners and investors in dialogues on their

significant expectations. This process helps us feel the pulse of stakeholders and identify hot topics relevant to our sector. Using the Microsoft Customer Voice 360 (MCV 360) platform, we administered a materiality survey to our stakeholder groups. This survey delved into our sustainability performance, operational processes, responsible supply chain practices, investor decision factors and stakeholder perceptions of our yearly reporting. Anonymised survey responses obtained from the survey were analysed and presented for review.

Our materiality assessment



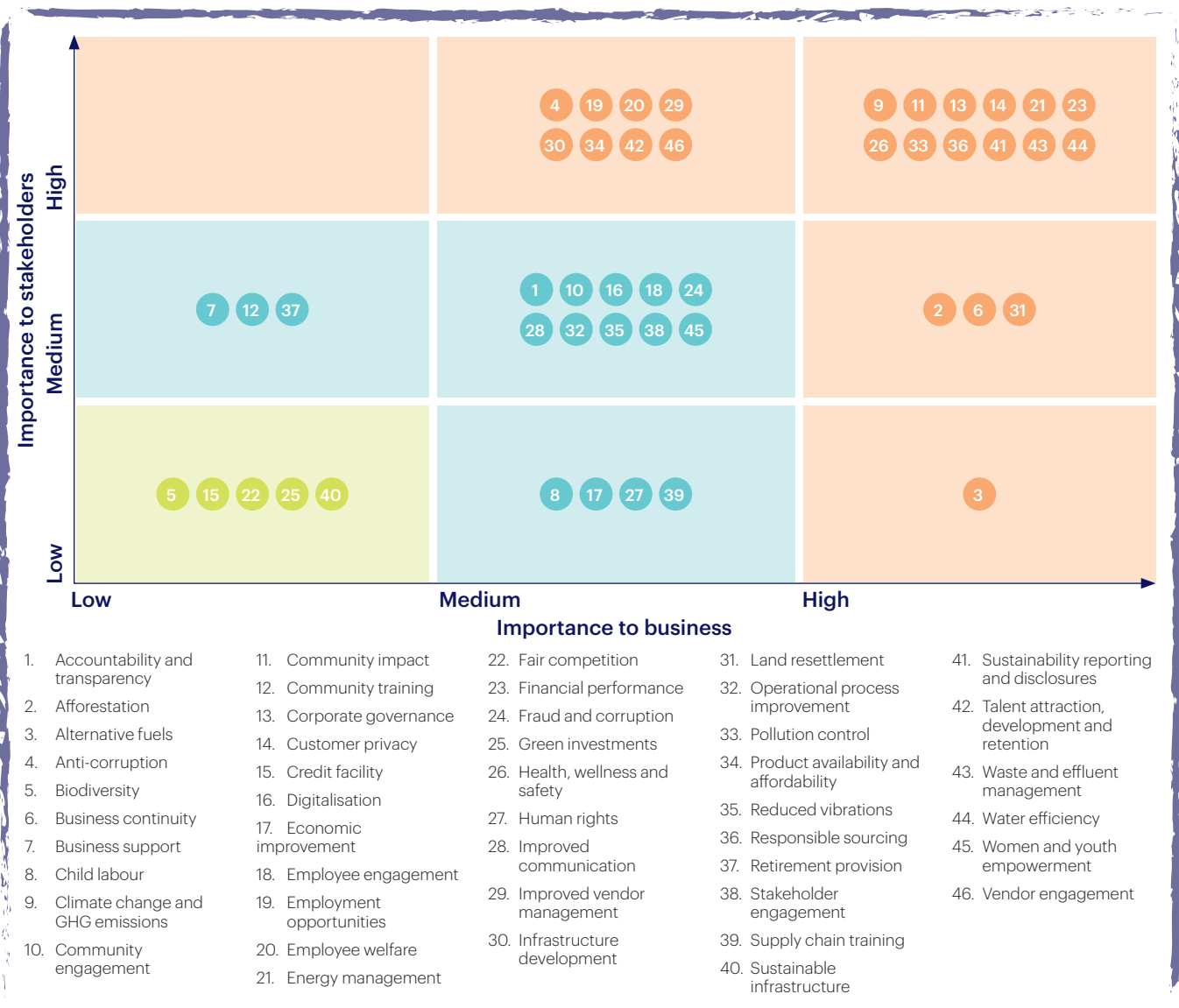
Approach to materiality continued

Our Materiality Process

Our process showed that seventy-five issues emerged across the surveyed stakeholder groups. Out of these issues, forty six were deemed as material and have been categorised as high, medium and low based on their degree of impact to the business and stakeholders. Eleven issues were identified as high importance to stakeholders and profoundly impacting for our business. Key topics are employee welfare, responsible sourcing,

infrastructure development, improved vendor engagement and customer privacy. The insights gained guide our sustainability commitments highlighted in this report. We actively incorporated the identified topics into our business strategy and sustainability action plans.

The materiality matrix below visually illustrates the significance of each topic, juxtaposing its importance to DCP against its importance to our stakeholders. The matrix is a robust tool for addressing our stakeholders' diverse and intricate concerns.



Dangote Cement’s 2023 materiality matrix

The materiality matrix reflects issues of high importance and impact, as determined by their ratings of ESG factors during the survey. For our employees, a total of twenty-three (23) ESG-related topics were identified as material to them. The material topics were derived from the analyses of responses provided by employees during the survey. Six topics (6) were ranked in the range of high importance and high impacts.

Our investors identified 14 ESG-related topics as substantially material during the surveys, categorised in a range of importance and impact. Vendors identified 21 ESG-related topics to the supply chain, of which six topics were flagged as highly important and impactful. In host communities, 17 ESG-related topics were material, with the matrix above representing the ranking of the material issues in order of importance and impact of DCP’s activities.

As we look towards the future, our commitment to monitoring materiality is to continue evaluating potential impacts and our activities’ environmental and social implications on stakeholders. Annual updates in our Sustainability Report will reflect our ongoing efforts to improve stakeholder engagement processes and effect further integration with global initiatives, thereby fostering long-term value creation through sustainability.



The goal of sustainably providing housing, energy, transportation, and other basic services to the rising number of Africa’s urban dwellers in the face of climate change is vast."



Cross section of Pan- Africa Managing Directors.



As we look towards the future, our commitment is to continue evaluating potential impacts and our activities’ environmental and social implications on stakeholders."



A baobab tree in proximity to Dangote Cement plant.

As the baobab is, so are we

Baobab trees’ importance in Africa’s ecology transcends their unique appearance. They adapt to different weather and climates, allowing them to thrive. Nothing epitomises the testimony of our business as this ancient tree. In Senegal and other countries where we co-habit with such native species, we believe these indigenous trees symbolise our strength in diversity. We advocate that the propagation of baobabs for climate resilience should be a priority in Africa because their products are essential for shelter, food, nutrition, and healing. Like the tree, our service, which provides multiple household benefits, demonstrates our diversified operations. Our vast trunk is expanding in Africa, taking up space in Côte d’Ivoire in the coming year. As it is believed that one baobab tree may be older than the oldest person in a community, Dangote Cement is positioned to be that witness with stories to tell about the history of African communities.

As the baobab is, so are we.

Stakeholder engagement

Vision and culture are the all-important formula for everyone rowing in the same direction and working towards a shared goal. For us, stakeholder engagement is an opportunity to share our values and bring stakeholders into our world of impact.



Listening and learning about stakeholders' expectations helps the business in decision-making and fosters collaboration and co-creation of solutions. The primary stakeholder groups are employees who deliver the Board's and management's mandates. We work with other stakeholders as partners in progress because they are interested in what we do and are affected by our decisions and activities. Distributors, customers, vendors, host communities, investors, regulators and industry peers influence our business.

Approach to stakeholder engagement

Engaging stakeholders effectively ensures everyone is on board to contribute their best efforts. We recognise that relationship-building is an ongoing process that requires time and effort. Therefore, our approach to building solid relationships with stakeholders in 2023 was prioritising the stakeholder "value and voice." Stakeholder value defines the resources they contribute, while the stakeholder's voice helps us harness their influence for the benefit of the business. This approach produced positive outcomes and supported the production of this performance report.

Our engagement grid

Stakeholders' influence over our projects and organisation is substantial, making their active engagement indispensable for our success. The depth of their interest serves as a catalyst, generating powerful outcomes through clearly defined communication and engagement strategies precisely tailored to meet the unique needs of our various stakeholder groups.

Our stakeholder landscape encompasses employees, vendors, suppliers and contractors, distributors and customers, communities, media, regulatory agencies, financial institutions, external affiliations and associations, civil society, labour reflection and shareholders.

The visual representation, typically referred to as the "stakeholder engagement grid," helps ensure that resources are allocated effectively.

How we engaged our stakeholders

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

2023 stakeholder engagement grid

Employee engagement: A business's workplace culture can shape employees' productivity. In 2023, Dangote Cement's culture of care for employees was demonstrated through initiatives that targeted the heart rather than just the brain. Such activities include a quarterly rewards system where staff receive positive work feedback, mental health support in the office, ergonomics training, an end-of-year party, and long service awards. The Company also appreciated staff who maintained the Company's values while rendering exceptional customer service.

Customer engagement: Authentic customer engagement involves building long-term customer relationships at every touch point. By sharing our vision and mission statement on the Company's platforms, DCP demonstrates transparency to core values. Recognising our customers' human rights and dignity means respecting their views and providing feedback mechanisms. We maintain standards in customer privacy, health and safety in the value chain to fulfil our goal of creating a sense of community around our products and services.

Engagement with host communities: Organisations can influence society while also enhancing their business by engaging communities effectively. Dangote Cement utilises the bottom-up approach in engaging host communities because it encourages the development of social capital and builds local capacities for active citizenship. We believe that organisations can influence society while also enhancing their business by engaging communities effectively. Community stakeholder engagement activities deployed in operational locations ranged from enterprise

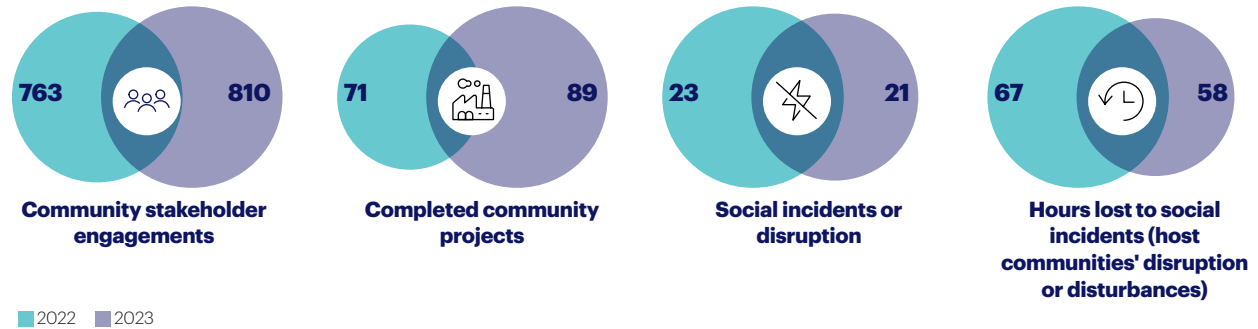
development, resource efficiency, health and well-being to forums to foster transformational relationships.

In 2023, our community engagement increased by 6% from 763 in 2022 to 810 in 2023. This supported reduced social incident disruption by 9%. We recorded a reduction in the hours lost to social incidents by 13% and an improvement was obvious in the reduction of grievances reported by 61%. As a result of proactive approaches in managing grievances, 71% of reported community grievance cases in 2023 were successfully closed i.e. 58 out of 82 cases, compared to 211 cases in 2022. A 25% increase in the number of community projects completed rose from 71 in 2022, to 89 in 2023. Stakeholders' projects delivered to support citizens in 2023 include infrastructural projects, education, empowerment initiatives and support for vulnerable groups.



Listening and learning about stakeholder expectations help the business in decision-making and fosters collaboration and co-creation of solutions."

Social performance indicators



Engaging future generations on climate actions.



An engagement with elders in a care home.

Community stakeholder engagement in our countries



Nigeria
Projects
49
Stakeholder engagement
263
Disruption
12
Hours lost
24



Tanzania
Projects
2
Stakeholder engagement
49
Disruption
–



Cameroon
Projects
7
Stakeholder engagement
123
Disruption
–



Zambia
Projects
13
Stakeholder engagement
104
Disruption
–



Senegal
Projects
1
Stakeholder engagement
160
Disruption
3



Ghana
Projects
1
Stakeholder engagement
2
Disruption
–



Ethiopia
Projects
11
Stakeholder engagement
16
Disruption
–



Congo
Projects
2
Stakeholder engagement
39
Disruption
–



Sierra Leone
Projects
–
Stakeholder engagement
–
Disruption
–



South Africa
Projects
3
Stakeholder engagement
54
Disruption
6
Hours lost
34

Total	Projects	Stakeholder engagement	Disruption	Hours lost
	89	810	21	58

Maintaining successful stakeholder relationships

Engagement with investors and shareholders: Improving ESG can boost investment returns. Investors' actions that aim to promote good corporate governance, such as enhancing engagement on themes related to environmental, social and governance issues, make them strategic partners on the sustainability journey. In 2023, our engagements on themes related to environmental, social and governance issues supported a remarkable growth in equity held by our investors. It contributes also to strengthening standards and the credibility of reported data related to sustainability. Dangote Cement leverages investor engagements to establish mutual trust, which helps the Board of Directors and management better understand investor ESG expectations and supports their financial viability.

Engagement with regulators and associations: An essential part of doing business in a sector that serves diverse geographies with different regulators is the need to engage regulators regularly. The Company can limit business interruption in responding to regulators by going beyond compliance and seeking to drive value through proactive engagement.

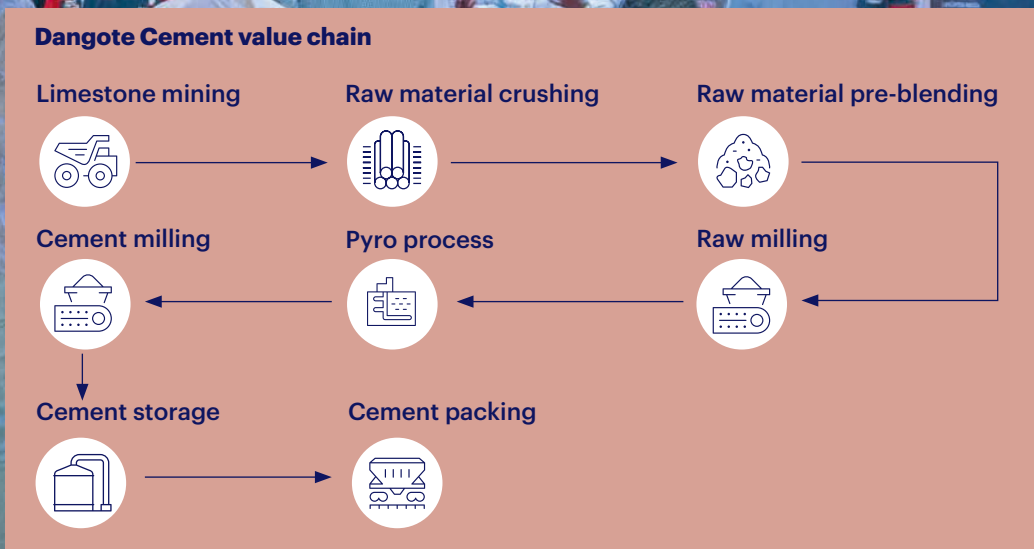
Dangote Cement has maintained relationships with regulators across different jurisdictions by sharing information and making disclosures in a way that is consistent with our brand value and principles of responsible business. Keeping current with regulator priorities and consulting regulators on published strategic resources helps the business understand and align business decisions and operations to benefit the greater good.



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Dangote Cement value chain

At Dangote Cement, we prioritise continuous improvement and innovation throughout our value chain. The value chain reinforces our commitment to excellence in production and value creation for stakeholders.



Our value chain commences with the extraction of raw materials, the preparation of mined materials, clinker burning, cement grinding and production, culminating in timely distribution to our customers via a structured distribution/retail system. This complex business chain empowers the Company to invest in high-quality production and innovation, which proffers opportunities for sustainable enhancements along the value chain.

Responsible sourcing

Dangote Cement works with thousands of suppliers and business partners in various locations. We count on direct and indirect service providers to manufacture responsibly. Our suppliers must commit to and uphold sustainable standards to which we hold ourselves. The conscientious sourcing of raw materials is at the core of our procurement processes. As part of the ESG integration process in the supply value chain, we delivered training of about 502 training hours to no less than 100 strategic suppliers to acquaint them with our ESG practices. The Dangote ESG code of conduct ensures vendors adopt ethical practices in material sourcing and maintain respect for human rights. DCP supports the supply of locally sourced materials which boosts SMEs, leading to job creation, increased tax revenues, and a more robust local economy. We therefore give priority to locally sourced raw materials. Permits and licenses required by vendors who provide such goods and services include those for chemicals, mining and premium motor spirit.

Vendor performance evaluation assesses supplier performance on quality, health, safety, and environment (HSE). We also support the service providers with training in the location of every operation. In the event of recurring defaults by a supplier, consequence management measures are promptly applied. Our commitment to responsible sourcing underscores our dedication to maintaining the highest standards throughout our procurement processes.

Procurement spend 2021–2023

Over the last five years, variation in procurement practice can be attributed to evolving market conditions, increased investments in local content, research and development, as well as technology upgrades. We navigated this landscape by adapting to market dynamics while focusing on our shared value model.

Vendor management and local content

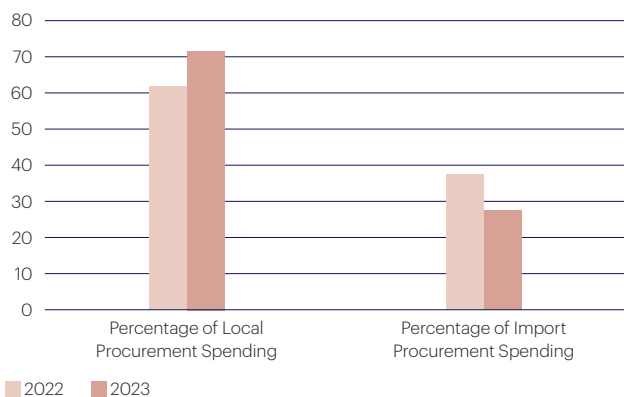
As an integral facet of our corporate responsibility we prioritise sourcing from local markets. Our local suppliers consist of small and medium-scale enterprises (SMEs) to blue-chip companies, service providers, labour suppliers, and multinational corporations. The endorsement of local products and services aligns with our commitment to fostering local industries, nurturing entrepreneurship, strengthening a resilient local economy and advancing sustainable growth and development across the African continent.

In 2023, we reviewed our vendor management system in Nigeria to understand our local vendors’ geographic composition better and strengthen our relationship with our suppliers. While 90% of vendors were mapped to Nigeria’s commercial capital, Lagos, 10% were drawn from other locations. The records showed an 8% growth in retailers’ network from 63,641 in 2022 to 68,800 in 2023. To underscore our commitment to building self-sustaining local economies in Africa, 80% of “purchase orders” were issued to local vendors, which amounted to ₦586,916 million compared to 64% in 2022 at ₦282,814.

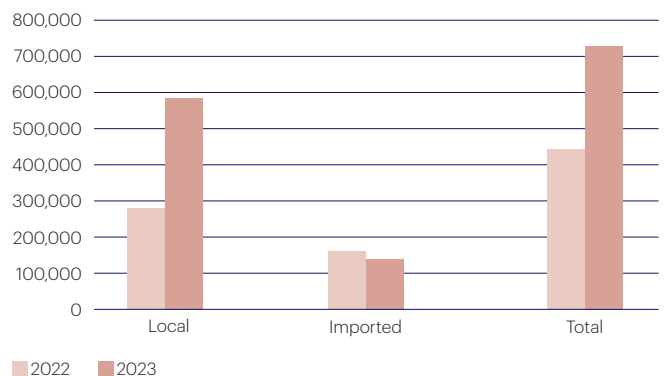


Providing support to artisans on our Falcon brand.

Percentage of procurement spend (%)



Purchase order issued (₦'million)



Case study: Testimonial of the Customer Trucks Empowerment Scheme (CTES)

As a cement distributor at Ibafo, in Ogun State, Nigeria, I was allocated one unit of 30 tonner truck under the Dangote CTES in December 2021 under a lease agreement. This has tremendously increased my capacity because the lease terms and conditions are business friendly. With proper control over our cement delivery plans we load and hit our markets within a few hours. The trucks are fitted with trackers to enable us to monitor our drivers' movements and our distribution plan. We look forward to more allocations of trucks to expand our business for our mutual benefit to meet the demands of our increasing customers. Kudos to Dangote Cement Management for this wonderful initiative aimed at empowering customers!

As the business landscape in Africa has implications for its populations, supply chains facilitate the fulfilment of needs. Dangote Cement reinforces ESG standards through capacity building and assessments to gauge our supply chain compliance. We enforce vendor commitments to the code of conduct for our supply chain while motivating good practices with recognitions and awards. Dangote Cement deployed an ESG code of conduct in all operational locations in 2023 to enhance sustainability performance in the supply chain and share best practices with our suppliers. This strategic approach, centred on continuous improvement, yields mutual benefits for

Dangote Cement and our supply chain partners, who can learn and grow as they adopt the practices. We ensure that our offshore suppliers obtain and update their certifications for specialised services to reduce the risk of unethical practices. For environmental protection activities, practices include utilising chrome-free refractory bricks to prevent land and water contamination, lamination packing bags to minimise cement's en-route spillage, and considering the proximity of hazardous materials to minimise en-route spillages. In the coming year, we plan to evaluate suppliers and vendors using compliance criteria of environmental and social practices.



Honouring our customers

Dangote Cement is dedicated to upholding the highest standards in customer privacy. Our respect for customer privacy in an increasingly digital world ensures that we adhere to data protection policies to safeguard the personal information of our valued customers. We prioritise customers' rights and dignity, respecting their views across all our operations and value chains. Our contact centre ensures that complaints about breaches of customer privacy are promptly reported.



ESG integration engagement with Obajana plant management.

The Dangote Customer Service Week, celebrated annually, is a dedicated week to appreciate and honour the contributions of our staff in serving our customers. Annually, the Company implements the week to acknowledge the importance of customer service and reinforce the value of exceptional customer experience. The 2023 Customer Service Week was held in October 2023 with the theme "Team Service." Various activities and events recognised employees for their contribution to excellence in service delivery.

Customer awards

As consumers become increasingly conscious of their environmental impact, they seek out brands that align with their values and positively contribute to society. Towards the end of the

year, Dangote Cement celebrated its customer loyalty at a grand event held in Lagos, Nigeria. This event demonstrated why sustainable business practices in marketing should be embedded to drive business growth. The distributors' award ceremony recognised the distributors' long-standing commitment and remarkable achievement in selling Dangote Cement products in 2023. At the event, the President/CEO of Dangote Group, Alhaji Aliko Dangote, who underscored reasons for the success story of the business, also remarked, "Our distributors work tirelessly to ensure that the product gets to our customers in every nook and cranny of the country, we can never thank you enough! You have been an integral and vital part of our business." As Africa's leading cement producer with 52.0Mta capacity across the continent and a production capacity of 35.25Mta in Nigeria, the business commits to continuous research and improvement in production processes to maintain the best quality cement products in the African market.

Our contribution to economic growth

The hastening growth, sustainability, and our goal of maintaining strength in diversity are tough challenges. Despite progress made in Africa, poverty remains endemic, and new threats to personal income are emerging. A way out is to create a balance for creating decent jobs that provide a social contract that enables the population to enjoy affordable housing and access to health and energy for those at the bottom of the pyramid. Achieving this requires investment, which is fuelled by solid financial performance. In the review of our financial performance for 2023, gross revenue grew by 36.4%, from ₦1,618,323 million to ₦2,208,090 million. Our value-added performance reveals that dividend per share rose from ₦20.00 to ₦30.00, a 50% increase from 2022. In our contribution to providing decent jobs, wages, salaries, and other employee benefits increased by 52%, from ₦90,323 million to ₦137,139 million. Similarly, wealth created for local suppliers and vendors across our supply chain rose by 60%, from ₦496,349 million in 2022 to ₦793,620 million in 2023. As we nurture our growth in the financial pillar, we advanced our social contract by investing ₦2,356 million in CSR interventions. We recorded 587 education beneficiaries from Nigeria operations alone. Other plants committed various amounts to enhancing socio-economic well-being in Pan-African countries.

Marketing and labelling

We are committed to ethical, responsible marketing and labelling of products to meet global best practices and regulatory standards for product transparency in the markets where we operate. Hence, we aim to establish labelling and marketing standards that instil customer trust. Our marketing approach strategically ensures we are not only meeting customers' needs but also making a positive impact on them and the entire society.

Product quality and market competitiveness

Regarding product quality, recognising the vital role of cement and concrete in our lives and tackling climate change is at the heart of everything we do. Although desirable cement properties may vary depending on the construction type, our builders and developers generally tell us they want a product that provides strength to masonry, stiffens or hardens early, possesses good plasticity, is easily workable and is moisture resistant. Maintaining and improving our product quality means we are an enabler of critical buildings and infrastructure that enhance people's lives – safe and durable homes, roads, hospitals, clean water, waste management, and providing structures for clean energy for the future. We embed quality practices in their routine methods, so instead of an afterthought, quality is ingrained in daily operations monitoring and Company performance.

Market competitiveness is about making sustainable development count in the local markets. As Africa's market grows in social consciousness, there is an increasing reward for business practices that deliver improved sustainability outcomes. Through stakeholder forums, societal norms, and citizen actions, we learn more about what the market wants, forming our strategy to win an advantage. Staying ahead of competition for the Company is about responsible competitiveness strategies that shape our business practices, leading us to take explicit account of social, economic, and environmental impacts.

Builders and developers

Builders and developers are central to the value chain of affordable housing and meeting SDG 11. Achieving affordable housing materials would play a prominent role in the aspiration of developing Africa's rural communities at a lower cost without compromising on quality. However, the primary barrier to maximising our product quality is a lack of knowledge of the properties of building materials. In 2023, Dangote Cement adopted limited knowledge about the products and additional skills as themes for engaging with builders and developers. Diverse initiatives were deployed, and some under consideration in different countries include implementing workshops at various levels, investing in research and development, providing distributors reference materials, partnerships with institutions/skilling centres and establishing new exclusive training institutes.

Delivering our vision through distributors

Through our interactions with trade associations, we connect with budding retailers, distributors, and potential distributors attracted to our business. This has resulted in an influx of expressions of interest for distributorship. However, our distributors' network activities reduced by 18% from 1,361 in 2022 to 1,117 in 2023. To support our distributors further, the Company introduced a Distributor Management System (DMS) in December 2023, with the rollout scheduled to commence at the end of January 2024. The DMS is a digital solution that replaces the traditional order and delivery process with an electronic system to ensure greater ease of business. The DMS will enable our distributors to place orders from mobile phones or computers, delivering more efficient service. The system also provides enhanced access to comprehensive and prompt distributor sales information.

Case study: Nigeria's strong market solidarity

As a demonstration that our value proposition goes beyond sales of our products, Nigeria's technical department implements after-sales services to educate consumers on using our different product brands. A skilled technical representative in each region engages trade associations to understand their needs and provide support. The Nigeria Sales and Marketing team partnered with the Standards Organisation of Nigeria (SON) to implement workshops this year. The sessions aimed to demonstrate the use of lower carbon products, namely the sandcrete and falcon brands, to bricklayers, tilers and others in the property development value chain. Nigeria showed solidarity with its value chain in other partnerships with the Nigeria International housing show, sponsorship of the Nigeria Institute of Architects Annual General Meeting and Lagos State Bricklayers Association end-of-year activities. Similarly, the team actively participated in the annual Trade Fairs of notable Nigeria cities of Enugu, Abeokuta, Abuja, Kaduna, Kano, Minna, and Lagos State.




Dangote Cement customer receiving award.



Distribution Management System.

Workforce experience

Human capital is the paramount asset of a future-oriented enterprise; therefore, DCP places utmost importance on its employees' physical, mental, and social well-being and continues to make deliberate efforts towards improving workplace experience.



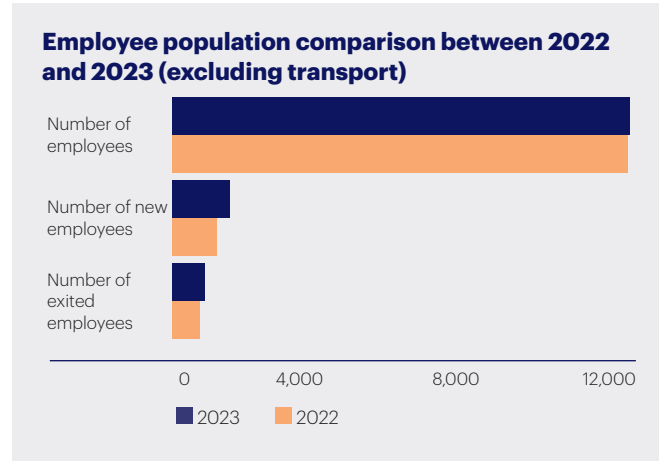
Thus, our labour practices align with local and global labour-related frameworks, including the International Labour Organization (ILO) Labour Act, the United Nations Global Compact, and the Nigerian Labour Act. To enhance a positive workforce experience, the Company's operational human resource policies, including the Annual Leave Policy, Travel Policy, Human Rights Policy, Sexual Harassment Policy, Compensation and Benefits Policy, Manpower Planning and Recruitment Policy, and Education and Training Policy, were expanded during the reporting year.

As a company with a workforce from over 20 nations, characterised by a mix of permanent, temporary, and expatriate staff from different educational backgrounds and age group. DCP had a total employee number of 12,051 in 2023 compared to 11,983 in 2022.

Employee welfare and business continuity

Recognising the vital role employees play in driving the growth and continuity of our business, we remain steadfast in providing competitive wages, benefits and support mechanisms for staff welfare. These benefits include workers' comprehensive insurance, health care, paid annual leave, maternity leave, children's education support allowance, professional body subscriptions, and wedding gifts. Other benefits include group life insurance, employee spouse group life insurance, examination leave, long-service award, staff marriage cash gift, birthday gift, and paid mourning leave. Prompt remunerating of benefits employees is a culture we have sustained. During the year, 1,478 new DCP employees joined our workforce in 2023, a 26.1% increase from the 1,172 recorded in 2022. Similarly, the transport division experienced a 93% increase in new employees in the reporting year with new employee numbers growing from 1,162 recorded in 2022 to 2,247 in 2023. However, amidst this growth, there was an increase in staff exit rate, rising by 13.7%, with 839 people leaving the Company in 2023 as against 737 recorded in 2022. This increase is as a result of the increase in migration. The Transport Division witnessed a 66% increase in exits in 2023, compared with 2022, totalling 2,197. This increase can be attributed to voluntary exits and retirements, underscoring the dynamic nature of our workforce management strategies.

The Global Business Continuity Awareness Week is an annual event designed to support professionals and organisations in raising awareness and embedding business continuity to build resilience so that they can thrive in the face of adversity.



At Dangote, the week provided a unique platform to reflect on our preparedness for unexpected events both personally and professionally. It was commemorated with an enlightenment campaign and a webinar. As part of our commitment to upholding our business continuity strategy, we conducted a comprehensive Business Impact Analysis and Risk Assessment for the department.

We marked the annual compliance week with the theme 'Policies, Procedures & Conduct.' A major highlight of the week was a roadshow to create awareness and encourage compliance with the Company's policies and procedures.

Creating employment opportunities

Given Nigeria's standing as the largest economy on the continent, governments face the challenge of maintaining social stability, reducing migration, and increasing productivity and income. As part of Dangote Cement's vision to be the employer of choice in Africa's cement industry, the Company reintroduced its Graduate Trainee Programme in Nigeria and Zambia. In 2023, the programme inducted 94 and 24 graduates in Nigeria and Zambia, respectively. During the intensive 18-month training, the youths were exposed to an on-the-job learning structure

which encouraged experimentation. Following the first six months which focused on rotational on-the-job learning, the next six months provided training on core competencies. The programme concluded with six months of leadership handholding training before 81 of the young graduates were officially absorbed into the business workforce as permanent staff.

Through this inspirational and impactful journey of moulding Africa's future generation, the ex-graduate trainees had a lot to share about their experiences.

"The induction phase was one of self-discovery and it helped me set and understand the path I would love to venture in. It was a period of self-reflection and has affected every decision I have made in life ever since."

Cross-section of DCP Zambia graduate trainees.



"My experience is a great one because I was able to learn the technical aspect of the Company which, ordinarily, I didn't know anything about before the programme because of my non-technical background, now I know all the processes of making cement and also the equipment and materials used in making it. Also, I went through almost all the departments, and I learned something new in each."

"Exceptionally engaging, adventurous, enough to prepare any person for a good career in related chosen career paths. Top-notch learning experiences and creating avenues to meet great minds, experts and good human beings. Second to none journey and a worthwhile experience."

"The highlight of my experience during the Graduate Trainee Programme was undoubtedly the exposure to diverse aspects of the Company's operations. Engaging with cross-functional teams and working on real-world projects allowed me to apply theoretical knowledge, fostering a deeper understanding of the industry."

"My experience throughout the 18 months has been an exciting one. The programme modules strategically met my development needs (technical and especially my soft skills). A major highlight was during the 3rd phase of the programme (role assignment) where I was presented with the Golden Opportunity of working as a DCS/Automation support Engineer. I termed it a "Golden Opportunity" because people rarely get to work in the DCS section due to the highly technical tasks carried out in this section. The on-the-job learning phase already laid a good technical foundation for me; hence, I was able to align with this role quickly."



Safety talks at the plant.

Occupational health and safety

Occupational health and safety practices are a prerequisite for maintaining workers’ physical, mental and social well-being. Dangote Cement’s Occupational Health and Safety responds to employees’ OH&S needs by monitoring the Company’s safety guidelines, developing risk assessment processes, and conducting safety inspections based on the 15 golden rules. Activities implemented include Job Safety Analysis (JSA), Hazard Identification, Risk Assessment and Control (HIRAC), Improved Compliance on the 15 Safety Golden Rules and Implementation of Permit to Work systems. We also implemented Firefighting Training, Healthy Living campaigns, Defensive Driving and Safety Competency Improvement for Line Managers.



Government collaboration with DCP Occupational Health and Safety.

Workplace safety is a critical issue that all businesses need to take seriously. An effective HSE management system helps us at Dangote to reduce the risks associated with work activities. By identifying hazards and implementing controls, we minimise the likelihood of accidents and injuries occurring in the workplace. Our workplace safety records showed a total work hour of 42,587,656 in 2023. During these hours, 334 first-aid injuries were reported and addressed. Additionally, 124 individuals received medical treatment. Our efforts to improve OH&S efficiency saw a 21.6% reduction in Lost Time Injuries compared to the previous year a reduction from 37 in 2022 to 29 in 2023. Over 490 employees received first aid certifications, among other initiatives to drive the responsiveness of our workforce to HSE matters. There was also an improvement in the reporting of near-misses, which amounted to 1,561 compared to 1347 in 2022.

Talent attraction, development and retention

At Dangote Cement, we prioritise the growth of our people through commitments outlined in our Learning and Development Policy. Our Employee Assistance initiatives aim to enhance employee skills in business ethics and culture, Technical, Professional, Leadership Development, Business Management, and Personal Effectiveness Programmes. These programmes adopt innovative work methodologies to enhance capabilities, collaborative and leadership skills. In 2023, 16,787 employees received tailored training addressing business and personal development needs. Notably, sustainability training targeted subject-specific competence for achieving the year’s KPIs which recorded an 11% increase in training hours from 1,478 in 2022 to 1,642 in 2023. Our executive/senior management staff had a total 6,636 trainings hours, our management staff had 20,024 training hours, while our senior and junior staff had 81,680 and 76,930 training hours respectively. Time spent on employee training amounted to 185,270 hours. Although total staff training investment of ₦694,913,079.24 reduced by 14%, in 2023 female employees received more training in 2023 than the previous year. A total of 34,921 employees were trained, comprising of 25,640 employees trained physically and 9,281 trained virtually. Regular performance and career development reviews are conducted for all employee categories to facilitate continued employability and effective management of employment transitions. The Transition Assistance programmes provided avenues for mentoring and other multi-disciplinary trainings such as the “Finance for Non-finance Managers” and “HR for Non-HR managers” trainings.



Maintaining zero tolerance for forced and child labour

Dangote Cement recognises that child labour is a violation of human rights and an emerging economic concern that compounds social inequality. Businesses that have child labour in their supply chains are exposed to risks. To navigate this complex regulatory landscape in our value chain, Dangote Cement implements a clear human rights policy prohibiting child labour and setting out expectations for suppliers’ ethical business. We mitigate the risk of child labour by engaging suppliers and training supplier subcontractors and recruitment agencies. In the year under review, we conducted human rights due diligence to determine how certain factors may increase the risks of child labour in our operations or supply chains. Through our Graduate Trainee scheme and internship opportunities, we provide decent work to young workers and adolescents while equipping them with the relevant skills they need to prepare for the future workforce.

The Risk department monitors and reports risk assessment findings in operations and supply chains to help increase transparency and demonstrate actions that are being taken to prevent, identify and address child labour. These initiatives supported the Company in recording no child or forced labour incidents in our operations or those of suppliers in the reporting year. Dangote Cement remains committed to robust control systems to ensure that our partners uphold the principles of the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) Forced Labour Convention (2014).

Non-discrimination and equal opportunity

Our commitment to fostering a workplace free from discrimination and providing equal opportunities is compliant with the United Nations Universal Declaration of Human Rights (UDHR) and relevant local regulations. This is implemented through the Dangote Human Rights Policy. Creating a respectful and inclusive environment was further reinforced by human rights training of 259 employees in DCP. There were no reported cases of discrimination during the reporting year. Our employee diversity and equal status in the year had mid-level employees (ages 31-50) constituting the most significant portion of our workforce at 70%. This mostly comprises a mix of permanent and temporary staff. The more mature workforce (over 50 years) was 17% primarily comprising permanent and expatriate employees. The ages 18-30 represent 13% of our workforce who are mainly permanent and temporary staff.

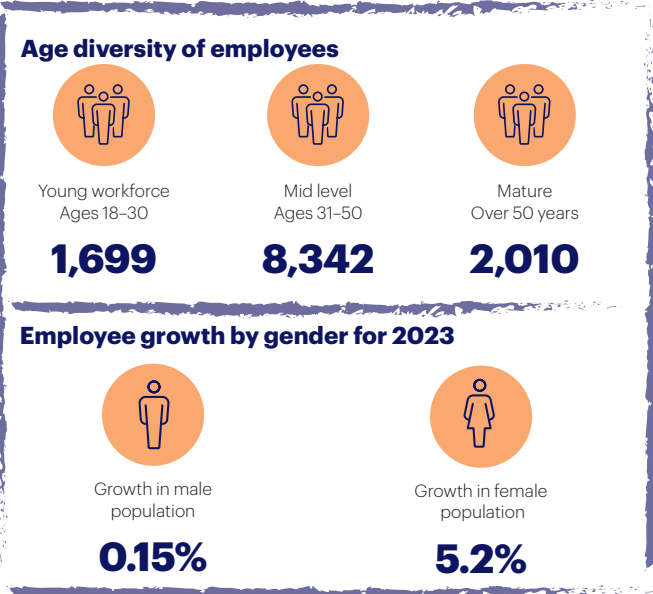
The Senior Management and Executive Management collectively constitute 2% and 0.3% of the DCP population, respectively. As more opportunities are created for local employees to assume leadership roles, we achieved a 7.2% reduction in expatriate numbers. Similarly, a 28% reduction in temporary employees was attributed to the expanding permanent roles in the Company.

Freedom of association and collective bargaining

Dangote Cement views collective bargaining and/or freedom of association as mechanisms to create more decent jobs and be effective in stakeholder management. At DCP, freedom of association is encouraged in line with local laws, Company policies and principles of the International Labour Organization. We support freedom of association by allowing employees to participate freely in workers’ or professional organisations or unions. Our commitment to collective bargaining agreements is reflected by the 760 employees who are covered by this agreement in some of our Pan-African locations such as Ethiopia, Ghana and Senegal. In 2023, staff unions held monthly meetings to deliberate on issues of common interest to members.

Employee engagement

DCP has a well-established system for appraising employee performance and driving engagement. This system provides avenues to discuss progress, exchange feedback and recognition, identify support that may be needed, and address issues that could affect an individual’s well-being. Our multifaceted engagement methods include physical or online meetings, one-on-one engagements, webinars, notice boards, emails, newsletters, sustainability reporting, surveys, awards and recognitions. Furthermore, we are committed to the holistic well-being of our employees and express this through initiatives such as the employee survey, provision of virtual medical consultation for all employees, mental health support for all employees, and weekly office exercises at the head office.



Fostering a diverse and inclusive workplace encourages representation from various voices and perspectives, contributing to innovation and creativity. DCP is home to people from diverse nationalities, ethnic groups, and cultural and religious orientations. On gender diversity, the DCP workforce comprises 1,028 females and 11,023 males. This marked a 5.2% increase in the female population compared to 2022 at 977. Similarly, we recorded an improvement in the female gender ratio from 8% in 2022 to 9% in 2023. This demonstrates efforts to attract and empower women in various roles in the business. As businesses globally deal with the challenges of the new world of work, we recorded lower attrition rates among our new hires in plants such as Nigeria’s Okpella and Senegal.



Meet the First Female Head of Production

Bretina Bialele Mackosso’s career journey began as a Chemical Engineering graduate in Russia to becoming the first local and female Head of the Production in the Dangote Cement Group. Her professional career at Dangote Cement Congo began in 2016, where she served as CCR Operator and MIS Officer during the project phase. Later in 2018, her exceptional skills earned her a permanent position as a process engineer. In 2019, she was promoted to the Raw Mill Section after the expatriate’s departure and served as the coordinator for the ISO certification project later in 2020. She rose to become the Head of the Production Department in April 2022. Mackosso’s daily routine begins at home, managing her family before she engages in the strategic planning functions of the Congo plant.

Mackosso acknowledges the prevalence of gender bias in the society but finds comfort in implementing workplace practices to address gender stereotypes in Dangote Cement. Despite the challenges of being a woman in a leadership, Mackosso emphasises Results-Based Management (RBM) and focus on efficiency to succeed. She urges women in STEM to embrace gender matters as a blessing and an opportunity to champion and co-create solutions with men for a better society. Mackosso’s success story is evidence of Dangote Cement’s commitment to diversity and inclusion. The Company’s invests in training and development, for building a solid workforce that is gender sensitive and inclusive.

Social performance

A corporate social performance model benefits the business and the community.



Dangote Cement's approach to social performance is to create value for the population it aims to reach. Beyond producing quality cement, we support development activities in education, self-empowerment, health and well-being and infrastructure. In 2023, our focus was to identify unmet needs in our communities. This is crucial for planning appropriate and effective programmes to meet these needs. To avoid a top-down approach which reflects what a few people perceive to be the needs of the population, we embarked on needs assessment studies in 33 communities.

Serving the underserved

Our support for underserved populations has remained unwavering despite the growing needs in our communities. Recognising the importance of this demographic helps us prioritise communities with limited access to resources, opportunities, and representation. As a socially responsible citizen we earmarked a significant investment for skills transfer, direct and indirect employment, and inclusion as local suppliers in our value chain. The Company adheres to its Community Development Agreement with all host communities. This is a way to promote cooperative and mutually respectful relationships. Such agreements are reviewed and updated periodically to accommodate emerging social development needs. An example is the five-year Community Development Agreement (CDA) of Nigeria, Ibese plant, signed in 2022.

To foster inclusivity in communities, we implemented activities targeting minority groups. Such activities include care outreach for 50 senior citizens, donation of freezers to 50 women as a source of empowerment, provision of toilet and sanitary facilities in Abule Maria, starter packs, and scholarships for students in Nigeria's Ibese plant community. In the Ele community of Nigeria's Onne, 13 canoes and fishing gear were provided to support fishermen and women in the coastal communities of the clinker terminal.

Our Ethiopia plant provided registration and school fees to needy children around the host community. Completing the staff room, renovating the school library and furnishings in neighbouring secondary schools, and installing a 5KVA solar inverter supplied to regional schools contributed to boosting education. Also on education, communities in Nigeria's Ibese plant received school starter packs and scholarships at the 2023 Ibese Community Day commemoration. In Cameroon, the Deido Hospital was the beneficiary of the emergency room and medical equipment donated.

Some social investment activities include road construction to gravel standard (Msijute (0.2 km), Naumbu (0.5 km) and Ndumbwe (0.5 km) villages) in Tanzania, infrastructural projects at DCP Obajana, including drilling of boreholes in Iwaa and Obajana,

construction of culvert and drainage in Iwaa, etc., construction of classrooms in Toglou and Diass in Senegal, Installation of 500kv electricity transformer in Gboko Industrial Layout, construction of a public garden in Mbankomo and three boreholes in Limbola village, Cameroon; rehabilitation of the emergency room, Deido District Hospital, Cameroon, donation of medical equipment, beds and wheelchairs to Metropolitan Polyclinic, Ghana; scholarship awards to indigent students in Nigeria's Ibese; donation of 60 school desks to Sungabukanda Basic School, benefitting 120 students in DCP Zambia; and women's Literacy and Empowerment Programme project building constructed in DCP Congo.

Overall, our social investment has been a deliberate commitment to our stakeholders and the communities in which we work and live. In 2023, our expenditure on CSR amounted to ₦2,356 million, marking a difference from previous years. This investment funded a 24.2% increase in community projects in 2023.

Year-to-year comparisons of social investment activities and expenditures per location provide transparency and accountability. The variances are thoroughly examined to ensure a comprehensive understanding of the impact and effectiveness of our social investment initiatives.

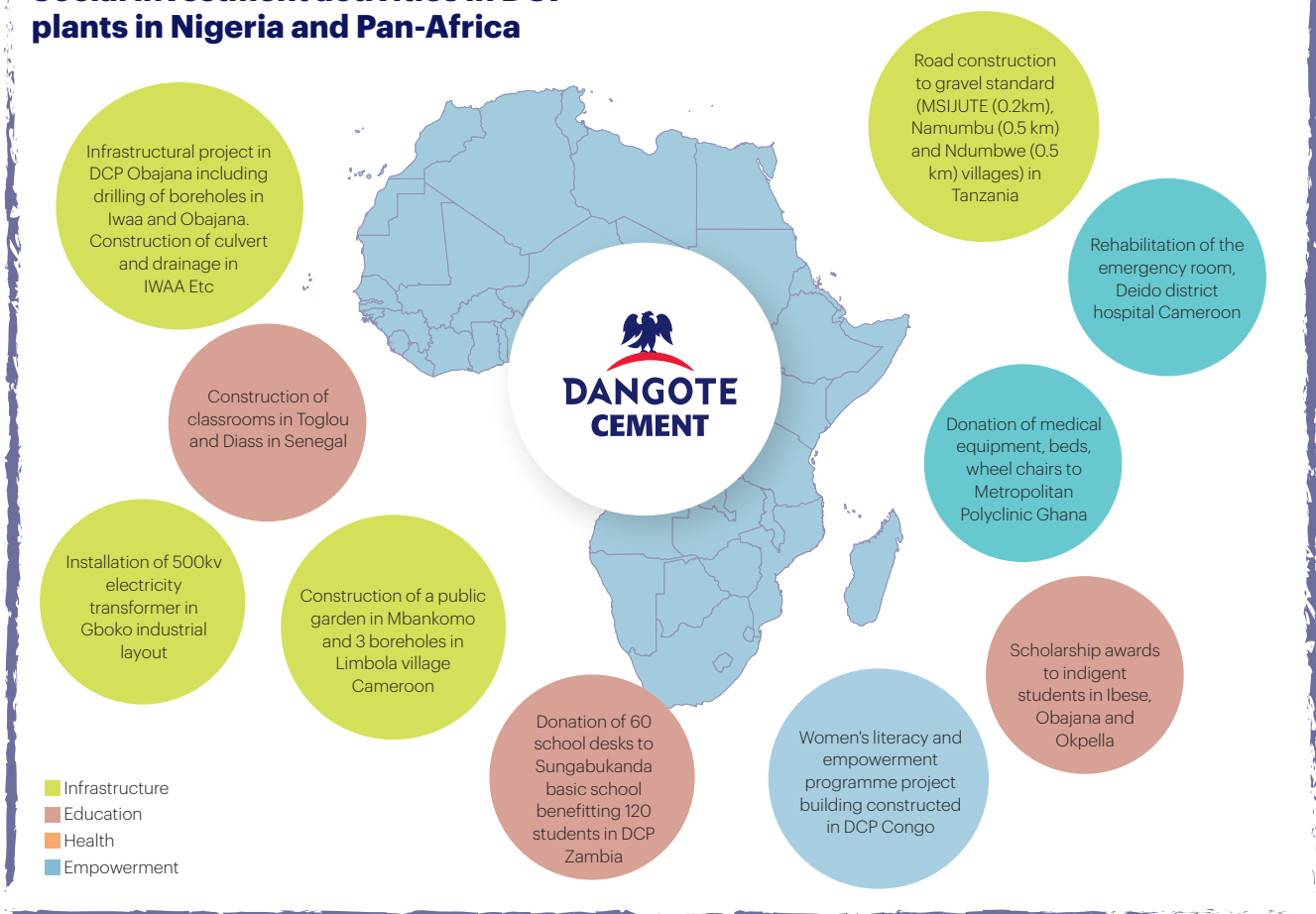


Community leaders gracing an event.



Foodstuff donation to the Holy Family Home for the elderly.

Social investment activities in DCP plants in Nigeria and Pan-Africa



CSR activities and spending

Dangote Cement's commitment to the well-being and development of its people through empowerment programmes informed our strategy of reactivating nonfunctional legacy CSR projects across the 17 host communities in 2023. The focus in the coming year shall be continuous engagement and responsiveness via various channels, with the aim of contributing meaningfully to the sustainable development of our host communities.

2023 Sustainability week footprint

"Giving back" is an integral part of our cultural pillar, which fosters a sense of purpose and empathy and encourages employees to participate in philanthropic endeavours. The Sustainability Week promotes social cohesion and teamwork and enhances employee engagement in our workforce.



Our business is one of the most diverse institutions positioned for creating wealth and opportunities and helping to lift people out of poverty. Reflecting on this value proposition enables us to ensure good quality and impactful CSR initiatives."

James Adenuga

Group Chief HSSE & Sustainability Officer, DIL



Sustainability week summary

During our 2023 sustainability week themed "Sustainable Consumption and Production"- The Dangote way, several projects were implemented to reflect our commitment to responsible utilisation of natural resources as well as enhancing the well-being of our host communities. In Nigeria, projects included a Sustainable Living Fair featuring 'eco-friendly' exhibitors, a charity visit to the Regina Mundi elderly people's home in Mushin, inter-school climate innovation challenge, a visit to a juvenile correctional centre and orphanage home by DCP Gboko employees, and a community waste clean-up in DCP Obajana and surrounding communities.

Some projects in our Pan African plants included a tree planting campaign of mangrove trees at Namgogoli village Mtwara Tanzania, hosting of a green transport day to promote eco-friendly transportation in Tanzania, Tsholofelo Primary school vegetable garden tunnel construction in DCP South Africa, school uniform donation program in DCP Cameroon, entrepreneurship training and empowerment for ladies in DCP Ethiopia host communities, and sustainable waste management campaign and donation of waste segregation bins in DCP Zambia. A total of 1,517 volunteers utilised 5,984.2 volunteering hours for 43 projects in 12 locations.



Educating younger generation in commemoration of Climate Literacy Day.

Our responsibility to safeguard mining communities

Dangote complies with regulations that guide resettlement and displacement of communities. We recognise that mining-induced displacement has both positive and negative effects on indigenous mining communities. Regarding the positive effects, we have witnessed improved access to social infrastructure such as health, education, and potable water in the communities where we mine. Empowering mining communities with access to socio-economic infrastructure is vital for fostering sustainable development. By supporting socio-economic development in our mining communities, we aim to create a sustainable environment that future generations can call home. Our social intervention initiatives in mining communities include support for education and healthcare, while infrastructure support provides access to roads and transportation facilities.



Sustainability Leaders at the 2023 Sustainable Living Fair in Lagos, Nigeria.

Dust and vibration control

Dust emissions from cement plants and vibration are known to have significant environmental and health impacts in nearby communities. The cement industry addresses fugitive emissions where the clinker is stored in the silos to prevent dust when it is discharged onto the conveyor belts. We continuously monitor parameters and routine maintenance of back filters connected to exhausts beside the discharge point. Some of the measures we have implemented include using personal protective equipment (PPE) such as respirators, dust masks, and goggles and installing dust collection and control systems. Our HSE department trains employees in the safe handling and control of dust. This precautionary approach aims to mitigate the impacts of our production process on the environment.

Case study: Galane, the thriving community

The resettlement project of a community in Galane is a notable initiative of the company in Senegal which was completed in 2015. It was one of the most significant social interventions of Dangote Cement Senegal plant which cost about 1.6 billion CFA. Galane was a small village in Keur-Moussa, Senegal, mainly inhabited by indigent cattle rearers. The village lacked access to education and basic social amenities, but at the delivery of the project, the people of Galane were given a new lease of life. Dangote Cement Senegal (DCS) built 44 houses. It provided social amenities, namely potable water, electricity, a health centre, a primary school, a mosque, a market, a mortuary, a sports field and a cattle vaccination park. An access road to the village was built. As at 2023, the economic and social status of the communities has improved with the children now attending school and some of the indigenes have taken of diverse jobs at the plant. In partnership with a renewable energy company, DCS is working to provide clean energy for cooking and lighting. As the property ownership is confirmed with the issuance of title deeds to the homeowners, the Galane community members can now afford to redesign and customise their homes.

Dangote Cement employs a multifaceted approach to grievance resolution, including transparency, robust communication channels, continuous monitoring, and accessible conflict resolution mechanisms. We have institutionalised community involvement in the crucial decision-making process and grievance resolution. For 2023, 82 community grievances were recorded compared to 211 in 2021 with 58 successfully closed. Major grievances in mining communities primarily revolved around environmental impact and safety, compensation and employment concerns. The continuous improvement of our grievance resolution procedures reinforces our commitment to giving a voice to our host communities and strengthening our ties and collaborations for a sustainable future.

Dangote Cement is dedicated to steering a thorough socio-economic impact assessment of resettled communities resulting from its procedures. This assessment aims to comprehensively gauge the effects of resettlement on both the local and national communities, examining significant factors such as good living conditions, socio-economic opportunities and welfare to ensure that the resettlement process meets regulatory requirements and contributes positively to sustainable development. Through these efforts, we strive to set the standard for responsible corporate citizenship within the mining industry.



Housing units built for Galane indigenes by Dangote Cement Senegal

Partnerships for prosperity

Partnership for the goals: SDG 17 helps businesses expand their networks, boost sales, and secure access to resources.



As Dangote Cement collaborates with key stakeholders, it aims to build and strengthen relationships and share our values locally and internationally. Through thought leadership activities, we share our best practices and insights for a more sustainable industry. We utilise conferences and industry platforms to demonstrate our leadership in Africa's cement sustainability landscape. As we are in alliance with the Global Cement and Concrete Association, United Nations Global Compact, and other multi-lateral agencies and alliances, we contribute to shaping the future of sustainable business practices in Africa.

Corporate governance

DCP's corporate governance framework is underpinned by integrity, ethical conduct and accountability. These values are the cornerstone of its operations, driving sustainable decision-making and ensuring accountability. Our corporate governance is designed to monitor long-term shared value creation for our stakeholders. In 2023, we embedded our corporate governance framework into the activities of countries where we have a presence.

As an intangible resource, ethics guides our engagement with our employees, customers, communities, shareholders, regulators and other stakeholders. The Company's whistleblowing system allows for reporting suspected breaches of internal policies, laws, and regulations that may threaten our organisation. DCP has a comprehensive anti-fraud compliance programme that binds all employees regardless of position or status. Every fraud-related activity is rigorously investigated, and defaulting employees are disciplined. Nigeria office aligns with two anti-bribery laws, which are the Corrupt Practices and Other Related Offences Act of the Independent Corrupt Practices and Other Related Offences Commission (ICPC) and the Money Laundering (Prohibition) Act of the Economic and Financial Crimes Commission (EFCC). In 2022, we recorded 23 confirmed cases of bribery and corruption, which increased to 27 cases in 2023, alongside 60 whistleblowing cases. 52% of the cases were resolved, while 48% are being investigated. To proactively prevent bribery and corruption events, we initiated an educational campaign via the Company intranet to sensitise people about the detrimental effects of such practices. Simultaneously, a Board-approved policy on the referral of internal audit-investigated cases is in effect.

The Global Cement and Concrete Association (GCCA) guides our operational practices to align with global standards. We are a member of GCCA and our GMD, Mr. Arvind Pathak, is on the Board. Additionally, we hold the distinction of being the largest emerging market outside of India and China within the GCCA, we also serve as the sole representative from Africa. In reinforcement of our business ethics practices, we recorded an 11% improvement in sustainability training, a 2.2% reduction in CO₂ emissions, and a 25% increase in social investment. The plants have obtained ISO 14001 certifications for environmental protection compliance. Some plants have also seen upgrades to maintenance systems. The total number of valid environmental permits and licenses maintained in compliance with regulatory standards in 2023 for all our operations was 101.



Financial performance

Although this year's growth story has been hinged on non-financial ESG factors, financial performance remains a sustainability pillar of Dangote Cement. Sustainable economic management ensures self-sufficiency for not just business but also society. It onboards our commitment to value creation to not just shareholders but the households that we serve. We promoted household income generation through salaries, wages and benefits which amounted to ₦137,139 million in 2023. Our shareholders also received a total dividend payment of ₦337,471 million. Profit after tax increased by 19.2% from ₦382,311 in 2022 to ₦455,583 in 2023.

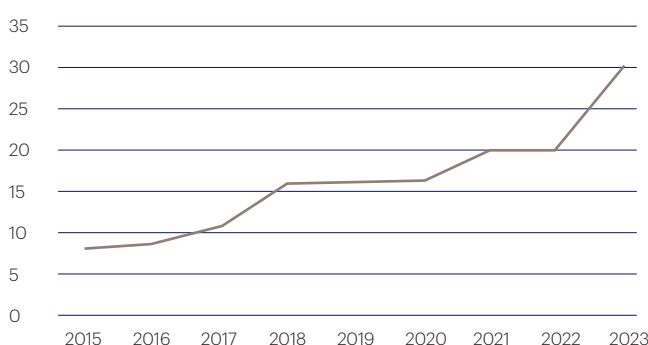
Economic value creation

Our economic value creation model focus is first to serve a diverse market and by so doing, grow the local economy through responsible procurement practices, tax payment as a responsible corporate citizen and proactive social investment practices for prosperity and advancement of local communities.

Responsible payment of tax and dividends

Taking a responsible approach to tax means that our business is open and progressive and considers all stakeholder interests in line with its tax policy. For us, responsible tax conduct does not only support funding for governance and public and social services; it helps the business deliver sustainability goals. DCP approaches tax as an essential element of the Company's environmental, social and governance agenda. In 2023, our tax payment increased from ₦150,766 million in 2022 to ₦166,129 million 2023. Like tax, our goal of long-term value creation for shareholders informs us of our responsibility for dividend payment to shareholders. Our historical performance in dividend payments can be a case study on how sustainable firms exhibit stable dividend payouts, as our dividend per share grew by 50% in 2023.

DCP tax payment and dividend declared in the last three years



SN	Parameters	2021	2022	2023
1.	Tax payments (₦million)	33,408	150,766	166,129
2.	Dividend payments per share (₦)	20.00	20.00	30.00

Contribution to job creation

As champions for sustainable development, one of the ways we contribute to the economies where we operate is through job creation. Expanding our business operations and engaging diverse value chain players and local and international partners were instrumental to achieving 12,051 staff in our direct employment in 2023. Contribution to household income is one of the impacts a business can make on the society it relies on for production resources. Development outcomes cannot be achieved without human resources, raw materials, and other inputs of production. Direct contributions to household income includes wages, salaries and dividends. With a 20% increase from ₦496,634 million recorded in 2022, our contribution to income in Nigeria Naira was ₦593,594 million. Indirect contributions, which include taxes, local procurement, and social investments, amounted to ₦962,105 million in 2023, signifying an increase of 48% from ₦648,763 million in 2022.

Contribution to household income in the last three years

Parameters	2023 ₦'million	2022 ₦'million	2021 ₦'million
Direct contributions			
1) Employee wages, salaries and benefits	131,812	86,328	72,824
2) Pension cost	2,883	2,444	—
3) Employee benefits obligation	2,444	1,551	—
Total	137,139	90,323	72,824
Payments to providers of capital			
(1) Dividend paid to shareholders ₦337,471	337,471	337,471	272,005
(2) Interest on all forms of debt and borrowings ₦118,984	118,984	68,840	52,558
Total	456,455	406,311	324,563
Total	593,594	496,634	397,387
Indirect contributions			
Tax payment	166,129	150,766	33,408
Local Procurements (All operations)	793,620	496,349	409,216
CSR intervention spend	2,356	1,897	2,490
Total	962,105	649,012	445,114

Economic value generated and distributed (EVG&D)

Strong economic performance through diversification of operations and improving operational efficiencies to meet market demands has proven to support our goal toward economic value generated and distributed. Through innovation and investment, our revenue generated increased by 36% from the previous year to ₦2,208,090 million. Similarly, economic value distributed, consisting of operating costs at ₦1,371,383 million, employee wages and benefits at ₦137,139 million, payments to providers of capital at ₦456,455 million, payments to government by country at ₦166,129 million, and CSR at ₦2,356 million, rose to ₦2,133,462 million in 2023, accounting for a 33% increase.

Year	2023 ₦'million	2022 ₦'million
Revenue	2,208,090	1,618,323
Employee wages, salaries and benefits	137,139	90,323
Operating costs**	1,371,383	958,819
Payments to providers of capital (dividend to shareholders plus interest payments to providers of loans)	456,455	406,311
CSR intervention spend	2,356	1,897
Local Procurements (All operations)	793,620	496,349
Payments to government	166,129	150,766

** Excluding administrative expenses

Total Procurement Spending (All DCP Operations)

Procurement Per Year	Total ₦'million	Local ₦'million	Imported ₦'million	Percentage of Local Procurement Spending	Percentage of Import Procurement Spending
2021	632,960	409,216	223,744		
2022	797,286	496,349	300,937	62%	38%
2023	1,108,083	793,620	314,463	72%	28%

Defining our local content

Our local content is the indigenous resources, skills, traits and capacities, including natural endowments of people in a particular area. The geographic boundaries for defining what constitutes local content of our operating countries may vary depending on culture, market trends and local regulations. Overall, local procurement spending of the business grew by 60% from ₦496,349 million in 2022 to ₦793,620 in 2023 which comprised 72% of total procurement spend of ₦1,108,083 million in the same year. Central to this improvement was the empowerment of our local suppliers through, the digitisation of certain aspects of our procurement process and the integration of sustainable supply chain practices.



We strive for true prosperity through our sustainability efforts because we understand that true prosperity is shared prosperity.”

Annabelle Umoetuk
Sustainability Lead, Ibese, Nigeria

Investing in communities

Community investment is part of our economic value proposition. As part of efforts in building sustainable communities, we invest resources in local communities to promote socio-economic development. We build strategic partnership with community-based organisations, civil society and specialised agencies to deliver impact in health, education, infrastructure and people empowerment.

Total CSR spending

Categories	Spend
Health/Water&Sanitation/Environment	₦128,340,419.59
Economic Empowerment/SME Development/Food&Agriculture	₦72,409,137.75
Infrastructure (Electricity, Road and Drainage)	₦379,816,184.03
Education and scholarships	₦379,068,370.69
Donations, support and grants to host communities/community compensation	₦320,240,860.33
Donations and grants to government (National and Sub-National)	₦262,261,564.03
Donations and grants to CSOs/NGOs and development bodies	₦200,860,777.68
Others	₦612,589,554.33
Total	₦2,355,586,868.43



Supporting rural initiatives in Congo.



Staff in cultural attire celebrating cultural day at HQ.



Ibese DCP day out with elders.

Nature positive future

Nature's critical role has been increasingly recognised within the business and finance community in decision-making, from operations to value chains and investments.

The concept of a nature-positive future is about our collective survival and well-being by increasing resilience to climate change. Dangote Cement's approach aims to be as comprehensive as possible in actions to assess, commit, transform and disclose impacts and dependencies on nature. We embrace this journey by highlighting contributions towards a nature-positive future rather than claiming to have arrived at the nature-positive destination.

In a drive for environmental conservation supporting the Ethiopia government's Green Legacy initiative, Dangote Cement Ethiopia plc (DCE) continued its collaboration with local communities on ambitious tree-planting goals. The campaign's goal is to promote reforestation, combat deforestation, and mitigate climate change by carbon sequestration to preserve a positive future. In this direction, between 2021 and 2023, 639,200 seedlings were planted. In 2021, 502,000 trees were planted, 100,200 in 2022, and, subsequently, the plant achieved 37,000 trees planted in 2023.

Water and effluent management

Our contribution to conserving water for a nature-positive future supports our sustainable water use practices. In cement plants, water helps in the control of temperature, dust suppression and to enhance the milling and washing of equipment. We optimise water consumption by reducing freshwater withdrawal. In 2023, we implemented water efficiency campaigns for stormwater management, rainwater harvesting, and water treatment and efficiency campaigns. Accounting for water withdrawal sources and discharge also supports our contribution to SDG 6 – clean water and sanitation. Actions include utilising effluent treatment plants (ETP) for sewage treatment before reuse or discharge. Drainages help to curb waste in a closed-loop system. In 2023, we participated in the United Nations World Water Day to highlight the importance of fresh water and advocate sustainable management of water resources.

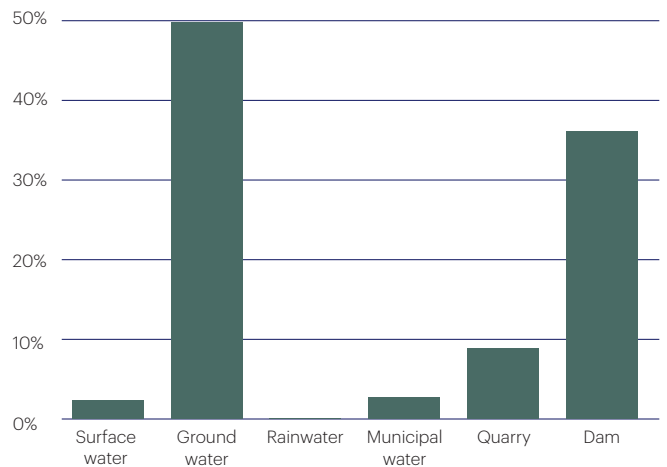
In compliance with industry guidelines, our total water consumption in 2023 for all operational locations was 5,985 megalitres, a 4.76% decrease in water consumption compared to 2022, which was 6,284 megalitres due to a reduction in the use of dam water as a water source. Water consumption per tonne of cementitious material was 225 litre/tonnes, a 3.9% decrease from 2022 figures. Water sources comprised surface water at 2.35%, groundwater at 49.87%, rainwater at 0.07%, municipal water at 2.70%, quarry at 8.84% and dam at 36.17%. In 2023, we participated in the United Nations World Water Day, celebrated every March 22. The event highlights the importance of fresh water and advocates sustainable management of water resources.

produce new products, thereby saving on the consumption of virgin resources. In 2023, waste categorised as non-hazardous decreased by 5% from 10,412 tonnes in 2022 to 9,910 tonnes in 2023, while waste reused or recycled, which were diverted from landfill weighed 8,374 tonnes. Contributing to the 22% increase in waste diverted from landfills was the increased utilisation of waste in the pyro process of production. In total, 40,381 tonnes of waste was diverted from disposal in 2023, a record 432% increase compared to 2022 at 7,591 tonnes.

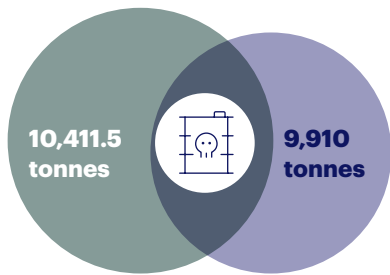
Water consumption



% Water withdrawal based on sources in 2023



Non-hazardous waste generated

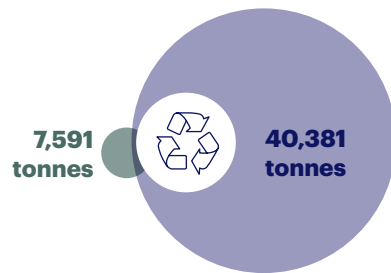


2022 2023

From segregation to a circular economy

From a life cycle perspective, industrial waste collection, disposal and recycling play a pivotal role in building a circular economy model. Our waste management system aims to move away from the linear model in trying to extend the life of materials through reuse, recycling and effective disposal. One way we do this is through waste segregation. When waste is sorted correctly, it can

Waste diverted



2022 2023



Obajana plant community cleanup.



The future comes to us every second; therefore we must produce and consume sustainably as a lifestyle".

John Olalokun
Tanzania Sustainability Lead

DangCircular initiatives

We have learned about reintegrating materials into the economy through our model initiative, DangCircular. Effective waste disposal and resource recovery require integrating sustainability in product design, extraction, production and consumption. DangCircular stimulates life-cycling thinking for exploring innovations in recycling and upcycling production outputs, including our packaging material. Beginning with a head office pilot of paper and plastic waste, the project identified trends in paper consumption and sought to address them. Following various campaigns and advocacy, DangCircular recycle bins collected and recycled 1.89 tonnes of single-use plastic and paper waste. Through the initiative, staff volunteers explored their creativity in DCP's downstream value chain by repurposing used cement bags into items such as lunch bags, shopping bags, and shoe racks. Beyond waste management. DangCircular is a powerful force that drives positive change and combats the waste epidemic. As our staff actively engage in cleanup initiatives, spreading awareness and advocating for sustainable practices, we believe we are creating a cleaner, healthier environment for current and future generations.



DangCircular champions showcasing creative items made from cement bags.



Tanzania Plant Director at the launch of the Hali ya hewa, DCP's first Climate club.

Minimising impact on biodiversity

The impact of the cement industry on biodiversity includes the emission of pollutants and the disruption of ecosystems in the resource extraction process. Some solution to this problem is maintaining compliance with progressive mines rehabilitation plans, conservation of flora and fauna, wildlife preservation. From our experience, our quarries and mines have also provided a habitat for plants and animals that may have been displaced during the expansion of rural and urban development activities where sustainability actions are taken.

Case study: The flourishing garden of Senegal - Layti Ndiaye, Head of Mines, Senegal

As a child, Layti developed his interests for flora and fauna from living close to a classified forest in Mbao Senegal and through reading the book "Journey to the centre of the earth (1864)" by Jules Verne. These early impressions sparked up his interest and passion in planting different kinds of trees. As head of mining and production in DCP Senegal (DCS), it was only natural that part of his mine's rehabilitation was reforestation and particularly the grooming of fruit gardens. The Senegal fruit orchard now has 383 trees producing soursop, mangoes, guava and tangerine fruits. The neighbouring communities of DCS collaborate in planting a double-sided green wall of trees around the plant. The 'green wall' is made of 267 trees within an 800 meter radius. Community members appreciate the wall for supporting the ecosystem and providing habitat for wildlife.



Case study: Wildlife preservation in Pan-Africa

DCP Zambia is in the rural area of Masaiti district, an area dominated by Miyombo woodland which provides a habitat for animal species such as snakes. The snakes support the maintenance of the ecosystem as they help control the rodent population and reduces damage of crops. To prevent their extinction, DCP Zambia developed the biodiversity management plan in compliance with Zambia's Wildlife Act No. 14 of 2015, Forest Act No. 4 of 2015 and the Mines and Minerals Development Act. Among mitigation measures implemented under this programme, specialised staff were trained in snake capture and relocation to safe habitats. The snake capture emergency line was set up and progressive rehabilitation actions taken to restore habitat reported to have been disturbed. So far, 13 snakes captured include Cobras, Gabon Vipers and Puff Adders. The snakes have since been safely relocated to thrive in safe environments.



Biodiversity helps us protect ecosystem in our communities.



Sustainability has this ability to spark innovation and tailor change in everyone."

Arianne Kenne
DCP Cameroon Sustainability Lead



CNG Station in Tanzania.



Scientifically, it is established that climate and biodiversity are connected. Dangote Cement recognises that changes to one affect the other and vice versa; hence, we take measures to protect biodiversity."

Oyekemi Oyelola
DCP Sustainability Manager



Climate action

It is widely held that Africa has the least historical contribution to greenhouse gas emissions, yet it is disproportionately affected by climate change.

Some African governments have expressed concern that net zero commitments ignore historical responsibility and is likely to exacerbate inequalities between countries. Dangote Cement's position on a just energy transition in Africa supports investments in the short term to enable the continent to meet its energy needs while working to achieve development goals and eliminate poverty. Dangote Cement demonstrated leadership in climate change governance as the first concrete step on the pathway for emission reductions. In 2023, further actions for a just transition were implemented.



Transition plan for climate change mitigation

Dangote Cement recognises the global challenge climate change poses in the society particularly within the African continent which informed the launch of its climate change policy in 2023. Our transition plan for mitigating climate change involves the engagement of stakeholders in the management of potential impacts of transition plan on workers, local communities, and vulnerable groups. We are exploring ways of working across the built environment supply chain to create demand for green and low-carbon cement and concrete innovations.

In line with our countries updated NDCs, which map out emission reduction targets for different sectors, Dangote Cement set emission reduction targets in 2023 in preparation for setting science-based targets in 2024. Mitigation potentials the Company considers are energy efficiency, investments in renewable energy to reduce energy-related emissions and other industry-specific initiatives like improving the clinker factor, waste heat recovery and advanced technology-based solutions. Economic considerations and participation in the carbon market will support the cost of the transition plan. Responsible for overseeing and implementing the – transition plan will be a dedicated team of experts assigned to work with industry and government-led bodies. One such platform is the GCCA Net Zero Africa Accelerator Programme, which is an avenue for member companies to develop net zero plans. Dangote Cement participates actively in Senegal, Congo, Tanzania, and Nigeria.

Climate change adaptation

Adaptation is considered a climate business in Africa because of the reliance on climate-vulnerable sectors such as energy, tourism, water and agriculture to survive and grow the economy. Dangote Cement adopts adaptation practices related to the built sector, including nature-based solutions such as tree planting, water and biodiversity conservation, as well as waste management, including agro-waste utilisation as an alternative fuel. By their effectiveness through pilots, we assess their potential for scaling up. Soil conservation measures, water harvesting, livelihood diversification and capacity building are critical in strengthening adaptation capacities. Supporting communities' actions on land and water is already seen as a practical adaptation practice. Other adaptation actions implemented targeted youths and children in schools. In our climate literacy campaigns, we reached 50 students with resources on recognising the effects of and coping with climate change. Leveraging environmental campaigns and commemorative days, DCP creates awareness and advocates the participation of its value chain in decreasing the impact of climate change on the environment. The Hali Ya Hewa Climate Club of Tanzania is an example of actions to promote afforestation/reforestation in Tanzania. The climate club of our Tanzania plant is on a mission to plant at least 50,000 trees by 2030 while it creates climate awareness among its neighbouring communities.

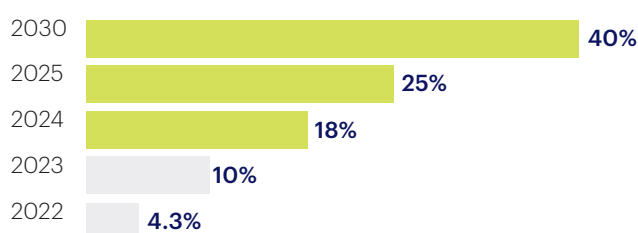


Tanzania CEO and Head, Sustainability kick off mines tree planting.

Just transition

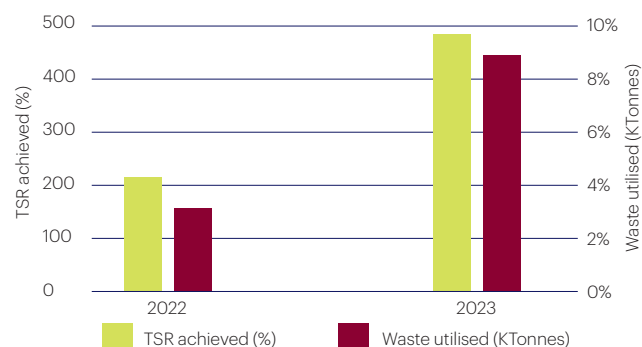
Local action needed to mitigate and adapt to climate change will have a transformative impact on all societies and communities, notably by the implications for employment creation and income opportunities for Africans. This informs Dangote Cement's strategy to reduce dependency on fossil fuels through alternative fuels. Alternative fuels are waste resources derived from non-primary materials, agro-based products or by-products of fossil fuels. This circular economy business model is not just about reducing CO₂ emissions through thermal substitution or saving the cost of energy; it is also a pathway to the just transition. Dangote Cement harnessed opportunities to transform the livelihoods of skilled and unskilled workers through the alternative fuel value chain in Zambia, Senegal, Tanzania, Ethiopia, Congo and all plants in Nigeria.

DCP Thermal Substitution Rate targets



In the first phase of the alternative fuel project, we installed in-house waste feeding systems to maximise co-firing of wastes such as damaged cement bags, carbon black, sawdust, scrap tyres, fly ash, plastics, whole tyres and tyre chips, and agro-waste such as palm kernel shell, rice husk, peanut shell, cashew nutshell, coffee husk, coconut shell and sugarcane bagasse. Recent additions include paper waste, damaged cement bags and ultrafine coal waste. The technology integration phase commenced in 2022 when AF pre-processing and co-processing equipment installation was completed. Some countries' progress was stalled due to resource accessibility and other disruptions. As a result, the project's current focus is strategic engagement with government institutions to improve regulations and structures around waste management. Despite these challenges experienced in the year, the thermal substitution rate from alternative fuels attained 9.7% in 2023 compared to 4.3% in 2022, with about 446 KTonnes of waste co-processed in the kilns compared to 157 KTonnes in 2022. We achieved a 184% increase in waste utilisation compared to 2022. As the demand for more waste streams increases, logistics management requires support, and more hands are needed to source the materials. To this end, we recorded 59 direct jobs created in the Alternative Fuel value chain and 417,700 indirect job opportunities created in the AF value chain.

TSR rates vs. waste utilised



Transparency on our GHG emissions

Scope 1 and 2 emissions

Dangote Cement employs continuous emissions monitors (CEMs) for measuring PM, NOx, and SOx per industry requirements. In 2023, we recorded a 42% and 14% decrease in the NOx and SOx absolute emissions per tonne of clinker, respectively. Also, the particulate matter (PM) absolute emissions reduced by 38%. These reductions were because of an increase in our dust reduction strategies and campaigns.

Dangote Cement reduced its total scope 1 and 2 CO₂ emissions by 0.3% in 2023. This reduction is attributed to the investments made in reducing scope 1 total emissions by 2% from 17.7 million metric tonnes CO₂ in 2022 to 17.4 million metric tonnes CO₂ in 2023, as well as reducing dependence on national power. The net scope 1 CO₂ intensity also reduced by 2.2% in 2023 though total scope 2 CO₂ emissions from power purchased in 2023 increased to 0.55 million metric tonnes.



GHG emissions reduction target setting and progress

Cement production inherently generates emissions, making GHG reduction and pollution control pivotal aspects of cement sustainability. Production is a high thermal and electrical energy-demanding process where heat energy is predominantly generated using conventional and alternative fuels. Conventional fuels used include coal, natural gas, diesel, and low-pour fuel oil (LPFO). Total kiln and non-kiln energy consumed in 2023 was 101,530 TJ, a 6% increase from 95,786 TJ in 2022 predominantly due to increased alternative fuel consumption. The specific heat consumption (SHC) increased from 795 Kcal/kg in 2022 to 819 Kcal/kg of kiln fuels in 2023.

To mitigate the impact of our energy use and other sources of CO₂ in our operations, Dangote Cement outlined its commitment to climate change in its policy, which acknowledges the goal of the UNFCCC Paris Climate Change Agreement to limit global warming to well below 2°C. In continuation of our actions to reduce emissions in the base year of 2021, DCP developed CO₂ reduction emissions targets covering scope 1 and 2 emissions. In 2023, the implementation of CO₂ reduction initiatives focused on thermal energy substitution, alternative fuels and raw materials, clinker substitution (CK ratio), electrical energy management, operational efficiency and tree planting campaigns. Identifying

potential levers and opportunities for reduction in all our plants sets us on a course to achieve Group-wide emission reductions for the short term, 2030 and ultimately reach net zero. Following the scientific validation of our emission reduction targets in 2023, the business plans to communicate its net zero roadmap in 2024. The Company roadmap will align with GCCA's Net Zero Roadmap.

While carbon offsetting offers a solution to meet GHG reduction targets by enabling companies to fund emission reduction projects. Dangote Cement's approach in the short term will rely on reducing its own emissions and scaling up removals before external efforts are introduced.



We are dedicated to addressing Africa's increasing fundamental requirements in energy, food, and infrastructure. Despite the inherently carbon-intensive nature of these industries, we strive to manufacture and distribute in the most fuel and energy-efficient manner feasible. Our steadfast commitment lies in continuous learning, development, and improvement to reduce emissions' impact on both Africa and the global environment."

Aliko Dangote
Chairman



DCP Tanzania Hali ya Hewa club members.

AFR case study

DCP Zambia implemented the fertiliser support programme in October 2022 to increase the host community cooperatives' capacity to supply biomass to the Plant Alternative Fuels (AF) project and promote food security. The programme saw an increase in annual maize production in the area from 0.25 tonnes to an impressive 3.9 tonnes per beneficiary household and created over 600 green jobs between May 2023 and December 2023. This programme empowered beneficiaries like Beatrice Alimasi, whose maize production soared from 5x50kg bags to 78 bags annually – enough to last a whole year. Now a contributor to the national food basket through the sale of surplus maize to Zambia's Food Reserve Agency (FRA), Beatrice is currently serving as a Secretary in Kamitondo Community Women's Cooperative, which was formed with support from DCP Zambia Sustainability Champions. She has also opened a grocery shop in her village, using funds raised from the sale of surplus maize and providing access to essential products that would otherwise require a trip to the nearest market, about 20km from her village.



Removals within the value chain

Africa has significant natural capital, holding 17% of the world's forests and 31% of woodlands globally. However, this natural capital is rapidly degrading due to climate change and other anthropogenic drivers. Dangote Cement believes that investment in restoring Africa's biodiversity can generate short- term and long-term social and economic benefits for countries and communities while achieving CO₂ removals in the value chain.

Case Study: Leading our Alternative Fuel Project

The Dangote Cement Alternative Fuel (AF) Project led by Peter Anagbe shows Dangote Cement's commitment to creating a sustainable environment. Peter's fervent dedication to the AF Project is driven by a commitment to mitigating DCP's carbon footprint. Beyond environmental objectives, the project emphasises sustainable production, skills development, and the empowerment of local communities, with a particular focus on the active involvement of women in the waste management value chain. Peter carefully selected a team that is committed to core values and possesses the soft skills crucial for navigating the complexities of the project. In 2023 alone, the project co-processed over 270,000 tonnes of agro-waste and biomass, underscoring its positive impact on employment and community development. The initiative has opened up new possibilities in energy recovery and positioned waste as a valuable resource, leading to cost savings and a cleaner environment. The project's impact extends beyond the workplace, positively affecting collaborators and stakeholders.

The AF Project utilises cement kiln technology to create an optimal environment for co-processing waste, ensuring the elimination of harmful emissions and residues. This eco-friendly approach not only diverts waste from landfills but also offsets fossil fuel usage, contributing significantly to resource conservation and a reduced carbon footprint.

Looking to the future, the AF Project holds immense promise for Africa. As the continent experiences population growth and infrastructural development, the project aims to harness the potential of additional waste, converting it into valuable resources for a greener and sustainable future. This forward-looking approach aligns with broader economic development goals, energy security, and technological advancement.

Dangote Cement Plc takes pride in the success of the AF Project, showcasing its commitment to sustainability, community development, and being at the forefront of innovative solutions in the cement industry.

Removing CO₂ in the value chain can also be achieved by offsetting carbon through afforestation, tree planting, and nurturing habitats which protect biodiversity. By working with the local community and the authorities, we planted 59,088 trees in 2023 to help restore degraded landscapes and increase water resources. Central to achieving this was our partnership with the Ethiopian government's bid to break a world record for the highest number of trees planted. Dangote Cement has supported this initiative, launched in 2019 with a target of planting 20 billion seedlings within four years.



Stockpiling of agro-waste to be utilised as alternative fuel at the Obajana plant.

Ratings and recognitions

As a form of social proof of our commitment to sustainability, we have leveraged our relationships with stakeholders and partners whose trust we have earned over the years. They include industry associations, business analysts and, in some cases, civil society.



Endorsement of our efforts

In a decade to deliver infrastructure for achieving net zero cement in 2050, Dangote Cement actively participates in the GCCA's actions to develop a continental Net Zero Roadmap. As a leader in the building sector of Africa's most populous country, Dangote Cement was ranked 2nd highest among Nigeria's top companies in 2023, by analysts with a 71% rating in ESG reporting. Dangote Cement's economic strength has earned the business an AA+ rating for commitment to excellence and responsible business practices. The Company aligns with the GCCA's decarbonisation roadmap and seeking ways to adopt and adapt local action in countries of operation. Other industry activities include the "From Global Commitment to Local Action" initiatives, which showcase member companies' efforts on decarbonisation. On local industry matters in Nigeria, Dangote Cement supports the Technical Committee of the Cement Manufacturers Association of Nigeria (CMAN) in developing local industry's CO₂ reduction plan. In Cameroon, the Company is part of a government-driven consortium to decarbonise the Cameroon Cement industry, including contributing to the country's Nationally Determined Contributions (NDC) of which a solar lighting project at Penja Mines Cameroon was delivered in 2023. Similar collaborations are ongoing with the GCCA Africa Net Zero Roadmap Accelerator in Tanzania and Congo.

Dangote Cement earned a suite of awards in 2023, underscoring the Company's commitment to continuous improvement and excellence. DCP was recognised as The Change Maker in Sustainability by the Industry Newspaper. We are also listed as the 2023 Sustainability Leader by SISA (Sustainability Impact and Sustainability Award), with Community Impact and Community Engagement (SITEI, CAHR) recognition. DCP was also honoured as the Most Outstanding Cement Manufacturing Company in Women Empowerment by Women in Marketing and Communications; and crowned as a Sustainability Champion in the Extractive Industry by ECOSEA (Environmental Conservative Society for Extractive Activities). The awards accentuate Dangote Cement's achievements, recognising its performance in sustainability, community impact and environmental conservation in the cement and concrete industry. Dangote Cement won the 2023 FMDQ Gold award for Largest Corporate Bond Lodgement on FMDQ, Largest Commercial Paper Quotation on FMDQ and the Most Active Corporate in the Foreign Exchange Market.



Dangote Cement management staff at the Nigerian Exchange Group.

We support the Global Association's decarbonisation mission, seeking ways to adopt and adapt local action in countries of operation. Other industry activities include the "From Global Commitment to Local Action" initiatives, which showcase member companies' efforts on decarbonisation. On local industry matters in Nigeria, Dangote Cement supports the Technical Committee of the Cement Manufacturers Association of Nigeria (CMAN) in developing local industry's CO₂ reduction plan.

Reporting practice

Dangote Cement's 2023 Sustainability Report presents the Company's sustainability performance from 1 January 2023 to 31 December 2023. This Sustainability Report provides a transparent account of how Dangote Cement addressed its material ESG exposures in 2023 and details the Company's efforts to deliver lasting value to stakeholders. The Sustainability Report is combined with Dangote Cement's 2023 financial results under statutory and regulatory reporting obligations. It focuses on reporting the ESG performance of Dangote's current operations, over which we have management control. It covers the performance of DCP in Nigeria and Pan-Africa, including Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia. This Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards and aligned with the Global Cement and Concrete Association (GCCA) sustainability charter. In addition, the report is aligned with the UN Global Compact Principles and compliant with the Securities and Exchange Commission (SEC) Code of Corporate Governance and the Nigerian Exchange Group's (NGX) Sustainability Disclosure Guidelines.

In adherence to reporting requirements, we conducted materiality assessment surveys and stakeholder engagement exercises to understand issues of critical concern to our stakeholders. The problems identified and our economic, environmental, and social impact determined the material topics covered in this report. The data utilised for this report underwent multiple layers of review and validation and represents the most accurate, reasonable, and balanced representation of the DCP's material sustainability areas of impact and opportunity at publication.

For more information, please contact Igazeuma Okoroba, General Manager, Sustainability, igazeuma.okoroba@dangote.com.

Additional information

1. ESG performance dashboard
2. External assurance report
3. GRI content index

ESG performance Dashboard

Environmental indicators	2021	2022	2023
CO₂ emission (absolute)			
Total scope 1 emissions in the reporting year (million metric tonnes)	18.8	17.7	17.4
Gross absolute direct CO ₂ emissions (million metric tonnes) ^{*a}	17.0	16.0	15.6
Net absolute direct CO ₂ emissions (million metric tonnes)	16.9	15.9	15.3
CO ₂ from on-site power generation (million metric tonnes)	1.8	1.7	1.8
Total scope 2 CO ₂ emissions from power purchased (million metric tonnes)	0.2	0.3	0.6
Direct CO₂ emissions intensity (scope 1)			
Gross CO ₂ per tonne of cementitious material (kg CO ₂ /tonne)	609	595	585
Net CO ₂ per tonne of cementitious material (kg CO ₂ /tonne) ^{*b}	606	590	577
Energy (thermal and electrical)			
SHC clinker production MJ/tonne clinker ^{*c}	3,337	3,330	3,428
Conventional fossil fuel (% of kiln fuels)	0.979	0.961	0.875
Alternative fuel rate (% of kiln fuels)	0.019	0.027	0.040
Biomass fuel rate (% of kiln fuels)	0.002	0.012	0.080
Total energy consumption (Kiln) in TJ	71,118	66,247	66,306
Total energy consumption (Plant) in TJ	101,355	95,786	101,530
% of total plant energy consumed per source			
Petroleum Coke/Coal mix	0.6	0.0	0.0
Coal	41.0	42.6	46
Natural Gas	51.3	48.7	41
Diesel	3.7	3.2	1.5
Petrol	0.0	0.0	0.0
LPFO	0.0	0.7	0.3
Electricity	1.9	2.1	2.3
Alternative fuel (fossil and biomass based)	1.5	2.7	8.5
Clinker/cement (equivalent) factor (%)	0.77	0.74	0.73
Water management			
Total water withdrawal in (million m3)	8.16	6.81	6.56
Water withdrawal by source			
Groundwater (% of total)	0.51	0.51	0.50
Municipal water (% of total)	0.07	0.01	0.03
Quarry (% of total)	0.20	0.12	0.09
Other (Dam, etc.) (% of total)	0.21	0.36	0.36
Total water Consumption/utilisation in (million m3)	7.57	6.28	6.0
Water recycled/reused (million m3)	0.21	0.22	0.46
Water withdrawal per cementitious product (lit/tonne)	292	253	246
Water Consumption per cementitious product (lit/tonne)	271	234	225
Waste Management			
Total waste generated (ktonnes)	16.4	11.1	80.1
Total waste recycled/reused (ktonnes)	—	7.6	40.4
Total AFR waste consumed (ktonnes)	89	157.0	446
Continuous emissions monitoring systems coverage (Dust, NOx, SOx)			
% of clinker produced with CEMS coverage (dust, NOx and SOx)	0.9	0.9	0.6
Dust: % of production with dust measurement	1.0	1.0	1.0
NOx: % of production with NOx measurement	0.9	0.9	0.9
SOx: % of production with SO ₂ measurement	0.9	0.9	0.6
Particulate & Gaseous Emissions			
Total absolute kiln dust emissions (tonnes)	2,973	1,937	1,204
Specific Dust (g/tonne of clinker)	140	97	61
Specific NOx (g/tonne of clinker)	—	1,073	619
Specific SOx in (g/tonne of clinker)	—	195	168
Trees planted			
Total number per annum	510,636	123,253	59,088

*a 2021, 2022 and 2023 data consolidated based on the Global Cement and Concrete Association's (GCCA) definition of total direct CO₂ emissions – as direct CO₂ emissions originating from fossil carbon, i.e., excluding CO₂ emissions from biomass which are considered climate neutral and CO₂ from on-site electricity production.

*b Specific CO₂ for 2021, 2022 and 2023 consolidated to CO₂/tonne cementitious product with GCCA Cement CO₂ and Energy Protocol, Version 3.1 GNR 2.0.

*c Specific heat consumption for 2021, 2022 and 2023 consolidated with GCCA Cement CO₂ and Energy Protocol, Version 3.1 GNR 2.0.

Social indicators	2021	2022	2023
Employee hire & attrition			
New hires	1,061	1,172	1,478
Attrition	444	737	839
Population			
Male population	8,726	11,006	11,023
Female population	782	977	1,028
Communities – grievances			
Community grievances reported	124	211	82
Community Grievances Closed	86	169	58
Communities – projects/engagements			
Number of Completed Community Projects	67	71	89
Community engagements	675	763	810
Total CSR intervention spending (₦million)	2,490	1,897	2,356
General Training			
Number of employees trained	24,641	16,815	34,921
Number of training hours	156,899	313,192	185,270
Sustainability Training			
Number of employees trained	281	598	337
Number of training hours	1,188	1,478	1,642
HSE Training			
Number of staff trained on HSE	15,392	27,450	30,073
Total number of hours for staff training on HSE	30,784	109,800	120,292
Governance indicators	2021	2022	2023
Business ethics			
Number of whistleblowing	34 (15% resolved; 85% ongoing)	71 (41% resolved; 59% ongoing)	60 (52% resolved; 48% ongoing)
Gender diversity			
Females at senior management level	9%	15%	11%
Females at Executive Management	12%	13%	14%
Females in total workforce (Permanent Employees)	8%	9%	9%
Economic performance			
Contribution to household income:			
• Direct contributions to household income (salaries, wages, and dividends) (₦million)	397,387	496,634	593,594
• Indirect contributions to household income (taxes, local procurement, and social investments are) (₦million)	445,114	648,763	962,105
Local content			
Local Procurement (₦million)	409,216	496,349	793,620
Imported (₦million)	223,744	300,937	314,463
Total procurement spending (₦million)	632,960	797,286	1,108,083