



**POLICY HISTORY**

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# SUSTAINABILITY POLICY (7-PILLAR APPROACH)

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## **ABBREVIATIONS**

CDP	Carbon Disclosure Project
CO2	Carbon dioxide
CSR	Community Social Responsibility
DCP	Dangote Cement Plc
DIL	Dangote Industries Limited
EPR	Extended Producer Responsibility
ESG	Environmental, Social and Governance
GCCA	Global Cement and Concrete Association
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
HR	Human Resources
HSSE	Health, Safety, Social, Environment
IFC PS	International Finance Corporation Performance Standards
IFC	International Finance Corporation
IIRC	International Integrated Reporting Council
ISAE	International Standard on Assurance Engagements
KPI	Key Performance Indicator
NCCG	Nigerian Code of Corporate Governance
NSE	Nigerian Stock Exchange
OPC	Ordinary Portland Cement
SASB	Sustainability Accounting Standards Board
SCM	Supplementary Cementing Materials
SDG	Sustainable Development Goals
SEC	Security and Exchange Commission Code of Corporate Governance
SMEs	Small and Medium-scale Enterprise
STEM	Science, Technology, Engineering and Mathematics
UDHR	Universal Declaration of Human Rights
UN	United Nations
UNGC	United Nations Global Compact
WHO	World Health Organisation

## **POLICY STATEMENT**

### **1.0 INTRODUCTION**

Dangote Cement Plc is committed to the global agenda of sustainable development. This statement addresses the material sustainability issues of the company and its commitment to managing them. The sustainability principles and standards that guide business operations are mainstreamed through the Dangote 7 Sustainability Pillars. Our sustainability pillars include the financial, institutional, operational, cultural, economic, social and environmental pillars.

### **2.0 COMMITMENTS**

The Board and management of Dangote Cement commit as follows:

1. To achieve financial sustainability through an innovative business model that is resilient, responsible, and prioritises shared value.
2. To build a world-class institution centred on corporate governance and promoting legal and regulatory compliance, proactive risk management approach, transparency, and business continuity.
3. To serve our markets with good quality products and services through continuous product improvement, employing state-of-the-art technologies while optimising costs.
4. To embody and promote a work environment that respects cultural diversity, equal opportunities for our employees and non-discrimination in our relations with all stakeholders.
5. To promote inclusive, sustainable economic growth and Industrialisation across Africa by establishing efficient production facilities and developing resilient local economies in key markets.
6. To create a safe and conducive working environment for our employees to build and nurture their careers to the fullest potential and support the building of sustainable communities in our locations.
7. To ensure sustainable environmental management practices through a precautionary approach to addressing environmental challenges of climate change while optimising energy, water, waste and emissions management.
8. We will communicate this policy to our key stakeholders as we maintain our position as a market leader and point reference for sustainable business models in Africa.

### 3.0 **FOUNDING PRINCIPLES**

The principles and commitments contained herein are founded on several global and local regulations, frameworks, guidelines and standards, which include:

- i. Global Cement and Concrete Association (GCCA) Sustainability Guidelines
- ii. United Nations Sustainable Development Goals (UN-SDGs)
- iii. United Nations Global Compact (UNGC)
- iv. Sustainability Accounting Standards Board (SASB)
- v. World Business Coalition for Sustainable Development (WBCSD)
- vi. Global Reporting Initiative (GRI) Standards
- vii. Carbon Disclosure Project (CDP)
- viii. World Economic Forum: ESG Metrics and Disclosures Consultation Process
- ix. Nigeria Stock Exchange Sustainability Disclosure Guidelines (NSE-SDGs)
- x. The Nigeria Code of Corporate Governance (NCCG)
- xi. The Security and Exchange Commission (SEC) Code of Corporate Governance
- xii. The Security and Exchange Commission (SEC) Sustainable Financial Principles for the Nigerian Capital Markets

### 4.0 **OBJECTIVES**

- i. To ensure compliance with applicable labour, human rights, health, safety and environment laws in our operations.
- ii. To ensure that the company's social investment aligns with global and local protocols and alliances the business has committed to.
- iii. To ensure the company invests in empowering people and communities as part of its corporate social responsibility.
- iv. To maintain the social license of business to operate.
- v. To ensure that the company tracks, measures, monitors and mitigates its risk exposures and negative footprints and periodically reports its ESG stewardship to relevant stakeholders at least once yearly.
- vi. To ensure that the company works and supports its key stakeholders – employees, investors, customers, vendors and distributors, in compliance with necessary standards.
- vii. To effectively communicate to stakeholders the definitions, objectives, scope and focus of the Dangote unique 7-Pillar approach to sustainability implementation, which covers all aspects of the company's business operations.

## 5.0 SCOPE

This policy applies to all the business operations of Dangote Cement Plc, Nigeria and Pan Africa. Dangote Cement built its sustainability approach on the Dangote seven pillars of action.

## 6.0 DANGOTE 7 SUSTAINABILITY PILLARS

The Dangote 7 Sustainability Pillars result from the comprehensive valuation of who we are, where we are and where we plan to be as a socially, economically, and environmentally responsible business. Our 7 Pillar approach helps us tell the Dangote impact story realistically and accurately, beyond numbers, while also enabling us to build in the concerns of stakeholders. The seven pillars define the indicators that are material to our business goals and the aspirations of our valued stakeholders.

This Sustainability policy is expressed through the Dangote 7 Sustainability Pillars, as follows:

### 6.1 FINANCIAL PILLAR

To achieve sustainable financial health through a business model that delivers strong growth and profits, and resilient returns to investors and shareholders while creating socioeconomic value for all stakeholders in our different markets.

- a) **Growth, profit, and value creation:** We will remain committed to creating sustainable economic value for all our stakeholders, including shareholders, investors, employees, customers, distributors, governments, and the larger society.
- b) **Product innovation, safety, and service excellence:** We will produce and deliver quality cement driven by innovation and the best production materials. We ensure our products do not harm consumers by applying best practices in production. Our raw materials and additives are sourced responsibly with consideration for our communities, society and environment.

### 6.2 INSTITUTIONAL PILLAR

To build a world-class institution centred on corporate governance best practices and sustainability principles that promote legal and regulatory compliance, proactive risk management approach, transparency and business continuity.

- a) **Corporate governance:** We will build an institution where the highest level of governance champions our sustainability vision, goals and objectives.

- b) **Legal and regulatory compliance:** We will operate our business in compliance with applicable regulations and rules of law in all our markets, maintaining transparency in the payment of taxes and other statutory returns to government and public institutions.
- c) **Sustainability acculturation:** We will create enabling structures which support the development of a culture of sustainability in the workplace, building the capacity required to deliver sustainable business operations.
- d) **Partnerships for development:** We will work with local and reputable international Institutions to achieve socioeconomic development in the countries where we operate
- e) **Values, ethics, and the rule of law:** We will build an institution governed by ethical values and norms of behaviour, demonstrated through responsible engagement with partners and competitors. We will ensure fair competition and comply with free-market principles in all markets.
- f) **Anti-bribery and Anti-corruption:** We shall conduct our business based on credibility, quality, and reliability amongst each other and shall never give or receive any bribes. We will strictly comply with our Anti-bribery and Anti-corruption Policy and implement mechanisms to deter and punish corrupt practices. Training shall be provided on anti-corruption and early fraud detection signs, entailing a culture of transparency and accountability in the workplace.
- g) **ESG Risk Management:** We will build a sustainable Dangote Cement brand by entrenching an enterprise environmental, social and governance (ESG) performance management system. We will proactively identify and manage the ESG risks of the business as we commit to continuous improvement and optimisation of our processes.
- h) **Fair Competition:** We will encourage and respect free markets and fair competition to ensure customers obtain the best products and services on the most favourable terms. We remain committed to competing intensively but fairly for suppliers and customers.

### 6.3 OPERATIONAL PILLAR

To serve our markets by working with partners to deliver good quality products and services to our valued customers through continuous product improvement, product innovation, and constantly employing state-of-the-art technologies to optimise quality and cost.

- a) **Product responsibility and innovation:** We deliver responsibly sourced and manufactured products in all our markets, using research and

development for product innovation and upholding a culture of excellence. We will ensure that our products and production processes are certified by relevant regulatory agencies and invest in continuous improvement.

- b) **Resource efficiency:** We will ensure resource efficiency and leverage technology and economies of scale in all operations.
- c) **Customer confidentiality:** We will comply with data protection laws and regulations in the countries where we operate. We protect customers' privacy and adopt measures that avert breaches in data confidentiality.
- d) **Supply chain and procurement practices:** We will make compliance with sustainability principles a precondition for business relationships across our supply chain. To achieve this, we will administer an ESG Code of Conduct to suppliers, vendors, and distributors and monitor for continuous improvement.
- e) **Local content and industries:** We will prioritise the patronage of local contractors, suppliers, vendors, and labour in our business operations as a way of building local capacity and creating wealth. We will work to ensure that our communities participate in the value chain of the business through a community vendor engagement process.
- f) **Waste management and circular economy:** We will inculcate a culture of reusing and recycling through a phased plan to generate alternative energy from operational waste. We will leverage opportunities in the circular economy business model for practising Extended Producer Responsibility (EPR).

#### 6.4 CULTURAL PILLAR

To embody our core values in business, including respect for cultural diversity, equal opportunities for our employees and non-discrimination in our relations with all stakeholders. To achieve this, we will actively encourage teamwork, empowerment, inclusion, mutual respect, integrity and meritocracy within our organisation.

- a) **Sustainable corporate culture:** We will entrench sustainability as a corporate culture across the business through a culture of ethical business, credibility, professionalism, and substantial brand equity. We will train, empower and motivate employees to drive our sustainability agenda in line with best practices.
- b) **Labour practices:** We will ensure compliance with all applicable labour and employment laws and charters in different markets where we operate. We will maintain good employee engagement practices to attract and retain talent while supporting effective employee feedback channels.



- c) **Diversity and non-discrimination:** We will continue implementing policies and practices that uphold and respect diversity in our workplace, including gender, age, physical (dis)ability, nationality and religion. We will build a workplace that discourages bias, stereotyping and discrimination. We strive to remain an equal opportunities employer.
- d) **Freedom of association and collective bargaining:** We will uphold the rights of all employees to enjoy the freedom of association and collective bargaining.
- e) **Work-life balance:** We will institutionalise a culture of work-life balance by ensuring that employees work within the acceptable hours of the day. We will provide access to medical facilities, annual vacations, and maternity leaves, among other benefits that promote work-life balance.
- f) **Brand equity and reputational capital:** We will protect the Dangote brand by building a culture of integrity, quality governance and responsible citizenship. Our employees will act as brand ambassadors to support the reputational capital of the business.
- g) **Awareness creation and employees' involvement:** We will ensure the participation of employees in sustainability initiatives. We will develop a culture of empowering Sustainability Champions to drive sustainability acculturation across all functions and business operations. The publication of bulletins and training on best sustainability practices will support this.
- h) **Employee volunteering:** As stated in the company's Employee Volunteering Policy, we have institutionalised a staff volunteering scheme in line with best practices. We will encourage employee volunteering initiatives that motivate our employees to give back time, skills, and competencies for the service of local communities. We will continue to use staff volunteering as a community engagement and development strategy, allowing our employees to relate with host communities, understand their needs and concerns and volunteer their time and skills towards supporting them.

## 6.5 ECONOMIC PILLAR

To promote inclusive, sustainable economic growth, self-sufficiency, and industrialisation across Africa, by establishing efficient production facilities and developing resilient local economies in strategic locations and critical markets.

- a) **Economic growth and self-sufficiency:** We will support government efforts to diversify and drive independence in cement production, thereby saving foreign exchange and protecting markets from import-related inflation. We will promote inclusive economic growth and industrialisation in all our economies by establishing world-class production facilities and using

our business to boost economic activities. By doing this, we leverage our business size and diversity to foster growth in the productive sector.

- b) **Job and wealth creation:** We will foster business activities that stimulate job creation, GDP growth and economic prosperity. In creating sustainable economic value for stakeholders and investors, we will support host countries and local communities by sourcing local labour and materials.
- c) **Marketing and communication:** We will produce and market products that are labelled accurately to provide our consumers with accurate information. We will comply with regulatory requirements in marketing and communication.

## 6.6 SOCIAL PILLAR

To create a learning environment and platform for our employees to grow and achieve their fullest potential whilst adhering to the highest health and safety standard. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer, local entrepreneurial development, infrastructural development, social investments, and prioritised patronage of local suppliers and contractors.

- a) **Health, safety and employee wellbeing:** We remain committed to their health and safety while carrying out their job functions following the company's health, safety and environment policy. We will strive to achieve zero harm for employees, contractors and everyone we do business with. We will train our employees on best health and safety practices and provide workers with the personal protective equipment required to do their jobs safely. We will track, measure, and periodically report our health and safety performance to stakeholders.
- b) **Social responsibility and community engagement:** We will invest in social projects that benefit local communities, create jobs, increase household income and improve wellbeing. Using periodic surveys, town hall meetings, focused group discussions and other formal and informal channels, we will continuously engage host communities, listen to and act on their concerns and build mutual trust and harmonious relationships.
- c) We will ensure that our CSR projects are sustainable through monitoring and evaluation.
- d) **Infrastructure development:** We will prioritise infrastructure building to meet our operational needs and host communities' needs as part of our social investments. We will support the efforts of national, state, and local governments to build needed public amenities and infrastructure towards

improving the people's wellbeing and sustainable economic growth and development.

- e) **Land acquisition and resettlement:** We will adopt best practices in land and property acquisitions for our business needs. Our commitment to the wellbeing of community landowners is by facilitating resettlement or adequately compensated. We will abhor all forms of land grabbing and other illegal activities that violate the rights of people to their lands and property.
- f) **Human rights and child rights:** We will protect human rights and child rights across our value chain and abhor all forms of forced or compulsory labour in our operations. We will train our employees on protecting human rights and penalties for violations. Where applicable, we will consider the rights of indigenous peoples in our business operations and across our value chain, ensuring that the cultural heritage of local communities is preserved and protected.
- g) **Stakeholder engagement:** In compliance with the Group Stakeholder Engagement Standard, we will maintain effective communication channels with all stakeholders and keep them informed on our business activities that affect them. We will create points of dialogue and continuous engagement with internal and external stakeholders to build mutual trust.
- h) **Grievance mechanism:** We are committed to developing an effective means for receiving and addressing complaints from internal and external stakeholders. We will log and adopt genuine complaints received as stakeholders' feedback. We respect the complainant's confidentiality to ensure a fair and transparent system.
- i) **Whistleblowing:** In line with the provisions of our Whistle Blowing Policy, we leverage whistleblowing as part of an effective ESG risk management and fraud prevention strategy. We will create an objective platform that puts the users at ease, guarantees anonymity where applicable, and enforce a policy of protection and non-retaliation for whistleblowers.

## 6.7 ENVIRONMENTAL PILLAR

To ensure sustainable environmental management practices through a precautionary approach to addressing the challenges and opportunities of climate change while optimising our performance in energy, water, wastes and emissions management, in line with our Group HSSE policies and standards.

- a) **Resource and energy efficiency:** We will ensure efficient use of raw materials to minimise negative footprints. We will deploy the technology and innovation necessary to reduce the waste of natural resources and enhance

environmental preservation. We will set realistic targets towards using alternative fuels and renewable energy sources in our business locations.

- b) **Investment in efficient technologies:** In line with our business model, which prioritises using ultramodern facilities in our plants, we will invest in new technologies that will enable us to continuously reduce and contain dust pollution and other emissions that may be material to our business operations. We are committed to continually exploring new operating methods for enhanced environmental impact.
- c) **Environmental responsibility and compliance:** In line with our Environmental Policies and Standards, we will continually improve our mining and production activities and comply with applicable environmental laws and regulations in our different markets. We will reclaim and restore mines to minimise the impact on host communities.
- d) **Water management:** In line with the group-wide waste management plan and standards, we will practice efficient water management in our office facilities and plants. We will reduce, reuse and recycle water as much as possible and introduce water efficiency measures.
- e) **A precautionary approach to environmental Management:** We will ensure that we support the ecosystem in line with our Group HSSE environmental standards. We will periodically audit and report progress on our ecological stewardship and precautionary approach to environmental Management.

## 7.0 POLICY IMPLEMENTATION & MONITORING

The Board of Dangote Cement Plc, through the Board Technical and Sustainability Committee, ensures this policy is implemented in line with its objectives. Executive Management shall provide a progress report at Quarterly Board meetings or as often as required. The DCP Sustainability Function shall review this policy every three years.

## 8.0 CONCLUSION

This policy aligns with global sustainability principles and standards. It addresses critical environmental, social, health and safety and other sustainability-related regulations in our different markets. We understand that sustainability is the future of business. We will therefore communicate this policy to our key stakeholders as we continue to maintain our position as a market leader and point reference for sustainable business models in Africa.

## 9.0 REFERENCED POLICIES, STANDARDS AND PROCEDURES

SN		
1.	Dangote Cement Plc (DCP) Anti-Bribery and Anti-Corruption policy	The policy details our Anti-Fraud Compliance Programme and how it aligns with all relevant Acts, Codes, Laws, Guidelines and Policies designed to prevent, detect, and respond to corruption and bribery issues.
2.	Privacy & Data Protection Policy	The policy explains how we collect, use, store and protect information about our stakeholders and value chain.
3.	HSSE Risk Management Standards	A management standard ensures that operational Health, Safety, Social and Environmental risks and opportunities are identified, evaluated, addressed, managed and monitored.
4.	Operational Human Resources (HR) Policies: <ul style="list-style-type: none"> <li>▪ Equal Opportunity Policy</li> <li>▪ Leave policy</li> <li>▪ Travel policy</li> <li>▪ Diversity and Inclusion Policy</li> <li>▪ Harassment Policy</li> <li>▪ Compensation and Benefit policy</li> <li>▪ Manpower Planning and Recruitment Policy</li> <li>▪ Education and Training Policy</li> </ul>	These policies detail our approach to ensuring discipline, practical application, and fair treatment of all employees.
5.	Employee Volunteering Policy	This policy guides and regulates the participation of Dangote Cement Plc (DCP) employees in voluntary initiatives to ensure that volunteering activities align with DCP's social sustainability and community development vision and objectives.
6.	Group-wide Safety Policies and Management Standards: <ul style="list-style-type: none"> <li>▪ Health &amp; Safety, Environmental and Social Corporate Policy</li> <li>▪ HIV/AIDS policy</li> <li>▪ Alcohol policy</li> <li>▪ HSSE Risk Management</li> </ul>	These policies and standards show our commitment to complying with all applicable laws in the countries where we operate and ensure alignment with relevant international best practices on health and safety management.

	<ul style="list-style-type: none"> <li>▪ HSSE Performance Monitoring</li> <li>▪ Incident Reporting &amp; Investigation</li> <li>▪ Emergency Preparedness &amp; Response</li> </ul>	
7.	Dangote Cement Plc (DCP) Health, Safety, Social and Environmental Policy, Principles and Vision Statement	These documents detail our commitment and vision on Health, Safety, Social and Environment.
8.	Human Rights Corporate Policy	This policy details the human rights due diligence management processes we follow to implement, identify, and remedy potential impacts on human rights across all our operations and external relationships.
9.	Group Stakeholder Engagement Standard	This management standard explains the guidelines involved during stakeholder engagement aimed at developing and maintaining positive and mutually beneficial relationships with all our stakeholders.
10.	Whistleblowing policy	This policy clearly defines what constitutes acts of irregularities, as summarised under Fraud activities, Corruption, Assets misappropriation, Misconduct, and Fraudulent financial statement.
11.	Dangote Industries Limited (DIL) Climate Change Policy	The policy shows our contributions and commitments towards addressing climate change at national, regional and global levels.