

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 (Msiute (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.

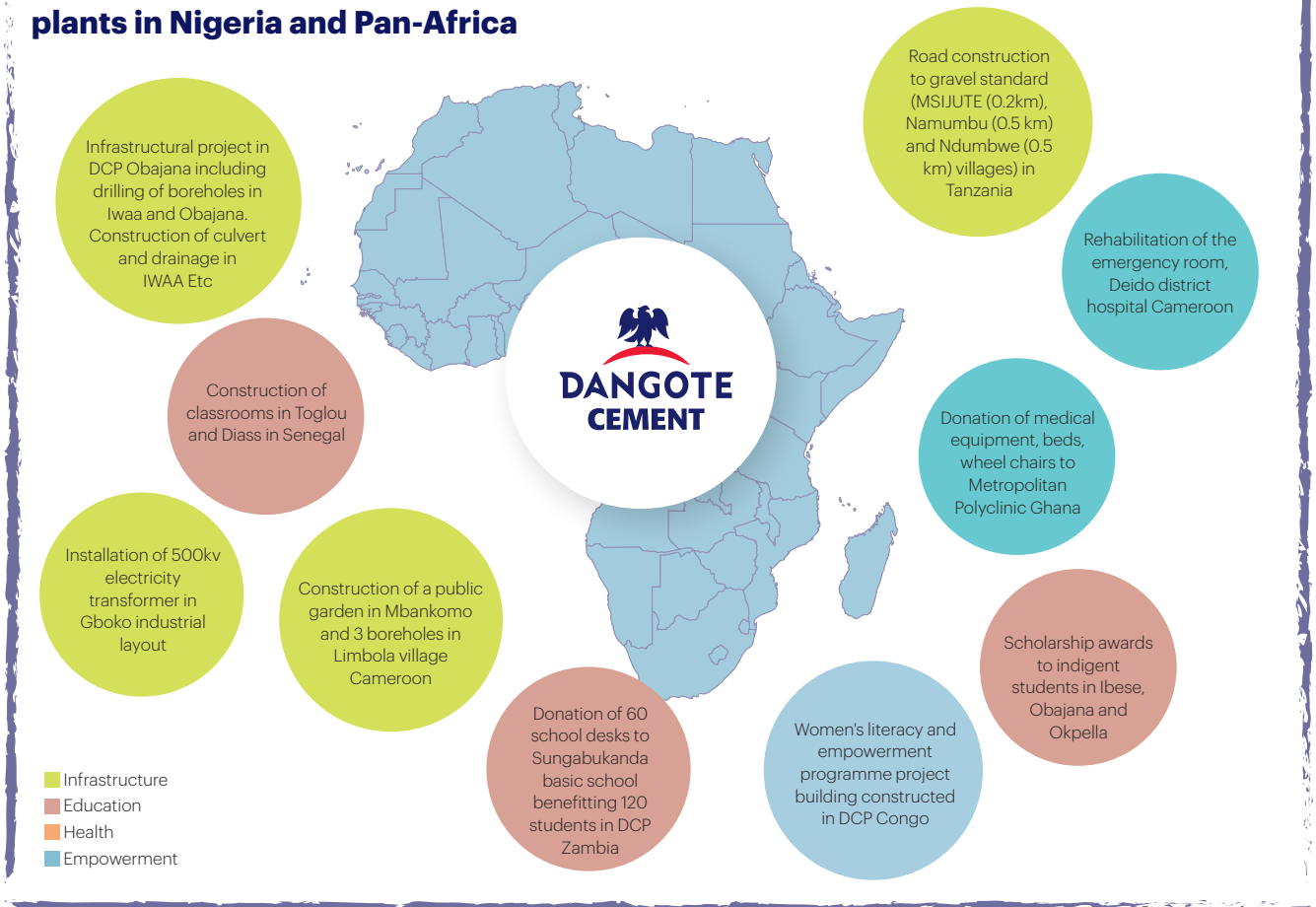


Community leaders gracing an event.



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.

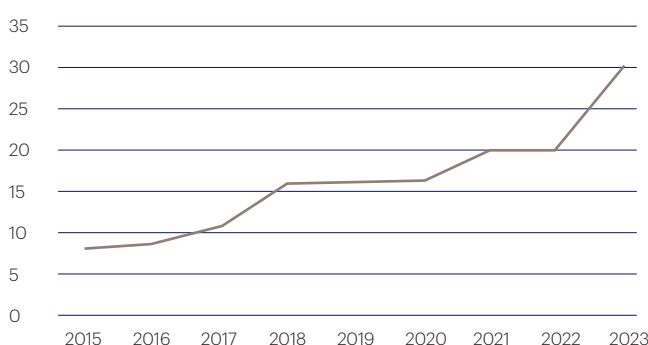
Economic value creation

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
	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.

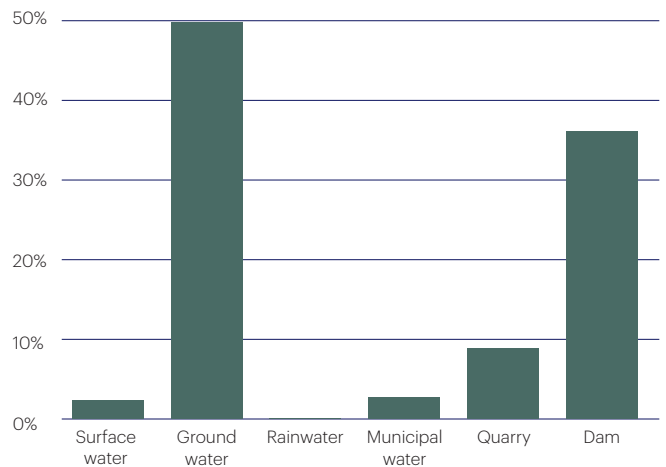
In compliance with industry guidelines, our total water consumption in 2023 for all operational locations was 5,985 megalitres, a 4.76% decrease in water consumption compared to 2022, which was 6,284 megalitres due to a reduction in the use of dam water as a water source. Water consumption per tonne 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.

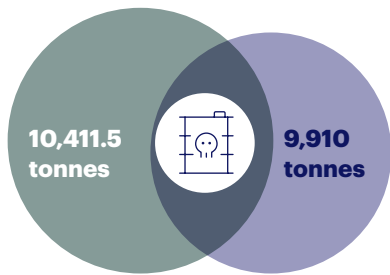
Water consumption



% Water withdrawal based on sources in 2023



Non-hazardous waste generated

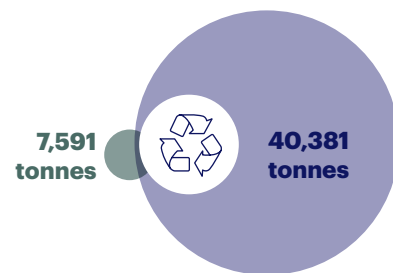


2022 2023

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.

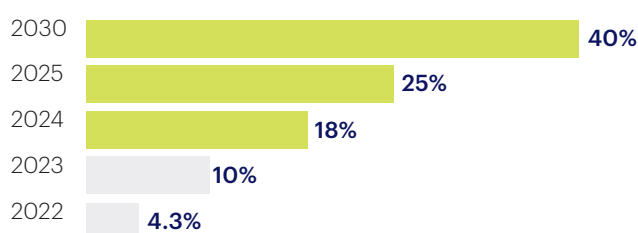


Tanzania CEO and Head, Sustainability kick off mines tree planting.

Just transition

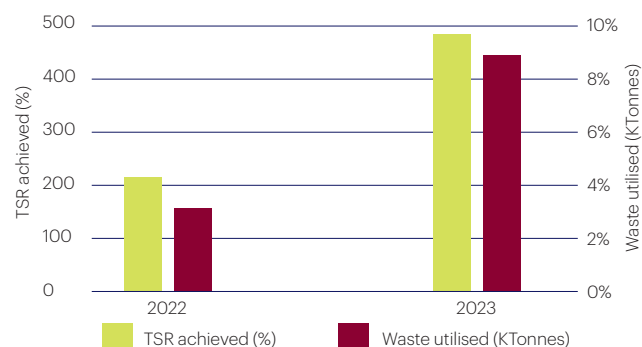
Local action needed to mitigate and adapt to climate change will have a transformative impact on all societies and communities, notably by the implications for employment creation and income opportunities for Africans. This informs Dangote Cement's strategy to reduce dependency on fossil fuels through 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