



From the office of the President **Aliko Dangote**

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To our stakeholders:

I am pleased to confirm that Dangote Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this year's communication on progress, we describe the actions taken during the year to integrate the Global Compact principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

We continue to look for ways to improve and work in a more transparent way across the Group while working with our various stakeholders to facilitate these improvements.

Sincerely yours,

Aliko Dangote, GCON

President/Chief Executive

Introduction

Dangote Group became a signatory to the United Nations Global Compact in June 2010.

This is our fourth communication on progress in which we describe the actions taken during the year to integrate the Global Compact principles into our business. This report covers from September 2013 to December 2014.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

At Dangote Industries Limited (or 'the Group'), we believe human rights policy should be aimed at promoting equality of opportunity and combating discrimination. As enshrined in the Universal Declaration of Human Rights adopted on 10 December 1948 which emphasises that "recognition of the inherent dignity and of the equal and inalienable right of all members of human family, is the foundation of freedom, justice and peace in the world". This is also provided for in various Charter of United Nations. Art 1, Art 13(1), Art 55 "encouragement of respect for Human Rights and fundamental freedom for all without distinction to sex, language or religion. Dangote Group strives continuously to respect the dignity of its employees and their rights to freedom of association. The Group believes in unity in diversity, hence its diverse workforce comprising various nationalities.

The group has a robust policy as regards:

- Recruitment and selection policy
- Equitable Compensation policy
- Training and development Policy
- Staff appraisal and Promotion Policy
- Reward and Recognition Policy
- Various Leave and eligibility
- Grievances Procedure and Discipline etc

All these are stated and well communicated to staff via internal memos and are also contained in the staff handbook. For instance, our policy at Dangote Group on recruitment is to recruit staff of the highest caliber through fair and open processes. Basically, the aims of the selection process are to ensure:

- That the right person is selected for the position,

- Through a credible, consistent, fair, transparent and accountable approach; and
- That applicants have a positive view of the organisation and its operations.

Appointments are made on the basis of merit, through a fair and open selection process. The principles underlying the recruitment process are those of fairness, credibility, equal employment opportunity, merit and the optimizing of career prospects for currently employed staff.

This year, we recognised that special attention and focus may be required in the supply chain management category. Appointing a Chief Procurement Officer to oversee compliance in our supply chain has been one of our strategic responses to compliance against the human rights standards. This appointment was effective in July 2014.

Measurement of outcomes

While we do not have any record of litigation concerning Human Rights Violations, discriminations etc against the organisation in 2014, the human rights policy of the Group is currently undergoing review and we believe this will be ready along with other related policies in 2015.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

As an equal opportunity employer, Dangote Group adheres to all labour legislations within the countries in which we operate. The Group does not permit child labour or forced or compulsory labour. It cherishes the conglomeration of the best human resources irrespective of colour, culture, gender, race or religion. It subscribes to the MDG target of 2005 (1.B) which states "achieving full and productive employment and decent work for all, including women and young people". The Group has written policies in the staff handbook that clearly state employee rights and responsibilities.

The following policies are in place and have been communicated to employees:

- Maternity leave policy
- Long service policy
- Employment Equity policy
- Recruitment and selection Policy
- Performance Management Policy
- Learning and development policy

Union membership:

For the Group to proactively manage any industrial disputes, management recognises and engage registered trade unions. Employees are allowed to voluntarily join or exit from and participate in trade unions activities.

Our staff are members of the following Trade union:

- Association of food, Beverage and tobacco employers (AFBTE) for the purpose of collective bargaining in this sector AFBTE is divided in two. Which are;
 - National union of food beverage and tobacco employees (NUFBTE) for junior staff
 - Food beverage and Tobacco senior staff association (FOBTOBSSA) for senior staff
 - Textile Garment and Tailoring Senior Staff Association of Nigeria
 - National Union of Textile Garment & Tailoring Workers of Nigeria
 - Maritime workers Union of Nigeria (MWUN)

Specific goals in the area of Labour Rights for the upcoming year

Implementation

- Internal memos, notice boards and suggestion boxes are available in our corporate head office and in our factories to communicate various policies and developments to staff
- Staff are encouraged to provide feedback via electronic email and suggestion boxes are placed at strategic locations in various offices to receive feedback from staff who may wish to remain anonymous.

Occupational Health & Safety

Managing directors of the various factories are responsible for ensuring full compliance with relevant occupational environmental, health and safety legislation and that the required structures are in place.

- Health and safety committees are in place in the various business units/subsidiaries in line with the requirements of the countries we operate in.
- We emphasise preventative controls including providing appropriate personal equipment at all our plants for both staff and visitors to the plants (hardhats, safety boots, masks, gloves etc) and operating processes.
- When the first case of Ebola Virus Disease was reported in August at Lagos, Nigeria, the Group proactively swung into action by raising an awareness campaign on the disease. Internal memos, posters, creative ads were massively deployed in all our business offices and various factories to sensitise staff on the disease and what to do if they or their relatives exhibited symptoms of the disease.
- In addition, the highest sanitary measures were employed; automated hand sanitisers were provided in all our offices. In addition, infrared thermometers to check temperatures were provided in all the factories.

Measurement of outcomes

- Despite having over 11,260 full time employee in its workforce as at Oct 2014 (this figure is exclusive of expatriates and temporary employees) There was no single case of Ebola disease reported amongst its huge workforce
- Our labour turnover for October 2014 is 1.7%.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

At Dangote Group, our employees are the most invaluable resources. The Group works to provide them with good working environment and materials that will protect their lives, promote their well-being and develop their potentials. As a socially responsible organisation, the company strives to ensure that its operation does not in any way impact negatively on the health and peace of our host communities.

Implementation

- Reduction of carbon emission in all our plants
- Carbon impact on-demand measurement of carbon impact through analysis and continuous assessments.
- As an organisation that works with various raw materials and heavy metals, the company constantly monitors its carbon footprints in compliance with international standards and regulations. The company employs the use of a software; the SAP –Carbon Impact on Demand, to monitor its carbon dioxide emissions.
- Efficient water-shed management
- Reforestation of our mining sites
- Efficient waste management – maintenance and effective disposal of all industrial wastes through accepted recycling processes and disposal requirements
- Ecological preservation- maintaining the natural ecosystem

Measurement of outcomes

As a result of the Group's strict compliance with the environmental laws of Nigeria. The Standards Organization of Nigeria awarded Dangote Industries the internationally recognized International Organization for Standardization award in Environmental Management System, ISO 14001, Occupational Health and Safety Management System, ISO BS 18001, Quality Management System, ISO 9001, and Food Safety Management System, ISO 22001 in recognition of her global best practices.

The companies under the Group so recognized in recent certifications are:

1.0- Dangote Cement PLC, Ibese plant- Quality Management System

System -Occupational Health and Safety Management

-Environmental Management System

2.0- Dangote Cement PLC, Gboko plant- Quality Management System

-Occupational Health and Safety Management

System

-Environmental Management System

3.0- Dangote Cement PLC, Obajana plant,- Had previous certifications in all the three systems above

4.0- Dangote Agrosacks, Obajana plant, Quality Management System

5.0- Dangote Sugar Refinery, Apapa- Food Safety Management System

The company continues to strive to sustain enablers that enhances these global recognition.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

As defined by Transparency International, in Dangote Group (or “the Group”), corruption is considered to be “the abuse of entrusted power for private gain”. This definition captures both financial and non-financial malpractices that are geared towards breaching due process or corporate governance procedures. Corruption includes the following acts:

- Bribery (payment for favours)
- Embezzlement, Theft and Frauds (wrongful acquisition of funds or assets)
- Extortion and Blackmail (use of threats for access to or control of funds or assets)
- Any other acts that thwarts the process of decision-making because of misuse of power or distorts final decisions made on the allocation or use of resources for personal gains.

Implementation

At Dangote Group, business activities are conducted to ensure zero tolerance for breach of anti-corruption best practices from these three perspectives:

- Endogenous anti-corruption practices
- Exogenous anti-corruption practices
- Collective anti-corruption practices

With regard to its Endogenous anti-corruption practices, Dangote Group, strictly monitors all its business activities to ensure only high ethical standards obtain. For its exogenous outlook, the Group publicly declares its stance on anti-corruption practices in its Annual Reports, and relevant mandatory reports to external stakeholders. To ensure that all activities across its value chain implement anti-corruption practices, a collective approach that ensures all other stakeholders (suppliers, contractors and industry peers) adhere to anti-corruption practices is embraced.

- Whistle blow opportunities are enabled in some business units/subsidiaries for reporting of suspicious activities; the plan is for this whistle-blow action to be implemented in all related companies of the Group in 2015. Suggestion boxes are currently available in our offices.
- Approval of the Group’s Anti-corruption policy

- Continuous training of all staff on its requirements
- Review of all related policies (Human Resources Management to include Human Rights policy and statement, Compliance policy, Anti-bribery and Corruption Policy, Supplier Code of Conduct, Business Code of Conduct and Ethics, and Fraud Policy)

Measurement of Outcomes

Based on the policies and processes we are currently implementing, we hope to provide accurate results in 2015.