



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

Union Marble House
1, Alfred Rewane Road,
Ikoyi, Lagos, Nigeria
Tel: +234 1 2712233, 2712234

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To our Stakeholders:

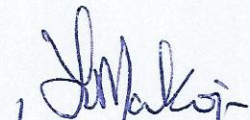
I wish to restate the Dangote Group's continued commitment to an ethical approach to doing business in line with the 10 Principles of the United Nations Global Compact that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

As we expand our operations outside the shores of our home country, Nigeria, we reaffirm that we will continue to enact the same values and principles that have contributed in no small measure, to our enduring success story.

Our communication on progress (COP), which is attached, highlights some of the key actions that we took during the outgoing year, to implement the Global Compact Principles in our processes. We will share this information with our stakeholders via our various communication tools.

We will continue to maintain a culture of integrity that we have established in our operations, and uphold our basic responsibilities to our stakeholders.

Yours Sincerely,


ALIKO DANGOTE
President/Chief Executive

Introduction

Dangote Industries Limited (or the Group) formerly become a signatory to the United Nations Global Compact on Monday, June 8, 2010. This report is our fifth in communication on progress (COP) on actions taken during the year to align the Global Compact principles into our business. This report covers from January 2015 to December 2015.

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

Here in Dangote Industries Limited, our human rights policy is aimed at providing equal opportunity for both sexes, all races (in accordance with domestic laws on expatriate quota) and combating discrimination. In accordance with the various charters of the 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 has continued to adopt policies that respect the dignity of its employees and their rights to freedom of association. The Group's firm belief in unity in diversity is seen in its diverse workforce comprising various nationalities with different religious beliefs.

The group has a robust policy as regards:

- Recruitment and selection policy
- Disengagement policy
- Equitable compensation policy

- Training and development
- Staff appraisal and promotion policy
- Reward and recognition policy
- Leave categories; annual, maternity, compassionate, exam, study
- Grievances procedure and discipline.

These policies are documented in the staff handbook and communicated to staff as reminders from time to time via internal memos.

Employment process in Dangote Group is open, transparent and competitive. Openings and vacancies are announced on the pages of Newspapers and online sites to give qualified candidates the opportunity of applying for the job. Appointments are made on the basis of merit, through a fair and open selection process. The principles underlying the recruitment process are fairness, credibility, equal opportunity, merit and optimizing of career prospects for staff.

Where bosses are found to be biased towards staff, there are approved channels for the affected staff to make his/her grievances known to the Human Resources Unit. Staff found wanting or involved in criminal activities face disciplinary panel to determine the degree of the offence and the appropriate measures. The staff have access to fair hearing and where they disagree, they can apply to the courts. In 2015, there is no case of litigation from staff against the group.

The Group has a staff strength of 15,204. A total of 104 staff left the Group within the review period indicating a turnover of 0.7 percent.

LABOUR

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

Union membership:

The Group recognizes the right of staff to engage in trade unionism. Employees are allowed to voluntarily join or exit from and participate in trade union activities. Registered trade unions help in proactive management of industrial disputes.

Dangote Group staff are members of the following trade unions:

- Association of Food, Beverage and Tobacco Employers(AFBTE)
- Textile Garment and Senior Staff Association
- National Union of Textile Garment & Tailoring Workers of Nigeria
- Maritime Workers Union of Nigeria
- National Union of Food, Beverage, and Tobacco Employees
- Food, Beverage and Tobacco Senior Staff Association

Dangote Group is a member of Cement Manufacturers Association of Nigeria, Manufacturers Association of Nigeria etc. Membership of professional Organizations is encouraged as it helps staff to be abreast of best practices in the industry.

Implementation

- Internal memos, notice boards and suggestion boxes are employed in the group to communicate various policies and developments to staff
- Staff are encouraged to provide feedback and use suggestion boxes when they wish to remain anonymous.

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 Goal

Dangote Group as an equal opportunity employer, adheres to all labour legislations within the countries in which it operates. The Group does not permit nor engage in child, forced or compulsory labour. Staff are required to give the standard one month notice or in lieu of a month salary when they want to resign. As a proactive conglomerate, it has developed a crisis management manual detailing how to prevent flashpoints from developing and in the case of crisis, how to manage and reduce the impact.

Applicants for vacant positions are considered on their merit, qualification and experience. Gender, race and religion are not factors in determining employment prospects in the Group. The policy has attracted the best hands to the Group.

ENVIRONMENT

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

Principle 8: undertake initiatives to promote greater environmental responsibility;

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

Occupational Health and Safety

Implementation

- The plant management enforce preventive measures to reduce and control accidents and incidents for the stakeholders having access to the plants like the use of Personal Protective Equipment, PPEs (Safety boots, masks, gloves, hard hats) , Fire drills, Safety Briefing prior to accessing the plant, Alcohol test for the drivers, Safety Awareness briefing on Safety Days, Weeks etc
- Health and Safety committees are active in the plants to coordinate implementation of OHS regime, manage the risks, create the best possible working condition across the organisation and identify hazards and put in place controls to manage them

Environment

Implementation

Precautionary approach to Environmental Challenges

- Planned surveillance and internal Environmental audits to identify environmental hazards and close out the gaps
- Regular Environmental monitoring to include ambient air quality (respirable air pollutants, CO, Volatile hydrocarbons etc) point source emission, noise levels, discharge water quality and light intensity at night

- Treatment of sewage with bio septic tablets for bio-remediation to prevent overflowing of soak-away and pollution of primary drainage systems

Initiatives to promote greater Environmental Responsibilities

- Each plant has committees constituted on House Keeping, Sanitation and Hygiene with responsibilities for site clean ups, painting of building structures, cleaning of drainages, arresting fugitive emissions in the plants, improving plant aesthetics, evacuation of waste dumps etc
- Plant managements have made process owners responsible for housekeeping and environmental clean ups of their respective units, this have promoted the culture of cleanliness
- Planting of grasses, flowers and trees to promote 'green culture'

Environmental Friendly Technologies

- Optimization of the existing de-dusting plant equipment such as Electrostatic Precipitators(ESP), Bag filters and Bag houses
- Bio remediation of Sewer using bio-septic concentrates that digests sewage to a harmless state prior to discharge
- Use of sweepers and sprinklers in reducing dust levels in the plant and on the road

Measurement of Outcomes

Our Occupational Health and Safety Management System BS OHSAS 18001 provides opportunities to manage the health and safety needs of stakeholders by putting in place the policies, procedures and controls needed to achieve the best possible working conditions , aligned to

internationally recognised best practices. All our Cement, Sugar and Agrosacks business units have this certification

Environmental Management System ISO 14001 provides an integrated approach to Environmental Management Organisational business strategy to achieve sustainable success while not overlooking environmental responsibilities and impacts. Our Cement units have this certification

Implementing of the ISO 9001 Quality Management Systems in our organisation is structured to align with the organisation's business strategy, ensuring healthy performance, processes and putting Quality at the heart of business. All our Cement, Sugar, Salt and Agrosacks units have this certification

Our organisation desires to exceed the regulatory requirements for Food Safety, hence the implementation and certification to the Food Safety Management Systems FSMS ISO 22001 and FSSC 22000 in our Sugar Refinery. The FSSC 22000 defines requirements for integrated processes that work together to control and minimize food safety hazards. Recognition by GFSI provides worldwide recognition and acceptance by Food Manufacturers and retailers

A Dangote multibillion dollars Greenfield oil refinery and petrochemical plant in Lekki Free Zone, which will use the latest technology is designed to have minimum impact on the environment and the host communities

Companies in the Group that received certifications are-

1. Dangote Cement Plc, Ibese Plant:

- Quality Management System
- Occupational Health & Safety System
- Environmental Management System

2. Dangote Cement Plc, Gboko Plant:

- Quality Management System
- Occupational Health & Safety System
- Environmental Management System

3. Dangote Cement Plc, Obajana Plant:

- Quality Management System
- Occupational Health & Safety System
- Environmental Management System

4. Dangote Agrosacks, Obajana Plant, Quality Management System

5. Dangote Sugar Refinery, Apapa, Food Safety Management System

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, Dangote Group sees corruption as 'the misuse or abuse of entrusted power for private or business gain; any act that seeks to compromise the integrity of an office, a process, or law for personal or own business effect.' It includes bribery, fraud and other related offences.

The Group is committed to the highest standards of ethical conduct in all its endeavors. It has zero tolerance for bribery and corruption, and other

forms of unethical practices among employees, between the Group and its employees, and with all external parties.

Dangote Group's anti-corruption policy is robust and recognizes that fraud occurs only when the opportunity creates itself where internal controls are weak, people are greedy or in dire need, and people act on personal convictions. All forms of controls are deployed to ensure that appropriate mitigation is in place for entity and process level controls. Periodic fraud risk assessments are conducted to ensure that actual and likely fraud risks are identified and treated promptly.

Entity level controls include the strict implementation of the Group's Code of Conduct and Ethics, and its whistle-blower procedures amongst others.

The Group has issued the following guidelines on anti-corruption

- Integrity

Integrity is an essential component of the Group's relationship with its employees, customers, and external stakeholders. All employees are required to exhibit utmost integrity in their personal and business relations, and demonstrate honesty in the discharge of assigned duties and responsibilities. No staff is permitted to ask for, receive or agree to receive from a customer, contractor or supplier to the Group, anything of value for his/her personal value in consideration of services rendered, being rendered or to be rendered.

- Prohibited payments

The Group prohibits all inappropriate payments of any kind. Staff are banned from using the Group's funds or assets for any unlawful purpose,

including making or offering to make any payment of money directly or indirectly to obtain undue advantage in the conduct of business.

- Gift items

Employees shall not seek or accept, directly or indirectly, gifts, entertainment opportunities or other types of gain or benefit from anyone soliciting or doing business with Group.

- Facilitation payments

The Group prohibits payments being made to bribe government or public officials to secure or expedite the performance of a routine business activity involving any subsidiary of the Group.

Procurement

The Group has a dedicated procurement unit. The unit handles all procurement processes. The procurement system is standardized with the use of SAP (SYSTEM APPLICATION AND PRODUCTS) because all processes are documented in the system for record purposes.

They ask three vendors to quote and then evaluate the bids as to get the materials and services at competitive prices, eliminating staff from colluding with vendors.

In the review year, these processes enabled the Group to work against corruption in all its forms. The anti-corruption policy forms part of the Group's training manual for staff.