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UNITED NATIONS GLOBAL COMPACT (UNGC)

Communication on Progress (CoP)

SUBMITTED BY
DANGOTE INDUSTRIES LIMITED



TABLE OF CONTENTS

ABOUT THIS REPORT	3	ENVIRONMENT	15
PRESIDENT'S STATEMENT	4	PRINCIPLE 7:	
HUMAN RIGHTS	5	BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES	15
PRINCIPLE 1:		▪ Precautionary Approach to Environmental Management	15
BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS	5	▪ Understanding and Managing Our Carbon Footprint – Dangote Cement Plc's Approach	16
▪ Human Rights Policy, Assessment, and Management Approach	5	PRINCIPLE 8:	
▪ Diversity and equal opportunities	5	BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY	17
▪ Diversity of Leadership	6	▪ Environmental Management & Compliance	17
PRINCIPLE 2:		▪ Environmental Performance: Energy; Water; Emissions; Effluents and Wastes	18
BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICITY IN HUMAN RIGHTS ABUSES	6	PRINCIPLE 9:	
▪ Grievance Mechanism	6	BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES	19
▪ Stakeholder engagement	7	▪ Operational Efficiency	19
▪ Engaging our Employees	8	▪ Risks, Opportunities & Challenges in Climate Change	20
▪ Community engagements	8	▪ Dangote Group Priority UN SDGs	20
LABOUR PRACTICES	10	ANTI-CORRUPTION	22
PRINCIPLE 3:		PRINCIPLE 10:	
BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING	10	BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY	22
▪ Freedom of association and collective bargaining	10	▪ Anti-Bribery and Anti-Corruption Policy	22
PRINCIPLE 4:		▪ Culture Based on Ethics and Integrity	23
BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR	10	▪ Whistle Blowing	23
▪ Forced or Compulsory Labour	10	CASE STUDIES	
PRINCIPLE 5:		1. Diversity and Equal Opportunities at Dangote Cement Plc	5
BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR	10	2. NASCON's Community Project Disclosure Engagement	9
▪ Child Labour	10	3. Dangote Sugar Refinery – Inclusiveness and Employee Motivation	12
PRINCIPLE 6:		4. Our Workforce – DCP, DSR & NASCON	13
BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION	12	5. Learning and Development – DCP, DSR & NASCON	13
▪ Labour practices and commitments	12	6. Environment Initiatives in Dangote Sugar Refinery Plc	16
▪ Non-discrimination	13	7. Tree planting campaigns across Dangote Cement Plc	16
▪ Equipping our people with the skills they need to succeed	13	8. 2020 Water Efficiency Campaign – DCP, DSR & NASCON	17
▪ Our ESG Compliance	13	9. 2020 Environmental Performance KPIs – DCP	18
▪ Health and Safety	14	10. Dangote Cement Plc's Alternative fuel project	19

ABOUT THIS REPORT

In June 2010, the President/CE of Dangote Industries Limited, Alhaji Aliko Dangote, GCON, communicated a letter of commitment to the UN Secretary General Ban Ki Moon, to join the United Nations Global Compact (UNGC), as a signatory member and support the UNGC Sustainability Pillars and Principles. The annual Communication on Progress, (CoP) is a mandatory report to the UNGC on the progress that Dangote Industries Limited and its publicly listed Business Units (including Dangote Cement Plc; Dangote Sugar Refinery Plc; and NASCON Allied Industries Plc) are making in implementing the Four UNGC Sustainability Pillars, which are further broken down into 10 Principles, along which this report is structured.

This Report which covers the period January 1st to December 31st, 2020, is therefore Dangote Industries Limited's 2020 Communication on Progress submitted to the UNGC, in fulfilment of its commitment.



PRESIDENT'S STATEMENT

Statement by the Chief Executive expressing continuous commitment to the UNGC and its ten sustainability principles, and their integration into business operations.

In 2020, our sustainability agenda remained firmly on track. In line with 'The Dangote Way' principles of continually fostering best practices in environmental, social and governance performance, we maintained strong oversight on sustainability issues, leveraging the wealth and diversity of experience, and strong commitment of members of Dangote Group subsidiaries' Executive Management, Committees and Boards.

As one of Africa's biggest conglomerates and manufacturers, we understand our corporate sustainability responsibilities and are focused on continually improving our social and environmental stewardship, socioeconomic well-being, health and safety of key stakeholders, and progress in the communities and economies where we carry out our business. We are also committed to the actualisation of the United Nations Sustainable Development Goals and are taking very concrete steps to own and drive these Global Goals in our business operations and across our value chain.

We relish our over a decade membership of the United Nations Global Compact (UNGC). We continue to drive the UNGC's ten sustainability principles, strengthening our business performance and sense of responsibility to key stakeholders and the African economies where we operate.

Our drive to support sustainable economic development and human capital advancement is unwavering. We understand that these commitments will require that we continue to comply with national and global sustainability standards, principles and guidelines; and similar ESG codes and standards applicable in all our African markets.

As part of efforts towards mainstreaming ESG practices across all our operations, in 2020 we designated Sustainability Leads in all our core subsidiaries such as Dangote Sugar Refinery, NASCON Allied Industries, the 12 Dangote Cement Plc Plants and Transport division, etc. This is a milestone that ensures that sustainability implementation and acculturation have dedicated, responsible parties that are trained, mentored, and motivated to do the job.

The Sustainability Leads work with the Executive Management and our over 1000 Sustainability Champions (the ambassadors and voice of Sustainability in different departments and functions) to execute ESG performance enhancement roadmaps and sustainability initiatives and programs, in alignment with the Group's Sustainability Function. Together, they are responsible for clearly communicating Dangote's sustainability objectives,



Our drive to support sustainable economic development and human capital advancement is unwavering.

policies, strategies and programs to colleagues, business partners and other stakeholders in the different locations where we operate.

We are glad to present Dangote Group's 2021 Communication on Progress (COP) which highlights the sustainability initiatives and programs that we have undertaken in the course of 2020 in line with the ten UNGC Principles which are broadly anchored on best practices in Human Rights, Labour, Anticorruption and Environment. We remain committed to continuously improving our ESG performance, creating sustainable wealth and enhancing the well-being of the present and future generations.

Aliko Dangote (GCON)
President/CE, Dangote Industries Limited

HUMAN RIGHTS

**PRINCIPLE 1:
BUSINESSES SHOULD SUPPORT AND RESPECT THE
PROTECTION OF INTERNATIONALLY PROCLAIMED
HUMAN RIGHTS**

**Human Rights Policy, Assessment, and
Management Approach**

At Dangote Industries Limited, we understand the importance of human rights and the key role that businesses could play in enforcing the protection of human rights in their operations. We support the principles set out in the articles of the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles, as well as the United Nations Global Compact principles on human rights. We are aware that the business and human rights agenda is continuously evolving. We keep ourselves abreast of trends and align our human rights practices with global best procedures, irrespective of enforcement weaknesses that may exist in markets where we operate.

We are committed to building knowledge and awareness of human rights across our value chain. This commitment is reflected in our Code of Business Conduct which covers all our operations. Our whistleblowing platform and grievance mechanism processes provide avenues for aggrieved persons to channel their complaints on human rights violations for investigation and redress.

We recognise that human rights violations could occur anywhere along the value chain. This may relate to labour rights, child's rights, women's rights, rights of persons with disabilities, poor health and safety standards and so on. We have laid down standards that guide acceptable norms of behaviour on human rights issues. We also have a group human rights policy that clearly defines responsibilities for upholding best practices on human rights in all Dangote operations.

There were no reported cases of violation of human rights in any of our business operations in the year under review. We will continue to monitor and audit compliance with our human rights policies and standards.

Diversity and equal opportunities

We understand diversity to be the range of human differences, including but not limited to race, ethnicity, gender, orientation, age, social class, physical ability or attributes, religious beliefs, culture, nationality, political inclinations, and so on. We make deliberate efforts to support diversity and inclusion in our business activities. Our recruitment policy fosters staff's employment from a diverse pool of talents because we understand that a diverse and competent workforce further strengthens our competitiveness, creativity and productivity. We aim to create an inclusive organisation where all employees, notwithstanding their diversity, are treated with dignity and

are empowered to reach their full potential.

In 2020, our workforce consisted of persons of diverse age groups, ethnicity, nationality, religion, political affiliations, and so on. We celebrate our unity in diversity and work together with the sole aim of advancing organisational goals and objectives. All our employees living with disabilities are treated with respect and dignity, and they enjoy equal opportunities with every other staff member. They are adequately supported with the tools and convenient work environment that they require to deliver efficiently on their jobs and responsibilities. Over the years, we have made progress in increasing our employee diversity. We will continue to focus on building a workplace where multiplicity and diversity of ideas are harnessed for enhanced business performance.



CASE STUDY 1:

Diversity and Equal Opportunities at Dangote Cement Plc

In 2020, youthful, vibrant and visionary employees below the age of 30 years represented 15.8% of our total workforce, while experienced employees between 30 and 50 years of age accounted for 69.4% of our workforce. To ensure that we maintain a resource pool of knowledge, experience and intellectual diversity, we have 14.7% of employees aged 50 years and above. In the year under review, 10 employees in our Nigerian operations had physical disabilities and were adequately supported to thrive in the discharge of their various duties.

Our vendor selection process also considers diversity. We encourage women entrepreneurs and young business owners to also participate in our supply chain. We interact with and give equal attention to all stakeholder groups, including youths, women, men, the elderly, and persons living with disabilities, and so on. We continuously look for new ways to embrace diversity and remove barriers to inclusiveness.

We are conscious of the fact that the industry wherein we operate falls within the Science, Technical, Engineering and Mathematics (STEM) sector, where global statistics show that women do not have sufficient representation. However, we are now making a conscious effort to ensure the employment of more qualified women into vacant and top Management positions. This is in addition to the support provided for our female employees through the Dangote Women Network and other women empowerment initiatives aimed at ensuring that we continuously provide a conducive working environment for all categories of employees.

We have a Diversity and Inclusiveness Policy that ensures that our employees, regardless of their gender, creed, language, religion etc. have opportunities to develop their career across our Business Units.

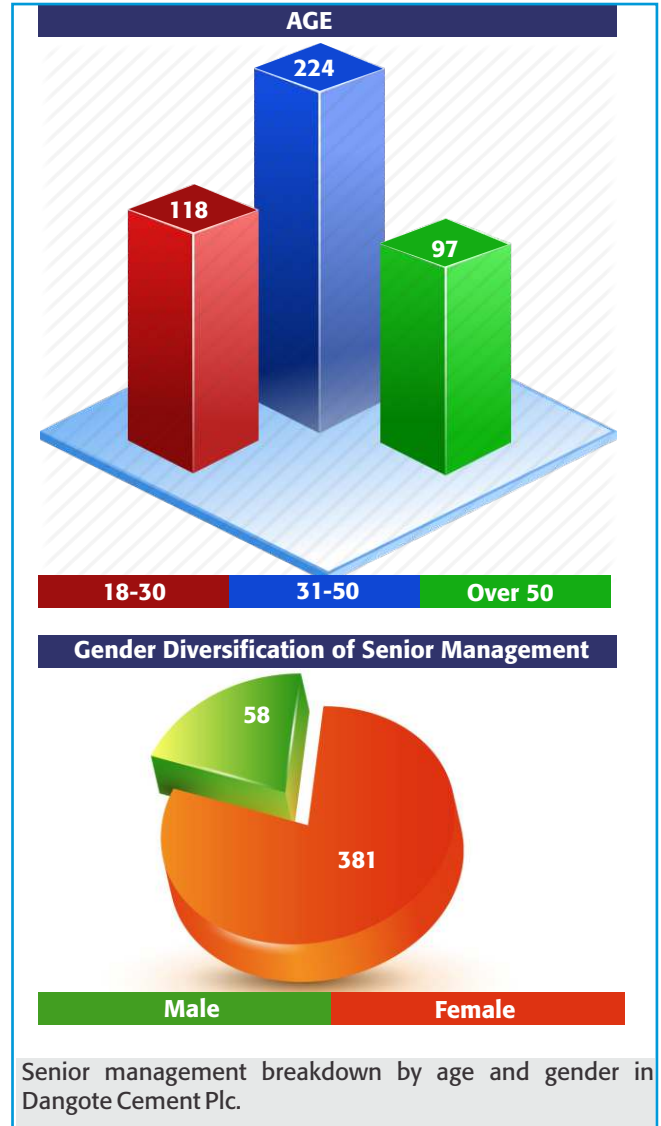


Diversity of Leadership

The Dangote leadership teams comprise of experienced and knowledgeable individuals of different ethnicity, nationalities, religion, gender, race, age groups, and cultures, each bringing their unique personalities and perspectives, and creating a stimulating working environment.

During 2020, our NASCON Allied Industries' Board of Directors consisted of six males and four females, representing 60% and 40%, respectively. At the same time, the Dangote Cement Plc had a cumulative total of 15 Board Directors (12 were male while three were female, representing 80% and 20% respectively). In our Cement operations, 15 persons make up our executive management committee team, consisting of 13 males and two females, and representing 86.7% and 13.3%, respectively. Five of the Dangote Cement's executive management team members are within the age range of 30 to 50, while 10 are over 50 years, representing 33.3% and 66.7%, respectively.

The Company is taking concrete steps towards increasing female representation, especially in leadership positions. We are already beginning to see some improvements in this regard. In 2020, female Board membership increased year-on-year, from 14% as of 2019 to 20%.



PRINCIPLE 2:

BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Grievance Mechanism

As an organization that is committed to ethical and responsible business practices, we foster mutual trust and respect between our stakeholders and us. One of the ways that we achieve this is by providing access to an effective grievance mechanism procedure. We understand grievances to be expressions by stakeholders of discontent or dissatisfaction regarding any of our policies, activities, processes, practices, products, services or our management of business relationships.

We have an established grievance process through which we attend to inquiries, claims, concerns, and complaints from internal and external stakeholders, including the communities where we operate. The essence is to identify and mitigate negative business impacts and provide a channel through which affected persons could come forward to express their grievances without fear of retaliation or negative consequences. Effective grievance

mechanism enables our organisation to receive, review and address complaints before they escalate into full-blown conflicts.

All complaints received via our grievance mechanism channels are registered and investigated, in line with our standard procedures. When appropriate, the complainant is informed of the steps that will be taken to address their concerns, including, if necessary, escalation steps. In 2020, a total of 157 grievances were received in Dangote Cement's locations. Out of this number, 104 were successfully resolved and closed out of this number, while 53 cases are still being addressed.

Dangote Cement Plc (DCP) Reported Grievances in 2020		
	2020 Reported Grievances	2020 Grievances Closed
TOTAL	157	104

To mitigate instances of community grievances, we understand the need to continuously engage with them. Should they have grievances to report, we ensure that stakeholders in host communities have access to our company representatives and key decision-makers, as applicable. Where issues cannot be redressed at the community level, they are escalated to the regional office or headquarters for timely and mutually agreed resolution.

Aside from the 2020 materiality assessment survey, there were several other channels of engagement with host communities in the year under review. This was further necessitated by the COVID-19 pandemic and the need to strengthen support for our communities. In all, Dangote Cement Plc recorded a total of 596 community engagement sessions in 2020. All complaints were painstakingly reviewed and addressed in line with the standard procedures.

Stakeholder engagement

Our stakeholders are a critical part of our business. Therefore, we ensure that they are effectively engaged and kept up-to-date on our business activities, especially on issues that directly or indirectly concern them. Our key stakeholders include employees, investors and shareholders, customers, regulators and government,

supply chain partners, banks and financial institutions, (social) media, and so on. Our corporate responsibility is to ensure that they are meaningfully engaged, in accordance with the interest and the influence that they wield over our business outcomes.

A key aspect of our commitment to our operations is to develop, maintain and strengthen our relationships with all key stakeholders. We recognise that the geographies and markets where we operate are becoming more diverse and complex, with shifting needs, priorities and expectations, necessitating that we continuously engage our communities and other stakeholders.

Open communication with stakeholders helps them understand our business approach and elicit their feedback on how they believe that we can be better neighbours. We endeavour to build meaningful relationships with them and understand their expectations and aspirations. We develop constructive relationships at local, national, regional, and international levels and foster public dialogue in sectors that affect our business.

Our engagements with stakeholders are in various forms, including surveys, focus group discussions, town hall meetings, media communications, industry collaborations, public-private partnerships, management retreats, application of our grievance mechanism, among others.

Every year, and as part of our sustainability reporting practice, we conduct materiality assessments for different categories of stakeholders. Our aim is to gauge the perception of our key stakeholders and understand their interests and concerns about our business. This supports informed decision-making, socioeconomic/environmental performance evaluations and interventions, as well as ensures stakeholder-inclusive ESG performance reporting.

In 2020, Dangote Cement introduced self-assessment tool, which helps our Plants to objectively assess their performance in line with the Group's policies and standards. We will continue to improve on our engagement practices and leverage opportunities for enhanced interactions, which we are sure would minimise friction with stakeholders and maximise our positive impacts and social license to operate.





For more on Stakeholder identification, categorisation and mapping, and the specific ways we engaged our key stakeholders in 2020, please view our 2020 Sustainability Reports on our official websites.

Engaging our Employees

Besides training and capacity-building sessions, we had active engagements with staff at all levels and at different fora in 2020. Most of the engagements in the year under review were designed to promote occupational health and safety amid a significant global pandemic; provide physical and mental health support as required; and appreciate staff for long and meritorious service to the organisation.

We held weekly COVID-19 awareness sessions and virtual medical consultations for employees driven by our medical partners and retainerhip. Mental health support systems were fully activated to assist employees that may have been traumatised by the pandemic or lost loved ones to the deadly virus. Weekly office exercises were also held at the head office to support wellness and overall physical and mental health.

In 2020, the publicly listed subsidiaries such as Dangote Cement Plc (DCP), NASCON and Dangote Sugar Refinery (DSR), carried out a materiality assessment to elicit the views of employees and get their feedbacks on important ESG issues. The outcome of this engagement formed part of each subsidiary's annual/sustainability reports published in 2020.

Community engagements

We ensure that the rights of members of host communities are not violated. We have developed multiple communication channels with host communities, including periodic face-to-face, town hall meetings that enable us to discuss and agree on issues that are important to both parties. When there are contradictory views, we activate mechanisms for resolving them. We endeavour to maintain an open, honest and continuous engagement with them and their representatives.

One of the many ways we engage with host communities is by investing in need-based projects and initiatives that benefit them, while also creating value for our business. But beyond monetary investments is the critical need to establish enduring relationships with these communities, constantly engaging them on issues about our business that could impact them, and building mutual trust and respect.

We adopt a participatory approach to community relations and ensure that we elicit and address their feedbacks. We have community relations officers and managers who engage with these important stakeholders continuously. We listen to their perspectives, concerns and priorities, and take cognisance of these as we make our strategic business decisions.





Through our employee volunteering platform, we bond and relate closely with our communities, further strengthening existing relationships. Our annual Sustainability Week and other structured employee/community relations initiatives also offer our staff across all levels the opportunity to participate in impactful community support projects that align their personal passion and community well-being with our corporate social responsibility objectives.



CASE STUDY 2:
NASCON's Community Project Disclosure Engagement

In the year under review, we held the 'Project Disclosure Engagement' with Alayabiagba Community in Ajeromi-Ifelodun Local Government Area of Lagos State. The community had complete representation from all segments, including community elders, men, women and youths, trade unions, representatives of road transport union, the Local Government Chairman, traditional ruler, Council of Chiefs, among others. Essentially, the engagement was held to acquaint members of the community with the establishment of a new NASCON Plant in the community; highlight the eco-friendly technology that will be deployed in the operation of the Plant; and the potential socioeconomic benefits that the community stands to gain as a result of NASCON's business presence in their community. The community welcomed the development and leveraged the engagement to kick-start discussions on their interests and expectations.



LABOUR PRACTICES

PRINCIPLE 3:
BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

Freedom of association and collective bargaining

We recognise that effective workers' representation play a valuable role in building a positive business environment. As such, we respect the fundamental right of workers to freedom of association, to form organisations of their own choice, to join trade unions, and to bargain collectively for their wages and other benefits. This is in line with our adherence to the core principles of the International Labour Organisation and the United Nations Global Compact (UNGC), to which we are a signatory. We do not discriminate or penalise workers because of their membership of, or affiliation to a trade union, as long as it is permissible by law in the countries or locations of our operations.

We maintain an open line of communication with employee unions and leadership on subjects of mutual interests to ensure that decisions taken are in both parties' best interests. We remain committed to entrenching best practices in collective bargaining for all categories of employees.

Dangote Cement Plc: Number of employees covered by collective bargaining agreements		
Number of employees covered by collective bargaining agreements		
2018	2019	2020
730	838	1084

PRINCIPLE 4:
BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

Forced or Compulsory Labour

We have stringent standards against forced and compulsory labour. Our anti-forced labour policy espouses our stance on any form of modern slavery, servitude or human trafficking. We implement policies and procedures that ensure that this practice does not occur anywhere in our supply or value chain. Our Forced or Compulsory Labour Prevention and Abolition Policy align with applicable regulations and best practices. Under this policy, employees regardless of their employment status, location, contractual arrangements or roles are strongly mandated to desist from engaging in acts or practices that denote forced or compulsory labour, which could include acts that promote slavery, bonded work and acts against operating labour laws. The policy also necessitates the creation of awareness amongst staff and contractors on issues of forced or compulsory labour, as well as supports progressive activities and initiatives designed to ban or

prevent the practice of forced labour across our operations in Nigeria and Sub-Saharan Africa.

All employees, including our contractors, are required to abide by this policy and report suspected cases of forced or compulsory labour to relevant authorities, where such cases will be investigated and addressed as appropriate. In all our operations, we take precautionary measures to ensure that cases of forced labour do not occur. The measures include having close engagements with suppliers with high employee numbers to determine working conditions and wages as well as a clear explanation of our labour and safety rules to third party contractors. We encourage our employees and stakeholders to report all suspected cases.

In all our operations and across our different subsidiaries, we found no cases of forced or compulsory labour in in 2020. We will remain vigilant to ensure that this record is maintained.

PRINCIPLE 5:
BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR

Child Labour

Dangote Industries Limited and all its subsidiaries in Nigeria and across Africa have zero-tolerance for child labour in all its forms, not only because of the direct harm caused to children involved but also because of the negative multiplier effect it has on society. We periodically conduct due diligence on our operations to check for instances of child labour, and to ensure that all our operations are free from such incidents. Also, we will not enter into a business partnership with vendors and contractors who have a track record of using child labour.

As a way of creating awareness on child labour, in the year under review, we published a four-part series on child labour tagged "combating child labour" in our weekly sustainability publication that is circulated across all Dangote operations.

In all business units, including Dangote Cement, Dangote Sugar, and NASCON (Dangote Salt), we had zero instances of child labour in our operations in 2020. We adhere to the UNGC principles on child labour, the International Labour Organisation's (ILO) Standards on child labour, and all local and global regulations that protect the rights of children.





Sustainability

VOLUME 1 | NO. 13

TIT-BITS WEEKLY

MONDAY, AUGUST 17, 2020

Combating Child Labour (i)

What is Child Labour?

Child Labour refers to the exploitation of children through any form of work that deprives them of their childhood, harms their social and mental development and limits educational opportunities.

Without an education or vocational skills, children grow up into adults without the capacity they require to secure employment and means of livelihood, making it more likely that they will send their own underage children to work someday, thereby creating a vicious cycle of poverty.



Child Labour is widespread in several African countries. A joint report issued by the Nigerian Bureau of Statistics in conjunction with UNICEF in 2018, indicates that more than half of Nigeria's 79 million children between the ages of 5 and 17 are victims of Child Labour. It is therefore a serious, widespread and very harmful social crisis.

Child Labour takes many forms, including:

- Street hawking
- Street begging
- Carrying out tedious farm work
- Scavenging garbage dumps for sellable items
- Fighting in armed conflicts
- Commercial sex exploitation
- Working as domestic labour

Child Labour could result in a form of enslavement, family separation and exposure to serious physical, emotional, and mental health hazards. It is often hidden from the eye of the public to avoid sanctions and social stigma. Children from lower social status, migrant groups and those with physical disabilities are particularly vulnerable

Photo of the Week



<https://www.borgenmagazine.com/20-million-nigerian-children-victims-child-labour/>

A victim of Child Labour struggles to lift a heavy farm produce. This could come with physical and emotional harm!

to the menace of Child Labour .

Note that Child Labour does not refer to children helping out with family household chores or business, so long as this does not deprive them of education, skills acquisition and psychologically healthy childhood.

Speak out against Child Labour and Abuse whenever you see it being perpetuated.

It is the right thing to do!!

Why do Child Labour persists?

Find out in next week's edition

QUIZ OF THE WEEK

Please click on the link below to give your answer:

<https://bit.ly/3aq3vtn>

READ MORE ON CHILD LABOUR

- <https://connectnigeria.com/articles/2015/05/10-great-quotes-from-famous-people-on-children/>
- <https://www.pri.org/stories/2018-07-30/child-labor-continues-being-problem-nigeria-girls-are-especially-risk#:~:text=More%20than%20half%20of%20Nigeria's,a%20number%20of%20other%20organizations.>
- <https://www.ilo.org/ipec/facts/lang--en/index.htm>
- https://stopchildlabour.org/about-child-labour/https://www.ilo.org/global/topics/dw4sd/themes/child-labour/WCMS_559713/lang--en/index.htm

PRINCIPLE 6:
BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Labour practices and commitments

At Dangote Industries Limited, we regard our people as our number one asset. Our employees deliver on the product and service excellence promises that we make to our customers and other key stakeholders. Without them, our business success and future growth could be truncated. As such, we have established a working environment where our employees enjoy job security, equality, steady career progression, a high level of professional and personal satisfaction, and a mutual sense of loyalty and commitment. At the heart of our sustainability drive is the strong commitment to uphold the rights and personal dignity of our employees. To this end, we have put in place:

- Policies that align with internationally recognised human rights and labour practices, that promote cordial and harmonious working environment;
- Employment conditions that encourage creativity and full deployment of the capabilities of each employee;
- Training and development initiatives that promote a continuous learning, with processes that identify the specific areas of professional development needs of each employee;
- Workplace health and safety policies and practices that ensure that our employees feel safe and protected as they carry out their different functions;
- Equal opportunities, competitive remunerations and the use of performance evaluation tools that ensure transparency and objectivity in our human resource and reward management; and



CASE STUDY 3:

Dangote Sugar Refinery – Inclusiveness and Employee Motivation

In line with the Group's Diversity and Inclusiveness Policy, Dangote Sugar Refinery Plc ensures that employees, regardless of their gender, creed, language, religion etc., are given opportunities to accomplish career growth and development. Management has also instituted platforms for the recognition of, and awards to committed and high performing staff on a quarterly basis. An Internal Customer Service Champions initiative was introduced in 2018. Staff are encouraged to nominate colleagues who have delivered beyond expectations in interdepartmental service deliveries.

We are continually improving our practices in recruitment; training and employee engagement; performance management and recognition; leadership development and succession planning; and identification of key roles that employees are best suited for. These are required to sustain our growth, achievement of future goals, increased return on investment to shareholders, value creation for all key stakeholders, while ensuring the continuous wellbeing of our employees.

- Internal engagement mechanisms that encourage free flow of communication across all hierarchies and strata within our organisation.



Non-discrimination

At Dangote Industries Limited, we are committed to maintaining a work environment where all individuals are treated with dignity and respect. Every individual has the right to work in a professional environment where they are certain that they will not be stereotyped or discriminated against. We prohibit discriminatory practices and harassment in our workplace. We frown at any form of bias and prejudice in our recruitments, assignments, transfers, promotions, compensations, benefits, working conditions, among others. We enforce non-discrimination at all levels and across all operations. We also encourage our employees to report cases and incidents of discrimination, regardless of the offender's identity or position. Such reports are appropriately investigated and addressed in line with laid down policies and standards.

We have a DIL Human Rights Corporate Policy that clearly stipulates that all employees can work in an environment free from unlawful harassment, discrimination, and retaliation. We remain committed to ensuring that staff are familiar with these policy provisions and are aware that any violation or cases of non-compliance will be thoroughly investigated and sanctioned, as appropriate.

consistently improving skills, competencies and the capacity of our workforce. We consider it essential to offer our employees a variety of resources and opportunities that help them advance their professional and personal development. Our learning and development offerings cover on-the-job, classroom and online learning experiences, offered to both permanent and temporary employees across all cadre, in all operations. Independent study courses, web-based courses, continuous assessments courses, intensive workshops and action-planning courses are included in the offerings. There are training opportunities that are available to all employees irrespective of functions, while others are designed to address specific learning and development outcomes in particular functional areas.

We are continually improving existing Human Resources systems and processes and have developed new tools for enhancing employees overall learning experience. We are committed to ensuring that our employees have the required capacities and competencies to excel in their job functions. In an ever-changing world where knowledge is dynamic, we endeavour to keep our employees continually updated by giving them trainings that are designed to match the realities of today's workplace.



CASE STUDY 4:

Our Workforce – DCP, DSR & NASCON

Across our subsidiaries, DIL provides thousands of employment opportunities to highly skilled individuals, irrespective of race, gender, tribe, religion or ethnicity.

DIL Subsidiary	Total Workforce in 2020
Dangote Cement Plc (DCP)	18,921
Dangote Sugar Refinery Plc (DSR)	2,881
NASCON Allied Industries Limited	593

Our ESG Compliance

As a business, Dangote Industries Limited complies with applicable ESG principles, guidelines and regulations. Our ESG compliance wheel identifies some of the major national and global sustainability principles and standards that we align with. Our subsidiaries such as Dangote Cement, NASCON, Dangote Sugar, etc., also comply with all applicable industry specific regulations, laws and standards.

As a responsible corporate citizen, we understand that our business operations should not be carried out at the expense of our stakeholders' environmental and social well-being. We operate in compliance with applicable laws and regulations, including the corporate governance code in all the different markets where we operate. We adhere strictly to applicable anti-corruption and anti-competitive behaviour laws.

Equipping our people with the skills they need to succeed

We are building a culture that is focused on developing and



CASE STUDY 5:

Learning and Development – DCP, DSR & NASCON

DIL Subsidiary	Total Number of Employees Trained in 2020	Number of training hours provided to employees in 2020
Dangote Cement Plc (DCP)	12,709	92,999
Dangote Sugar Refinery Plc (DSR)	1,700	10,223
NASCON Allied Industries Limited	1,678	6,712

In line with the principles behind our Institutional Pillar, we strive to comply with relevant ESG laws, regulations and guidelines, such as the United Nations Global Compact's Ten Sustainability Principles; the Nigerian Exchange (NGX) Sustainability Disclosure Guidelines; the SEC Code of Corporate Governance; the Nigerian Code of Corporate Governance; GRI Sustainability Reporting Standards; the sustainability principles and framework of the Global Cement and Concrete Association; and other applicable regulations in the different industries and countries where we operate.

For example, as a member of the Premium Board of the Nigerian Exchange (NGX), in 2020 our Cement business, complied with the Exchange's Sustainability Disclosure Guidelines. We published our Sustainability Report timely and in compliance with the disclosure requirements and presented same to the investing public using the NSE's "Facts Behind the Sustainability Report" platform during the year under review. In line with the new NSE regulation on sustainability performance disclosure, all publicly listed business units published their Sustainability Reports in 2020, in compliance with global reporting standards.

Health and Safety

Occupational and community health and safety considerations are fundamental to our business sustainability. Our commitment to safeguarding the health and safety of our internal and external stakeholders is firm and unwavering. We continuously endeavour to identify all threats to health, safety, and well-being in our operations and commit the necessary human and material resources for implementing corrective actions and continuous improvement.

Our ultimate goal is to attain zero accidents and fatalities in our business operations and across our entire value chain. This is why in 2020, we declared health and safety as the business' number one priority. To enable us to achieve our 100% safety objective, we have developed a comprehensive Health and Safety Improvement Plan in all our operations and are taking far-reaching performance enhancement steps.

In 2020, we continually created awareness on our 15 Safety Golden Rules. We noted an increase in compliance with the Rules compared to the previous year. Employees are encouraged to report all health and safety risks and incidents and are empowered to stop any unsafe act.

ESG Principles, Guidelines and Regulations	Dangote Industries Limited	Dangote Cement Plc (DCP)	Dangote Sugar Refinery (DSR)	NASCON Allied Industries Limited
United Nations Global Compact (UNGC)	✓	✓	✓	✓
The United Nation's Sustainable Development Goals	✓	✓	✓	✓
GRI Sustainability Reporting Standards	✓	✓	✓	✓
IFC - International Finance Corporation	✓			
The Nigerian Exchange's (NGX) Sustainability Disclosure Guidelines	✓	✓	✓	✓
SEC - Securities & Exchange Commission (Code of Corporate Governance)	✓	✓	✓	✓
NCCG - Nigerian Code of Corporate Governance	✓	✓	✓	✓
Global Cement & Concrete Association (GCCA)		✓		
National Environmental Standards and Regulations Enforcement Agency (NESREA)	✓	✓	✓	✓
Federal & States Ministry of Environment	✓	✓	✓	✓
Federal & States Ministry of Agriculture			✓	
Federal & States Ministry of Mines		✓		✓
Federal & States Ministry of Labour and Productivity	✓	✓	✓	✓
Federal & States Environmental Protection Agencies (e.g., LASEPA)	✓	✓	✓	✓
Host Local Government Areas	✓	✓	✓	✓
Industrial Training Fund (ITF)	✓	✓	✓	✓
National Agency for Food and Drug Administration and Control (NAFDAC)			✓	✓
Standards Organisation of Nigeria (SON)	✓	✓	✓	✓
Manufacturers Association of Nigeria (MAN)	✓	✓	✓	✓
Nigerian Port Authority (NPA)		✓	✓	✓
Nigerian Sugar Development Council (NSDC) / Nigerian Sugar Master Plan (NSMP).			✓	
Global Food Safety Initiative (GFSI).			✓	✓

For more on Health & Safety performance and improvement initiatives in the different Dangote business units in the year under review, please view our 2020 Sustainability Reports on our official websites.

ENVIRONMENT

**PRINCIPLE 7:
BUSINESSES SHOULD SUPPORT A PRECAUTIONARY
APPROACH TO ENVIRONMENTAL CHALLENGES**

Precautionary Approach to Environmental Management

We take the issue of the Precautionary Principle seriously in our operations. We are committed to investing in innovative technologies, providing adequate responses and putting in place effective methods for dealing with risks and uncertainties in environmental management. We also understand the responsibility of carrying out the required actions to prevent serious and irreversible environmental damage as we carry out our operations, even before such harms can be scientifically demonstrated or economically assessed.

As a result, we are developing and are utilising robust environmental management systems that identify, assesses, and manages the environmental impacts and risks associated with our operations. Our goal is to continually implement good management practices that prevent irreversible impairment to the environment, employees, host communities and the public.

Part of our precautionary approaches includes investing in technologies and innovations that would enable us to improve our environmental footprints; conducting comprehensive Environmental & Social Impact Assessment (ESIA) on all new projects and existing ones with significant modifications to identify and mitigate potentially substantial environmental impacts and risks, as required by local regulations, Group policies and international standards.

Our Group environmental management team and external parties (such as Control Authorities, Certification Bodies, etc.) also carry out independent environmental audits on a routine basis to ascertain the site Environmental Management System (EMS) effectiveness and the necessary improvement actions.

During the year under review, we continued to assess our environmental performance to determine the measures that are required for continuous improvement. For example, though Dangote Sugar Refinery operations are run on gas and LPFO in the event of gas cut from the suppliers, the focus is on reducing our impact through the following measures:

- Environmental Monitoring by the DSR team, Dangote Group HSE team and the Nigeria Ports Authority (NPA) Environmental monitoring team.
- Environmental Management System (EMS) drive towards ISO 14001 Certification
- Energy Management savings initiatives on optimal/efficient use of the two boilers for the production
- Water savings initiatives which include recovery of regeneration water
- Emissions – less emissions due to efficient use of gas to fire our boilers.
- Fine tuning of the boilers to fire with less emission on oil
- Effluents – controlling the effluent treatment as we commission the Effluent Treatment Plant
- Waste Management – through waste segregation, less waste generation owing to process optimisation





CASE STUDY 6:

Environment Initiatives in Dangote Sugar Refinery Plc

In the year under review, we implemented several environmental initiatives designed to improve our footprints.

For example, we introduced new pedal waste bins, and a new regime of waste segregation was launched across our operations. Wastes are being weighed on the weigh-bridge before disposal. In addition, an Effluent Treatment Plant (ETP) was also commissioned during the year under review. During the year, we also installed noise silencers on our boilers to dampen generator noise during operation and pressure. New Spill Prevention Control and Counter-measure (SPCC) kits were also unveiled during the year, and users were adequately trained as required.

This is in addition to the various activities introduced to safeguard the environment not just within our operations, but also across our supply chain. These include:

- Power generation using natural gas which is cleaner and with little or no flue gas that may pollute the atmosphere.
- Use of high-quality LPFO as an alternative when gas supply becomes unreliable.
- Refinery operation noise level within the acceptable 85dB at 1.0 M, by installing silencers for that purpose.
- Implementation of energy-saving projects to save water, steam, fuel, power and increase condensate return to the boiler house.
- Executive management’s continuously demonstrate commitment to reducing our waste and emissions.
- Operating production plant that reduces emissions to globally acceptable levels
- Processing effluent from the process flow line through the use of a brine recovery system that recover and recycles common salt, acid and water.

Understanding and Managing Our Carbon Footprint – Dangote Cement Plc's Approach

The cement manufacturing industry is one of the largest contributors to global warming and climate change due to the large amount of energy utilised and therefore, the carbon dioxide emitted. This occurs most especially during the conversion of limestone (CaCO₃), a key natural ingredient, to clinker (CaO), an intermediate component of finished cement, and during the combustion of fossil fuels in the kiln and the production of electricity to power the Plant. However, our plants are mostly designed to be energy efficient using cutting-edge technology in cement production.

Dangote Cement is aware of the harmful effects of greenhouse gas emissions (CO₂, CH₄, NO₂, Fluorinated gases) on the ecosystem and global climate. We try to minimise these impacts by adopting energy efficiency measures such as the use of Alternative Fuels.



CASE STUDY 7:

Tree planting campaigns across Dangote Cement Plc

At Dangote Group, we understand the critical role that trees play in supporting the fight against carbon emission. Trees are natural sequesters of carbon, and they play the additional role of releasing oxygen into the atmosphere, which is refreshing for humans and the physical environment. Tree planting and reforestation are therefore, some of our key environmental priorities.

In 2020, we increased the numbers of trees planted across our operations to reduce our carbon footprints and negative environmental impacts in host communities. Over 460,000 trees were planted across six countries of operation, including Nigeria (Gboko, Ibesse, Obajana), Congo, Ethiopia, Senegal, Tanzania, and Zambia, as part of our 2020 tree planting campaigns.

In Dangote Cement Tanzania, 5,045 trees were planted around the Plant location in the year under review, to leverage the carbon sink potentials of trees. For example, the Sagwan tree with a width of 10-30 cm absorbs 3.70 tonnes of Carbon Dioxide from the atmosphere in its lifetime; the Eucalyptus tree absorbs 2.46 tonnes of Carbon Dioxide; Neem tree has a CO₂ sequestration capacity of 1.45 tonnes in its lifetime.



**PRINCIPLE 8:
BUSINESSES SHOULD UNDERTAKE INITIATIVES TO
PROMOTE GREATER ENVIRONMENTAL
RESPONSIBILITY**

Environmental Management & Compliance

As one of Africa's largest manufacturing conglomerates providing essential commodities such as cement, sugar, salt, etc., in the African continent, we are committed to maintaining good environmental management standards and compliance with all relevant environmental regulations in the countries where we operate. Our commitment is in line with the principle of continuous improvement and protecting the environment for our collective good. We strive to minimise our consumption of energy and natural resources, and the negative environmental impacts our operations could create.

In addition to achieving compliance with relevant regulations (i.e., permits, accreditations and licenses), we also sought ISO 14001:2015 EMS certification to provide an external assurance for our existing environmental management systems. We obtained approvals for

Environmental & Social Impact Assessment (ESIA), Exploration Licenses; as well as executed Environmental Compliance Monitoring.

We understand the consequences of non-compliance with EMS standards and environmental laws and regulations. We know that non-compliance affects the company's reputation, erodes shareholders' profit through imposed fines and penalties, affects our relationship with host communities and reduces our social license to operate. We are committed to complying with all applicable laws and regulations in countries where we operate and ensuring that our operations align with the Group-wide Environmental policies that are in line with relevant international best practices on environmental management.

In the year under review, efforts were channelled towards the effective management and reduction of our negative environmental impacts by evaluating our production processes and introducing initiatives and projects that align our operations with best environmental practises.



CASE STUDY 8:

2020 Water Efficiency Campaign – DCP, DSR & NASCON

In 2020, we executed an enterprise-wide water efficiency campaign geared towards sensitising our employees, business partners and communities, on the critical need to preserve water for current and future generations. In our Cement operations, over 3000 of our employees in 10 African countries directly participated in this initiative. Through this initiative, we also supported the UN Sustainable Development Goals 6, 12, and 14 ('clean water and sanitation for all, 'responsible consumption and production, and 'life below water').

The three-month campaign helped identify key water efficiency practices in our operations and the gaps that may require improvements and corrective actions. Three winners emerged based on the defined criteria for the campaign. Dangote Cement Transport division was the overall winner, followed by Cameroon and Ibese Plants in the second and third positions, respectively. Incentives for the winners included executive management's recognition; virtual award ceremony presided over by our Group Managing Director, Michel Puchercos; congratulatory letters also signed by him; as well as a group-wide announcement of the achievements, to motivate other locations to continuously improve on their water efficiency practices, including impact measurements and documentation.

Also, in the year under review, NASCON implemented a dual water and energy conservation sensitisation initiative, with the aim of informing staff on the need to conserve water and energy. Activities carried out during the project include the placement of awareness posters in strategic locations in the Plants. Motion sensor tap heads were introduced. Employees were enlightened on the need to switch off power sources when not in use and after the close of work. Water consumption meters were introduced to calculate water utilisation from the source. The critical importance of ensuring effluent treatment before discharge, and the recycling of water was also reiterated as part of the initiative.





Environmental Performance: Energy; Water; Emissions; Effluents and Wastes

At Dangote Sugar Refinery (DSR), we proactively manage the various types of pollutions from our operations. At the refinery, we are replacing existing silencers in the boiler plant to mitigate noise pollution. We also minimise our soot emission, wastewater discharge and deforestation in all our operations. We have a brine recovery system in place to recover minerals and water in the effluent from the process house. In 2020, we continued to assess our environmental performance to determine the measures that are required for continuous improvement. Though our operations run on gas and LPFO, in the event of gas cut from the suppliers, the focus is on reducing our impact through operational efficiency and management.

Also, at NASCON Allied Industries, we engaged a certified environmental auditor to carry out quarterly audits on our

environmental performance. The report from the audit exercise is jointly reviewed by recognised federal and state environmental agencies. A biennial review of our Environmental Impact Assessments (EIAs) is also conducted. These reports form the basis for our performance reviews and guide our course of action in our emissions management. As part of efforts at reducing emissions, NASCON, in the year under review concluded the construction of a brand-new factory and retrofitting of our old burners.

To guide our decision-making process and stimulate continuous improvement, we collect, review and report monthly on key environmental indicators across all operations. These Key Performance Indicators (KPIs) include data on Greenhouse Gas (GHG) emissions, Dust, Water, Energy Consumption, Waste, Environmental Incidents, and so on.



CASE STUDY 9:

2020 Environmental Performance KPIs – DCP

Below are some environmental performance KPIs tracked and measured by our Cement subsidiaries in 2020.

2020 Environmental Performance KPIs	Dangote Cement Plc (DCP)
Total Energy Consumption (GJ)	92,515,735 GJ
Total Direct CO2 Emission [Scope 1]	16,034,409 tonnes CO2
Total Water Consumption/Utilization	6,789,816 m ³



PRINCIPLE 9:
BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Operational Efficiency

Achieving operational efficiency is one of our key environmental sustainability objectives, aimed at reducing operational costs and consumption of production resources, while also minimising CO2 emitted from our processes.

In our cement business, we are implementing ISO 50001 (Energy Management System) at DCP Ibese Plant in Nigeria, as a pilot. This will systematise the effective management of energy in our operations. We are aware that the production of cement has significant environmental impacts due to the high energy utilisation. Thus, we are committed to enhancing our energy efficiency practices. Despite the prevailing challenges of availability, as much as is practicable, we endeavour to utilise natural gas and alternative fuels which are cleaner energy sources.

We made progress in using alternative fuels in kilns during the year under review through effective and fit-for-purpose reutilisation of wastes produced in our sites, such as old tyres and packaging materials. This is a positive step towards reducing the use of fossil fuels to minimise emissions of greenhouse gases and other pollutants.

As part of our operational efficiency approach in NASCON Allied Industries, the various types of waste generated during the production, packaging and distribution of our products are classified into hazardous and non-hazardous and managed in line with best practices. Hazardous wastes are handed over to government authorised waste management agencies, while non-hazardous wastes are reduced, reused, recovered, and recycled; or disposed through government authorised waste brokers. We comply with the Environmental Protection and Management Regulations of Nigeria. In 2020, we did not record any case of regulatory infractions on waste management.



CASE STUDY 10:

Dangote Cement Plc's Alternative fuel project

Although some of our cement operations still rely on high carbon fuel sources such as petroleum coke, gas and coal, in 2020, we increased corporate focus and strategies for reducing our footprints by committing to the increase of alternative fuel in our energy mix.

To effectively execute our alternative fuel project, we have developed an Alternative Fuel (AF) project Charter which entails the roadmap and KPIs for the realisation of our AF strategy. Engineering of a modular concept for both short (pneumatic) and long term (multi-fuel) AF feeding systems (which can be replicated across kilns in our plant operations) have been completed. Various In-house, simple waste feeding systems like feed pumps and/or chutes, and pneumatic systems have been installed to maximise co-firing of waste lubricants, and to co-process waste polypropylene bags, carbon black, sawdust, cashew husks, sugarcane bagasse, scrap tyres, non-hazardous plant wastes, and so on.

In 2020, some milestones were recorded, such as alternative fuel sourcing and mapping, equipment/technology identification, and ordering process, installations of in-house AF co-processing systems at some specific sites like Ibese, Obajana, Zambia, Congo, South Africa, Ethiopia and Tanzania. Our ambition is to achieve about 25% thermal substitution rate (TSR) in our kilns, for the production of clinker by year-end 2025. The potential benefits of the project are enormous, such as waste reduction, cost savings, improved environmental quality, operational optimisation, energy efficiency, cleaner energy and better energy mix, stronger return on investments, and reduction in greenhouse gas emissions.

Risks, Opportunities & Challenges in Climate Change

We consistently measure and calculate greenhouse gas (GHG) emissions, such as CO2 from our operations and keep track of fallouts from our operations that may have climate consequences. We organise training workshops and programs geared towards improving how we manage and document our climate-related risks and opportunities. In 2020, we developed our Climate Change Policy to guide how we manage climate-related risks and opportunities.

Climate change and limits on greenhouse gas (GHG) emissions also create opportunities, such as creating new technologies, industries and markets. For example, DCP's alternative fuel enhancement project will create an opportunity for diversifying into the evolving 'renewable' waste management industry, leveraging on the advantage of energy reduction through efficient kilns and overall decreases in the cost of doing business.

Also, in salt production, we are aware of the key risk posed by climate change that may substantively affect our operations, revenue, and expenditure. We also understand the environmental impacts resulting from a rise in sea levels and how this could influence the ability to mine and

process salt. This may result in an inability to purchase crude salt for import and processing. We are, however currently exploring other sources of Crude Salt to ensure business continuity and sustainability.

Dangote Group Priority UN SDGs

The United Nations' Sustainable Development Goals (SDGs) are a set of 17 interlinked goals with 169 targets designed to be a blueprint for achieving a better and more sustainable future for all by 2030. While we support the actualisation of all 17 Goals, we have however prioritised a few SDGs per subsidiary that directly align with our corporate objectives, line of business and sustainability agenda. This way, we hope to make more impactful contributions to the 2030 targets in our different markets.

In our different subsidiaries, ESG function heads, Executive Management/Committee and dedicated Board Committees like Dangote Cement Plc Board Technical & Sustainability Committee has the responsibility for managing and communicating climate-related issues to the company's Board of Directors, with specific recommendations for action, as may be required.



Dangote Subsidiaries and their Priority UN SDGs



Dangote Cement Plc (DCP)



Dangote Sugar Refinery Plc (DSR)



NASCON Allied Industries Plc

4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS	

2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING
6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
8 DECENT WORK AND ECONOMIC GROWTH	

2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING
6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	

ANTI-CORRUPTION

**PRINCIPLE 10:
BUSINESSES SHOULD WORK AGAINST
CORRUPTION IN ALL ITS FORMS, INCLUDING
EXTORTION AND BRIBERY**

Anti-Bribery and Anti-Corruption Policy

At Dangote, we recognise that corruption is a systemic issue that undermines social and economic development and with a propensity to destabilise the business environment. As such, we do not tolerate bribery and corruption in any form, whether subtle or overt. Our zero-tolerance for corruption is clearly spelt out in our Anti-Bribery and Corruption Policy, which is binding on our employees at all levels, as well as our supply chain partners, and players across our value chain. We ensure that they are conversant with the provisions of this Policy by creating continuous awareness and leveraging staff onboarding and other strategic engagement sessions to communicate acceptable practices and the consequences for non-compliance.

In the year under review, we conducted fraud and risk management trainings for staff in our internal audit department to equip them with the knowledge required to function effectively in their roles. Utilising approved transparency processes, we implemented audits across several operations. Where cases of fraud are established, offenders are dealt with in accordance with company policies and regulatory requirements in our various markets. Some disciplinary actions taken include warning letters, queries, suspension, and outright termination. Where required, legal steps are taken against persons found culpable of bribery and corruption, while some

others are reported to the appropriate authorities.

We remain committed to ensuring that our business practices and processes are transparent, in accordance with our core values and in compliance with global sustainability principles and standards, including the UN Global Compact principles on human rights, labour, environment, and anti-corruption.

Culture Based on Ethics and Integrity

The Dangote Group has an unwavering commitment to high ethical standards of integrity, honesty, transparency, and accountability, equity, fairness, inclusiveness, and respect for all individuals. We understand that these are critical for our collective, long-term success and business sustainability. We endeavour to maintain high standards of professionalism and excellence, guided by policies and standards that align with global best practices and corporate governance. We have a Code of Conduct that applies to all employees across our Nigerian and Pan-African operations, as well as authorised representatives and all persons acting on our behalf.

We ensure that these policies' provisions are communicated using diverse channels, such as our intranet, face-to-face meetings, posters, emails, internal publications, and across digital networks. We foster accountability and transparency in all our dealings with stakeholders. We also endeavour to provide our employees with the resources that they require to drive compliance with regulatory obligations and proactive risk management.





Whistle Blowing

When there are breaches or genuine threats of violations of our Code of Conduct, policies and standards, employees and other stakeholders are encouraged to utilise our whistleblowing portal to report such incidents. We have a formal, transparent mechanism for whistleblowing, which is accessible to our stakeholders. To ensure objectivity and gain users' confidence in the process, our whistleblowing platform is independently managed by one of the big four consulting firms, Deloitte. As part of the process, concerns can be raised on an anonymous basis. The confidentiality of the whistleblowers are respected, and their identities are only shared where it is necessary for addressing the concerns raised or as required by law. Retaliation against any employee, contractor or third party who reports a concern in good faith is prohibited.

Our whistleblowing and grievance mechanism processes are clearly communicated to employees through the Staff Handbook.

In host communities, we endeavour to keep communication open between our business and community members, who are also encouraged to report infractions using our whistleblowing mechanism. Anonymity is guaranteed, as may be required by the whistleblower.

In the year under review, 30 whistle blowing cases were recorded by Dangote Cement. 80% of these cases have been scrutinised and resolved while 20% are still being investigated.

In conclusion, Dangote Industries Limited and its subsidiaries remain committed to driving the four UNGC Sustainability Pillars, which are further broken down into 10 Principles. We will continue to integrate these principles into our day-to-day operations and continuously communicate our progress to the UNGC and other stakeholders.

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