As one of Africa’s leading manufacturers, we are conscious that we must conduct our business in a manner that is sustainable for our stakeholders, our economy and our environment.

The Dangote Women’s Network leadership at its annual workshop endorsed corporate aspirations to ‘inspire’ and ‘sustain’ through “The Dangote Way: 7 Pillars”, including Group Executive Directors, Halima Dangote and Fatima Dangote, Group Chief Risk Officer, Dr Nike Fajemirokun, Group Chief Tax Officer, Titi Fowokan and Group Chief Sustainability & Governance Officer, Dr Ndidi Nnoli.
“Our Approach to Sustainability has been developed through an extensive stakeholder engagement process, led by the Sustainability and Governance Department of the Dangote Group. The “Dangote Way”, our unique approach towards engendering sustainability across all our operations, embeds at the core of our procedures and corporate culture, indicative of our absolute commitment to sustainability; powered by the highest levels of governance.”

We think big and our impact is significant. Dangote Cement is currently the largest public company in Nigeria, where our Headquarters are based. Our market capitalization amounts to one third of the total capitalization of the Nigerian Stock Exchange, with an annual capacity of 45.6 million tonnes across Sub-Saharan Africa. We have an operational network spread across 10 countries, that contribute substantially to these economies; with factories in seven countries, a clinker-grinding plant in Cameroon, as well as import and distribution facilities in Ghana and Sierra Leone. Overall, 2017 was a successful year for Dangote, with new facilities in Sierra Leone and the Republic of Congo, thereby increasing our production capacity by 2 million metric tonnes. On the demand side, our prospects remain positive and our largest market is Nigeria, where approximately 18.6 million tonnes were consumed in 2017.

The key to our successful expansion across Africa is our innovation capability, which derives from Sustainability Thinking. When we enter into new markets, we are mindful to build factories which are both modern and energy-efficient. We have recently disrupted the industry to produce a higher-grade cement, 3 times stronger than what was previously available in the market, based on our emphasis on product quality and superior delivery. This is a reflection of our strategy to remain cost-competitive, improve service delivery, sell better products and stay responsive to local needs and consumer preferences.

Technology matters, thanks to our focus on the production of higher-quality, stronger and quicker-setting cement at lower costs, we possess a unique competitive edge, and strategically support our facilities to deploy better marketing and logistics capabilities. We also benefit from positive network externalities which make our activities more efficient as we develop and grow: the better integrated and further reaching the Dangote Group, the greater our ability to procure resources in bulk, which in turn reduces our operational costs, that eventually trickles down to our consumers. Our financial strength aids us favourably to invest in procuring plants, logistics fleets and operating essentials to achieve greater economies of scale and lower costs.

Our focus on Africa is born out of sheer passion: we deeply believe this continent is the most exciting market in the world and we are committed to promoting the sustainability of our business and surrounding ecosystems. We have developed strong in-house Risk Management capabilities that inform our decision making and choices for markets with the greatest potential for sustainable growth and shareholder returns. We recently strengthened our capabilities in Sustainability and Governance, which further improved our global competitive advantage and ability to propel holistic, sustainable development in Africa.

Our Approach to Sustainability has been developed through an extensive stakeholder engagement process, led by the Sustainability and Governance Department of the Dangote Group. The “Dangote Way”, our unique approach towards engendering sustainability across all our operations, embeds at the core of our procedures and corporate culture, and is indicative of our absolute commitment to sustainability, powered by the highest levels of governance.

As we expand our footprint across Africa, our impact increases. Our Sustainability Report represents one important dimension of our collective endeavour to reshape Africa and improve the livelihoods of our people. We remain committed to continuously improve the transparency, sustainability and governance of our Company for our employees, shareholders, local communities and stakeholders alike. It is with a great sense of responsibility that I personally endorse our Sustainability Reporting Initiative and affirm our commitment to Sustainability Thinking across all Dangote business operations.

I am confident your faith in our Company will continue to be rewarded in the coming years.

Aliko Dangote
Chairman of the Board, & Group President/CEO, Dangote Group
“Our ambition is to lead the way for Africa’s success story, by achieving sustainable socio-economic growth and development for all our stakeholders. In spite of often tough operating conditions, our mission is to support Nigeria and other African countries towards achieving self-reliance and self-sufficiency in the world’s most basic commodities. We achieve this by establishing efficient production facilities in strategic locations close to key markets. In places where there is no Sustainability Thinking, we plant the seeds of sustainability ourselves.”

Sustainability is core to our Mission

With the rapid advancement of global development, building sustainable urban infrastructure presents itself as both a challenge and an opportunity.

We care about the countries in which we operate across Africa. Our ambition is to lead the way for Africa’s success story, by achieving sustainable socio-economic growth and development for all our stakeholders. In spite of often tough operating conditions, we are progressing our mission to support Nigeria and other African countries towards self-reliance and self-sufficiency in the world’s most basic commodities. We achieve this by establishing efficient production facilities in strategic locations close to key markets. We also create socio-economic value in our local communities by way of direct and indirect employment in the countries where we operate.

We, at Dangote Cement, are very conscious of sustainability as our core responsibility. This is why we have benchmarked our 2017 performance against leading sustainability standards, both local and international. More generally, our long-term goal is to lead the way in areas such as governance and sustainability, by setting a good example for other companies to follow.

We have launched a Sustainability Reporting Initiative as part of our effort to promote sustainability thinking across all our operations. Dangote Cement is very proud to hold the title of Sustainability Champion and Trendsetter for building sustainability-related synergies amongst the Dangote Group of Companies, following our Group President/CEO’s establishment of a dedicated Sustainability & Governance Function in 2017.

Certainly, rapid urbanization trends in countries such as Nigeria bring about many threats for local societies. We seek to combat some of the arising challenges by developing and reshaping our host community infrastructure – we support schools and enable educational institutions, we develop medical facilities and build infrastructure necessary for the local communities to become self-sufficient, including education, affordable housing, agribusiness development, access to electricity grids and water supply systems.

We care about the environment. Our values inspire us to strive for a sustainable approach towards environmental issues, which we achieve by minimizing the negative impact our factories have on our wider ecosystem. We invest in efficient mineral extraction – to achieve lower costs, be greener and more effective. We focus on larger kilns, which are more thermally efficient and clean. We also encourage cluster related technological advancements that contribute to lower environmental risks. We try to lead the example for Africa-based businesses to invest in new, technologically superior capacities. We control our emissions of greenhouse gases, which data is reviewed monthly during our Executive Committee meetings. Finally, we strive to use raw materials responsibly, relying as much as possible on materials in the vicinity of our plants.

In places where there is no Sustainability Thinking, we plant the seeds of sustainability ourselves. We are fully aware that our own sustainability as a business depends on the people who have entrusted their professional careers to us and who believe the Dangote Way is their way as well. First of all, we care about their safety and make efforts to adopt the best technical and organisational practices in order to continuously improve our H&S performance. The Dangote Group has deployed a Group-wide reporting framework to track collective performance indicators, whereby we regulate and standardize requirements for reporting, classification, escalation and investigation.

We will continue to invest in the skills development of our employees and ensure they receive rewarding experiences in the company, including our Performance Management Systems (PMS) designed to achieve the full actualization potential of our staff. We seek to attract the best Talent and, through the Dangote Academy, continuously enhance their competence profile. The Dangote Academy also provides technical and managerial training for the industry, by which we are also helping to bridge the gap in building skills for the industry.

Each year our approach to sustainability has gained momentum and we are pleased to have published our first Sustainability Report in 2017, one year ahead of our projected timeline. We believe that through coordinated efforts in realizing our Sustainability vision, as embodied in the “Dangote Way”, we will bring about a systemic and positive renaissance in African business culture.

Our commitment as a board is to ensure Sustainability Thinking is consciously ingrained into the very core of our corporate culture, anchored by appropriate policies and propelled by the very highest level of governance.

This publication is an extended version of our report on sustainability, published in the Dangote Cement Annual Report 2017. Co-created internally and curated by renowned experts, it encapsulates Dangote’s continuous endeavor to create sustainable societies and economic systems across Africa - for the betterment of our people, especially our host communities. The report describes our method of developing sustainability across seven dimensions we call “pillars”: financial, institutional, operational, cultural, economic, social and environmental. Together, the 7 pillars form The Dangote Way, our adopted approach to engendering global, sustainable and responsible long-term action.

Our corporate activities are benchmarked against reliable domestic and global standards, including the Rulebook of the Nigerian Stock Exchange, United Nations Global Compact, GRI Sustainability Reporting Guidelines, IFC Performance Standards and the Cement Sustainability Initiative of the World Business Council for Sustainable Development. This way we adopt the best from those at the forefront in sustainability reporting, whilst remaining true to our own corporate culture and success story.

Our approach towards sustainability has been informed by an extensive stakeholder engagement process, led by our Group Sustainability and Governance Function and supported by both Deloitte and PwC. We have aligned the “Dangote Way” with the recently launched United Nations Sustainable Development Goals (SDGs) because they cover many different dimensions of human welfare, including “no poverty”, “zero hunger”, “good health and well-being” and “quality education” as well as “gender equality”, “affordable and clean energy”, “responsible consumption and production” and “peace justice and strong institutions”, which we care deeply about.

We are conscious that through our business we impact people’s lives and that by the development of the economies in which we operate we help create sustainable local economies in our own areas of operation. We will therefore continue to participate in and support collaborative global initiatives that promote sustainable economic development led by socially responsible businesses, as a win-win path towards unprecedented, yet sustainable business growth across Africa. We continue to aspire to inspire, most especially our youth, and to remain good ambassadors of Africa’s future.

Fidelis Madavo
Non-Executive Director & Chairman, Technical Committee, DCP

Fidelis Madavo
Non-Executive Director & Chairman, Technical Committee, DCP
The Dangote Way

Over the past decade, the profitability and strong cash generation of Dangote Cement’s operations in Nigeria have enabled the expansion of our business across Africa, with a mix of integrated, grinding and import facilities to meet the demands of our local markets. We invested billions of dollars to develop skills, create local value and build new capacity across Africa, thereby supporting the continent’s industrialization efforts and contributing to the development of sustainable local economies in our countries of operation.

We have contributed towards Africa’s self-sufficiency in cement, being a critical component in infrastructural development, and also improved our host countries’ future capabilities to improve their balance of trade through cement exports.

As a group, we have focused on essential commodities that have a significant impact on people’s livelihoods and so far, our investment in the cement industry represents our most significant success story.

Most importantly, we have created thousands of jobs across the continent, developed local capacity, integrated value-adding along the supply chain, built factories and professionalized logistics, sales, distribution and support services across Africa.

We are committed to continually playing an important role in all of the economies in which we operate and consciously strive to support local businesses that service our operations. This, in turn, improves the lives and prospects of thousands of people across our host communities and countries.

Beyond global best practice, we understand that to fully implement our sustainability strategy, there is a need to engage all our stakeholders in developing a holistic approach, including a thorough assessment of the materiality of our sustainability indicators. This is an ongoing process that we are wholly committed to.

We have developed our own customized framework towards sustainability. For the Dangote Group, Sustainability Thinking enables us better balance our economic, social and environmental priorities while sustaining our financial, operational and institutional goals, safeguarding the well-being of present and future generations and maintaining a holistic respect for ethical values and local cultures.

The 7 sustainability pillars referred above provide the appropriate framework in which our Sustainability Report is centered.

“For the Dangote Group, Sustainability Thinking enables us better balance our economic, social and environmental priorities while sustaining financial, operational and institutional goals, safeguarding the well-being of present and future generations and maintaining a holistic respect for ethical values and local cultures. This approach informs “The Dangote Way” 7 Pillars we have adopted, and around which our Sustainability Report is centered.”

Our approach is built on the premise that sustainability must be owned and practiced at every level of our organization, most especially at the highest levels of institutional governance. We also believe that measuring and reporting our activity transparently and consistently is a crucial component to constantly improving on our role and impact in transforming our ecosystem. To achieve this, we continually invest in extensive stakeholder consultations, also internally, by which process we have embedded our corporate values and strategic objectives. This approach informs “The Dangote Way” 7 Pillars we have adopted, and around which our Sustainability Report is centered. As is clear from the diagram opposite, we regard the Cultural pillar as one that is integral to all the others. This is because people and values will always have a central role to play in our efforts to maintain profitable and sustainable business operations across Africa.

Financial
Achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the economies in which we operate by selling high-quality products at affordable prices, supported by excellent customer service.

Institutional
Build a world-class institution centered around corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency and business continuity.

Economic
Promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialisation across Africa, by establishing efficient production facilities and developing resilient local economies in strategic locations and key markets.

CULTURAL
Embody our core values in the way we do business, including a respect for cultural diversity and giving back to the societies in which we operate. To achieve this, we actively encourage teamwork, empowerment, inclusion, respect, integrity and meritocracy within our organisation.

Environmental
Create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimising our performance in energy efficiency, water usage and emissions.

Operational
Serve and satisfy our markets by working together with partners to deliver the best products and services to our valued customers and stakeholders through continuous product improvement, new business development, employing state-of-the-art technologies and systems to constantly optimise cost-efficiencies.

Social
Create a learning environment and platform for our employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer and local entrepreneurial development.

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Our commitment to sustainability reporting

As the global population rises and urban infrastructure expands, building sustainable cities is both a challenge and a priority. As Africa’s leading cement producer, we have the ability to make a real impact on whether that expansion is managed in a sustainable way, not just for the environment but for our Company.

Every one of us is committed to making it a priority to share our sustainability journey, goals, programmes and initiatives with all stakeholders.

As we align our efforts with both domestic and international standards on sustainability reporting, this report builds on best practices encoded in:

- The Rulebook of the Nigerian Stock Exchange (Sustainability Disclosure Guidelines);
- United Nations Global Compact (UNGCG), which is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption;
- Global Reporting Initiative: Global Standards/G4 Sustainability Reporting Guidelines;
- Cement Sustainability Initiative: Key Sustainability Issues.

In line with our approach to sustainability, we have exceeded our commitment to the three-year road map published in our 2016 Annual Report, by initiating the development and implementation of a robust sustainability reporting process, methodology and benchmarking against international best practices. This roadmap is set out below.

### 2016

- Benchmarking: Lafarge, CEMEX, PPC, ACC;
- Selection of pilot KPIs to monitor and report (Fatalities, FFR, LTI, LTIR, GHG, water);
- Monitoring of the reporting framework we have developed;
- Preliminary identification of applicable reporting standards;
- Reporting guidelines in line with CSI standards developed and communicated to all sites;
- Management review of pilot results.

### 2017

- Detailed management review of pilot results to improve reporting reliability and consistency to be completed;
- Identification of key stakeholders and understanding of their expectations;
- Identification of KPIs to report based on CSI/UNGCG review and stakeholder expectations;
- Foundation training for relevant staff.

### 2018

- Review of CSI KPIs and UNGC requirements;
- Development of procedure/criteria for materiality assessment;
- Roll-out of the monitoring and reporting system across the business to include depots and transport;
- Internal data assurance;
- Identification and set-up of targets for improvement, taking into account stakeholders’ expectation and business needs/resources;
- Management review of monitoring/reporting content (i.e. materiality, stakeholder inclusiveness, completeness) and quality (i.e. comparability, accuracy, clarity, reliability, etc.).
- Baseline studies against GRI and CSI standards.
- Intermediated and professional training of relevant staff.

Benchmarking our performance against global best practice

We benchmark the performance of our 7 Sustainability Pillars against global indicators including the Cement Sustainability Initiative of the World Business Council for Sustainable Development (WBCSD), which merges human rights laws from the International Labour Organisation’s five core labor standards and the United Nations’ Universal Declaration of Human Rights.

In working towards the CSI benchmarking exercise, we have focused on the four main work areas outlined below:

1. **GHG emissions and climate protection**
   Our GHG emissions are assessed monthly and the data reported to management and Group HSSE for discussion during monthly Executive Committee meetings.

2. **Responsible use of raw materials**
   Our operations are dependent on having long-term access to mineral-based raw materials in the vicinity of our plants. These raw materials are sourced locally from our queries and the overburden removed is used for land reclamation after mining.

3. **Occupational health & safety**
   We endeavor to adopt technical and organizational best practices to continuously improve our H&S performance. The Group HSSE team has deployed a Group-wide HSE reporting framework to track collective performance indicators on health and safety.

4. **Local impacts on land and communities**
   We aim to create value not only for our Company but also for the communities in which we operate. At all of our plants we have a Community Development Agreement that is discussed and agreed with the community. Our contributions from these activities have ranged from building of schools, hospitals to renovation of community facilities.
Aligning our 7 Sustainability Pillars to the UN Global Compact

They incorporate a principled approach to how we do business by documenting and formalising the unique and integral culture that will drive our sustained success across the African continent.

The UN’s Sustainable Development Goals (SDGs) clearly recognise the role of businesses in sub-national, national and global development.

At Dangote Cement, we are continuously developing frameworks that enable us make material contributions to sustainable economic development at a global level, with a specific focus on our home market of Sub-Saharan Africa.

These goals seek to address the most important economic, social, and environmental challenges to governance in our time. We contribute directly and indirectly to each and every SDG, as we recognise the importance of our alignment to these goals.

### UNGC principles

- **Human Rights**
  - **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights;
  - **Principle 2:** Make sure that they are not complicit in human rights abuses.

- **Labour**
  - **Principle 3:** Business 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:** Effective abolition of child labour;
  - **Principle 6:** Elimination of discrimination in respect of employment and occupation.

- **Environment**
  - **Principle 7:** Business 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.

- **Anti-Corruption**
  - **Principle 10:** Business should work against corruption in all its forms, including extortion and bribery.

### DCP standards and policies

- **Financial**
  - DCP Impact Policy
  - DCP Financial Analysis Policy

- **Institutional**
  - DCP Governance Policy

- **Operational**
  - DCP Safety Policy
  - DCP Testing and Investigation Standard

- **Cultural**
  - DCP Golden Rule

- **Economic**
  - DCP Economic Development Standard

- **Social**
  - DCP Social Development Standard
  - DCP Child Labour Policy

- **Environment**
  - DCP Environment Management Standard
  - DCP Health and Safety Management Standard

- **Corporate Policies**
  - DCP Business Ethics Policy

### SDGs

1. **No Poverty**
   - Creating jobs in local communities, for example we have more than 15,000 staff in Nigeria.
   - Providing competitive wage rate that exceeds the national minimum wage.

2. **Zero Hunger**
   - Supplementing low-harvest periods with our annual food support program to local women across our areas of operations.
   - Providing jobs to residents of our host communities. For example, we have provided more than 15,000 jobs.

3. **Good Health and Well-being**
   - Providing healthcare clinics for local communities near our Obajana plant.
   - Providing healthcare facilities for staff at plants.

4. **Quality Education**
   - Providing high-quality, industry-focused technical and management training to staff through Dangote Academy.
   - Demonstrating commitment to education through the award of annual scholarships to students in our home communities, enabling equal and social mobility opportunities regardless of circumstances of birth. For example, we awarded annual scholarships of N10m per year in Gboko and have awarded scholarships in Ibese year on year since 2012.

5. **Clean Water and Sanitation**
   - Providing access to clean water through borehole drilling initiatives.

6. **Decent Work and Economic Growth**
   - Providing competitive wage rate that exceeds the national minimum wage.
   - Creating jobs in local communities, for example we have more than 15,000 staff in Nigeria.
   - Supporting local entrepreneurial initiatives including Micro SME programmes to promote access to finance, business development activities and access to markets.
   - Fostering business relationships with women-owned enterprises as a good percentage of our suppliers are women.

7. **Sustainable Cities and Communities**
   - Ensuring the inclusive growth of our women via the Dangote Women’s Network initiative.
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### SDGs

<table>
<thead>
<tr>
<th>SDGs</th>
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<tbody>
<tr>
<td>1. No Poverty</td>
<td>Producing cement responsibly, limiting CO₂ emissions to globally acceptable standards.</td>
</tr>
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<td>2. Zero Hunger</td>
<td>Investing in state-of-the-art bag filters and electrostatic precipitators at all plants to ensure minimal dust emissions, making DCP one of the industry’s cleanest cement companies in Nigeria and across Africa.</td>
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<tr>
<td>3. Good Health and Well-being</td>
<td>Adopting a manufacturing process with minimal water consumption.</td>
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<td>4. Quality Education</td>
<td>Adhering strictly to non-discharge of toxic waste water or water pollutants.</td>
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<tr>
<td>5. Gender Equality</td>
<td>Using rainwater to carry out cooling functions at our plants to lessen the pressure on other water sources.</td>
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<td>6. Clean Water and Sanitation</td>
<td>Using relevant policies to curtail and bring within acceptable standards hazards to land associated with limestone mining and cement production such as dust emission, destruction of natural ecosystem, noise pollution, wastewater discharge, water acidification and deforestation.</td>
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<td>7. Affordable and Clean Energy</td>
<td>Minimising our impact on the natural environment where possible.</td>
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<td>8. Decent Work and Economic Growth</td>
<td>Adopting responsible procurement policies and practices that allow for fair and transparent competition and zero tolerance for bribery and corruption.</td>
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<td>9. Industry, Innovation and Infrastructure</td>
<td>Adopting a strong stance against child labour and other irresponsible labour practices here at DCP and from our suppliers.</td>
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<td>10. Reduced Inequalities</td>
<td>Ensuring a safe work environment for all staff and external parties to keep at the least possible hazard level at our work sites.</td>
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<td>11. Sustainable Cities and Communities</td>
<td>We help in providing relief materials to victims and Internally Displaced Persons (IDPs) in some conflict areas.</td>
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<tr>
<td>12. Responsible Consumption and Production</td>
<td>Participating in initiatives, partnerships and forums like GCCA and CSI that promote sustainable and responsible cement manufacturing practices.</td>
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<td>13. Climate Action</td>
<td>Partnering with technical schools and universities via the Dangote Academy to improve skills for the industry and youth employment creation.</td>
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<tr>
<td>14. Life below Water</td>
<td>Committing to the Global Compact initiative with periodic communication on progress.</td>
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<tr>
<td>15. Life on Land</td>
<td>Collaborating with international organisations, governments and other private sector players to make SDGs mainstream on a national scale and global scale.</td>
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<tr>
<td>16. Peace and Justice</td>
<td>Collaborating with NGOs to conduct vocational training to youths in our host communities. For example:</td>
</tr>
<tr>
<td>17. Partnerships for the Goals</td>
<td>Conducted vocational training for 50 youths in conjunction with the Otumba Ikunle Foundation, for learning bead making, tie and die, graphic printing.</td>
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<td>6. Clean Water and Sanitation</td>
<td>Basing our manufacturing process on minimal water consumption.</td>
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<td>7. Affordable and Clean Energy</td>
<td>Recycling water at our cement manufacturing plants.</td>
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<td>8. Decent Work and Economic Growth</td>
<td>Harvesting of rain water for cooling purposes at our plants.</td>
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<td>9. Industry, Innovation and Infrastructure</td>
<td>Providing clean water through several borehole projects. For example, we have constructed 21 boreholes in Ibese.</td>
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<td>10. Reduced Inequalities</td>
<td>Extending pipe water from our treatment plant for community use in Gboko.</td>
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<td>7. Affordable and Clean Energy</td>
<td>Use of cleaner fossil fuel of natural gas at our largest Nigerian plants, making use of other sources of fuel as a necessary alternative when the gas supply becomes unreliable.</td>
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<td>8. Decent Work and Economic Growth</td>
<td>Well over N100m has been invested in rural electrification for our host communities.</td>
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<td>9. Industry, Innovation and Infrastructure</td>
<td>Complying with labour laws and providing safe and healthy working environment for our employees.</td>
</tr>
<tr>
<td>10. Reduced Inequalities</td>
<td>Improving economic activities in rural, host communities that have now turned into thriving commercial centres evidenced by significant value appreciation of local land.</td>
</tr>
<tr>
<td>11. Sustainable Cities and Communities</td>
<td>Introducing higher-quality, stronger cement like the Dangote 3x (42.5R grade) cement.</td>
</tr>
<tr>
<td>12. Responsible Consumption and Production</td>
<td>Building plants with new and innovative specifications to reduce energy usage.</td>
</tr>
<tr>
<td>13. Climate Action</td>
<td>Intensifying our efforts to maximise use of locally sourced inputs such as coal and gypsum.</td>
</tr>
<tr>
<td>14. Life below Water</td>
<td>Constructing and repairing roads to improve access, interconnectedly and promote economic growth in our host communities. In Ibese, we spent about N5.8bn on roads that have boosted economic activities along the route via significant appreciation of land, the opening of new businesses and improved mobility for products including farm produce, which helps to improve sales and distribution and reduce wastage of food.</td>
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<td>15. Life on Land</td>
<td>Improving economic activities in rural, host communities that have now turned into thriving commercial centres evidenced by significant value appreciation of local land.</td>
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<tr>
<td>16. Peace and Justice</td>
<td>Executing direct economic empowerment initiatives with sensitivity to women and other vulnerable groups has contributed to better economic integration and reduced inequalities.</td>
</tr>
<tr>
<td>17. Partnerships for the Goals</td>
<td>Providing clean water through several borehole projects. For example, we have constructed 21 boreholes in Ibese.</td>
</tr>
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### DCP Impact

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Financial sustainability

As the largest public company in Nigeria and one of only three companies with a Premium Listing on the Nigerian Stock Exchange, we are committed to ensuring we maintain profitable financial sustainability that in turn creates direct and indirect contributions to national economic development. We quantify these impacts as our Gross Value Added. Furthermore, we operate in line with international financial reporting standards and ensure adherence to best practices in corporate governance through structures and policies that consistently comply with all relevant laws and regulations in the countries in which we operate.

As Africa’s largest cement company, our return to shareholders over the years has been substantial. Our Financial Sustainability Pillar is the cornerstone for the unprecedented growth and impact achieved by Dangote Cement over the years.

Our return to shareholders

Our mission “To deliver strong returns to shareholders….” builds on the Dangote Group’s founding vision of being “…a world class enterprise that is passionate about the standard of living of the general populace and giving high returns to stakeholders”. These statements underpin our commitment to shareholders and stakeholders alike.

Our Financial Sustainability Pillar is the cornerstone for the unprecedented growth and impact achieved by Dangote Cement over the years.

Our return to shareholders

As Africa’s largest cement company, we have sustained high levels of financial performance, enabled by disciplined business practices and sound investment strategies across Africa. Our commitment to growth and expansion has been accompanied by a strong commitment to provide returns for shareholders through annual dividend payments that are recommended by our Board and approved by shareholders.

Our history of dividend payments predates our listing on the Nigerian Stock Exchange in 2010. We have consistently paid annual dividends with recent payments per share of ₦7.00, ₦10.00, ₦15.00, ₦15.50 and ₦17.00 between 2013-2017.

The capital gains from our shares have also been strong since we went public in 2010. Our shares began trading at ₦122 at the time of listing and traded at more than ₦270 per share on the Nigerian Stock Exchange in late 2017. This sustained increase in value reflects our consistent growth in revenue and profitability and our return on investment for shareholders.

It also reflects continuing institutional demand for our shares and we regularly engage with major international pension funds around the world to discuss potential investment in our Company.

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Our return to shareholders

We contribute to the general economic sustainability of the countries in which we operate by creating hundreds of direct and indirect jobs, paying wages, favoring local procurement where possible and by paying applicable local taxes in our host countries. All of these activities contribute to sustainable value creation in all sectors of the local host economy and the wider national economies.

Our impact

Our Financial Sustainability Pillar is the cornerstone for the unprecedented growth and impact achieved by Dangote Cement over the years.

These statements underpin our commitment to shareholders and stakeholders alike.

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Sustainability

Financial indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2015</th>
<th>2016</th>
<th>% change</th>
<th>2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (₦B)</td>
<td>491.7</td>
<td>615.1</td>
<td>25%</td>
<td>805.6</td>
<td>31%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>53.4%</td>
<td>41.8%</td>
<td>-11.6pp</td>
<td>48.2%</td>
<td>6.4pp</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>0.78x</td>
<td>0.94x</td>
<td>0.16x</td>
<td>0.52x</td>
<td>-0.42x</td>
</tr>
<tr>
<td>Net gearing</td>
<td>31.7%</td>
<td>30.2%</td>
<td>-1.5pp</td>
<td>22.3%</td>
<td>-7.9pp</td>
</tr>
<tr>
<td>ROCE</td>
<td>20.9%</td>
<td>18.0%</td>
<td>-2.9pp</td>
<td>25.0%</td>
<td>7.0pp</td>
</tr>
</tbody>
</table>

Our return to stakeholders

The capital gains from our shares have also been strong since we went public in 2010. Our shares began trading at ₦122 at the time of listing and traded at more than ₦270 per share on the Nigerian Stock Exchange in late 2017.

This sustained increase in value reflects our consistent growth in revenue and profitability and our return on investment for shareholders.

It also reflects continuing institutional demand for our shares and we regularly engage with major international pension funds around the world to discuss potential investment in our Company.

We measure our wider impact by calculating our Gross Value Added (GVA)*, which is a metric also used by the Federal Government of Nigeria to measure the direct contribution of each individual producer, industry or sector in the Nigerian economy and quantify its overall contribution.

When summed for all Nigerian businesses, GVA represents the total contribution of business entities to the creation of GDP.

Economic impact of Dangote Cement – Gross Value Added

N450B Direct impact


N97B Induced impact

x2 Double the value of the national healthcare budget of Nigeria in 2016

* Presented multiplier refers to the impact generated among suppliers and sub-suppliers (indirect impacts) as well as the induced impact of household spending on the economy.
* It does not account for impacts generated across distributors and retailers.
** The following formula was used to calculate the GVA of Dangote Cement: Total revenues – bought-in materials and services.
Sustainability

N101.489 trillion - GVA in the Nigerian economy in 2016

8.8% represents the GVA contribution of the manufacturing sector to GDP (N8.903 trillion)

7.3% represents the GVA contribution of the cement industry to Manufacturing (N450B)

Of the total GVA attributable to the cement industry, DCP contributes around 70% (N450B)

Through the use of the Input-Output model for the Nigerian economy, we are able to present our total contribution to the Nigerian economy, including our direct, indirect and induced impact, as explained below. By ensuring financial sustainability through the generation of strong revenue streams and local procurement, we contribute to value creation across all sectors of the economy.

Direct impacts, which are the primary effects of Dangote Cement’s activities.

Indirect impacts, which are related to Dangote Cement’s business transactions with its suppliers. Dangote Cement’s purchases of goods and services from local suppliers generate business for these suppliers, enabling them to sustain jobs, generate value added and income. But the effects do not end there: Dangote Cement’s direct suppliers (1st tier) have their own suppliers (2nd tier) whose production increases in turn, creating a ripple effect in the economy.

Induced impacts, which are a consequence of the additional activity created in the economy through the spending of Dangote Cement’s employees and the spending of employees at our 1st and 2nd tier suppliers.

This activity, which is manifested through effective demand, is then reflected in an increase of output in the economy, which translates into additional jobs, income generation and value creation.

GRI disclosures

<table>
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<th>GRI 102</th>
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<td>102-19 Delegating authority</td>
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<td>GRI 102</td>
<td>102-20 Executive level responsibility for economic, environmental, and social topics</td>
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<td>102-21 Consulting stakeholders on economic, environmental, and social topics</td>
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<td>102-26 Role of highest governance body in setting purpose, values, and strategy</td>
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<tr>
<td>102-29 Identifying and managing economic, environmental, and social impacts</td>
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<td>102-30 Effectiveness of risk-management processes</td>
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<tr>
<td>102-31 Review of economic, environmental, and social topics</td>
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<tr>
<td>102-32 Highest governance body’s role in sustainability reporting</td>
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<td>102-33 Communicating critical concerns</td>
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<tr>
<td>102-34 Nature and total number of critical concerns</td>
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<tr>
<td>102-35 Remuneration policies</td>
<td></td>
</tr>
<tr>
<td>102-36 Process for determining remuneration</td>
<td></td>
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<tr>
<td>102-37 Stakeholders’ involvement in remuneration</td>
<td></td>
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<tr>
<td>102-38 Annual total compensation ratio</td>
<td></td>
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<tr>
<td>102-39 Percentage increase in annual total compensation ratio</td>
<td></td>
</tr>
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</table>

DCP disclosures

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<tbody>
<tr>
<td>Corporate governance policies and structures</td>
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<tr>
<td>Tax compliance</td>
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<tr>
<td>Investment/investor relations disclosures</td>
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<td>Legal and regulatory compliance</td>
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<tr>
<td>Strategies, policies and standards</td>
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<td>Succession planning</td>
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</table>

DCP Pillar indicators

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<tbody>
<tr>
<td>Regulatory compliance</td>
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<td>Responsible tax payment</td>
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<tr>
<td>Corporate governance policies</td>
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<td>Institutional capacity</td>
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<tr>
<td>Employee Code of Conduct</td>
</tr>
<tr>
<td>Succession planning</td>
</tr>
<tr>
<td>Talent attraction and retention</td>
</tr>
</tbody>
</table>

Our Impact

Institutional capacity

Our governance policies and practices are designed to ensure institutional sustainability, where business is conducted in an objective, fair and transparent manner that conforms to high ethical standards. These enable responsible operations driven by highly qualified and committed employees, as well as the creation of strong and sustainable relationships with customers and suppliers.

As one of the largest employers in Nigeria, with more than 15,400 employees in Nigeria and 24,000 employees across Africa, we seek to attract and retain the best talent to ensure the success of our business.
Succession planning
At Dangote Cement, we understand the importance of undisrupted business operations to profitability. Succession planning is therefore a strategic priority for us in order to maintain the stability, viability and bottom line of our Company. Ensuring a smooth transition of our top-level managers remains one of our most important priorities. We have looked beyond the Senior Executive level and ensured that our succession planning efforts permeate all levels of staff in the form of our Business Continuity Management Strategy.

Our succession planning policy for senior management incorporates strategic talent development through a process of identifying and preparing employees with strong potential for mentoring, training and development to enable them move into a higher role. Leadership transition is a strategic initiative driven by the Board and embraced by Human Resources and the Executive Team. It is an ongoing process, not one that is triggered by an impending departure. This focus on institutional sustainability is in line with our strategy to become the leading global player in the cement industry. We will continue to focus our efforts on expanding our operations beyond Nigeria, and aligning our human capital and organisational development to support the sustainability of our ambitious business goals. In 2017, Dangote received the ISO Certification for Business Continuity Management. This provides assurance that we have the people and resources required to respond to and resume business in the event of a major disaster, with minimal financial losses, reputational damage or business shutdown.

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Regulatory compliance
As a listed company, we adhere strictly to the SEC regulations for listed companies as well as the Nigerian Stock Exchange (NSE) Guidelines for Listed Companies (the "Green Book").

Dangote Cement received an NSE Award for the Most Compliant Listed Company in 2017.

In addition we strive to comply with the laws and regulations of the countries in which we operate.

We understand the importance of compliance with tax regulations and the overall importance of tax payments in building the Nigerian economy. We are committed to increased transparency on taxes paid. In the interests of transparency, we report on taxes paid per region on an annual basis in our Annual Report and Accounts.

Operational sustainability
Our focus on operational sustainability involves maximising the addition of value to raw material and local content, including technical and product development expertise, in order to more comprehensively and cost effectively serve the needs of our customers. But operational sustainability must take account of economic and environmental considerations as well. Therefore, we are constantly striving for improvements in all our operations. This includes the use of energy efficient technology, increasing the use of by-products for production and reducing our dependence on fossil fuels.

Operating efficiency: resource management; energy efficiency; innovation; supply chain management; procurement

DCP Pillar indicators
Resource management; local content development; operational efficiency; innovation; supply chain management

Our Impact
Resource management
Our operations depend on long-term access to raw materials in the vicinity of our plants. Such resources are finite and their local exploitation often leads to local community concerns. We therefore view the sustainable sourcing of raw materials and resource efficiency, including water management, as a key strategic goal. Resource management, as a key strategic goal.

Local content development
Local content is a requirement for companies to use domestically manufactured goods or domestically supplied services in order to operate in an economy. We prioritise local resource utilisation and have explored backward integration where appropriate to source critical inputs. This, in turn, helps local economies achieve greater self-sufficiency and more sustainable economic growth.

For instance, in Nigeria we use coal mined locally by Nigerian companies including our parent, Dangote Industries. This supports local jobs and reduces the need for imported coal, which in turn helps Nigeria’s trade balance.
Operational efficiency

We have deployed measures to maintain overall efficiency across our plants including:

- Utilising effective particulate emission control systems including baghouse filters and electrostatic precipitators.
- Efficient energy recovery in kiln operation using mechanical flow regulator in the coolers.
- Use of cement additives to give a higher volume of cement per Kg of clinker used, which reduces energy usage and CO₂ emissions per Kg of cement produced.
- Vertical roller mills for raw material, coal and cement grinding which are 40-50% more efficient of traditional ball mills and allow the creation of finer, stronger cement.
- Mechanical material transport and transfer system equipped only with conveyors and bucket elevators which are up to 80% more efficient that the traditional pneumatic system.
- Use of long OLBC conveyors for raw material transport rather than the less efficient dumpers.
- Robot lab equipment for automatic sampling and preparation for X-Ray screening which allow a better process control with direct effect on the quality of our cement and indirectly a 3-5% energy reduction compared to plant provided with manual sampling system.

Big process fans provided with Variable Frequency Drives (VFD) to vary the ventilation rate based on the actual demand/operating conditions. VSD can reduce input power by 40-80% (depending on the % flow rate) compared to dampers.

Pre-heater/pre-calciner processes, which are regarded as the most efficient technologies.

Innovation

We are committed to research and development to improve our overall production efficiency. We have dedicated Research and Development Units across all our local sites and we constantly strive to improve our quality standards based on feedback from the seminars and training programs we hold with our customers.

Our plants are all equipped with cutting edge technology like Prompt Gamma Neutron Activation Analysis (PGNAA) for online analysis of raw materials at the quarry, robotic laboratories and fully-automated central control room systems.

We have constantly deployed the most advanced machinery at our new plants, which improves the overall efficiency of cement production and the quality we achieve. Our Dangote 3X brand cement was formulated to meet the needs of our customers for cement with the qualities of extra strength, quality and yield.

Supply chain management

In 2017, our direct procurement spend was $1.3B. Our suppliers range from small independent firms to large international companies. We support our medium and small-scale distributors by taking on high capital outlays needed to help them build their redistribution capacity to last-mile markets. We invested more than $158 million to purchase 125 trucks that we gave our distributors (with a five-year payback period at no interest) for transporting products from our depots to retail outlets in an efficient manner.

In our own business, we have a 100% quality culture with zero tolerance for failure to meet standards. This also applies to our suppliers.

We require our tier-1 suppliers to gain certification to the following standards: Quality Management System, OMS ISO 9001:2015, Environmental Management System, EMS ISO 14001:2015 and Occupational Health and Safety Management System OHSAS 18001:2007. In addition, all suppliers are required to comply with the DCP Supplier Guiding Principles, which encompass workers’ rights and ethical business practices.

Our focus on sustainable and responsible sourcing is core to our operational sustainability. We strive to ensure all of our plants work closely with local suppliers and service providers and through the creation of local jobs we contribute to value creation at all our locations.

Our emphasis on operational efficiency translates to promoting sustainable local economies by means of enhanced earnings, wages, investment, purchases, and taxes. Our business operations have helped to improve Nigeria’s balance of trade and generated significant foreign exchange savings by substituting imports with locally sourced raw material and human capital, which also gives us an operational and competitive edge in Nigeria’s cement market.

Cultural sustainability

At Dangote Cement, we believe in the importance of embedding our identity and values in our workplace and incorporating corporate culture as a core driver in the way we do business. We consider the training and development of our employees to be an Executive priority.

Our 20 top Executive Managers led training programmes at our Dangote Academy in 2017, all of which contributed significantly to foster a consistent, sustainable culture of mentoring and value alignment across Dangote Cement’s operations across Africa.

GRI disclosures

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<td>GRI 102:16-17</td>
<td>102-16: Values, principles, standards, and norms of behavior 102-17: Mechanisms for advice and concerns about ethics</td>
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<tr>
<td>Stakeholder Engagement</td>
<td>102:43 Approach to stakeholder engagement 102-44 Key topics and concerns raised</td>
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DCP disclosures

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<tr>
<td>Organisational values and culture aligned with vision and mission as part of our corporate culture</td>
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<tr>
<td>Leadership buy-in and tone at the top</td>
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<tr>
<td>Employee engagement and identity in all countries</td>
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<tr>
<td>Talent development (Dangote Academy)</td>
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<td>Brand values and protection</td>
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<td>Stakeholder inclusiveness</td>
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<td>Diversity in the workplace</td>
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<td>Inclusive work environment</td>
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<tr>
<td>Brand, values and protection</td>
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Our Impact

Employee identity

Our staff handbook guides employee conduct, safeguards our ideal work ethic and ensures consistency of corporate culture across all of our locations.

The Handbook codifies the values expected of all staff and is provided to them from joining. It is updated regularly to reflect our latest thinking.

Cultural integration

As a Pan-African business we believe it is important to act as a good corporate citizen in all our host communities. Our employees are an integral part of our corporate culture in all our countries of operation.

Stakeholder inclusion

In view of the strongly local focus of our business operations, we can only be successful in the long term if we maintain good cooperative relationships with the various stakeholders in society. We seek to establish and maintain a dialogue based on trust with all our relevant stakeholder groups, locally nationally and internationally.

The resulting exchange of ideas and opinions helps us identify critical issues
In 2017, the Network recorded the following impacts:

- There has been an increase in female management in the company, with more women occupying leadership positions following the appointment in 2016 of our first female Board Member.
- There were changes to the maternity leave policy, including women being entitled to draw their full salaries during their maternity leave period.
- The Network offers programs and discussions to it members covering topics varying from financial security to improving work-home life balance.
- Health assistance is offered to Network members when required.
- Mentorship programs are offered to provide a platform for women in business to support each other.
- Engraining the philanthropic culture of the company and providing charitable platforms to staff that want to give back to their communities, including maternity leave policy, including women being entitled to draw their full salaries during their maternity leave period.

We have made a continuous effort to include more women in our leadership and workforce and have embraced the positive initiatives of the Dangote Women’s Network.
Economic sustainability

As the leading cement producer in Africa, we have the power to make a significant impact across all of our areas of operation. By ensuring financial stability through continuous growth, use of locally sourced materials and services for our production, and by providing decent working conditions and pay, we directly impact the sustainability of our host economies.

GRI disclosures

<table>
<thead>
<tr>
<th>GRI 201-6: Economic</th>
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<tbody>
<tr>
<td>201: Economic performance</td>
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<td>202: Market presence</td>
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<tr>
<td>203: Indirect economic impacts</td>
</tr>
<tr>
<td>204: Procurement practices</td>
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<tr>
<td>205: Anti-corruption</td>
</tr>
<tr>
<td>206: Anti-competitive behaviour</td>
</tr>
</tbody>
</table>

DCP disclosures

Stakeholder return on investment
Contribution to national economic growth across federal, state and base of the pyramid
Job creation, new skills development
Sustainable local economies and knowledge transfer
Import substitution and local content development
Value chain and economic impact on SMEs

DCP Pillar indicators

Job creation
Household income
Income generation

Our value chain

Our size and the scale of our ambition enables us to negotiate the procurement and construction of several plants using best-of-breed technologies from Europe and China. This also informs our choosing to build factories in countries with large populations and healthy economies with the potential for construction and housing. We can thereby optimise mineral extraction to get the best material easily and at relatively low cost for every time we open a new plant. We are committed securing our inputs via backward integration by acquiring self-owned quarry sites from which we mine limestone and other raw materials such as laterite and shale when we open new factories.

The heart of our strategy is to offer higher quality products than competitors, but made at lower cost. This relies on us deploying the most modern production techniques in a way that incorporates sustainable and environmentally initiated measures, backed by a constant focus on quality control throughout the entire process. As one of the largest fleet operators in Sub-Saharan Africa, we control much of our own distribution and achieve significant cost savings and a deeper relationship with customers, to whom we can deliver cement directly. Our cement is recognized as a premium product in the market, thanks to our strong focus on quality control at the factory and our customer service beyond.

Raw Materials

- Extraction
  We generally extract the raw materials locally from our mines needed for the production of our construction materials — limestone for the production of cement through quarrying operations.

Procurement

- Raw materials;
- Energy;
- Maintenance.

The company continues to expand its operations in Nigeria and Pan Africa which requires various significant procurements for equipment and spare parts. The procurements are made in the form of advance payments to vendors and/or deposits for imports.

Research and Development

- Product innovation;
- Development of alternative;
- Continuous improvement to quality.

We have a dedicated R&D unit on all our plants. Our R&D are consistently researching in the development of quality cement. Our cements are consistently made to meet and surpass the cement quality standards set by SON.

Production

- Cement
  Our business is based on the production of cement. Our operations in Nigeria include 3 cement production plants at Obajana, Ibese and Gboko with a combined production capacity of 29.25Mta.
Our impact

With nearly 46Mt capacity across our operations in 10 countries, we have quickly become the continent’s leading supplier of cement.

To put our size into context, our 13Mt Obajana plant in Nigeria has enough capacity to supply the total cement needs of many African countries including South Africa and Ethiopia.

Contribution to job creation

As the largest manufacturer in Nigeria, we have created jobs throughout our operations for many thousands of Nigerians. Our activities also create thousands of jobs in the economy by way of indirect and induced impact.

In an era when unemployment, particularly amongst youth, has been a huge challenge confronting the Nigerian economy, Dangote Cement remains committed to reducing the unemployment rate in Nigeria through various initiatives, including:

- Partnering with development banks, non-governmental organisations and vocational training centers to equip unemployed persons to become skilled employees and successful entrepreneurs;
- Partnerships at state and national level, encourage access to funding for newly trained entrepreneurs to start their businesses
- Internship placements across all our business functions. This improves the employability and business acumen of our interns upon completion of their internships as they will have acquired important skills and capabilities during their training,
- Graduate traineeship programmes that enable young managers to understand our business in a holistic way, lead key projects and in the process build professional and leadership capabilities.

In Nigeria, we estimate that more than 15,000 jobs we sustain directly have a multiplier effect in the economy beyond our operations.

In fact, we believe that nearly 28,000 jobs are sustained in Nigeria because of the existence of our operations, enough to make a significant economic impact.

Across Africa, we believe our operations sustain more than 43,000 direct and indirect jobs throughout the 10 countries in which we have operations.

Economic impact of Dangote Cement – Employment

| 15,415 employees | 4,724 employees | 7,813 employees |
| Direct impact | Indirect impact | Induced impact |

27,952 jobs

Total number of jobs sustained in Nigerian economy in 2017 by Dangote Cement

Multiplier 1.81*

Every job provided directly by Dangote Cement operations in Nigeria sustains a total of 1.81 jobs in the Nigerian economy.

The creation of nearly 28,000 jobs would reduce unemployment in Katsina state by 62%.

* Presented multiplier refers to the impact generated among suppliers and sub-supplier (indirect impact) as well economy as a whole through household spending (induced impact). It does not account for impact generated across distributors and retailers.
Contribution to income generation
By creating jobs across Africa we also contribute to income generation in local communities.

Through this, not only do we provide resources that ensure sustainable livelihoods, we also indirectly contribute to ensuring access to basic services and education, increase the quality of living and create an inclusive environment for the sustainable growth of our local host communities and the wider economies in which they are located.

Sustainability

Contribution to income generation
By creating jobs across Africa we also contribute to income generation in local communities.

Through this, not only do we provide resources that ensure sustainable livelihoods, we also indirectly contribute to ensuring access to basic services and education, increase the quality of living and create an inclusive environment for the sustainable growth of our local host communities and the wider economies in which they are located.

Economic impact of Dangote Cement – Household Incomes

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Amount (N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct impact</td>
<td>28.8B</td>
</tr>
<tr>
<td>Indirect impact</td>
<td>22.2B</td>
</tr>
<tr>
<td>Induced impact</td>
<td>21.4B</td>
</tr>
</tbody>
</table>

Total household income generated in Nigerian economy in 2017 by Dangote Cement:

N72.4B

Multiplier 2.5*

Every N1.00 of household income generated directly by Dangote Cement’s operations in Nigeria generates a total of N2.50 in the Nigerian economy.

We estimate that our contribution to household income in the Nigerian economy is more than N72B, including indirect and induced impacts.

Our presented multiplier refers to the impact generated among suppliers and sub-suppliers (indirect impacts) as well as the economy as a whole through household spending (induced impact). It does not account for impact generated across distributors and retailers.

Social sustainability

Companies that have been consistently rated as “best places to work” have higher market values and employee morale, along with lower than average employee turnover.

At Dangote Cement, we understand the importance of profitable growth that benefits not just our shareholders, but also our employees and local economies.

Therefore, our social initiatives work hand in hand with the local communities in regions where we operate.

By building a strong workforce through the employment of local people and contractors, the empowerment of youth, the provision of educational support, provision of high quality infrastructure, driving improvements in local healthcare as well as in community welfare, we contribute to a significant way to the United Nations Sustainable Development Goals (SDGs) and reinforce our stand as an advocate for sustainable development in Nigeria and elsewhere. We strive to maintain a strong health and safety culture at all our locations, which reflects our commitment towards a zero-harm working environment for all.

GRI disclosures

<table>
<thead>
<tr>
<th>GRI 400: Social</th>
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</thead>
<tbody>
<tr>
<td>401: Employment</td>
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<tr>
<td>402: Labor/management relations</td>
</tr>
<tr>
<td>403: Occupational health and safety</td>
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<tr>
<td>404: Training and education</td>
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<tr>
<td>405: Diversity and equal opportunity</td>
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<tr>
<td>406: Non-discrimination</td>
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<tr>
<td>407: Freedom of association and collective bargaining</td>
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<tr>
<td>408: Child labour</td>
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<tr>
<td>409: Forced or compulsory labour</td>
</tr>
</tbody>
</table>

DCP disclosures

| Wages, pensions, leave, transportation, termination and National Housing Fund as per national laws |
| Equal opportunity, diversity and human rights |
| Health and safety Training and development, skills acquisition |
| Social investments, community involvement |

DCP Pillar Indicators

| Health and safety |
| Training and development |
| Community engagement |
| Social investment |

Our impact

Occupational health and safety initiatives (OHS)
We have attained Occupational Health and Safety Assessment series BS: OHSAS 18001:2007 certification. As a result of the scale and nature of our operating model as Africa’s largest cement company, occupational health and safety are a priority for us. We are focused on improving our overall H&S performance and making people more aware of workplace safety. We focus not just on our own employees but also on external third parties.

*Zero Harm* is the ultimate goal of Dangote Cement. Most of our plants are OHSAS 18001 certified meaning OHS is integrated into normal operations.
We believe that a strong OHS culture is promoted when the Executive leadership team is visible at shop floor level and seen to be leading by example. In order to enable us build and reinforce a positive OHS culture, the following key initiatives were taken in 2017:

- Monthly safety theme drive;
- Monthly safety gate meeting;
- Safety observation tour by Executive leadership team;
- Incident investigation of all incidents including, near misses;
- Sharing of experiences/findings of all incidents;
- Informal communication through a WhatsApp groups and formal communication through shared network folder;
- Development and improvement of relevant SOPs based on the results of inspections, audits and risk assessment activities;
- Periodic training programs and workshops for high-risk activities;
- Establishing life-saving rules and progressive consequence management;
- Empowerment of employees to stop any unsafe act or work.

We are continuously working to reduce risk through people engagement, capability building, advance engineering solutions for high risk activities and further strengthening our OHS management system. We have begun to embed OHS in our line managers’ responsibilities rather than merely making it the responsibility of the OHS team. OHS data consolidated at corporate level on a monthly basis includes:

- leading indicators (i.e. training, inspections and audits) and
- lagging indicators (i.e. fatalities, LTIs, near misses). OHS performance is reviewed monthly and reported to the Board every quarter.

OHS training
The HSSE Unit has rolled out multiple training programs across our sites in Africa including confined space training. We are committed to improving the technical and organisational aspects of OHS. Although we still have incidents at our facilities, we are making concerted efforts towards achieving our goal of a Zero-Harm work environment, especially through group-wide training programs. We are also increasing the responsibility of line managers to ensure compliance with the Company’s health and safety guidelines.

Skills development
Dangote Cement is constantly providing training opportunities for its employees (and others) through the Dangote Academy. Our training department and associated training institutions (within and outside of Nigeria) have recorded success in the development and roll-out of robust technical training programs with modules specific to the operation of our cement plants. This is to ensure that existing and new employees receive the requisite training and skills set for their roles, and that we have a pool of competent, skilled people on which to draw as we grow and expand across Africa.

In 2017, our main human resources activities were focused upon the following areas:
- Recruitment
- Training and development
- Organisational development
- Reorganisation of the corporate HR function.

There is an annual learning and development plan for staff, based on competency gaps and training needs identified during performance appraisal. This plan is augmented by the annual learning and development budget approved by Executive Management. Furthermore, staff are also offered opportunities to attend training that addresses their inter-disciplinary needs and improves their leadership competencies in addition to their core competencies. There are extensive options for soft skills acquisition both in class and with e-learning.

In order to maintain the high work standards required of DCP staff, we have also implemented the Performance Management System (PMS), which requires Key Performance Indicators (KPIs) to be set by staff at the beginning of each financial year. These are reviewed periodically to ensure optimal performance and development.

Technical skills development
The Dangote Academy was established in 2010 to develop the skills necessary for the operation of cement plants and other manufacturing facilities in the Dangote Group. It provides training in technical and management skills for existing employees and people wishing to join Dangote Cement and other Dangote companies. Since 2014, 20,009 staff members have been trained at the Dangote Academy in programmes such as:
- Management and development
- Information technology
- Technical and engineering skills

In 2017, the Academy continued to drive our key training initiatives, including the Graduate Engineers Training Scheme, the Vocational training Scheme and the Junior Technician Scheme. By 2017, the Dangote Academy had graduated more than 600 qualified engineers and technicians into the workforce. More than 90% of those who graduated from the Academy are now working in the Dangote Group.

Social investments
Strategic social investment is achieved through collaborative community projects based on our core themes of education, employment and community health projects.

In doing this we help our local communities and contribute significantly to tackling wider societal needs, which in the long run helps us to maintain our social license to operate.

Community engagement
Dangote Cement has three large cement plants in Nigeria: Gboko, Ibese, Obajana.

Gboko
Established by the Federal government of Nigeria, the company was then privatised in 2000 when Dangote Group acquired a 35% shareholding, and subsequently full control.

More than 50 individual projects have been completed by the plant since its inception.

Almost #225m has been spent by the Gboko plant on initiatives including:
- #100m spent on scholarships
- #95m on community electrification
- #20m spent on 30 trolleys
- #15m spent on a borehole
- #10m spent on a magistrate’s court
- #8m spent on scholarships and education-related projects

Ibese
One of the largest non-oil investments in Nigeria.

More than 35 individual projects have been completed by the plant since its inception.

N4.1bn spent by Ibese plant on initiatives including:
- #5.8bn spent on various road construction projects, including concrete roads
- #6.2m spent on provision of potable water
- #6.5m spent on construction of classrooms
- #5m spent on healthcare interventions
- #1.7m spent on electrification projects
- #3.8m spent on road construction and repairs
- #2.4m spent on vocational training and community information technology training

Obajana
Largest cement plant in Africa

More than 10 large-scale projects have been completed by the plant since its creation.

N854.24m spent by Obajana plant on initiatives including:
- #588m spent on road reconstruction
- #160m spent on a development centre
- #23m spent on boreholes in various community areas
- #22m spent on electrification projects
- #20m spent on construction of a magistrate’s court
- #18m spent on scholarships and education-related projects

In 2017, we donated more than #1Bn as part of our CSR efforts across Africa, focusing on the development of infrastructure, the encouragement of entrepreneurship, improving education and women’s empowerment.
Sustainability

Fighting inequalities

At Dangote we understand that a healthy mix of people across gender, sex, race and ethnicity who contribute differing points of view and opinion are crucial to workplace success. This blend of unique experience and outlook enable us to be more dynamic in generating ideas that help improve our work processes and position us in the forefront of adoption of new practices which are required to adapt to an ever changing work world.

We have made continuous efforts to improve on the number of women in our workforce as we strive to achieve best practices for gender diversity.

To further refine our sustainability ambitions during the past years, we have accompanied the above measures with an ongoing dialogue with internal and external stakeholders on the implementation of a group-wide sustainability roadmap that considers holistically the full impact that our business has on the communities and itemises contributions and active changes we are required to make to effectively contribute to the sustainable development of Nigeria.

Environmental sustainability

Dangote Cement believes that sustainable environmental management, together with a proactive approach to addressing the challenges and opportunities of climate change, is fundamental to maintaining a successful business. We are committed to maintaining excellent standards of environmental performance. We recognise the part that we can play in improving the environment, particularly in and around our sites of operation.

We apply economically sound sustainable development principles to our business and seek to maximise energy efficiency and minimise the environmental impact of our operations.

<table>
<thead>
<tr>
<th>GRI disclosures</th>
<th>Description</th>
</tr>
</thead>
</table>
| GRI 300: Environmental | 301: Materials  
302: Energy  
303: Water  
304: Biodiversity  
305: Emissions  
306: Effluents and waste  
307: Environmental compliance  
308: Supplier environmental assessment |

<table>
<thead>
<tr>
<th>DCP disclosures</th>
<th>Description</th>
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</table>
| Permits and license/environmental compliance  
Air emissions management  
Water management  
Environmental management |

<table>
<thead>
<tr>
<th>DCP Pillar indicators</th>
<th>Description</th>
</tr>
</thead>
</table>
| CO₂ emissions  
Dust emissions  
Water management  
Environmental governance |

Our performance and commitments

**GHG emissions**

Due to the high temperatures needed to turn limestone into clinker, the production of cement consumes a significant amount of energy and this in turn causes combustion-related CO₂ emissions.

When the raw material is heated to over 1,450 Celsius, it is de-acidified, which leads to further, process-related CO₂ emissions.

We have put in place greenhouse gas emission reduction initiatives at our plants such as:

- Use of natural gas where practical to minimise emissions of greenhouse gases and other pollutants.
- CO₂ emissions monitoring a view to reduction as required by national and international bodies such as the International Finance Corporation.

GHG emission sources have been identified in line with the specific guidelines published by the Cement Sustainability Initiative (CO₂ and Energy Accounting and Reporting Standard for the Cement Industry, 2011).

GHG emissions are assessed monthly and the data reported to business unit management and Group HSSE and discussed during our monthly Executive Committee meetings.
Sustainability

GHG emission sources have been identified in line with the specific guidelines published by the Cement Sustainability Initiative (CO₂ and Energy Accounting and Reporting Standard for the Cement Industry, 2011). GHG emissions are assessed monthly and the data reported to business unit management and Group HSSE and discussed during our monthly Executive Committee meetings.

Dust emissions
All our plants are equipped with up-to-date dust abatement technologies including electrostatic filters and baghouse filters. These technologies allow our plants to maintain dust emissions below 30 mg/Nm³ at the kiln stacks, well below the local regulatory and IFC threshold limits.

Water management
Water is scarce in many parts of the world and climate change is exacerbating this situation. Even though the construction materials industry consumes relatively little water compared to other sectors, the scarcity of fresh water at several of our locations presents a challenge. We are committed to the goal of mitigating the impact of our activities on natural water resources to the greatest extent possible.

Our Obajana plant operates an earthen dam that collects storm water from the catchment areas around the plant. This water is pumped to the plant and fed into a water treatment plant made up of a clarifier for suspended particulate matter, settling tank, sand filter, and carbon filters. Treated water is then conveyed to on-site storage tanks and circulated to the various plant sections through a closed circuit.

These initiatives allow the three sites, which account for about 50% of total DCP water consumption, to avoid using more valuable groundwater resources, thus reducing the DCP water footprint.

We comply with stringent environmental regulations to ensure that our raw material quarrying will not endanger local water sources, which may be used by local communities.

Environmental governance
We are committed to the implementation and maintenance of the National Industrial Standards ISO 14001:2004 Environmental Management System (EMS), which ensures a systematic approach to environmental management within the defined scope of our operations.

We aim to comply with relevant legal requirements with a view to providing a sustainable environment for manufacturing, packaging, distribution and sales of cement and continuous improvement of our operations.

We conduct environmental baseline studies before building our plants and also carry out periodic environmental monitoring of air emission and air quality with particular attention to dust, waste water discharge, and noise emissions. We ensure that all our plants are issued EIA/ESIA permits as required by the local legislation and the international good practices.

Dr. Ndidi Nnoli
Group Chief, Sustainability & Governance

Massimo Bettanin
Group Chief, HSSE

Brian Egan
Group Chief Financial Officer