




CLIMATE CHANGE POLICY

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Policy History:

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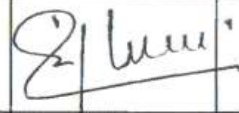


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ABBREVIATIONS

CDP	Carbon Disclosure Project
CO2	Carbon dioxide
DCP	Dangote Cement Plc
DIL	Dangote Industries Limited
GCCA	Global Cement and Concrete Association
GHG	Greenhouse Gas
HSSE	Health, Safety, Social, Environment
KPI	Key Performance Indicator
SDG	Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change

1. INTRODUCTION

Dangote Cement Plc also referred to as 'DCP', is a leader in the African cement industry with a presence in Nigeria, South Africa, Senegal, Ghana, Cameroun, Ethiopia, Tanzania, Congo, Sierra Leone and Zambia, and with plans to expand further across the African continent. DCP supports national, regional and global efforts in addressing climate change. As a member of the Global Cement and Concrete Association (GCCA), we understand the need to achieve significant progress on sustainability. DCP is committed to implementing processes to reduce our emissions and drive efficiency in our consumption.

2. POLICY STATEMENT

DCP recognizes climate change as a global challenge for society and more so the African continent which is vulnerable to the impacts of extreme weather conditions and fragile economic infrastructure. As a responsible global citizen, we accept responsibility to play our part to progressively reduce the carbon footprint of our operations as the world aims to reach net zero by 2050. DCP collaborates with the government in all our countries of operation in their respective ambitions towards net zero. The demonstration of this commitment is our alignment with policies, investment in alternative energy sources and inclusion of communities, the supply chain and stakeholders in our efforts to manage the impact of our business. Our governance structure assigns the responsibility for sustainability and climate action to a Board Committee which has oversight and ensures the implementation of this Policy.

DCP also recognizes SDG 17 partnership for the goals, hence supporting the goal of the UNFCCC Paris Agreement to limit global warming to well below 2°C by setting decarbonization targets to reduce the carbon footprint of our production processes for more environmentally friendly products.

This policy supplements the Dangote Industries Limited Group HSSE and Sustainability Climate Change Policy.

3. GUIDING FRAMEWORKS

This Policy recognizes the risk of climate change and identifies opportunities for mitigation and adaptation. Opportunities such as energy optimisation, energy efficiency, water consumption, waste and emissions management align with the Dangote Group HSSE & Sustainability standards of Dangote Industries Limited.

The policy is developed in compliance with the goals and targets of the following frameworks:

- i. **United Nations Sustainable Development Goals (UN SDGs):** The UN SDGs are seventeen goals designed to set a pathway to achieving peace and prosperity for the people and the planet, now and in the future. This policy integrates targets of SDGs 11, 12 and 13 as follows:
 - SDG 11- Make cities and human settlements inclusive, safe, resilient and sustainable: The goal is to reduce the adverse per capita environmental impact of cities by paying particular attention to air quality, municipal and other waste management.
 - SDG 12- Responsible Consumption and Production: The goal is to ensure sustainable use of natural resources, sustainable procurement practices, production patterns and manage waste generation.
 - SDG 13- Climate Action: This goal promotes action to combat climate change and its impacts by developing the adaptive capacity to address climate-related hazards and natural disasters, increasing climate awareness and integrating climate change measures into policies and strategies.
- ii. **Paris Climate Change Agreement:** This agreement sets long-term goals to guide countries in reducing greenhouse gas emissions, limiting the global temperature increase to 2 degrees Celsius in this century and, as close as possible, limit the rise even further to 1.5 degrees.
- iii. **Carbon Disclosure Project (CDP):** CDP is a global disclosure system run by a not-for-profit organisation for investors, companies, cities, states and regions to manage their environmental impacts and build a sustainable economy.
- iv. **Global Cement and Concrete Association (GCCA).** The GCCA Net Zero roadmap details decarbonization levers for the consideration and adoption of its members.
- v. **National Policy on Climate Change (NPCC):** Nigeria's National Policy on Climate Change defines a framework to guide the country's response to the development challenge of climate change. As a framework document, it prescribes sectoral and cross-sectoral strategic policy statements and actions for managing climate change within the country's pursuit of climate-resilient sustainable development.

4. OBJECTIVES

- i. To document our commitment to progress to reduce GHG emissions in our operations.
- ii. To provide a framework to mitigate the environmental impact of operations.
- iii. To support environmental sustainability awareness among all stakeholders.

5. SCOPE

This Policy applies to the business operations and social investment of DCP, Nigeria and Pan Africa. It also applies to stakeholders in DCP's value chain including suppliers, contractors and other partners involved with DCP operations. This policy aligns with the environmental pillar of the Dangote 7 sustainability pillars, and it reflects DCP's commitment to Sustainability.

6. CRITICAL TOPICS

- i. **Resource and energy efficiency:** We will ensure the efficient use of raw materials to minimise environmental footprints. We will deploy technology and innovation where necessary to minimise energy consumption, reduce the waste of natural resources and enhance environmental conservation. We will set realistic targets to increase the use of alternative fuels and renewable energy sources in our business locations.
- ii. **Investment in efficient technologies:** In line with our business model, which prioritises the use of ultramodern facilities in our plants, we will invest in the optimisation of our process and new technologies that will enable us to continuously reduce and contain dust pollution and other forms of emissions that may be material to our business operations. We are committed to continually exploring new ways of carrying out our operations for enhanced environmental impact.
- iii. **Environmental responsibility and compliance:** In line with our Environmental Policies and Standards, we will continually improve our mining and production activities and comply with applicable environmental laws and regulations in our different markets. We will reclaim and restore mines to minimise negative impacts.
- iv. **Water management:** In line with the group-wide environmental management standards, we will practice efficient water management in our office facilities and plants by encouraging reduction, reuse, recycling and responsible discharge.
- v. **Waste management:** We will ensure the implementation of the waste management principles (reduce, reuse, recycle, recover, and responsible disposal), set waste reduction targets, and manage waste according to local regulations and international best practices.

7. COMMITMENTS

The Board and Management of DCP commit to:

- i. Commitment to implementation of nature-based solutions.
- ii. Comply with all climate-related regulations in our areas of operations.
- iii. Act to improve energy conservation and efficiency in all our operations.
- iv. Set qualitative GHG emissions targets which include Scope 1 and 2 emissions.
- v. Progressively decarbonize in line with defined Just Transition principles while recognizing the social impacts of decarbonisation efforts.
- vi. Increase the use of alternative fuels and renewable energy as a way of substituting the use of fossil fuels in processes.
- vii. Support the development of innovative technologies and solutions to minimize the wastage of building material resources and promote the transition towards a climate-neutral society.
- viii. Contribute to global alliances and industry initiatives to promote climate action and circular economy in areas of operation.
- ix. Advocate for the participation of our value chain in climate change mitigation and adaptation initiatives through capacity building and awareness creation.

8. ACTIONS

- i Monitor the GHG emissions, set achievable annual targets and make progress towards reaching set targets to reduce emissions.
- ii Optimise existing processes and adopt new technologies to reduce GHG emissions in our manufacturing processes.
- iii Strengthen governance on climate change through supporting Board and Executive competence and implementing a remuneration scheme incorporating performance-linked incentives.
- iv Implement actions to achieve its GHG reduction targets over the targeted timeframes.
- v Improve in use of renewable resources for thermal and electrical energy generation.
- vi Divert waste from landfill by improving the recycling of byproducts and wastes.
- vii Invest in abatement measures that are technologically feasible under current economic conditions.
- viii Invest in research and innovation for producing low-carbon cement by utilising more environmentally friendly raw materials and substitutes.

- ix Communicate proactively to all our stakeholders and ensure transparency in disclosing our performance and progress on reducing emissions.
- x Conduct capacity building and training programmes for staff and other stakeholders on climate change mitigation and adaptation initiatives.
- xi Annually disclose CO2 emission levels and initiatives to achieve a reduction in the short and long term.

9. POLICY IMPLEMENTATION & MONITORING

The Board of DCP shall maintain oversight through the Board Technical and Sustainability Committee for execution in line with its objectives. Executive Management shall provide a progress report at Quarterly Board meetings or as often as required. Climate change performance will be disclosed publicly in the annual sustainability report and other climate disclosure platforms such as CDP. The Policy's scope, objectives and commitments shall be reviewed every three years to address gaps and update them for compliance with new legislation and targets. The review shall be carried out by Sustainability, Environment and Operations Departments, following a management review. The Board Technical and Sustainability Committee shall consider the revised policy for approval.

10. CONCLUSION

This Policy aligns with global principles and frameworks on climate change. We will therefore communicate this Policy to our key stakeholders as we continue to maintain our position as a market leader and point reference for sustainable business models in Africa.