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**DANGOTE INDUSTRIES LIMITED**

**ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)  
CODE OF CONDUCT FOR SUPPLIERS, VENDORS AND  
CONTRACTORS**

**HEALTH, SAFETY, SOCIAL, ENVIRONMENT & SUSTAINABILITY  
(HSES) MANAGEMENT: G006**

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**DOCUMENT CONTROL**

**Revision Record**

VERSION	DATE	DESCRIPTION OF REVISION
1.0	August, 2022	First approved version.



## **1. INTRODUCTION**

Dangote Industries Limited (DIL) is a leading African conglomerate with strong commitment to environmental, social and governance values. As a responsible corporate citizen, DIL is committed to ensuring excellent corporate governance, anti-corruption, healthy competition, human rights protection, transparency and accountability, health and safety and overall wellbeing of stakeholders in its internal operations and dealings with business partners. Dangote Industries Limited is also committed to entrenching these principles and standards across its entire value chain and across all territories of operation.

## **2. OBJECTIVE**

The objective of this Code of Conduct ("Code") is to elicit suppliers, vendors or contractors' commitment to best Environmental, Social and Governance (ESG) principles and standards in their business relationship with Dangote Industries Limited, its Business Units, its subsidiaries and affiliates. The implementation plan and timeframe for executing the provisions of this Code can be phased over a three-year period, of which Dangote Industries Limited expects to be notified and kept abreast by the end of every calendar year.

## **3. SCOPE**

This Code is binding on all vendors, agents, bidders, intermediaries, consultants and contractors, including all their affiliates, officers, employees, sub-contractors, agents and other representatives that provides business solution in the form of goods and services for Dangote Industries Limited, its Business Units, subsidiaries and affiliates. These stakeholders are to observe the highest standard of ethics in all activities and operations regarding the supply of goods and/or services to Dangote Industries its Business Units, subsidiaries and affiliates. In instances of subcontracting by suppliers, vendors or contractors, it is the responsibility of the main suppliers, vendors or contractors to ensure that this Code is communicated to and complied with by all of their agents and representatives. Suppliers, vendors or contractors shall ensure that this Code is

communicated to all of their representatives and shall take reasonable steps to ensure compliance, including by taking immediate action in instances of non-compliance.

#### **4. CORPORATE CITIZENSHIP COMMITMENTS**

Dangote Industries Limited, "DIL", is committed to global Environmental, Social and Governance Principles and Standards. We are a member of the United Nations Global Compact (UNGC) and have committed to support the attainment of the United Nations Sustainable Development Goals (SDGs). DIL benchmarks the principles of the International Financial Corporation (IFC) Performance Standards and our annual sustainability reports are aligned with the reporting guidelines of the Global Reporting Initiative (GRI). The above-referenced global Environmental, Social and Governance principles significantly influence the terms of this Code. Dangote Industries Limited strongly encourages all its vendors, suppliers, contractors and their representatives to actively support these principles and standards for alignment with global best practices in corporate governance and responsible corporate citizenship.

#### **5. COMPLIANCE EXPECTATIONS**

- a. Dangote Industries Limited expects its suppliers, vendors or contractors to assign management responsibility for ensuring compliance with this Code of Conduct.
- b. Dangote Industries Limited expects its suppliers, vendors or contractors to communicate this Code of Conduct to their respective internal and external stakeholders as well as provide relevant training to their employees with support from the Group's Sustainability Department where necessary.
- c. Dangote Industries Limited expects its suppliers, vendors or contractors to monitor standards within their own supply chain to the same standard that Dangote Industries Limited expects, and to commit to its continuous improvement.
- d. Dangote Industries Limited expects suppliers, vendors, or contractors to carry out periodic self-audits (at least annually) to appraise their compliance with the requirements of this Code of Conduct.

e. Dangote Industries Limited expects contractors, vendors, and suppliers to conduct periodic audits on their own suppliers, vendors, and contractors, and carry out additional due diligence review on those that are deemed to be medium to high risk, in line with the standards of Dangote Industries Limited's Code. We expect the result of such audits and reviews to be shared with our organization annually.

f. Dangote Industries Limited expects its suppliers, vendors, or contractors to take timely and appropriate action in situations where any actor in the value chain of a contract financed by Dangote Industries Limited has engaged in or is suspected of engaging in corrupt, fraudulent, collusive, anti-competitive or coercive practices in connection with the procurement or performance of that contract, post-award of such contract. Dangote Industries Limited shall impose sanctions that it deems necessary if it considers at any time that a contractor, vendor, or supplier has not taken timely and appropriate action in such situations.

g. Dangote Industries Limited reserves the right, at any time, to conduct an audit or review of the activities and processes of its major suppliers, vendors, or contractors at short or no notice, to verify compliance with this Code. If, owing to lack of cooperation from the suppliers, vendors, or contractors such audit could not be carried out after a period of 12 months, Dangote Industries Limited reserves the right to sever business relationship with the defaulting party. A post-audit certification would be issued upon the successful completion of the audit or review exercise.

h. Dangote Industries Limited's Suppliers, Vendors or Contractors SHALL NOT expose the Dangote brand to any form of environmental and social risks, nor negative publicity owing to their ESG misconduct, actions, or inactions.

i. Dangote Industries Limited expects full compliance with the terms stipulated in this Code of Conduct. Any breach of this Code may result in a decision by Dangote Industries Limited to sanction the supplier and/or supplier representative(s), vendor(s) and contractor(s) involved. This could include suspension or outright cancellation of the contract or transaction

## **6. NATIONAL LAWS & REGULATIONS**

Suppliers, vendors, contractors, and their representatives shall:

- a. Comply with all applicable laws and regulations in countries where they do business, as well as the publicized rules, regulations, and policies of Dangote Industries Limited that apply to their areas of work.
- b. Ensure that Dangote Industries Limited resources received by them are not used to support, finance, or promote violence, aid terrorists or any terrorist-related activities or fund organizations known to support terrorism.
- c. Not engage in money-laundering activities. This includes any kind of activity which hides or is intended to hide the fact that funds have been obtained illegally or are connected with the proceeds of crime such as through fraud or bribery or other illegal activities.
- d. Comply fully with the relevant laws of the countries where they operate, including all statutes. These shall include all laws relating to but not limited to taxes, economic and financial crime regulations, Anti-Money Laundering, Terrorism Financing, Safety and Factory Act, Industrial and Labour Relations, Environmental Laws and Edicts, and all such laws put in place to guarantee best practices in the business environment. In order to further show proof of compliance, relevant compliance certificates issued by various countries government agencies will be provided accordingly.

## **7. GOVERNANCE & PROCUREMENT PRACTICES**

Dangote Industries Limited shall not tolerate corrupt, fraudulent, collusive, anti-competitive or coercive practices of any kind involving its resources and business transactions. Dangote Industries Limited shall take strong, immediate action in all circumstances where it determines that there is substantive and credible evidence of corrupt, fraudulent, collusive, anti-competitive or coercive practices as defined hereunder.



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a. Suppliers, vendors, contractors, and their representatives are expected to participate in procurement processes in a manner that is transparent, accountable, and honest, including compliance with applicable laws and regulations regarding fair competition and recognized standards of good procurement practice.

b. Suppliers, vendors, contractors, and their representatives are expected to respond to solicitations and bidding in an honest, fair, and comprehensive manner, accurately reflecting their capacity to satisfy the requirements set out in the bid, Service Level Agreement (SLA), or contract documents. They are expected to follow all the rules established for each procurement process, and only submit bids and enter into contracts if they can and shall fulfill all obligations of the contract and the terms of this Code.

c. Suppliers, vendors, contractors, and their representative including agent or other intermediaries shall not directly or indirectly engage in corrupt, fraudulent, collusive, anti-competitive or coercive practices in bidding for, or performing a Dangote Industries Limited financed contract or activity.

d. Suppliers, vendors, contractors, and their representatives shall not solicit, offer, give, or receive, or promise or represent to offer, give, or receive, fees, gratuities, rebates, gifts, commissions, or other payments to Dangote employees except as disclosed in full to Dangote Industries Limited, in connection with the procurement process or in contract execution.

e. In line with our data protection policy, information, data and documents obtained from participating in Dangote Industries Limited, its Business Units, its subsidiaries and affiliates's procurement processes, or in the course of performing a Dangote Industries Limited financed contract, must under no circumstance be made available to any third parties for the purpose of giving existing or potential suppliers a preferential position or advantage in relation to tenders or any other procurement processes of Dangote Industries Limited or the applicable grant recipient, without the prior written consent of Dangote Industries Limited.

**8. TRANSACTION RECORDS**

Suppliers, vendors, contractors, and their representatives shall:

- a. Maintain accurate and complete records in appropriate books of account (as applicable to the laws and regulations of the countries of operation) of all financial and business transactions for all Dangote Industries Limited financed contracts or supplies for a minimum period of five years.
- b. In line with applicable audit requirements in respective countries of operation, cooperate with Dangote Industries Limited and comply with any reasonable request, in the opinion of Dangote Industries Limited, to allow access to authorized staff and to inspect any relevant transaction(s) and records and other documents relating to bidding for and/or performing Dangote Industries Limited's financed contracts.
- c. Provide at all times any assistance requested by Dangote Industries Limited to enable it to comply with any legal, regulatory, or statutory requirement as applicable.

**9. LABOUR PRACTICES****a. Forced or Compulsory Labour**

Dangote Industries Limited's suppliers, vendors or contractors and their representatives SHALL NOT:

- i. Use forced, bonded (also sometimes referred to as debt bondage), indentured, compulsory or involuntary prison labour.
- ii. Withhold payments of wages to workers.
- iii. Directly or indirectly engage in or support human trafficking by recruiting, transferring, harbouring or receiving a worker using violence or threats of violence, force, non-violent coercion such as threats to expose the worker to authorities, or deception.
- iv. Require employees to lodge financial deposits in order to secure or retain employment.
- v. In compliance with labour laws in the different markets where we operate, prevent free movement of employees to and from the site or accommodation

unless this shall compromise their safety or the safety of other workers; control the movement of workers such as having security guard follow workers during break periods, in contravention of ILO Conventions 29 and 105.

**b. Child Labour**

Dangote Industries Limited's suppliers, vendors, contractors, and their representatives shall:

- i. Only employ persons that meet the minimum legal age for employment in the countries of operation, or as listed under relevant ILO Conventions.
- ii. Verify the ages of new employees by checking original identity documents and cross checking them with the employee's photograph and record of birth and keep a register of all employees' age.
- iii. Ensure that underage workers are not employed to carry out transactions that involve Dangote Industries Limited, its Business Units, subsidiaries and affiliates.

**c. Discrimination**

Dangote Industries Limited's suppliers, vendors or contractors SHALL NOT:

- i. Engage in any form of discrimination on the basis of gender, race, tribe, color, religion, marital status, physical disabilities, etc., within its workforce or in its supply chain.
- ii. Without exception, treat employees, in all circumstances, on the ability to perform their jobs, and not on the basis of any personal characteristics or beliefs of any kind.

**d. Human Rights**

- i. Dangote Industries Limited's Suppliers, Vendors or Contractors shall ensure that the rights of their employees and other stakeholders are protected in line with the provisions of applicable local and International Human Rights laws and regulations, and the Dangote Industries Limited Human Rights Policy.

- ii. Dangote Industries Limited's Suppliers, Vendors or Contractors shall ensure that their employees are trained on adherence to applicable human rights laws and regulations in the workplace and put measures in place to deter violations, including effective whistle blowing and grievance mechanisms.

**e. Remuneration & Wages**

Dangote Industries Limited's suppliers, vendors or contractors shall:

- i. Pay wages that meet 'basic' needs, where legal or industry standards do not clearly define this.
- ii. Pay wages that meet the National Minimum Wage in their entire value chain.
- iii. Provide employees with written terms of payment, and pay slips covering each pay period.
- iv. Provide their employees with mandated benefits as required by local laws.
- v. Refrain from making deductions from wages and salaries of employees, except as permitted by local laws and ILO Convention 95.

**f. Working Hours & Overtime**

Dangote Industries Limited's suppliers, vendors or contractors shall:

- i. Comply with national laws on working hours, or local industry benchmarks, or ensure standard working hours per week, whichever affords workers greater protection.
- ii. Comply with national laws on overtime, including compensation for overtime hours.
- iii. Provide at least one day off after every 6 consecutive days of work unless local laws stipulate otherwise, in which case vendors and contractors must meet the higher requirement stipulated in the ILO Convention 1, 14 and UNDHR, Art. 24 standard.

**g. Grievance and Whistle Blowing Mechanisms**

Dangote Industries Limited's suppliers, vendors or contractors shall:

- i. Establish a fair disciplinary procedure (UNDHR Articles 3 & 5).
- ii. Have in place a fair, objective and effective grievance and whistle blowing mechanism for employees and all stakeholders.
- iii. Not tolerate an intimidating workplace or threaten to, or engage in, any form of physical, psychological, sexual, or verbal abuse against employees. Put measures in place to enforce non-retaliation against stakeholders that use their whistle blowing and grievance platforms, including ensuring confidentiality and anonymity where applicable.

## **10. HEALTH & SAFETY STANDARDS**

Dangote Industries Limited's suppliers, vendors or contractors shall:

- a. Designate a competent employee to oversee the implementation of health and safety requirements at each facility and project site.
- b. Maintain a clean, safe, and healthy workplace that comply with all local legislations and includes access to toilet and safe drinking water facilities.
- c. Put reasonable measures in place to prevent fire, accidents, injuries, and causes of hazards in the workplace, as applicable to the laws, codes, and regulations of countries of operation.
- d. Provide relevant information, instructions, and training for all employees, to ensure health and safety conditions onsite and to raise awareness on potential risks.
- e. Provide, where necessary, Personal Protective Equipment (PPEs) to prevent accidents and exposure of employees to hazards.
- f. Provide measures to deal with emergencies and accidents, including first-aid arrangements.
- g. Communicate emergency and evacuation procedures to workers in a language that the workers understand.

## **11. ENVIRONMENTAL STANDARDS**

Dangote Industries Limited's suppliers, vendors or contractors shall:

- a. Carry out environmental impact assessment on their site or organization (as required and applicable by relevant laws), and implement Environmental Management Plans (EMP), including performance targets, for all Dangote financed projects.
- b. Measure, track and take steps to mitigate their organization's negative environmental impacts.
- c. Ensure that trained personnel and facilities are in place to manage environmental impacts.
- d. Demonstrate commitment to minimizing pollution from wastewater, effluent, and all types of solid wastes in their operations and supply chain, in compliance with applicable regulatory requirements.
- e. Demonstrate commitment to reducing the release of hazardous substances into the environment through efficiency, avoidance, and where possible, substituting substances that pose a concern with safer alternatives.
- f. Provide Material Safety Data Sheets (MSDSs) in the local language for all hazardous substances used onsite and take measures to prevent exposing workers to hazardous substances.
- g. Demonstrate commitment to minimizing all forms of emissions and pollution (including dust, CO<sub>2</sub>, SO<sub>x</sub>, etc.), and continuously document, track and measure emissions generated in combustion and production processes.
- h. Ensure compliance with the Noise Level Guidelines stipulated by applicable standards and regulations, conduct periodic noise level testing and as appropriate, employ noise prevention and control strategies and provide appropriate PPE for workers.
- i. Ensure that the raw materials used for the processing or production of their products are sourced responsibly, and with considerable thoughts for the wellbeing of the environment.

## **12. ENFORCEMENT & APPROPRIATE SANCTIONS**

- a. Effective January 2023, this Code shall be embedded into all DIL contracts signed with vendors and contractors.

b. Dangote Industries Limited shall ensure that the content and intent of this Code is strictly complied with on time and in full by all Suppliers, Vendors or Contractors.

c. As a minimum requirement, suppliers, vendors, or contractors of Dangote Industries Limited shall have in place a phased and detailed plan for ensuring compliance with the provisions of this Code.

d. The implementation plan and timeframe for executing the provisions of this Code can be phased over a (3) three-year period. DIL Suppliers, Vendors or Contractors shall be ready to provide evidence of implementation of this plan as may be required from time to time.

e. When and where a case of non-compliance is established, such as but not limited to cases of poor implementation of contract, poor quality of service, poor delivery of service, fraud, inflation of contract, abandonment of contract, human rights violations, and other acts that are contrary to the provisions of this Code, Dangote Industries Limited shall invoke appropriate sanctions in line with its corporate policies and procedures such as its Procurement Policies, Process and Procedure Manual, amongst others.

f. Depending on the gravity of the established non-compliance, the Management of Dangote Industries Limited shall review and execute appropriate deterrent measures, where applicable. In mild cases of non-compliance, a written warning shall be issued to the erring supplier, vendor and contractor. Where severe misconduct is fully established, the erring supplier, vendor and contractor shall face appropriate penalties such as termination of contract, complete delisting from Dangote Industries Limited's register of contractors and/or blacklisting, and/or criminal prosecution.

### **13. EFFECTIVE ENGAGEMENT**

Dangote Industries Limited is committed to working closely with all suppliers, vendors, or contractors to support them in meeting the principles and standards set out in this Code of Conduct. Dangote Industries Limited shall ensure honest and open engagements with all business partners on all the issues set out in this Code. All suppliers, vendors or contractors that fully comply with this code shall also be accorded the status of

"Premium," including all the privileges the company attaches thereto, in line with the provisions of DIL Sustainable Supply Chain Management Policy and existing procurement policies.

**14. REVIEW**

Dangote Industries Limited shall regularly review and revise this Code, as appropriate, to reflect changes in regulation, best practices, and feedback from stakeholders, at least every five years or as changes are made to its business operating model or referenced global best practices standards.

**15. CONCLUSION**

Dangote Industries Limited is committed to driving best practices in its business operations. We expect our business partners to also adopt global best practices in their operations and relationship with us. Compliance with respective ESG principles and standards is condition precedent to all business relationships that Dangote Industries Limited, its Business Units, its subsidiaries and affiliates establish across its value chain.



**16. VENDORS AND CONTRACTORS' SIGN-OFF PAGE**

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This "Code" is administered to the Supplier/Vendor/Contractor by Dangote Industries Limited

This \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

**Name of Supplier/Vendor/Contractor:** \_\_\_\_\_

Contact Address: \_\_\_\_\_

Phone Numbers: \_\_\_\_\_

Name of Business Owners/Chief Executive Officer: \_\_\_\_\_

Signature of Business Owner/Chief Executive Officer: \_\_\_\_\_

Date: \_\_\_\_\_

**Name of Dangote Industries Limited Representative:** \_\_\_\_\_

**Business Unit:** \_\_\_\_\_

Department/Function of Dangote Industries Limited Representative: \_\_\_\_\_

Role/Designation: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_