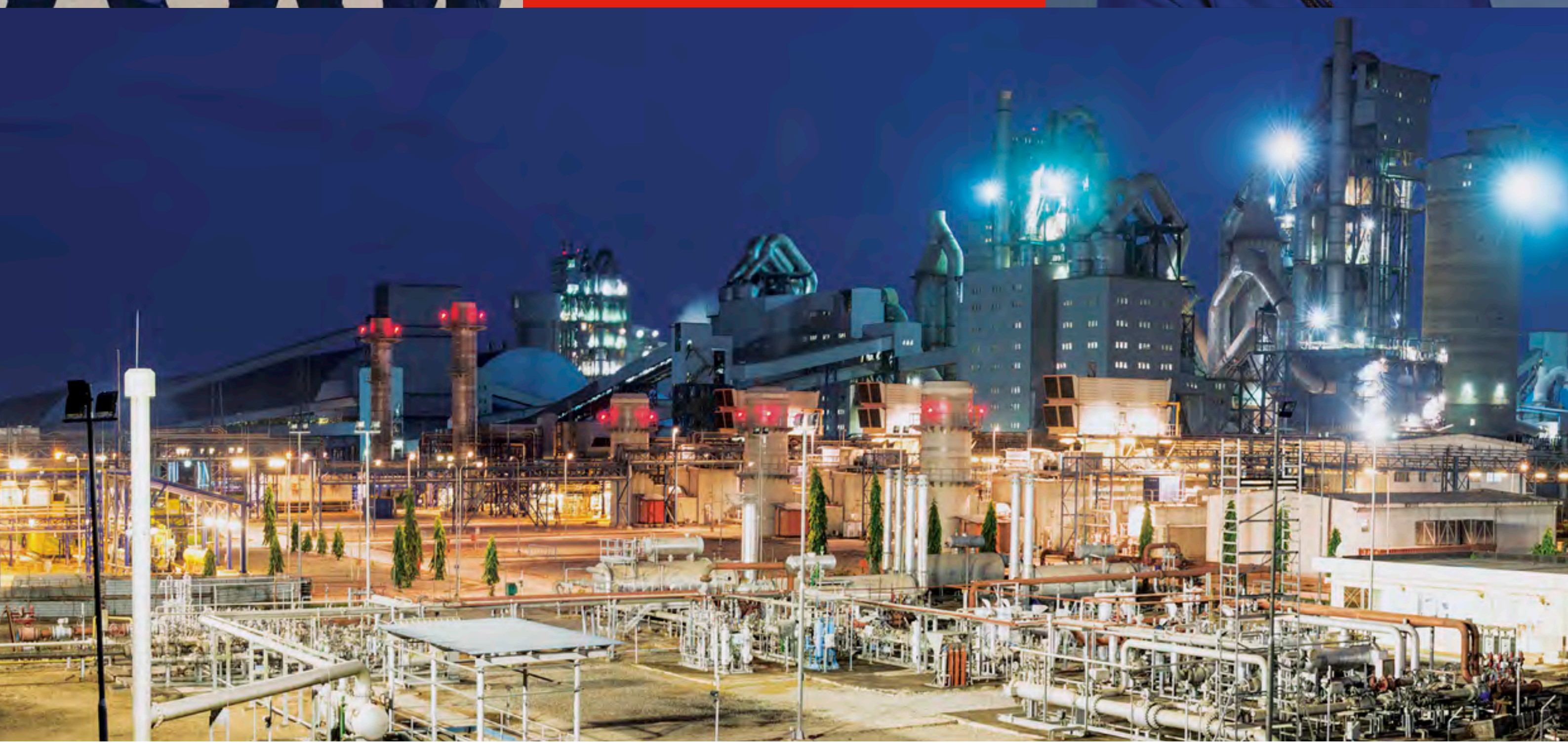
Dangote Cement Plc
Annual Report and Accounts 2022

BUILDING A SUSTAINABLE FUTURE



BUILDING A SUSTAINABLE FUTURE

Dangote Cement Plc is Sub-Saharan Africa's leading cement company, with operations in ten African countries.

For our 2022 report, we have combined our Annual Report and our Sustainability Report.

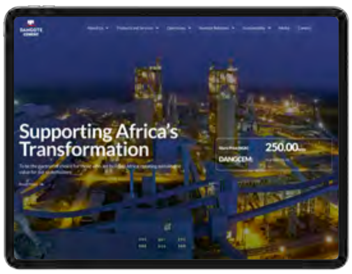
Strategic report

Corporate governance

Responsibility statement

Financial statements

Supplementary information



dangotecement.com

DRIVEN BY OUR PURPOSE

We are resolute in transforming Africa, while creating sustainable value for all our stakeholders.

Our people and culture

Our people lie at the heart of everything we do, so attracting and retaining talented people is an important success factor. Our staff health, safety and wellbeing is important to us and we are committed to providing a culture that embraces respect, teamwork, empowerment, inclusion, and learning which enables employees to fulfil their career aspirations and goals.

Read more about our people and culture
pages 20 to 21.

Stakeholder engagement

To deliver responsibly for the benefit of all stakeholders, we must understand what matters to our stakeholders. By listening to our stakeholders needs we manage risks, opportunities and set a clear direction to deliver long-term shared value. For this reason, we conduct materiality assessment surveys for our employees, investors, customers and host communities.

Read more about our stakeholder engagement
pages 18 to 19.

The Dangote Way

The 7 Dangote Sustainability Pillars, collectively reflect the ethos behind "The Dangote Way". The sustainability segment is organised into three sections of Environmental, Social and Governance (ESG), which is linked to our 7 Dangote Sustainability Pillars.

Read more about The Dangote Way
pages 34 to 77.

RESILIENCE AND GROWTH

Resilient performance amidst a tough macroeconomic environment.

Group revenue up 17.0% to ₦1,618.3bn, Nigeria revenue up 21.3%.

Record Group EBITDA of ₦708.2bn, despite heightened inflation.

Robust profit after tax of ₦382.3bn, with EPS at ₦22.27.

Successful issuance of ₦116bn Series 2 Bond, the largest local corporate bond issuance at the time.

Successfully completed tranche II of the share buyback programme on 20 January 2022.

Financial highlights

Revenue

₦1,618.3bn +17.0%

2022	₦1.618.3bn
2021	₦1,383.6bn
2020	₦1,034.2bn

EBITDA

₦708.2bn +3.5%

2022	₦708.2bn
2021	₦684.6bn
2020	₦478.1bn

Net debt/EBITDA

0.60x

2022	0.6x
2021	0.33x
2020	0.71x

Cash flow from operations
(before tax and working capital changes)

₦686.2bn +0.5%

2022	₦686.2bn
2021	682.9bn
2022	483.5bn

Profit after tax

₦382.3bn +4.9%

2022	₦382.3bn
2021	₦364.4bn
2020	₦276.1bn

Total dividends per share

₦20.00

2022	₦20.00
2021	₦20.00
2020	₦16.00

The health and safety of all staff in our offices, at our plants and on the road is of utmost importance to us."

Ebere Okonkwo
Group Head, HSE Transport

Operational highlights

Environmental

- Commissioned our power plant at Okpella.
- Commissioned the alternative fuel feed systems at Obajana lines I and V; and Ibese line II.
- Launched the DangCircular initiative to promote the recycling of paper and plastic in the workplace.

Social

- 237 millionaires and multi-millionaires emerged from the National Consumer Promo "Bag of Goodies 3".
- Launched Short-Term Incentive (STI) and DCP's employee recognition programme.
- ₦1,648 million spent on 71 social intervention activities across the Group.

Governance

- Initiated "Build Momentum" – Dangote Cement's first ever performance plan across the Group.
- AGM held in June, where shareholders approved a dividend of ₦20.00 per share.
- EGM held in December, where shareholders authorised the Company to undertake a share buyback of up to 10% of its issued shares outstanding.

Sustainability highlights

Rating upgraded to "B"
Achieved another CDP ratings upgrade from B- to a B. Dangote Cement has received two consecutive rating upgrades over the past two years.

157,000 tonnes of waste
Over 157,000 tonnes of waste co-processed, representing a 76% increase from 2021.

Thermal substitution rate averaged 7.5% in December.

Launched DCP crèche
Launch of DCP crèche to support workplace childcare.

15% female in senior management vs 9% in 2021

Energy consumption	CO_2 emission	Water consumption
795 Kcal/kg	**590kg CO_2/tonne**	**234 litres/tonne**
2021: 797 Kcal/kg	**2021: 606kg CO_2/tonne**	**2021: 271 litres/tonne**

AFRICA'S LARGEST AND LEADING CEMENT PRODUCER

Dangote Cement has production capacity of 51.6 million tonnes per year across ten countries in Sub-Saharan Africa. We have integrated factories in seven countries, a clinker grinding plant in Cameroon, and import and distribution facilities in Ghana and Sierra Leone.

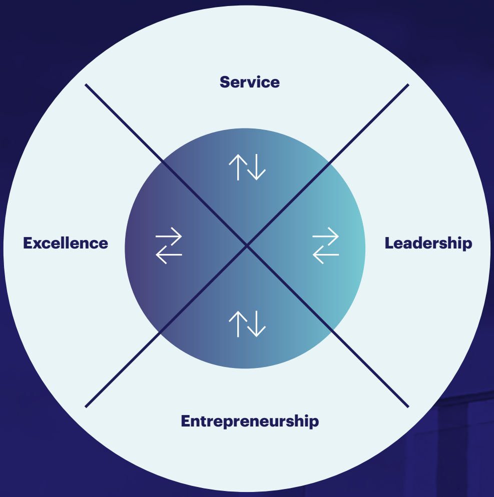
Our vision

To be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

Our mission

To deliver strong returns to our shareholders by selling high-quality products at affordable prices, backed by excellent customer service.

Our values



Transforming Africa

Based in Nigeria, we operate in many of Sub-Saharan Africa's key cement markets and through regional integration help the continent to become self-sufficient in this basic commodity. We look for markets that have ample limestone, thriving economies, growing populations and a pressing need for housing and infrastructure.

51.6Mt capacity

Operations in **10 countries**

Exports to **8 countries** in Africa

Cement exported **1.58Mt**

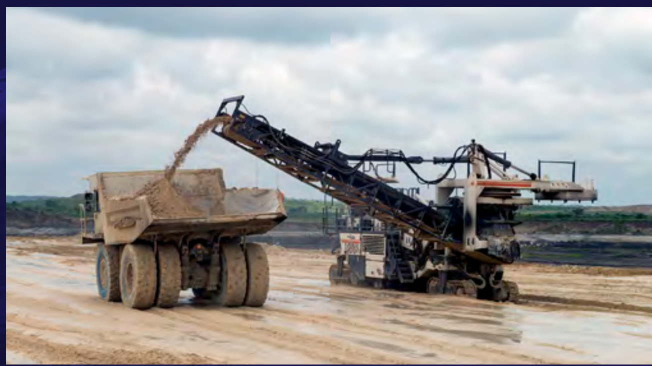
We aim to increase market share through higher cement production, backed by excellent logistics, competitive marketing and superior customer service.”

Rabiu Umar
Group Sales and Marketing Director

Our products

At Dangote Cement, we are committed to producing cement of dependable quality. When you buy our product, you are not just buying cement; you are also buying a promise of strength. We believe in continuous improvement in product quality and innovation. Our research and technology initiatives support our plant operations across the production value chain and make our production process robust, efficient and continuously competitive.

We will continue to drive product innovation to meet the needs of our customers across the ten markets in which we operate.



Our services

The quality of innovativeness that goes into our production, and the value that our products create for customers and users are some of the reasons we enjoy strong market share, and are the clear market leader.

Our people

Our people are the backbone and driving force behind our success. Their professionalism, resilience, loyalty, commitment to our purpose and ability to innovate keeps our wheels oiled year on year. Their hard work and customer centricity drive our continued growth and excellence.

REASONS TO INVEST IN DANGOTE CEMENT

Leading cement producer in diverse African markets with excellent growth prospects.

A unique investment opportunity offering exposure to Sub-Saharan Africa's growth potential.

Strong growth in Africa

The World Bank describes Africa as the fastest growing and youngest region globally. As the population continues to expand, Africa urgently needs infrastructure, housing and commercial buildings. This creates a tremendous opportunity for Dangote Cement.

The goal of sustainably providing access to adequate, safe, and affordable housing caters for the population that will move to urban areas by 2050. This is Dangote Cement's contribution to UN SDG 11

Inclusive sustainability framework

Our approach to sustainability is structured around 7 pillars dubbed the "Dangote Way". These pillars align with the United Nations Sustainable Development Goals (SDGs) and provide the framework in which we have embedded our corporate culture, as well as guide our approach to building a prosperous and sustainable business.

The Dangote sustainability pillars aligns with global sustainability standards and protocols for business. Dangote Cement also adopts the industry sustainability reporting standards of the Global Cement and Concrete Association (GCCA)

Financial investment case, solid fundamentals

Dangote Cement has achieved excellent financial performance and growth over the last decade. Our volumes have grown by a compound annual rate of 11% over the last 12 years, while our EBITDA has increased by a compound annual growth rate of 16% over the same period. We have also created additional value for our shareholders through share price appreciation, consistent dividend payment and shares repurchase. In 2022, we achieved another record revenue and EBITDA with PAT at ₦382.3bn.

Robust export strategy

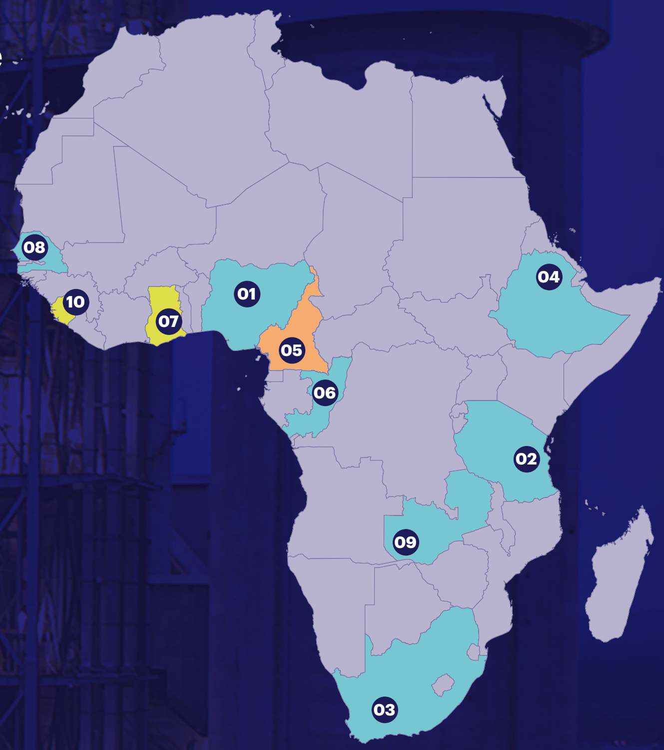
We are focused on harnessing trade across the African continent, by building a market where West and Central African region become self-sufficient in cement and clinker production. This we have done by shipping cement and clinker from Nigeria and Pan-Africa, where there is comparative advantage in limestone, to other parts of Africa. We are confident that the African Continental Free Trade Area (AfCFTA), which hopes to unlock a $3.4 trillion market with a population of about 1.3 billion people, will give Dangote Cement the opportunity to serve African markets effectively. Replicating to other regions, the huge success recorded in transforming Nigeria into a self-sufficient cement and clinker market.

Strong organic growth

We have consistently increased output and sales across the African region by efficiently utilising our existing assets, resources and strategies at our disposal. At the moment, our focus is on a less capital-intensive expansion cycle, which includes building grinding plants across West and Central Africa to leverage and strengthen regional integration.

A GLOBAL LEADER, PROUDLY AFRICAN

A diverse business model, with a unique footprint across ten African countries



Diversified business model

Dangote Cement is Africa's largest cement producer, with a presence across ten African countries, meeting the demand of millions of customers on the continent. The diversity of our operations in key markets act as a hedge, while positioning the business to tap into the numerous opportunities in Africa.

Over the last two decades, Dangote Cement has evolved its operations ensuring relevance with the changing market dynamics, customer demand and advancing technologies. Our years of proven track record in quality cement production, positions us as the bellwether in the cement sector in Africa.

01 Nigeria
Estimated market share
c.60
Capacity
35.3Mta

02 Tanzania
Estimated market share
23%
Capacity
3.0Mta

03 South Africa
Capacity
2.8Mta

04 Ethiopia
Estimated market share
42%
Capacity
2.5Mta

05 Cameroon
Estimated market share
32%
Capacity
1.5Mta

06 Congo
Estimated market share
62%
Capacity
1.5Mta

07 Ghana
Estimated market share
5%
Capacity
1.5Mta

08 Senegal
Estimated market share
12%
Capacity
1.5Mta

09 Zambia
Estimated market share
30%
Capacity
1.5Mta

10 Sierra Leone
Estimated market share
15%
Capacity
0.5Mta

Types of operations
- Integrated
- Import
- Clinker grinding

CREATING LONG-TERM VALUE DESPITE MACROECONOMIC CHALLENGES

Africa remains the fastest growing region with huge infrastructural deficit, creating tremendous opportunities for Dangote Cement.

Despite the elevated inflation and slowdown in global growth in 2022, Dangote Cement achieved a record EBITDA and robust PAT. The Company proactively implemented a robust cost reduction strategy and a performance improvement plan across the Group.

Group volume

27.8Mt

Cement exported

1.58Mt

Countries exported to

8

Revenue

₦1,618.3bn

Profit after tax

₦382.3bn

Africa's infrastructure needs amount to

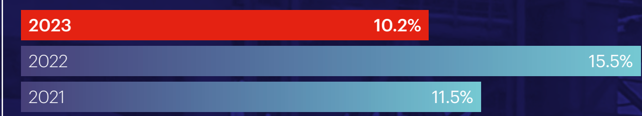
$130–170bn a year

African population 2050

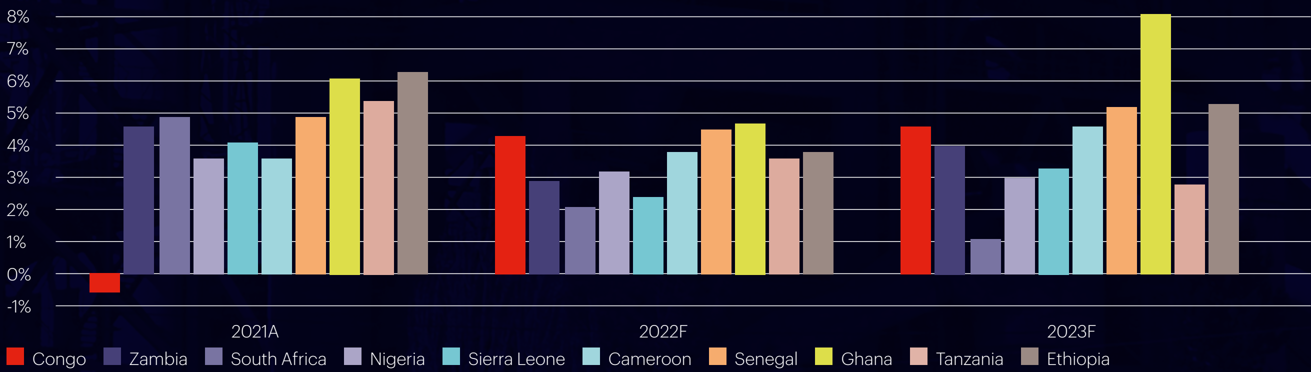
2.5bn

SSA GDP growth

SSA Inflation growth



2022 GDP growth across our operating environment



The Dangote customer

The Dangote Cement market is Africa, this includes the ten countries where we currently operate, eight countries we export products to and other untapped markets in the continent. The Dangote customer is Africa.

At Dangote, we are aggressively ramping up production and repositioning our business in the various countries and regions where we operate to take advantage of the opportunities that Africa presents. In 2022, we ramped up production in our Okpella plant and advanced our export strategy; we are now in the process of completing grinding plants in Ghana and Côte d'Ivoire. This expansion drive will enable Dangote Cement capture all of Africa's opportunities.

Economic outlook

Sub-Saharan Africa's economy witnessed slower growth in 2022 at 3.8% from 4.7% in 2021. This was due to a worldwide slowdown that affected a region yet to heal from an ongoing series of shocks. According to the IMF, the major global developments that reshaped sub-Saharan Africa's outlook are: the slowdown in advanced economies and emerging markets, tightening global financial conditions, and volatile commodity prices.

2022 emerged with new headwinds. The geopolitical tensions arising from the Russian-Ukraine crisis, the resurgence of COVID-19 in China, and shifts in monetary policy in advanced economies, all led to a volatile global environment and a dramatic pickup in global inflation. The invasion of Ukraine, described by the International Monetary Fund (IMF) as the biggest setback to global growth in the year, came with its attendant effect. This led to the disruption of global supply chains and rise in commodity prices. Sub-Saharan economies fell into yet another ill-prepared crisis.

Cement companies battled with high operating cost, mainly driven by the haulage and freight cost on the back of the global supply disruptions. Prices of coal, diesel, gas and pet coke rose to sky-high levels, this coupled with foreign exchange fluctuation and exerted pressure on operating cost affected volume growth and margins.

Most African central banks, like their counterparts in other regions, were faced with the daunting task of adopting strict monetary tightening measures to reign in on accelerating inflation, even at the expense of economic growth.

For instance, Africa's largest economy, Nigeria, which accounts for about 17% of Africa's GDP size, raised its benchmark lending rate four times to 16.5%, in a move to intensify the fight against inflation, which had risen over 21.3% by year end, well above the Central Bank's band of 6-9%. On the other hand, Ghana's monetary policy rate was moved to 27% after inflation rose to 54.1%, whilst benchmark interest rate in South Africa rose to 7.0% with inflation at 7.2%.

In addition, the challenges of gas supply in Nigeria, currency weakening and extended plant maintenance and repairs in some African countries affected our operations.

Notwithstanding, Dangote Cement Plc delivered strong revenue growth of 17.0% while streamlining our core focus into optimising the efficiency of our existing assets, increasing output and containing cost.

How we navigated the tough terrain

Faced with a high inflationary environment and weaker demand, Dangote Cement Plc deployed new and innovative business strategies that helped to drive up revenues, contain costs and protect margins.

With the significant rise in diesel and gas prices, we opted for the aggressive use of cheaper Alternative Fuels (AF) in the production of cement, through the co-processing of wastes such as: agro wastes, waste lubricants, tyre derived fuels, sawdust, and packaging materials. AF thermal substitution rate averaged at 4.3% compared to 2.6% in 2021. We reached a thermal substitution rate of 7.5% in December. Similarly, more than 157Kt of waste was co-processed in 2022, representing a 76% increase from 2021, while over 100 thousand green jobs were created through the alternative fuel value chain.

To achieve this, Dangote Cement Plc began the installation of AF equipment (Mechanical Multi-Fuel systems) that can process diverse types of wastes in its plants. This fostered our drive towards a lower CO_2 emission, depollution of local communities and sustainable waste management, all of which are in line with our Environment Sustainability and Governance (ESG) goal.

We commissioned a power plant in Okpella and commissioned our alternative fuel feed system at Obajana lines I and V; and Ibese line II.

Sub-Saharan economic outlook

Despite its multiple challenges, the geopolitical crisis can be viewed as a window of opportunity for African countries to reduce their reliance on imports from external factors, and instead build a resilient system that can meet the needs of the growing population in the coming years.

African countries have infinite access to natural resources, including arable land for agricultural purposes. By successfully harnessing the potential economic opportunities that come with growing domestic consumption and exporting the remaining, African countries could strengthen their position on the international stage. This position aligns with our vision at Dangote Cement.

Looking ahead...

According to the 2023, Africa's Macroeconomic Outlook report by AFDB, Africa is set to outperform the rest of the world in economic growth over the next two years, with real gross domestic product (GDP) averaging around 4% in 2023 and 2024.

Despite the confluence of multiple shocks such as COVID-19 and Russia's invasion of Ukraine, growth across all five African regions was positive in 2022 – and the outlook for 2023–2024 is projected to be resilient and stable.

Following yet another shock, sub-Saharan Africa's ultimate potential remains undimmed. The region is poised to fulfil the promise of the African century, contributing to a more prosperous, greener future for the region and the world.

CREATING VALUE - "THE DANGOTE WAY"

Dear fellow stakeholders

I am delighted to welcome you to the 14th Annual General Meeting of Dangote Cement Plc. It is an honour to be here with you today to present our annual report for the year ended 31 December 2022. Despite the challenging macroeconomic environment, Dangote Cement made great strides, performed admirably and remains Africa's largest and leading cement producer.

2022 came with unexpected challenges. The geopolitical tensions arising from the Russian-Ukraine crisis and shifts in monetary policy led to a volatile global environment and a dramatic pickup in global inflation. Global economies were caught in an ill-prepared supply chain disruption that stemmed from Russia's invasion of Ukraine. Consequently, inflation soared to multi-decade highs, prompting rapid monetary policy tightening and peculiar country risks, all contributing to a significant slowdown in global growth. According to IMF estimates, global growth slowed to 3.2% in 2022, down from the 6.0% recorded in 2021. Likewise, Sub-Saharan Africa's (SSA) growth slowed to 3.8% in 2022 from 4.7% in 2021.

During the year, concerns about faster pace interest rate hikes strengthened the United States Dollar, and weakened many African currencies. This resulted in higher interest rates as monetary policy authorities attempted to stabilise local currencies and wade off inflationary pressures.

To address these challenges, we implemented robust cost-reduction strategies to manage the inflationary environment. We invested in improving our operational efficiencies and optimising our production processes. These efforts enabled us to enhance our competitiveness while maintaining high levels of quality and customer service. In addition, we achieved giant strides in transitioning to cleaner energy, with our cost containment initiative propelling the use of alternative fuel to replace more expensive fossil fuels, such as coal and gas. We also increased the use of Compressed Natural Gas (CNG) for our trucks due to the rising diesel cost environment. These efforts have helped us reduce our cost base and enhanced our flexibility, enabling the Company respond more effectively to changes in the market.

As a result, we recorded revenue and EBITDA growth of 17.0% and 3.5% from prior year respectively, albeit unprecedented inflationary pressure. We also achieved a profit after tax of ₦382.3B, up 4.9% compared to 2021. These strong results are indeed laudable.

"At Dangote Cement, we are unwavering in our commitment to building an inclusive and sustainable business for all stakeholders across the value chain."

The year under review

Dangote Cement achieved its highest revenue and EBITDA in the Company's history at ₦1,618.3bn and ₦708.2bn, respectively. As mentioned earier, our exceptional EBITDA was supported by our numerous cost containment measures, substituting higher-cost fuel for cheaper alternative fuel products.

Over the last twelve years, volumes have grown by a double-digit compound annual growth rate of 11.2%. Similarly, EBITDA has grown by a compound annual growth rate of 16.3%, over the same period, implying a fivefold increase and revealing a true growth story. Accordingly, we closed the year with a profit after tax of ₦382.3bn and an EPS of ₦22.27. Despite these accomplishments, we are not resting on our laurels. We recognise that the business environment remains volatile, so we will continue to evolve with the changing times while embracing technological advancement.

Due to this robust performance, the Board has recommended a dividend of ₦20.00 per ordinary 50 kobo share for your approval, reinforcing our commitment to maximising shareholder value. This robust dividend pay-out, in addition to the share buyback completed in January 2022, reaffirms our commitment to creating value and distributing wealth to shareholders efficiently. If approved at the Annual General Meeting on 13 April 2023, it will be payable to shareholders whose names are on the Company's register at the close of business on 31 March 2023.

Read more about our culture **pages 26 to 28**

Operating performance

2022 was indeed a remarkable year for us at Dangote Cement as we repositioned our business for continued growth and recorded several successes.

I am pleased with our progress, and in the year, we commissioned our alternative fuel systems in Obajana and Ibese. We continue to strengthen our exports to Pan-Africa to mitigate the impact of weakening currencies occasioned by supply chain disruptions. In 2022, we exported 1.58Mta of cement and clinker to 8 African countries. This helped attract more foreign exchange earnings to support our operations.

We are completing our grinding plant in Ghana and Cote d'Ivoire as part of our resolve to boost export and foster growth in our African market. I am also delighted to announce plans to build a new 6Mta integrated plant in our home market Itori, Ogun State, Nigeria. The Itori cement plant will increase Nigeria's capacity to export cement, enabling more diversification and foreign exchange inflows for the economy.The project is further expected to develop the domestic economy by creating thousands of indirect and direct jobs and drive economic development in the Itori axis.

I am pleased with how we optimised our assets and deployed our resources to bolster earnings and deliver on our shareholder's commitments. Our Board management framework remains strong, and our business model remains resilient to harness endless opportunities.

Board Changes

Mr Michel Puchercos will retired from the Board of Directors and as the Group Managing Director/CEO of Dangote Cement Plc, effective 28 February 2023.

The Board has approved the appointment of Mr Arvind Pathak as Group Managing Director of Dangote Cement Plc, effective 1 March 2023. Mr Pathak is an experienced business leader who worked as MD and CEO of Birla Corporation Ltd before this appointment. He was the Chief Operating Officer and Deputy Group Managing Director of Dangote Cement Plc until 2021.

The Board would like to thank Mr Michel Puchercos for his commitment and contributions to the Board and wishes him well in his future endeavours; while welcoming Mr Arvind Pathak back to the Dangote Family.

Read more about our sustainability **page 91**

Outlook

The prospect for our business remains bright as we continue to innovate new ways to deliver quality products to millions of our customers across Africa, while touching the lives of our communities. I thank the management and staff of our company for their diligence in remaining true to our vision to be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

Our strategy remains steadfast, focused on organic growth in Nigeria and Pan-Africa while ensuring that Africa's regional integration becomes a reality. We will continue to contribute to improving regional trade within Africa by building plants across West and Central Africa, guided by our vision of making the region cement and clinker self-sufficient. In addition, we aim to deliver higher returns and value to our shareholders. We remain focused on demonstrating our clear commitment to transparency around environmental impacts and strategies for action while taking coordinated steps on climate change issues. Finally, at Dangote Cement, we are committed to building an inclusive and sustainable business for all stakeholders across the value chain.

I would like to thank our shareholders, host governments, communities, employees and other stakeholders for the support we have received over this transformative but fulfilling year. We are confident that our continued focus on operational efficiencies and innovation will enable us navigate the challenges of the African macro context and achieve sustained growth and profitability. We are grateful for your continuing faith in our Company and look forward to an exciting and productive 2023.

Aliko Dangote
Chairman
1 March 2023

Interview with the Chief Executive Officer
Michel Puchercos

Q&A

WORKING RESPONSIBLY

> **"I am deeply honoured to have served Dangote Cement over the last few years. It has been an exhilarating and transformative journey. I leave confident that the leadership team and our talented employees are equipped to drive the business towards its next growth phase."**

The year at a glance

January
Buy-Back
Completed the 2nd tranche of the buy-back programme.

February
New female Board Member
Ms. Halima Aliko-Dangote appointed to the Board of Dangote Cement as Non Executive Director.

March
Okpella Plant
Continued ramp up on our 3Mt Okpella plant.

April
Bond Issuance
Successful issuance of ₦116B series 2 Bond.

Under the ₦300 billion Multi-Instrument Issuance Programme.

June
AGM
Released our 2021 combined Annual and Sustainability Report.

July
National Consumer Promotion
Dangote Cement's National Consumer Promotion "Bag of Goodies - season 3" launched.

October
Sustainability Week
Theme: 'People, Planet and Profit – The Dangote Way'.

November
Alternative fuel feed systems
Commissioned alternative fuel feed systems at Obajana lines I and V; and Ibese line II.

November
Consecutive CDP rating upgrade
CDP rating upgrade from B- to B, second consecutive upgrade in two years.

December
EGM
Share buyback programme II approved by shareholders at EGM in December.

1) As you retire as Group Managing Director of Dangote Cement what has been the greatest achievements over the last few years?

Dear fellow stakeholders, it has truly been an honour and a privilege to serve as CEO of this transformative organisation, as well as lead such a diverse and multi-cultural staff. After serving at the helm of Dangote Cement Plc., I officially retire as Group Managing Director effective 28th February 2023. The Board has approved the appointment of Mr Arvind Pathak as Group Managing Director of Dangote Cement Plc, effective 1 March 2023.

In the last few years, we have pushed boundaries, taken risks and forged on to greater heights. We have built a company well equipped to fully transition into cleaner energy sources such as alternative fuel; we have achieved record results for our shareholders; delivered on our export strategy propelling us to greater heights; and improved our safety performance. Our biggest challenges faced during the period were undoubtedly the COVID-19 pandemic in 2020, unprecedented growth in 2021 and the volatile macro-economic challenges in 2022, where we saw significant inflationary pressure and supply chain challenges across the Group. Through these challenges, we came out stronger; I remain thankful!

2) What have been the main highlights and achievements in 2022?

I describe the African cement market as resilient and robust. 2022 came with its myriad of challenges that impacted the macroeconomic environment and in turn the cement industry. The cement sector was impacted by supply chain disruptions and elevated inflation both at the instance of the Russia-Ukraine crisis.

To strengthen our local production capacity, I am pleased to announce the Company's plan to expand capacity into Itori, Ogun State Nigeria.

Commodity prices as well as input costs rose to unparalleled levels, affecting operating costs. Despite these challenges, Dangote Cement recorded growth across major line items and released a solid set of results for its shareholders. We proactively implemented a robust cost reduction strategy and a performance improvement plan across the Group. These initiatives enabled us to manage our costs efficiently, while also tracking performance across all departments.

Several milestones made 2022 a productive year. We ramped-up production at our Okpella plant and commissioned our power plant there. To address rising coal prices, we commissioned our alternative fuel feed systems at Obajana and Ibese which saw thermal substitution rate reach 7.5% in December 2022. Successively, the Carbon Disclosure Project for the second consecutive year upgraded Dangote Cement's CDP rating, this time to B. The CDP rating upgrade clearly illustrates the growth we have achieved in our commitment to transparency on climate and environmental issues. In June, we released our 2021 combined annual and sustainability report during our Annual General Meeting, while we held an Extraordinary General Meeting in December 2022, where Dangote Cement's shareholders authorised the Company to undertake another share buyback. The share buy-back programme has now been approved by the Securities and Exchange Commission. As a matter of course, we had a successful 'Sustainable Week' themed "People, Planet and Profit: The Dangote Way", and it was fantastic to see such a great team effort across all our countries of operations.

We have made great strides in our debt capital market journey, from the issuance of our maiden ₦100 billion 5-year bond in 2020 to another landmark bond issuance, where we have now raised ₦116 billion. The largest corporate bond issuance in the history of the Nigerian capital market, at the time. Not only have these debt issuances been oversubscribed by investors at market competitive rates, but Dangote Cement has also received numerous recognition from capital market regulators and players alike such as: Largest corporate bond lodgement by FMDQ; best issuer in terms of the fixed income listings by the Nigerian Exchange Limited (NGX); and the sectoral leadership awards at the 2022 PEARL awards. Indeed, 2022 was another transformational year for us at Dangote Cement.

Again, our National Consumer Promo, which we commenced a few years ago to reward loyal customers, further increased consumer awareness of our product and translated into improved sales performance. This is evident in our strong revenue growth of 17.0% to N1,618.3B, whilst EBITA outperformed the full impact of the high inflationary trend to grow by 3.5%.

Lastly, our strategic growth priorities are on track. We are progressing well to deploy grinding plants in Ghana and Cote d'Ivoire this year. To strengthen our local production capacity, I am pleased to announce the Company's plan to expand capacity into Itori, Ogun State Nigeria.

3) Were there lessons learnt from 2022?

One major highlight was the fact that 2022 provided us with the opportunity to do business differently in a cost-effective and efficient manner. This was necessitated following the high inflationary trend, particularly the prices of diesel and coal, witnessed in the period. Our sustained cost containment measures ensured we delivered strong results, albeit the challenging operating environment. As a firm, we had to look inward and strategised on new ways of doing business that ensured operating costs were contained beyond outrageous levels while still maintaining a superior quality product and delivering top-notch customer services.

4) Outlook for Dangote Cement and any final departing words?

I am confident about the outlook of Dangote Cement. The International Monetary Fund (IMF) expects economic growth to pick up, with Sub-Saharan Africa's GDP projected at 3.8% in 2023. This growth cuts across all our countries of operations, supporting cement demand. This demand is driven by the burgeoning population, booming real estate sector and increasing infrastructure development.

No leader accomplishes anything alone and any success we have achieved has been a joint effort. I must say a big thank you to all staff and stakeholders for your dedication and hard work which enabled us to deliver on our achievements. I retire from Dangote Cement Plc, confident that it has a great team of people in place and a strong leadership team equipped to drive the business forward.

As I look ahead, I remain confident in Dangote Cement's position, strategy, and growth prospects. I am also confident that Mr Arvind Pathak can steer the business through the current volatile global environment and inflationary pressure, and then drive the business towards the next phase of growth. It has been my utmost pleasure to serve this truly transformative organisation. It has been an exhilarating experience, which will remain with me always.

CREATING VALUE FOR ALL OUR STAKEHOLDERS

We aim to create long-term value for all our customers, investors, employees, communities, and suppliers by driving opportunities in new markets.

Our inputs

Our people:
Strong commitment to staff development through Dangote Academy's extensive training programme, to create the talent and managers we need to sustain our business.

Our investors:
Approximately 17.0 billion issued shares outstanding with a diverse mix of institutional and retail investors.

Our communities:
With operations in ten African countries, we have a commitment to working with local communities to create jobs and procure local products and services while providing other essential benefits such as roads, water and healthcare.

Our assets:
We have modern, efficient and low-cost production plants with proximity to key natural resources.

Our customers:
We focus on quality and superior products for all our customers.

Our suppliers:
Long-term and constructive partnerships with key suppliers in each market.

Our competitive advantage

Brand strength
Global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

Product availability
Leading cement producer in diverse African markets with excellent growth prospects.

Innovation
Modern plants product innovation through strong industry expertise and excellent market knowledge, enabled by modern technology.

People
Over 22,000 permanent and contract staff with over 25 nationalities, across different geographies, experienced in formidable sectors, schooled in several disciplines, within different age demographics with a converging view of keeping our market leadership serving Africa's finest.

Underpinned by The Dangote Way

Respectful engagement is at the centre of our social performance strategy. We seek to contribute to societal wellbeing through our social investment projects. We understand and manage the impact of our operations on the communities, and ultimately deliver net benefit to all our stakeholders."

Wakeel Olayiwola
Head, Social Performance

Integrating our ESG goals

Environmental

Expressing our care for the environment and how we address the challenges of climate change. We embed sustainable practices in operations to address the challenges of climate change through energy efficiency, water usage and emissions control.

Social

At the core of our sustainability practice is our commitment to social responsibility. We are aware of the cost of doing business and the impact our activities generate on our stakeholders.

Governance

Building a world-class company based on strong governance, sustainable growth, transparency, dialogue and compliance with laws and regulations.

Our strategic UN Goals

Our sustainability strategy also aligns with the United Nations Sustainable Development Goals (SDGs).

Although Dangote Cement pledges commitment to all 17 SDGs, as they all have some degree of connection to our business, the business identifies 7 specific goals which have the greatest potential for lasting impact on our business strategy.

Read more about our sustainability page 35

Stakeholder value

Our people:

- Launched Short-Term Incentive (STI) and employee recognition programme, both initiatives recognise and reward strong performance
- To promote the campaign on gender diversity, Dangote Cement joined Nigeria2Equal programme through the Dangote Women Network (DWN)
- Launch of Dangote Cement crèche to support workplace childcare

Our investors:

Increasing shareholder return

₦708.2bn in EBITDA up 3.5%

- Rating upgraded to "B" by CDP on our carbon disclosure for 2022
- ₦20.00 dividend approved, share price appreciation and a share buyback

Our communities:

Spent

₦1.65bn on social investment

₦496bn on local procurement, up 21.3% YoY

Our assets:

51.6Mta across 10 countries in Africa

- Côte d'Ivoire and Ghana on track to be commissioned in 2023

Our customers:

The National Consumer Promotion "Bag of Goodies 3" has made 237 millionaires and multimillionaires across the country

OUR 5 STRATEGIC PRIORITIES

To be the global leader in cement production, respected for the quality of our products and services and the way we conduct our business.

1.

Focus on optimising the efficiency of our existing assets, to increase output and lower cost.

Performance
- Group EBITDA margin of 43.8%;
- Nigeria EBITDA margin of 54.7%;
- Record high Revenue and EBITDA;
- Robust cost reduction strategy; and
- Successful performance improvement plan

2.

Increase our leadership of existing markets and become the number one supplier with at least 30% market share.

Performance
- Capacity and market leader in five countries including Nigeria; and
- Focus on quality with superior logistics network.

3.

Tap into high-value export markets, generating useful foreign currency that we can deploy outside Nigeria.

Performance
- The Group export 1.58Mt of cement;
- Commenced clinker exports from Congo to Cameroon; and
- Exporting cement and clinker to eight countries across Africa.

4.

Expand prudently into attractive and high-growth cement markets across Sub-Saharan Africa.

Performance
- Grinding plants in Côte d'Ivoire and in Ghana expected to be commissioned in 2023;
- Plans to begin construction of 6Mt Itori plant in Ogun State; and
- Longer term, the plan is to build grinding plants across West and Central Africa through regional integration making the region cement self-sufficient.

5.

Adhere to high standards of corporate governance and improve our efforts in sustainability.

Performance
- Group-wide sustainability initiative;
- Five independent Board members; and
- 27% female Board representation with Six different nationalities.

"We create value through quality products, exceptional service, competitive pricing and unparalleled consumer value proposition."

Funmi Sanni
Sales Director

CLEAR AND CONSISTENT CAPITAL ALLOCATION POLICY

Priorities for capital

Organic growth

Over the last decade, Dangote Cement has expanded prudently into attractive and high-growth cement markets across SSA, while also tapping into high-value export markets. Capital Investment remains core to strategic growth.

- 2020: 3Mt Obajana line V
- 2021: 3Mt Okpella plant
- 2022: Commissioned Okpella power plant
- 2023: On track to commission grinding plants in Côte d'Ivoire and Ghana

2019	2020	2021	2022
	✓	✓	✓

Ordinary dividend

Consistently returning value to shareholders via dividend.

- 2019: ₦16:00/share
- 2020: ₦16:00/share
- 2021: ₦20:00/share
- 2022: ₦20:00/share

2019	2020	2021	2022
✓	✓	✓	✓

Share buyback

The share buy-back programme reflects our commitment to finding opportunities beyond dividend to return cash to shareholders.

- 2020:Bought back ₦40. million shares
- 2021: Buyback programme extended
- 2022: Bought back ₦126.7 million shares
- 2023: Buyback programme renewed

2019	2020	2021	2022
	✓	✓	✓

Historical funding sources

- Operating cash flow
- Debt capital market

Dangote Cement's Bond issuance timeline

April 2020

Issuance of maiden ₦100bn Series 1 Fixed Rate 5-year Bond

May 2021

New ₦300bn Multi-instrument Programme enabling DCP to issue Green Bonds and Sukuk

May 2021

Successfully raised ₦50bn Series 1, 3, 5 and 7-year Bonds, under a fresh ₦300bn Debt Issuance Programme

April 2022

Issuance of ₦116bn Series 2 Bond, largest corporate Bond issuance in history of the Nigerian capital market

Bonds & Loans AFRICA AWARDS
9th March 2022 | Mount Nelson, Cape Town

emeafinance Achievement Awards 2021

OUR STAKEHOLDERS

Creating value for all our stakeholders is critical to our long-term success

"

Engaging stakeholders is not just an exercise in communication. It is an opportunity to foster trust and build relationships with our shareholders, debtholders, employees, customers, suppliers and regulators"

Temilade Aduroja
Head, Investor Relations

OUR FIVE KEY STAKEHOLDERS

Employees

Our people are the backbone and driving force behind our success. Their professionalism, resilience, loyalty, commitment to our purpose and ability to innovate keeps our wheels oiled year after year.

Our engagements:

- Graduate Trainee Development Programme
- Short-Term Bonus Incentive scheme to reward our employees who consistently deliver strongly on their deliverables
- The Dangote Wall of Fame – Employee recognition reward programme
- Mental health and wellbeing

Communities

Our communities where we operate are important to us and we will continue to give back and contribute to the wellbeing of communities. We work closely with our communities to manage the social impact of our business activities, address any concerns about our operations, and enhance the benefits that we can bring.

Our engagements:

- Annual Sustainability Week
- Inclusive CSR programme, dedicated to community development
- Livelihoods and job creation
- Community development projects focused on education, health, infrastructure and empowerment

Investors

Dangote Cement has both equity and debt investors. Our investors support enable us execute our growth strategy for the benefit of all stakeholders. As such, we continue to deliver sustainable value and attractive returns for both shareholders and debtholders.

Our engagements:

- Clear and consistent communications and transparent reporting
- Quarterly results calls and presentations, providing institutional and private investors with direct access to management
- Regular one-on-one shareholder meetings with management
- Annual General Meeting with access to Board members
- Investor conference attendance

Customers

Our customers are at the centre of our vision; without them, we cannot exist. This is why we are committed to producing highest quality product in meeting their cement and clinker needs.

Our engagements:

- National Consumer Promo –"Bag of Goodies 3"
- Discounts and rebates to our customers
- Regular awareness and engagement

Regulators

As a regulated entity, we will continue to strive at attaining the highest level of industry-standard and regulatory compliance as set out by our regulators to give our customers and shareholders' confidence in the business.

Our engagements:

- Timely reporting and publishing of our financial results
- Payment of all corporate and personal taxes applicable by law
- Compliance to all regulatory requirements.

WORKING WITH AFRICA'S FINEST

"We are and will remain Africa's finest, because it is our purpose, obligation and responsibility through our people!"

Gloria Byamugisha
Group Chief Human Resources Officer

Our people: the oil that oils our wheels

In today's highly competitive business environment, it is essential to have a dedicated and skilled team to drive organisation success. Our Company is no exception. Our people are the backbone and driving force behind our success. Their professionalism, resilience, loyalty, commitment to our purpose and ability to innovate keeps our wheels oiled year on year. Their hard work and customer centricity drive our continued growth and excellence. It, therefore, goes without saying that they are the oil that oils our wheels.

In the past year, we have focused on growing organically and developing an already existing diverse and talented workforce. This has allowed us to harness a variety of perspectives and skills to our business, resulting in more innovative and effective solutions to serve our customers and consequently deepen business value. There is an unrivalled depth of experience and innovation that our vibrant team exhibits to enhance our business model. Despite this, we never rest on our oars. We have prioritised and implemented learning programs to ensure that every one of our valued employees can continuously improve their skills and advance in their careers at leisure but in a structured setting using our LMS (Learning Management System).

In addition to talent management, we have placed a strong emphasis on creating a positive and inclusive workplace culture fully anchored around our value system that embraces and recognises meritocracy and teamwork. We believe that a happy and engaged workforce is essential to the success of our business, and in cognisance of this, there has been extensive investment in programs and initiatives to support the wellbeing and satisfaction of our employees.

2022 in hindsight: looking back on what we did together

Standing firm on The Dangote Way, we drive our core values of Service, Leadership, Entrepreneurship and Excellence which in turn define what the Dangote brand stands for and shape the behaviours of each employee in every engagement with respective stakeholders.

Dangote's enduring commitment to women empowerment

We joined our voice with the rest of the world to advocate for a more gender-balanced society and workplace with the celebration of our women on 8 March for the 2022 International Women's Day. With a renewed drive and dedication to women empowerment especially in the historically male-dominated cement industry, the theme for the year was "Gender Equality Today for A Sustainable Tomorrow", with the powerful hashtag #BreakTheBias. The men of Dangote led by Alhaji Aliko Dangote came out in support of gender equality and championed numerous life-enhancing initiatives across the Group including the launch of our state-of-the-art Dangote Cement crèche, giving access to all Dangote employees with babies at no cost and recognising long-serving female employees.

As members of the Nigeria2Equal programme driving gender equality forward, we continue to invest considerably in empowering our women and building our remarkable team to become the best at providing our customers with excellent customer experience and instilling a culture of entrepreneurship, leadership and excellence. As part of this and in partnership with our Dangote Women Network, we shone the spotlight on our women across Africa and facilitated their participation in intensive women's leadership development programs and annual conferences in preparation for (and to enhance their performance in) leadership positions. Additionally, internships were granted to female graduates from the 18-month technical training with the Aliko Dangote Foundation – VDMA vocational training centre with evaluation in STEM subjects. Our commitment was, and will continue to be, done purposefully to project more women ahead and upward; and promote gender equality across the Group and specifically in our executive management.

Succession planning & talent development

Globally, more than 70% of the CEO's challenge is talent management. It has become much tougher to retain talent in the short to medium term than to grow profits! With that backdrop, we streamlined our framework around talent management and also purposed to sensitise our executives on the reality hence the mitigating factors and focus on the subject.

Talent pools across Pan-Africa were established, deliberate exposure and movements across the Group especially where there was a need, were experienced. We are fortunate to have a staff base of over 22,000 permanent and contract staff with over 25 nationalities, across different geographies, experienced in formidable sectors, schooled in several disciplines, within different age demographics with a converging view of keeping our market leadership serving Africa's finest! Indeed, Dangote Cement is where generations meet to disrupt, distract and destruct with a winning purpose.

Celebrating and sharing

Our employee recognition and reward schemes continue to entrench our culture and enhance our value proposition. A Short-Term Bonus Incentive scheme was introduced to reward our employees who consistently deliver strongly on their deliverables. This scheme is designed to encourage Company, team and individual performance. Our team is quite excited to see this take off because ultimately, everyone wants recognition and commensurate reward for excellent work. We all win together.

The Wall of Fame was a great way of celebrating quick wins, connecting emotionally and making soft skills count in the workplace. It was a delight seeing staff nominate their fellow employees for unusual commendations like; "he helped me settle in well…., she is always available when needed even outside office setting, he is my go-to person even when I have had a difficult conversation regarding my work…." This is what makes work a conducive environment to be, relate and grow. The introduction of the Dangote Wall of Fame was greeted with much pomp and excitement by our people and has bolstered engagement and productivity.

Graduate trainee development program

In line with our desire to be the employer of choice in all the markets we operate, we reintroduced our Graduate Trainee Development Program to nurture talent, stimulate innovation and enrich careers. In 2022, a total of 90 trainees were onboarded and are undergoing an 18-month intensive programme with extensive on-the-job exposure as well as elements of classroom learning supported throughout by mentors and coaches. These trainees are due to graduate in 2023 and will subsequently be integrated into our core business locations and units to contribute their quota on our journey to create a sustainable business and enduring African continent.

2023 Focus: bigger, better and bolder

As a globally recognised and Africa's leading indigenous brand, the outlook for 2023 is bright as we look forward to upholding our edge in a bigger, better and bolder approach as we collectively soar from the after-effects of the pandemic and other world economic and political challenges. Our commitment to our people and customers remains the goal leading us to be the employer of choice.

Leadership development remains at the centre of our plans for 2023 and gender diversity at all levels of the leadership ladder. This is a priority goal for us, and we will continue to commit considerable resources to ensure that ourfemale colleagues are well-equipped, prepared and supported to the challenge.

Inculcating The Dangote Way of doing business remains a competitive advantage. This calls out our plans for bigger and better innovation towards exciting and retaining our people. Focus on artificial intelligence and big data in crafting our employee value proposition by, among others, customised learning and development attributes and talent management techniques will be our hashtag, especially now that the war for talent is real and a silent disruptor.

The critical focus will be around celebrating our people and purposefully having fun at work. This will be through learning, unlearning, venturing, breaking barriers/glass ceilings, daring opportunities and creating chaos with design. Our employee recognition and reward programs (Short-Term Incentive Scheme, Wall of Fame awards, and more) will cement our culture solidly.

Mental health support for our employees is another priority that we are purposefully dealing with under our Employee Assistance Programs (EAP), in terms of awareness not only at work but also within our respective families and friends. We are not only leveraging on the enhanced health care systems and professionals to sensitise our Dangote Cement Community but also have policies that promote tolerance and empathy, rather than victimising individuals.

We are proud of our strides and remain excited by the aspirations ahead of us. As a team, we are thrilled about creating exceptional value for our shareholders and the African continent through connecting heart and minds. We are, and will remain, Africa's finest because it is our purpose, obligation and responsibility through our people!

A MARKET LEADER IN EXPORTS

Our vision is for West and Central Africa to be cement and clinker self-sufficient.

Group volumes
27.8Mt

Cement exported
1.58Mt

Expansion plans

01 Côte d'Ivoire
Capacity
1.5Mta

02 Ghana
Capacity
0.5Mta

03 Itori
Capacity
6Mta

Nigeria

Sales volume:

17.8Mt -4.1%
2021: 18.6Mt

Revenue

₦1,205.4bn +21.3%
2021: ₦993.4bn

Market

Total capacity
53.75Mt

Cement consumption
138kg/person

Nigeria is our headquaters and where we now have four of the largest and most efficient cement plants in Sub-Saharan Africa.

Performance

Our Nigerian operations were impacted by elevated inflationary trends, FX challenges and gas supply disruptions. There were also cases of heavy rains, particularly in the third quarter due to extreme weather conditions as a result of climatic changes. As such, sales volume was down marginally by 4.1% to 17.8Mt in 2022 from the 18.6Mt sold in the prior year. Notwithstanding, Nigerian revenue was up by over 21% to ₦1,205.4 billion (2021: ₦993.4 billion), whilst EBITDA closed the year stronger at ₦658.8 billion with a margin of 54.7% (2021: ₦610.2 billion, 61.4%). This strong revenue and EBITDA growth amid the slow volumes were on the back of price increases to align with inflationary trends, and supported by season 3 of our National Consumer Promotion to boost sales. Exports remain strong, during the period and we exported 748Kt of cement from Nigeria.

Types of operations
- Integrated
- Import
- Clinker grinding

Tanzania

Sales volume:

2.0Mt +13.4%
2021: 1.7Mt

Revenue

₦74.4bn +16.8%
2021: ₦63.7bn

Market

Total capacity	Cement consumption
10.8Mt	110kg/person

At 3.0Mta, our integrated plant at Mtwara is the largest of Tanzania's cement plants.

Performance

Tanzania continues to remain an attractive market for cement and clinker demand, mainly due to growth in infrastructure and housing development, including numerous government-sponsored railways, airport and road projects that are ongoing. We estimate the total market for cement in Tanzania to 7.1Mt for the full year 2022. Sales volumes at our 3.0Mta factory at Mtwara were 13% higher than last year at 2.0Mt, including clinker sales of 350.3Kt.

South Africa

Sales volume:

Cannot be published due to local competition laws

Revenue

₦64.5bn -6.7%
2021: ₦69.1bn

Market

Total capacity	Cement consumption
18.1Mt	184kg/person

South Africa is the most industrialised economy in Africa. Although the region is beleaguered with a deep energy crisis that has fuelled high cost of doing business and resulted in slow growth, the region remains one of the continents largest markets for cement.

Performance

Our sales volume for 2022 was down by 12.2%. The year-on-year decrease is attributed to the recent energy crisis, massive fuel inflation, adverse weather conditions and rising interest rates which place further pressure on discretionary income, hence the lower demand for cement.

Ethiopia

Sales volume:

2.3Mt -3.1%
2021: 2.4Mt

Revenue

₦103.3bn +53.7%
2021: ₦67.2bn

Market

Total capacity	Cement consumption
13.0Mt	45kg/person

Ethiopia's cement industry has enjoyed substantial growth in the past decade due to strong key drivers attracting foreign cement makers, and supported by the implementation of the country's Growth and Transformation Plan (GTP), a five-year government-backed national development programme to help the country achieve a double-digit annual economic growth. Ethiopia is in the top league of cement producers in Sub-Saharan Africa, only behind Nigeria and South Africa. We note that the recent ceasefire in the region after years of conflicts would support the expansion of the cement industry.

Performance

We estimate the total market for cement in Ethiopia to have been 5.5Mt in 2022, lower than in 2021 due to severe security challenges. Sales at our 2.5Mta factory in Mugher were down 3.1% year on year at 2.3Mt, whilst market share increased to 42.1%.

Nigeria has gone from being one of the largest importers of cement, to become self-sufficient and now an exporter of cement and clinker."

Sada Ladan-Baki
Head, International Trade/Export

Cameroon

Sales volume:

1.3Mt -1.3%
2021: 1.4Mt

Revenue

₦64.8bn -5.5%
2021: ₦68.6bn

Market

Total capacity	Cement consumption
5.9Mt	146kg/person

Cameroon is one of our well-established markets and its commitment to infrastructure investment and housing deficit has propelled an increase in cement demand. Cameroon lacks sufficient limestone for large-scale cement manufacturing, so we import clinker for grinding.

Performance

Sales volume at our 1.5Mta clinker grinding facility in Douala was relatively flat at 1.3Mt. The outlook of the cement market remains optimistic with the resumption of construction of government projects that has triggered an increase in private-sector-led developmental projects. We estimate the total market sales to have been 4.1Mt in 2022.

Congo

Sales volume:

0.6Mt +16.5%
2021: 0.5Mt

Revenue

₦23.3bn +29.5%
2021: ₦18.0bn

Market

Total capacity	Cement consumption
3.2Mt	136kg/person

Our 1.5Mta factory in Mfila can meet nearly all the country's needs, thereby reducing its dependence on imported cement and enabling it to become an exporter.

Performance

Our Congolese operation witnessed two months of shutdown due to extended maintenance, impacting production. Notwithstanding, our 1.5Mta integrated plant in Mfila sold 566Kt of cement (including exports) during the period. We estimate the total market for cement in Congo to have been about 705Kt in 2022.

Senegal

Sales volume:

1.1Mt +34.8%
2021: 1.6Mt

Revenue

₦34.0bn -33.7%
2021: ₦51.3bn

Market

Total capacity	Cement consumption
9.0Mt	434kg/person

With rich and abundant limestone reserves of 300 million tonnes coupled with a relatively stable environment, Senegal's cement industry remains robust and continues to be one of our strong-performing markets. Dangote Cement's investment is one of the biggest foreign direct investments by an African company in Senegal which is an indication of its strong belief in the future growth of its economy.

Performance

We estimate the total market sales to have been about 7.8Mt, including exports, for the full year 2022. Due to extended power plant maintenance, technical breakdowns and coal shortage, our plant in Pout sold 1.1Mt in 2022, down by 35% year on year, whilst our market shares were estimated at 12%. Notwithstanding, the outlook for the cement market in Senegal is optimistic on the back of growth in the construction sector and infrastructure projects across the country including low-cost housing projects, and supported by a growing middle class.

Types of operations

- Integrated
- Import
- Clinker grinding

Zambia

Sales volume:

0.65Mt -11.1%
2021: 0.7Mt

Revenue

₦31.2bn -1.9%
2021: ₦31.8bn

Market

Total capacity	Cement consumption
4.7Mt	111kg/person

Our 1.5Mta Ndola factory sits in the heart of the copper belt mining area, with good access to Zambia's major cities and neighbouring countries.

Performance

We estimate total market sales to have been 2.2Mt for the full year 2022. Our 1.5Mta Ndola factory sold 654Kt of cement in 2022, down by 11% from the prior year. This was due to overall macroeconomic challenges as well as increased competition in export market, all of which impacted volumes. We estimate our market share to have been at 30% during the period.

Ghana

Sales volume:

0.264Mt -25.2%
2021: 0.353Mt

Revenue

₦13.1bn -22.5%
2021: ₦16.8bn

Market

Total capacity	Cement consumption
6.3Mt	193kg/person

An important market for cement in West Africa, Ghana lacks sufficient limestone and is obliged to import clinker or bulk cement. Ghana is benefiting from a stable political environment.

Performance

Dangote Cement Ghana sold 264Kt of cement, down 25.2% from prior year. 2022 challenges were notably due to the surge in international freight prices and overall global supply chain challenges.

Sierra Leone

Sales volume:

0.13Mt -48.6%
2021: 0.2Mt

Revenue

₦6.3bn -42.0%
2021: ₦10.9bn

Market

Total capacity	Cement consumption
1.7Mt	99kg/person

Sierra Leone's cement market continues to enjoy robust demand due to increased infrastructure spending, a burgeoning growing population, more foreign aid being made available and the resumption of building projects in the corporate sector including road infrastructure.

Performance

The Sierra Leonean cement market consumed about 832Mt of cement for the year 2022. Dangote Cement Sierra Leone sold 127Kt of cement. Volume is limited by supply and volatile shipping and cement cost.

DELIVERING SUSTAINABLE VALUE TO OUR SHAREHOLDERS

Gbenga Fapohunda
Acting Group Chief Financial Officer

Our record revenue and EBITDA , indicates our resilience through the current macroeconomic challenges, as we proactively implemented a robust cost reduction and performance improvement strategy."

Dear shareholders

Financial highlights
Summary

	FY 2022 '000 tonnes	FY 2021 '000 tonnes
Volume sold*		
Nigeria	17,841	18,612
Pan-Africa	9,982	10,856
Inter-company sales	(56)	(197)
Total volume sold	27,767	29,271

	FY 2022 ₦'million	FY 2021 ₦'million
Revenues		
Nigeria	1,205,401	993,399
Pan-Africa	414,830	397,329
Inter-company sales	(1,908)	(7,091)
Total revenues	1,618,323	1,383,637

	FY 2022 ₦'million	FY 2021 ₦'million
Group EBITDA**	708,238	684,595
EBITDA margin	43.8%	49.5%
Operating profit	585,876	582,491
Profit before tax	524,002	538,366
Earnings per ordinary share (Naira)	22.27	21.24

As at 31 December	FY 2022 ₦'million	FY 2021 ₦'million
Total assets	2,615,655	2,392,019
Net debt	422,891	225,097

* Volumes include cement and clinker.
** Earnings before interest, taxes, depreciation and amortisation.

Group revenue increased by 17% to ₦1,618.3 billion from ₦1,383.6 billion, driven by price increases to offset heightened inflation.

Volumes sold by our core Nigerian operations decreased by 4.1% to 17.8Mt, elevated by the high base of 2021. The decrease is partly as a result of energy supply challenges. Pan-African volumes also reduced by 8.1% to about 10.0Mt from 10.9Mt in 2021 due to increased supply chain challenges and maintenance activities.

Manufacturing and operating costs

Year ended 31 December	2022 ₦'million	2021 ₦'million
Materials consumed	**196,517**	175,367
Fuel and power consumed	**266,486**	196,634
Royalties	**2,429**	1,667
Salaries and related staff costs	**45,032**	38,701
Depreciation and amortisation	**90,757**	75,954
Plant maintenance costs	**51,351**	42,203
Other production expenses	**26,376**	25,589
(Increase)/decrease in finished goods and work in progress	**(16,058)**	(5,096)
Total manufacturing costs	**662,890**	551,019

In total, manufacturing costs increased by 20.3% to ₦662.9 billion from ₦551.0 billion in 2021. Materials consumed increase by 12.1% to ₦196.5 billion, despite the reduction in production volume owing to inflationary pressures. Fuel & power consumed increased by 35.5% to ₦266.5 billion due to increasing energy costs especially AGO and coal.

The increase in Nigeria's manufacturing costs was mainly driven by increased plant maintenance cost, rising energy costs and increase in price of gas which is pegged to the USD. The Nigerian Naira depreciated from ₦424.1/US$1 at the end of FY 2021 to ₦461.1/US$1 at the end of FY 2022.

Administration and selling expenses

Year ended 31 December	31 December 2022 ₦'million	31 December 2021 ₦'million
Administration and selling costs	**375,113**	256,007

The total selling and administration expenses rose by 46.5% to ₦375.1 billion in FY 2022, mainly driven by the 64.4% increase in haulage expenses as a result of the significant rise in AGO costs. Inflationary pressure and the currency devaluation also drove part of this increase.

Profitability

Year ended 31 December	31 December 2022 ₦'million	31 December 2021 ₦'million
EBITDA	**708,238**	684,595
Depreciation, amortisation and impairment	**(122,362)**	(102,104)
Operating profit	**585,876**	582,491

EBITDA by operating region

Year ended 31 December	31 December 2022 ₦'million	31 December 2021 ₦'million
Nigeria	**658,774**	610,196
Pan-Africa	**64,918**	88,830
Central costs and inter-company sales	**(15,454)**	(14,431)
Total EBITDA	**708,238**	684,595

Group earnings before interest, tax, depreciation, and amortisation (EBITDA) for the year increased by 3.5% to ₦708.2 billion at a margin of 43.8% (FY 2021: ₦684.6 billion, 49.5%) despite elevated inflation. Excluding eliminations and central costs, Nigeria EBITDA increased by 8.0% to ₦658.8 billion at a margin of 54.7% (FY 2021: ₦610.2 billion; 61.4%).

Pan-African EBITDA decreased by 26.9% to ₦64.9 billion, at a margin of 15.6% (FY 2021: ₦88.8 billion; 22.4%), notably driven by rising commodity prices and reduced volume sold, caused by interruption in production activities.

Operating profit of ₦585.9 billion was 0.6% higher than the ₦582.5 billion for FY 2021 at a margin of 36.2% (FY2021: 42.1%).

Interest and similar income/expense

Year ended 31 December	31 December 2022 ₦'million	31 December 2021 ₦'million
Interest income	**38,715**	20,765
Exchange gain/(loss)	**(53,929)**	(8.766)
Interest expense	**(76,441)**	(56,941)
Net finance (cost)	**(91,655)**	(44,942)

Interest income increased to ₦38.7 billion mainly as a result of increased interest earning balances. During the period, there was a depreciation in the CFA and Ghana Cedi which resulted in the significant increased exchange losses of about ₦53.9 billion.

Taxation

Year ended 31 December	**31 December 2022 ₦'million**	31 December 2021 ₦'million
Tax (charge)/credit	**(141,691)**	(173,927)

Profit after tax

The Group's profit for FY 2022 increased by 4.9% to ₦382.3 billion (FY 2021: ₦364.4 billion). As a result, earnings per share increased to ₦22.27 (FY 2021: ₦21.24).

Financial position

As at	**31 December 2022 ₦'million**	31 December 2021 ₦'million
Property, plant and equipment	**1,527,293**	1,472,859
Other non-current assets	**58,676**	40,996
Intangible assets	**6,225**	5,122
Total non-current assets	**1,592,194**	1,518,977
Current assets	**739,618**	533,199
Cash and bank balances	**283,843**	339,843
Total assets	**2,615,655**	2,392,019
Non-current liabilities	**181,525**	155,305
Current liabilities	**648,449**	688,105
Debt	**706,734**	564,940
Total liabilities	**1,536,708**	1,408,350

Total non-current assets increased to ₦1,592.2 billion at the end of FY 2022 from ₦1,519.0 billion on 31 December 2021. The increase was due to acquisition of new equipment in line with our drive to ramp up production of existing plants

Additions to property, plant and equipment were ₦65.9 billion, of which ₦41.1 billion was spent in Nigeria and ₦24.8 billion in Pan-Africa operations.

Movement in net debt

	Cash ₦'million	Debt ₦'million	Net debt ₦'million
As at 31 December 2021	339,843	(564,940)	(225,097)
Cash from operations before working capital changes	686,190	—	686,190
Change in working capital	(158,203)	—	(158,203)
Income tax paid	(150,766)	—	(150,766)
Additions to fixed assets	(65,945)	—	(65,945)
Loan to related party	(93,812)	—	(93,812)
Other investing activities	(307)	—	(307)
Change in non-current prepayments and payables	(8,668)	—	(8,668)
Net lease received	7,193	—	7,193
Share buy-back	(35,323)	—	(35,323)
Net interest payment	(31,743)	—	(31,743)
Net loans obtained (repaid)	71,276	(71,276)	—
Net dividend paid	(332,764)	—	(332,764)
Overdraft	56,514	(56,514)	—
Other cash and non-cash movements	358	(14,004)	(13,646)
As at 31 December 2022	**283,843**	**(706,734)**	**(422,891)**

Cash of ₦686.2 billion was generated from operations before changes in working capital. After net movement of ₦158.2 billion in working capital, tax payment and leases the net cash flow from operations was ₦387.8 billion for FY 2022.

Excluding overdraft, financing cash flow of ₦373.8B reflected net loans obtained of ₦71.3 billion, net interest paid of ₦31.7 billion, net dividend paid of ₦332.8 billion and share buyback of ₦35.3 billion.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) reduced to ₦150.9 billion from ₦263.4 billion as at 31 December 2021. Net debt increased by ₦197.8 billion from ₦225.1 billion at the end of 2021 to ₦422.9 billion at end of December 2022.

Capital expenditure by region

	Nigeria ₦'million	Pan-Africa ₦'million	Total ₦'million
Capital expenditure	41,124	24,822	65,945

Capital expenditure was mainly comprised of the construction of new plants in Nigeria and West African countries, the acquisition of distribution trucks as well as improvements in our energy efficiency across our operations.

Recommended dividend

On 24 February, 2022, the Directors recommended a dividend of ₦20.00 per share for approval at the Annual General Meeting.

Going Concern

The Directors continue to apply the Going Concern principle in the preparation of the financial statements. After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Group's Going Concern capabilities.

The Directors believe that the current working capital is sufficient for the operations and the Group generates sufficient cash flows to fund its operations.

Share buy-back

During the Extraordinary General Meeting held on 13 December 2022, Dangote Cement's shareholders authorised the Company to undertake a share buyback of up to 10% of its issued shares outstanding. The buyback programme is currently undergoing regulatory approvals. .

Gbenga Fapohunda
Acting Group Chief Financial Officer
27 February 2023

"Our historic ₦116bn corporate bond issued in 2022 is the largest issuance by any corporate in Nigeria at the time."

WINNING WITH INSIGHTFUL RISK MANAGEMENT

Adenike Fajemirokun
Group Chief Risk Officer

"

As a business, we will seek to maintain continuity of our operations to the best extent possible, however, with key emphasis on the safety of our people and assets"

How would you describe the external business environment and its risk impact on the Group's business during the year 2022?
Our business started off the year with high hopes of tailwinds as opposed to headwinds, which was apparent in the macroeconomic environment both locally and globally triggered by series of events and adverse movements in key economic indicators that impacted not just corporates but nations also. The world economy was faced with heightened uncertainties even as it was teetering on a cliff edge. A global recession seemed imminent during the year under review. Businesses globally were faced with pressure from energy crisis, high inflation and impacts from FX exposures following monetary policy tightening, particularly by the Federal Reserve System with the Dollar firming up against other currencies. Overall, this trifecta pressure coupled with the aftermath of the ongoing Russia-Ukraine war remained major showstoppers to full recovery from the pandemic. Our sterling performance across all measurement parameters from 2021, despite visible constraints, remained our driving force as we navigated a very stormy business environment that shrunk market demands significantly.

The IMF, in its World Economic Outlook, projected a global economic growth rate of 4.4% for 2022. This growth rate was initially premised on adverse health outcomes declining to low levels globally in 2022, and the continued adaptation of economic activity to the pandemic. Fast forward to February 2022, new storm clouds began to gather, and the economic outlook deteriorated with projections nosediving to 3.6% in Q1 of 2022 to an all-time low of 3.2% for the rest of 2022. Russia's invasion of Ukraine put the global economy at risk with immense economic difficulties on developed economies and emerging/developing countries where we have our operations. The knock-on effect being imported inflation and global trade disruptions with visible impacts of higher import prices considering many economies are net energy importers.

The Sub-Saharan Africa regions witnessed significant price pressures during the year following the outbreak of the conflict. The regions overall inflation went up by 13%, almost three times above its pre-pandemic rate (World Bank Global Economic Prospects) with increasing input costs and weaker exchange rates of local currencies being key drivers of rapid price growth. While the Dollar firming up against African countries' currencies, overall current account positions worsened following import demands. Sovereign debt concerns manifesting in increased risk of debt distress was apparent across African countries where we have our footprints.

The economy of our key market, Nigeria, sustained a positive growth all through 2022. It grew by 2.9% year-on-year. This is 0.3% below the IMF projection of 3.2%. Expansion was driven by the non-oil sector where our industry is listed, as the oil output declined by 4.67% to an average of 1.135 mb/d in the first 11 months of 2022 from 1.191 mb/d recorded in the corresponding period of 2021, reflecting lower oil output as Nigeria struggled to meet its production target largely due to insecurity from pipeline vandalism. With crude oil crossing the $100 per barrel mark averaging at 99.51$/barrel for the year, production volume was impaired and revenue allocation to infrastructural development curtailed by the subsidy regime with mounting pressure on the Naira.

The global cement industry was forecasted to grow at a compound annual growth rate of 3.4% during 2022-2030 largely to be driven by construction activities and rapid urbanisation in developing economies where our biggest plants and other Pan-African plants are located. Our Nigerian business and quite a significant number of our African plants continued the trajectory of volume growth provided by a strong market, leading up to the end of the first quarter when market demand started to shrink. Our Business navigated extremely soft markets across two quarters of 2022 orchestrated by increasing inflation pull effects, impacting the purchasing power of the retail market which accounts for a large chunk of our active market segment. On the flip side, our cost of production went up by 23% during the year under review. This was driven by worsening inflation as the price of input elements went south necessitating price increase of our product. Market opportunities for sales volume were also impacted by palpitations of cement buyers, considering 2022 was a build-up period to the 2023 general election with paucity of funds apparent across sectors, coupled with rising interest rates. Overall, our industry grew by 0.7% in terms of market demand for cement.

A key risk to our EBITDA projections was the leap in input cost particularly energy as AGO and coal doubled in price. Our response strategy being energy mix was adversely impacted by the continuous drop of gas pressure across our plants. Our risk exposure from energy issues was trident with pressure points being cost (with impacts expressed above) and availability, as production lines in some plants were shut down for lack of coal and paucity of FX, considering all energy elements are import based.

Referencing our critical equipment availability percentages from previous year, we made good progress during the year under review considering the procured volume of input elements like spares, tyres - key levers of our maintenance philosophy. This effort was however challenged by the dearth of foreign exchange. The optimisation of our plant capacities would have been better.

The growth of a number of our Pan-African plants was constrained by weak demand from worsening economic environment, largely driven by decade-high levels of inflation further exacerbated by the Russia-Ukraine crisis, alongside the currencies of African countries increasingly depreciated against the Dollar. The availability of the greenback in some of the African countries with our footprints also remains a key risk, as it has become increasingly difficult for us to achieve repatriation of funds with the dwindling foreign exchange earnings and FDIs for some African countries. Our cash balances in the banks are exposed to depletion considering the continued depreciation and devaluation of the currencies of some of our host countries in Pan-Africa.

Insecurity remains a key risk for our business as we had threats to the lives of our people and assets in Nigeria and some Pan-African locations.

How did the business manage these risk impacts?

Our response strategy to the dwindling market demand for cement in our big market Nigeria was to wholesomely defend our market share. As always, we focused on the retail segment of our market to push demand growth through the third season of the National Consumer Promo (NCP) which was conceived to reward customers who have remained loyal to the brand at shelf level whilst supporting our sales volume. Like the two other seasons, the NCP delivered beyond market share retention as we also grew our market share by 2% from 59% in Q2 to 61% in Q3 when compared to previous period and this was achieved with 64% utilisation of the NCP budget.

To manage the impact of rising cost of input materials driven by elevated inflation globally, we sought alternatives and substitutes particularly energy sources for our plants and fleet operations. We made huge investments in infrastructure setup of pneumatic/mechanical feeder system and processing units of alternative fuel materials as key energy sources for our kiln beyond coal and gas. We processed 157k tons of waste from palm kernel shell (PKS), rice husk, carbon black and other materials and have set for ourselves a target of 25% thermal substitution rate by 2025. Considering the Group's focus on this, our Risk Management function continues to keep a close watch on this metric through the "Key Risk Indicator Program" as it provides visibility to the Board on how we are managing the energy crisis, considering its disruptive tendencies to key financial objectives. We also continued in our investment strides in compressed natural gas (CNG) for our fleets. We hope to grow our investments in CNG considering the savings we anticipate in terms of AGO utilisation with the introduction of compressed gas to the fuel lines of our trucks.

Taking a cue from last year where we sought to prioritise our local markets, (particularly Nigeria), we sustained our sales efforts of cement and clinker exports. Export inflow from our export markets were quite helpful in managing our plant equipment reliability risk as we continued to prioritise the replacement of our maintenance spares by clinically reviewing FX based procurements against our FX inflows utilising our critical need FX allocation plan.

We have continued to engage with the Central Banks of African countries where we have fund repatriation challenges and we are making headway whilst we also explore other hybrid options working closely with relevant in-country regulatory institutions.

As a business, we will seek to maintain continuity of our operations to the best extent possible, however, with key emphasis on the safety of our people and assets. With regards to security risk across countries of operations, we sustained our security risk assessments efforts and continued to track measures to manage same as prescribed by the Group Crisis Management policy, that also bears a standard operating procedure for evacuation of our people where required, working with in-country security institutions and other international partners.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

Principal risk	Impact	Mitigation	Risk direction
1. Fuel security threat to our plant and transport operations from a cost and availability perspective following the Russian/Ukraine crisis.	• Production stoppage for unavailability of coal. • EBITDA margins impacted.	• Activation of the next phase of the Group's outlook of Compressed Natural Gas (CNG) plant inclusive of daughter's stations for our dispatch fleet. • Stay on course in driving a community inclusive development of coal mines to increase local supply.	↔
2. Inflation pull impacts on the purchasing power of the Group's core retail market segment with threat to sales.	• Loss of market share.	• Market share growth achieved through the National Consumer Promo targeted at the retail segment.	↘
3. Production volume constraints due to paucity of FX to fund import requirements.	• Loss of market share and brand confidence from inability to meet market demands considering capacity share.	• Ongoing implementation of annual FX allocation plan. • Continuous prioritisation of the funding of critical LCs of production function.	↔
4. Threat to Group's EBITDA from currency devaluation and depreciation across Nigeria and Pan-African markets.	• FX translation loss with financial impacts.	• Stay on course on mandate to organically generate FX requirements. • Adoption of futures as hedging strategy. • Sustain fund repatriation effort of investment proceeds.	↔
5. Threat to staff safety and assets from increased violence, arson and kidnapping in critical markets.	• Threat to staff safety and business interruption.	• Strategic daily monitoring of the security situation in country with security report issued. • Activation of the Group crisis management policy and evacuation plan where required. • Proactive security risk assessment of Pan-Africa locations.	↔

Key ↔ No change ↗ Increased ↘ Decreased

Principal risk	Impact	Mitigation	Risk direction
6. Loss of value of investment proceeds from delays in the repatriation of investments in some Pan-African locations.	• Exposure of cash at bank to possible devaluation considering unavailability of FX in-country. • Impact on DCP Group's strategic plan to source its FX requirement organically.	• Increased engagement with Central Banks of countries of operation for more FX allocation. • Possible re-investment options in-country to be explored. • Review of possible export corridors in neighbouring countries.	↔
7. Threat to the Group's FX earning strides from supply related constraints of cement and clinker to export markets across Pan-Africa.	• Overall impact on DCP Group's strategic plan of organically sourcing FX requirements.	• Clinical monitoring of clinker and cement stock movement across locations. • Vessel chartering process re-aligned and redesigned to ensure prompt vessel availability.	↔
8. Vulnerability exposure of the Group's IT systems and application to ransomware/ cyber-attacks.	• Service interruption with significant impact on mission critical functions (sales and logistics/transport) which depends on the availability of our ERP and ancillary applications.	• DCP IT Risk Management KRI report consistently flagging system with anti-malware signature out of date. • Deployment of robust vulnerability assessment/penetration testing policy and implementation of same.	↔
9. Fatal accidents involving our cement dispatch fleet.	• Negative impact on our commitments to accident free operations. • Loss of trust and confidence of our host and transit communities.	• Reaffirming key messages through continuous engagement of drivers (pep-talks). • Drug and alcohol testing. • Over-speeding violation counselling and consequence management. • Learnings from Incident: Root-cause assessment discussion with drivers. • Full set up of transport training school to include defensive driving and safety trainers achieved. • Introduction of In-cabin monitoring coaches for new drivers.	↘

SETTLING ON SUSTAINABILITY

Building a sustainable future is about driving change that evolves over time.

Igazeuma Okoroba
Head, Sustainability, Dangote Cement

Africa has been described as the fastest-growing region and Dangote Cement is privileged to be a major player in advancing economic growth in the region. Beyond our growth statistics our business embraces the challenge of contributing to meet the region's needs of sustainable housing, energy, transportation, and basic services for a growing population in the face of climate change. To support the inhabitants of Africa who will move to urban areas by 2050, Dangote Cement's resolution on sustainability could not have come at a better time.

The year 2022 saw us navigate through the "fork in the road". We made choices and trade-offs, leveraging economies of scale and efficient processes to transform market leadership to become a market leader taking coordinated action towards sustainability. The CDP climate change performance upgrade from B- to B+ is proof of this growth.

Dangote Cement is abreast with society's expectations of our industry. For buildings, bridges, and other infrastructure to be enduring and safe, performance over its lifecycle is a key sustainability consideration in our processes; therefore we choose the right inputs by optimising mix and efficient use of materials.

Our 2022 sustainability performance was determined mostly by culture. The cultural pillar affirms our shared values with partners and stakeholders. We are proud to share the progress we made in environmental sustainability practices such as the co-processing and indigenous innovation from waste and recycling of treated water for irrigation of farmlands in communities close to our mines.

In keeping with local and international compliance standards, we fostered partnerships for sustainable development goals through strategic stakeholder engagement. Our engagement with communities supported the management of agro-waste for the creation of green jobs. We partnered with civil society and government agencies to promote quality standards in the building industry of Nigeria and Pan-African countries.

Building a sustainable future is about driving change that evolves over time. Change involves milestones to be celebrated along the way. Progress in our sustainability reporting and transparency is a milestone worthy of recognition received. I am grateful for another opportunity to share our wins and lessons learned.

Transformation might be a tough journey but we are clear on this - Dangote Cement has settled on sustainability.

The Dangote Way

Mainstreaming sustainability – The Dangote Way

As the foremost cement manufacturing company in Sub-Saharan Africa, we remain at the forefront of the global shift in sustainable cement production - challenging not only ourselves, but also our customers, suppliers, and peers to partner on delivering measurable social and environmental progress. This translates into taking measurable strides to accelerate innovation in our ESG practices and to achieving our goals in a way that contributes to rapid socio-economic development. We are focused on our approach to operationalising sustainability which we have consistently termed "The Dangote Way".

The Dangote Way is our unique approach of ensuring that sustainability permeates into every aspect of our business. Through our seven strategic sustainability pillars, which include: institutional, financial, operational, cultural, economic, social and environmental, all DCP stakeholders are encouraged to participate in advancing this objective.

We have continued to leverage our unique capabilities, invest in technology and innovation, develop strategic partnerships, and engage the organisation to achieve our sustainability goals. In 2021, sustainability was adopted as one of the five key levers of the business. The sustainability function aligned with management direction on this by mainstreaming sustainability from adhoc to permanent roles in all facilities. This also informed our ESG integration process.

The Sustainability Pillars

Financial

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

SDGs x 7

8 11

Institutional

Build a world-class institution centred around corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency, effective internal controls, risk management and business continuity.

SDGs x 7

8 16 17

Economic

Promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialisation across Africa, establish efficient production facilities and develop resilient local economies in strategic locations and key markets where we play.

SDGs x 7

1 2 8 11 16

Cultural

Embody our core values in the way we do business, including fostering respect for cultural diversity both in our internal and external relations. To achieve this, we actively encourage teamwork, empowerment, inclusion, equal opportunities, mutual respect, integrity and meritocracy in our organisation.

SDGs x 7

4 5 10 11 16 17

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, and employing state-of-the-art technologies and systems to constantly optimise our product value and cost efficiencies.

SDGs x 7

8 9 12 13

Environmental

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

SDGs x 7

6 7 9 12 13

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, local entrepreneurial development, social investments and corporate social responsibility best practices.

SDGs x 7

1 3 4 5 10 15

Aligned to the UN Goals

Mapping our terrain

Annually, we implement a materiality assessment to identify the economic, social and environmental topics that matter most to our business and our stakeholders. Our annual materiality assessment is part of a range of processes to identify and define the material topics to be accorded priority in our business strategy and reporting. The outcome of our materiality assessment exercise provides a tangible basis for decisions on where and how to channel resources.

As in the previous year, we implemented a materiality assessment for our employees, supply chain, investors and host communities. The formal materiality process included desktop research, internal and external stakeholder engagement through our customers' voice – an online survey platform and data analysis. For objectivity, we engaged an independent consultancy to carry out a high level review and analysis of data from the exercise. Following our materiality assessment, material topics identified of medium importance to stakeholders include employee welfare, vendor engagement, responsible sourcing, product availability and affordability and infrastructure development. On the other hand, topics reported of high importance to the business were climate change and GHG emissions, pollution control, waste and effluent management, and health, wellness and safety. Other critical issues of impact to the business include community impact, corporate governance, sustainability reporting, financial performance and responsible sourcing. The overall outcome forms our material topics which are ranked and reflected in the materiality matrix below:

The outcome of our 2022 materiality assessment indicated the most pressing issues for our internal and external stakeholders. Over 75 topics were identified. Some of these topics are as follows: human rights, biodiversity and climate change, etc. The identified material topics significantly influence the issues that are disclosed in this report.

Following the diversity and complexity of the material issues raised by the various stakeholder groups, materiality matrices were developed to capture the critical and relevant issues.

Employees

A total of 23 ESG-related topics were identified as material to the employees. These were derived from the ratings of various ESG issues by employees during the survey. Overall, six topics were ranked in the range of high importance and high impact.

Investors

A total of 14 ESG-related topics were identified as material to the investors. These were derived from the ratings of various ESG issues by investors during the survey. Overall, six topics were ranked in the range of high importance and high impact.

Vendors

A total of 21 ESG-related topics were identified as material to the supply chain. These were derived from the ratings of various ESG issues by the supply chain during the survey. Overall, 6 topics were ranked in the range of high importance and high impact.

Dangote Cement's 2022 materiality matrix

Importance to stakeholders / Impact on business	Low	Medium		High	
High		• Employee welfare • Talent attraction, development and retention • Vendor engagement • Responsible sourcing • Customer privacy • Improved vendor management	• Product availability and affordability • Employment opportunities • Infrastructure development • Anti-corruption	• Climate change and GHG emissions • Pollution control • Waste and effluent management • Water efficiency • Health, wellness and safety	• Energy management • Community impact • Corporate governance • Sustainability reporting and disclosures • Financial performance • Customer privacy • Responsible sourcing
Medium	• Retirement provision • Business support • Community training	• Women and youth empowerment • Employee engagement • Community engagement • Digitalisation • Fraud and corruption • Improved communication	• Reduced vibrations • Operational process improvement • Stakeholder engagement • Accountability and transparency	• Afforestation • Land resettlement • Business continuity	
Low	• Fair competition • Sustainable infrastructure • Green investments • Credit facility • Biodiversity	• Human rights • Child labour • Economic improvement • Supply chain training		• Alternative fuels	

Impact on business

Our materiality assessment

1. Desk review
2. Stakeholder mapping
3. Quantitative data collection and analysis
4. Identification of material factors
5. Key informant engagement
6. Prioritisation and ranking

Communities
A total of 17 ESG-related topics were identified as material to the community. The matrix above represents the ranking of the material issues in the order of importance to stakeholders and DCP's impact on the host communities.

Our materiality outlook
Looking to the future, we will continue to monitor our material topics, including the potential impact on the performance, development and position of our Company, as well as the potential environmental and social impacts of our activities on our stakeholders. We will provide updates annually in our Sustainability Report and use the outcomes to continuously improve our stakeholder engagement processes and inform further integration with global initiatives, as we seek to deliver long-term value creation from sustainability.

Reporting practice
- Evolution of our sustainability reporting.
- Reporting scope, timeframe and boundary
- GRI content index service
- Data integrity
- Report reference
- Independent external assurance

Evolution of our sustainability reporting
At DCP, sustainability mandate is to comply with disclosures of non-financial performance in the annual reporting process. We commenced our sustainability reporting journey by disclosing only key topics that are pertinent to our business referencing the GRI Sustainability Reporting Protocols in 2017. The report was well received by both internal and external stakeholders and thus set the stage for our next Sustainability Report in 2018 – a fully compliant GRI Core Option Sustainability Report. Dangote Cement's report was the first to be presented to stakeholders under the Facts Behind the Figures Platform of the Nigeria Exchange Group, demonstrating our compliance with the NSE Sustainability Disclosure Guidelines. We continued to improve our reporting practices by integrating financial and non-financial disclosures in a single report in 2019 and 2020 thereby, demonstrating our commitment to a balance scorecard in sustainability. In 2021, we published our first ESG-aligned report to further align with stakeholders' expectations. We have received several awards and recognition for our Sustainability Report including best company in reporting and transparency for 2019, 2020 and 2022 by the SERAS Africa Awards and best company in reporting and transparency by the CSR Reporters Awards.

Our reporting practice
The scope of this report covers the full range of our ESG performance in Nigeria (DCP Obajana, Okpella, Ibese and Gboko) and Pan-Africa (Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia) within the timeframe of 1 January 2022 to 31 December 2022. This is our sixth Sustainability Report and, like previous reports, it has been prepared in accordance with the 2021 GRI Standards Sustainability Reporting Framework Core Option. The report has also been cross-referenced with other sustainability principles and standards including the Global Cement and Concrete Association (GCCA) Sustainability Principles and Guidelines, United Nations Global Compact (UNGC) Principles, Sustainable Development Goals (SDGs), Securities and Exchange Commission (SEC) Code of Corporate Governance and the Nigerian Exchange Group (NSE) Sustainability Disclosure Guidelines. This further lends credence to the report and showcases our efforts at adhering to best practices.

The report is environment, social and governance (ESG) structured to ensure our stakeholder groups have easy access to them. It aptly reflects our strategic sustainability pillars which include social, economic, environmental, operational, cultural, financial and institutional. As in previous years, it complements our Annual Report, which primarily covers our financial and economic performance in furtherance of our integrated reporting approach.

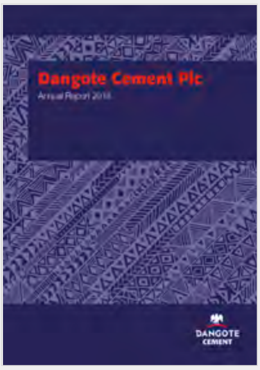
In line with the GRI reporting principles, we have considered the principles of stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity and reliability and believe that this report meets these requirements. Data utilised for this report underwent several layers of review and validation and represents the most accurate information at the time of publication.

A materiality assessment carried out with the assistance of an independent third party ensured we identified and reported on the most material topics related to our business. Thus, this report provides a reasonable and balanced representation of the DCP's material sustainability areas of impact and opportunity. External assurance was implemented by KPMG on some indicators using the ISAE 3000 Standards to further add a layer of validation and credibility to the report. The report has received the Content Index Essential Service of the GRI.

dangotecement.com

2017

2018



2019

2020

2021

Environmental indicators

	2021	2022
CO_2 emissions (absolute)		
Total scope 1 emissions in the reporting year (million metric tonnes)	18.8	**17.7**
Gross absolute direct CO_2 emissions (million metric tonnes)*a	17.0	**16.0**
Net absolute direct CO_2 emissions (million metric tonnes)	16.9	**15.9**
CO_2 from on-site power generation (million metric tonnes)	1.8	**1.7**
Total scope 2 CO_2 emissions from power purchased (million metric tonnes)	0.2	**0.3**
Direct CO_2 emissions intensity (scope 1)		
Gross CO_2 per tonne of cementitious product (kg CO_2/tonne)	609	**595**
Net CO_2 per tonne of cementitious product (kg CO_2/tonne)	606	**590**
Energy (thermal and electrical)		
SHC clinker production (MJ/tonne clinker)	3,337	**3,330**
Convectional fossil fuel (% of kiln fuels)	0.979	**0.961**
Alternative fuel rate (% of kiln fuels)	0.019	**0.027**
Biomass fuel rate (% of kiln fuels)	0.002	**0.012**
Total energy consumption (kiln in TJ)	71,118	**66,247**
Total energy consumption (plant) in TJ)	101,355	**95,786**
% of total plant energy consumed per source		
Petroleum coke/coal mix	0.6	**0.0**
Coal	41.0	**42.6**
Natural gas	51.3	**48.7**
Diesel	3.7	**3.2**
Petrol	0.0	**0.0**
LPFO	0.0	**0.7**
Electricity	1.9	**2.1**
Alternative fuel (fossil and biomass based)	1.5	**2.7**
Clinker/cement (equivalent) factor (%)	0.77	**0.74**
Water management		
Total water withdrawal (million m^3)	8.16	**6.81**
Water withdrawal by source		
Groundwater (% of total)	0.51	**0.51**
Municipal water (% of total)	0.07	**0.01**
Quarry (% of total)	0.20	**0.12**
Other (dam, etc.) (% of total)	0.21	**0.36**
Total water consumption/utilisation (million m^3)	7.57	**6.28**
Water recycled/reused (million m^3)	0.21	**0.22**
Water withdrawal per cementitious product (lit/tonne)	292	**253**
Water consumption per cementitious product (lit/tonne)*	271	**234**
Waste management		
Total waste generated (ktonnes)	16.4	**11.1**
Total waste recycled/reused (ktonnes)	-	**7.6**
Total AFR waste consumed (ktonnes)	89	**157**
Continuous emissions monitoring systems coverage (dust, NOx, and SOx)		
% of clinker produced with CEMS coverage (dust, NOx and SOx)	0.9	**0.9**
Dust: % of production with dust measurement	1.0	**1.0**
NOx: % of production with NOx measurement	0.9	**0.9**
SO_x: % of production with SO_x measurement	0.9	**0.9**
Particulate and gaseous emissions		
Total absolute kiln dust emissions (tonnes)	2,973	**1,937**
Specific dust (g/tonne of clinker)	140	**97**
Specific NOx (g/tonne of clinker)	-	**1,073**
Specific SOx (g/tonne of clinker)	-	**195**
Trees planted		
Total number per annum	510,636	**123,253**

*a 2021 and 2022 data consolidated based on GCCA definition of total direct CO_2 emissions – as direct CO_2 emissions originating from fossil carbon, i.e. excluding CO_2 emissions from biomass which are considered climate neutral and CO_2 from on-site electricity production.

*b Specific CO_2 for 2021 and 2022 consolidated to CO_2/tonne cementitious product with Global Cement and Concrete Association (GCCA) Cement CO_2 and Energy Protocol, Version 3.1 GNR 2.0.

*c Specific heat consumption for 2021 and 2022 consolidated with GCCA Cement CO_2 and Energy Protocol, Version 3.1 GNR 2.0.

*d Water consumption for 2021 and 2022 consolidated and reported in liters/tonne cementitious product

Social indicators

	2021	2022
Employee hire and turnover		
New hires	1,061	**1,172**
Communities – grievances		
Community grievances closed	86	**169**
Communities – projects/engagement		
Number of completed community projects	67	**71**
Community engagement	675	**763**
General training		
Number of training hours	156,899	**313,192**
Sustainability training		
Number of employees trained	281	**598**
Number of training hours	1,188	**1,478**
HSE/training		
Number of persons trained on HSE (including external stakeholders)	15,392	**27,450**

Governance indicators

	2021	2022
Business ethics		
Number of whistleblowing	34 (15% resolved, 85% ongoing)	**71 (41% resolved, 59% ongoing)**
Gender diversity		
Gender diversity – females at senior management level	9%	**15%**
Gender diversity – females in Executive Management	12%	**13%**
Females in total workforce (permanent employees)	8%	**9%**

	2021	2022
Economic performance		
Contribution to household income:		
• Direct contributions to household income (salaries, wages and dividends)	₦397,387	**₦496,634**
• Indirect contributions to household income (taxes, local procurement and social investments)	₦445,114	**₦648,763**

	2021	2022
Local content		
Local Procurement	₦409,216	**₦496,349**
Imported	₦223,744	**₦300,937**
Total procurement spending	₦632,960	**₦797,286**

ENVIRONMENT

The environmental pillar defines our ways of entrenching sustainability by identifying, measuring, and mitigating actual and potential negative environmental impacts resulting from our operations.

Our goal is to improve our performance on energy efficiency, waste management, water consumption, and greenhouse gas emissions, while leveraging the opportunities in environmental stewardship, such as efficiencies in alternative fuel, and the medium to long-term cost efficiencies offered by the circular economy business model. This upholds our operational sustainability pillar, which defines how we serve and satisfy our markets by working together with partners to deliver the best quality products and services to our valued customers. We leverage innovation, new business development, and technology to optimise cost and competitiveness.

In our cement value chain, operational sustainability requires that we maximise the value of raw materials and local resources, whilst being mindful of the health and safety of all stakeholders and our impact on the physical environment; hence our business activities are undertaken with conscious thoughts for our natural environment and the need to consistently enhance our environmental stewardship while also leveraging the opportunities that this presents.

Environmental sustainability performance highlights

CO_2 emission product

590kg /tonne

% change from 2021: -2.59%

Thermal substitution rate

4.3%

% change from 2021: +66.7%

Water consumption

234 litres/tonne

% change from 2021: -13.71%

Specific heat consumption

795.4kg/Kcal

% change from 2021: -0.22%

Our workers demonstrate concern for protecting nature in our mines

Understanding cement value chain

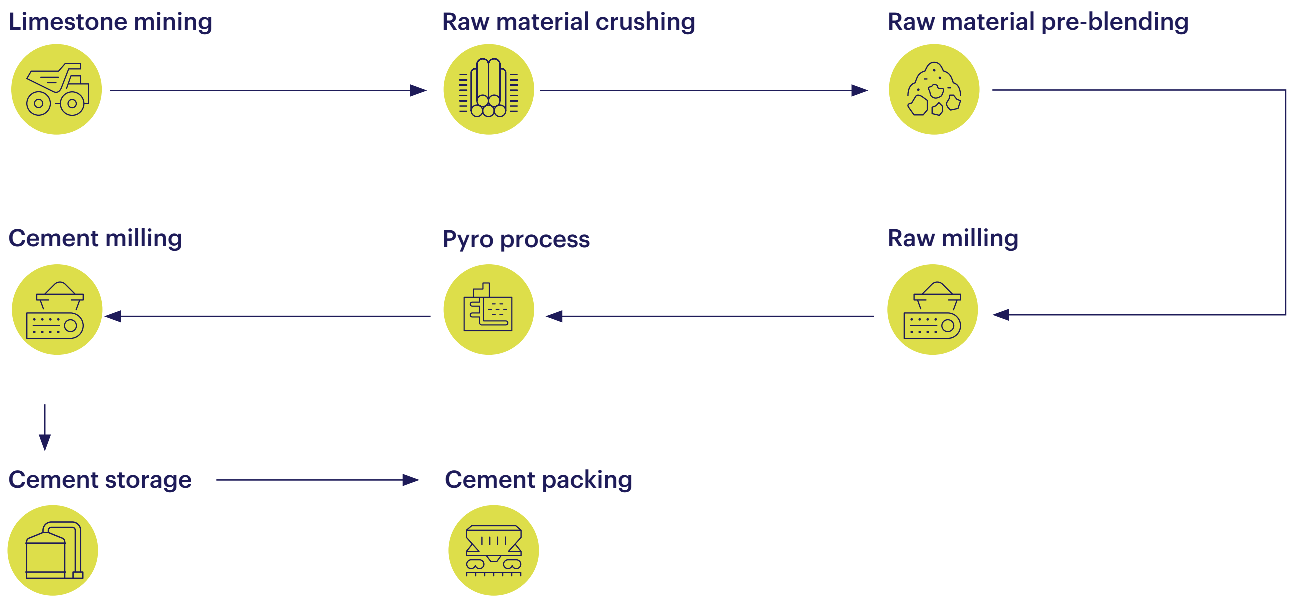


Chart 1.1 Cement value chain environment impacts

Benchmarking our environmental stewardship

The Carbon Disclosure Project (CDP) is an international non-profit organisation that provides a proof-based platform for organisations to disclose their environmental impact. It aims to make environmental reporting and risk management a business norm, driving disclosure, insight, and action towards a sustainable economy. In 2022, Dangote Cement was among almost 20,000 organisations that disclosed their environmental information through CDP.

Our 2022 climate change score showed a progression from B- to B+, which places Dangote Cement higher than the African regional average of B- and in the same category as the industry average of B+. This is a testament of our stewardship and continuous improvement in non-renewable and carbon intensive resource eco-efficiency while further cementing our mission statement: "to lead the way in areas such as governance, sustainability and environmental conservation and to set a good example for other companies to follow". This score upholds the contribution of all the Company's shareholders and stakeholders to climate change mitigation.

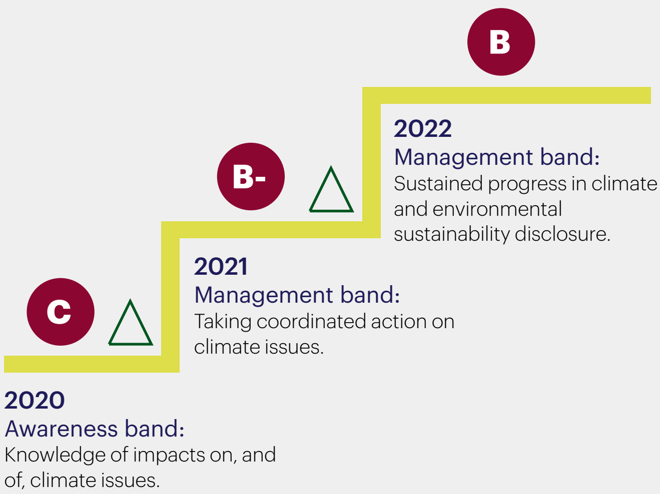
CDP

B

- Submission to the Carbon Disclosure Project (CDP).
- Rated "B+" by the CDP on our carbon disclosure for 2022, the second consecutive upgrade.
- One of the highest ratings in Sub-Saharan Africa and the only Nigerian company rated by the CDP.
- In 2021 DCP became a CDP supporter.

"We are pleased to be recognised again for the progress we are making in our environmental disclosures and sustainability".

Michel Puchercos
GMD, Dangote Cement



Alternative fuel

Dangote Cement prioritises mitigation and adaptation to climate change across its operations as a way of entrenching environmental sustainability. The goal of the Company is the continuous improvement of performance on energy efficiency, waste management, water consumption, and monitoring of greenhouse gas emissions. An example of this mindset is Dangote Cement's alternative fuel (AF) project.

As Africa's population is projected to reach nearly 2.5 billion by 2050, the development needs of the continent are significant. With this growth comes an infrastructure deficit; hence there is increasing demand for building materials to support the provision of social amenities and for urbanisation. Cement manufacturing is an energy-intensive process driven largely by the demand of a growing population; hence a higher demand drives more production which results in significant emissions of green house gases. Our response to this market pull is climate mitigation and adaptation. This is done through our alignment with regional and global industry practices which promote responsible resource extraction while meeting Africa's need for climate-resilient infrastructure.

"The responsible use of waste as alternative fuel for our pyro process is reducing our consumption of fossil fuels, which is mitigating the environmental footprint of our cement production."

In line with SDG 12 - Responsible Consumption and Production, alternative fuel is used to reduce dependency on fossil fuels in eight integrated cement plants. The Dangote Cement AF project aims to achieve a thermal substitution rate of 25% in all plants by 2025. In 2022, the project achieved 4.3% TSR with 157 Ktonnes of waste diverted from landfill and co-processed in the kilns, in contrast to 89 ktonnes co-processed in 2021. Resources utilised include processed AF such as fly ash, plastics, tire chips, waste oils and lubricant, and agro waste such as palm kernel shell, rice husk, peanut shell, cashew nut shell, coffee husk, coconut shell and sugarcane bagasse. The AF project is now at the technology integration phase. Mechanical feeding systems have been earmarked for plants in Ethiopia, Zambia, Senegal, Congo and Tanzania, while the Dangote Cement Obajana line 5 AF system was commissioned in November 2022. The line 1 pneumatic feeding system by Di Matteo was commissioned in December, the same month as the commissioning of the Dangote cement Ibese AF pneumatic feeding system.

The AF systems of Ibese and Obajana is projected to replace 330 tonnes of coal per day each with alternative fuel resources. This would amount to an estimated reduction of 650 tonnes of CO_2 on daily basis by each system hence the plan is to replicate this model in all kilns. The plan is to replicate this model in all kilns.

Thermal substitution rate projection

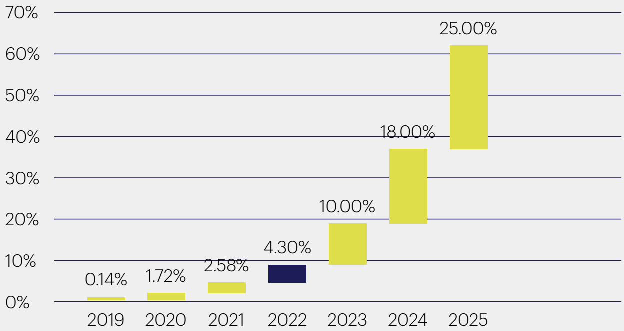


Chart 1.2 Achieved and projected thermal substitution rate (TSR)

A tour of a palm oil milling community to assess AF value chain

Tackling unemployment through indirect green jobs

One of the major development problems in Africa is unemployment. The provision of green jobs to unskilled workers in local communities has significance in achieving SDGs 1, 2 and 7. The International Labour Organisation (ILO) defines green jobs as jobs that add value to green products and services. This includes jobs in greening processes, and jobs contributing to natural resource conservation. Dangote Cement's integration of biomass in its energy mix helps not only in the reduction of our carbon footprint but also supports the expansion of our value chain. With over 46,000 tonnes of biomass consumed in the year, Dangote Cement has contributed to the creation of green jobs in the informal sector. The jobs include planting and harvesting of various biomass, processing the shells and sorting, washing, bagging and transporting the agricultural residue which was formerly treated as waste.

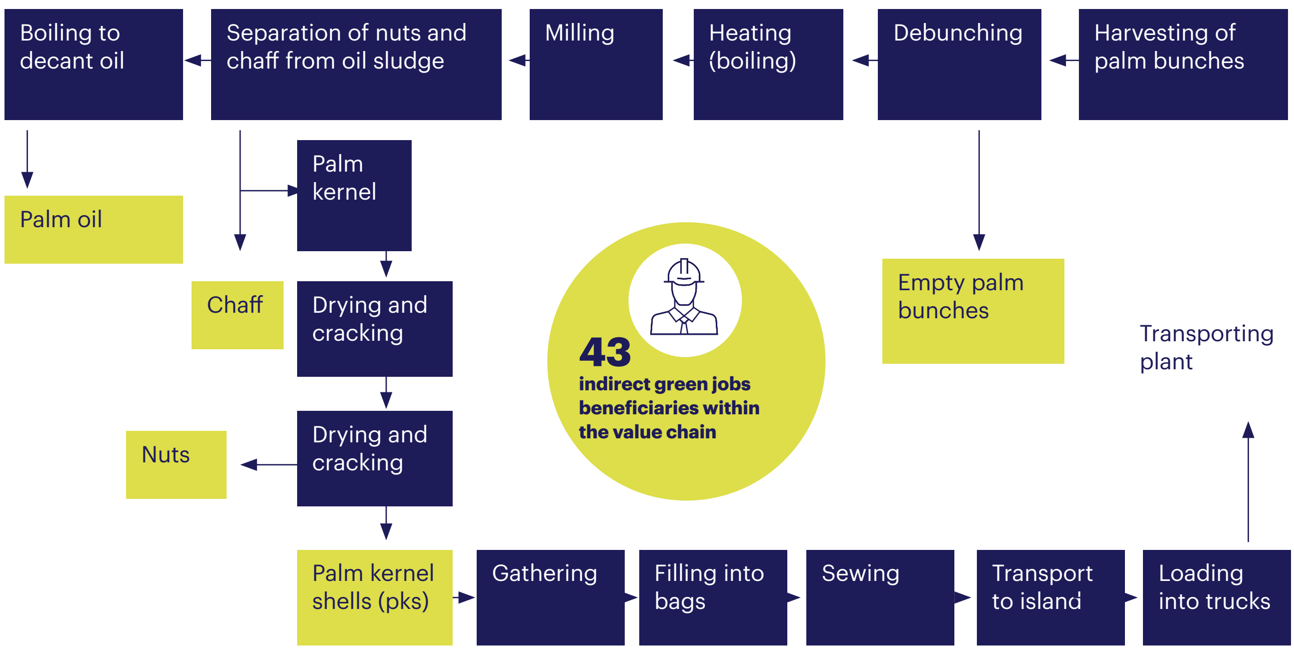
Zambia community women sourcing corn stalks as biomass

Informal sector participants in the value chain

Biomass consumed	Indirect participants
Palm kernel shell	41,258
Rice husk	264
Non-impregnated saw-dust	22
Coffee husk	4,389
Cashew nut shell	594
Coconut husk	53,206
Maize cob	1,010
Mango seeds	26

Palm kernel shell, waste from the palm fruit is one of the major resources for alternative fuel. The value chain of this biomass begins with the harvesting of palm fruit bunches before it goes through debunching for fruit separation. The fruits are heated up, milled and processed to produce palm oil. Following the extraction of the oil, the palm kernel is separated from the sludge and dried. Palm kernel is cracked open to separate the nuts from the shells which are gathered and transported to our plants. While this process can be supported by simple mechanical devices, the handling is done by people at every stage.

Palm kernel shell waste value chain



Palm kernel shell waste value chain

Prioritising biomass as an alternative our fuel for reducing carbon footprint provides jobs, which is a key aspect of our adaptation strategy. The results of this strategy are already visible as the plants and subsidiary industries have created green jobs contributing to the sustainable development of the industry and the economy.

Zambia's diverse AF utilisation

Agricultural waste in many African communities is mostly disposed of through open-air burning in the dry season. This results in air pollution and bush fires which are a risk to property and also contribute to deforestation. The alternative fuel project offers a solution to mitigate this environmental hazard. DCP Zambia supported communities in establishing cooperative societies comprising women and the youth to supply corncobs (agricultural waste) for use as an alternative fuel. The initiative resulted in income generation and job creation for the community. The Christian Association Reliance Youth Movement (CARYM) and Kasonkama, which are youth-led cooperatives, were engaged to supply corncobs in 2022. CARYM was also assisted with vendor registration and awarded the biomass feeding contract in the plant under the alternative fuels (AF) project. By the end of 2022, two hundred tonnes of biomass were sourced from 3 villages. The volume is expected to increase with more community participation from over 20 villages in the region. To achieve an increase in the production of the agricultural sources of biomass, DCP Zambia donated 10 tonnes of fertiliser to the community cooperatives. The farmers were also sensitised on the environmental negative effects of open-air burning and the advantages of biomass supply to the plant's AF project.

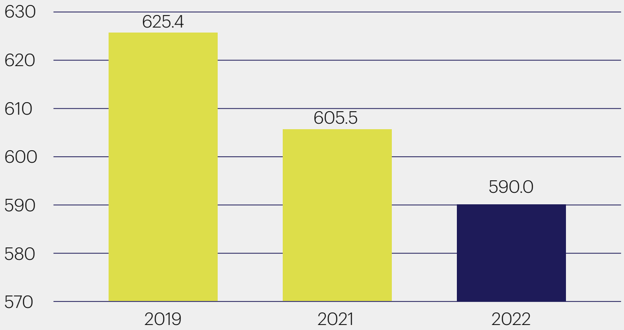
Zambia community women sourcing corn cobs as biomass

Rice husk biomass sourcing

Gaseous emissions management

To mitigate gaseous emissions from our production process, our new plants are designed to be resource and energy efficient. The business invests in modern equipment such as analysers, opacimeters and other continuous emissions monitoring systems used to measure greenhouse gas (GHG) emissions in real time.

CO_2/tonne cementitious material produced



Actual net CO_2 intensity performance

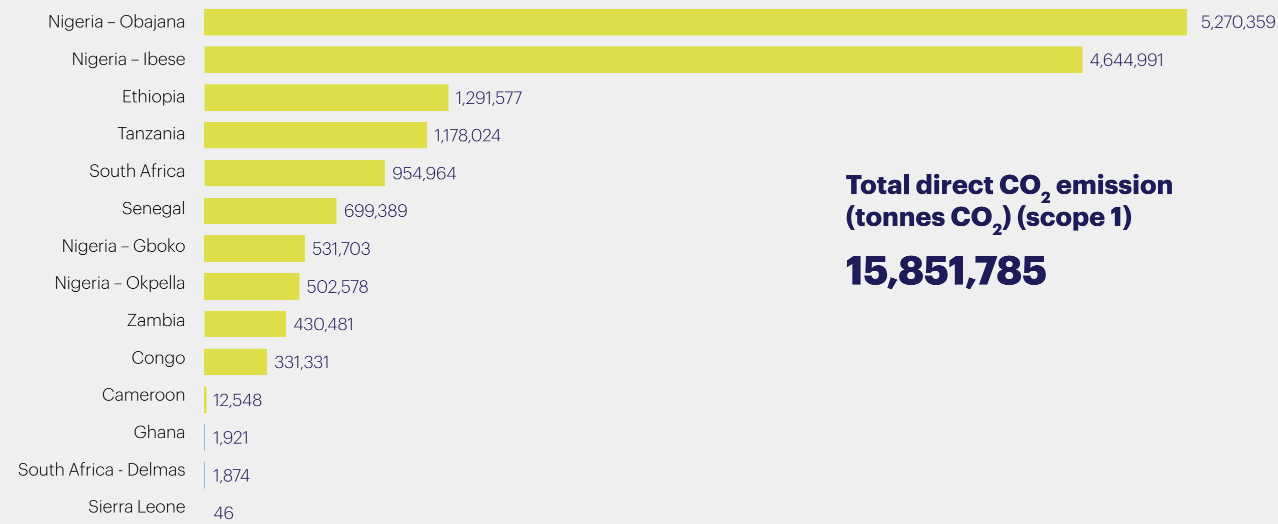
Through alignment with industry guidelines for CO_2 and energy accounting protocol, DCP measures performance for accurate consolidation of our scope 1 and scope 2 CO_2 emissions for all our integrated and grinding plants. In our industry an absolute target refers to the total amount of emissions being emitted while an intensity target is a normalised metric that sets a company's emissions targets relative to the economic output. The economic output in our case is known as cementitious material. Cementitious materials are hydraulic, pozzolanic and raw materials used in cement finish grinding.

In 2022 we achieved a 6.3% reduction in absolute scope 1 CO_2 emissions from 18,844,221 tonnes to 17,651,998 tonnes. Due to increased reliance on the national grid by some of our plants, scope 2 emissions from purchased power increased from 200,659 tonnes to 327,784 tonnes. The net specific CO_2 emission reduced by 2.6% from 605.5 kg CO_2/tonne of cementitious material in 2021 to 589.8 kg CO_2/tonne of cementitious materials in 2022. We recorded NOx and SOx of 1072.9 g/tonne of clinker and 195 g/tonne of clinker respectively.

Sustainable waste management

The cement industry is expanding worldwide driven by population growth and urbanisation. This has created a rise in cement production volume, and process waste generated. To achieve sustainable waste management, Dangote Cement Plc has developed waste management processes and practices as part of its environmental management system and it incorporates efficient waste management from the point of material extraction through the entire cement value chain. Our sustainable waste management promotes re-use, waste to energy in form of alternative fuel and proper disposal through organisations accredited by regulatory agencies on occupational health and safety. The total waste generated across our plants in 2022 was 11,085 tonnes, representing a 32% decrease compared to 2021. 68% of waste generated was diverted from disposal through reuse in the plant maintenance process and in kilns as alternative fuel resources. The responsible use of waste as alternative fuel for pyro process is reducing our consumption of fossil fuels, which is mitigating the environmental footprint of our cement production.

2022 total direct scope 1 CO_2 emissions



Total direct Scope 1 CO_2 emissions in 2022

Total direct CO_2 emission (tonnes CO_2) (scope 1)

15,851,785

Responsible water withdrawal and consumption

Water is the basis of all life and also essential for production process. Water is required in plant operations for temperature control, dust suppression, enhanced milling and and washing of equipment. Our value for water informs our practice of reusing and recycling water. We aim to reduce our water withdrawal and consumption per tonne of cementitious material we produce.

In driving towards the achievement of SDG 6 - Clean Water and Sanitation. Dangote Cement ensures proper accounting of water withdrawn by source and water discharged. We use effluent treatment plants (ETP) for sewage treatment before reuse or discharge of water to drainages. This process and portable water recirculation closes the water loop and helps minimize water wastage. Another practice to achieve water conservation adopted is the harvesting of rain water to recharge aquifers. The total water consumption in 2022 for all operational locations was 6284.6 million m^3, and this is 17.021% lower than the total water consumption of 7573.7 million m^3 recorded in 2021. Water consumption per tonne of cementitious material recorded in 2022 is 233.8 lit/tonnes which is a 13.7% decrease from the 2021 water consumption intensity of 271 lit/tonnes of cementitious material produced. Ground, dam and surface water sources make up the majority of the total volume of water withdrawn. This accounts for 51%, 36% and 12%, respectively, while other sources, including rainwater and municipal water, make up the remaining 1%.

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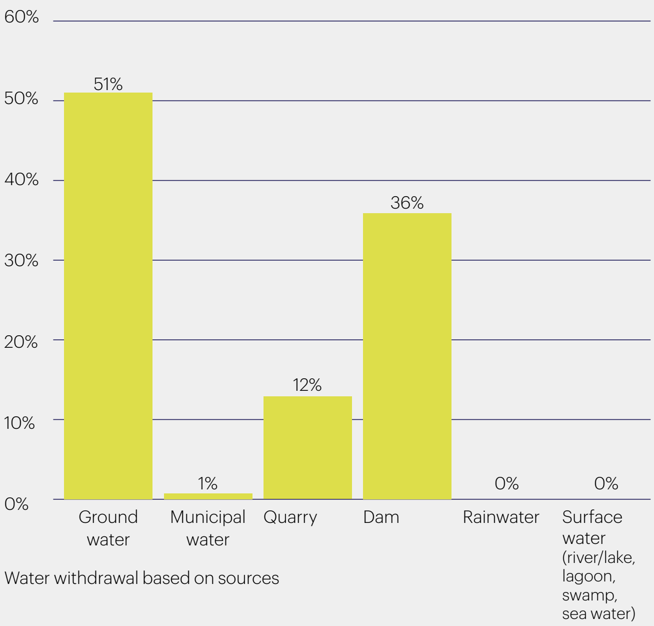
Our water consumption per tonne of cementitious material produced in 2022 is 233.8 Lit/tonnes which is a 13.7% reduction from 2021 water consumption and a testament of our environmental stewardship

Total water withdrawal based on sources



Water withdrawal based on sources


Ethiopia distributes water to Mugher community residents during scarcity

Water efficiency

Dangote Cement has been focusing on many approaches to optimise water consumption by reducing freshwater withdrawal as well as increasing the availability of water through water harvesting and recharging. Our level initiatives spanned from the establishment of water recirculation and cooling units to heat exchangers for process water cooling and recycling, thereby reducing demand for make-up water. Other initiatives include the construction of rainwater harvesting structures like pits around operating sites and mining areas, installation of effluent treatment plants (ETP) for treating domestic wastewater, use of recycled water in operations and reusing of treated waste water for dust suppression and equipment cleaning which help in increasing the availability of water and reduce dependence on ground water.

Some of our water efficiency actions:

- Campaigns
- Rainfall harvesting in the mine pits
- Low moisture requirement native plants
- Regular monitoring
- Water treatment
- Preventing leakages

Energy management

Cement production is a high thermal and electrical energy demanding process.

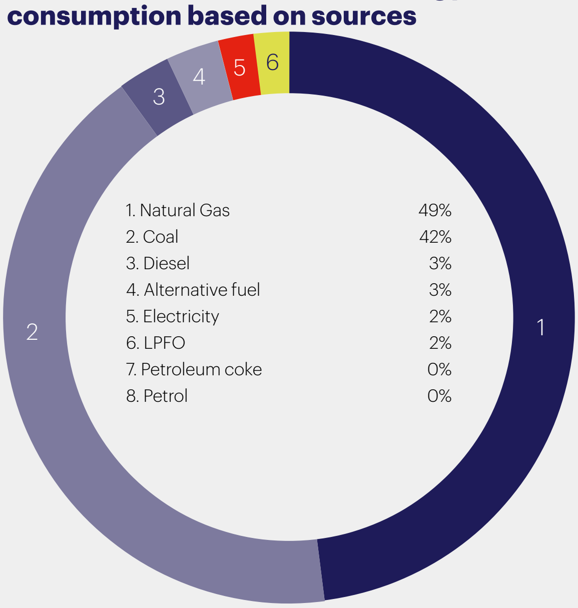
For integrated cement plants, energy in the form of heat is required to raise the kiln temperature to over 1,450 degrees Celsius, required to produce clinker. This heat is predominantly generated using conventional and alternative fuels.

Dangote Cement's monthly target on specific heat consumption (SHC) and specific power consumption (SPC) helps us reduce our utilisation of non-renewable energy resources; hence we recorded total energy of 95,786.3 TJ in 2022 which is a -5.49% reduction from 2021 kiln and non-kiln energy consumption of 101,355.3 TJ. Diverse fuels utilised in the year under review were coal, natural gas, heavy oil, and various forms of processed and biomass alternative fuels. The specific heat consumption also reduced from 797 Kcal/kg in 2021 to 795 Kcal/kg of kiln fuels in the year under review.

Some of our strategic energy management practices:

- Vertical roller mill maintenance and optimisation
- Minimised false air-ingress and radiation loss
- Pyro-process optimisation
- Reduction of equipment idling and electrical energy wastage
- Improvement of product quantity and quality
- Technology upgrade/ eco-friendly equipment

2022 total kiln and non-kiln energy consumption based on sources



Total energy consumption (TJ)

2019
79,976.2
–

2020
92,515.7
15.68%

2021
101,355.4
9.55%

2022
95,786.3
-5.49%

DCP Gboko clear stack during operation

DCP Zambia mines tree planting

Particulate emissions management

Dangote Cement values clear skies and clean air. The importance of minimsing particulate emissions enhances our bid in making our environment sustainable. To reduce air pollutants, we installed cutting-edge primary and secondary pollution abatement systems in addition to performing routine maintenance on equipment at the manufacturing facilities. This enables us to adhere to the Emission Limit Value (ELV) requirements set by the International Finance Corporation (IFC) and environmental regulatory ministries where we operate. To track air pollutants, we have installed continuous emission monitoring systems (CEMs) in nine out of our ten integrated plants while discontinuous monitoring in all the plants is 100% and, to achieve process improvement, our new lines have high-efficiency bag houses installed. To maintain good air quality, the older facilities that use electrostatic precipitators (ESPs) undergo routine maintenance.

Our absolute emissions showed a 35% reduction from 2,973 tonnes in 2021 to 1,937 tonnes of kiln dust emitted in 2022.

Country	2021 particulate emission (tonnes) [Annual average kiln dust emission]	**2022 particulate emission (tonnes) [Annual average kiln dust emission]**
Nigeria – Gboko	—	**—**
Nigeria – Ibese	1,769	**1,027**
Nigeria – Obajana	497	**503**
Nigeria – Okpella	—	**26**
Cameroon	—	**—**
Congo	11	**34**
Ethiopia	71	**63**
Ghana	—	**—**
Senegal	81	**52**
Sierra Leone	—	**—**
South Africa – Aganang	68	**75**
South Africa – Delmas	—	**—**
Tanzania	352	**107**
Zambia	125	**50**
DCP absolute	2,973	**1,937**
DCP-specific kiln dust (gram/tonne of clinker produced)	140	**97**

2022 total kiln particulate emission

Progressive mines rehabilitation planning

At Dangote Cement we recognise the importance of extended producer responsibility; hence we ensure end of life management of our mines and quarries through progressive reclamation of partially active mines and fully utilised mines. The actions help to minimise risks of the mining operations, preserve vegetation and overburden, in order to maintain ecosystem balance. Dangote Cement takes measures to monitor the progressive rehabilitation actions through tracking and compliance in line with the regulatory requirements in the countries of our operations. It is important that the prospects of mining does not lead to the marginalisation of the people who are generally most affected by mining. Therefore we follow country and industry guidelines on the resettlement of communities impacted. Other actions such as afforestation by planting native vegetation and creating wetland channels for recharging mines are also practices we adopt to protect the ecosystem, and for our plants that practice conventional mining we ensure that the impact of vibration is controlled. In 2022, Dangote Cement planted 123,636 trees across nine countries where we operate including Nigeria, Congo, Ethiopia, Ghana, Senegal, South Africa, Tanzania, and Zambia. We collaborate with our communities in the selection of vegetation to be planted to ensure choices that provide both ornamental and economic benefits to the community; in addition these initiatives showcase Dangote's commitment to biodiversity preservation.

"In 2022, we recorded a 35% reduction in our absolute kiln dust emissions."

DCP Obajana AF feeding system and rice husk storage inspection

Investing in our planet on Earth Day in Ethiopia

Climate action

Climate action refers to the effort to increase adaptive capacity and resilience to climate-induced impacts. The cement and concrete sector is one of the most vulnerable to long-term climate risks because of its significant contributions to global carbon emissions; hence Dangote Cement adopted SDG 13 - Climate Action as one of the seven priority SDGs to promote intentional actions and strategies towards the mitigation of climate change

So far, our climate action activities include:

- consolidation of our CO_2 and energy inventory using GCCA's "Getting the Numbers Right" (GNR) tool;
- adoption of an emissions base year;
- institutionalisation of sustainability and governance;
- increased investment in green technologies and jobs; and
- creation of a decarbonisation think tank.

Planning for decarbonisation

Decarbonisation is the process of reducing carbon dioxide emissions by using low or zero-carbon energy sources to emit less greenhouse gases into the atmosphere. To achieve continuous carbon emissions reduction, which is our key environmental performance indicator, the Company considers the adoption of levers such as clinker substitution and thermal energy substitution. The decarbonisation of electricity is also a viable lever for our CO_2 reduction; however, the most promising technology for decarbonising conventional cement production process involves carbon capture, utilisation and storage (CCUS). In our planning for decarbonisation we have taken the first step to understand our greenhouse gas (GHG) emissions baseline and the business-as-usual emissions projections. Presently we are engaging key stakeholders on the levers, and timescales by which we aim to achieve CO_2 reduction in the near term and long term.

Dangote cement adoped SDG 13 - Climate Action'

as one of the seven priority SDGs to promote intentional actions and strategies towards the mitigation of climate change."

Environmental campaigns

Environmentalism is an ideology that promotes the need and responsibility of humans to respect, protect and defend the natural world from the damages caused by human activities. Environmental awareness is an essential component for the movement to become a success. In 2022, Dangote Cement conducted different environmental campaigns to encourage more ecologically responsible behaviour in different communities of our operations. The goal is to build knowledge and skills needed to solve complex environmental problems and take steps to conserve natural resources. We leveraged notable international days such as the United Nations World Environment Day, Earth Day and World Water Day.

Investing in our planet on Earth Day

The UNESCO Earth Day observance seeks to demonstrate initiatives for the protection of the earth. The theme for this year's campaign was "Invest in our planet", which was a call for action to governments and citizens to take steps towards improving the earth's well-being. Dangote Cement commemorated this day with a field trip to a biomass production community in Osun State. The aim of the visit was to assess the value chain of the biomass market and engage stakeholders on ways the organisation can support their enterprise while also enlightening them on the circular economy.

A circular economy can be achieved through waste management and responsible production and consumption (SDG 12) to reduce carbon footprint; hence to advance our CO_2 reduction goal, Dangote Cement adopted alternative fuel substitution as a decarbonisation lever. In 2022, 157 Ktonnes of alternative fuel was utilised in the production processes resulting in about 226,850 tonnes reduction of CO_2.


Tree planting to commemorate World environment day

World water day campaign by Ibese sustainability champions.

Only One Earth

This year's World Environment Day themed "Only One Earth" was commemorated on 6 June. As part of the Company's environmental stewardship, over 1,708 employee volunteers supported by 1,186 third-party volunteers contributed 12,658 hours on 46 different initiatives to conserve the values of biodiversity in our 13 Pan-African plants.

The corporate office collaborated with the Lagos Business School Sustainability Centre, United Nations Environment Programme (UNEP), Nigerian Conservation Foundation (NCF), and National Environmental Standards and Regulations Enforcement Agency (NESREA) to deliver a webinar titled "Only One Earth: Conserving the Values of Biodiversity"in a forum which brought together participants from the private sector, government agencies, international agencies, and industry experts across Africa to a discussion centred on the deliberate efforts humans must make to save the earth and the values of biodiversity.

Groundwater – Making the invisible visible

Groundwater makes up about 3% of the world's freshwater which is the largest and most widely distributed source of freshwater. Exploring, protecting, and sustainably using groundwater are central to surviving and adapting to climate change; as they are best suitable to meeting the needs of a growing population. In a campaign to promote groundwater preservation, Dangote Cement adopted the UN SDG 6 - Clean Water and Sanitation for all and SDG 12 - Responsible Consumption and Production, as its thematic focus. During the week, Dangote teams in all locations implemented water conservation initiatives in 13 Pan-African cement plants and from the corporate office. the United Nations Environment Programme supported the advocacy for water conservation by delivering a lecture on "Sustainable Use of Groundwater" in a virtual forum that featured stakeholders in the extractive and water-reliant sectors.

2022 environmental campaign key figures

3,703 volunteers

7,205 trees planted

> ₦18,000,000

3,507 beneficiaries

13,382 volunteer hours

1,851 employee volunteers and 1,852 third-party volunteers

"

At Dangote cement, we promote the care of our environment by creating sustainable practices to address the challenges of climate change by optimising aspects of our operations."

SOCIAL

The social dimension of sustainability is found in people-centred approaches to business.

Managing relationships with our employees, workers in the value chain, customers and local communities inspires our investment in education, infrastructure, health and empowerment. Our work on social sustainability aligns with the principles of the UN Global Compact and encompasses issues affecting diverse groups. We are pleased that our societal efforts created opportunities to unlock new markets, helping us attract partners locally and from across the globe. Our social pillar defines our management of social impact on stakeholders and the larger society. On the other hand, our cultural pillar is the foundation on which our organisational ethos is built. Through this pillar, we ensure that sustainability is embedded in our corporate culture.

Social sustainability performance highlights

112%
increase in employees trained on sustainability

13%
increase in community engagement

Financial literacy programme in a neighbourhood market of Dangote Cement in Lagos, Nigeria

Stakeholder engagement

Our stakeholders are defined as groups of people whose activities affect our business and can be affected by our operations. Stakeholder engagement is integral to supporting our sustainability strategy. A dialogue based on trust with our people is the motivating force in stakeholder engagement. We adopted consultation as an approach for the exchange of views to helps us identify issues and gain the trust of our stakeholders. Guided by our stakeholder management plan, we conduct polls and town-hall meetings and participate in cultural and citizenship activities as an expression of our solidarity. Consultation also helps us stay in tune with the perceptions and attitudes of those who shape and influence our growth and learning curve.

Table 2.1 How we engaged our stakeholders

Category	Rationale	Method	Frequency	Topics
Employees	The key resource for competitive advantage, innovation and sustainable growth	Meetings in small groups, one-on-one engagements, notice board, emails, newsletters, sustainability reporting, surveys, awards and recognition, etc.	As required	Career growth, compensation and benefits, learning and development, health and safety
Vendors, suppliers and contractors	Critical component of the value chain	Emails, one-on-one engagements, meetings	Regular	Competitive bidding, payments, pricing, after-sales support, etc.
Distributors and customers	Principal source of sustenance	Emails, one-on-one engagements, regular meetings, customer service week	As required	Customer service, inventory, trucking, packaging, delivery, etc.
Communities	Key stakeholders in the business	One-on-one engagements, town hall meetings, interest group communications, surveys	As required	Philanthropy, social investment, Inclusion, provision of amenities, etc.
Media	Stakeholders in sustainable development	Press releases, media parley, Sustainability Report, quarterly financial reports, conferences	As required	Branding, communications, crisis management, etc.
Regulatory agencies	Stakeholders in sustainable development	Official letters/emails, periodic assessments, compliance filing and reporting, quarterly financial reports, Sustainability Report	As required	Policies, regulations, compliance.
Financial institutions	Providers of capital	Quarterly financial reports, Sustainability Report, meetings	As required	Investments, loans, etc.
External affiliations/ associations	Stakeholders in sustainable development	Letters, meetings, Sustainability Report, workshops, other fora	Monthly, biannually, annually	Membership subscriptions, partnerships, policy reviews
Civil society, etc.	Stakeholders in sustainable development	Quarterly financial reports, Sustainability Report, meetings, partnerships	As required	Community development, environmental impact, social initiatives, partnership for sustainable development, etc.
Labour relations	Stakeholders in sustainable development	Meetings, emails, letters, Sustainability Report	As required	Labour laws and regulations, productivity, employees' rights and obligation, safe working conditions, compensation, and benefits
Shareholders	Owners and providers of capital	Annual General Meeting, Extraordinary General Meeting, quarterly and annual financial report, Sustainability Report, newsletters	Continuous	Governance, financial performance compliance, dividends

Groups we interacted with in the year include:

Customers
In a dynamic market such as ours we realise that having satisfied customers is not enough. Our focus therefore is to convert customers to become our friends. Our engagement shifted from what went wrong to how we build on customers' positive experiences to create loyalty. Our sales and marketing teams engaged in mapping the customers' needs in the purchase process and rewarding their response through promotional sales.

Vendors
Third party risk management in business is well appreciated but our industry has its peculiar challenges for sourcing raw materials. Our vendor forums in locations were effective to help us understand and proffer solutions to supply chain difficulties occasioned by the rising cost of raw materials, disrupted logistics and foreign exchange. Through engagements we learned to tailor due diligence to be appropriate for every vendor.

Investors
While some may consider investors as just shareholders, we have an alternative view. Whether primary or secondary, we consider investors as stakeholders which support the business. Beyond delivering value, we respond to our investors with deeper investment in purpose, proving our positive contributions to the investment communities and Africa.

CDA Sign off in DCP Ibese

Fig 2.3 Engagement with DCP Customers during Customer Service Week

Employees cerebrating the 2022 Customer Service Week

Engaging communities
In the management of communities, social performance teams are domiciled in every operation location. Countries' leadership is responsible for maintaining relationships with the stakeholders in their domain just as the plants actively support their local communities, keeping their ears to the ground. Our social performance efforts converge at the centre where all relationships lead to shared value for stakeholders and the business. Highlights of engagement activities held in our host communities are shown below:

Ibese
- Ibese plant tour;
- Courtesy visit to Aboro of Ibese and Olu of Ilaro.
- Maiden 2022 Community Day celebration with community-based groups (CBOs), government, media and civil society.
- Dialogue with Oba Bamgbose Market and motorcycle riders.
- Engagement with Yewa Defenders organisation.
- Community Joint Consultative Committee quarterly meeting.
- Meeting with local vendors.

Obajana
- Inauguration of community security group.

Gboko
- Engagement with community vigilante groups.

Okpella
- Engagements with National Environmental Standards and Regulations Enforcement Agency (NESREA).

Cameroon
- Safety meeting for the Batoke quarry.

Congo
- Stakeholder engagement with Community Leads.

Senegal and Tanzania
- End of the year town hall meetings in Tanzania communities of Seune Serrere, Ndeuye and Niakhip and Ngomene.

Senegal
- Dialogue with the Bureau of Economic Affairs of the State Department and Office of Foreign Assets Control of the US Treasury Department.

Tanzania
- National mine closure committee meeting.
- Meeting with the Deputy Minister of Mines
- Engagement with community coordination committee leaders.

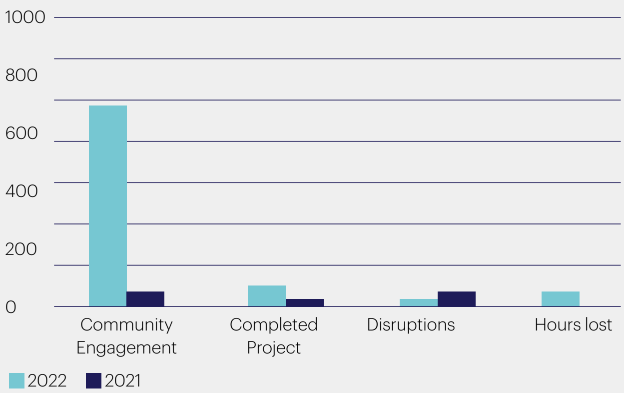
Deepening our host communities engagement
2022 was an interesting year for dialogue with our host communities. We recorded a total of 763 engagements which marked a significant increase from the previous year. Engaging more with our communities has yielded results as we completed 71 projects. This outcome is also an improvement from 2021 by 5.9%. Another outcome of deepening our community engagement was the decline in social disruptions recorded by 66% from the previous year. However, we experienced more lost time hours than the previous year due to an incident in our Obajana plant. Following the legal process in Nigeria where the incident occurred, the Company is taking the right steps toward a resolution. Lessons learned for the prevention of such disruptions are also being considered at all operational locations.

Details of how we achieved the improvement of our community engagement in all other locations are shown in the map below:

A map of Africa indicating DCP locations where community engagement took place

Community engagement distribution in Nigeria and Pan-Africa locations

	Nigeria	Tanzania	Cameroon	Zambia	Senegal	Ghana	Ethiopia	Congo	Sierra Leone	South Africa	Total
No of project	25	9	9	5	3	—	12	4	—	4	71
Stakeholder engagement	265	55	117	69	148	2	16	27	1	63	763
Disruption	9	—	—	—	1	—	—	—	—	13	23



DCP community engagement performance 2021 vs 2022

Our products can be designed to resist water penetration, reducing the inconvenience and disruption to businesses, households and the community. Downtime of businesses, homes, and essential services is minimised with cement buildings."

Engaging employees

Human resource are the greatest asset of a future-oriented business. Understanding that our people are the most credible ambassadors of the business helps us prioritise the growth of our human capital as we manage the growth of the bottom-line of our business. To fully harness the benefits of our people, we promote communication channels, feedback mechanisms and incentive systems that convey our appreciation of our talents. Supporting career growth of our employees has been one step; our focus shall continue to be the integration of the concerns of our employees in future plans for a healthy and happy workforce.

Some milestone employee engagement initiatives in the year include the staff end-of-year party and long service award. The wall of fame awards were newly introduced and COVID-19 awareness sessions, mental health support forums and office exercise and ergonomic support sessions were held.

A staff member receives long service award from management

Giving back comes back to the employee

When Layti Ndiaye needs a boost of personal motivation he knows just how to find it. He works as head of mines in DC Senegal. Having engaged in volunteer activities since 2019, he understands the intrinsic value that employees derive when they give time and resources selflessly. Inspired by the need to share his experience and knowledge with local communities, the Company gave him an opportunity and he signed up to participate in outreaches. Layti learned that through volunteering, he was capable of meeting the needs of communities while also learning and networking with diverse people. So far his volunteering activities have involved tree planting, cleaning, and teaching in schools. According to Layti, the opportunity of employee volunteering has supported his personal development and improved his soft skills and resilience in certain situations.

A school outreach programme anchored by Layti Ndiaye

DCP employees

Managing our human capital

Our approach to human capital management and relations is subsumed in the International Labour Organisation's (ILO) recommendation on human resources development, which is centred around training and lifelong learning, employee health and well-being, inclusion among others, as a driving force for growth. Also, as a signatory to the United Nations Global Compact (UNGC), we adhere to its human rights principle. As such, we put our employees first by acting ethically, respecting their rights as individuals, implementing training and development activities, ensuring their health, safety, and well-being, and enabling an organisational culture that is warm, friendly, and inclusive. In 2022, we had a total number of 11,983 employees (excluding our transport division) consisting of persons of varying educational levels, age groups, places of origin and qualifications. This is further delineated in our employee profile.

Cross-section of employees at the Obajana plant, Nigeria

Sustaining an inclusive workforce

Engendering inclusion in our workplace is one of our objectives as a member of the United Nations Global Compact (UNGC). We aspire to maintain a workplace environment where every employee feels valued. The recognition of talents, potentials and individual differences have been acknowledged as key ingredients to building a healthy organisational culture. This informs our approach to equity which aims to promote mutual respect and support for employees who feel valued for their contributions. We have established structures to ensure equal opportunities for people of all generations, including those with physical disabilities. Our employee profile shows that in 2022 we had a total of 11,983 employees. Out of this, 8% are female while 92% are male.

In terms of employee categorisation by contract, we had a total of 9,315 permanent employees, 2,193 temporary employees and 475 expatriates representing 78%, 18% and 4% respectively. Also, we had a total of 296 staff in senior management consisting of 15% women and 85% men. To ensure fair representation of males and females in our industry, we leverage programmes through the Dangote Women's Network and participate in country level programmes such as the Nigeria2Equal programme of the International Finance Corporation (IFC) in Nigeria. In terms of diversity in age, we have a young and vibrant workforce between the ages of 18 and 30 representing of 18.1% of our total staff population. Our mid-level workforce is characterised by persons between the ages of 31 and 50 representing the largest population of our workforce at 66.7% while our mature workforce, who are aged 51 years and above, comprise 15.1% of our total workforce.

These figures exclude our transport employees. In 2022, our transport division had a total number of 10,100 employees bringing our overall employee numbers to 22,083.

Men
11,006

Female
977

Permanent staff
9,315

Temporary staff
2,193

Expatriate staff
475

Employee benefits

Underpinning an organisation's ability to attract and retain "cream of the crop" talent is a mature compensation strategy.

Whether our employees are building lifelong careers with us or developing skills to help them on their professional journeys, we ensure their welfare is given priority of place. This begins with offering competitive wages and benefits in all our locations as well as support, and providing opportunities to help employees reach their full potential. Our benefits include workmen's comprehensive insurance, comprehensive health care, paid annual leave, maternity leave, children education support allowance, professional body subscriptions, and wedding cash gifts. Other ways we demonstrate to our people that we are invested in them are through paid time off, flexible work schedules, award or recognition, education support and goal-based bonus incentives. We are consistent in the prompt payment of wages and will continue to engage our workforce to understand their compensation needs and priorities. The total number of full-time employees remunerated as at 31 December 2022 was 19,112.

Staff count

2022
11,983

2021
9,508

2020
11,412

Staff count: 2020 - 2022.

Female employees celebrating customer service week

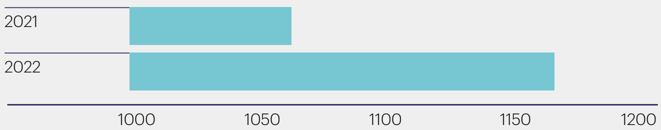
Workforce policies

Our drive to build a world-class institution centred around good corporate governance is hinged on setting standards of compliance and ethical business practices. This is hinged on creating policies which set clear-cut expectations for employees and provide a roadmap for day to day operations. Policies are guidelines on how our organisation operates. They ensure compliance with the rules, give guidance for decision-making, and streamline internal processes. Some human resources related policies include the annual leave policy, travel policy, compensation and benefits policy, manpower planning and recruitment policy and education and training policy.

Employee growth and turnover

Dangote Cement aims not only to hire the best talents, but also ensure their retention through support for employees' career aspirations. In the year under review, we had a total of 1,172 new hires which represents a 10.5% increase from 2021 hires of 1,061 staff. The year also recorded the movement of 738 of our employees out of the organisation for various reasons including those who left voluntarily, those who were laid off and those whose length of tenure had come to an end. Dangote Cement keeps a pulse on turnover rate because it gives insight into the employee experience to uncover workplace opportunities or areas for improvement.

Employee growth



A comparison of employee growth rate 2021 and 2022

Promoting human rights

As a signatory to the United Nations Global Compact (UNGC), we are duty bound to respect the laws of the states where we operate and the stakeholders affected by our business. We support the protection of internationally proclaimed human rights by ensuring that we are not complicit in human rights abuse. Throughout the value chain, we conduct our business with respect for human dignity, which is fundamental to our purpose of building a self-sufficient Africa. We adopt the UN Guiding Principles on Business and Human Rights as our compass to engaging suppliers and communities. The three-pillar framework of Protect, Respect and Remedy supports our human rights policy. Through the Company's mechanism for reporting human right risks and violations, we recorded no cases of human rights abuses in 2022.

Non-discrimination

Among basic rights that have to be respected in the workplace, discrimination is one which directly threatens the potential of our people to optimise their contribution when, denied equal opportunities or treated unfairly. At Dangote Cement, we promote diversity as a way to achieve non-discrimination of people based on their gender, race, age or any other characteristic. For us, promoting non-discrimination begins with establishing a culture of speaking out. As part of our onboarding process for new employees, we state our zero tolerance stance on discrimination and encourage our employees to lodge complaints through our internal grievance reporting mechanism. In the year under review, we recorded zero cases of discrimination.

Ethical labour practices

We prohibit any use or contracting, directly or indirectly, of child labour, forced labour, human trafficking, or other forms of modern slavery. We have an ESG code of conduct for our supply chain partners which guides the ESG practices of our supply chain. To further drive this among our business value chain, we had an ESG training for our procurement team and the subject of child and forced labour in all its forms, whether covert or overt, was a topical focus of discussion. We did not record any cases of child and forced labour in 2022. DCP has zero tolerance for child labour.

Some DCP female employees

A workplace that inspires diversity

Across all our locations in Nigeria and Pan-Africa, we have a broad and rich mix of people, from diverse cultures and geographies. Presently, Dangote Cement employees are spread across four generations. Our business benefits from the creativity and innovative thinking of Gen Z as well as the wealth of experience of the Baby Boomers. Truly, ours is a workplace that inspires diversity and inclusion because diversity is in our DNA. When it comes to building an inclusive work environment where everyone feels a genuine sense of belonging, DCP as a fundamental aspect of its cultural pillar ensures all staff are afforded equal opportunity to participate and benefit from company wide programmes an initiatives. Promoting inclusion and diversity goes beyond awareness building and involves dismantling any pathways that may lead to structural inequalities and we are committed to ensuring that this is a constant in our organisation. Employees who are physically challenged in our workforce are given all the support they need to thrive and grow in the business. One of the ways we celebrated our diversity in the year was during the customer service week where we express our cultural diversity through a diversity day at the HQ.

Fostering community inclusion

Community inclusion is the opportunity to live and exist as a contributing member of the community while being valued for one's abilities and uniqueness. Beyond promoting diversity and inclusion in our workplace, diversity in communities engenders multicultural exchange of ideas which leads to innovation and creativity. Expressing our value for inclusion in the year, we implemented an outreach to the physically challenged during our white cane safety campaign and charity outreach to the Down Syndrome Foundation. The "white cane campaign which took place in October 2022 featured DCP employee volunteers creating awareness about the symbol of the white cane as a tool of independence for the visually impaired. Our employees also made donations to the Women and Children with Disabilities Initiative (WACWDI) and the Down Syndrome Foundation Nigeria (DSFN).

DCP volunteers donate to the Down Syndrome Foundation

DCP volunteers participate in a sensitisation walk for the visually impaired

Freedom of association and collective bargaining

DCP's policies and practices are designed to promote respect for the rights of freedom of association and collective bargaining and to comply with the legal requirements of the countries where we operate. In our records this year, staff participated in collective bargaining activities in some of our operating countries in Pan-Africa including Ethiopia, Ghana, Senegal and South Africa.

Training and professional development

Investing in talent development helps employees grow their careers and access professional development opportunities. Beyond this, building a learning culture supports the corporate vision and encourages employees to understand values and practices that shape the Dangote brand. As part of our commitment to advancing SDG 8 - Decent Work and Economic Growth, we empower our workforce with the knowledge and skills to excel. Through the Dangote Academy, which is our learning and development school, we increased training investment in the last two years by 9.6% in 2021, and 46.8% in 2022. The training conducted is both physical and virtual with modules to meet identified training needs. We update our training approach and resources to match the skills needed in a dynamic industry. A total of 16,815 employees were trained with 313,192 training hours expended in 2022.

Executive/senior management - 5,856 hours

- Management staff - 27,444 hours
- Senior staff - 88,136 hours
- Junior staff - 191,756 hours

Number of employees trained in 2021 and 2022	Number of employees trained	
	2022	2021
Women	891	2,339
Men	15,924	22,302
Total	16,815	24,641

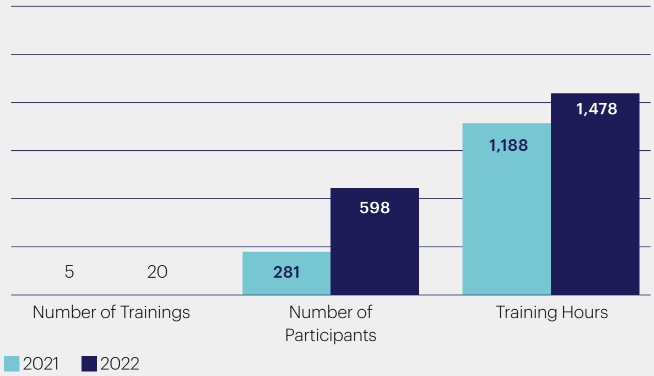
Capacity building for cement sustainability

Education for sustainable development allows every human being to acquire the knowledge, skills, attitudes and values necessary to shape a sustainable future. Our focus in 2022 was to expand the knowledge of our employees in cement sustainability. We implemented sustainability trainings to build sustainability acculturation in the DCP Group. As a member of Global Cement and Concrete Association, we had access to experienced

Training Spend

Comparison of training spend from 2021 - 2023

Employees participate in a training session



Comparison of sustainability training performance 2021 to 2022

resources and faculty in industry specific subjects. Workshop sessions delivered knowledge on carbon capture use and storage (CCUS), co-processing, pocurement of low-carbon concrete and construction, and other cement-related topics.

We also held internally facilitated ESG trainings which were delivered in physical and virtual sessions. Some of such trainings were the GHG Accounting training, Understanding the Nigeria Sustainable Banking Principles (NSBP) and others. Sustainability trainings and workshops delivered in the year benefited 598 participants.

DCP management trainee programme

The DCP management trainee programme was launched in July 2022 with the aim of creating a talent base that delivers quality employees to meet the current and future needs of the business. A key objective is integrating young graduates in the Nigeria unemployment market into our industry. The programme targets young graduates in our countries of operation. Following a pilot in Nigeria, the goal is to expand the scheme to Pan-Africa. The programme adopts a three-prong approach to equip the trainees with skills to excel in their career. Foundational skills include soft skills such as MS Office packages and skills for the DCP business. Other modules delivered skills for basic cement manufacturing processes. Professional competence skills and leadership skills are periquisite fordevelopment of technical support functions. The trainees learned through structured rotational learning and received coaching and mentoring in their respective areas of interest. With a sustained on-boarding of at least 100 graduates in Nigeria, the programme looks forward to producing 400 world-class professionals in six years. The trainees are placed on a monthly salary above the average market entry level package thus reducing the unemployment rate. The programme is a win-win for all stakeholders for reducing poverty and promoting decent work and economic growth. The programme also supports the succession planning goal of the business as it aims to build values and business ethics in the character of Dangote future leaders.

Keeping our health and safety culture

Our 15 safety golden rules set the tone for our safety culture. It establishes best practice safety, health and environment standards for our operations as it provides mandatory safety rules and regulations applicable to all staff, contractors and visitors. It is a set of 15 rules that contain prohibition of unsafe work, alcohol or drugs while working or driving, obtaining authorisation while entering a confined space, promotes usage of correct PPEs, as well as incident reporting among others. The year under review witnessed an improvement in compliance with the 15 golden rules. Other initiatives taken to advance safety in the workplace and plants include the development of a monthly safety theme to guide action and performance in the month regarding safety, and the introduction of a occupational health and safety training matrix.

Management trainee class of 2022

Workplace ergonomics

To minimise exposure to occupational illnesses and promote healthy living amongst our office-based staff, those whose tasks require long hours of seating. We keep on striving to ensure the workplace is suited to their needs by embedding workplace ergonomics principles.

Ergonomics is a Human Factors Engineering (HFE) and focuses on the interaction between the human and the work system to minimise injuries and optimise performance especially for office-based staff whose tasks are over 80% sedentary .

In 2022, staff were taught how to physically interact with their work environment to minimise repetitive strain injuries (RSI's) and other musculoskeletal disorders are incorporated in staff daily routine to minimize neck, shoulder stiffness and occasional lower back pain.

Anthropometric measurements were carried out as well as workstation assessments/adjustments and general advice given on how to ensure a safe posture is maintained both on and off work to sustain a healthy and more productive workforce and minimize lost time due to these injuries.

Employee wellness programmes such as subscriptions to gym membership, medical surveillance, employee assistance programmes, health maintenance and activities to enhance work-life balance, etc. are our top priority. We continually strive to improve on this year on year.

In alignment with ILO's recommendation on occupational health and safety which sets the pace for establishing sound prevention, reporting and inspection practices and maximum safety at work.

Stakeholders trained on HSE
27,450

Leading HSE KPIs increased by
131%
while lagging indicators decreased by
150%
by focused approach

All critical HSE incidents and high potential near miss investigated

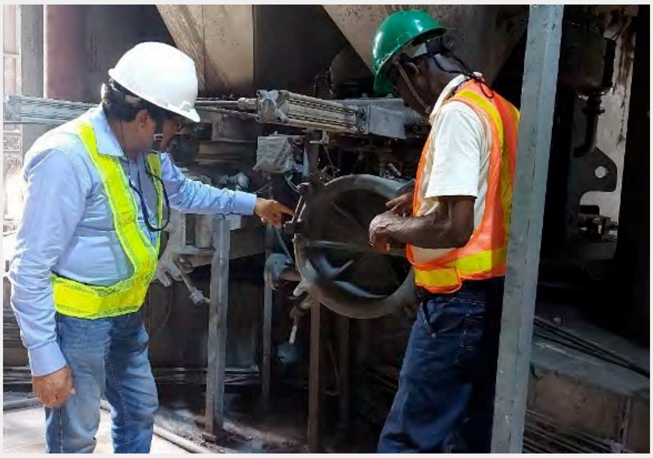
Our approach to workplace health and safety thus revolves around protecting our people through anticipation and management of workplace health risks and promoting health and well-being through bespoke programmes and solutions that encourage our people to take responsibility for their health. This has improved our health and safety score card over time. The below table represents our health and safety performance for a three-year duration. Our performance in 2022 demonstrated improvement from 2021.

	2022	2021	2020
Work hours	**39,343,281**	33,485,774	29,828,480
Near misses	**1,347**	1,341	11,523
First aid injuries	**293**	306	306
Number of medical treatment	**132**	79	55
Total lost time injuries (LTI)	**37**	38	25
Fatalities	**2**	9	7
Stakeholders trained on HSE	**27,450**	15,392	15,757
Hours trained on HSE	**109,800**	30,784	86,664

Summary of health and safety performance

Occupational health and safety training

Our employees constantly undergo health and safety trainings to equip them with knowledge and current trends in workplace health and safety in their various divisions. In the year under review, we had a total 986 training programmes with 27,450 employees trained both virtually and on site.



Occupational health and safety leader during an inspection at Ibese Plant, Nigeria

A medical intervention in DCP Gboko communities

1,826 volunteers

4,055 volunteering hours

9 countries

47 Projects

15 locations

Over 573 beneficiaries in HQ

Donation of bins to Yaba College of Technology during the Yaba Green Challenge event at the school

Promoting health and safety in DCP transit communities

Transit communities are communities located along major highway routes that allow commuters to rest and refresh before continuing their journey. Such communities have a higher density and diversity of population with the locals cohabiting with non-locals who may settle in the community. The communities are usually within walking distance of frequent transit stops and stations. Transit communities support sustainable transportation and contribute to economic development. However, transit communities are also exposed to risks when they are unplanned and not designed to host their visitors. Following an assessment of the health risks in transit communities in Benue State, Nigeria, we undertook an intervention to address the prevalence of HIV/AIDS and other common health ailments in the area.

The Safer and Healthier Transit Communities (SHTC) initiative of Dangote Cement Plc is our pilot health intervention aimed at improving access to health in transit communities. The pilot phase of the project was held in three communities, namely the Tse-Kucha, Katsina-Ala and Aliade communities, between 29 November and 1 December 2022. The primary focus of this phase was to provide HIV testing, counselling and referrals to residents of the community which hosts DCP truck drivers transiting through Gboko Benue State. It was also an opportunity for DCP to join the global advocacy and campaigns on the annual UN World AIDS Day. The programme benefited 785 community residents in the three locations. We recorded 255 community members who received testing and treatment in Tse-Kucha, 251 in Katsina-Ala and 279 in Aliade communities of Benue State, Nigeria. Medical cases identified were counselled to maintain lifestyle choices that will prevent the spread of the HIV virus and other diseases the locals are exposed to.

Sustainability week

We held our 2022 sustainability week as part of our yearly tradition of impacting our host communities through employee volunteering. This enables employees to fulfil their yearnings and aspirations to make a positive impact to the economic, social and environmental wellbeing of our host communities. The 2022 sustainability week was held officially in the week of 24–28 October 2022 in our Nigerian and Pan-African plants. The theme was "People, Planet and Profit – The Dangote Way". The focus was on advancing our seven DCP strategic SDGs including SDG 4 – Quality Education, SDG 8 – Decent Work and Economic Growth, SDG 9 - Industry Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 – Responsible Consumption and Production, SDG 13 - Climate Action, SDG 17 – Partnerships for the Goals. In total, the 2022 sustainability week featured 4,027 volunteering hours, 1,826 employee volunteers and 47 projects. Some of the initiatives were as follows:

- white cane safety campaign and charity outreach to the Down Syndrome Foundation, Lagos, Nigeria;
- Yaba Green Challenge, Lagos, Nigeria;
- Obalende Smart Money Campaign, Lagos, Nigeria;
- Health Education seminar and counselling at Mbaakpohul Community Secondary School, Mbayion;

Sustainability week continued

- donation of plastic water tankers to two primary schools in DCE;
- career counselling and civic education for secondary school students in Obajana Kogi State, Nigeria;
- road show and enlightenment campaign to NURTW/ transport stakeholders on sustainable transport in DCP Obajana, Nigeria;
- tree planting in mines 3 and 4 in DCP Ibese, Nigeria;
- sensitisation on waste management to DCP Ethiopia host community;
- maintenance of Mooifontein Community Building in DCSA including: water tank structure repairs, repair of door frames, replacement of door handles, installation of new geyser for kitchen, maintenance of toilets and installation of fluorescent tubes South Africa;
- donation of trash bins (reusing of empty oil drums) in a school, sensitisation on waste management, and sanitation of school premises by DCP Cameroun;
- construction of a Tower and provision of an overhead water Tank to support the borehole project executed in the previous year at Imekuwa Village – DCP Tanzania host community;
- hosting of an awareness Session on Biodiversity at Pout High School Senegal;
- environmental sanitation of Bouansa Market and Main Road in DCP Congo;
- implementation of Climate Change Awareness Seminar in Yamba High School Congo;
- implementation of sanitation initiatives that entails building new washrooms and refurbishing of existing washrooms in Tema community II, DCP Ghana host community; and
- community school painting and replacement of broken windows at Sungabukanda village, DCP Zambia.

Other volunteering activities

DCP staff also engaged in other employee volunteering activities besides the 2022 sustainability week. These activities were centred around four thematic areas including empowerment, infrastructure, health and education. Some of the activities include the commemoration of the World Water Day, World Earth Day and World Environment Day among others. A total of 13,518.5 volunteering hours and 4,849 volunteers participated in our employee volunteering activities in DCP Nigeria and Pan-Africa.

Benue community provides entertainment during medical outreach in Gboko.

Health Centre Keur Moussa Senegal

Community skills centre DCP Zambia

DCP Obajana women empowerment scheme DC Ethiopia donates blankets to neighboring communities

DC Ethiopia donates blankets to neighboring communities

Thriving on sustainable partnership

For Doudou Mbengue of Pout in Senegal, partnering with Dangote Cement in his restaurant business is one of the best things to happen to him as it has resulted in significant growth of his business. Originally a trained metal worker and carpenter, he commenced partnership with the Pout cement plant on a small scale, by delivering lunch to staff of the Company's sales and marketing department. The demand for his services grew rapidly due to the quality and efficiency of his output, ultimately resulting in expansion and floating of the KEING-BI brand. He acknowledges DCP's partnership as instrumental to this growth especially through its local procurement policies.

His accelerated business growth has made room for employment of over 15 personnel and a daily turnover of 300,000 franc. His clientele base has also increased tremendously. The socio-economic impact of KEING-BI's activity in Pout is remarkable. In addition to the salaries paid to employees, Doudou Mbengue trains many young boys and girls from his community in the catering trade and is actively involved in the socio-educational activities in the commune.

The Safer and Healthier Transit Communities (SHTC) initiative of Dangote Cement Plc is our pilot health intervention aimed at improving access to health in transit communities

"How do we ensure access for all to adequate, safe, and affordable housing to upgrade slums to acheive UN SDG 11? The goal of sustainably providing housing, energy, transportation, and other basic services to the rising number of Africa's urban dwellers in the face of climate change is vast."

Our footprint in communities - social investment

At DCP, we understand that our operations have a significant impact in the host communities where we operate; as such, we are committed to empowering our host communities through the provision of timely educational, health infrastructure and economic interventions. In the year in review, we signed Community Development Agreements (CDAs) with a number of our host communities including DCP Obajana, DCP Ibese and DCP Senegal for varying social investment projects. These CDAs and our social investment guidelines have supported our operations in planning, designing, implementing and overseeing social investment programmes that are of the utmost benefit to these communities. We conduct needs assessments to gauge the actual needs of these communities before engaging in these interventions.

Dangote Cement volunteers provide community service in South Africa

In the year under review, we completed 71 social investment projects in health, education, economic empowerment and infrastructural developments. Some of these projects include:

- building of a health centre in Keur Moussa Senegal;
- implementation of medical outreach in three Local Government Areas in Benue State;
- Women empowerment initiatives through the provision of sewing machines and grinding machines, etc;
- construction of lecture room for school of nursing Ilaro Ogun, State Nigeria;
- scholarship award to 17 secondary schools and 103 tertiary institution students Yewa North and
- youth empowerment in domestic electrification and installation, etc.

We expended the sum of ₦1.6 billion on our social investment projects in 2022. We had no political contributions in the reporting year.

Social investment

Project/programme	Cost of project (₦'million) 2020	2021	**2022**
COVID-19 support and donations	1,912.03	1,500.00	**0.16**
Health	42.68	69.68	**57.38**
Food and agriculture	8.52	82.50	**64.70**
Water/sanitation	25.40	24.56	**89.37**
Security and safety	323.57	12.07	**2.71**
Environment/climate change	5.04	0.66	**9.56**
Economic/SME development	44.49	18.88	**14.60**
People empowerment	5.72	38.00	**23.05**
Infrastructure (electricity, road and drainage)	137.39	255.31	**234.45**
Education and scholarships	184.02	185.53	**513.40**
Community compensation	4.50	6.81	**75.92**
Sports	4.08	4.41	**2.98**
Donations, support and grants to host communities	76.96	149.01	**137.11**
Donations and grants to government	21.16	54.29	**7.46**
Donations and grants to CSOs/NGOs and development bodies	—	88.41	**62.60**
Others	0.30	—	**352.12**
Total expenditure	2,851.78	2,490	**1,647.56**

Promoting a circular economy with our people

In the year in review, DCP launched and implemented the DangCircular Initiative which is designed to reduce the use of printing paper and its resultant cost in our business. Though the primary objective was to mitigate the negative environmental impact, it has generated a lot of social benefits. First, it improved employees' wellbeing from that of sedentary office workers to mobile and agile personnel. This occurs the moment staff leave their seats to dispose of trash in the recycling bins at a distance. Also, it has served as an alternative source of income for the vendors which have been engaged to dispose of the recyclable wastes to waste companies that receive them for a fee. It has contributed to effective waste management and a cleaner office environment for Dangote Cement.

The Yaba Green Challenge is a Youth Innovation Programme targeting students of higher institution and designed to promote recycling and reuse of scarce resources in the society to reduce the rate of waste to landfill and the promotion of environmental sustainability. The programme took place as part of the sustainability week in October 2022 in partnership with the Yaba College of Technology, Lagos and UNESCO International Centre for Technical and Vocational Education and Training (UNESCO-UNEVOC) in a competition tagged "Yaba Green Challenge".

The DangCircular initiative mitigates negative environmental impact and improves employees' well-being from that of sedentary office workers to mobile and agile personnels."

GMD/CEO demonstrates recycling of plastics at the launch of the DangCircular initiative in HQ

The initiative featured students' creation of artwork through wastes such as sawdust. The students produced mixed media painting from sawdust, fungal growth medium from industrial wheat wastes, medicinal mushrooms from sawdust and water hyacinth. Others include mycelium blocks from spent mushroom substrate, wearable art, from aluminium pull tab can waste and sculpture from metal scraps, among others. The winner of the challenge, a student of the Fashion Design Department, built wearable art from aluminium pull tabs. The Green Challenge will move to other higher education institutions in due course.

Community grievances and resolution

As partners in our sustainable development aspiration, we listen to the views, concerns and grievances of our host community members. We have developed a functional platform where they can air their grievance and any such grievance received is duly acted upon in a timely and thorough fashion through our grievance redressal system. This has helped reduce operational and reputational risk for our organisation. In the year in review, we received a total of 211 grievances. Out of the 211 grievances received, 169 grievances have been closed while others are still being remediated. The below table indicates the number of grievances from 2020 to 2022.

Country	2020 reported grievances	2021 reported grievances	2022 reported grievances	2022 grievances closed
Nigeria - HQ	—	—	1	1
Nigeria - Gboko	7	14	18	8
Nigeria - Ibese	19	21	46	42
Nigeria - Obajana	10	7	22	17
Nigeria - Okpella	—	—	9	7
Cameroon	7	10	4	3
Congo	3	1	3	2
Ethiopia	12	6	17	14
Ghana	—	—	—	—
Senegal	8	2	—	—
Sierra Leone	—	—	—	—
South Africa	58	26	29	23
Tanzania	—	24	49	40
Zambia	33	9	13	12
Total	157	120	211	169

A wearable art from aluminum pull tab

An artwork created through waste. The wearable art and the painting should be placed before the beginning of Community Grievances and Resolution

Student displaying wearable art from aluminum beverage can pull tab wastes

Student displaying Medicinal mushrooms from sawdust and water hyacinth

GOVERNANCE

Governance reveals an organisation's commitment to responsible business leadership and practices towards the environment, society and the interest of its shareholders and financiers.

As a responsible corporate citizen, we have integrated sustainability management at the core of our business strategy and it is driven by the highest level of governance to deliver shared value to all key stakeholders, including shareholders, employees, customers, suppliers, financiers, governments, and host communities.

In Dangote Cement, we have integrated sustainability management at the core of our business strategy. Our mission statement states clearly our readiness to lead the way in areas such as governance, sustainability and environmental conservation. Our strategic outcomes for 2021 - 2023 are hinged on five guiding principles of growth, operational excellence, financial strength, people, and sustainability.

Our sustainability principle supports sustainable economic development in our areas of operations through job creation, social investment and low environmental footprint.

Governance sustainability performance highlights

Direct contribution to household income

₦496,634m

Local content
Local Procurement

496,349

Imported

300,937

Local procurement represents

65%
of our total procurements in 2022

A cross-section of DCP Nigeria and Pan-Africa Executives.

Our institutional pillar

The institutional pillar is part of Dangote seven sustainability pillars – "The Dangote Way"– which we use to ensure that sustainability is ingrained in the way we do business across all departments and the value chain. Our Institutional Pillar supports our drive to build a business centred around sustainability principles that promote responsible business practice, regulatory compliance, transparency, integrity, business continuity and purpose-driven leadership. At Dangote Cement, we conduct an annual corporate governance review through a third-party auditor to evaluate the effectiveness of the governance structure in delivering positive values to our people.

Sustainability and governance

Governance is integral to how we drive enterprise value and ESG goals. Through constant communication and reporting we strengthen relationships with stakeholders for accountability. The highest level of governance on sustainability issues is at the Board of Dangote Cement Plc. The Technical and Sustainability Committee of the Board performs the oversight function on sustainability. In the year, the Committee met four times, with its composition and attendance as stated on page 106. Biographical details of each member of the Committee, including relevant qualifications and experience, are set out on pages 84 to 86 of this report. Members of the executive management team are committed to participate in every meeting to give reports and seek the Board's steer on matters arising.

The Chief Executive Officer (CEO) is a member of the Board of Directors responsible for the strategic and day to day management of climate-related issues of the Group. He is responsible for the approval of climate-related investment and outcomes. The Executive Management Committee has the mandate of identifying sustainability trends and practices for adoption and approval of targets across the Company's value chain. Supporting the Executive Management Committee is the Board Technical and Sustainability Committee, which provides oversight on the direction of business.

At the implementation level of our climate governance is the climate think-tank, Dangote Cement's in-house team of climate change and sustainability experts that meets on a regular basis to share feasible ideas on the climate-related issues and brainstorm on them to find solutions.

Our climate action strategy

Climate change is experienced through rising temperatures, melting glaciers, shifting rain patterns, increased storm intensity and rising sea levels. Greenhouse gas (GHG) emissions from human activities – mainly fossil fuel use, deforestation and agriculture - are reported to be a major cause climate change. Africa, considered one of the continents' most vulnerable to climate change impact, is regarded as hotbed for urgent climate mitigation and adaptation.

While noting the impact of the cement industry on climate change, Dangote Cement commits to reduce the adverse impacts on natural ecosystems and the economy. We considered the three elements critical to actualise our climate ambition are policy, project and a team. Following the performance of our alternative fuel project as a lever to support decarbonisation, we developed a climate change policy. A climate change policy is a broad guideline for decision-making

Climate Action Teams

Integrated plant
Grinding plant
Packing plant

Board Technical and Sustainability Committee

↓

Executive management

↓

Lead countries

Nigeria | Tanzania | South Africa | Ethiopia | Cameroon | Congo | Ghana | Senegal | Zambia | Sierra Leone

Our climate action strategy continued

that links the formulation of our climate change strategy with its implementation. Dangote Cement aligns with the climate change policy of Dangote Industries Limited, which guides the business to comply with climate-related regulations of our countries and international protocols. In 2022, we leveraged the Dangote Industry Limited Group policy to domesticate our climate change policy. The policy outlines our approach to addressing the use of energy, resource optimisation, water consumption and emissions management. We are currently building a think-tank to assess our risks and opportunities for climate change. The climate think tank is an internal team of professionals exploring levers for C02. The decarbonisation squad are homegrown experts laying the foundation for monitoring our GHG footprint and developing a roadmap for decarbonisation.

Diversity and inclusion

Across all our locations in Nigeria and Pan-Africa, we have a broad and rich mix of people, across so many cultures and geographies. As such, the practice of diversity and inclusion is a natural priority for us.

At Dangote Cement, we are working hard to build an inclusive work environment where everyone feels a genuine sense of belonging and where they have equal opportunities to grow and progress. One of the ways we celebrate diversity and inclusion is during our customer service week where celebrate and embrace our cultural diversity. We understand that promoting inclusion and diversity goes beyond awareness building and involves dismantling any pathways that may lead to structural inequalities and we are committed to ensuring that this is a constant in our organisation. Our physically challenged employees are accorded needed support to grow and add value in a safe and healthy environment.

The Dangote Cement on-site crèche has been highly beneficial to our female employees, particularly nursing mothers, providing flexibility for them to meet their challenging need for childcare in the workplace. Our crèche facility has enabled female employees to access childcare as part of our business culture to promoting gender equality, well-being at work and a work-life balance that increases productivity.

Diversity in leadership

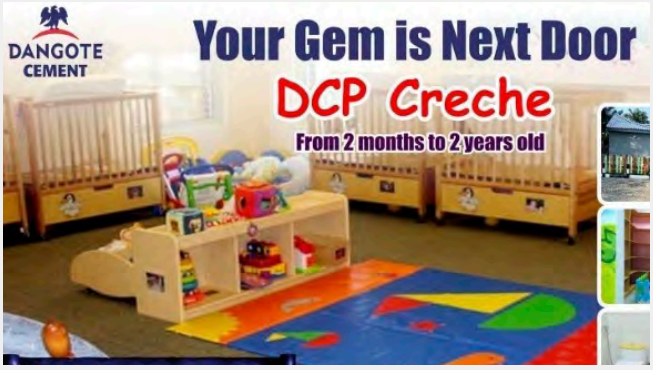
Diverse leadership brings a wealth of knowledge and varying perspectives, which can help improve the way leaders relate to those inside and outside an organisation. Our Board leadership is made up of experienced professionals in their fields bringing their expertise from around the world to strengthen the business and contribute to our business growth. The composition of our management team brings to bear a broad range of experience from different technical and non-technical backgrounds and cultural orientations. Our aspiration for a globally diverse Board is linked to our goal of being able to respond flexibly and quickly to stakeholder needs. In 2022, our Board consisted of 15 persons from six different nationalities. Out of the total Board members, 26.67% are women while 73.33% are men.

2021 and 2022 percentage of women in DCP leadership

Gender diversity	2021	2022
Females in Board	26.7%	26.7%
Females in Executive Management	12%	13%
Females at senior management level	9%	15%
Females in total workforce (permanent employees)	8%	9.1%

Women in leadership

For us, diversity also means that we work towards minimum regulatory standards in gender representation across our workforce. As part of our ESG integration process, we have set gender targets for our various plants and locations which we are committed to actualising. In the year under review, Halima Aliko Dangote was appointed Executive Director in February 2022 bringing the total female Board percentage to 26.7%. Also, in our Zambia plant, Choolwe Natala Lungu was appointed first female CFO, a position that was gotten on the basis of meritocracy.



Dangote creche at the corporate center Lagos


Dangote creche at the corporate center Lagos

Meet our female leaders

Choolwe Natala Lungu, first female CFO – Dangote Cement Zambia

"I am excited to have been appointed for my role in this business, more so to break the ceiling for other women who will join Dangote Zambia in the future to be the 1st female CFO and ExCo member. Cement is generally seen as a man's industry and I am proud to have found some level of success in the industry and look forward to using my skills to make a positive contribution to the business. I believe my success in my role will open doors for other women as it will be proof of our abilities to rise into C-suite positions. On a lighter note, I must mention I have learnt not to take offence when someone says "gentlemen" in a meeting I am attending physically.

Sustainability for me means making and promoting decisions on operations and investments, which will enable the shareholders to get maximum returns on their investments whilst preserving (not compromising) the results and environment for the future. This includes actions around compliance not only for the environment but also finance, tax and legal and making positive contributions in the communities we operate in."

Mariechristiane Kaul, Deputy Regional CFO, Pan-Africa

"The CFO is a critical business partner to the management. As CFO, my role consists in ensuring that our cement businesses in Pan-Africa deliver impressive performance in a sustainable manner and in full compliance with the rules and legislations of the countries where we operate.

I work at optimally managing and growing our resources, being fully transparent and reliable in the quality of the information we provide to our stakeholders, developing strong local and regional business partnerships and thus reinforcing the bond we have with the markets and communities we serve. It is important to be relevant, to be effective and to remain fully dedicated to providing the best products and services made by Africans, with African resources and for African development.

Women are very conscious about the importance of inclusivity. As pillars of our families and binders in our communities, women understand that it takes an entire village to move forward. Women are emotionally mature and generally empathic enough to bring all contributors within an organisation together, irrespective of their social status, their backgrounds and their experience. They understand that talent needs to be nurtured, education and people development is key, resources are limited and need to be cared for and that it takes all this, in addition to hard work, commitment and drive, to achieve long lasting success."

Culture based on ethics and transparency

Our responsible business practice ensures that we remain committed to building an institution where ethics and transparency are the drivers of corporate performance in delivering value to our shareholders and remaining committed to social and environmental stewardship.

Dangote Cement Plc's commitments to ethics and transparency have enabled us to maintain the lead on corporate governance compliance with the Securities and Exchange Rules on Corporate Governance in Nigeria and the Investments and Securities Act, as well as the Listing Rules of the Nigerian Exchange (NGX). Our high level commitment to ethics and transparency has culminated in our Company being one of the only seven Nigerian companies to be listed on the Premium Board of the Nigerian Stock Exchange, which is limited to companies which have achieved the stringent rules and international standards prescribed by the Exchange.

Compliance with local and international charters, codes and best practices for promotion of sustainable development

Compliance is a driver for sustainable business practices and to keep pace with changing societal and regulatory demands. Dangote Cement uses a well-established regulatory and environmental, social and governance (ESG) compliance monitoring system to prevent, identify and remediate in a timely manner any policy deviations. With our integrated approach to advancing sustainability, we align with different applicable local and international standards and regulations in all countries where we operate, such as the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI) Standards, the Nigeria Exchange Limited (NGX) Sustainability Disclosure Guidelines, the Global Cement and Concrete Association (GCCA) Charter, and others.

We conduct an annual corporate governance review through a third-party auditor to evaluate the effectiveness of the governance, corporate disclosures, and values created for different stakeholders. The review is performed in compliance with Principles of the Nigerian Code of Corporate Governance (NCCG) and other corporate governance standards in areas where we operate.

2022 compliance week at DCP Senegal

"In 2022, we maintained 93 environmental permits and licenses in compliance with industry standards and best practice."

[2022 compliance week at DCG Cameroun

Head Sustainability, on a ESG audit visit to DCP Ethiopia

Creating awareness is key for compliance

Dangote Cement held its Annual Compliance Awareness Week (CAW) across Africa from 31 October – 4 November, 2022. The CAW was aimed at raising awareness and demonstrating the role of compliance in enhancing the value of the Company. The theme for the year was "Reinforcing a Corporate Compliance Culture", which underscored the importance of employee engagement in building compliance within the Organisation. The CAW emphasised how corporate compliance as a tool for sustainable organisational performance, efficiency and effectiveness was the responsibility of and starts with each staff member.

The objectives of the campaign include:

a. reinforce the knowledge and existence of the corporate compliance culture;

b. understand why all staff must commit to compliance; and

c. highlight the risk factors and consequences of non-compliance to the organisation.

SN	List of DCP policies showing compliance SEC Code of Corporate Governance and NGX Sustainability Disclosure Guidelines
1	Sustainability Policy
2	Board Remuneration Policy
3	Board Appointment Policy
4	Board Conflict of Interest and Related Party Transaction Policy
5	Code of Conduct Policy
6	Complaint Management Policy
7	Anti—bribery and Corruption Policy
8	Board Evaluation Policy

Industry audits

A sustainability audit is a "triple bottom line" assessment. It is a process that evaluates the performance of an organisation in relation to its sustainability goals as well as benchmarking with standards and performance of peers. In 2022, Dangote Cement's drive for continuous improvement informed the Company's participation in the first Global Cement and Concrete Association (GCCA) Sustainability Charter Audit. The GCCA aims to document and improve the sustainability performance of the global cement and concrete sector. The audit questionnaire consists of seven pillars including CO_2 and energy management, fuels - material use and circular economy, emissions monitoring and reporting, health and safety, nature, social responsibility and sustainable supply chain. The Audit Committee commended Dangote Cement for recognising biodiversity as a high business priority in the sustainability materiality matrix and expressed satisfaction for our plant/locations specific Progressive Mines Rehabilitation and Biodiversity Conservation plan developed in alignment with regulatory requirements in different countries.

Eliminating corruption

Generally, corruption is a problem to every business and the society. It increases the costs of doing business, raises uncertainty over expected returns to capital and exposes the society to negative impacts of business. Dangote Cement is committed to fighting corruption with extra precautionary measures at every level of our value chain to maintain zero record of corruption. We have an anti-corruption policy that aims to align with all relevant laws designed to prevent, detect and respond to issues of corruption in all the countries where we operate. For example, in our Nigerian operations, we are guided by two anti-bribery laws which are the Corrupt Practices and Other Related Offences Act of the Independent Corrupt Practices Commission (ICPC); and the Money Laundering (Prohibition) Act of the Economic and Financial Crimes Commission (EFCC).

Our Anti-bribery and Corruption Policy demonstrates the Company's zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial statement fraud.

We are committed to investigating any fraud or suspected fraud without regard to the career level of the individuals involved. In 2022, we recorded 23 confirmed cases of bribery and corruption as against 15 cases in 2021.

Staying informed on anti-corruption practices

We conduct periodic training on anti-corruption to strengthen the competencies required at the individual and collective level to prevent and overcome some of the impacts caused by corruption. In 2022, we conducted a total of 28 different anti-corruption training for 1,472 staff expending a total of 28 training hours in our operations in Nigeria and Pan-Africa.

Resolutions – bribery and corruption cases recorded (Dangote Cement Plc and Dangote Cement Transport)

	Confirmed cases of bribery and corruption				Internal Audit to provide explanations for 2022	
Cases	2022	2021	2020	2019	Description	Actions taken on confirmed cases
Nigeria – HQ	1	1	2	0	Fraud	Case reported to the law enforcement agency.
Nigeria - Ibese	7	0	1	4	two thefts and five frauds	Asset value was recovered, and disciplinary action taken against those responsible.
Nigeria - Obajana	1	0	2	0	Breach of Company policy	Disciplinary action taken against the responsible staff.
Ethiopia	6	3	4	1	Theft of cement, illegal haulage, and replacement of spare parts by third-party driver	Full recovery of assets and disciplinary action taken against the third party.
Ghana	2	1	2	5	Fraud	Asset value was recovered, and disciplinary action taken against the responsible staff. The case has been referred to the law enforcement agency. Management is driving more control measures to mitigate the reoccurrence of this practice.
Senegal	2	0	3	2	Fraud	Full recovery of assets from the customer and disciplinary action taken against the responsible employee in line with Company policy. The case has been referred to the law enforcement agency. Management driving more control measures to mitigate the reoccurrence of this practice.
Sierra Leone	1	0	1	0	Fraud	The case has been referred to law enforcement agency according to Company policy. Management is driving more control measures to mitigate the reoccurrence of this practice.
Tanzania	1	3	5	2	Theft	Full recovery of asset value and disciplinary action taken against the staff in line with Company policy. Control measures have been strengthened to close the gaps in the mobile payment application.
Zambia	2	3	1	4	Theft	Disciplinary action taken against the staff in line with Company policy.
Total	23	11	21	18		

Embedding human rights

The role of businesses towards human rights protection is outlined in the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles, as well as the United Nations Global Compact principles on human rights. These conventions are enforceable at different levels in our countries. Dangote Cement aligns with human rights standards irrespective of enforcement levels of the agencies. Our Group human rights policy clearly defines responsibilities for upholding best practices in operational area. To embed the practice create awareness periodically. We also ensure that the whistleblowing platform and grievance mechanism can be a trusted space where aggrieved persons channel complaints on violations for resolution.

There were no reported cases of violation of human rights recorded in any of our business operations in 2022. However, we continue to monitor and audit compliance with our human rights policies and standards.

Freedom of speech

Dangote Cement operates a whistleblowing policy in compliance with the anti-corruption regulation to encourage our employees and other stakeholders to voluntarily disclose in a confidential manner the cases of fraud, bribery, financial misconduct, human rights issues, environmental issues, societal impact issues, discrimination and any other form of workplace corruption.

The whistleblowing platform is independently managed by a third-party provider which monitors and reports independent of interference. This approach helps to ensure confidentiality, impartiality, and fairness in the process. Anonymity of the whistleblower is encouraged, and retaliation is prohibited. In the year we conducted awareness campaigns on the whistleblowing policy and the process for lodging complaints for 1,137 employees. The year's report recorded 71 whistle-blowing cases, out of which 41% are resolved and actions on 59% are ongoing.

"Our whistleblowing platform is independently managed by a third-party provider to ensure confidentiality, impartiality, and fairness in the process."

Partnerships for sustainable development

Partnerships are a veritable force for achieving development goals which cut across business in our sector and others. Building alliances and collaborations is one of the ways we contribute to the United Nations Sustainable Development Goal (SDG) 17 - Partnerships for the Goals. In working with partners, we leverage the collective strength of diverse groups to influence social change, lending our voices to the development issues of Africa's cities and people. Our participation and facilitation of business-to-business and cross-sector alliances brought together governments, civil society, the private sector and multi-lateral agencies to co-create solutions, mobilise resources and share knowledge that enabled us to scale socio-economic and environmental programmes.

To support our adherence to global norms and practices of our industry, we joined meaningful alliances. Our participation in the activities of local and global sustainability alliances promotes transparency for sharing knowledge and thought leadership. We opened our doors to analysts and assessors to consider our ESG milestones. We also leveraged their support for improved performance and greater accountability. As a leading cement manufacturing company in Africa, we are a member of the following organisations:

- Global Cement and Concrete Association;
- United Nations Global Compact;
- GRI Community, Africa;
- Public Sector Advisory Group, Nigeria;
- Science Based Targets Initiative;
- Premium Board member of the Nigeria Exchange Group;
- World Economic Forum, among others.

Partnerships in 2022

The ninth Lagos State Climate Change Summit

Dangote Cement collaborated with the Lagos State Government to support the State commitment to implement the Climate Change Action Plan it launched in 2021, in collaboration with the private sector.
The Climate Change Action Plan is designed to achieve sustainable low-carbon and climate-resilient socio-economic development. It is a renewed effort to address the ravaging effects of climate change on humanity and the ecosystem generally.

Lagos State Environmental Protection Agency (LASEPA)

Dangote Cement engaged with LASEPA on the issues of environmental sustainability. The engagement aligns with the main thrust of the Agency to protect and improve the environment and assist public and private organisations, industries, businesses and non-governmental organisations to achieve compliance by providing environment-friendly solutions to varied environmental challenges.

White Cane Campaign with Women and Children with Disability Initiative (WCWDI)

The Dangote Cement employee volunteers engaged in the White Cane Campaign in collaboration with the Women and Children with Disability Initiative (WCWDI) to mark the 2022 International Day of Persons with Disabilities (IDPD).

DangCircular launch with Yaba College of Technology and UNESCO

Dangote Cement partnered the Yaba College of Technology, Lagos, and the UNESCO International Centre for Technical and Vocational Education and Training (UNESCO-UNEVOC), a competition for higher education students tagged "Yaba Green Challenge" as part of the Company's new initiative named "DangCircular" and which was aimed at promoting recycling materials to reduce landfilling, contributing to environmental sustainability, while creating wealth.

Sustainable Transport with FRSC, NURTW and Traders

The Sustainable Transport campaign was organised by Dangote Cement Transport DCP Transport Sustainability Team Obajana ably facilitated by FRSC on Sustainable Transport for Road Users (NURTW/Transport Stakeholders/ Marketers).Federal Road Safety Corps (FRSC), National Union of Road Transport Workers (NURTW) and Traders.

2022 World Environment Day with UNEP, NESREA, NCF and LBS

Dangote Cement collaborated with the United Nations Environment Programme (UNEP), the National Environmental Standards and Regulations Enforcement Agency (NESREA), the Lagos Business School Sustainability Centre, and the Nigerian Conservation Foundation (NCF) as part of initiatives to mark the 2022 World Environment Day across its 14 production plants in Nigeria and Africa. The World Environment Day featured a web forum entitled "Only One Earth: Conserving the Values of Biodiversity". It centred on the need for humans to make deliberate efforts to save the earth by conserving biodiversity. The forum brought together about 560 participants from the manufacturing and extractive industries, academia, government agencies, international agencies, civil society (NGOs), media, and environment enthusiasts across Africa.

Nigerian Exchange Group (NGX) Sustainability Disclosure Training

Dangote Cement supported the Nigerian Exchange Group (NGX) Sustainability Disclosure Training for industry practitioners by facilitating a session using the Dangote Cement's case study.

2022 World Water Day with LBS and UNEP

Dangote Cement Plc collaborated with Lagos Business School Sustainability Centre and the United Nations Environment Programme (UNEP) to host a forum on "Sustainable Use of Groundwater" for stakeholders in the extractive and water-related ecosystem to commemorate the 2022 World Water Day. The virtual event, which had in attendance stakeholders from across Africa, was in line with this year's theme "Groundwater: Making the Invisible Visible".

GRI Community Networking Breakfast

We participated in an exclusive in-person breakfast organised for GRI Community members in Nigeria. The breakfast enabled participants to gain insight into the latest news from GRI and knowledge sharing with industry peers.

Economic pillar

The economic pillar is part of Dangote seven sustainability pillars – "The Dangote Way" – which we use to ensure that sustainability is integrated in our economic value creation. It guides our operations and corporate strategy of supporting Africa's transformation, and economic self-sufficiency and creating sustainable value for our stakeholders.

Our economic pillar promotes 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. Our approach to economic sustainability is to invest in growing economies and, in tandem, continuously grow our profit. We secure the future of our business by establishing efficient and world-class production facilities and products that support industrialisation in all the economies where we operate. We ensure that our business activities and model strengthen national productivity, job creation, growth in household incomes and GDP growth and economic prosperity. We support our host countries and local communities by developing a value chain that prioritises the patronage of local labour, suppliers, vendors and contractors as our way of building local capacity and content. We maintain transparency and due diligence in the payment of taxes and other statutory remittances to governments and public institutions.

Leaders in a strategy meeting

Paying our tax and dividends responsibly

Taxes create cash that may be used to fund sustainability initiatives in countries and states.

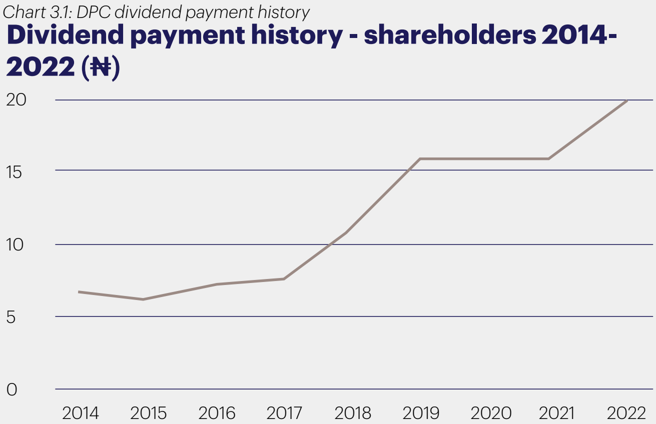
As a leading African business, we contribute to the sustainable development in countries where we operate through our transparent, regular and timely tax payments. We understand that tax payment is instrumental to the growth and progress of every society. We are therefore committed to timely tax payment, collections and transparency to contribute for economic development. Our responsible tax payment ensures that our approach is progressive and developmental and considers the interests of the general society.

Dangote Cement Plc is a top performing business on the Nigerian Stock Exchange, considered an investors' delight. We are able to maintain this reputation due to our consistent profit making and responsible dividend payment records. The Directors pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. They consider the capital needed to fund the Company's operations and expansion plans. Our history of dividend payments pre-dates our listing on the Nigerian Exchange Group in 2010. Over the years, we have recorded payments of up to ₦16.00, ₦16.00 and ₦20.00 per share in 2019, 2020 and 2021 respectively. In 2022, our proposed dividend payment was ₦20.00 per share ensuring that we keep our promise of continuous wealth creation for our valued shareholders.

Table 3.3: DCP tax and dividend payments in the last 3 years

Parameters	2020	2021	2022
Tax payments (₦'million)	20,997	33,408	150,766
Dividend payments per share	₦16.00	₦20.00	₦20.00

Chart 3.1: DPC dividend payment history



Economic value generated, distributed and retained

Throughout our operational activity in 2022, we created wealth for a wide variety of stakeholders, including shareholders, investors, employees, suppliers and contractors, government authorities, and local communities. We are committed to increasing the economic value generated and distributed to our stakeholders.

Dangote's contribution to Africa's development

Sub-Saharan Africa is home to more than 1 billion people. The region is faced with poverty, infrastructure deficit, and rising risk of debt distress due to overdependence on importation. As a corporate citizen of the region, we see the development needs of the continent as opportunities to advance the sustainable development while expanding our impact in the market. As part of efforts to boost the economic activities Dangote's contributions have been scaled in the countries of our operations. As the largest cement producer in Sub-Saharan Africa with a capacity of 51.6Mt, we are supporting the African continent to be self-sufficient in clinker and cement production . Nigeria, being the largest cement industry in West Africa, can leverage this position to earn foreign currency for further development.

Construction of a concrete road at Apapa in Nigeria

Contribution to job creation

Business exists as a co-creator of jobs with the government. While the government's role is to create a conducive ecosystem for creation of jobs, business plays a significant role in identifying society's problems to be solved through the employment of labour. As Dangote Cement expands the market for products' jobs are created. Our goal of contributing to economic growth through the direct and indirect employment opportunities in our value chain has shown a multiplier effect in the growth of African economies. We understand that whenever people are gainfully employed, households benefit and it opens up more opportunities for small and medium enterprises to thrive. In 2022, our business remunerated 19,112 full time employees for their services. Employees between 18 and 50 years constituted 15,762 of our total workforce, indicative of our commitment to supporting government efforts at combating rising youth unemployment across the country.

Contribution to household income

Since the Nigerian cement sector evolved to a growing hub for cement export in Africa, Dangote Cement's contribution to the country's Gross Domestic Product (GDP) has been significant. To fulfil our purpose, we promote income generation by collaborating with partners and stakeholders in shared value creation. In 2022 collaborated with the people, local authorities and non-governmental organisations (NGOs). Our SME development impact expanded through the construction and rehabilitation of major roads, bridges, networks and public infrastructure in our countries

The salaries, wages, and dividends that we pay are our direct contributions to household income which amounted to ₦496,634 million in 2022, a 25% increase from ₦397,387 recorded in 2021; while our taxes, local procurement, and social investments are our indirect contributions which amounted to ₦648,763 million in 2022, an increase of 46% from ₦445,114 million in 2021.

Contribution to household income in the last three years

Parameters	2022 ₦'million	2021 ₦'million	2020 ₦'million
Direct contributions			
Employee wages, salaries and benefits (2020 and 2021 adjusted with pension cost and employee benefits obligation)	90,323	72,824	72,252
Payments to providers of capital (2020 and 2021 data adjusted to include interest on all forms of debt and borrowings)	406,311	324,563	320,981
Total	496,634	397,387	393,233
Indirect contributions			
Tax paid (2020 and 2021 data have been adjusted to exclude differed tax)	150,766	33,408	20,997
Local procurements (all operations)	496,349	409,216	385,453
Social/community investments	1,648	2,490	2,852
Total	648,763	445,114	409,302

Economic performance – direct economic value created and distributed (EVC&D)

Through our operations, we create value for a variety of stakeholders, including shareholders, investors, employees, suppliers and contractors, government authorities, and local communities. The difference between value created and distributed is the economic value retained by Dangote Cement, which contributes to enterprise value. Our actions on increasing the value generated and distributed recorded a gross revenue increase of 17% from ₦1,383,637 million in 2021 to ₦1,618,323 million in 2022. Similarly, our economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments) increased from ₦1,176,303 million in 2021 to ₦1,606,949 million in 2022.

Direct, indirect and induced economic value generated and distributed - gross value added (GVA)

Year	2022 ₦'million	2021 ₦'million	2020 ₦'million	2019 ₦'million	2018 ₦'million
Revenue	1,618,323	1,383,637	1,034,196	891,671	901,213
Employee wages, salaries and benefits	90,323	72,824	72,252	60,603	55,164
Operating costs**	957,901	743,018	591,877	540,634	520,236
Dividend paid to shareholders	337,471	272,005	272,693	272,648	178,925
Social/community investments	1,648	2,490	2,852	1,108	1,287
Local procurement (all operations)	496,349	409,216	385,453	284,845	239,859

** Excluding administrative expenses.

The direct economic impact

Direct economic value generated and distributed defines wealth created through our operations and the subsequent distribution of revenue. Our aim is to continue to generate good returns for shareholders and stakeholders alike. Our profit after tax in 2022 was ₦382 billion as against ₦364.3 billion in 2021. This also led to a 5% increase in the earnings per share of ₦ 22.27 versus ₦21.24 in 2021.

Economic pillar continued

Community investments

Investments in communities are investments in people, planet and profits because they create the social and physical environments that support community health over the long term. Dangote Group's community investment standard guides our social investment planning in four thematic focus areas of infrastructure, empowerment, education and health. The investment strategy ensures that programmes yield benefits that impact communities in our domain. In 2022, we spent ₦1,648 billion on community investments, including strategic sponsorships, community projects, donations, charitable gifts, and community affairs expenses. Our detailed community investments in 2022 are disclosed in the social investments section of this report.

Indirect economic impact

The indirect economic impact represents the multiplier effect from the re-spending of our distributed economic wealth within the local economy by our stakeholders. Dangote Cement provides quality cement for construction purposes and invests directly in infrastructural projects in host countries. Our value chain activities, spending and business investments boost local industries and create multiplier effects that support poverty alleviation, jobs and improved livelihood. Building mutually beneficial relationships with our stakeholders and enabling local communities' economic prosperity are key to our economic sustainability pillar.

We are also pleased with the scale of local economic development in the continent. Our response to the demand of cement in the region occasioned by urbanisation contributed to opening a new plant, Okpella, Nigeria.

Supply chain management strategy and responsible procurement practices

Sustainable supply chain strategy

Our sustainable supply chain management strategy enables us to manage and minimise the negative economic, social and environmental impacts associated with the sourcing of goods and services while maximising the positive effects in terms of efficiency, performance, environmental protection, the reduction of injuries, and the reduction of the risk of exposure to non-ethical behaviour.

We operate an ESG Code of Conduct for our supply chain partners to enhance the sustainability performance of our supply chain. The Code aims 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. Dangote Cement strategy represents a win-win solution because the Company and suppliers enter a continuous improvement process by adopting the ESG Code.

A vendors' engagement forum in Cameroon

Summarised narrative of our procurement process, Nigeria

Our procurement process begins with a request by the user department through the SAP tool, where a purchase requisition (PR) is created. The Head of Central Procurement assigns approved requisition to a procurement officer for processing. The assigned procurement officer sends Request for Quotation (RFQ) to as many vendors in our registered vendor master in SAP dealing with such items for quotation. The Company's policy states that a minimum of three quotations are required for price comparison. If the item is being sourced from the original equipment manufacturer (OEM) or its authorised dealer in the country, one quote will do. When the vendor reverts with its quotations, the concerned procurement officer after negotiation will upload each vendor's quotations into the system.

Based on the recommendation of the plant purchase committee, the plant procurement issues a purchase order (PO) which is created in SAP. The approval levels for the PO are:

- the Plant Procurement/ GM, materials; and
- the Plant Director.

Following the approval of purchase orders the vendor acknowledges and makes the delivery. The end user who requested for the item(s) inspects the material and decides if it should be accepted or rejected. The finance department will book the invoice based on the accepted GRN, and payment to the vendor will be made accordingly.

Summarised narrative on DCP policy towards patronising local business

All requisitions from the end user are sourced locally first; it is only when we do not get quotations locally that we source abroad or if it will be cheaper. In other words, priority is first given to the local market/procurement before any consideration is given to foreign procurement. For more accurate data, the value of the actual spend for both local and foreign vendors can be gotten from the Finance team from the payment general ledgers.

Supply chain impact – Customer Trucks Empowerment Scheme (CTES)

Beneficiary Speaks

"We wish to express the appreciation of our company, His Divine Glory Enterprises Limited, to the Board and management of Dangote Cement Plc for the allocation of two units of 45-tonne trucks and a 30-tonne truck in November 2021. A year after the truck allocation, our company had taken stock of our operations and sales performance and observed that our sales have virtually been doubled.

The consistent trend revealed that our monthly performance which was hovering around 20 trucks per month is now in the range of 40 trucks. We have been able to achieve deeper penetration of the market, not only in Ikorodu, which then was our mainstay, but now to virtually all parts of Lagos and Ogun State. We have an increased and highly motivated task force. We now have an operational head office which can take at least ten trucks amongst many others. After a critical assessment, we arrived at this all-important conclusion, that the trucks allocated to us have been a blessing and had resulted in a unquantifiable and tremendous all-round success. While hoping that our company will be considered when such opportunities are available in the future, we thank Dangote Cement Plc for the privilege, and past and present opportunities."

Sustainable procurement

Every purchasing decision made has an impact on the environment, economy and society, from the energy utilised to power operations, to the conditions of the workers and every third party involved in sourcing raw materials and transporting them. It is therefore critical to integrate the knowledge and practice of environmental, social and governance (ESG) in the supply chain of business.

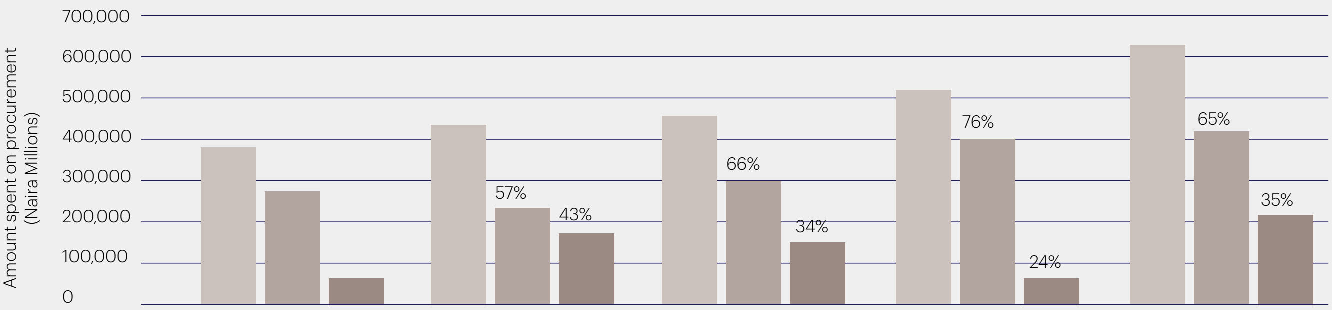
The role of procurement as a facilitator for sustainable supply chain management and engagement involves a deep culture change, a new way of engaging in business relationships with suppliers. This can be achieved through supplier forums, surveys and various avenues for receiving feedback. In 2022, we proactively engaged suppliers, vendors and contractors through our annual stakeholder engagement and materiality assessment survey and other vendor engagement forums to ensure common understanding, alignment and commitment to the process. As part of our efforts to create economic benefit to our host communities, we mapped waste for alternative fuel in those areas to enable community members to participate in the cement value chain. In 2022 we launched the use of the Dangote ESG Code of Conduct for Suppliers, Vendors and Contractors as a way of integrating best sustainability practices in our supply chain.

A female Dangote Cement truck driver

"Local procurement represents 65% of our total procurements in 2022, and this illustrates our commitment to boosting local industries, entrepreneurship, and economies for sustainable development in Africa."

2018 - 2022 total procurement spending

Procurement per year (₦'million)	2018	2019	2020	2021	2022
Total	418,690	434,065	509,964	632,960	**797,286**
Local	239,859	284,845	385,453	409,216	**496,349**
Imported	178,831	149,220	124,511	223,744	**300,937**



NOTE: Using the sample graph that we have pasted here, please update the chart with 2022 performance figures (total 797,286; Local 496,349; Imported 300,937) and move the chart above the table. Let the years in the table align with the annual performances in the graph.

Prioritising local content

As part of our corporate responsibility to our countries of operation, we source much of our procurement needs from local markets. It is only in cases where vendors for specific goods and services could not be sourced locally that we resort to importation.

Our local suppliers range from Small and Medium-Scale Enterprises (SMEs) to large multinational companies. Patronising local products and services is our way of boosting local industries and entrepreneurship, supporting a stable local economy, and propelling sustainable growth and development in the African continent. In 2022, a total of ₦797,286 million was spent for local and imported procurements across all operations. Out of the total procurement spending, ₦496,349 million was spent on local products and services while ₦300,937 million was spent on imported procurements.

Product quality and market competitiveness

Dangote Cement sets quality targets to continuously manufacture products with a consistent level of quality, and continuously evaluates the status of achievement of those targets. Our strong commitment to continuous product innovation and the quality that our products offer are the reasons we enjoy a strong market share and leadership in Sub-Saharan Africa.

We have a rigorous quality assurance procedure that starts with ensuring that we apply the right quality raw materials. We have constantly deployed the most advanced technology at plants like Prompt Gamma Neutron Activation Analysis (PGNAA) for online analysis, robotic laboratory and fully automated central control room systems equipped with Human Machine Interface technology (HMI). This technology helps us to drive resource efficiency and process optimisation and mitigate the environmental footprints of our products while delivering quality products that meet the needs of our esteemed customers. We also ensure that all our products and services are consistently tested for quality assurance and safety.

Dangote Cement`s products

Redemption management:

- Well trained redemption clerks at 200 redemption centres nationally.
- Availability of promo items across the redemption centres and prompt payment of star winners.

Responsible marketing and respect for customer privacy

Our responsible marketing strategy is about building trust and ensuring that we are not only meeting customers' needs but also having a positive impact on them and the communities. Dangote Cement is committed to responsible marketing and labelling of our products to meet the global best practice and regulatory standards for product transparency in the markets where we operate. We strive for labelling and marketing expressions that are trusted by customers. With this strategy, we will remain focused on approaches for improving our route to market and promotional campaigns that support growth in sales volume.

Our marketing practices conform to the highest ethical standards, based on transparency, honesty and full disclosure. We respect the privacy rights of our customers who disclose Sensitive Personal Information to the Company as part of business transaction requirements, and we ensure that their information is kept confidential. In all the markets where we operate, we are obliged to comply with and adhere to data protection laws (such as the Nigerian Data Protection Regulation, 2019; South Africa's Protection of Personal Information Act, 2013; Senegal's Cybersecurity and Personal Data Protection Act, 2016; and so on). We ensure compliance with these regulations. We care about how customer data is used and shared, and we place a premium on the trust afforded us by our customers. We utilise the highest

National Consumer Promotion

Dangote "Bag of Goodies"Consumer Promo Season 3

On 15 July 2020, Dangote Cement Plc launched the Spell and Win "Bag of Goodies" Consumer Promo, a National Consumer Promotion (NCP) approved initiative that was designed to produce nine millionaires daily as a way of rewarding consumers and improving the livelihood of our consumers around Nigeria. The mega promo produced over 7,292,877 beneficiaries (winners), 238 star-prize winners with cash of ₦1,000,000.00 each, and impacted positively on the livelihood of loyal customers across the country. The 2022 consumer promo has been well-timed, empowering our loyal customers financially and helping to mitigate the economic effect of inflation. In addition to supporting sales growth, this promo served as a palliative for the tough economy and ameliorated challenges through direct appreciation of loyal Dangote Cement customers. The Dangote Bag of Goodies promo has been unmatched in the local cement industry both in scale, impact, and reach.

The promo produced 238 millionaires plus over seven million beneficiaries of other prizes including refrigerators, electronic fans, power generators, 43" LED TVs and millions in cash and telephone airtime.

A winner in Dangote "Bag of Goodies" promo

"Our responsible marketing strategy is about building trust and ensuring that we are not only meeting customers' needs but also having a positive impact on them and the communities."

standards of data privacy in storing information sourced from our value chain and communicate clearly to our customers the type of data we collect, what it is used for and additional analysis performed on the data if any. No complaints were received regarding any breaches of customer privacy or misuse of personal data in the reporting year. Further details about our privacy and data protection policy can be gotten on our websites: www.dangotecement.com.

Dangote Cement conducted a customer satisfaction survey twice in the year 2022 to gain insight into customer perception and needs and to confirm their loyalty to Dangote Cement as well as get useful feedback on how to serve them better. Dangote Cement was able to measure customer satisfaction on different aspects of its products and services. The feedback on customers' insights helped us to identify unhappy customers, practices and developments that require corrective actions. As a customer-centric company committed to consistently exceeding customers' expectations and providing satisfaction, the feedback from our consumers was analysed and recommendations on how to improve were made and they are being implemented.

A week to celebrate our customers

The annual internationally recognised celebration was held on 4–7 October 2022 with the theme – Celebrate Service. The 2022 customer service week was celebrated in a more creative way through several engaging activities to excite, motivate, boost morale, and build strong bonds among staff. As customary, Dangote Cement Plc reached out to our esteemed customers to appreciate them for their patronage and loyalty to the Dangote Cement brand. Staff were highly appreciated for the unique role that they are playing in ensuring that we keep our promise of excellent service to our dear customers.

The customer satisfaction survey aim to measure customers' satisfaction in order to retain customers and attract new ones. The feedback on customers insights, helps us to improve.

Awards and Recognitions

A recognition can be seen as a "thank you" for your work. It is great for a meaningful contribution to development, but more importantly it challenges our performance to achieve greater results in the coming year. Among the diverse awards we received from reputable institutions in 2022 were the best company in reporting and compliance award by the SERAS CSR Awards Africa and the best company in sustainability reporting award by CSR Reporters. In Pan-Africa we received the Zambia Best Community Social Impact Award by the CSR & Responsible Business Awards.

Dangote Cement has also received numerous recognitions from capital market regulators and players alike such as: Largest corporate bond lodgement by FMDQ, the best issuer in terms of the fixed income listings by the Nigerian Exchange Limited (NGX) and the sectoral leadership award at the 2022 PEARL Awards.

Sectoral leadership awards at the 2022 PEARL awards

ECOSEA Environmental Sustainability award

Figure 3.13: CSR Reporters Award, best company in sustainability reporting

"

Dangote Cement has also received numerous recognitions from capital market regulators and players alike."

Strategic report

CORPORATE GOVERNANCE

Corporate governance

"At the apex of our corporate governance framework is our Board of Directors, who centrally set the strategy, maintain oversight, and drive our corporate governance framework and practice except on matters where the shareholders exercise voting rights."

Edward Imoedemhe
Ag. Company Secretary

A CULTURE OF STRONG GOVERNANCE

Distinguished shareholders, I am delighted to present the Corporate Governance Report for the Year 2022. This Report sets out the principles by which Dangote Cement Plc is governed and the activities of the Board and Board Committees for the Year under review.

Aliko Dangote, GCON
Chairman

Corporate Governance Framework

Our Board of Directors has established a Corporate Governance Framework over the years, which addresses, among others, the Board's mission, its structure and Committees, the responsibilities and remuneration of Directors, the role and appraisal of the Group Managing Director and the strategy for Board and Executive succession. In addition, the Board reviews development in corporate governance and updates the Corporate Governance Framework in line with best practices.

The Board of Directors

The Board of Directors is at the heart of our corporate governance framework. It serves as the ultimate decision-making body outside matters statutorily reserved for the shareholders. The roles and responsibilities of the Board and its Committees are documented in the Board and Committee Charters. The Board is responsible for the activities of the Company, its strategy, risk management and financial performance alongside the corporate governance framework.

Board composition

As of 31st December 2022, the Board comprised 15 Directors with manufacturing, finance, engineering, business and law skills. They bring a wealth of experience, providing strategic direction for the Company and ensuring its objectives are achieved. The Board comprises myself, the Group Managing Director, the Group Deputy Managing Director, five Independent Non-Executive Directors and seven Non-Executive Directors.

As the Chairman of the Board, I provide a leadership role and act as a liaison between the Board and Management through the Group Managing Director. I am responsible for the effective governance of the Board and set its agenda in consultation with the Group Managing Director and the Company Secretary, with contributions from other Board members. The Chairman and Group Managing Director positions are separate and held by different individuals in line with the Securities and Exchange Commission Code and the Nigerian Code of Corporate Governance. Arvind Pathak (whose appointment took effect 1st March 2023) and Philip Mathew, who respectively are Group Managing Director and Deputy Group Managing Director, are responsible for the execution of strategy and daily management of the Group, supported by the Executive Committee (ExCo).

The Board is responsible for the activities of the Company, its strategy, risk management and financial performance alongside the corporate governance framework..“

The Board periodically assesses the independence of the Independent Non-Executive Directors, in line with the Corporate Governance Codes and has concluded that they are all independent in character and judgement. The Non-Executive Directors bring a wide range of international expertise to the Board as they occupy senior positions in the business world, industries, law, finance and public life. We believe the current Board size and composition are appropriate and would continue to improve the gender diversity of the Board.

The Company Secretary

The Acting Company Secretary and General Counsel, Edward Imoedemhe, support the Board's effectiveness and corporate governance practices. He guides the Directors concerning their duties, responsibilities and powers. He also ensures compliance with procedures and regulations necessary for the conduct of the affairs of the Board. In addition, the Acting Company Secretary attends and acts as Secretary to all the Committee meetings.

Board Committees

The Board governs the Company through the operation and oversight functions of Board Committees, which have terms of reference issued by the Board. All Committee Chairmen report on the proceedings of their Committee meetings at the Board meetings. The Board has four Committees – the Audit, Compliance and Risk Management Committee, the Finance and Investment Committee, the Technical and Sustainability Committee, and the Remuneration, Governance and Nomination Committee. Reports from these Committees, which form part of this Report, can be found on pages 94 to 97.

Delegation to Management

In line with good corporate governance practice, Board delegates some responsibilities for implementing the Company's overall strategic plan, leadership and management to the Group Managing Director and Deputy Managing Director, supported by the Executive Committee. The profiles of the Executive Committee can be found on pages 87-89.

Appointment and re-election of Directors

The Board Remuneration, Governance, and Nomination Committee leads the process in accordance with the Board Appointment Policy, utilising the Board membership criteria while taking into cognisance the experience of Directors on the Board as well as the attributes of the nominee. Upon appointment, a new Director is issued a letter of appointment that sets out the Director's tenure, role, duties and powers. The Company has a Tenure Policy in line with the Corporate Governance Codes. According to the Policy, an Executive Director serves for an initial term of five years, a Non-Executive Director for an initial term of three years with additional terms of three years each, and an Independent Non-Executive Director for an initial term of three years with additional terms of three years each. The terms are renewable and subject to satisfactory performance. Non-Executive Directors who are 70 years of age or more are disclosed to shareholders at Annual General Meetings in line with the Companies and Allied Matters Act, 2020 (CAMA).

Director induction and development

As the Chairman of the Board of Directors, I am responsible for ensuring that induction and training programmes are provided for Directors based on training needs and gaps identified in consultation with the respective Directors. Also, the Board has established an Induction and Training Policy for Directors, and they receive periodic training and inductions. In addition, the Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a director of a listed company.

Board and Committee meetings

Meeting dates for Board and Committee meetings are agreed upon in advance, and notices of meetings and other Board papers are sent to Directors ahead of the meetings. Working with the Acting Company Secretary, I implement an Annual Agenda Plan to assist the Board and its Committees in discharging their roles and responsibilities in line with their charters. Board meetings were well attended, with Directors' attendance exceeding two-thirds as required by the Corporate Governance Codes. Details of Board and Committee meeting attendance are shown on pages 194-195.

Key matters during the year

The Board met five times during 2022 and details of key matters discussed at these Board meetings are indicated below:

Share buyback scheme	The Board considered and approved the second share buyback scheme, allowing the Company to purchase its own shares.
Review and approval of budget	The Board reviewed and approved the Budget for the succeeding financial year.
Succession Plan Policy	The Board reviewed and approved the Succession Plan Policy for the Company
Board and subsidiary Board meetings	The Board reviewed and approved Board and Committee Meeting dates for the succeeding financial year.
Quarterly and full year financial statements	The Board reviewed and approved unaudited quarterly accounts and the audited financial statements and submitted the latter to the shareholders to approve at the Annual General Meeting.
Approval of dividends	The Board proposed a dividend for the financial year, which was approved by shareholders at the Annual General Meeting.
Quality/operational efficiency	The Board reviewed and approved several initiatives to enhance quality and improve operational efficiency in the Company.
Health, Safety, Security and Environment	The Board reviewed and approved systemic and strategic approaches to improve health, safety, social and environmental matters within the Company and its subsidiaries.
Transport	The Board reviewed and approved strategic approaches to improve transport operations in the Company.
Annual General Meeting	The Board resolved on the date, venue and other modalities for the Annual General Meeting of the Company.

Review of the Governance Framework and policy formulation

The Board ensures continuous reviews of the Company's governance framework. Further to these reviews, the Board approves the formulation of policies that are in line with good governance and has taken cognisance of the regulatory and business environment. These include:

Annual Agenda Cycle	This represents the minimum agenda to be considered by the Board and Board Committees considering the current information needs of the Board. Additional matters requiring the Board's attention are added as required.
Anti-Bribery and Corruption Policy	The policy demonstrates the Group's zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial fraud. The Company has established an Anti-Fraud Programme that sets out the anti-fraud prevention and detection strategies.
Board Appointment Policy	This policy sets out the standards for the appointment of the Directors and aims to achieve a balance of experience and diversity amongst its Directors.
Board Development Policy	This policy seeks to institutionalise training and development of the Directors.
Board Evaluation Policy	This policy provides a systematic method of assisting Board members in the assessment of the Board's scope of operation and responsibilities.
Board Remuneration Policy	This policy reflects the Group's desire to sustain value creation for shareholders and aims to attract the requisite people to deliver the Group's strategy.
Board Reporting Framework	This provides guidance on information to be provided by Senior Management to the Board and Board Committees, to aid the discharging of their responsibilities in line with the Framework.
Board Tenure Policy	This outlines the criteria for ensuring the rotation and appointment of Board members in order to maintain continuity of experience and introduce people with new ideas.
Communication Governance Policy	This establishes guidelines for communication of general and price-sensitive information about the Company to stakeholders in line with regulatory requirements.
Complaints Management Policy	This policy has been designed in line with the requirements of the SEC's Rules. It defines a procedure for managing complaints from shareholders.
Conflict of Interest/ Related Party Transaction Policy	This provides a framework to identify, and manage actual and perceived conflicts of interest.
Dangote Safety Golden Rule	This describes mandatory safety rules and regulations applicable to all staff, contractors and visitors.

Directors' Code of Conduct Policy	This sets out the standards that each Director is expected to adhere to while conducting his/her fiduciary duties. This Code is intended to provide guidance to Directors on ethical issues and help foster a culture of integrity.
Executive Management Remuneration Framework	This policy seeks to link performance and reward by providing a variable/at risk element of executive remuneration that encourages performance.
Group Executive Committee Charter	This Charter governs the operations of the Group Executive Committee (ExCo) of DCP.
Group HSSE Standards	These Standards describe the requirements for reporting and investigating HSSE incidents. They ensure DCP adopts a rigorous risk analysis process to make informed and productive decisions.
Insider Trading Policy	This Policy provides guidelines regarding the dealing in DCP's shares or securities on the basis of potentially price-sensitive information that is not in the public domain. The Company issues "Closed Trading Period" notifications to insiders as required by capital market regulations. Having enquired, we can confirm that all Directors complied with the Insider Trading Policy during the year.
Subsidiary Governance Framework	This articulates the framework to assist the Board of Directors in the governance of subsidiary companies, with the goal of achieving the Company's vision, strategic objectives and business goals.
Succession Planning Policy	This policy describes the process of identifying and developing successors for critical positions in the Company. The focus of this policy is to ensure that qualified people are available to fill vacancies at Executive Management level as and when needed.
Whistleblowing Policy	In line with the SEC Code and international best practice in corporate governance, this policy seeks to enable stakeholders raise concerns about possible improprieties without fear of reprisal.

Code of Ethics

The Board has formalised a Directors' Code of Ethics, setting out the standards of conduct expected from Directors. To this end, the Directors attest to a Code of Conduct annually. To inculcate good ethical conduct, the Company has also established a Code of Conduct for employees, which has been disseminated to all employees through the employee handbook.

Succession planning

The Board views succession planning as important for business continuity. To ensure its success, the Board has established a Succession Planning Policy to ensure that there are processes in place to provide for the orderly succession of senior management.

Board and Directors' evaluation

In line with the provisions of the Corporate Governance Codes and in accordance with the Board Evaluation Policy, we conduct evaluations of the Board and individual Directors, as well as the Company Secretarial function. Upon completion, the results are given to the Chairman, who in turn provides assessment feedback to each Director. The result of the evaluation indicated that the Board and Corporate Governance framework is in compliance with the Codes of Corporate Governance. The process is designed to enhance Board performance, comply with regulatory requirements and demonstrate accountability to all stakeholders.

Shareholder engagement

As a Board of a premium-listed company on the Nigerian Exchange Group, our Board attaches importance to constructive relationships with all stakeholders. We have a dedicated Investor Relations team that reports to the Group Chief Financial Officer. The team is responsible for maintaining long-term relationships with investors and analysts. As Chairman, I also had meetings with investors to discuss matters of interest.

Annual General Meeting

The Annual General Meeting is the principal opportunity for the Board to meet shareholders and for me, as the Chairman, to give a report on the Company's activities during the year, and provide clarifications on issues raised by shareholders. Shareholders have the right to ask questions at the Annual General Meeting or submit them in writing to the Company Secretary no later than 24 hours before the start of the AGM. The Notice of Annual General Meeting is sent to our shareholders, at least 21 days before the AGM is held. I hope the Annual Report, which outlines the work of our Board and its Committees during the year, will be informative to you as co-owners of the Company.

Aliko Dangote
Chairman
1 March 2023

Board of Directors

Aliko Dangote, GCON
Chairman

Date of appointment:
4 November 2002

Aliko Dangote is the Chairman of the Board of Directors, Dangote Cement Plc. He is the founder and President/ Chief Executive of Dangote Industries Limited, the largest conglomerate in West Africa. A graduate of Business Studies from Al-Azhar University in Cairo, Egypt, he started business in 1978 trading in commodities, before he ventured into full-scale manufacturing. He has been conferred several Honorary Doctorate degrees from various prestigious Universities across the globe, including Coventry University in the United Kingdom (2016), University of Ibadan in Nigeria (2016), and Ahmadu Bello University (2019). He is well known for his philanthropic engagements in local and international initiatives via the Aliko Dangote Foundation; committed to improving healthcare, education, and social wellbeing. In addition, he seats on the boards of notable international bodies involved in global economic growth, sustainable development, and healthcare initiatives. These include the JP Morgan International Council, the Clinton Health Access Initiative, the McKinsey Advisory Council, the International Business Council of the World Economic Forum, the Harvard Advisory Council, amongst others. The Nigerian Government conferred on him the Grand Commander of the Niger (GCON), the first person outside government functionaries to be awarded this honour.

Michel Puchercos
Group Managing Director

Date of appointment:
1 February 2020

Michel Puchercos was appointed to the Board of Dangote Cement in 2020 as the Group Managing Director. He has more than twenty (20) years' experience in the cement industry, having served in various capacities at Lafarge including as the President & Chief Executive Officer of Lafarge Halla Cement from January 2009 to March 2016, Director of Strategy and Systems at Lafarge Gypsum from September 1998 till March 2003 and also as Chief Executive Officer of Bamburi Cement, Kenya, Hima Cement, Uganda and Chairman, Mbeya Cement, Tanzania from June 2005 till December 2008. He served as the Group Managing Director and Country CEO of Lafarge Africa Plc, a company listed on Premium Board of the Nigerian Stock Exchange, from April 2016 till December 2019. He is a graduate of the Ecole Polytechnique (1976) and the Ecole Nationale du Génie Rural, des Eaux et des Forêts (1981).

Michel Puchercos retired from the Board of Directors effective 28 February 2023.

Philip Mathew
Deputy Group Managing Director

Date of appointment:
15 September 2021

Philip Mathew is a professional with 34 years of working experience in large global and regional cement industries and has been involved in project management from feasibility to commissioning and stabilisation. He has worked with multicultural teams in different countries and held several roles, including Process Engineer, Optimisation Manager, Plant Manager, Technical Director, Director Performance and Progress, Chief Manufacturing Officer, and recently, Head of Cement Excellence Manufacturing for the Asia-Pacific region; defining the strategic goals and ambitions for cement manufacturing at regional level for a global cement company.

Olakunle Alake
Non-Executive Director

Date of appointment:
22 July 2005

Olakunle Alake was appointed to the Board of Dangote Cement Plc on 22 July 2005. He is also the Group Managing Director of Dangote Industries Limited. He was appointed to the Board of Dangote Industries Limited as Executive Director in 2001. He holds a bachelor's degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined Dangote Industries Limited in 1990, after six years at Pricewaterhouse Coopers. He has held several management positions in Dangote Industries Limited, including Financial Controller and Head of Strategic Services.

Devakumar Edwin
Non-Executive Director

Date of appointment:
22 July 2005

Devakumar V. G. Edwin was previously the Chief Executive Officer of Dangote Cement Plc, until he resigned as the Group CEO on 31 January 2015. Following 14 years spent in industrial management including a stint of 3 years as a Managing Director, in India, he joined Dangote Industries Limited in 1992 and has held several managerial positions within the Group. He is a Chartered Engineer, holding graduate and master's degrees in Engineering from the Madras University, India, and holds a postgraduate diploma in Management from IITM, Holland, all obtained in 1978, 1980 and 1986 respectively.

Abdu Dantata
Non-Executive Director

Date of appointment:
22 July 2005

Abdu Dantata is a Non-Executive Director in Dangote Cement Plc and an Executive Director in Dangote Industries Ltd. He is also the Chairman of Agad Nigeria Limited, a trading and transportation company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping. He obtained an Executive Programme Certificate in Sales and Marketing from the Kellogg Senior Management School at Northwestern University, Chicago.

A Audit, Compliance and Risk Management Committee
R Remuneration, Governance and Nomination Committee
F Finance and Investment Committee
N No Committee
T Technical and Sustainability Committee
Chairman

Ernest Ebi MFR

Independent Non-Executive Director

Date of appointment:
30 January 2014

Ernest Ebi has more than 40 years of banking experience from various leadership positions in Nigeria. He is also the former Chairman of the Board of Directors of Fidelity Bank Plc. In a very distinguished career within the financial services industry, he went on to serve in leadership positions across a number of banks. In June 1999, he was appointed as a Deputy Governor at the Central Bank of Nigeria where he covered the policy and corporate services portfolios over a ten-year period. He maintained oversight functions over Nigeria's External Reserves, International Economic Relations, Trade & Exchange and Research Department, among other responsibilities. He was a key member of the banking sector reform team, especially during the major consolidation process in 2006. In recognition for his sound professional background and track record of meritorious service, the Federal Government of Nigerianin 2007 awarded him the National Honour of Member of the Order of the Federal Republic (MFR). He sits on the boards of several blue-chip companies.

Emmanuel Ikazoboh

Independent Non-Executive Director

Date of appointment:
30 January 2014

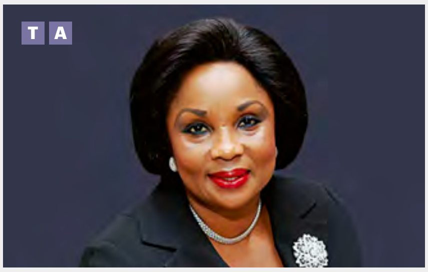
Emmanuel Ikazoboh has over 40 years of experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He was previously the Group Chairman of Ecobank Transnational Inc., the Pan-African banking group. He started his professional career at Akintola Williams Deloitte. He first became the Managing Partner for francophone offices in Cameroon and Côte d'Ivoire and later became the Managing Partner of the Deloitte firm in West and Central Africa until 2009. In 2010 he was appointed by the Securities and Exchange (SEC) as an Interim Administrator to carry out capital market reforms of the Nigerian Stock Exchange (NSE) and the Central Securities Clearing System Plc. (CSCS). He serves on several corporate boards as Chairman or Non-Executive Director. He obtained an MBA in Financial Management and Marketing from Manchester University Business School in 1979, a Certified Accountant in the United Kingdom, and a fellow of the Nigeria Institute of Chartered Accountants.

Douraid Zaghouani

Non-Executive Director

Date of appointment:
29 April 2015

Douraid Zaghouani was appointed to the Board of Dangote Cement Plc on 29 April 2015 as a Non-Executive Director. Douraid is Chief Operating Officer of Investment Corporation of Dubai ($309 billion AUM), the principal investment arm of the Government of Dubai. In this role, he is responsible for the efficient operational management of the organisation, overseeing the functions of Finance, Strategy, Legal and Compliance, Risk and Audit, ESG, and IT, with the aim of optimising business performance. He joined ICD in 2014 after a distinguished and international career at Xerox for over 25 years, where his most recent position was Corporate Officer and Global President, Channel Partners Operations, based in New York (responsible for a $10.3 billion business). Douraid serves as Chairman of the Board of Dubai Global Connect. He is on the Board of Directors of IHI (International Hotel Investment), of CDI (Corinthia Development International), and of IPEMED (Institut de Prospective Economique du Monde Mediterraneen). Douraid is a Civil Engineer from Ecole Nationale des Travaux Publics de l'Etat (France) and is also a graduate in Business Administration - Strategy and Management from ESSEC (Ecole Superieure des Sciences Economiques et Commerciales) business school in Paris.



Dorothy Udeme Ufot, SAN

Independent Non-Executive Director

Date of appointment:
19 April 2016

Dorothy Udeme Ufot has more than 26 years' experience in commercial litigation, having been admitted to the Nigerian Bar in 1989 and then admitted to the Inner Bar as a Senior Advocate of Nigeria (SAN) in April 2009. She also qualified as a Chartered Arbitrator at the Chartered Institute of Arbitrators, London, in 2003. She obtained Bachelor's Degrees in Political Science in 1983 and Law in 1988 from the University of Calabar, Nigeria and the University of Lagos respectively. She also obtained a Master's Degree in Law in 1996 and an Advanced Diploma in Commercial Law Practice from the University of Lagos in 1998. She is an internationally recognised expert in commercial arbitration, and was appointed as a member of the International Chamber of Commerce (ICC)'s International Court of Arbitration, Paris (2006 – 2018). She became one of the eight Global Vice-Presidents of the ICC Commission on Arbitration (2014 – 2016) and won the prestigious African Arbitrator of the Year Award in 2020.

Viswanathan Shankar

Non-Executive Director

Date of appointment:
10 December 2017

Viswanathan Shankar is Co-founder and Chief Executive Officer of Gateway Partners, a private equity and alternative investments manager focused on investing in the dynamic growth markets of Africa, Asia and the Middle East. He previously served as CEO – Europe, Middle East, Africa and Americas, and was a member of the global board of Standard Chartered Plc. Prior to that, he served as Head of Investment Banking for the Asia Pacific at Bank of America. Mr. Shankar is currently a Non-Executive Director of Dangote Industries Limited, Nigeria; Vision Blue Resources, Guernsey; Gateway Real Estate Africa, Mauritius; and, Fund for Export Development in Africa, Egypt. His past appointments in non-executive roles include: the boards of the Inland Revenue Authority of Singapore; Enterprise Singapore; Majid Al Futtaim Holdings; and Vice-Chair of the Future of Banking Global Agenda Council of the World Economic Forum. The Government of Singapore awarded him the Public Service Medal in 2014. Mr. Shankar obtained a Bachelor's degree in Physics from Loyola College, Madras in 1977 and a Masters' degree in Business Administration in 1979 from the Indian Institute of Management, Bangalore.

Sir Michael Davis

Independent Non-Executive Director

Date of appointment:
20 April 2018

Sir Micheal Davis is the Chairman of Macsteel, a global trading and shipping company. He has recently launched Vision Blue Resources Limited, an investment organisation that invests in companies, operations and projects that produce metals and minerals that support energy and other changes that support the reduction in CO2 emissions. From 2001 to 2013, he was the Chief Executive of Xstrata, one of the world's largest global diversified mining and metal companies. Prior to joining Xstrata, he was Executive Director and Chief Financial Officer of Billiton Plc. He has extensive capital markets and corporate transaction experience. During his career, he has raised more than $40 billion from global capital markets and successfully completed more than $120 billion of corporate transactions, including the listing of Billiton on the London Stock Exchange, the merger of BHP and Billiton into the largest diversified mining company in the world and the successful merger of Xstrata and Glencore. Sir Davis obtained a Bachelor of Commerce (Honours) degree from Rhodes University in 1979 and an Honorary Doctorate from Bar Ilan University in 2012.

Cherie Blair CBE, QC
Independent Non-Executive Director

Date of appointment:
20 April 2018

Cherie Blair is a leading international lawyer, arbitrator and mediator, a former judge and a committed campaigner for women's rights. She is the Founder of the Cherie Blair Foundation for Women, and the Founder and Chair of Omnia Strategy LLP, an international law firm. She is Chancellor of the Asian University for Women, Chancellor Emeritus of the Liverpool John Moores University and has served in this capacity since 2011. She is also the President of the Loomba Foundation, Honorary Vice President of Barnardo's and Patron of Scope, as well as a number of other charities. She was appointed as an Independent Director on the Board of Groupe Renault from 2015 to 2019. She was awarded a CBE in 2013 for services to women's issues and to charity in the UK and overseas. She graduated with first class honours in 1975 from the London School of Economics. She was called to the Bar of England and Wales in 1976; and was appointed Queen's Counsel in 1995.

Berlina Moroole
Non-Executive Director

Date of appointment:
24 July 2020

Berlina Moroole is the Group Chief Operating Officer for Rand Mutual Assurance (RMA), she was previously the Group Chief Risk Officer. Prior to joining RMA, she held several senior management roles at different companies, Motus Holding Limited, Liberty Holding Limited and a Partner at Deloitte. She is an Independent Non-Executive Board Member and member of the Audit and Risk Committee for Emira Property Fund Limited; was previously an Independent Non-Executive Board Member, Chairperson for both the Audit Committee and Social Ethics Committee and a member of the Risk Committee at Assupol Holding and Life; Advisory Audit Committee member for the United Nations Population Fund (UNFPA) and the Board Member for the Legal Aid South Africa. Berlina is a qualified Chartered Accountant (SA).

Halima Aliko-Dangote
Non-Executive Director

Date of appointment:
26 February 2022

Halima Aliko-Dangote is currently the Group Executive Director, Commercial Operations at Dangote Industries Limited, where she is responsible for leading the development and execution of Dangote Groups' Customer and Shared services strategy with specific oversight for the following functions: Commercial, Strategic procurement, Branding & Communications and Corporate Services. Mrs. Dangote also served as Executive Director of Dangote Flour Mills, where she led the successful turnaround and recent sale of the business. Prior to then, she served as Executive Director of NASCON and continues to serve as a Non-Executive Director of NASCON. She is currently the Board President of The Africa Center (TAC) in New York, a Board member of Endeavour Nigeria and a member of the Women Corporate Directors (WCD). Mrs. Dangote started off her career as an Analyst at KPMG and has over 13 years of professional experience, holds a Bachelors' Degree in Marketing from American Intercontinental University, London, and a Master of Business Administration from Webster Business School. She is a Trustee of the Aliko Dangote Foundation and is happily married with children.

Executive committee

Michel Puchercos
Group Managing Director/ Chief Executive Officer

Michel Puchercos was appointed to the Board of Dangote Cement in 2020 as the Group Managing Director. He has over 20 years' experience in the cement industry, having served in various capacities including President and Chief Executive Officer of Lafarge Halla Cement; Director of Strategy and Systems at Lafarge Gypsum; Chief Executive Officer of Bamburi Cement and Hima Cement; and Chairman of Mbeya Cement in Tanzania. His last appointment was as the Group Managing Director and Country CEO of Lafarge Africa Plc.

Michel Purchercos retired from the Board of Dangote Cement Plc effective 28 February 2023.

Arvind Pathak
Group Managing Director/ Chief Executive Officer Dangote Cement Plc

Date of appointment:
1 March 2023

Arvind Pathak is an experienced business leader who worked as MD and CEO of Birla Corporation Ltd before his appointment to Dangote Cement Plc. Prior to this appointment, he was the Chief Operating Officer and Deputy Group Managing Director of Dangote Cement Plc until 2021. With over 37 years of experience in the cement industry, he has worked most of his tenure in turning around businesses, operations and maintenance of plants, as well as leading important greenfield projects.

Mr. Arvind Pathak also worked at Reliance Cement as CEO from 2008 to 2015. He was previously the Regional CEO of Associated Cement Company Limited. He obtained a degree in Electrical Engineering in 1980 and a postgraduate degree in Industrial Engineering and Management in 1982. He has also been trained in a number of international management colleges and was a Fulbright scholar.

Philip Mathew
Deputy Group Managing Director

Philip Mathew joined Dangote Cement in 2021, as the Deputy Group Managing Director. He has over 35 years of experience in the cement industry, with large regional and international companies. Prior to joining Dangote, he was Head of Cement Manufacturing Excellence for LafargeHolcim APAC region. He has worked across various countries in Europe and Asia, in different roles, leading plant, country and regional manufacturing teams. Apart from a background in leading operational excellence, he has broad-ranging experience in establishing and stabilising new cement plants and piloting transformational change in large industrial organisations. He is a chemical engineer from the Indian Institute of Technology (IIT), Madras.

Dr. Gbenga Fapohunda
Ag. Group Chief Financial Officer

Dr. Gbenga Fapohunda was appointed Acting Group Chief Finance Officer of DCP on 1 July 2022. Dr. Fapohunda is a multi-skilled finance professional with over twenty years of experience. He joined DCP as the Regional Chief Finance Officer (CFO) in Nigeria, effective 1 March, 2021. Before this, he was the Executive Finance Director for West Africa at Japan Tobacco International (JTI), where he was on the Board. He joined JTI from United Parcel Service (UPS), where he was Nigeria's Chief Finance Officer (CFO). Prior to JTI, he was the CFO and a board member at British American Tobacco (BAT) Ghana, where he oversaw 12 countries in Africa. Earlier in his career, he was a manager within the financial advisory team at PricewaterhouseCoopers (PwC) and also worked as a consultant at KPMG Professional Services.

He holds an MBA in Finance from London Business School, UK and a Doctor of Philosophy (Marketing) from Delta State University. Gbenga is a Fellow Member of the Institute of Chartered Accountants of Nigeria; an Associate Member of the Chartered Institute of Taxation; an Associate Member of the Institute of Cost Management Accountants; An Associate Member of the Institute of Treasury and Financial Administration; an Associate Member of the Institute of Credit & Risk Management; and an Associate Member of the Nigerian Institute of Management.

Dr. Adenike Fajemirokun
Group Chief Risk Officer

Dr. Adenike Fajemirokun is the Group Chief Risk Officer, leading the Risk Management functions for the Group and overseeing the Company's governance model and Enterprise Risk Programme. She is a renowned Risk Management and Insurance specialist with over 21 years, diverse experience in developing and implementing Risk Management strategies in Financial, Engineering, Manufacturing and other Industries. She served in top management roles at Deutsche Bank AG, UK and Director of the Management Group for leverage finance at the Corporate and investment Bank. Dr. Fajemirokun holds a B.Eng. in Civil, Structural and Fire Engineering and a Ph.D in Risk Informed Engineering, both from the University of Manchester. A Fellow of the Engineering and Physical Sciences Research Council (EPSRC), and Specialist member (SIRM) of the Global Institute of Risk Management.

Edward Imoedemhe
Ag. Company Secretary and General Counsel

Edward Imoedemhe is the Acting Company Secretary/ General Counsel of Dangote Cement Plc. He was the Deputy Company Secretary/Legal Adviser of Dangote Cement Plc, a position he held from 29 June 2018 until his recent appointment. He has a Master's Degree in maritime and commercial law, is a chartered secretary, a member of the Society of Corporate Governance and a chartered arbitrator. His experience spans corporate and company secretarial practice, compliance and administration of corporate affairs, litigation and dispute resolution, contract management and international commercial transaction in the oil & gas, HSE, manufacturing, shipping and telecommunication sectors

Gloria Byamugisha
Group Chief Human Resource Officer

Gloria Byamugisha joined Dangote Cement in October 2021 as the Group Chief Human Resource Officer with over 20 years' experience in Human Resources, of which 15 were in C-suite roles. She has held several Director Roles in leading organisations and her experience spans across Telecommunications, Banking and Public sector in different geographies. She holds an undergraduate degree in Business Administration & Management from Uganda Martyrs University. She has a postgraduate diploma in Human Resources from the University of Bedfordshire and an MBA in Finance & Management from the University of Westminster with Strategic Business Analysis at the London Business School. She is a certified trainer of the Extraordinary Leader Program by Louis Allen.

Igazeuma Okoroba
Head of Sustainability

Dr Igazeuma Okoroba joined Dangote Cement in October 2021 as the Head, Sustainability, overseeing DCP's Sustainability function. She is an experienced Development Sociologist specialised in CSR, sustainability strategy, reporting and climate action from diverse industries. Her professional experience spans over 17 years in Civil Society, Media, Oil and Gas and Telecommunications sectors. She has worked at United Nations Institute for Training and Research (UNITAR), Total Exploration and Production Nigeria, and joined Dangote Cement from IHS Towers Nigeria where she was Sustainability Manager, leading the Company's sustainability thought leadership programme.

Dr. Okoroba holds a B.Sc in Secretarial Administration, an M.Sc in Sustainable Development from the University of Exeter, UK and a PhD in Development Sociology, from the University of Port Harcourt, Nigeria.

Jonathan Ogiku MBA, FCA
Group Chief Internal Auditor

Jonathan Ogiku is the Group Chief Internal Auditor for Dangote Cement. He holds a Master's Degree (Executive MBA) from Lagos Business School, Pan Atlantic University and is a Fellow of the Institute of Chartered Accountants of Nigeria. Mr. Ogiku started his career with the British American Tobacco (BAT) Company Plc, as a management trainee in 1989 and held various senior roles as Operations Finance Manager, Treasurer and Head of Audit. During these years he had extensive international training in the UK in diverse areas in finance, internal audit, investigations, corporate security management and risk management. Jonathan's professional experience combines a deep understanding of manufacturing operations, cultural sensitivity and a commercial approach to business. He is a regular paper presenter at the ICAN MCPE & CPE programmes and a member of the Board of Directors of the Institute of Internal Auditors, Nigeria.

Jonathan joined Dangote Cement Group from BAT eight years ago as General Manager, Internal Audit responsible for Nigerian Operations. He was promoted to Senior General Manager, Group Head Internal Audit and Group Chief Internal Auditor over the years. He is currently leading various business improvement and transformation projects to transform Dangote Cement internal audit department to a world class internal audit function.

Kashinath Bhairappa
Director of Projects

Kashinath joined Dangote Cement in February 2001 as a General Manager and was subsequently elevated to Deputy Director of Projects, responsible for looking after Dangote Cement's projects. He previously worked with different cement manufacturers in India, including BK Birla Group (Cement), Ambuja Cements and Grasim Industries Limited at different levels in project management and execution. Mr. Bhairappa obtained a BA in Mechanical Engineering from Karnataka University, Karnataka State, in 1973.

Knut Ulvmoen
Supply Chain Director

Knut joined Dangote Industries Limited in 1996 as Finance Director. He previously had extensive finance experience in companies including Norcem, Bulkcem and Scancem. As Group Managing Director of Dangote Cement, from 2002 to 2007, he was instrumental in Dangote Cement's transition from importing cement to becoming Nigeria's leading manufacturer. As part of this expansion, he was a key figure in the acquisition of Benue Cement Company and in the development of plans to build the Obajana Cement factory in Kogi State. In addition to his work in cement, he was also involved in the development of Dangote Industries Limited's flour and sugar operation.

Mr. Knut has a degree in Environmental Management from Manchester Metropolitan University in the United Kingdom and a postgraduate degree in Organisation Leadership.

Oliver Obu
Group Financial Controller

Oliver joined Dangote Industries in 2012, specialising in Finance. After substantial in-house training he was assigned to Dangote Cement in 2015, as Head of Internal Reporting and Planning. He is a key member of the Company's Finance team, shaping its internal reporting and planning framework as well as working on the development of financial models for numerous projects undertaken by the Group. Oliver holds a BA in Economics and Statistics from the University of Benin and an MBA from the Lagos Business School in Nigeria. Oliver is a member of the Association of Chartered Certified Accountants, ACCA, UK.

Rajesh Kumar Kothari
Director of Operations, Pan-Africa

Rajesh joined Dangote Cements as Director of Operations (Pan-Africa) in October 2019. He is a competent technical professional with 39 years of wide and varied experience in cement manufacturing process, right from "quarry" to "lorry" especially, green and brownfield projects as well as plant maintenance. Rajesh has played a significant role in technical, production and maintenance while working in companies like Shree Digvijay Cement Co. Ltd for 20 years, Saurashtra Chemicals Limited for two years and Ambuja Cements Limited, a flag ship company of Lafarge Holcim, for 18 years. He is a qualified Mechanical Engineer B.E. (Mechanical) from Sardar Patel University, W Nagar, Gujarat, India in 1978.

Rabiu Umar
Group Sales and Marketing Director

Rabiu Abdullahi Umar joined DCP as Group Sales and Marketing Director with over 20 years' experience in senior and executive functions within the downstream Petroleum and Cement manufacturing sectors, with a focus on transformational leadership. Rabiu started his career in Oando Plc and rapidly rose to hold different management roles within the marketing business and led the Sales and Marketing Transformation plan successfully. In 2014 he moved to Lafarge Africa as the Energy and Power Director and subsequently managed Strategy and Business Development portfolio for West Africa in addition, where he led the development and execution of critical projects within Nigeria, Ghana and Cameroon. In 2016 he became the Managing Director/Chief Executive Officer of Ashaka Cement Plc and spearheaded the turnaround of the business until his departure in 2019 to join Dangote Industries Ltd as Group Chief Commercial Officer. A graduate of Accounting from Bayero University Kano and an Alumnus of Harvard Business School. He is also a member of the Institute of Directors.

Sada Ladan-Baki
Head, International Trade/Export

Alhaji Sada Ladan-Baki is a graduate of Economics from Ahmadu Bello University, Zaria, Nigeria. He holds a Masters Degree in Business Administration. He has about 30 years of experience in public service and fund administration. In 1991, Alhaji Ladan-Baki was appointed the General Manager of NASCON and in 1994 he rose to the position of Managing Director. He joined the Dangote Group as Executive Director in charge of Logistics and Distribution in 1998. He then took over the responsibility for the Foods Division with the factories producing sugar, flour, semolina, spaghetti, and salt. In 2002, he became the Executive Director, Sales, and Marketing, Salt and Pasta. He sits on the board of several companies and belongs to many professional associations including the Institute of Logistics and Distribution (Chartered Fellow), Institute of Directors (Chartered Fellow) and the Nigerian Institute of Marketing (Chartered Member).

Satya Prakash
Group Head, Health, Safety & Environment

Satya joined Dangote Cement in 2016 as Group Head, Health, Safety & Environment. He started his career as a mining engineer and worked about two decades in mining. He was Health & Safety Operation head at ACC Ltd, Holcim and LH Group. Satya brings rich operational experience in cement with excellent knowledge on Safety. He has undergone international training on safety leadership and played an important role in setting OH&S in Dangote Cement.

Temilade Aduroja
Head of Investor Relations

Temilade Aduroja was appointed Head of Investor relations in February 2020. She is an experienced equity and debt capital market professional with expertise in Africa Infrastructure and Oil and Gas sectors. She is a finance professional with over 13 years of experience with a demonstrated history of working in the investment banking industry. Temilade is skilled in Capital Markets, Portfolio Management, Corporate Finance and Investments. She has worked at Standard Chartered Bank, Price Waterhouse Coopers, and Renaissance Capital. Temilade before joining DCP was a Senior Africa Infrastructure and Oil & Gas Equity Analyst at Standard Bank Group. She has completed CFA level II and is an MBA candidate at the London Business School.

Wakeel Olayiwola
Head of Social Performance

Wakeel Olayiwola joined DCP as Group Head, Social Performance in November 2022. He is a professional social performance practitioner with varied experience managing stakeholder engagement, social investment and social impact management in the oil and gas sector. During his extensive career, Wakeel worked with the Shell Petroleum Development Company where he held various management positions including, Social Performance Lead for Major Projects, Community Interface Co-Ordinator, Head Community Relations Planning and Strategy and was appointed as the External Relations Manager, Western Operations. With almost 3 decades of experience, Wakeel holds a master's degree in Public Administration from the University of Benin and a degree in Agriculture from the Obafemi Awolowo University. He is a Fellow of Institute of Agricultural Management of Nigeria (FIAMN) and a member of the Nigerian Institute of Public Relations (NIPR) among others.

The Directors of Dangote Cement Plc present the consolidated and separate financial statements for the year ended 31 December 2022. The Directors have considered all the matters brought before them in the financial year under review and are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

Legal form

Obajana Cement Plc., subsequently renamed Dangote Cement Plc by virtue of a special resolution dated 14 July 2010, was incorporated in Nigeria as a public limited company on 4 November 1992 and commenced operations in January 2007. Dangote Cement Plc listed its shares on the Nigerian Exchange Limited ("the Exchange") on 26 October 2010, and it has a market capitalisation of ₦4.7 trillion as at 31 December 2022.

Principal activities

The Company was incorporated for the purpose of establishing factories for the preparation, manufacture, sale and distribution of cement and related products. Our operational activities are undertaken at various plants in Nigeria and through our subsidiaries across Africa. Details of our production, grinding and import facilities in Africa can be found in Note 18 of the financial statements.

Subsequent events

Other than those disclosed in Note 36 of the financial statements, there were no other events after the reporting date which could have had a material effect on the financial position of Dangote Cement Plc ("the Company") and its Subsidiaries (together "the Group") as of 31st December 2022, which have not been adequately provided for in the financial statements.

Directors' responsibilities

The Directors are responsible for preparing the financial statements, which they confirm gives a true and fair view of the Group and Company's state of affairs and the profit or loss for the year ended 31 December 2022. The financial statements comply with the provisions of the Companies and Allied Matters Act (CAMA), 2020, IFRS Standards and Financial Reporting Council of Nigeria Act. 2011. In so doing, they ensure that they act in accordance with the Directors' responsibilities outlined below:

1. The Board is charged with ensuring that appropriate values and ethics, of the Company are agreed and that appropriate procedures and policies are in place to ensure that these are implemented effectively. The Board ensures leadership through oversight and review. Supported by its Committees, the Board sets the Company's strategic direction and aims to deliver a sustainable increase in shareholder value over the longer term.
2. The Board ensures that proper accounting records are maintained. The accounting policies are consistently applied, and appropriate financial statements are prepared on a going concern basis, conforming to applicable law and standards. Most of this responsibility is delegated to the Board Finance and Investment Committee.
3. The Board ensures that internal control procedures are established to safeguard the Company's assets and detect fraud and other irregularities. It also oversees the implementation of risk assessment processes to identify, manage and mitigate the principal risks of the Company's business. Much of this work is delegated to the Board Audit, Risk and Compliance Committee.
4. The Board reviews the remuneration framework, performance criteria and succession planning at Board and Executive Management level. It also oversees the Group's human resources strategy, including the organisational and compensation structures. Much of these responsibilities are delegated to the Board Remuneration, Governance and Nomination Committee.
5. The Board reviews the structure of the Board and develops governance policies in line with regulatory requirements and international best practices. Many of these responsibilities are delegated to the Board Remuneration, Governance and Nomination Committee.
6. The Board ensures that the technical and operational aspects of the business are conducted in line with global best practices. It assesses the feasibility of proposed new projects and ensures that plant operations comply with local and international laws and align with our business goals. Also, it is responsible for overseeing new technology and development programmes of the business. Many of these responsibilities are delegated to the Board Technical and Sustainability Committee.

Board Committees

The Board Committees do not assume the functions of management, which remain the responsibility of the Group Managing Director and Executive Management. Members of Senior Management are invited to attend meetings of Board Committees as required, while the Committee Chairmen hold further meetings with certain members of Executive Management to better review areas of concern. The reports of the Committees are presented at Board meetings. As part of the review of the effectiveness of its Committees, the Board has considered the qualifications and experience of the members and is satisfied that all the Committee members bring a wide range of knowledge and skill and will effectively discharge their duties. The Company Secretary is the Secretary to each Committee.

Results for The Year

- Group revenue increased by 17% to ₦1,618 billion (2021: ₦1,384 billion).
- Company revenue increased by 21% to ₦1,205 billion (2021: ₦993 billion)
- Group net profit increased by 5% to ₦382 billion (2021: ₦364 billion).
- Company net profit increased by 6% to ₦403 billion (2021: ₦381 billion).
- Group earnings per share increased by 5% to ₦22.27 (2021: ₦21.24).
- Company earnings per share increased by 6% to ₦23.87 (2021: ₦22.42).

Dividends

The Directors pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. They consider the capital needed to fund the Company's operations and expansion plans. For the 2022 financial year, the Directors are pleased to recommend a dividend of ₦20.00 per ordinary 50 kobo share (2021: ₦20.00). The Board considers that the proposed dividend is appropriate and is in line with the Company's strategic growth objectives. If the shareholders approve this dividend at the Annual General Meeting, dividends will be paid to the shareholders whose names are registered in the Company's Register of Members at the close of business on the Qualification Date.

Unclaimed dividends

The total unclaimed dividends outstanding as of 31 December 2022 is ₦4.4 billion (2021: ₦4.6 billion). A list of unclaimed dividends is available on the Company's website at www.dangotecement.com. The Company notes that some dividend warrants remain unclaimed. Shareholders with unclaimed share certificates or dividends should address their claims to Coronation Registrars Ltd registrars at info@coronationregistrars.com or 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria. Members are encouraged to notify the registrars of any changes in their details.

Directors

As of 24 February 2023, Dangote Cement Plc had 15 Directors, all of whom held office as of 31 December 2022. Michel Puchercos resigned effective 28 February 2023, while Arvind Pathak was appointed Group Managing Director effective 1 March 2023. The appointment, removal or reappointment of Directors is governed by the Company's Articles of Association, the Companies and Allied Matters Act (CAMA), 2020, and Board and governance policies. These documents also set out the rights and obligations of Directors. In accordance with the Articles of Association of Dangote Cement Plc, prevailing legislation and any directions via resolution, the business of the Company is managed by the Directors, who in good faith, exercise all such powers on behalf of the Company.

Directors' interests

In accordance with the Companies and Allied Matters Act (CAMA), 2020, the Directors' interests in the issued share capital of the Company are recorded in the Register of Members and stated below:

S/N	Reg no	Shareholder	**As at 21 February 2023**	As at 31 December 2022	As at 31 December 2021
1a	9749911	Aliko Dangote	**27,642,637**	27,642,637	27,642,637
1b	9780595, 9745479	(Indirect: Aliko Dangote) Dangote Industries Ltd.	**14,621,387,610**	14,621,387,610	14,621,387,610
2	9749838, 9801662	Olakunle Alake	**8,000,000**	8,000,000	8,000,000
3	9793235	Abdu Dantata	**8,680**	8,680	8,680
4	9816994	Devakumar V. G. Edwin	**6,000,000**	6,000,000	6,000,000
5	9823752	Ernest Ebi	**100,000**	100,000	100,000
6a	9860372	Emmanuel Ikazoboh	**250,000**	250,000	—
6b	9822918	Indirect: Emmanuel Ikazoboh) Arm Nom: Osigbeme, Enterprises Limited	**—**	—	58,149
7a		Douraid Zaghouani	**—**	—	—
7b	9798680	(Indirect: Douraid Zaghouani) Investment Corporation of Dubai	**243,540,000**	243,540,000	243,540,000
8a		Viswanathan Shankar	**—**	—	—
8b	9838639	(Indirect: Viswanathan Shankar) GW Grey, Pte Ltd	**128,560,764**	128,560,764	128,560,764
9	9858127	Halima Aliko-Dangote	**500,000**	500,000	—
10		Dorothy Udeme Ufot	**—**	—	—
11		Michael Davis	**—**	—	—
12		Cherie Blair	**—**	—	—
13		Michel Puchercos	**—**	—	—
14		Berlina Moroole	**—**	—	—
15		Philip Mathew	**—**	—	—

Conflicts of interest

The Company maintains a Register of Directors' interest in accordance with the requirements of the Companies and Allied Act (CAMA), 2020. The Company also applies a conflict of interest Policy developed in accordance with international best practices and Corporate Governance Codes, as well as the Investment and Securities Act, 2007.

Supplier payment policy

It is the practice of the Company to agree on the terms of payment negotiated with suppliers and pay according to those terms based upon receipt of accurate invoices. Trade creditor days for the year ended 31 December 2022 were 38 days on average for the Group (2021: 70 days) and 21 days for the Company (2021: 76 days).

Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in note 15 of the financial statements.

Donations

Sponsorship and charitable donations amounted to ₦1.6 billion (2021: ₦2.5 billion) for the Group and ₦1.3 billion (2021: ₦2.0 billion) for the Company. In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020 (CAMA), the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the year (2021: Nil).

Sustainability

Dangote Cement Plc is committed to complying with all applicable legislation, regulations and codes of practice. We integrate sustainability considerations into all our business decisions and ensure that our stakeholders are aware of our Sustainability Policy.

Corporate governance and investor relations

During the financial year under review, the Company complied with the Nigerian Exchange Limited Rules and has not been fined by the Financial Reporting Council (FRC), Securities & Exchange Commission (SEC), nor Nigerian Exchange Limited (NGX) for any infringements. The Board engaged Deloitte & Touche led by Mrs Ibukun Beecroft (FRC/2020/ICAN/00000020765) to carry out corporate governance and Board evaluation. The result indicated that the Corporate Governance framework in Dangote Cement Plc complies with the extant Codes of Corporate Governance provisions. The Company pursues an active investor relations programme with investor meetings and earnings calls throughout the year. Our website contains information about the Company's performance and strategy.

Employees

Dangote Cement Plc operates a policy of non-discrimination and considers all employment applications equitably. Efforts are made to ensure that the most qualified person is recruited for the position, irrespective of religion, ethnic group, physical condition or state of origin. While no disabled people were employed during the year under review, it is the policy where existing employees become disabled to provide continuing employment under similar or, if possible adjusted conditions. We review our employment policies in line with the strategic objectives of our business and ensure that information is disseminated to employees through various means, including through notice boards and Company emails. We consult employees regularly to ensure that their views are considered when making decisions that are likely to affect their interests and to achieve a shared awareness of the factors affecting the Company.

Health, safety at work and welfare of employees

Dangote Cement Plc recognises the importance of safeguarding the health and safety of its workforce. Safety and environment workshops are organised, while fire prevention and firefighting equipment are installed in strategic locations in the offices and plants. The Company provides personal protective equipment (PPE) and other safety equipment and has developed several Health, Safety, Security and Environment (HSSE) policies, including the 15 HSSE Golden Rules.

Training and development

Dangote Cement Plc is committed to supporting the development of all its employees. The fundamental purpose is to facilitate personal and professional development enabling individuals to achieve their full potential at work. The Dangote Academy offers training programmes for employees across the Group, with facilitation from professionals and other training experts. The courses are designed to help employees in the performance of their designated roles and to help them to fulfil their potential. Our policy is that all employees have at least one annual performance review a year, with their head of department or line manager. Training and development needs will be assessed, and ways of meeting these will be identified, and an appropriate timescale agreed.

Retirement benefits

The Company operates a group life policy and a contributory pension scheme for its employees in Nigeria, in line with the provisions of the Pension Reform Act 2014. The scheme is funded through employees' and employers' contributions as prescribed by the Act.

Research and innovation

With rapid urbanisation and population growth in Africa, the Company realises that meeting housing and infrastructure needs will be a challenge. We are constantly looking for new product solutions to respond to these construction challenges.

Capital structure

The Company has one class of ordinary shares, which reflect the total value of the share capital. Each ordinary share carries the right to one vote at the Company's Annual General Meeting. The shareholding and transfer of shares are governed by the Company's Articles of Association and relevant regulations. There are no restrictions with respect thereto. The Articles of Association may be amended by a special resolution approved by the shareholders.

Substantial interest in shares

All shares other than treasury shares and shares held by Dangote Industries Limited (85.8%), Aliko Dangote (0.16%) and shares held directly and indirectly by other Directors (2.29%) are considered free float shares. Aliko Dangote is the ultimate owner of Dangote Industries Limited. All issued shares are fully paid, and no additional shares were issued during the year under review. As of 31 December 2022, and 24 February 2023, Dangote Industries Limited and Stanbic IBTC Nominees Nigeria Ltd held more than 5% of the Company's issued share capital detailed below. Aside from Dangote Industries Limited and Stanbic IBTC Nominees Nigeria Limited, no other individual(s) or entity(s) hold(s) 5% and above of the Company's shares.

Date	Details	Dangote Industries Ltd.	Stanbic IBTC Nominees Ltd
As of 31 December 2021	Units	14,621,387,610	962,835,709
	%	85.8	5.65
As of 31 December 2022	Units	14,621,387,610	961,790,939
	%	85.8	5.64
As of 21 February 2023	Units	14,621,387,610	957,710,499
	%	85.8	5.62

Share Buy-Back Programme

The Company's shareholders approved the execution of the Share Buy-Back Programme at the Extraordinary General Meeting, which was held on 13th December 2022. This Programme, which involves the Company repurchasing up to 10% of its issued shares, will be effected in tranches. Details of previous share buy-back tranches below:

Share capital analysis	Units
Pre-Buy-Back number of shares	17,040,507,404
Shares bought back from 30 to 31 December 2020 (Tranche I)	(40,200,000)
Shares bought back from 19 to 20 January 2022 (Tranche II)	(126,748,153)
Total number of residual issued and fully paid outstanding shares	**16,873,559,251**
Number of shares cancelled	Nil

Independent auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020, therefore, the independent auditors will be reappointed at the next Annual General Meeting of the Company without any resolution being passed. A resolution will however be proposed authorising the Directors to fix their remuneration.

By the Order of the Board of Directors.

Edward Imoedemhe
Acting Company Secretary
FRC/2021/002/00000022594
Leadway Marble House,
1, Alfred Rewane Road,
P. O. Box 40032,
Falomo, Ikoyi, Lagos.

Dated 1 March 2023

Ernest Ebi MFR
Independent Non-Executive Director

Role of the Committee

Members	Meetings attended (eligible to attend)
Ernest Ebi (Chairman)	●●●●
Dorothy Udeme Ufot	●●●●
Emmanuel Ikazoboh	○●●●
Cherie Blair	●●●●

● Attended ○ Not attended

> **"The Committee has oversight over the Audit, Compliance and Risk Management functions"**

Introduction

I am pleased to present to you the 2022 report of the Board Audit, Compliance and Risk Management Committee. The Board is ultimately accountable for the risk management process, system of internal control and monitoring compliance with applicable laws and regulations. These functions have been delegated to the Audit, Compliance and Risk Management Committee, in accordance with the Company's corporate governance framework.

Roles and responsibilities

The Committee has oversight over the Audit, Compliance and Risk Management functions and assists the Board in fulfilling its oversight responsibilities regarding:

- Oversight of the Group Internal Audit function and ensuring cooperation between statutory auditors and the Group Internal Audit function;
- Oversight of the execution of risk management framework;
- Review of legal matters that could have significant impact on the Company's operations;
- Oversight of the Company's compliance and ethics programme; and
- Monitoring of the whistleblowing mechanism.

Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- Review of risk management reports on risk exposures;
- Monitoring of the Company's compliance with applicable laws and standards;
- Review of the Internal Audit Plan and internal audit reports; and
- Provision of recommendations to the Board on various audit, compliance and risk matters.

Composition and attendance

As an Independent Non-Executive Director, I serve as the Chairman of the Committee. Some members of our Senior and Executive Management teams were invited to meetings to provide information on directives given by the Committee. The Committee met 4 times in 2022 and its composition and attendance are stated on page 194, while details of each Committee member, are set out on page 195.

Ernest Ebi

Ernest Ebi MFR
Chairman of the Audit, Compliance and Risk Management Committee
1 March 2023

Board Finance and Investment Committee report

Viswanathan Shankar
Non-Executive Director

Role of the Committee

Members	Meetings attended (eligible to attend)
Viswanathan Shankar (Chairman)	● ● ● ●
Olakunle Alake	● ● ● ●
Douraid Zaghouani	● ● ● ●
Michael Davis	◍ ● ● ●
Devakumar Edwin	● ● ● ◍
Halima Aliko-Dangote	○ ○ ● ●

● Attended ◍ Not attended
○ Not a member as at date

Introduction

I am pleased to introduce the report of the Board Finance and Investment Committee for the 2022 financial year. The Committee receives its insight into the challenges and goals of the Company from the financial and business targets set by the Board. Some members of senior and Executive Management are invited to attend meetings to provide necessary information, as well as updates on directives requested by the Committee. As Chairman of the Committee, I regularly hold meetings with the Group Chief Financial Officer, and members of the senior management team, prior to the Committee meetings to better address any areas of concern and to allow sufficient time for meaningful discussion in the Committee meetings.

Roles and responsibilities

The Committee assists the Board in fulfilling its oversight responsibilities by advising the Board on matters relating to:

- The Group's capital structure and the corporate finance strategy, including the issuance of equity and debt securities, general financing plans, debt ratings, share repurchase philosophy and strategy, and the Company's dividend policy;
- (In consultation with the independent auditors and the internal auditors), all financial statement presentations, as well as the integrity of the Company's financial reporting processes and controls;
- Treasury operations, investment strategies, banking and cash management arrangements and financial risk management;
- Major investments, or similar transactions and the policies and processes of the Company;
- Critical accounting policies and practices to be used by the Company; and
- Any major issues as to the adequacy of the Company's internal controls and any audit steps adopted in light of control deficiencies

Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- Recommended the share buyback programme;
- Pricing strategy and impact on revenue and profits;
- Tax impact and tax exemption status of entities within the Group, and total tax liability of the Group;
- Review of organic and inorganic expansion plans;
- Review of Interim and full year Financial Statements;
- Review of the carrying amount of Group assets including any potential impairment loss to be recognised during the year; and
- Review of various funding plans including issuance of bond and commercial papers.

Composition and attendance

The Committee met 4 times in 2022 and its composition and attendance are stated on page 194, while details of each Committee member, are set out on pages 195.

Viswanathan Shankar
Chairman of the Finance and Investment Committee
1 March 2023

Sir Michael Davis
Independent Non-Executive Director

Role of the Committee

Members	Meetings attended (eligible to attend)
Sir Michael Davis (Chairman)	●●●●
Olakunle Alake	●●●●
Devakumar Edwin	●●●●
Abdu Dantata	●◍●●
Douraid Zaghouani	●●●●
Dorothy Udeme Ufot	●●●●

● Attended ● Medical absence
◍ Not attended ○ Not a member as at date

"The Committee assists the Board and has an oversight function over matters related to the construction, expansion of capacity, maintenance and operation of plants and sustainability of the Group's operations"

Introduction

I am pleased to introduce the report of the Board Technical and Sustainability Committee for the 2022 financial year. The Committee assists the Board and has an oversight function over matters related to the construction, expansion of capacity, maintenance and operation of plants and sustainability of the Group's operations.

Roles and responsibilities

The Committee assists the Board in fulfilling its oversight responsibilities regarding:

- Reviewing the technical scope, feasibility and status of plant projects including risk assessment and the Quality Management Plan;
- Reviewing the status of projects according to scope, schedule, project milestones and KPIs;
- Reviewing safety, health and environmental performance and improvement plans;
- Reviewing operational, staffing and commissioning readiness plans;
- Monitoring the production budget, standards, raw material supplies, energy and key performance indicators per plant;
- Reviewing asset/plant care policy and performance;
- Ensuring effective technical, research and development programmes to continue innovation and improvement; and
- Overseeing the development of corporate social responsibility and community programmes throughout our locations.

Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- Monitored the enforcement of health, safety and environment policies;
- Oversaw the implementation of measures across operations to achieve cost savings;
- Monitored the implementation of sustainability initiatives and strategy group wide;
- Ensured the implementation of waste management projects in different operational locations;
- Implementation of technical and transport safety initiatives; and
- Reviewed production targets Group wide.

Composition and attendance

The Committee met four times in 2022 and its composition and attendance are stated on page 194, while details of each Committee member, are set out on page 195.

Sir Michael Davis
Chairman of the Technical and Sustainability Committee
1 March 2023

Board Remuneration, Governance and Nomination Committee report

Emmanuel Ikazoboh
Independent Non-Executive Director

Role of the Committee

Members	Meetings attended (eligible to attend)
Emmanuel Ikazoboh (Chairman)	●●●●●
Ernest Ebi	●●●●●
Sir Michael Davis	●●●●●
Cherie Blair	●●●●●
Berlina Moroole	●●●●●
Douraid Zaghouani	●●●●●
Halima Aliko-Dangote	○●●●●

● Attended ● Medical absence
● Not attended ○ Not a member as at date

"The Company's remuneration principles aim to remunerate personnel commensurately in compliance with applicable law"

Introduction

I am pleased to introduce the report of the Board Remuneration, Governance and Nomination Committee. The Company's remuneration principles aim to remunerate personnel commensurately in compliance with applicable law. The fixed component of remuneration is paid as a base salary; the variable components are intended to reflect, clearly and directly, the joint performance of the Board and Management, taking cognisance of interests of various stakeholders.

Roles and responsibilities

The purpose of the Committee is to assist the Board to discharge its oversight responsibilities including:

- Establishing the criteria for Board and Board Committee memberships, and assessing candidates' qualifications and the contribution of current Directors;
- Reviewing the implementation and effectiveness of the governance policies;
- Planning the Board composition, as well as succession planning for the Board and Executive management;
- Ensuring that the performance of the Board is periodically evaluated;
- Monitor the implementation of the remuneration policy and making recommendations on the remuneration of the Directors; and
- Overseeing the Group's human capital strategy and make recommendations to the Board on the Group's organisational and compensation structures.

Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- Oversaw the review of the corporate governance policies in line with best practice and regulatory requirements.
- Ensured Board Members were trained in line with regulatory requirement.
- Monitored the effectiveness of the Company's governance policies in line with best practice and regulatory requirement.
- Reviewed Management reports on the remuneration structure.
- Oversaw the Implementation of the Company's succession planning initiatives.
- Monitored the performance evaluation of the Board, and of the KPIs of the Executive Committee.

Composition and attendance

Some members of senior and Executive Management are invited to attend meetings to provide necessary information, as well as updates on directives requested by the Committee. The Committee met 5 times in 2022 and its composition and attendance are stated on page 194, while details of each Committee member, are set out on page 195.

Emmanuel Ikazoboh
Chairman of the Remuneration, Governance and Nomination Committee
1 March 2023

Directors' emoluments for 2022

	Directors' fees and allowances		Sitting allowances		Other allowances		Total	
	2022 '000	2021 ₦'000	**2022 '000**	2021 ₦'000	**2022 '000**	2021 ₦'000	**2022 '000**	2021 ₦'000
Aliko Dangote	**26,600**	26,600	**2,000**	3,000	**25,740**	14,796	**54,340**	44,396
Sani Dangote	**—**	19,200	**—**	2,200	**—**	14,796	**—**	36,196
Olakunle Alake	**25,600**	25,600	**15,050**	14,750	**25,740**	14,796	**66,390**	55,146
Abdu Dantata	**25,600**	25,600	**4,200**	4,000	**25,740**	14,796	**55,540**	44,396
Sir Michael Davis	**41,613**	39,867	**6,350**	9,950	**25,740**	14,796	**73,703**	64,613
Ernest Ebi	**25,600**	25,600	**8,400**	8,950	**42,040**	33,096	**76,040**	67,646
Emmanuel Ikazoboh	**25,600**	25,600	**12,200**	16,100	**42,040**	33,096	**79,840**	74,796
Devakumar V.G. Edwin	**25,600**	25,600	**10,000**	12,800	**21,450**	14,796	**57,050**	53,196
Douraid Zaghouani	**41,613**	39,867	**4,750**	7,950	**25,740**	14,796	**72,103**	62,613
Viswanathan Shankar	**41,613**	—	**3,200**	5,600	**25,740**	—	**70,553**	5,600
Dorothy Udeme Ufot	**25,600**	25,600	**5,600**	5,400	**46,940**	21,296	**78,140**	52,296
Cherie Blair	**41,613**	39,867	**4,750**	5,150	**25,740**	14,796	**72,103**	59,813
Berlina Moorole	**41,613**	39,867	**3,350**	3,400	**21,450**	14,796	**66,413**	58,063
Halima Dangote	**19,200**	—	**7,100**	—	**25,740**	—	**52,040**	—
Total	**407,465**	358,868	**86,950**	99,250	**379,840**	220,652	**874,255**	678,770
Executive Directors							**969,101**	730,704
Grand total							**1,843,356**	1,409,474

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Report of the Statutory Audit Committee

In accordance with Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and Section 30.4 of the SEC Code, the members of the Statutory Audit Committee of Dangote Cement Plc hereby report as follows:

"We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and we acknowledge the cooperation of the Board, management and staff in the conduct of these responsibilities. After careful consideration of the report of the external auditors, we accepted the report that the financial statements give a true and fair view of the state of the Group and Company's financial affairs as at 31 December 2022.

We confirm that:

I. The accounting and reporting policies of the Group and Company are in accordance with legal and regulatory requirements as well as agreed ethical practices.

II. We reviewed the scope and planning of audit requirements and found them adequate.

III. We reviewed the findings on the management letter prepared by the external auditors and found management responses to the findings satisfactory.

IV. The accounting and internal controls system is constantly and effectively being monitored through an effective internal audit function.

V. We made recommendations to the Board on the reappointment and remuneration of the external auditors and also reviewed the provision made in the financial statements for the remuneration of the external auditors.

VI. We considered that the external auditors are independent and qualified to perform their duties effectively.

The Committee therefore recommends that the audited financial statements for the year ended 31 December 2022 and the External Auditors' report thereon be presented for adoption at the Annual General Meeting."

Robert Ade-Odiachi
Chairman, Statutory Audit Committee
FRC/2013/ICAN/00000004526

Members of the Statutory Audit Committee:
Robert Ade-Odiachi, Shareholders' Representative
Nicholas Nyamali, Shareholders' Representative
Sheriff Yussuf, Shareholders' Representative
Olakunle Alake, Non-Executive Director
Ernest Ebi, Independent Non-Executive Director

Statement of Directors' responsibilities for the preparation and approval of the financial statements

For the year ended 31 December 2022

The Directors of Dangote Cement Plc are responsible for the preparation of the consolidated and separate financial statements that present fairly the financial position of the Group and Company as at 31 December 2022, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Standards issued by the International Accounting Standard Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group and Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS standards;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS Standards;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.
- The Directors have assessed the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain as a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2022 were approved by the Directors on 24 February 2023.

On behalf of the Directors

Aliko Dangote, GCON
Chairman
FRC/2013/IODN/00000001766

Michel Puchercos
Group Chief Executive Officer/Group Managing Director
FRC/2017/IODN/00000015919

Financial statements

Statement of corporate responsibility for the consolidated and separate financial statements

For the year ended 31 December 2022

Further to the provisions of Section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director/ Group CEO and Group Chief Financial Officer, hereby certify the consolidated and separate financial statements of Dangote Cement Plc for the year ended 31 December 2022 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of Dangote Cement Plc ("the Company") and its subsidiaries (together, "the Group") for the year ended 31 December 2022.

b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 December 2022.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to us by other officers of the companies, during the year ended 31 December 2022.

Michel Puchercos
Group Chief Executive Officer/GMD
FRC/2017/IODN/00000015919

Gbenga Fapohunda
Ag. Group Chief Finance Officer
FRC/2019/ICAN/00000019333

KPMG

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dangote Cement Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated and separate financial statements of Dangote Cement Plc ("the Company") and its subsidiaries (together, "the group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss;
- the consolidated and separate statements of comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Investment in subsidiaries	
Refer to significant accounting policies (Note 2.3.1) and related disclosures (Note 18.2) of the separate financial statements	
The key audit matter	**How the matter was addressed in our audit**
As disclosed in Note 18.2 to the financial statements, the carrying amount of ₦249 billion representing the Company's investment in subsidiaries is significant. Some of the subsidiaries are currently loss-making and are dependent on financial support mostly in the form of loans and advances from the parent company for their ongoing operations (Note 31). Judgment is required in estimating the recoverable amounts of the investment in subsidiaries. The estimation of recoverable amounts involves making assumptions regarding the future performance of the subsidiaries, inherent uncertainties around macroeconomic decisions and climate-related risks involved in preparing forecasts and discounted future cash flow projections and determining an appropriate discount rate and terminal growth rate. The significance of the amounts involved and the uncertainties inherent in estimating the recoverable amounts makes this a key audit matter in the separate financial statements.	Our procedures included the following: • We held inquiry sessions with management to understand the process and procedures for the identification of indicators of impairment of investment in subsidiaries. • We checked that the impairment indicators were appropriately identified as at the reporting date based on our knowledge of the business, its operating environment and other information obtained during the audit. • We assessed the reasonableness of the forecasts presented for the subsidiaries with impairment triggers by comparing them with historical performance. • We challenged management's assumptions, judgements and decisions made in the calculation of the recoverable amounts by comparing them with historical performance, industry trends and future projections, considering the uncertainties around macroeconomic factors and climate change. • We engaged our valuation specialist to test the appropriateness of the discount rates and terminal growth rates used. • We assessed the appropriateness of the disclosures in the financial statements required by the relevant standards, including disclosures about sensitivities and major sources of estimation uncertainties.
2. Restatement of financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy.	
Refer to significant accounting policies (Note 2.33) and related disclosures of the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Dangote Industries (Ethiopia) Plc is one of the subsidiaries of Dangote Cement Plc (the Group) and accounts for ₦103.3 billion (6%), ₦ 33.3 billion (6%) and ₦270.6 billion (10%) of the Group's revenue, profit before tax and total assets respectively. (Note 2.33). In 2022, Ethiopia's economic environment showed characteristics which indicates the existence of hyperinflation and therefore the restatement of the financial statements in accordance with International Accounting Standards 29: *Financial Reporting in Hyperinflationary Economies (IAS 29)* was deemed necessary. The determination of the existence of hyperinflation is a matter of judgement based on the characteristics of the economic environment. Management believes that the economic environment of Ethiopia in 2022 indicates the existence of hyperinflation. Furthermore, the methodology adopted as well as the detailed calculations for the restatement of the financial statements so that all items are presented in the current purchasing power at the reporting date is complex and	Our procedures included the following: • We held inquiry sessions with management to understand the characteristics of the economic environment of Ethiopia in 2022 which indicates the existence of hyperinflation by evaluating management's assessment of the economy. • We challenged management's assumptions and judgements applied in the assessment of the economy by comparing to publicly available information and economic analysis. • We evaluated management's methodology and approach to restatement of the financial statements in accordance with IAS 29, by checking the appropriateness of the classification of financial statements items as monetary and non-monetary items. • We tested the restatement calculations prepared by management's expert and used to determine the restated amounts by checking the mathematical accuracy in the computations. • We evaluated the reliability and reasonableness of the data used in the restatement calculations by checking the underlying historical data and publicly

requires significant effort. We focused on this area due to the judgement required and complexity of the methodology adopted in determining the restated amounts, pervasiveness across various financial statements items, as well as the nature of disclosures required in the consolidated financial statements.	available information sources. • We evaluated the adequacy and relevance of the presentation and disclosures in the financial statements as required by IAS 29.
3. Trade and other payables	
Refer to significant accounting policies (Note 2.23) and related disclosures (Note 25) of the consolidated and separate financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Included in trade and other payables as at 31 December 2022 is an amount of ₦96 billion and ₦34 billion for Group and Company respectively related to vendors. We focused on this area due to the large volume and value of vendor transactions, the numerous reconciling items and the manual nature of the reconciliation process. This is considered a key audit matter in both the consolidated and separate financial statements.	Our procedures included the following: • We reviewed documentation and performed a walkthrough of the procure-to-pay process (PTP) to identify process risk points and related controls. • We selected a sample of high-value balances and obtained confirmations from the vendors. We maintained control over the confirmation process by sending out the letters and requested that the vendors responded directly to us. • We tested reconciliation statements prepared by management at year end and checked the reconciling items to underlying supporting documents such as invoices, bank advices and confirmations, goods received note and shipping documents. • We assessed the presentation and appropriateness of related disclosures with respect to the trade and other payables in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors Report, Report of the Statutory Audit Committee, Statement of Directors' Responsibilities for the preparation and approval of the financial statements, Statement of Corporate Responsibility for the consolidated and separate Financial Statements and Other National Disclosures which we obtained prior to the date of this auditors' report; but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also includes Strategic report, The Dangote Way, Corporate Governance report and Supplementary information, together the "Outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

i. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.

i. The Company's statement of financial position, statement of profit or loss and statement of comprehensive income are in agreement with the books of account.

Signed:

Goodluck C. Obi, FCA
FRC/2012/ICAN/00000000442
For: KPMG Professional Services
Chartered Accountants
25 February 2023
Lagos, Nigeria

Consolidated and separate statements of profit or loss

For the year ended 31 December 2022

		Group		Company	
	Notes	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Revenue	5	**1,618,323**	1,383,637	**1,205,401**	993,399
Production cost of sales	7	**(662,890)**	(551,019)	**(455,122)**	(345,225)
Gross profit		**955,433**	832,618	**750,279**	648,174
Administrative expenses	8	**(79,879)**	(64,349)	**(42,532)**	(33,319)
Selling and distribution expenses	9	**(295,234)**	(191,658)	**(224,925)**	(132,285)
Other income	11	**5,333**	6,221	**3,550**	1,975
Impairment of financial assets	21 & 31.2	**223**	(341)	**(705)**	(402)
Profit from operating activities		**585,876**	582,491	**485,667**	484,143
Finance income	10.1	**38,715**	20,765	**121,864**	92,783
Finance costs	10.2	**(130,370)**	(65,707)	**(62,541)**	(42,501)
Gain on monetary assets	2.33	**29,022**	—	**—**	—
Share of profit from associate	18.3	**759**	817	**—**	—
Profit before tax		**524,002**	538,366	**544,990**	534,425
Income tax expense	14.1	**(141,691)**	(173,927)	**(142,133)**	(153,325)
Profit for the year		**382,311**	364,439	**402,857**	381,100
Profit for the year attributable to:					
Owners of the Company		**375,988**	361,008	**402,857**	381,100
Non-controlling Interests		**6,323**	3,431	**—**	—
		382,311	364,439	**402,857**	381,100
Earnings per share, basic and diluted (Naira)	13	**22.27**	21.24	**23.87**	22.42

The accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and separate statements of comprehensive income
For the year ended 31 December 2022

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Profit for the year	**382,311**	364,439	**402,857**	381,100
Other comprehensive income, net of income tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating net investments in foreign operations	**23,074**	265	**—**	—
Other comprehensive income for the year, net of tax	**23,074**	265	**—**	—
Total comprehensive income for the year	**405,385**	364,704	**402,857**	381,100
Total comprehensive income for the year attributable to:				
Owners of the Company	**399,106**	361,429	**402,857**	381,100
Non-controlling interests	**6,279**	3,275	**—**	—
	405,385	364,704	**402,857**	381,100

The accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and separate statements of financial position

As at 31 December 2022

		Group		Company	
	Notes	**31/12/22 ₦'million**	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Assets					
Non-current assets					
Property, plant and equipment	15	**1,527,293**	1,472,859	**498,893**	554,883
Intangible assets	16	**6,225**	5,122	**114**	147
Right-of-use assets	17	**23,551**	18,566	**1,628**	1,365
Investments in subsidiaries	18.2	**—**	—	**249,262**	162,268
Investment in associate	18.3	**2,580**	6,528	**1,582**	1,582
Lease receivables	22	**17,085**	5,980	**17,085**	5,980
Deferred tax assets	14.4	**14,193**	5,163	**—**	—
Prepayments	19.1	**1,267**	4,759	**211**	211
Receivables from subsidiaries	31	**—**	—	**959,639**	968,000
Total non-current assets		**1,592,194**	1,518,977	**1,728,414**	1,694,436
Current assets					
Inventories	20	**239,563**	167,205	**132,704**	88,421
Trade and other receivables	21	**45,490**	47,469	**16,842**	15,798
Prepayments and other current assets	19.2	**447,149**	311,722	**577,474**	504,786
Lease receivables	22	**5,981**	3,752	**5,981**	3,752
Current tax assets	14.2	**1,435**	3,051	**911**	2,542
Cash and cash equivalents	32.1	**283,843**	339,843	**196,137**	272,563
Total current assets		**1,023,461**	873,042	**930,049**	887,862
Total assets		**2,615,655**	2,392,019	**2,658,463**	2,582,298
Liabilities					
Current liabilities					
Trade and other payables	25	**334,899**	371,224	**154,463**	214,411
Lease liabilities	33	**1,713**	2,187	**—**	261
Current tax liabilities	14.3	**167,971**	153,385	**156,940**	146,517
Financial liabilities	26	**392,378**	401,393	**327,331**	315,090
Other current liabilities	27.2	**124,724**	148,294	**137,106**	161,579
Total current liabilities		**1,021,685**	1,076,483	**775,840**	837,858
Non-current liabilities					
Deferred tax liabilities	14.4	**154,026**	135,003	**112,691**	126,226
Financial liabilities	26	**333,498**	176,562	**263,171**	147,789
Lease liabilities	33	**8,057**	8,019	**148**	110
Provisions	28	**10,575**	8,428	**6,834**	5,573
Deferred revenue	27.1	**320**	636	**—**	298
Employee benefit obligations	29.2	**8,547**	3,219	**8,244**	2,972
Total non-current liabilities		**515,023**	331,867	**391,088**	282,968
Total liabilities		**1,536,708**	1,408,350	**1,166,928**	1,120,826
Net assets		**1,078,947**	983,669	**1,491,535**	1,461,472
Equity					
Share capital	23.1	**8,520**	8,520	**8,520**	8,520
Share premium	23.2	**42,430**	42,430	**42,430**	42,430
Treasury Shares	23.5	**(45,156)**	(9,833)	**(45,156)**	(9,833)
Capital contribution	23.6	**2,877**	2,877	**2,828**	2,828
Currency translation reserve	23.7	**76,220**	53,102	**—**	—
Retained earnings		**969,478**	868,274	**1,482,913**	1,417,527
Equity attributable to owners of the Company		**1,054,369**	965,370	**1,491,535**	1,461,472
Non-controlling interest		**24,578**	18,299	**—**	—
Total equity		**1,078,947**	983,669	**1,491,535**	1,461,472
Total equity and liabilities		**2,615,655**	2,392,019	**2,658,463**	2,582,298

The accompanying notes form an integral part of these consolidated and separate financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 24 February 2023 and were signed on its behalf by:

Aliko Dangote, GCON
Chairman, Board of Directors
FRC/2013/IODN/00000001766

Michel Puchercos
Group Chief Executive Officer/GMD
FRC/2017/IODN/00000015919

Gbenga Fapohunda
Ag. Group Chief Finance Officer
FRC/2019/ICAN/00000019333

Consolidated statement of changes in equity

For the year ended 31 December 2022

Group	Share capital ₦'million	Share premium ₦'million	Treasury shares ₦'million	Retained earnings ₦'million	Currency translation reserve ₦'million	Capital contribution ₦'million	Attributable to the owners of the Company ₦'million	Non-controlling Interests ₦'million	Total equity ₦'million
Balance as at 1 January 2021	8,520	42,430	(9,833)	779,271	52,681	2,877	875,946	15,024	890,970
Profit for the year	—	—	—	361,008	—	—	361,008	3,431	364,439
Other comprehensive income for the year, net of tax	—	—	—	—	421	—	421	(156)	265
Total comprehensive income for the year	—	—	—	361,008	421	—	361,429	3,275	364,704
Dividends	—	—	—	(272,005)	—	—	(272,005)	—	(272,005)
Balance as at 31 December 2021	8,520	42,430	(9,833)	868,274	53,102	2,877	965,370	18,299	983,669
Balance as at 1 January 2022	**8,520**	**42,430**	**(9,833)**	**868,274**	**53,102**	**2,877**	**965,370**	**18,299**	**983,669**
Profit for the year	**—**	**—**	**—**	**375,988**	**—**	**—**	**375,988**	**6,323**	**382,311**
Other comprehensive income for the year, net of tax	**—**	**—**	**—**	**—**	**23,118**	**—**	**23,118**	**(44)**	**23,074**
Total comprehensive income for the year	**—**	**—**	**—**	**375,988**	**23,118**	**—**	**399,106**	**6,279**	**405,385**
Dividends	**—**	**—**	**—**	**(337,471)**	**—**	**—**	**(337,471)**	**—**	**(337,471)**
Effect of shares buy-back (Note 23.5)	**—**	**—**	**(35,323)**	**—**	**—**	**—**	**(35,323)**	**—**	**(35,323)**
Gain on monetary assets (Note 2.33)	**—**	**—**	**—**	**62,687**	**—**	**—**	**62,687**	**—**	**62,687**
Balance as at 31 December 2022	**8,520**	**42,430**	**(45,156)**	**969,478**	**76,220**	**2,877**	**1,054,369**	**24,578**	**1,078,947**

The accompanying notes form an integral part of these consolidated and separate financial statements

Separate statement of changes in equity
For the year ended 31 December 2022

Company	Share capital ₦'million	Share premium ₦'million	Treasury shares ₦'million	Capital contribution ₦'million	Retained earnings ₦'million	Total equity ₦'million
Balance as at 1 January 2021	8,520	42,430	(9,833)	2,828	1,308432	1,352,377
Profit for the year	—	—	—	—	381,100	381,100
Other comprehensive income for the year, net of tax	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	381,100	381,100
Dividends	—	—	—	—	(272,005)	(272,005)
Balance as at 31 December 2021	8,520	42,430	(9,833)	2,828	1,417,527	1,461,472
Balance as at 1 January 2022	**8,520**	**42,430**	**(9,833)**	**2,828**	**1,417,527**	**1,461,472**
Profit for the year	—	—	—	—	**402,857**	**402,857**
Other comprehensive income for the year, net of tax	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	**402,857**	**402,857**
Dividends	—	—	—	—	**(337,471)**	**(337,471)**
Effect of shares buy-back (Note 23.5)	—	—	**(35,323)**	—	—	**(35,323)**
Balance as at 31 December 2022	**8,520**	**42,430**	**(45,156)**	**2,828**	**1,482,913**	**1,491,535**

The accompanying notes form an integral part of these consolidated and separate financial statements.

Consolidated and separate statements of cash flows
For the year ended 31 December 2022

	Notes	Group Year ended 31/12/22 ₦'million	Group Year ended 31/12/21 ₦'million	Company Year ended 31/12/22 ₦'million	Company Year ended 31/12/21 ₦'million
Cash flows from operating activities					
Profit before tax		**524,002**	538,366	**544,990**	534,425
Adjustments for:					
Depreciation and amortisation	15, 16 & 17	**120,390**	100,766	**60,265**	58,720
Write-off and impairment of property, plant, equipment and intangible	12	**1,972**	1,338	**129**	122
Interest expenses	10.2	**75,242**	56,326	**61,388**	41,925
Interest and dividend income	10.1	**(38,715)**	(20,765)	**(78,247)**	(48,031)
Net exchange loss/(gain) on borrowings and non-operating assets		**25,958**	7,924	**(61,327)**	(43,476)
Gain on monetary assets	2.33	**(29,022)**	—	**—**	—
Change in fair value of derivatives		**—**	(104)	**—**	(104)
Share of income from associate	18.3	**(759)**	(817)	**—**	—
Change in deferred revenue	27.1	**(332)**	227	**(299)**	262
Provisions		**2,147**	379	**1,261**	524
Provision for employee benefits obligations		**5,328**	(362)	**5,272**	(580)
Gain on disposal of property, plant and equipment and right-of-use assets	11	**(21)**	(378)	**—**	(359)
		686,190	682,900	**533,432**	543,428
Changes in:					
Inventories	32.2.1	**(70,345)**	(60,526)	**(44,283)**	(33,117)
Trade and other receivables	32.2.2	**457**	(11,173)	**(1,044)**	153
Trade and other payables	32.2.3	**(22,429)**	26,846	**(46,199)**	79,182
Prepayments and other current assets	32.2.4	**(42,316)**	(79,404)	**81,973**	(82,922)
Other current liabilities	32.2.5	**(23,570)**	63,404	**(26,877)**	112,148
		527,987	622,047	**497,002**	618,872
Change in lease receivables		**10,614**	8,070	**10,614**	8,070
Income tax paid	14.3.1	**(150,766)**	(33,408)	**(143,431)**	(31,196)
Net cash generated from operating activities		**387,835**	596,709	**364,185**	595,746
Cash flows from investing activities					
Interest received		**37,097**	11,249	**33,280**	8,281
Dividend income received	10.1	**4,707**	—	**4,707**	—
Acquisition of intangible assets	16	**(307)**	(848)	**(19)**	(31)
Additional receivables from subsidiaries		**—**	—	**(53,822)**	(164,367)
Repayment by subsidiaries		**—**	—	**29,790**	22,852
Net loan (obtained)/repaid by parent company		**(93,812)**	20,000	**(93,812)**	20,000
Proceeds from disposal of property, plant and equipment		**106**	1,238	**—**	1,218
Acquisition of investment		**—**	—	**—**	(22)
Acquisition of property, plant and equipment		**(74,613)**	(158,508)	**(38,609)**	(58,158)
Additions to property, plant and equipment	15	**(65,945)**	(185,814)	**(26,449)**	(72,404)
Change in non-current prepayments	19.1	**3,492**	17,849	**—**	4,789
Net suppliers' credit repaid		**(12,160)**	9,457	**(12,160)**	9,457
Net cash used in investing activities		**(126,822)**	(126,869)	**(118,485)**	(170,227)
Cash flows from financing activities					
Interest paid		**(68,840)**	(52,558)	**(57,432)**	(42,232)
Lease payment		**(3,421)**	(2,110)	**(1,300)**	(884)
Shares buy-back	23.5	**(35,323)**	(9,833)	**(35,323)**	(9,833)
Dividends paid		**(337,471)**	(272,005)	**(337,471)**	(272,005)
Loans obtained	26.5	**338,454**	329,115	**290,107**	312,439
Loans repaid	26.5	**(267,178)**	(324,831)	**(239,162)**	(278,043)
Net cash used in financing activities		**(373,779)**	(332,222)	**(380,581)**	(290,558)
Increase/(decrease) in cash and cash equivalents		**(112,766)**	137,618	**(134,881)**	134,961
Cash and cash equivalents at beginning of year	32.1	**263,368**	141,039	**203,809**	68,848
Effects of exchange rate changes		**252**	(15,289)	**—**	—
Cash and cash equivalents at end of year	32.1	**150,854**	263,368	**68,928**	203,809

The accompanying notes form an integral part of these consolidated and separate financial statements.

1. General information

Dangote Cement Plc ("the Company") was incorporated in Nigeria as a public limited liability company on 4 November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14 July 2010 to Dangote Cement Plc.

Its parent company is Dangote Industries Limited (DIL or "the parent company"). Its ultimate controlling party is Aliko Dangote.

The registered address of the Company is located at 1 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

The principal activity of the Company and its subsidiaries (together referred to as "the Group") is to operate plants for the preparation, manufacture and distribution of cement and related products. The Company's production activities are currently undertaken at Obajana town in Kogi State, Gboko in Benue State and Ibese in Ogun State; all in Nigeria. Information in respect of the subsidiaries' locations is disclosed in Note 18.

The consolidated financial statements for the year ended 31 December 2022 comprise the results and the financial position of the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities").

The separate financial statements of the Company for the year ended 31 December 2022 comprise those of the Company only.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

The Group and Company's financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS Standards") that are effective at 31 December 2022 and requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

2.2 Basis of preparation

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items:

- Defined benefit obligations: Present value of the obligation.
- Non-derivative financial instruments – initially at fair value and subsequently at amortised cost using effective interest rate.
- Derivative financial instruments – measured at fair value.
- Inventory – lower of cost and net realisable value.
- Lease liabilities – measured at present value of future lease payments.
- Balances for entities in hyper-inflation economies.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.3 Basis of Consolidation

The Group financial statements incorporate the financial statements of the parent company and entities controlled by the Company and its subsidiaries made up to 31 December 2022. Control is achieved where the investor; (i) has power over the investee entity (ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement, and (iii) can exercise some power over the investee to affect its returns.

The Company reassesses whether or not it still controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners' of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

2.3.1 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Investments in subsidiaries are eliminated on consolidation in the Group financial statements. Management performs an assessment at the end of each reporting period to determine whether there is any indication that the investment in the subsidiaries may be impaired.

2. Significant accounting policies continued

2.3 Basis of Consolidation continued

2.3.2 Transactions eliminated on consolidation

All intra-group balances and any gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Interest in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the separate financial statements for the parent company, investments in associates are recognised at cost less accumulated impairment.

2.5 Non-controlling interest

Non-controlling interest is the equity in a subsidiary or entity controlled by the Company, not attributable, directly or indirectly, to the parent company and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Total comprehensive income attributable to non-controlling interests is presented on the line "Non-controlling interest" in the statement of financial position, even if it creates negative non-controlling interests.

2. Significant accounting policies continued

2.6 Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that were under the control of the shareholder that controls the Group are accounted for prospectively as at the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

2.7 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.8 Revenue

The Group recognises revenue from the sale of cement and related products. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of products to the customers.

2.8.1 Sale of cement and related products

The Group sells cement and related products both to distributors and directly to end user customers through its plants and depots.

For sales of products to the distributors, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the distributor's location if the agreement is for the Group to deliver. In case of self collection by distributors revenue is recognised when the distributor picks the products from the Group's factories or warehouses. Following delivery by the Group or self collection, the distributor has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. For distributors that buy on credit, a receivable is recognised by the Group when the goods are delivered to the distributor as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sales of goods to end user customers, revenue is recognised when control of the goods has transferred, being at the point the customer lifts the goods from our factories if it's self collection or at the point at which the goods are delivered if the agreement is for the Group to deliver. Payment for the transaction price is done by the time goods are collected otherwise a receivable is recognised at that point.

2.9 Finance income

Finance income comprises interest income on short-term deposits with banks, interest on leases, dividend income, changes in the fair value of financial instruments at fair value through profit or loss, compensation for time value of money on road infrastructure tax scheme and foreign exchange gains.

Dividend income from investments is recognised in profit and loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.10 Production cost of sales

Production cost of sales represents decreases in economic benefits during the accounting period that are directly or indirectly attributable to manufacturing inventory for sale.

2. Significant accounting policies continued

2.11 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provision, foreign exchange losses except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets. Interest is recognised in profit or loss using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest rate used to determine the amount of capitalised interest cost is the actual interest rate when there is a specific borrowing facility related to construction project or the Group's average borrowing interest rate. Borrowing costs relating to the period after acquisition, construction or production are expensed. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs capitalised may not exceed the actual interest incurred by the Group.

2.12 Foreign currency

2.12.1 Functional and presentation currency

These consolidated and separate financial statements are presented in the Nigerian Naira (₦), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest million unless where otherwise stated.

2.12.2 Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the subsidiaries.

2.12.3 Foreign operations

In the Group's consolidated financial statements, all assets and liabilities of Group entities with a functional currency other than the Naira are translated into Naira upon consolidation. On consolidation, assets and liabilities have been translated at the closing rate at the reporting date. Except for hyper-inflation economies, income and expenses have been translated into the Naira at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognised in currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Currency translation differences". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit or loss.

2.13 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and Group and the cost can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and machinery under construction are disclosed as capital work in progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including borrowing costs on qualifying assets in accordance with the Group's accounting policy and the estimated costs of dismantling and removing the items and restoring the site on which they are located if the Group has a legal or constructive obligation to do so.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

2. Significant accounting policies continued

2.13 Property, plant and equipment continued

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13.1 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value (except for freehold land and assets under construction). Depreciation is recognised within "Cost of sales" and "Administrative expenses and selling and distribution expenses," depending on the utilisation of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets. Strategic spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over the shorter of their useful life and the remaining life of the plant from the date such strategic spare parts are capable of being used for their intended use.

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

	Useful life (years)
Land and Leasehold improvement	Over the shorter of useful life and lease period
Buildings	25–50
Plant and machinery	10–25
Power plants	5–25
Cement plants	5–25
Motor vehicles	4–6
Furniture and equipment	5
Computer hardware	3
Aircraft and related components	5–25

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.14 Intangible assets

In accordance with criteria set out in IAS 38 – "Intangible assets", intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets primarily include amortisable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method over their useful lives ranging from two to seven years. Amortisation expense is recorded in "Cost of sales" and "Selling and distribution expenses" or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The Directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meets the criteria to be capitalised, the Directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination.

Exploration assets are amortised over a period of 30 years in line with the estimates lives of the mines.

2. Significant accounting policies continued

2.14 Intangible assets continued

2.14.1 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.15 Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Group expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

Raw materials

Raw materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

Work in progress

Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using a weighted average cost basis.

Finished goods

Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables

Spare parts which are expected to be fully utilised in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

Packaging materials

Packaging materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

2.17 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating, investing and financing activities. The Group applies the indirect method for the preparation of the statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been adjusted for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest income is included in investing activities.

2. Significant accounting policies continued

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognised at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognised in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option).

2.18.1 Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not have debt instruments that are measured subsequently at fair value through other comprehensive income (FVTOCI).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2.18.2 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.19 Cash and cash equivalents

The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Term deposit with tenor of 90 days or less are also included in cash and cash equivalents if they are held for short-term cash commitments rather than for investment or other purposes.

2.20 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short-term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

2. Significant accounting policies continued

2.21 Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "finance income" line item (Note 10) in profit or loss.

2.22 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a member of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.22.1 Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. Equity instruments includes share capital, share premium, currency translation reserve and capital contribution.

2.22.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost:

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2.22.3 De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.22.4 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.22.5 Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

2. Significant accounting policies continued

2.22 Financial liabilities and equity instruments continued

2.22.5 Amortised cost and effective interest method continued

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item (Note 10).

2.23 Trade and other payables

Trade and other payables are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest rate exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs. Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk.

2.24 Impairment

2.24.1 Financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts and cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. Significant accounting policies continued

2.24 Impairment continued

2.24.1 Financial assets continued

(i) Significant increase in credit risk continued

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) the financial instrument has a low risk of default;

(b) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

(c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner unless in case where there is sufficient security. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2. Significant accounting policies continued

2.24 Impairment continued

2.24.1 Financial assets continued

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

2.24.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the profit or loss.

2.25 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes: if the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.25.1 Derivative financial assets and liabilities fair value

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

2. Significant accounting policies continued

2.26 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.26.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if certain criteria are met.

2.26.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognised for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.26.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.27 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The total of the government grant is recognised as deferred revenue on the statement of financial position and is recognised in profit or loss over the period the related expenditure is incurred.

Export Expansion Grant (EEG) is recognised upon confirmation of the Group's eligibility by the relevant government departments.

2.28 Employee benefits

2.28.1 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee. This includes wages, salaries, bonuses, paid annual leave, sick leave and other contributions. Except when they qualify for capitalisation, these benefits are expensed in the period in which the associated services are rendered by employees of the Group. A liability is recognised for the amount that is expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Significant accounting policies continued

2.28 Employee benefits continued

2.28.2 Defined contribution plans

The Group operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Group. Except when they qualify for capitalisation, obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.28.3 Defined benefit plans

The Group operates defined benefit plans for certain qualifying employees. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by using actuarial methods of projected unit credit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Where there is no deep market in such bonds, the market rates on government bonds are used. The estimated cost of providing such benefits is charged to the statement of profit or loss on a systematic basis over the employees' working lives. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions (remeasurements) are recognised in other comprehensive income in the period in which they arise and accumulated in retained earnings. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

2.28.4 Other long-term employee benefits (long service award)

The Group provides employees with long service award benefits. The benefits are gift items, ex-gratia (expressed as a multiple of monthly basic salary), a plaque and certificate. The liability recognised in respect of these awards is computed using actuarial methods (discounted at present value). Any resulting remeasurement gain/loss is recognised in full within other income/administrative expense in the profit or loss. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

2.28.5 Termination benefit

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. Benefits are expected to be settled wholly within 12 months of the reporting date.

2.29 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.29.1 Restoration costs

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognises its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

The Group has an obligation to restore quarry sites due to the mining activities in those areas. The provision for the site restoration is determined based on the disturbed areas and is measured at the present value of the expected future cash flows that will be required to perform the site restoration. The estimated future costs for known restoration requirements are determined on a site-by-site basis. The cash flows are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the site restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, timing of future cash flows, or in the discount rate applied, are accounted for in the profit or loss at each statement of financial position date.

2.30 Contingencies

Contingent liabilities are not recognised in the consolidated and separate statements of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

2. Significant accounting policies continued

2.31 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares. The Group does not have any dilutive instruments.

2.32 Leases

Leases – as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

2. Significant accounting policies continued

2.32 Leases continued

Leases – as a lessee continued

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Leases – as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.33 IAS 29 Financial Reporting in Hyperinflationary Economies

The Dangote Cement Plc Group has classified Ethiopia as a hyperinflationary economy in accordance with the provisions of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29). This is supported by the three years cumulative inflation which has reached 100% as evidenced by the official Consumer Price Index (CPI) that moved from 153.9 in 2019 to 328.9 in 2022.

This is the first-time application of IAS 29 in the consolidated financial statements. The gain on net monetary position relating to price changes in current and prior periods is recognised in the statement of profit or loss and directly in equity respectively.

The initial adoption of IAS 29 resulted in gains on monetary assets for the current year and prior periods amounting to ₦29.02 billion and ₦62.69 billion which were recorded in the statement of profit or loss and directly in equity, respectively.

The results of Dangote Industries Ethiopia Plc operations with a functional currency of Ethiopian BIRR have been prepared in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29). The Dangote Cement Plc Group adopted hyperinflation accounting from 1 January 2022 for the results and financial position of the subsidiary in Ethiopia.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Ethiopia Central Statistical Office. The conversion factors used to restate the financial statements at 31 December 2022 are as follows:

	Index	Conversion factor
31 December 2022	328.90	1.00
31 December 2021	245.75	1.34
31 December 2020	181.90	1.81

The main procedures applied in the restatement of transactions and balances for the Ethiopia subsidiary are as follows:

- All corresponding figures as of, and for, the prior year ended, are restated by applying the change in the index from the end of the prior year to the end of the current year.
- Monetary assets and liabilities for the current year, are not restated because they are already stated in terms of the measuring unit current at statement of financial position date;
- Non-monetary assets and liabilities, and components of shareholders equity/funds, are restated by applying the change in index from date/month of transaction or, if applicable, from the date of their most recent revaluation to the statement of financial position date;
- Property, plant and equipment and intangible assets are restated by applying the change in the index from the date of transaction, or if applicable from the date of their most recent/last revaluation, to the statement of financial position date. Depreciation and amortisation amounts are based on the restated amounts;
- Profit or loss statement items/transactions, except depreciation and amortisation charges as explained above, are restated by applying the change in index during the period to statement of financial position date;
- Gains and losses arising from net monetary asset or liability positions are included in the profit or loss statement; and
- All items in the cash flow statement are expressed in terms of the measuring unit current at the statement of financial position date.

2. Significant accounting policies continued

2.33 IAS 29 Financial Reporting in Hyperinflationary Economies continued

The application of the IAS 29 restatement procedures has the effect of amending certain accounting policies which are used in the preparation of the financial statements under the historical cost convention. The policies affected are:

Financing costs and exchange differences: capitalisation during construction of qualifying assets is considered to be a partial recognition of inflation and is reversed to the statement of profit or loss and replaced by indexation of cost;

Inventories: these are carried at the lower of indexed cost and net realisable value;

Donated assets: these are fair valued at the time of receipt, and the resultant gain is treated in the same way as any restatement gain.

Comparative amounts in the Group financial statements have not been restated for changes in the price level as the presentation currency of the Group is that of a non-hyperinflationary economy;

The initial adoption of IAS 29 resulted in uplift for net asset value and profit for the year with ₦93.60 billion and ₦25.79 billion respectively. The results, net assets and cash flows were translated from Ethiopian BIIR to Naira at a closing rate on 31 December 2022 of 1 Naira to 8.4752 Ethiopian BIRR;

The table below shows the 2022 historical and inflation adjusted numbers for Dangote Industries Ethiopia Plc;

	Inflation adjusted 31/12/2022 ₦'million	Historical 31/12/2022 ₦'million
Information in respect of the profit and loss		
Revenue	**103,272**	89,163
Profit from operating activities	**17,064**	21,604
Gain on monetary assets	**29,022**	—
Profit before tax	**33,323**	11,223
Profit for the year	**28,683**	2,889
Information in respect of the financial position of the subsidiaries		
Total non-current assets	**171,418**	50,445
Total current assets	**99,225**	93,248
Total assets	**270,643**	143,692
Total current liabilities	**99,028**	98,793
Total non-current liabilities	**90,142**	57,028
Total equity/Net asset	**81,473**	(12,129)

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods that begin on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2020 (The Annual Improvements include amendments to four Standards)

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10%' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

3. Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements continued

Annual Improvements to IFRS Standards 2018–2020 (The Annual Improvements include amendments to four Standards) continued

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

These amendments do not have any material impact on the Group financial statements.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. This has no material impact on the Group financial statements.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use.

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of "testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. This has no material impact on the Group financial statements.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

This has no material impact on the Group financial statements.

3. Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.2 New and revised IFRSs in issue but not yet effective

IFRS 17 (including the June 2020 amendments to IFRS 17)	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The implementation of the Standard is unlikely to bring significant changes to the financial statements as the Group does not hold insurance contracts.

The Standard is effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. This is not expected to have a material impact on the Group financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

These amendments are not expected to have a material impact on the Group financial statements.

3. Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.2 New and revised IFRSs in issue but not yet effective continued

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimate

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the standard with the following clarifications:

- a change in accounting estimate that results from new information or new developments is not the correction of an error; and
- the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors anticipate that the amendment will have an impact on the financial statements if such changes in accounting estimates and errors occur.

Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities; and
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors anticipate that the amendment will have an impact of the financial statements if such transactions occur.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated and separate financial statements is judgemental. The items, subject to judgement, are detailed in the corresponding notes to the consolidated and separate financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

4.1 Critical accounting judgements

4.1.1 Provisions and Contingencies

The Group makes judgements in recognition and measurement of provisions and contingencies especially relating to key assumptions about the likelihood and magnitude of an outflow of resources. See Note 35.

4. Critical accounting judgements and key sources of estimation uncertainty continued

4.2 Key sources of estimation uncertainty

4.2.1 Impairment of property, plant and equipment

Assumptions underlying the estimation of value in use in respect of cash-generating units for impairment testing purposes require the use of estimates such as long-term discount rates and growth rates.

4.2.2 Provision for site restoration

Where the Group is legally, contractually or constructively required to restore a site, the estimated costs of site restoration are accrued for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of site restoration are reviewed annually and adjusted as appropriate. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of future activities. See further details in Note 28.

4.2.3 Uncertain tax treatments

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.2.4 Measurement of ECL allowance on trade receivables

The Group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment should be recorded in profit or loss, the Group makes significant assumptions in line with the expected credit loss model of IFRS 9 in determining the weighted average loss rate. See further details in Note 21.

4.2.5 Employee benefit obligations

The cost of the defined benefit plans and the present value of retirement benefit obligations and long service awards are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bond in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. Further information is provided in Note 29.

4.2.6 Impairment of investment in subsidiaries

Management estimates the recoverable amount of the investment in subsidiaries by assessing the value in use. Estimating the recoverable amount involves a number of assumptions, judgements and estimates regarding various inputs.

4.2.7 Deferred tax asset

Recognition of deferred tax asset: assumptions about the availability of future taxable profit against which tax losses carried forward can be utilised.

5. Revenue

5.1 Volumes

	Group		Company	
	2022 '000 tonnes	2021 '000 tonnes	**2022 '000 tonnes**	2021 '000 tonnes
Cement production and bagging capacity (for the year)	**51,550**	51,550	**29,250**	29,250
Production volume*	**27,240**	28,516	**15,629**	16,832
Trade cement purchase*	**678**	600	**2,395**	1,557
Decrease/(increase) in stocks**	**(151)**	155	**(183)**	223
Sales volume*	**27,767**	29,271	**17,841**	18,612

* Includes both cement and clinker volumes.

** Decrease/(increase) in stocks refers to the difference between the opening and closing stocks for the year.

5. Revenue continued

5.2 Revenue from contracts with customers

An analysis of revenue in naira is as follows:

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Revenue from sales of cement and clinker	**1,618,320**	1,383,635	**1,205,401**	993,399
Revenue from sales of other products	**3**	2	**—**	—
	1,618,323	1,383,637	**1,205,401**	993,399

Group revenue after adjusting intra-group sales as shown above are from external customers.

5.3 Information about major customers

Included in revenue arising from direct sales of cement of ₦1,618.3 billion (2021: ₦1,383.6 billion) is revenue of approximately ₦37.2 billion (2021: ₦40.0 billion) which arose from sales to the Group's largest customer.

No single customer contributed 10% or more to the Group's revenue for both 2022 and 2021 financial years.

5.4 Disaggregation of revenue from contracts with customers

The table below shows the revenue from contracts with customers disaggregated by domestic sales vis-à-vis export sales. It also shows a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Nigeria		Pan-Africa		Total	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Domestic sales	**1,172,865**	956,960	**389,088**	369,259	**1,561,953**	1,326,219
Export sales	**32,536**	36,439	**25,742**	28,070	**58,278**	64,509
	1,205,401	993,399	**414,830**	397,329	**1,620,231**	1,390,728
Inter-segment sales	**—**	—	**—**	—	**(1,908)**	(7,091)
	1,205,401	993,399	**414,830**	397,329	**1,618,323**	1,383,637

6. Segment information

6.1 Products and services from which reportable segments derive their revenue

The Executive Management Committee is the Company's Chief Operating Decision Maker. Management has determined operating segments based on the information reported and reviewed by the Executive Management Committee for the purposes of allocating resources and assessing performance. The Executive Management Committee reviews internal management reports on at least a quarterly basis. These internal reports are prepared on the same basis as the accompanying consolidated and separate financial statements.

Segment information is presented in respect of the Group's reportable segments. For management purposes, the Group is organised into business units by geographical areas in which the Company operates. The Group has 2 reportable segments based on location of the principal operations as follows:

- Nigeria (includes Company and all subsidiaries operating in Nigeria. See Note 18.1)
- Pan-Africa (includes entities operating outside Nigeria. See Note 18.1)

6. Segment information continued

6.2 Segment revenue and results

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment. Performance is measured based on segment sales revenue, earnings before interest, tax, depreciation and amortisation (EBITDA) and profit from operating activities, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment revenue and operating profit are used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within the industry.

	For the year ended 31 December 2022				
Segment results	Nigeria ₦'million	Pan-Africa ₦'million	Central administrative costs ₦'million	Eliminations ₦'million	Total ₦'million
Revenue	1,205,401	414,830	—	(1,908)	1,618,323
EBITDA*	658,774	64,918	(16,691)	1,237	708,238
Depreciation, amortisation, write-off and impairment	72,575	51,460	—	(1,673)	122,362
Other income	3,268	2,415	—	(350)	5,333
Profit from operating activities	586,199	13,458	(16,691)	2,910	585,876
Finance income	153,321	26,767	—	(141,373)	38,715
Finance costs	97,573	174,699	—	(141,902)	130,370
Gain on monetary assets	—	29,022	—	—	29,022
Income tax expense	135,648	6,043	—	—	141,691
Profit/(loss) after tax	506,299	(111,495)	(16,691)	4,198	382,311
Segment Assets and Liabilities					
Non-current assets	2,004,090	814,593	—	(1,226,489)	1,592,194
Current assets	924,409	286,461	—	(187,409)	1,023,461
Total assets	2,928,499	1,101,054	—	(1,413,898)	2,615,655
Segment liabilities	1,199,177	1,361,137	—	(1,023,606)	1,536,708
Net additions to non-current assets, excluding deferred tax	56,611	112,142	—	(104,566)	64,187

* Represents earnings before interest, taxes, share of profit from associate, depreciation, amortization & impairment.

	For the year ended 31 December 2021				
Segment results	Nigeria ₦'million	Pan-Africa ₦'million	Central administrative costs ₦'million	Eliminations ₦'million	Total ₦'million
Revenue	993,399	397,329	—	(7,091)	1,383,637
EBITDA*	610,196	88,830	(15,420)	989	684,595
Depreciation, amortisation, write-off and impairment	65,221	38,558	—	(1,675)	102,104
Other Income	1,376	4,845	—	—	6,221
Profit from operating activities	544,975	50,272	(15,420)	2,664	582,491
Finance income	92,785	36,420	—	(108,440)	20,765
Finance costs	44,688	97,260	—	(76,241)	65,707
Income tax expense	153,912	20,015	—	—	173,927
Profit/(loss) after tax	439,160	(30,583)	(15,420)	(28,718)	364,439
Segment Assets and Liabilities					
Non-current assets	1,942,858	698,042	—	(1,121,923)	1,518,977
Current assets	892,475	230,926	—	(250,359)	873,042
Total assets	2,835,333	928,968	—	(1,372,282)	2,392,019
Segment liabilities	1,153,211	1,256,375	—	(1,001,236)	1,408,350
Net additions to non-current assets, excluding deferred tax	153,232	14,919	—	(114,942)	53,209

* Represents earnings before interest, taxes, share of profit from associate, depreciation, amortisation and impairment.

6. Segment information continued

6.3 Eliminations and adjustments

Elimination and adjustments relate to the following:

- Profit/(loss) after tax of ₦4.2 billion (2021: ₦28.7 billion) is due to elimination of interest on inter-company loan, trading activities and exchange differences on net investment reclassified to other comprehensive income.
- Non-current assets of ₦1,226.5 billion (2021: ₦1,121.9 billion) is due to the elimination of investment in subsidiaries with the parent's share of their equity and non-current inter-company payable and receivable balances.
- Current assets of ₦187.4 billion (2021: ₦250.4 billion) is due to the elimination of current inter-company payable and receivable balances.
- Total liabilities of ₦1,023.6 billion (2021: ₦1,001.2 billion) are due to the elimination of inter-company due to and due from subsidiaries.
- Finance income of ₦141.4 billion (2021: ₦108.4 billion) and finance cost of ₦141.9 billion (2021: ₦76.2 billion) is due to the elimination of interest on inter-company loan and exchange differences reclassified to other comprehensive income.
- Revenue of ₦1.9 billion (2021: ₦7.1 billion) represents sales by the Nigeria region to the Pan-Africa regions. In addition to the depreciation and amortisation reported above, a sum of ₦2.0 billion (2021: ₦1.3 billion) in the financial statements represents write-off in respect of property, plant and equipment in Pan-Africa.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Each segment bears its administrative costs and there are no allocations from central administration. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance. Group financing (including finance income and finance costs) and income taxes are managed at an individual company level.

A reconciliation of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is presented below:

Group

	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million
EBITDA	**708,238**	684,595
Depreciation and amortisation, write-off and impairment	**(122,362)**	(102,104)
Profit from operating activities	**585,876**	582,491
Finance income	**38,715**	20,765
Finance costs	**(130,370)**	(65,707)
Gain on monetary assets	**29,022**	—
Share of profit from associate	**759**	817
Profit before tax	**524,002**	538,366
Income tax expense	**(141,691)**	(173,927)
Profit after tax	**382,311**	364,439

Non-current assets by country excluding deferred tax

	2022 ₦'million	2021 ₦'million
Nigeria	**2,004,090**	1,942,858
South Africa	**69,043**	68,973
Senegal	**89,857**	90,417
Zambia	**59,301**	58,107
Ethiopia	**171,418**	52,322
Tanzania	**181,920**	183,649
Congo	**89,919**	93,332
Cameroon	**45,792**	45,937
Ghana	**12,467**	18,507
Sierra Leone	**8,613**	14,017
Côte d'Ivoire	**78,087**	63,715

6. Segment information continued

Significant revenue by country (external customers)

	2022 ₦'million	2021 ₦'million
Nigeria	**1,203,493**	986,308
Ghana	**13,061**	16,847
South Africa	**64,472**	69,122
Ethiopia	**103,272**	67,189
Zambia	**31,188**	31,798
Tanzania	**74,382**	63,656
Senegal	**34,049**	51,267
Cameroon	**64,804**	68,550
Sierra Leone	**6,349**	10,946
Congo	**23,253**	17,954

Revenues are attributed to individual countries based on the geographical location of where the cement and clinker originated.

7. Production cost of sales

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million
Material consumed	**196,517**	175,367	**224,774**	139,129
Fuel & power consumed	**266,486**	196,634	**133,182**	113,953
Royalty*	**2,429**	1,667	**1,297**	791
Salaries and related staff costs	**45,032**	38,701	**23,091**	19,843
Depreciation and amortisation	**90,757**	75,954	**41,355**	41,207
Plant maintenance	**51,351**	42,203	**26,307**	22,148
Other production expenses**	**26,376**	25,589	**9,180**	7,816
(Increase)/decrease in finished goods and work in progress	**(16,058)**	(5,096)	**(4,064)**	338
	662,890	551,019	**455,122**	345,225

*Royalty payable is charged based on volume of extraction made during the year.

**Other production expenses include expenses such as insurance cost on plant and machinery, site restoration cost, equipment rental among others.

8. Administrative expenses

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million
Salaries and related staff costs	**25,118**	15,933	**16,609**	7,963
Corporate social responsibility	**1,897**	3,534	**1,337**	2,149
Management fee (refer to (a) below)	**5,235**	5,413	**5,235**	5,413
Depreciation and amortisation	**8,358**	6,672	**2,244**	2,547
Auditors' remuneration (refer to (b) below)	**724**	697	**372**	388
Directors' remuneration	**1,843**	1,409	**1,813**	1,391
Rent, rate and insurance	**6,448**	6,804	**1,933**	2,382
Repairs and maintenance	**1,648**	1,467	**1,148**	1,045
Travel expenses	**4,413**	5,759	**2,232**	4,182
Bank charges	**3,216**	3,281	**1,281**	1,158
Professional and consultancy fees	**2,844**	2,286	**1,389**	944
Security expenses	**2,939**	2,203	**894**	739
Janitorial and Office Cleaning	**1,417**	897	**913**	808
General administrative expenses	**8,821**	4,083	**4,423**	588
Others	**2,986**	2,573	**580**	1,500
Impairment of non-financial assets	**1,972**	1,338	**129**	122
	79,879	64,349	**42,532**	33,319

(a) The management fee is charged by Dangote Industries Limited (DIL) for management and corporate services provided to Dangote Cement Plc. (DCP) It is an apportionment of DIL shared-service cost to DCP plus mark-up.

8. Administrative expenses continued

(b) Auditors' remuneration is detailed in the table below:

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Audit fees	**667**	652	**347**	361
Non-audit fees:				
Audit related services*	**57**	45	**25**	27
	724	697	**372**	388

* Included in audit related services are fees for limited quarterly review and certification of financial information.

Other employee related disclosures

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Aggregate payroll costs:				
Wages, salaries and staff welfare	**86,328**	68,401	**51,012**	37,977
Pension costs	**2,444**	3,546	**1,363**	1,372
Employee benefits obligation	**1,551**	877	**1,508**	614
	90,323	72,824	**53,883**	39,963

	Group		Company	
	2022 Number	2021 Number	**2022 Number**	2021 Number
Full time employees remunerated at higher rate excluding allowances:				
Up to ₦250,000	**540**	299	**—**	53
₦250,001 – ₦500,000	**2,799**	7,107	**1,901**	6,918
₦500,001 – ₦750,000	**8,842**	4,604	**8,509**	4,332
₦750,001 – ₦1,000,000	**2,203**	1,569	**1,890**	1,391
₦1,000,001 – ₦1,250,000	**1,480**	1,361	**1,273**	1,223
₦1,250,001 – ₦1,500,000	**648**	516	**539**	426
₦1,500,001 – ₦2,000,000	**817**	475	**635**	359
₦2,000,001 and above	**1,783**	1,816	**1,050**	514
	19,112	17,747	**15,797**	15,216

The average number of full time employees employed during the year excluding Directors was as follows:

	Group		Company	
	Number	Number	**Number**	Number
Management	**1,475**	826	**1,158**	604
Non-management	**17,218**	15,874	**14,265**	13,565
	18,693	16,700	**15,423**	14,169

Chairman's and Directors' remuneration

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Directors' remuneration comprises:				
Emoluments	**1,843**	1,409	**1,813**	1,391
	1,843	1,409	**1,813**	1,391
Chairman	**54**	44	**54**	44
Highest paid Director	**736**	531	**736**	531

Number of Directors whose emoluments were within the following ranges:

₦–₦	**2022 Number**	2021 Number	**2022 Number**	2021 Number
1–20,000,000	**—**	1	**—**	1
Above 20,000,000	**15**	15	**15**	15
	15	16	**15**	16

9. Selling and distribution expenses

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Salaries and related staff costs	**20,173**	18,190	**14,183**	12,157
Depreciation	**21,275**	18,140	**16,666**	14,966
Advertisement and promotion	**7,514**	3,206	**6,855**	2,637
Haulage expenses	**242,457**	147,495	**184,101**	98,540
Others	**3,815**	4,627	**3,120**	3,985
	295,234	191,658	**224,925**	132,285

10. Finance income and finance costs

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
10.1 Finance income:				
Interest income	**38,715**	20,765	**73,540**	48,031
Dividend income	**—**	—	**4,707**	—
Others – foreign exchange gain	**—**	—	**43,617**	44,752
	38,715	20,765	**121,864**	92,783
10.2 Finance costs				
Interest expenses*	**75,242**	57,173	**61,388**	42,265
Less: amounts included in the cost of qualifying assets (Note 15)	**—**	(847)	**—**	(340)
	75,242	56,326	**61,388**	41,925
Foreign exchange loss	**53,929**	8,766	**—**	—
Other finance costs	**1,199**	615	**1,153**	576
	130,370	65,707	**62,541**	42,501

* The average effective interest rate on funds borrowed generally is 11.64% and 10.56% per annum for Group and Company respectively. (2021: 10.75% per annum for Group and 11.3% per annum for Company).

All interest income and interest costs are from financial instrument measured at amortised cost.

The schedule below shows the exchange rates presented in one unit of foreign currency to Naira for the significant currencies used in the Group:

	2022		2021	
	Average rate	**Year-end rate**	Average rate	Year-end rate
Currency				
South African Rand to Naira	**26.2650**	**27.0600**	25.9000	26.9558
Central Africa Franc to Naira	**0.6872**	**0.7503**	0.7393	0.7353
Ethiopian Birr to Naira	**8.0994**	**8.4752**	9.1935	8.4522
Zambian Kwacha to Naira	**25.2850**	**25.5457**	21.2745	25.4826
Tanzanian Shilling to Naira	**0.1847**	**0.1980**	0.1779	0.1847
Ghanaian Cedi to Naira	**50.2696**	**47.0510**	70.0157	70.1008
United States Dollar to Naira	**428.9467**	**461.1000**	410.9200	424.1100

11. Other income

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Insurance claims	**2,024**	501	**923**	202
Government grant	**34**	71	**1**	36
Sale of scrap	**509**	279	**474**	194
Gain from disposal of property,plant and equipment	**21**	378	**—**	359
Other miscellaneous income*	**2,745**	4,992	**2,152**	1,184
	5,333	6,221	**3,550**	1,975

* Other miscellaneous income includes ₦383.07 million (2021: ₦3.42 billion) derived from the sale of electricity and ₦2.15 billion (2021: ₦1.18 billion) from sale of raw materials to subsidiaries recognised in Company.

12. Profit before tax

Profit before tax includes the following charges/(credits):

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Depreciation of property, plant and equipment and right-of-use asset	**120,029**	100,488	**60,213**	58,656
Amortisation of intangible assets	**361**	278	**52**	64
Auditors' remuneration	**724**	697	**372**	388
Employee benefits expenses	**90,323**	72,824	**53,883**	39,963
Gain on disposal of property, plant and equipment	**21**	378	**-**	359
Lease rental expenses	**2,414**	1,285	**531**	189
Directors emoluments	**1,843**	1,409	**1,813**	1,391
Write off & impairment of property, plant, equipment and intangible assets	**1,972**	1,338	**129**	122
Foreign exchange loss/(gain)	**53,929**	8,766	**(43,617)**	(44,752)
Management service fee	**5,235**	5,413	**5,235**	5,413
Royalty	**2,429**	1,667	**1,297**	791
Impairment of financial assets	**(223)**	341	**705**	402

13. Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Profit for the year attributable to owners of the Company	**375,988**	361,008	**402,857**	381,100

	Group		Company	
	Year ended 31/12/22 Units (million)	Year ended 31/12/21 Units (million)	**Year ended 31/12/22 Units (million)**	Year ended 31/12/21 Units (million)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**16,880**	17,000	**16,880**	17,000
Basic & diluted earnings per share (Naira)	**22.27**	21.24	**23.87**	22.42

14. Income taxes

14.1 Income tax expense recognised in profit or loss

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Current tax				
Current year	**(168,601)**	(154,915)	**(155,668)**	(144,861)
Deferred tax				
Origination and reversal of temporary differences	**26,910**	(19,012)	**13,535**	(8,464)
Total income tax expense recognised in the current year	**(141,691)**	(173,927)	**(142,133)**	(153,325)

14. Income taxes continued

14.1 Income tax expense recognised in profit or loss continued

The income tax expense for the year can be reconciled to the profit before tax as follows:

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Profit before tax	**524,002**	538,366	**544,990**	534,425
Income tax expense calculated at 30% (2021: 30%)	**(157,201)**	(161,510)	**(163,497)**	(160,328)
Education Tax	**(13,193)**	(13,055)	**(13,193)**	(13,055)
Effect of tax holiday and income that is exempt from taxation	**39,849**	26,991	**10,899**	7,826
Effect of expenses that are not deductible in determining taxable profit	**1,946**	(337)	**(201)**	(13)
Effect of previously unrecognised temporary difference now recognised as deferred tax assets	**3,405**	—	**—**	—
Effect of previously recognised temporary difference now derecognised as deferred tax assets	**—**	(36)	**—**	—
Effect of deferred tax not recognised on net investment exchange gains	**23,792**	2,727	**21,176**	11,680
Effect of prior year over provision	**2,739**	(1,102)	**1,224**	342
Effect of Investment allowance	**580**	401	**580**	401
Effect of income taxed at different rates	**41**	901	**225**	901
Effect of unused tax losses and offsets not recognised as deferred tax assets	**(43,964)**	(28,030)	**—**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**411**	460	**—**	—
Others	**(96)**	(1,337)	**654**	(1,079)
Income tax expense recognised in profit or loss	**(141,691)**	(173,927)	**(142,133)**	(153,325)

The income tax rate of 30% was used for the Company income tax computation as established by the tax legislation of Nigeria effective in 2022 and 2021. Among others, the income tax rate in South Africa is 28%, in Cameroon, 38.5% and 35% in Zambia.

14.2 Current tax assets

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Balance at beginning of the year	**3,051**	7,029	**2,542**	5,511
Charge for the year	**(374)**	774	**—**	—
Payments during the year	**386**	291	**—**	—
Additional road infrastructure tax credit	**183**	22,296	**183**	22,296
Tax credit utilised to offset current tax payable	**(1,814)**	(27,021)	**(1,814)**	(25,265)
Effect of currency exchange difference	**3**	(318)	**—**	—
Balance at the end of the year	**1,435**	3,051	**911**	2,542

14.3 Current tax liabilities

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Balance at beginning of the year	**153,385**	59,781	**146,517**	58,117
Charge for the year	**168,227**	155,689	**155,668**	144,861
Payments during the year	**(150,380)**	(33,117)	**(143,431)**	(31,196)
Withholding tax credit and grant utilised	**(1,522)**	(21)	**—**	—
Tax credit utilised to offset current tax liabilities	**(1,814)**	(27,021)	**(1,814)**	(25,265)
Effect of currency exchange difference	**75**	(1,926)	**—**	—
Balance at the end of the year	**167,971**	153,385	**156,940**	146,517

14.3.1 Income tax paid

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Current tax assets (Note 14.2)	**386**	291	**—**	—
Current tax liabilities (Note 14.3)	**150,380**	33,117	**143,431**	31,196
Income tax paid as per statement of cash flows	**150,766**	33,408	**143,431**	31,196

14. Income taxes continued

14.4 Deferred tax balance

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Deferred tax assets	**14,193**	5,163	**—**	—
Deferred tax liabilities	**(154,026)**	(135,003)	**(112,691)**	(126,226)
Net deferred tax assets/(liabilities)	**(139,833)**	(129,840)	**(112,691)**	(126,226)

Group

2022	Opening balance ₦'million	Recognised in profit or loss ₦'million	Effect of currency translation ₦'million	Net closing balance ₦'million	Deferred tax assets ₦'million	Differed tax liabilities ₦'million
Deferred tax (liabilities)/assets in relation to:						
Property, plant & equipment	**(143,110)**	**1,149**	**(103,274)**	**(245,235)**	**7,675**	**(257,533)**
Unrealised exchange gains/losses	**(19,676)**	**15,024**	**—**	**(4,652)**	**1,154**	**—**
Employee benefits	**1,419**	**1,721**	**16**	**3,156**	**3,156**	**—**
Provision	**6,706**	**10,043**	**65,323**	**82,072**	**82,409**	**—**
Tax losses	**25,029**	**(570)**	**1,160**	**25,619**	**24,099**	**—**
Right-of-use assets	**(208)**	**(457)**	**(128)**	**(793)**	**11**	**(804)**
Deferred tax (liabilities)/assets before set-off	**(129,840)**	**26,910**	**(36,903)**	**(139,833)**	**118,504**	**(258,337)**
Set-off of tax	**—**	**—**	**—**	**—**	**(104,311)**	**104,311**
Net tax (liabilities)/assets	**(129,840)**	**26,910**	**(36,903)**	**(139,833)**	**14,193**	**(154,026)**

2021	Opening balance ₦'million	Recognised in profit or loss ₦'million	Effect of currency translation ₦'million	Net closing balance ₦'million	Deferred tax assets ₦'million	Differed tax liabilities ₦'million
Deferred tax (liabilities)/assets in relation to:						
Property, plant & equipment	(134,278)	(7,217)	(1,615)	(143,110)	—	(147,733)
Unrealised exchange gains/losses	(19,290)	(310)	(76)	(19,676)	—	(13,870)
Employee benefits	1,066	367	(14)	1,419	1,419	—
Provision	4,094	2,593	19	6,706	7,043	—
Tax losses	37,485	(14,583)	2,127	25,029	23,509	—
Right-of-use assets	(349)	138	3	(208)	18	(226)
Deferred tax (liabilities)/assets before set-off	(111,272)	(19,012)	444	(129,840)	31,989	(161,829)
Set-off of tax	—	—	—	—	(26,826)	26,826
Net tax (liabilities)/assets	(111,272)	(19,012)	444	(129,840)	5,163	(135,003)

14. Income taxes continued
14.4 Deferred tax balance continued
Company

2022	Net opening balance ₦'million	Recognised in profit or loss ₦'million	Net closing balance ₦'million
Deferred tax (liabilities)/assets in relation to:			
Property, plant & equipment	(115,430)	(3,944)	(119,374)
Unrealised exchange gains/losses	(13,871)	15,024	1,153
Employee benefits obligations	1,066	1,713	2,779
Provision	2,193	334	2,527
Right-of-use assets	(184)	408	224
Deferred tax liabilities	(126,226)	13,535	(112,691)

2021	Net opening balance ₦'million	Recognised in profit or loss ₦'million	Net closing balance ₦'million
Deferred tax assets/(liabilities) in relation to:			
Property, plant & equipment	(105,948)	(9,482)	(115,430)
Unrealised exchange gains/losses	(14,412)	541	(13,871)
Employee benefits obligations	1,066	—	1,066
Provision	1,881	312	2,193
Right-of-use assets	(349)	165	(184)
Deferred tax liabilities	(117,762)	(8,464)	(126,226)

Tax authorities in various jurisdictions where the Group operates in, reserve the right to audit the tax charges for the financial year ended 31 December 2022 and prior years. In cases where tax audits have been carried out and additional charges levied, the Group has responded to the tax authorities challenging the technical merits and made a provision it considers appropriate in line with the technical merits of issues raised by tax authorities.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised because it is not probable that future taxable profit will be available against which the benefits can be utilised, are attributable to the following:

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Tax losses	79,978	99,143	—	—
Unused tax credits		—	—	—
Deductible temporary differences	(5,273)	(6,728)	—	—
	74,705	92,415	—	—

The unrecognised tax credits will expire as follows:

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Year 1	—	13,038	—	—
Year 2	1,545	6,670	—	—
Year 3	1,233	21,758	—	—
Year 4	11,154	9,308	—	—
Year 5	11,062	—	—	—
After Year 5	605	509	—	—
No expiry date	49,106	41,132	—	—
	74,705	92,415	—	—

Deferred tax liability amounting to ₦50.1 billion (2021: ₦41.1 billion) for both Group and Company was not recognised in this financial statements. This relates to exchange on inter-company loans classified as part of the net investment in subsidiaries.

15. Property, plant and equipment

15.1 The Group

	Land, leasehold improvements and buildings leasehold ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in progress ₦'million	Total ₦'million
Cost							
At 1 January 2021	261,999	1,193,221	242,247	4,028	13,144	269,306	1,983,945
Additions	1,800	7,255	2,035	—	714	174,010	185,814
Reclassifications	21,698	14,398	27,023	—	633	(63,752)	—
Transfers (Note 15.1.1)	(6,036)	(5,344)	(7)	—	—	(2,861)	(14,248)
Disposal	—	—	(85)	—	(7)	(857)	(949)
Write-off	—	(811)	(124)	—	(32)	(838)	(1,805)
Effect of foreign currency exchange rates differences	1,654	6,938	2,340	—	219	3,931	15,082
Balance at 31 December 2021	281,115	1,215,657	273,429	4,028	14,671	378,939	2,167,839
At 1 January 2022	**281,115**	**1,215,657**	**273,429**	**4,028**	**14,671**	**378,939**	**2,167,839**
Additions	**861**	**9,887**	**4,531**	**—**	**448**	**50,218**	**65,945**
Reclassifications	**4,842**	**194,019**	**8,612**	**—**	**1,049**	**(208,522)**	**—**
Transfers (Note 15.1.1)	**—**	**(19)**	**(95)**	**—**	**(10)**	**(24,939)**	**(25,063)**
Disposal	**—**	**—**	**(95)**	**—**	**—**	**—**	**(95)**
Write-off	**(73)**	**(248)**	**(182)**	**—**	**(10)**	**(33)**	**(546)**
Effect of foreign currency exchange rates differences	**34,402**	**161,759**	**10,652**	**—**	**2,275**	**2,664**	**211,752**
Balance at 31 December 2022	**321,147**	**1,581,055**	**296,852**	**4,028**	**18,423**	**198,327**	**2,419,832**
Accumulated depreciation and impairment							
At 1 January 2021	53,593	359,432	170,071	2,729	7,433	—	593,258
Depreciation expense	11,423	56,806	28,473	403	1,437	—	98,542
Transfers (Note 15.1.1)	(126)	—	—	—	—	—	(126)
Disposal	—	—	(83)	—	(6)	—	(89)
Impairment	—	(433)	(2)	—	(32)	—	(467)
Effect of foreign currency exchange rates differences	233	1,766	1,773	—	90	—	3,862
Balance at 31 December 2021	65,123	417,571	200,232	3,132	8,922	—	694,980
At 1 January 2022	**65,123**	**417,571**	**200,232**	**3,132**	**8,922**	**—**	**694,980**
Depreciation expense	**12,487**	**72,380**	**30,895**	**403**	**1,690**	**—**	**117,855**
Transfers (Note 15.1.1)	**—**	**—**	**(22)**	**—**	**—**	**—**	**(22)**
Disposal	**—**	**—**	**(95)**	**—**	**—**	**—**	**(95)**
Impairment	**(66)**	**(234)**	**1,733**	**—**	**(7)**	**—**	**1,426**
Effect of foreign currency exchange rates differences	**12,685**	**54,522**	**9,839**	**—**	**1,349**	**—**	**78,395**
Balance at 31 December 2022	**90,229**	**544,239**	**242,582**	**3,535**	**11,954**	**—**	**892,539**
Carrying amounts:							
At 1 January 2021	208,406	833,789	72,176	1,299	5,711	269,306	1,390,687
At 31 December 2021	215,992	798,086	73,197	896	5,749	378,939	1,472,859
At 31 December 2022	**230,918**	**1,036,816**	**54,270**	**493**	**6,469**	**198,327**	**1,527,293**

15.1.1 Represents amounts transferred to customers, vendors and related parties.

15.1.2 Borrowing cost capitalised to property, plant and equipment for the Group was Nil (2021: ₦0.85 billion) calculated at an average interest rate of Nil (2021: 7.5%).

15.1.3 Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

15. Property, plant and equipment continued

15.2 The Company

	Land, leasehold improvements and buildings leasehold ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in progress ₦'million	Total ₦'million
Cost							
At 1 January 2021	70,343	642,500	164,702	4,028	4,552	43,084	929,209
Additions	1,310	131	1,445	—	147	69,371	72,404
Reclassifications	18,264	9,374	27,049	—	506	(55,193)	—
Transfers (Note 15.2.1)	—	(4,859)	(4)	—	—	(5,712)	(10,575)
Disposal	—	—	(5)	—	(7)	(857)	(869)
Write-off	—	—	(122)	—	—	—	(122)
Balance at 31 December 2021	89,917	647,146	193,065	4,028	5,198	50,693	990,047
At 1 January 2022	**89,917**	**647,146**	**193,065**	**4,028**	**5,198**	**50,693**	**990,047**
Additions	**32**	**1,942**	**110**	**—**	**26**	**24,339**	**26,449**
Reclassifications	**358**	**17,394**	**8,206**	**—**	**479**	**(26,437)**	**—**
Transfers (Note 15.2.1)	**—**	**(19)**	**(95)**	**—**	**(10)**	**(22,810)**	**(22,934)**
Balance at 31 December 2022	**90,307**	**666,463**	**201,286**	**4,028**	**5,693**	**25,785**	**993,562**
Accumulated depreciation & impairment							
At 1 January 2021	18,092	239,579	113,435	2,729	3,448	—	377,283
Depreciation expense	3,276	30,338	23,170	403	704	—	57,891
Disposal	—	—	(4)	—	(6)	—	(10)
Balance at 31 December 2021	21,368	269,917	136,601	3,132	4,146	—	435,164
At 1 January 2022	21,368	269,917	136,601	3,132	4,146	—	435,164
Depreciation expense	3,512	30,250	24,599	403	634	—	59,398
Transfers (Note 15.2.1)	**—**	**—**	**(22)**	**—**	**—**	**—**	**(22)**
Impairment	**—**	**—**	**129**	**—**	**—**	**—**	**129**
Balance at 31 December 2022	**24,880**	**300,167**	**161,307**	**3,535**	**4,780**	**—**	**494,669**
Carrying amounts:							
At 1 January 2021	52,251	402,921	51,267	1,299	1,104	43,084	551,926
At 31 December 2021	68,549	377,229	56,464	896	1,052	50,693	554,883
At 31 December 2022	**65,427**	**366,296**	**39,979**	**493**	**913**	**25,785**	**498,893**

15.2.1 Represents amounts transferred to customers, vendors and related parties.

15.2.2 Borrowing cost capitalised to property, plant and equipment for the Company was Nil (2021: ₦0.34 billion) calculated at an average interest rate of Nil (2021: 6.4%).

15.2.3 Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

15. Property, plant and equipment continued

15.3 Capital work in progress

Capital work in progress comprises amounts incurred with respect to Leasehold improvements and buildings, Plant and machinery, Motor vehicles as well as Furniture and equipment as at year end.

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Closing capital work in progress is analysed as follows:				
Leasehold improvements and buildings	**4,127**	8,156	**800**	751
Plant and machinery	**191,927**	333,695	**24,275**	15,063
Motor vehicles	**930**	36,941	**710**	34,879
Furniture and equipment	**1,343**	147	**—**	—
	198,327	378,939	**25,785**	50,693

16. Intangible assets

	Group			Company	
	Computer software ₦'million	Exploration assets ₦'million	Total ₦'million	Computer software ₦'million	Total ₦'million
Cost					
At 1 January 2021	5,371	3,325	8,696	1,539	1,539
Additions	557	291	848	31	31
Write-off	(78)	—	(78)	—	—
Effect of foreign currency exchange rates differences	(83)	(4)	(87)	—	—
Balance at 31 December 2021	5,767	3,612	9,379	1,570	1,570
At 1 January 2022	**5,767**	**3,612**	**9,379**	**1,570**	**1,570**
Additions	**49**	**258**	**307**	**19**	**19**
Write-off	**(118)**	**—**	**(118)**	**—**	**—**
Effect of foreign currency exchange rates differences	**732**	**1,288**	**2,020**	**—**	**—**
Balance at 31 December 2022	**6,430**	**5,158**	**11,588**	**1,589**	**1,589**
Accumulated amortisation and impairment					
At 1 January 2021	3,880	262	4,142	1,359	1,359
Amortisation expense	240	38	278	64	64
Impairment	(78)	—	(78)	—	—
Effect of foreign currency exchange rates differences	(69)	(16)	(85)	—	—
Balance at 31 December 2021	3,973	284	4,257	1,423	1,423
At 1 January 2022	**3,973**	**284**	**4,257**	**1,423**	**1,423**
Amortisation expense	**281**	**80**	**361**	**52**	**52**
Impairment	**(118)**	**—**	**(118)**	**—**	**—**
Effect of foreign currency exchange rates differences	**653**	**210**	**863**	**—**	**—**
Balance at 31 December 2022	**4,789**	**574**	**5,363**	**1,475**	**1,475**
Carrying amounts:					
At 1 January 2021	1,491	3,063	4,554	180	180
At 31 December 2021	1,794	3,328	5,122	147	147
At 31 December 2022	**1,641**	**4,584**	**6,225**	**114**	**114**

Computer software represent software which is amortised on a straight-line basis.

Exploration assets are amortised in line with the useful life of the mines.

Amortisation of intangible assets is included in Note 7 and Note 8.

There are no development expenditure capitalised as internally generated intangible asset.

17. Right-of-use assets

17.1 The Group

	Land and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Total ₦'million
Cost				
At 1 January 2021	13,908	1,094	1,422	16,424
Additions	1,494	372	181	2,047
Transfers (Note 17.1.1)	6,024	—	—	6,024
Disposal	—	(289)	—	(289)
Effect of foreign currency exchange rates differences	(83)	(11)	(17)	(111)
Balance at 31 December 2021	21,343	1,166	1,586	24,095
At 1 January 2022	**21,343**	**1,166**	**1,586**	**24,095**
Additions	**2,076**	—	**3**	**2,079**
Disposal	—	—	**(300)**	**(300)**
Write-off	—	—	**(121)**	**(121)**
Effect of foreign currency exchange rates differences	**6,129**	**52**	**58**	**6,239**
Balance at 31 December 2022	**29,548**	**1,218**	**1,226**	**31,992**
Accumulated depreciation				
At 1 January 2021	2,601	468	761	3,830
Depreciation expense	1,308	328	310	1,946
Transfers (Note 17.1.1)	126	—	—	126
Disposal	—	(289)	—	(289)
Effect of foreign currency exchange rates differences	(62)	(5)	(17)	(84)
Balance at 31 December 2021	3,973	502	1,054	5,529
At 1 January 2022	**3,973**	**502**	**1,054**	**5,529**
Depreciation expense	**1,525**	**360**	**289**	**2,174**
Disposal	—	—	**(215)**	**(215)**
Write-off	—	—	**(114)**	**(114)**
Effect of foreign currency exchange rates differences	**988**	**33**	**46**	**1,067**
Balance at 31 December 2022	**6,486**	**895**	**1,060**	**8,441**
Carrying amounts:				
At 1 January 2021	11,307	626	661	12,594
At 31 December 2021	17,370	664	532	18,566
Balance at 31 December 2022	**23,062**	**323**	**166**	**23,551**

The Group leases several assets including cement depots, residential apartments, trucks, trailers, fleet vehicles, forklifts and land. The average lease term is 11.5 years (2021: 15.6 years). The Group lease term ranges from 2 years to 99 years.

Approximately 29 (2021: 26) of the leases for the Group expired in the current financial year. The expired contracts were replaced by new leases for similar underlying assets.

17.1.1 Represents amount of leases reclassified from property, plants and equipment.

17. Right-of-use assets continued

17.2 The Company

	Land and buildings ₦'million	Total ₦'million
Cost		
At 1 January 2021	2,521	2,521
Additions	966	966
Balance at 31 December 2021	3,487	3,487
At 1 January 2022	**3,487**	**3,487**
Additions	**1,078**	**1,078**
Balance at 31 December 2022	**4,565**	**4,565**
Accumulated depreciation		
At 1 January 2021	1,357	1,357
Depreciation expense	765	765
Balance at 31 December 2021	2,122	2,122
At 1 January 2022	**2,122**	**2,122**
Depreciation expense	**815**	**815**
Balance at 31 December 2022	**2,937**	**2,937**
Carrying amounts:		
At 1 January 2021	1,164	1,164
At 31 December 2021	1,365	1,365
Balance at 31 December 2022	**1,628**	**1,628**

The Company leases several assets including cement depots, residential apartments. The average lease term is 3.05 years (2021: 2.50 years). The Company lease term ranges from 2 years to 15 years.

Approximately 28 of the 60 (2021: 26 of the 71) leases expired in the current financial year. The expired contracts were replaced by new leases for similar underlying assets. This resulted in additions to right-of-use assets of ₦1.08 billion (2021: ₦966 million).

17.3 Recognised in profit or loss

	Group		Company	
	Year ended 31/12/22 ₦'million	Year ended 31/12/21 ₦'million	**Year ended 31/12/22 ₦'million**	Year ended 31/12/21 ₦'million
Amounts recognised in profit or loss:				
Depreciation expense on right-of-use assets	**2,174**	1,946	**815**	765
Interest expense on lease liabilities	**1,118**	842	**97**	36
Expense relating to short-term leases	**1,296**	443	**434**	153

As at 31 December 2022, the Group is committed to ₦0.98 billion (2021: ₦0.80 billion) for short-term leases. All payments for leases are fixed.

The total cash outflow for leases amount to ₦3.70 billion (2021: ₦2.64 billion).

18. Information regarding subsidiaries and associate

18.1 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Direct subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group 31/12/22	31/12/21
Dangote Cement South Africa (Pty) Limited	Cement production	South Africa	**64.00%**	64.00%
Dangote Cement (Ethiopia) Plc	Cement production	Ethiopia	**99.97%**	99.97%
Dangote Cement Zambia Limited	Cement production	Zambia	**99.96%**	99.96%
Dangote Cement Senegal S.A	Cement production	Senegal	**99.99%**	99.99%
Dangote Cement Cameroun S.A	Cement Grinding	Cameroun	**99.97%**	99.97%
Dangote Mines Limited, Tanzania	Cement production	Tanzania	**99.70%**	99.70%
Dangote Cement Congo S.A	Cement production	Congo	**100.00%**	100.00%
Dangote Cement (Sierra Leone) Limited	Bagging and distribution of cement	Sierra Leone	**99.60%**	99.60%
Dangote Cement Côte D'Ivoire S.A	Cement Grinding	Côte d'Ivoire	**80.00%**	80.00%
Dangote Industries Gabon S.A	Cement Grinding	Gabon	**80.00%**	80.00%
Dangote Cement Ghana Limited	Bagging and distribution of cement	Ghana	**100.00%**	100.00%
Dangote Cement – Liberia Ltd.	Bagging and distribution of cement	Liberia	**100.00%**	100.00%
Dangote Cement Burkina Faso S.A	Selling and distribution of cement	Burkina Faso	**95.00%**	95.00%
Dangote Cement Chad S.A	Selling and distribution of cement	Chad	**95.00%**	95.00%
Dangote Cement Mali S.A	Selling and distribution of cement	Mali	**95.00%**	95.00%
Dangote Cement Niger SARL	Selling and distribution of cement	Niger	**95.00%**	95.00%
Dangote Industries Benin S.A	Selling and distribution of cement	Benin	**98.00%**	98.00%
Dangote Cement Togo S.A	Selling and distribution of cement	Togo	**90.00%**	90.00%
Dangote Cement Kenya Limited	Cement production	Kenya	**90.00%**	90.00%
Dangote Quarries Kenya Limited	Limestone mining	Kenya	**90.00%**	90.00%
Dangote Cement Madagascar Limited	Cement production	Madagascar	**95.00%**	95.00%
Dangote Quarries Mozambique Limitada	Cement production	Mozambique	**95.00%**	95.00%
Dangote Cement Nepal Pvt. Limited	Cement production	Nepal	**100.00%**	100.00%
Dangote Zimbabwe Holdings (Private) Limited	Investment holding	Zimbabwe	**90.00%**	90.00%
Dangote Cement Zimbabwe (Private) Limited	Cement production	Zimbabwe	**90.00%**	90.00%
Dangote Energy Zimbabwe (Private) Limited	Power production	Zimbabwe	**90.00%**	90.00%
Dangote Mining Zimbabwe (Private) Limited	Coal production	Zimbabwe	**90.00%**	90.00%
Dangote Cement Guinea SA	Cement production	Guinea	**95.00%**	95.00%
Cimenterie Obajana Sprl- D.R. Congo	Cement production	D.R. Congo	**98.00%**	98.00%
Itori Cement Plc.	Cement production	Nigeria	**99.00%**	99.00%
Okpella Cement Plc.	Cement production	Nigeria	**99.00%**	99.00%
Dangote Takoradi Cement Production Limited	Cement Grinding	Ghana	**99.00%**	99.00%
Dangote Cement Yaounde	Cement Grinding	Cameroun	**90.00%**	90.00%
Dangote Cement Congo D.R. S.A	Cement production	D.R. Congo	**99.00%**	99.00%
DCP Cement Limited	Cement production	Nigeria	**90.00%**	90.00%
Dangote Mines Limited, Tanzania	Cement production	Tanzania	**99.70%**	99.70%
Dangote Contracting Services Limited, Tanzania	Contracting Services	Tanzania	**99.70%**	99.70%
Dangote Mining Niger S.A	Limestone mining	Niger	**88.00%**	88.00%
Dangote Ceramics Limited	Manufacturing of ceramics products	Nigeria	**99.00%**	99.00%
Indirect subsidiaries				
Dangote Cement South Africa (Pty) Limited subsidiaries				
Sephaku Development (Pty) Ltd	Mining right holder	South Africa	**85.00%**	85.00%
Sephaku Delmas Properties (Pty) Ltd	Investment property	South Africa	**100.00%**	100.00%
Blue Waves Properties 198 (Pty) Ltd	Exploration	South Africa	**100.00%**	100.00%
Sephaku Enterprise Development (Pty) Ltd	Cement production	South Africa	**100.00%**	100.00%
Dangote Dwaalboom mining (Pty) Ltd	Investment property	South Africa	**100.00%**	100.00%
Benificial Ingenuity (Pty) Limited	Investment holding	South Africa	**80.00%**	80.00%
Benificial Ingenuity (Pty) Limited Subsidiary				
Sephaku Limestone and Exploration (Pty) Ltd	Exploration	South Africa	**52.00%**	52.00%
Dangote Cement Zambia Limited				
Dangote Quarries (Zambia) Limited	Limestone mining	Zambia	**99.997%**	99.997%
Dangote Fuels Zambia Limited	Selling and Distribution of Fuels	Zambia	**99.00%**	99.00%
Dangote Cement Nepal Pvt. Limited subsidiary				
Birat Cement Pvt. Limited	Cement production and distribution	Nepal	**100.00%**	100.00%

18. Information regarding subsidiaries and associate continued

18.2 Investments in subsidiaries

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Dangote Cement South Africa (Pty) Limited	**—**	—	**27,922**	27,922
Dangote Cement (Ethiopia) Plc	**—**	—	**40,036**	40,036
Dangote Cement Zambia Limited	**—**	—	**106**	106
Dangote Cement Senegal S.A	**—**	—	**64,782**	64,782
Dangote Cement Cameroun S.A	**—**	—	**15,160**	15,160
Dangote Cement Ghana Limited	**—**	—	**135**	135
Dangote Mines Limited, Tanzania	**—**	—	**13,851**	13,851
Dangote Cement Congo S.A	**—**	—	**86,997**	3
Dangote Cement (Sierra Leone) Limited	**—**	—	**18**	18
Dangote Cement Côte D'Ivoire S.A	**—**	—	**16**	16
Dangote Industries Gabon S.A	**—**	—	**31**	31
Dangote Cement Burkina Faso SA	**—**	—	**3**	3
Dangote Cement Chad SA	**—**	—	**3**	3
Dangote Cement Mali SA	**—**	—	**3**	3
Dangote Cement Niger SARL	**—**	—	**7**	7
Dangote Industries Benin S.A.	**—**	—	**3**	3
Dangote Cement Togo S.A.	**—**	—	**5**	5
Dangote Takoradi Cement Production Limited	**—**	—	**141**	141
Dangote Cement Madagascar Limited	**—**	—	**2**	2
Dangote Cement Congo D.R. S.A	**—**	—	**6**	6
Itori Cement Plc.	**—**	—	**1**	1
Okpella Cement Plc.	**—**	—	**1**	1
DCP Cement Limited	**—**	—	**1**	1
Dangote Ceramics Limited	**—**	—	**10**	10
Dangote Cement Yaounde	**—**	—	**22**	22
Dangote Mining Niger S.A	**—**	—	**—**	—
Dangote Cement – Liberia Ltd.	**—**	—	**—**	—
Dangote Cement Kenya Limited	**—**	—	**—**	—
Dangote Quarries Kenya Limited	**—**	—	**—**	—
Dangote Quarries Mozambique Limitada	**—**	—	**—**	—
Dangote Cement Nepal Pvt. Ltd.	**—**	—	**—**	—
Dangote Zimbabwe Holdings (Private) Limited	**—**	—	**—**	—
Dangote Cement Zimbabwe (Private) Limited	**—**	—	**—**	—
Dangote Energy Zimbabwe (Private) Limited	**—**	—	**—**	—
Dangote Mining Zimbabwe (Private) Limited	**—**	—	**—**	—
Dangote Cement Guinea SA	**—**	—	**—**	—
Cimenterie Obajana Sprl- D.R. Congo	**—**	—	**—**	—
Dangote Cement Limited, Tanzania	**—**	—	**—**	—
Dangote Contracting Services Limited, Tanzania	**—**	—	**—**	—
	—	—	**249,262**	162,268

18.3 Investment in associate

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Societe des Ciments d'Onigbolo	**1,582**	1,582	**1,582**	1,582
Accumulated share of profit	**4,946**	4,129	**—**	—
	6,528	5,711	**1,582**	1,582
Dividend income	**(4,707)**	—	**—**	—
Current year share of profit	**759**	817	**—**	—
	2,580	6,528	**1,582**	1,582

The Group holds 43% of the voting rights in Societe des Ciments d'Onigbolo, a cement producing company incorporated in the Republic of Benin.

18. Information regarding subsidiaries and associate continued

18.4 Composition of the Group

Information about the composition of the Group at the end of the reporting year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly owned subsidiaries 2022	2021
Cement production	Congo	1	1
Bagging and distribution of cement	Liberia	1	1
Bagging and distribution of cement	Ghana	1	1
Cement production	Nepal	1	1

Principal activity	Place of incorporation and operation	Number of non-wholly owned subsidiaries 2022	2021
Cement production	South Africa	1	1
Cement production	Ethiopia	1	1
Cement production	Zambia	1	1
Cement production	Senegal	1	1
Cement Grinding	Cameroun	2	2
Cement production	Tanzania	2	2
Contracting Services	Tanzania	1	1
Bagging and distribution of cement	Sierra Leone	1	1
Bagging and distribution of cement	Côte d'Ivoire	1	1
Cement Grinding	Gabon	1	1
Selling and distribution of cement	Burkina Faso	1	1
Selling and distribution of cement	Chad	1	1
Selling and distribution of cement	Mali	1	1
Selling and distribution of cement	Niger	1	1
Limestone mining	Niger	1	1
Limestone mining	Kenya	1	1
Cement production	Kenya	1	1
Cement production	Madagascar	1	1
Selling and distribution of cement	Benin	1	1
Selling and distribution of cement	Togo	1	1
Cement production	Mozambique	1	1
Holding company	Zimbabwe	1	1
Cement production	Zimbabwe	1	1
Power production	Zimbabwe	1	1
Coal production	Zimbabwe	1	1
Cement production	Guinea	1	1
Cement production	D.R. Congo	2	2
Cement production	Nigeria	3	3
Cement Grinding	Ghana	1	1
Manufacturing of ceramics products	Nigeria	1	1

18.5 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2022 %	2021 %	Profit/(loss) allocated to non-controlling interests 2022 ₦'million	2021 ₦'million	Accumulated non-controlling interests 2022 ₦'million	2021 ₦'million
Dangote Cement South Africa (Pty) Limited	South Africa	36.00%	36.00%	(163)	315	16,446	15,821

18.6 Change in the Group's ownership interest in a subsidiary

There are no changes to the Company's shareholding during the year. Also, no entity was incorporated.

18.7 Significant restriction

There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

18. Information regarding subsidiaries and associate continued

18.8

Summarised below is the financial information in respect of the Group's subsidiaries that have material non-controlling interests. Information below represent amounts before intra-group eliminations.

	Dangote Cement South Africa (Pty) Limited	
	2022 ₦'million	2021 ₦'million
Information in respect of the financial position of the subsidiaries		
Current assets	**18,780**	22,805
Non-current assets	**74,437**	74,068
Current liabilities	**33,347**	45,358
Non-current liabilities	**8,945**	2,326
Equity attributable to owners of the Company	**50,785**	49,084
Non-controlling interests	**140**	105
Information in respect of the profit and loss and other comprehensive income		
Revenue	**64,472**	69,122
Expenses	**(64,912)**	(66,121)
Tax expense	**(12)**	(2,126)
(Loss)/Profit for the year	**(452)**	875
(Loss)/Profit attributable to owners of the Company	**(487)**	838
Profit attributable to the non-controlling interests	**35**	37
(Loss)/Profit for the year	**(452)**	875
Other comprehensive income for the year, net of tax	**—**	—
Total comprehensive income for the year	**(452)**	875
Total comprehensive income attributable to owners of the Company	**(487)**	838
Total comprehensive income attributable to the non-controlling interests	**35**	37
Total comprehensive income for the year	**(452)**	875
Information in respect of the cash flows of the subsidiary		
Dividends paid to non-controlling interests	**—**	—
Net cash inflow from operating activities	**5,068**	8,915
Net cash outflow from investing activities	**(1,700)**	(907)
Net cash outflow from financing activities	**(9,078)**	(12,143)
Net cash outflow	**(5,710)**	(4,135)

19. Prepayments

19.1 Non-current

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Advance to contractors	**1,267**	4,759	**211**	211
Total non-current prepayments	**1,267**	4,759	**211**	211

19.2 Prepayments and other current assets

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Advance to contractors	**18,287**	17,055	**4,934**	7,051
Advance payment to suppliers	**116,164**	101,247	**98,144**	92,184
Rent, rates and insurance	**3,624**	3,495	**1,181**	1,298
Prepayment for road infrastructure tax credit	**212**	212	**212**	212
Total current prepayments and other assets	**138,287**	122,009	**104,471**	100,745
Due from related parties – current (Note 31)				
Parent company	**29,522**	27,929	**29,522**	27,929
Loans to parent company	**143,812**	50,000	**143,812**	50,000
Entities controlled by the parent company	**134,612**	111,724	**128,965**	106,224
Affiliates and associates of parent company	**916**	60	**—**	—
Subsidiaries	**—**	—	**170,704**	219,888
Total current receivables from related parties	**308,862**	189,713	**473,003**	404,041
Prepayments and other current assets	**447,149**	311,722	**577,474**	504,786

Non-current advances to contractors represent various advances made to contractors for the construction of plants while current advances to contractors represent various advances made for the purchase of AGO, coal and other materials which were not received at the year end.

20. Inventories

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Finished product	**11,789**	6,574	**5,724**	2,625
Work-in-progress	**24,181**	13,338	**3,210**	2,245
Raw materials	**11,545**	14,561	**6,788**	7,029
Packaging materials	**11,613**	12,618	**6,024**	7,793
Consumables	**26,023**	16,602	**18,028**	10,057
Fuel	**31,891**	13,577	**24,630**	5,822
Spare parts	**104,779**	76,207	**58,468**	43,398
Goods in transit	**17,742**	13,728	**9,832**	9,452
	239,563	167,205	**132,704**	88,421

The cost of inventories recognised as an expense during the year was ₦447.03 billion and ₦257.11 billion (2021: ₦331.84 billion and ₦211.89 billion) in the consolidated and separate financial statements respectively.

The amount recognised as inventories obsolescence during the year was ₦297.22 million (2021: 280.30 million) for Group and ₦13.60 million (2021: Nil) for Company.

The amount recognised as inventories write back during the year was ₦97.58 million (2021: 20.61 million) for Group and Nil (2021: Nil) for Company.

Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

21. Trade and other receivables

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Trade receivables	**16,045**	14,395	**8,590**	5,819
Impairment allowance on trade receivables	**(1,462)**	(1,685)	**(1,251)**	(1,484)
	14,583	12,710	**7,339**	4,335
Staff loans and advances	**857**	553	**93**	21
Value added tax receivables	**4,087**	6,720	**—**	—
Receivables from registrar	**1,221**	1,217	**1,221**	1,217
Other receivables*	**24,742**	26,269	**8,189**	10,225
Total trade and other receivables	**45,490**	47,469	**16,842**	15,798

* Included in other receivables as at 31 December 2022 is ₦6.04 billion (2021: ₦2.75 billion) and ₦5.2 billion (2021: ₦2.0 billion) relating to withholding tax receivable for Group and Company respectively.

Of the trade receivables balance at the end of the year in the consolidated and separate financial statements, ₦1.14 billion (2021: ₦958 million) represents the largest trade receivable balance due from a single customer at both the Group and Company level. There are no customers who represent more than 10% of the total balance of trade receivables of the Group and Company after impairment.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 720 days past due, except where there is adequate security, because historical experience has indicated that these receivables are generally not recoverable.

Movement in impairment loss allowance of ₦223 million (2021: ₦341 million relates to additional provision) for Group and ₦233 million (2021: ₦402 million) for the Company relates to reversal of provision made during the year for the Group and Company.

There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off is subject to enforcement activities.

Trade receivables are considered to be past due when they exceed the credit period granted.

21. Trade and other receivables continued

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segment.

	Group					
2022	**Not past due ₦'million**	**<30 days ₦'million**	**31–60 days ₦'million**	**61–90 days ₦'million**	**>90 days ₦'million**	**Total ₦'million**
Expected credit loss rate	**2.32%**	**0.22%**	**0.17%**	**6.37%**	**60.43%**	
Estimated total gross carrying amount at default	**6,755**	**5,663**	**1,067**	**474**	**2,086**	**16,045**
Lifetime ECL	**157**	**13**	**2**	**30**	**1,260**	**1,462**
31 December 2021	Not past due ₦'million	<30 days ₦'million	31–60 days ₦'million	61–90 days ₦'million	>90 days ₦'million	Total ₦'million
Expected credit loss rate	2.10%	0.26%	2.15%	90.08%	80.23%	
Estimated total gross carrying amount at default	6,204	6,304	—	263	1,624	14,395
Lifetime ECL	130	14	—	238	1,303	1,685

	Company					
2022	**Not past due ₦'million**	**<30 days ₦'million**	**31–60 days ₦'million**	**61–90 days ₦'million**	**>90 days ₦'million**	**Total ₦'million**
Expected credit loss rate	**0.00%**	**0.01%**	**0.03%**	**8.72%**	**59.74%**	
Estimated total gross carrying amount at default	**—**	**5,239**	**1,016**	**285**	**2,050**	**8,590**
Lifetime ECL	**—**	**1**	**—**	**25**	**1,225**	**1,251**
2021	Not past due ₦'million	<30 days ₦'million	31–60 days ₦'million	61–90 days ₦'million	>90 days ₦'million	Total ₦'million
Expected credit loss rate	0.00%	0.30%	0.00%	93.00%	87.04%	
Estimated total gross carrying amount at default	3,682	451	—	255	1,431	5,819
Lifetime ECL	—	1	—	237	1,246	1,484

22. Lease receivables

Leasing arrangements

Amounts receivable under finance leases:

	Group/Company			
	Minimum lease payments		Present value of minimum lease payment	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Year 1	**8,139**	4,692	**5,981**	3,751
Year 2	**6,456**	3,857	**4,881**	3,404
Year 3	**4,716**	2,174	**3,530**	2,041
Year 4	**4,424**	435	**3,588**	400
Year 5	**3,791**	142	**3,315**	136
Year 6	**1,874**	—	**1,771**	—
	29,400	11,300	**23,066**	9,732
Less: unearned finance income	**(6,334)**	(1,568)	**—**	—
Present value of minimum lease payments receivable	**23,066**	9,732	**23,066**	9,732
Allowance for uncollectable lease payments	**—**	—	**—**	—
Net investment in the lease	**23,066**	9,732	**23,066**	9,732
Analysed as follows:				
Recoverable within 12 months	**8,139**	4,691	**5,981**	3,752
Recoverable after 12 months	**21,261**	6,609	**17,085**	5,980
	29,400	11,300	**23,066**	9,732

The Company entered into finance lease arrangements for some of its trucks. All leases are denominated in Naira. The average term of finance leases entered into is 5.42 years (2021: 4.17 years).

During the year, the Group recognised interest income on lease receivables of ₦2.6 billion (2021: ₦1.66 billion).

Unguaranteed residual values of assets leased under finance leases at the end of the reporting year are estimated at Nil.

The average effective interest rate implicit in the contracts is 9.5% (2021: 9.06%) per annum.

22. Lease receivables continued

Leasing arrangements continued

The Directors of the Company estimate the loss allowance on finance lease receivables at the end of the reporting year at an amount equal to lifetime ECL. Taking into account the historical default experience and the future prospects of the industries in which the leases operate, together with the value of collateral held over these finance lease receivables, the Directors consider that no finance lease receivables is impaired as at year end (2021: Nil).

The table below shows the aged analysis of the finance lease receivables.

	Group & Company					
2022	**Not past due ₦'million**	**<30 days ₦'million**	**31–60 days ₦'million**	**61–90 days ₦'million**	**>90 days ₦'million**	**Total ₦'million**
Estimated total gross carrying amount at default	**22,905**	**38**	**19**	**24**	**80**	**23,066**
2021	Not past due ₦'million	<30 days ₦'million	31–60 days ₦'million	61–90 days ₦'million	>90 days ₦'million	Total ₦'million
Estimated total gross carrying amount at default	9,693	5	19	13	2	9,732

23. Share capital

	Group/Company	
	31/12/22 ₦'million	31/12/21 ₦'million
Issued and fully paid		
23.1 Share capital 17,040,507,404 (2021: 17,040,507,404) ordinary shares of ₦0.5 each	**8,520**	8,520
23.2 Share premium	**42,430**	42,430

23.3

Authorised share capital as at reporting dates represents 20,000,000,000 units of ordinary shares of ₦0.5 each. Out of the total units of issued and fully paid share capital, 166,948,153 units are held by the Company.

Fully paid ordinary shares carry one vote per fully paid up share and a right to dividends when declared and approved.

23.4 Securities trading policy

The Board of Directors have established an Insider Trading Policy designed to prohibit dealing in Dangote Cement Plc. shares or securities on the basis of potentially price sensitive information that is not yet in the public domain. This is in line with the Rules of the NSE, the Investment and Securities Act (ISA) 2007 and the SEC Rules and Regulations. All Directors complied with the Insider Trading Policy during the year under review, and the free float of the Company is in compliance with the NSE's free float requirements, as its value is above the threshold of forty billion Naira as mandated by the NSE.

23.5 Treasury shares

On the 31 December 2020, the Company embarked on a share buy-back programme, buying back 40,200,000 units of its shares at a total cost of ₦9.8 billion which included the par value of the shares and additional premium paid on it. In January 2022, the Company executed tranche II of its Share Buy-Back Programme, buying back 126,748,153 units of its shares representing 0.74% of the Company's issued and fully paid ordinary shares at a total of ₦35.3 billion. As at 31 December 2022, the Company held 166,948,153 units (2021: 40,200,000) of its own shares amounting to ₦45.2 billion (2021: ₦9.8 billion).

23.6 Capital contribution

A subordinated loan was obtained by the Company from the immediate parent, Dangote Industries Limited in 2010. The interest on the long-term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been recognised as a capital contribution.

23.7 Currency translation reserve

Exchange difference relating to the translation of the results and net investments of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of foreign operations.

24. Dividend

On 14 June 2022, a dividend of ₦20.00 per share was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to 2021 financial year.

In respect of the current year, the Directors proposed a dividend of ₦20.00 per share (2021: ₦20.00). This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

25. Trade and other payables

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Trade payables	**68,236**	105,518	**26,306**	71,979
Payable to contractors	**37,744**	44,227	**7,368**	14,665
Value added tax payable	**9,032**	11,494	**5,813**	6,583
Withholding tax payable	**29,598**	25,123	**2,873**	1,654
Staff pension (Note 29.1)	**311**	470	**16**	15
Contract liabilities – Advances from customers	**110,251**	94,847	**83,896**	79,779
Dividend payables	**4,357**	4,550	**4,357**	4,550
Suppliers' credit	**—**	12,773	**—**	12,773
Accruals	**75,370**	72,222	**23,834**	22,413
Total trade and other payables	**334,899**	371,224	**154,463**	214,411

The average credit period on purchases of goods is 38 days and 21 days (2021: 70 days and 76 days) for Group and Company respectively. Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid in line with the pre-agreed credit terms.

Contract liabilities are made up of advances from customers for cement and clinker yet to be delivered out of which ₦92.2 billion (2021: ₦66.6 billion) and ₦77.1 billion (2021: ₦47.1 billion) for Group and Company respectively relating to brought forward balances was recognised in revenue.

26. Financial liabilities

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Unsecured borrowings at amortised cost				
Bulk Commodities loans (Note 26.1)	**23,703**	21,801	**1,522**	1,400
Bond (Note 26.2)	**263,171**	147,789	**263,171**	147,789
Commercial papers (Note 26.3)	**—**	38,974	**—**	38,974
Bank loans (Note 26.4)	**261,431**	134,533	**243,218**	117,837
	548,305	343,097	**507,911**	306,000
Secured borrowings at amortised cost				
Power intervention loan	**—**	250	**—**	250
Bank loans (Note 26.4)	**158,429**	221,593	**73,552**	151,270
	158,429	221,843	**73,552**	151,520
Total loans and borrowings	**706,734**	564,940	**581,463**	457,520
Financial liabilities (Non-current)	**333,498**	176,562	**263,171**	147,789
Current portion repayable in one year and shown as current liabilities	**240,247**	311,903	**191,083**	240,977
Overdraft balances (Note 32.1)	**132,989**	76,475	**127,209**	68,754
Current portion of loans and borrowings	**373,236**	388,378	**318,292**	309,731
Interest payable	**19,142**	13,015	**9,039**	5,359
Financial liabilities (Current)	**392,378**	401,393	**327,331**	315,090

26.1 The loans from Bulk Commodities International, a related party, are denominated in USD with interest rate ranging from 6% to 8.5% per annum.

26.2 During the year, the Company issued additional bonds with face value of ₦116 billion bringing the total publicly issued bonds to ₦266 billion as of 31 December 2022 (December 2021: ₦150 billion) with the coupon rate of 11.25% to 13.5%. The tenure is between three to ten years.

26.3 Commercial papers issued under a programme had a face value of ₦41 billion as of December 2021. The tenure was between 90 days and 270 days with discount ranging from 8.5% to 10.0%.

26.4 Bank loans include Letters of credit (LCs) obtained to finance inventories, property, plant and equipment, etc. The average interest rate is Libor plus 8.5% (2021: 7.4%)

26. Financial liabilities continued

Loans	Currency	Nominal interest rate	Maturity	Group 31/12/22 ₦'million	Group 31/12/21 ₦'million
Bank overdrafts			On demand	**132,989**	76,475
Other borrowings					
Loan from Bulk Commodities Inc.	USD	6.0% – 8.5%	On demand	**23,703**	21,801
Power intervention loan	Naira	5.0%	01/2022	**—**	250
Commercial paper	Naira	8.5.0% – 10.0%	2022	**—**	38,974
Bond	Naira	11.25 – 13.5%	2025 – 2032	**263,171**	147,789
Short-term loans from banks	USD	Libor + 8.5%	2023	**216,240**	230,816
Loans from Standard Chartered	USD	Libor + 6%	04/2022	**—**	9,757
Long-term loans from banks	USD	Libor + 4%	2027	**17,100**	14,210
Long-term loans from banks	CFA	7.25%	2025	**42,623**	7,390
Loans from Nedbank/Standard Bank	Rands	JIBAR + 3.25%	10/2025	**10,908**	17,478
				573,745	488,465
Total borrowings				**706,734**	564,940

Loans Bank overdrafts	Currency	Nominal interest rate	Maturity	Company 31/12/22 ₦'million	Company 31/12/21 ₦'million
Bank overdrafts			On demand	**127,209**	68,754
Loan from Bulk Commodities Inc.	USD	6.0%	On demand	**1,522**	1,400
Power intervention loan	Naira	5.0%	01/2022	**—**	250
Commercial paper	Naira	8.5.0% – 10.0%	2022	**—**	38,974
Bond	Naira	11.25 – 13.5%	2025 – 2032	**263,171**	147,789
Short-term loans from Banks	USD	Libor + 8.5%	2023	**189,561**	200,353
				454,254	388,766
Total borrowings				**581,463**	457,520

26.5

The maturity profiles of borrowings are as follows:

	Group 31/12/22 ₦'million	Group 31/12/21 ₦'million	Company 31/12/22 ₦'million	Company 31/12/21 ₦'million
Due within one month	**138,789**	85,561	**128,732**	**69,004**
Due from one to three months	**182,141**	25,244	**167,060**	**15,200**
Due from three to twelve months	**52,306**	277,573	**22,500**	**225,527**
Total current portion repayable in one year	**373,236**	388,378	**318,292**	**309,731**
Due in the second year	**21,507**	5,536	**3,621**	**—**
Due in the third year	**118,226**	23,389	**98,958**	**3,643**
Due in the fourth year	**24,536**	101,904	**10,338**	**98,423**
Due in the fifth year and further	**169,229**	45,733	**150,254**	**45,723**
Total long-term portion of borrowings	**333,498**	176,562	**263,171**	**147,789**
Total	**706,734**	564,940	**581,463**	**457,520**

The table below details changes in the liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and Company's consolidated and separate statements of cash flows as cash flows from financing activities.

Group	31/12/21 ₦'million	Financing cash flows ₦'million	Exchange losses ₦'million	Others ₦'million	31/12/22 ₦'million
Bulk Commodities loans	21,801	—	1,902	—	**23,703**
Power intervention loan	250	(250)	—	—	**—**
Commercial papers	38,974	(38,974)	—	—	**—**
Bond	147,789	114,591	—	791	**263,171**
Bank loans	279,651	(4,091)	11,311	—	**286,871**
	488,465	71,276	13,213	791	**573,745**

26. Financial liabilities continued
26.5 continued

	Company				
	31/12/21 ₦'million	Financing cash flows ₦'million	Exchange losses ₦'million	Others ₦'million	**31/12/22 ₦'million**
Bulk Commodities loans	1,400	—	122	—	**1,522**
Power intervention loan	250	(250)	—	—	**—**
Commercial papers	38,974	(38,974)	—	—	**—**
Bond	147,789	114,591	—	791	**263,171**
Bank loans	200,353	(24,422)	13,630	—	**189,561**
	388,766	50,945	13,752	791	**454,254**

	Group				
	01/01/21 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	31/12/21 ₦'million
Bulk Commodities loans	23,515	—	(1,714)	—	21,801
Loans from Dangote Oil & Gas	32,905	(32,873)	(32)	—	—
Power intervention loan	2,238	(2,376)	—	388	250
Commercial papers	110,970	(71,996)	—	—	38,974
Bond	98,423	49,256	—	110	147,789
Bank loans	210,263	62,273	6,472	643	279,651
	478,314	4,284	4,726	1,141	488,465

	Company				
	01/01/21 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	31/12/21 ₦'million
Bulk Commodities loans	1,322	—	78	—	1,400
Loans from Dangote Oil & Gas	32,905	(32,873)	(32)	—	—
Power intervention loan	2,238	(2,376)	—	388	250
Commercial papers	110,970	(71,996)	—	—	38,974
Bond	98,423	49,256	—	110	147,789
Bank loans	103,771	92,385	3,554	643	200,353
	349,629	34,396	3,600	1,141	388,766

Financing cash flows represent loan obtained and loan repaid during the year. Loan obtained amounts to ₦338.45 billion (2021: ₦329.12 billion) and ₦290.11 billion (2021: ₦312.44 billion) for Group and Company. Loan repaid amounts to ₦267.18 billion (2021: ₦324.83 billion) and ₦239.16 billion (2021: ₦278.04 billion) for Group and Company.

27. Deferred revenue and other current liabilities
27.1 Deferred revenue

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Deferred revenue arising from government grant (refer to (a) below)	**354**	670	**—**	299
	354	670	**—**	299
Current (Note 27.2)	**34**	34	**—**	1
Non-current	**320**	636	**—**	298
	354	670	**—**	299

a) The deferred revenue mainly arises as a result of the benefits received from government. The income recognised in current year was recorded in other income line.

Movement in deferred revenue

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
At 1 January	**670**	444	**299**	37
Additions during the year	**—**	298	**—**	298
	670	742	**299**	335
Released to profit and loss account (other income)	**(332)**	(71)	**(299)**	(36)
Effect of foreign exchange differences	**16**	(1)	**—**	—
Closing balance	**354**	670	**—**	299

27. Deferred revenue and other current liabilities continued

27.2 Other current liabilities

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Current portion of deferred revenue (Note 27.1)	34	34	—	1
Due to related parties – current (Note 31)				
Parent company	100	—	—	—
Entities controlled by the parent company	78,845	101,806	69,792	95,407
Affiliates and associates of parent company	45,745	46,454	24,818	26,080
Subsidiaries	—	—	42,496	40,091
Total current payables to related parties	124,690	148,260	137,106	161,578
Other current liabilities	124,724	148,294	137,106	161,579

28. Provisions

	Group					
	31/12/22			31/12/21		
	Site restoration ₦'million	Others* ₦'million	Total ₦'million	Site Restoration ₦'million	Others ₦'million	Total ₦'million
Balance at beginning of the year	6,605	1,823	8,428	6,913	1,136	8,049
Effect of foreign exchange differences	124	(624)	(500)	(914)	412	(502)
Provisions made during the year	700	1,164	1,864	(9)	275	266
Unwinding of discount	783	—	783	615	—	615
Balance at the end of the year	8,212	2,363	10,575	6,605	1,823	8,428

	Company					
	31/12/22			31/12/21		
	Site Restoration ₦'million	Others ₦'million	Total ₦'million	Site Restoration ₦'million	Others ₦'million	Total ₦'million
Balance at beginning of the year	5,573	—	5,573	5,049	—	5,049
Provisions made during the year	509	—	509	(52)	—	(52)
Unwinding of discount	752	—	752	576	—	576
Balance at the end of the year	6,834	—	6,834	5,573	—	5,573

* Others include non-current withholding tax payable on interest.

The Group and Company's obligations are to settle environmental restoration and dismantling/decommissioning cost of property, plant and equipment when the Group and Company have a legal or constructive obligation to do so. The expenditure is expected to be utilised at the end of the useful lives of the mines.

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The provision is an estimate based on management's re-assessment. It is expected that the restoration cost will happen over a period of time for the Group and Company. The long-term inflation and discount rates used in the estimate for Nigerian entities were 13.9% and 14% (2021: 12.0% and 13.5%).

29. Employee benefits

Employee benefits include defined contribution plans and long service awards. These are analysed as follows:

29.1 Defined contribution plans (Note 25)

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Balance at beginning of the year	470	722	15	15
Provision for the year	2,444	3,546	1,363	1,372
Payments during the year	(2,594)	(3,821)	(1,362)	(1,372)
Effect of foreign exchange differences	(9)	23	—	—
Balance at the end of the year	311	470	16	15

The Group operates a group life policy and a contributory pension scheme for its employees in Nigeria in line with the provisions of the Pension Reform Act 2014 in Nigeria and in other locations, and in line with the constitutions there. The scheme is funded through employees' and employers' contributions as prescribed by the Act. The contribution from the employer is 10% while that of the employee is 8% of the basic, housing and transport allowances in Nigeria.

29. Employee benefits continued

29.2 Employee benefit obligations

The Group operates an unfunded long service award for qualifying employees of the Group. Under the plan, the employees are entitled to benefits such as gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate on attainment of a specific number of years in service. The most recent actuarial valuations of the present value of the long service award were carried out as at 31 December 2022 by Ernst & Young Nigeria and signed on its behalf by Wise Chigudu (FRC registration number: FRC/2022/PRO/NAS/00000024119). The present value of the long service award, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan typically exposes the Group to actuarial risks such as; investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk A decrease in the bond interest rate will increase the plan liability.

Longevity risk The present value of the long service award liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the long service award liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations for Group and Company were as follows:

	Company	
	31/12/22 %	31/12/21 %
Discount rate(s)	**14.00**	13.50
Expected rate(s) of salary increase	**13.00**	12.00
Inflation rate	**13.00**	12.00

Movements in the present value of the long service awards are as follows:

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
At 1 January	**3,219**	3,581	**2,972**	3,552
Current service cost	**1,551**	877	**1,508**	614
Interest cost	**416**	301	**401**	277
Remeasurement loss/gain				
Actuarial loss/gain	**3,680**	(1,458)	**3,692**	(1,378)
Benefits paid	**(335)**	(100)	**(329)**	(93)
Effect of foreign exchange differences	**16**	18	**—**	—
At 31 December	**8,547**	3,219	**8,244**	2,972

The actual return on plan assets in 2022 was Nil (2021: Nil)

Amounts recognised in profit or loss in respect of these long service awards are as follows.

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Current service cost	**1,551**	877	**1,508**	614
Net Interest expense	**416**	301	**401**	277
Actuarial loss/(gain)	**3,680**	(1,458)	**3,692**	(1,378)
	5,647	(280)	**5,601**	(487)

The amount included in the consolidated and separate statements of financial position arising from the entity's obligation in respect of its long service awards is as follows:

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Present value of defined benefit obligations	**8,547**	3,219	**8,244**	2,972
Net liability arising from defined benefit obligation	**8,547**	3,219	**8,244**	2,972

- If the discount rate is 100 basis points higher (lower), the long service award at 31 December 2022 would decrease by ₦627.72 million (increase by ₦715.98 million) (2021: decrease by ₦258.79 million (increase by ₦299.36 million)).
- If the expected salary growth increases (decreases) by 1%, the long service award as at 31 December 2022 would increase by ₦189.70 million (decrease by ₦169.57 million) (2021: increase by ₦194.90 million (decrease by ₦171.01 million)).
- If the assumed mortality age is rated up (down) by one year, the long service award as at 31 December 2022 would decrease by ₦42.11 million (increase by ₦38.17 million) (2021: decrease by ₦17.67 million (increase by ₦16.07 million)).

29. Employee benefits continued

29.2 Employee benefit obligations continued

The sensitivity analysis presented above may not be representative of the actual change in the long service award as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the long service award has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the long service awards liability recognised in the statement of financial position.

30. Financial instruments

30.1 Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in Note 26 offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed below.

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Net debt	**422,891**	225,097	**385,326**	184,957
Equity	**1,078,947**	983,669	**1,491,535**	1,461,472

The Finance and Investment Committee reviews the capital structure of the Group on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net debt to equity ratio which provides benefits of trading on equity without exposing the Group to any undue long-term liquidity risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

The net debt to equity ratio as on 31 December 2022 is 39% (2021: 23%).

30.1.1 Debt to equity ratio

The debt to equity ratio at end of the reporting year was as follows:

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Financial liabilities (Note 26)	**706,734**	564,940	**581,463**	457,520
Cash and cash equivalents (Note 32.1)	**283,843**	339,843	**196,137**	272,563
Net debt	**422,891**	225,097	**385,326**	184,957
Equity	**1,078,947**	983,669	**1,491,535**	1,461,472
Net debt/Equity ratio	**0.39**	0.23	**0.26**	0.13

30. Financial instruments continued
30.2 Categories of financial instruments

	Group					
2022	Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	1,527,293	1,527,293
Intangible assets	—	—	—	—	6,225	6,225
Right-of-use assets	—	—	—	—	23,551	23,551
Investment in associate	—	—	—	—	2,580	2,580
Lease receivables	23,066	—	—	23,066	—	23,066
Deferred tax asset	—	—	—	—	14,193	14,193
Prepayments for property, plant & equipment	—	—	—	—	1,267	1,267
Inventories	—	—	—	—	239,563	239,563
Trade and other receivables	41,403	—	—	41,403	4,087	45,490
Prepayments and other current assets	308,862	—	—	308,862	138,287	447,149
Current tax assets	—	—	—	—	1,435	1,435
Cash and cash equivalents	283,843	—	—	283,843	—	283,843
Total assets	657,174	—	—	657,174	1,958,481	2,615,655
Liabilities						
Trade and other payables	186,018	—	—	186,018	148,881	334,899
Current tax liabilities	—	—	—	—	167,971	167,971
Financial liabilities	725,876	—	—	725,876	—	725,876
Other current liabilities	124,690	—	—	124,690	34	124,724
Lease liabilities	9,770	—	—	9,770	—	9,770
Deferred tax liabilities	—	—	—	—	154,026	154,026
Provisions	—	—	—	—	10,575	10,575
Employee benefits obligations	—	—	—	—	8,547	8,547
Deferred revenue	—	—	—	—	320	320
Total liabilities	1,046,354	—	—	1,046,354	490,354	1,536,708

	Group					
2021	Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	1,472,859	1,472,859
Intangible assets	—	—	—	—	5,122	5,122
Right-of-use assets	—	—	—	—	18,566	18,566
Investment in associate	—	—	—	—	6,528	6,528
Lease receivables	9,732	—	—	9,732	—	9,732
Deferred tax asset	—	—	—	—	5,163	5,163
Prepayments for property, plant and equipment	—	—	—	—	4,759	4,759
Inventories	—	—	—	—	167,205	167,205
Trade and other receivables	40,749	—	—	40,749	6,720	47,469
Prepayments and other current assets	189,713	—	—	189,713	122,009	311,722
Current tax assets	—	—	—	—	3,051	3,051
Cash and cash equivalents	339,843	—	—	339,843	—	339,843
Total assets	580,037	—	—	580,037	1,811,982	2,392,019
Liabilities						
Trade and other payables	239,760	—	—	239,760	131,464	371,224
Current tax liabilities	—	—	—	—	153,385	153,385
Financial liabilities	577,955	—	—	577,955	—	577,955
Other current liabilities	148,260	—	—	148,260	34	148,294
Lease liabilities	10,206	—	—	10,206	—	10,206
Deferred tax liabilities	—	—	—	—	135,003	135,003
Provisions	—	—	—	—	8,428	8,428
Employee benefits obligations	—	—	—	—	3,219	3,219
Deferred revenue	—	—	—	—	636	636
Total liabilities	976,181	—	—	976,181	432,169	1,408,350

30. Financial Instruments continued

30.2 Categories of financial instruments continued

2022	Company Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	498,893	498,893
Intangible assets	—	—	—	—	114	114
Right-of-use assets	—	—	—	—	1,628	1,628
Investments in subsidiaries	—	—	—	—	249,262	249,262
Investment in associate	—	—	—	—	1,582	1,582
Lease receivables	23,066	—	—	23,066	—	23,066
Prepayments for property, plant and equipment	—	—	—	—	211	211
Receivables from subsidiaries	959,639	—	—	959,639	—	959,639
Inventories	—	—	—	—	132,704	132,704
Trade and other receivables	16,842	—	—	16,842	—	16,842
Prepayments and other current assets	473,003	—	—	473,003	104,471	577,474
Current tax assets	—	—	—	—	911	911
Cash and cash equivalents	196,137	—	—	196,137	—	196,137
Total assets	1,668,687	—	—	1,668,687	989,776	2,658,463
Liabilities						
Trade and other payables	61,881	—	—	61,881	92,582	154,463
Current tax liabilities	—	—	—	—	156,940	156,940
Financial liabilities	590,502	—	—	590,502	—	590,502
Other current liabilities	137,106	—	—	137,106	—	137,106
Lease liabilities	148	—	—	148	—	148
Deferred tax liabilities	—	—	—	—	112,691	112,691
Provisions	—	—	—	—	6,834	6,834
Employees benefits obligations	—	—	—	—	8,244	8,244
Total liabilities	789,637	—	—	789,637	377,291	1,166,928

2021	Company Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	554,883	554,883
Intangible assets	—	—	—	—	147	147
Right-of-use assets	—	—	—	—	1,365	1,365
Investments in subsidiaries	—	—	—	—	162,268	162,268
Investment in associate	—	—	—	—	1,582	1,582
Lease receivables	9,732	—	—	9,732	—	9,732
Prepayments for property, plant and equipment	—	—	—	—	211	211
Receivables from subsidiaries	968,000	—	—	968,000	—	968,000
Inventories	—	—	—	—	88,421	88,421
Trade and other receivables	15,798	—	—	15,798	—	15,798
Prepayments and other current assets	404,041	—	—	404,041	100,745	504,786
Current tax assets	—	—	—	—	2,542	2,542
Cash and cash equivalents	272,563	—	—	272,563	—	272,563
Total assets	1,670,134	—	—	1,670,134	912,164	2,582,298
Liabilities						
Trade and other payables	126,395	—	—	126,395	88,016	214,411
Current tax liabilities	—	—	—	—	146,517	146,517
Financial liabilities	462,879	—	—	462,879	—	462,879
Other current liabilities	161,578	—	—	161,578	1	161,579
Lease liabilities	371	—	—	371	—	371
Deferred tax liabilities	—	—	—	—	126,226	126,226
Provisions	—	—	—	—	5,573	5,573
Employees benefits obligations		—	—	—	2,972	2,972
Deferred revenue	—	—	—	—	298	298
Total liabilities	751,223	—	—	751,223	369,603	1,120,826

30. Financial instruments continued

30.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group and analyses exposures by degree and magnitude of risks. These risks include market risk, credit risk, and liquidity risk.

30.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Note 30.5.1) and interest rates (Note 30.7.2).

30.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Income is primarily earned in local currency for most of the locations with a significant portion of capital expenditure being in foreign currency. The Group manages foreign currency by monitoring our financial position in each country we operate with the aim of having assets and liabilities denominated in the functional currency as much as possible. The effective closing rate as at 31 December 2022 are ₦461.1/US Dollar, ₦553.84/GB Pounds & ₦491.4/Euro (2021: ₦424.11/US Dollar, ₦470.19/GB Pounds & ₦559.96/Euro). The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows.

	Group			
	Liabilities		Assets	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
US Dollars	**434,877**	473,843	**16,269**	2,759
GB Pounds	**5,201**	5,382	**—**	9
Euro	**21,667**	24,235	**1,446**	6,815
Total	**461,745**	503,460	**17,715**	9,583

	Company			
	Liabilities		Assets	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
US Dollars	**283,341**	385,286	**947,546**	922,731
GB Pounds	**5,110**	5,366	**—**	9
Euro	**16,604**	19,800	**1,207**	8,647
Total	**305,055**	410,452	**948,753**	931,387

30.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollars.

The following table details the Group and Company's sensitivity to a 15% (2021:15%) increase and decrease in the Naira against the US Dollar, GB Pounds & Euro. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity for a 15% change in the exchange rates. A negative number below indicates a decrease in profit or equity for a 15% change in the exchange rates.

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Effect on profit or loss/equity for a 15% (2021: 15%) appreciation in Naira:				
US Dollars	**43,954**	49,464	**(69,742)**	(56,432)
GB Pounds	**546**	564	**537**	562
Euro	**2,123**	1,829	**1,617**	1,171
Total	**46,623**	51,857	**(67,588)**	(54,699)

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Effect on profit or loss/equity for a 15% (2021: 15%) depreciation in Naira:				
US Dollars	**(43,954)**	(49,464)	**69,742**	56,432
GB Pounds	**(546)**	(564)	**(537)**	(562)
Euro	**(2,123)**	(1,829)	**(1,617)**	(1,171)
Total	**(46,623)**	(51,857)	**67,588**	54,699

30. Financial instruments continued

30.6 Credit risk management

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's and Company's business is predominantly on a cash basis. Revolving credits granted to major distributors and very large corporate customers approximate about ₦37.69 billion (2021: ₦37.07 billion) and these are payable within 30 days. Stringent credit control is exercised over the granting of credit, this is done through the review and approval by executive management based on the recommendation of the credit control group.

Credits to major distributors are covered by bank guarantee with an average credit period of no more than 15 days.

For very large corporate customers, clean credits are granted based on previous business relationships and positive credit worthiness which is performed on an on-going basis. These credits are usually payable at no more than 30 days.

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

30.6.1 Exposure to credit risk

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades:

		Group					
2022	Notes	**External credit rating**	**Internal rating**	**12 months or lifetime ECL**	**Gross carrying amount ₦'million**	**Allowance ₦'million**	**Net carrying amount ₦'million**
Lease receivables	22	**N/A**	**ii**	**Lifetime ECL**	**23,066**	**—**	**23,066**
Trade and other receivables	21	**N/A**	**ii**	**Lifetime ECL**	**42,865**	**(1,462)**	**41,403**
Prepayments and other current assets	19.2	**N/A**	**Performing**	**Lifetime ECL**	**308,862**	**—**	**308,862**
Cash and cash equivalents	32.1	**i**	**i**	**i**	**283,843**	**—**	**283,843**
Total					**658,636**	**(1,462)**	**657,174**

		Group					
2021	Notes	External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	9,732	—	9,732
Trade and other receivables	21	N/A	ii	Lifetime ECL	42,434	(1,685)	40,749
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	189,713	—	189,713
Cash and cash equivalents	32.1	i	i	i	339,843	—	339,843
Total					581,722	(1,685)	580,037

30. Financial instruments continued
30.6 Credit risk management continued

2022	Notes	Company External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	23,066	—	23,066
Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	959,639	—	959,639
Trade and other receivables	21	N/A	ii	Lifetime ECL	18,093	(1,251)	16,842
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	473,003	—	473,003
Cash and cash equivalents	32.1	i	i	i	196,137	—	196,137
Total					**1,669,938**	**(1,251)**	**1,668,687**

2021	Notes	Company External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	9,732	—	9,732
Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	968,000	—	968,000
Trade and other receivables	21	N/A	ii	Lifetime ECL	17,282	(1,484)	15,798
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	404,041	—	404,041
Cash and cash equivalents	32.1	i	i	i	203,809	—	203,809
Total					1,602,864	(1,484)	1,601,380

(i) All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions with good credit rating by rating agencies. Therefore no amount of impairment loss is recognised as at year end (2021: Nil).

(ii) For finance leases and trade receivables, the simplified approach to measure the loss allowance at lifetime ECL has been applied.

30.7 Liquidity risk management
The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares. The Group has access to sufficient sources of funds directly from external sources as well as from the Group's parent.

30.7.1 Liquidity maturity table
The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

	Gross carrying amount ₦'million	Group Contractual cash flows <1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2022					
Trade and other payables	186,018	186,018	—	—	—
Financial liabilities	725,876	161,066	188,378	78,745	550,108
Lease liabilities	9,770	141	281	1,638	55,186
Other current liabilities	124,690	124,690	—	—	—
Total	**1,046,354**	**471,915**	**188,659**	**80,383**	**605,294**

	Gross carrying amount ₦'million	Group Contractual cash flows <1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2021					
Trade and other payables	239,760	226,987	—	12,773	—
Financial liabilities	577,955	99,011	26,075	299,177	244,181
Lease liabilities	10,206	182	364	1,638	52,383
Other current liabilities	148,260	148,260	—	—	—
Total	976,181	474,440	26,439	313,588	296,564

30. Financial instruments continued
30.7 Liquidity risk management continued
30.7.1 Liquidity maturity table continued

		Company			
	Gross carrying amount ₦'million	Contractual cash flows <1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2022					
Trade and other payables	**61,881**	**61,881**	**—**	**—**	**—**
Financial liabilities	**590,502**	**140,635**	**172,787**	**47,042**	**479,781**
Other current liabilities	**137,106**	**137,106**	**—**	**—**	**—**
Lease liabilities	**148**	**—**	**—**	**—**	**148**
Total	**789,637**	**339,622**	**172,787**	**47,042**	**479,929**

		Company			
	Gross carrying amount ₦'million	Contractual cash flows <1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2021					
Trade and other payables	126,395	113,622	—	12,773	—
Financial liabilities	462,879	74,363	15,200	245,021	212,556
Other current liabilities	161,578	161,578	—	—	—
Lease liabilities	371	—	—	261	110
Total	751,223	349,563	15,200	258,055	212,666

The Company guaranteed the loans in the subsidiaries amounting to ₦125.27 billion (2021: ₦87.0 billion).

30.7.2 Interest risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group maintains a centralised treasury department and Group borrowing is done in order to obtain lower interest rates. The Group negotiates long-term credit facilities to reduce the risk associated with high cost of borrowing. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 100 basis points (BP) increase or decrease are used when reporting Libor risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates. Please refer to Note 26 for interest rates of financial instruments.

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The following table details the sensitivity to a 1% (2021: 1%) increase or decrease in interest rates.

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Effect on Profit or loss/Equity for a 1% (2021: 1%) increase in rate	**(1,365)**	(1,693)	**1,645**	1,758
Effect on Profit or loss/Equity for a 1% (2021: 1%) decrease in rate	**1,365**	1,693	**(1,645)**	(1,758)

30. Financial instruments continued
30.7 Liquidity risk management continued
30.7.3 Fair valuation of financial assets and liabilities
Except for bond as shown in table below, the carrying amount of trade and other receivables, cash and cash equivalents, lease receivables, lease liabilities and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

	Group				Company			
	31/12/22 Fair value ₦'million	**31/12/22 Carrying amount ₦'million**	31/12/21 Fair value ₦'million	31/12/21 Carrying amount ₦'million	**31/12/22 Fair value ₦'million**	**31/12/22 Carrying amount ₦'million**	31/12/21 Fair value ₦'million	31/12/21 Carrying amount ₦'million
Bond	**248,689**	**263,171**	147,590	147,789	**248,689**	**263,171**	147,590	147,789

Fair value hierarchy
Financial instruments in Level 1

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for quoted equity investment held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximise the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years.

The fair value of future and forward exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instruments in Level 3

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities. The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

31. Related-party transactions
Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and Company, and other related parties are disclosed below.

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a 'related party' contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs, finance income and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing and capital projects.

31.1 Trading transactions
During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchases of goods and services	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Parent company	**196**	22	**—**	—
Entities controlled by the parent company	**4,927**	8,708	**249,949**	149,869
Affiliates and associates of the parent company	**—**	—	**90,465**	77,890

During the year, the Company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods and services	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Parent company	**196**	22	**—**	—
Entities controlled by the parent company	**4,927**	8,708	**248,329**	147,466
Affiliates and associates of the parent company	**—**	—	**34,269**	13,264
Subsidiaries	**1,908**	7,091	**147,521**	74,714

31. Related-party transactions continued

31.1 Trading transactions continued

In addition to sales and purchases of goods, the Company charged interest amounting to ₦38.6 billion (2021: ₦30.2 billion) on loans granted to subsidiaries. This interest is eliminated on consolidation.

Also during the year, the Group charged the parent company a total interest of ₦28.14 billion (2021: ₦14.59 billion). In the same vein, the parent company charged the Group a total interest of Nil (2021: Nil).

In addition to the above, Dangote Industries Limited performed certain administrative services for the Company, for which a management fee of ₦5.24 billion (2021: ₦5.41 billion) was charged, being an allocation of costs incurred by relevant administrative departments. Also, the parent company (DIL) provided a guarantee for related parties receivables.

During the year, the Company provided materials and services of ₦37.18 billion (2021: ₦16.80 billion), used in the manufacturing process of subsidiaries.

31.2 Related party balances

The following balances were outstanding at the end of the reporting year:

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Non-current				
Entities controlled by the Company	**959,639**	968,000	**—**	—

The above balances represents expenditures on projects in African countries. These are not likely to be repaid within the next 12 months and have been classified under non-current assets.

In 2022, amount totalling ₦938.8 million (2021: Nil) has been recognised as impairment loss in respect of receivables from non - operational subsidiaries by the Company.

The Group management has continued to show its intention to provide financial support to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this. Interest charged to the subsidiaries on the advances extended to them during the year was between 5% to 11%.

During the year, the Company provided financial support to its subsidiaries of ₦53.8 billion (2021: ₦164.4 billion) for capital development and/or for operational purposes. Assistance rendered was always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

Other balances outstanding at the end of the reporting year were:

	Group			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Current				
Parent company	**29,522**	27,929	**100**	—
Loans to parent company	**143,812**	50,000	**—**	—
Entities controlled by the parent company	**134,612**	111,724	**78,845**	101,806
Affiliates and associates of parent company	**916**	60	**45,745**	46,454
	308,862	189,713	**124,690**	148,260

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Current				
Parent company	**29,522**	27,929	**—**	—
Loans to parent company	**143,812**	50,000	**—**	—
Entities controlled by the parent company	**128,965**	106,224	**69,792**	95,407
Affiliates and associates of the parent company	**—**	—	**24,818**	26,080
Subsidiaries	**170,704**	219,888	**42,496**	40,091
	473,003	404,041	**137,106**	161,578

31.3 Loans from related parties

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	**31/12/22 ₦'million**	31/12/21 ₦'million
Affiliates and associates of the parent company	**23,703**	21,801	**1,522**	1,400
Entities controlled by the parent company	**—**	—	**—**	—
	23,703	21,801	**1,522**	1,400

31. Related-party transactions continued

31.4 Compensation of key management personnel

The remuneration of Directors who are the members of key management personnel during the year was as follows:

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Short-term benefits	**1,843**	1,409	**1,813**	1,391
	1,843	1,409	**1,813**	1,391

32. Supplemental cash flow disclosures

32.1 Cash and cash equivalents

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Cash and bank balances	**139,108**	251,887	**51,853**	184,889
Short-term deposits	**144,735**	87,956	**144,284**	87,674
Cash and cash equivalents per statement of financial position	**283,843**	339,843	**196,137**	272,563
Bank overdrafts used for cash management purposes (Note 26)	**(132,989)**	(76,475)	**(127,209)**	(68,754)
Cash and cash equivalents per statement of cash flows	**150,854**	263,368	**68,928**	203,809

Cash and cash equivalents include restricted cash of ₦5.38 billion for Group and ₦4.93 billion for Company (2021: ₦8.34 billion for Group and ₦4.17 billion for Company) on unclaimed dividend held in a separate bank account, letters of credit for the acquisition of inventories, property, plant and equipment as well as debt service reserve account.

32.2 Additional information on the consolidated and separate statements of cash flows

The details below show the reconciliation of the movement in the statement of financial position (SFP) balances and the cash flows disclosed in the statements of cash flows (SCF).

32.2.1 Reconciliation of inventories

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Movement in balances per SFP	**(72,358)**	(58,935)	**(44,283)**	(33,876)
Transfers from property, plant and equipment	**2013**	(1,591)	**—**	759
Cash flows as per statement of cash flows	**(70,345)**	(60,526)	**(44,283)**	(33,117)

32.2.2 Reconciliation of trade and other receivables

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Movement in balances per SFP	**1,979**	(12,275)	**(1,044)**	(969)
Withholding tax utilised	**(1,522)**	(21)	**—**	—
Transfers from property, plant and equipment	**—**	1,123	**—**	1,122
Cash flows as per statement of cash flows	**457**	(11,173)	**(1,044)**	153

32.2.3 Reconciliation of trade and other payables

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Movement in balances per SFP	**(36,325)**	21,836	**(59,948)**	74,166
Reclassification of suppliers' credit	**12,773**	(9,914)	**12,773**	(9,914)
Transfers from property, plant and equipment	**1,123**	5,091	**976**	5,097
Reclassification of share buy-back	**—**	9,833	**—**	9,833
Cash flows as per statement of cash flows	**(22,429)**	26,846	**(46,199)**	79,182

32.2.4 Reconciliation of prepayments and other current assets

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Movement in balances per SFP	**(135,427)**	(63,161)	**(72,688)**	(99,720)
Reclassification of receivables from subsidiaries	**—**	—	**(49,184)**	33,041
Reclassification of loan to parent company	**93,812**	(20,000)	**93,812**	(20,000)
Reclassification of repayment of interest on loan to parent company	**(29,124)**	—	**(29,124)**	—
Reclassification of interest charge on loan to parent company	**28,143**	7,853	**28,143**	7,853
Reclassification of trading transactions with subsidiaries	**—**	—	**110,734**	—
Transfers from property, plant and equipment	**463**	3,595	**463**	3,595
Reclassification of road infrastructure tax credit	**(183)**	(7,691)	**(183)**	(7,691)
Cash flows as per statement of cash flows	**(42,316)**	(79,404)	**81,973**	(82,922)

32. Supplemental cash flow disclosures continued

32.2 Additional information on the consolidated and separate statements of cash flows continued

32.2.5 Reconciliation of other current liabilities

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Movement in balances per SFP	(23,570)	64,834	(24,473)	79,870
Deferred revenue reclassification	—	36	1	36
Reclassification of payables to subsidiaries	—	—	(2,405)	(24,204)
Reclassification of assets acquired through suppliers' credit	—	(1,466)	—	(1,465)
Reclassification of trading transactions with subsidiaries	—	—	—	57,911
Cash flows as per statement of cash flows	(23,570)	63,404	(26,877)	112,148

33. Lease liabilities

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Maturity analysis				
Year 1	1,687	2,184	—	261
Year 2	1,729	1,561	—	—
Year 3	1,355	1,384	82	110
Year 4	1,258	1,147	117	—
Year 5	1,130	1,162	—	—
Later than 5 years	49,714	47,129	—	—
	56,873	54,567	199	371
Less unearned interest	(47,103)	(44,361)	(51)	—
	9,770	10,206	148	371
Analysed as				
Current	1,713	2,187	—	261
Non-current	8,057	8,019	148	110
	9,770	10,206	148	371

33.1 Extension options

Some leases include extension options that are exercisable by the Group/Company up to one (1) year before the end of the non-cancellable contract period. The extension options held are not exercisable by the lessor but only by the Group/Company. The Group/Company assesses at the commencement date of lease whether or not it is reasonably certain to exercise these options. If there is a significant event or changes in circumstances within its control, the Group/Company reassesses whether it is reasonably certain to exercise the options.

34. Commitments for expenditure

	Group		Company	
	31/12/22 ₦'million	31/12/21 ₦'million	31/12/22 ₦'million	31/12/21 ₦'million
Commitments for the acquisition of property, plant and equipment	19,330	206,980	2,676	2,111

35. Contingent liabilities

The Group and Company are engaged in law suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and other claims amounted to ₦133.5 billion and ₦82.9 billion for the Group and Company respectively (2021: ₦57.8 billion and ₦50.1 billion for Group and Company respectively). The Group and Company have assessed these claims and believe that no material loss is expected to arise from them.

36. Subsequent Events

On 24 February 2023, a dividend of ₦20.00 (2021: ₦20.00) per share was proposed by the Directors for approval at the Annual General Meeting (AGM). There were no events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.

Five-year financial summary – other national disclosure

Group

	2022 ₦'million	2021 ₦'million	2020 ₦'million	2019 ₦'million	2018 ₦'million
Assets/liabilities					
Property, plant and equipment	**1,527,293**	1,472,859	1,390,687	1,206,749	1,171,864
Intangible assets	**6,225**	5,122	4,554	3,663	5,969
Right-of-use assets	**23,551**	18,566	12,594	11,956	—
Investments	**2,580**	6,528	5,711	4,961	4,312
Non-current prepayments	**1,267**	4,759	37,213	51,233	36,383
Lease receivables	**17,085**	5,980	9,846	11,285	6,475
Net current liabilities	**1,776**	(203,441)	(279,679)	(224,058)	(66,668)
Deferred taxation assets/(liabilities)	**(139,833)**	(129,840)	(111,272)	(49,073)	(42,728)
Long-term debts	**(333,498)**	(176,562)	(158,908)	(107,279)	(125,725)
Employee benefits obligations	**(8,547)**	(3,219)	(3,581)	—	—
Other non-current liabilities	**(18,952)**	(17,083)	(16,195)	(11,500)	(3,269)
Net assets	**1,078,947**	983,669	890,970	897,937	986,613
Capital and reserves					
Share capital	**8,520**	8,520	8,520	8,520	8,520
Share premium	**42,430**	42,430	42,430	42,430	42,430
Capital Contribution	**2,877**	2,877	2,877	2,877	2,877
Treasury shares	**(45,156)**	(9,833)	(9,833)	—	—
Currency Translation Reserve	**76,220**	53,102	52,681	55,974	72,605
Revenue reserve	**969,478**	868,274	779,271	776,839	848,695
Non-controlling interest	**24,578**	18,299	15,024	11,297	11,486
	1,078,947	983,669	890,970	897,937	986,613
Turnover, profit or loss account					
Turnover	**1,618,323**	1,383,637	1,034,196	891,671	901,213
Profit before taxation	**524,002**	538,366	373,310	250,479	300,806
Taxation	**(141,691)**	(173,927)	(97,242)	(49,958)	89,519
Profit after taxation	**382,311**	364,439	276,068	200,521	390,325
Per share data (Naira):					
Earnings (basic and diluted)	**22.27**	21.24	16.14	11.79	22.83
Net assets	**63.92**	57.86	52.29	52.69	57.90

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Five-year financial summary – other national disclosure continued

Company

	2022 ₦'million	2021 ₦'million	2020 ₦'million	2019 ₦'million	2018 ₦'million
Assets/(liabilities)					
Property, plant and equipment	**498,893**	554,883	551,926	545,834	535,934
Intangible assets	**114**	147	180	69	48
Right-of-use	**1,628**	1,365	1,164	994	—
Investments	**250,844**	163,850	163,828	163,653	163,653
Receivables from subsidiaries	**1,087,847**	1,147,797	986,423	817,906	715,561
Prepayments for property, plant and equipment	**211**	211	19,605	5,690	—
Lease receivables	**17,085**	5,980	9,846	11,285	6,475
Net current asset/(liabilities)	**26,001**	(129,793)	(155,525)	(146,378)	983
Deferred taxation (liabilities)/assets	**(112,691)**	(126,226)	(117,762)	(75,117)	(65,472)
Long-term debts	**(263,171)**	(147,789)	(98,577)	(39,700)	(62,168)
Employee benefits obligations	**(8,244)**	(2,972)	(3,552)	—	—
Other non-current liabilities	**(6,982)**	(5,981)	(5,179)	(1,987)	(1,466)
Net assets	**1,491,535**	1,461,472	1,352,377	1,282,249	1,293,548
Capital and reserves					
Share capital	**8,520**	8,520	8,520	8,520	8,520
Share premium	**42,430**	42,430	42,430	42,430	42,430
Capital contribution	**2,828**	2,828	2,828	2,828	2,828
Treasury shares	**(45,156)**	(9,833)	(9,833)	—	—
Revenue reserve	**1,482,913**	1,417,527	1,308,432	1,228,471	1,239,770
	1,491,535	1,461,472	1,352,377	1,282,249	1,293,548
Turnover, profit or loss account					
Turnover	**1,205,401**	993,399	719,945	610,247	618,301
Profit before taxation	**544,990**	534,425	430,747	315,420	392,223
Taxation	**(142,133)**	(153,325)	(78,138)	(54,071)	89,233
Profit after taxation	**402,857**	381,100	352,609	261,349	481,456
Per share data (Naira):					
Earnings (basic and diluted)	**23.87**	22.42	20.69	15.34	28.25
Net assets	**88.36**	85.97	79.36	75.25	75.91

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Statement of value added – other national disclosure

	Group				Company			
	2022 ₦'million	%	2021 ₦'million	%	2022 ₦'million	%	2021 ₦'million	%
Sales	1,618,323		1,383,637		1,205,401		993,399	
Finance income	38,715		20,765		121,864		92,783	
Other income	5,333		6,221		3,550		1,975	
	1,662,371		1,410,623		1,330,815		1,088,157	
Bought-in – materials and services:								
– Imported	(300,937)		(223,744)		(199,035)		(121,006)	
– Local	(496,349)		(409,216)		(410,101)		(291,542)	
Value added	865,085	100	777,663	100	721,679	100	675,609	100
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	90,323	10	72,824	9	53,883	7	39,963	6
To pay government:								
Current taxation	168,601	20	154,915	20	155,668	22	144,861	22
Deferred taxation	(26,910)	(3)	19,012	3	(13,535)	(2)	8,464	1
To pay providers of capital:								
Finance charges	130,370	15	65,707	8	62,541	9	42,501	6
To provide for maintenance of fixed assets:								
– Depreciation	120,029	14	100,488	13	60,213	8	58,656	9
– Amortisation	361	—	278	—	52	—	64	—
Retained in the Group:								
– Non-controlling interest	6,323	1	3,431	1	—	—	—	—
– Profit and loss account	375,988	43	361,008	46	402,857	56	381,100	56
	865,085	100	777,663	100	721,679	100	675,609	100

Value added represents the additional wealth which the Group and Company have been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance, and that retained for future creation of more wealth.

Share capital history

	Authorised		Issued and fully paid		Consideration/remarks
Date	Increase	Cumulative	Increase	Cumulative	Cash/bonus/others
1992	500,000,000	210,000,000	210,000,000	210,000,000	Cash
2001	—	500,000,000	290,000,000	500,000,000	Cash
2010	9,500,000,000	10,000,000,000	7,000,000,000	7,500,000,000	Bonus
2010	—	—	245,685,184	7,745,685,184	Share Exchange (Merger)
2011	—	10,000,000,000	—	7,745,685,184	No change
2012	—	10,000,000,000	774,568,518	8,520,253,702	Bonus
2013	—	10,000,000,000	—	8,520,253,702	No change
2014	—	10,000,000,000	—	8,520,253,702	No change
2015	—	10,000,000,000	—	8,520,253,702	No change
2016	—	10,000,000,000	—	8,520,253,702	No change
2017	—	10,000,000,000	—	8,520,253,702	No change
2018	—	10,000,000,000	—	8,520,253,702	No change
2019	—	10,000,000,000	—	8,520,253,702	No change
2020	—	10,000,000,000	—	8,520,253,702	No change
2021	—	10,000,000,000	—	8,520,253,702	No change
2022	—	10,000,000,000	—	8,520,253,702	No change

Shareholding range analysis

Range analysis as at 31 December 2022

Share Range	No. of shareholders	% of shareholders	No. of holdings	% shareholding
1-1,000	32,675	73.33	10,679,685	0.06
1,001-5,000	8,603	19.31	17,539,482	0.10
5,001-10,000	1,340	3.01	9,636,257	0.06
10,001-50,000	1,275	2.86	26,521,016	0.16
50,001-100,000	223	0.50	16,188,968	0.10
100,001-500,000	263	0.59	62,267,587	0.37
500,001-1,000,000	58	0.13	44,084,161	0.26
1,000,001-5,000,000	75	0.17	157,075,809	0.92
5,000,001-10,000,000	20	0.04	138,477,023	0.81
10,000,001-50,000,000	18	0.04	377,735,874	2.22
50,000,001-100,000,000	3	0.01	252,190,097	1.48
100,000,001-500,000,000	4	0.01	640,146,131	3.76
500,000,001-1,000,000,000	1	0.00	803,582,668	4.72
5,000,000,001 & Above	1	0.00	14,484,382,646	85.00
Total	**44,559**	**100**	**17,040,507,404**	**100**

GRI content index

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI | CONTENT INDEX ESSENTIALS SERVICE | 2023

Statement of use	Dangote Cement Plc has reported in accordance with the GRI Standards for the period 1st January 2022 to 31st December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI CONTENT INDEX - 2022						
GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
	2-1	Organizational details				4
	2-2	Entities included in the organization's sustainability reporting				37
	2-3	Reporting period, frequency and contact point				37
	2-4	Restatements of information				37
	2-5	External assurance				37, 101
	2-6	Activities, value chain and other business relationships				4
	2-7	Employees				54
	2-8	Workers who are not employees				54
	2-9	Governance structure and composition	Goal 16		Governance	94
	2-10	Nomination and selection of the highest governance body	Goal 5 and 16			90, 91, 94
	2-11	Chair of the highest governance body				91, 94
	2-12	Role of the highest governance body in overseeing the management of impacts	Goal 3			65, 92
	2-13	Delegation of responsibility for managing impacts				65
	2-14	Role of the highest governance body in sustainability reporting				65
GRI 2: General Disclosures 2021	2-15	Conflicts of interest				92, 102
	2-16	Communication of critical concerns				56, 63
	2-17	Collective knowledge of the highest governance body			Governance	91
	2-18	Evaluation of the performance of the highest governance body				92
	2-19	Remuneration policies				107
	2-20	Process to determine remuneration				107
	2-21	Annual total compensation ratio				108
	2-22	Statement on sustainable development strategy				35
	2-23	Policy commitments	Goal 16	Principle 1 and 2 – DCP Human Rights Policy		55
	2-24	Embedding policy commitments				55
	2-25	Processes to remediate negative impacts				68
	2-26	Mechanisms for seeking advice and raising concerns				56
	2-27	Compliance with laws and regulations				67, 102
	2-28	Membership associations				70
	2-29	Approach to stakeholder engagement			Governance	51
	2-30	Collective bargaining agreements				56
MATERIAL TOPICS						
	3-1	Process to determine material topics				36
	3-2	List of material topics				36
GRI 3: Material Topics 2021	3-3	Management of material topics				
		Sustainability reporting and disclosures – Page				37
		Digitalisation – Technology improvement for alternative fuel				42
		Product availability and affordability				75
FINANCIAL PERFORMANCE						
GRI 3: Material Topics 2021	3-3	Management of material topics	Goal 1, Goal 2, Goal 8, Goal 11			73
	201-1	Direct economic value generated and distributed			Economic	73
	201-2	Financial implications and other risks and opportunities due to climate change				48, 65
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans				55, 102, 136
	201-4	Financial assistance received from government				No financial assistance from government

GRI CONTENT INDEX - 2022

GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
EMPLOYMENT OPPORTUNITIES						
GRI 3: Material Topics 2021	3-3	Management of material topics				55
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage				55
	202-2	Proportion of senior management hired from the local community			Economic	74
COMMUNITY IMPACT/ECONOMIC IMPROVEMENT/ INFRASTRUCTURAL DEVELOPMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				74
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 9			60, 61, 74
	203-2	Significant indirect economic impacts	Goal 1, Goal 3, Goal 8, 10			73, 74
IMPROVED VENDOR MANAGEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				74
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Goal 12			74
ANTI-CORRUPTION						
GRI 3: Material Topics 2021	3-3	Management of material topics				68
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		Principle 10 Anti-corruption		68
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16			68
	205-3	Confirmed incidents of corruption and actions taken				68
GRI 206 ANTI-COMPETITIVE BEHAVIOUR - 2016						
GRI 3: Material Topics 2021	3-3	Management of material topics				68
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Goal 16			68
TAX						
GRI 3: Material Topics 2021	3-3	Management of material topics				72, 135
GRI 207: Tax 2019	207-1	Approach to tax				72, 135
	207-2	Tax governance, control, and risk management				72, 135
	207-3	Stakeholder engagement and management of concerns related to tax				72, 135
	207-4	Country-by-country reporting				72, 135
ALTERNATIVE FUEL						
GRI 3: Material Topics 2021	3-3	Management of material topics		Principle 7		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goal 6			46
	301-2	Recycled input materials used	Goal 6 and 9	Principle 9 Environmentally Friendly Technologies		46
	301-3	Reclaimed products and their packaging materials	Goal 9 and 12			46
ENERGY MANAGEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				46
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Goal 7			46
	302-2	Energy consumption outside of the organization	Goal 6 and 9			46
	302-3	Energy intensity				46
	302-4	Reduction of energy consumption			Environment	46
	302-5	Reductions in energy requirements of products and services	Goal 12			46

GRI CONTENT INDEX - 2022						
GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
WATER EFFICIENCY/EFFLUENT MANAGEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				45, 46
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource				45, 46
	303-2	Management of water discharge-related impacts	Goal 6	Principle 8 Environmental Responsibility		45, 46
	303-3	Water withdrawal				45, 46
	303-4	Water discharge				45, 46
	303-5	Water consumption				45, 46
AFFORESTATION & LAND RESETTLEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				47
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Goal 14 and 15			47
	304-2	Significant impacts of activities, products and services on biodiversity	Goal 14 and 15			47
	304-3	Habitats protected or restored				47
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations				47
CLIMATE CHANGE AND GHG EMISSIONS/POLLUTION CONTROL/OPERATIONAL IMPROVEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				44
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions				44
	305-2	Energy indirect (Scope 2) GHG emissions				44
	305-3	Other indirect (Scope 3) GHG emissions				44
	305-4	GHG emissions intensity				44
	305-5	Reduction of GHG emissions	Goal 3, 11 and 12		Environment	44
	305-6	Emissions of ozone-depleting substances (ODS)				44
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Goal 7			44
WASTE MANAGEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				9, 44
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts				9, 44
	306-2	Management of significant waste-related impacts	Goal 11 and 12			9, 44
	306-3	Waste generated				9, 44
	306-4	Waste diverted from disposal				9, 44
	306-5	Waste directed to disposal				9, 44
RESPONSIBLE SOURCING AND VENDOR ENGAGEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				74
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Goal 13, Goal 14, Goal 15, Goal 17			74
	308-2	Negative environmental impacts in the supply chain and actions taken				74
EMPLOYEE WELFARE & BUSINESS CONTINUITY						
GRI 3: Material Topics 2021	3-3	Management of material topics				55
GRI 401: Employment 2016	401-1	New employee hires and employee turnover				55
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Goal 8			55
	401-3	Parental leave				55

GRI CONTENT INDEX - 2022						
GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
EMPLOYEE ENGAGEMENT & IMPROVED COMMUNICATION						
GRI 3: Material Topics 2021	3-3	Management of material topics				54, 68
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes				64, 68
HEALTH, WELLNESS AND SAFETY						
GRI 3: Material Topics 2021	3-3	Management of material topics				57, 102
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system				57, 102
	403-2	Hazard identification, risk assessment, and incident investigation				57, 102
	403-3	Occupational health services				57, 102
	403-4	Worker participation, consultation, and communication on occupational health and safety				57, 102
	403-5	Worker training on occupational health and safety				57, 102
	403-6	Promotion of worker health			Social	57, 102
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				57, 102
	403-8	Workers covered by an occupational health and safety management system				57, 102
	403-9	Work-related injuries				57, 102
	403-10	Work-related ill health				57, 102
TALENT ATTRACTION, DEVELOPMENT AND RETENTION						
GRI 3: Material Topics 2021	3-3	Management of material topics				57, 102
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee				57, 102
	404-2	Programs for upgrading employee skills and transition assistance programs				57, 102
	404-3	Percentage of employees receiving regular performance and career development reviews				57, 102
CORPORATE GOVERNANCE						
GRI 3: Material Topics 2021	3-3	Management of material topics				56, 66
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees				56, 66
	405-2	Ratio of basic salary and remuneration of women to men				56, 66
NON-DISCRIMINATION						
GRI 3: Material Topics 2021	3-3	Management of material topics				56, 102
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		Principle 6 Discrimination		56, 102
EMPLOYEE ENGAGEMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				56
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Principle 3 Collective bargaining		56
CHILD LABOUR						
GRI 3: Material Topics 2021	3-3	Management of material topics				56
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		Principle 5 – Child labour	Social	56
FORCED OR COMPULSORY LABOR						
GRI 3: Material Topics 2021	3-3	Management of material topics				56
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Principle 4 – Forced or Compusory Labour	Social	56

GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
GRI CONTENT INDEX - 2022						
SECURITY PRACTICES						
GRI 3: Material Topics 2021	3-3	Management of material topics				56
GRI 410: Security Practices 2016	410-1 Security	Personnel trained in human rights policies or procedures				56
HUMAN RIGHTS						
GRI 3: Material Topics 2021	3-3	Management of material topics				56
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples				56
COMMUNITY ENGAGEMENT, COMMUNITY IMPACT AND WOMEN AND YOUTH EMPOWERMENT, REDUCED VIBRATION						
GRI 3: Material Topics 2021	3-3	Management of material topics				52
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Goal 1			52
	413-2	Operations with significant actual and potential negative impacts on local communities				52
SUPPLY CHAIN TRAINING						
GRI 3: Material Topics 2021	3-3	Management of material topics				74
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria				74
	414-2	Negative social impacts in the supply chain and actions taken				74
ACCOUNTABILITY & TRANSPARENCY						
GRI 3: Material Topics 2021	3-3	Management of material topics				60-No contribution
GRI 415: Public Policy 2016	415-1	Political contributions				60-No contribution
CUSTOMER HEALTH AND SAFETY						
GRI 3: Material Topics 2021	3-3	Management of material topics				75
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories				75
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				75
MARKETING AND LABELLING						
GRI 3: Material Topics 2021	3-3	Management of material topics				76
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labeling				76
	417-2	Incidents of non-compliance concerning product and service information and labeling				76
	417-3	Incidents of non-compliance concerning marketing communications				76
CUSTOMER PRIVACY						
GRI 3: Material Topics 2021	3-3	Management of material topics				76
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data				76

External assurance statement report

KPMG

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Independent Limited Assurance Report to the Board of Directors of Dangote Cement Plc (the "Company") on selected disclosures in the Sustainability Report included in the scope of assurance for the year ended 31 December 2022

We were engaged by Dangote Cement Plc ("the Company") to report on the selected disclosures in the Sustainability Report of Dangote Cement Plc Group included in the scope of assurance for the year ended 31 December 2022 as defined in **Attachment 1.**

Our Conclusion
Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected disclosures in the Sustainability Report included in the scope of assurance for the year ended 31 December 2022, have not, in all material respects, been prepared and presented in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (the "GRI Standards 2021").

Dangote Cement Plc's Responsibilities
Dangote Cement Plc is responsible for the preparation and presentation of the Sustainability Report for the year ended 31 December 2022 in accordance with the GRI Standards 2021. These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the selected statements included in the Sustainability Report that are free from material misstatement whether due to fraud or error.

The Directors are responsible for preventing and detecting fraud and for identifying and ensuring that Dangote Cement Plc complies with laws and regulations applicable to its activities.

The Directors are also responsible for ensuring that staff involved with the preparation and presentation of the description and Sustainability Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities
Our responsibility is to express a limited assurance conclusion on Dangote Cement Plc's preparation and presentation of the selected statements included in the Sustainability Report for the year ended 31 December 2022, as defined in **Attachment 1**.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

ISAE 3000 requires that we plan and perform the engagement to obtain a limited assurance about whether the selected statements included in the Sustainability Report are free from material misstatement.

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Our limited assurance engagement on the selected statements included in the Sustainability Report consisted of making enquiries, primarily of persons responsible for the preparation of the selected statements included in the Sustainability Report for the year ended 31 December 2022, and applying analytical and other procedures, as appropriate. These procedures included:

a. Inquiries of management to gain an understanding of Dangote Cement Plc's Sustainability Reporting process, including the oversight by the Board of Directors.
b. Interviews with senior management and relevant staff at selected business unit level concerning sustainability strategy and policies.
c. Interviews with relevant staff at the business unit level responsible for providing the information in the Sustainability Report for the year ended 31 December 2022 to understand how the data is collated, managed and how it eventually feeds to the numbers reported for the Group (Dangote Cement Plc and its subsidiaries).
d. Inquiries and observation of some key controls put in place by the Directors over some of the selected statements in the Sustainability report.
e. Inspection of relevant fact sheets and documented policies from primary process owners.
f. Comparing the selected statements presented in the Sustainability Report for the year ended 31 December 2022 to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources have been included in the Sustainability Report for the year ended 31 December 2022.
g. Checking that the selected Sustainability statements have been correctly disclosed and presented in the Sustainability Report.
h. Reading the information presented in the Sustainability Report for the year ended 31 December 2022 to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Dangote Cement Plc.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the selected statements included in the Sustainability Report.

Purpose of Our Report
In accordance with the terms of our engagement, this independent limited assurance report has been prepared for the purpose of assisting the Directors in determining whether Dangote Cement Plc's selected disclosures included in the Sustainability Report, included in the scope of assurance for the year ended 31 December 2022 are prepared and presented in accordance the GRI Standards 2021 and for no other purpose or in any other context.

Restriction of Use of Our Report
Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against KPMG other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to Dangote Cement Plc on the basis that it shall not be copied, referred to or disclosed, in whole (save for Dangote Cement Plc's own internal purposes) or in part, without our prior written consent.

Signed:

Omolara O. Ogun, FCA
FRC/2013/ICAN/00000000412
For: KPMG Professional Services
Chartered Accountants
20 March 2023
Lagos, Nigeria

KPMG

Attachment 1: Selected disclosures include in the scope of assurance for the year ended 31 December 2022

ESG CATEGORY	SELECTED INDICATORS	ASSURANCE STATEMENT	PAGE NO	GRI REFERENCE
ENVIRONMENTAL	Net CO2 emissions	• The specific CO2 emission -net (kg/tonne cementitious material) emitted in the plants was 590kg/tonne in 2022 as consolidated using Global Cement and Concrete Association (GCCA) GNR2.0 V3.1 tool and guidelines. • In comparison with 606kg/tonne cementitious in 2021, the CO2 emissions reduced by 2.6% in 2022.	38	GRI 305 – 1
	Indirect CO2 emissions	• Total Scope 2 CO2 emissions (Indirect energy from purchased electricity) in 2022 was 0.3 million metric tonnes.	38	GRI 305 - 2
	Energy management	• The total energy consumed in 2022 was 95,786.3 tera joule (TJ) as compared to 101,355.3 TJ in 2021, as calculated following the GCCA requirement. • Specific heat consumption in 2022 was 795.4 kcal/kg. • In comparison with 797.1kcal/kg in 2021, a reduction of 0.2%.	38 40	GRI 302-1 GRI 302-3
	Water management	• In 2022, water consumption intensity was 234 litres/tonne cementitious material produced calculated using GCCA water guideline KPI 2. • In comparison with 271 litres/tonne cementitious in 2021, the water intensity was reduced by 13.7%	38	GRI 303-5
	Waste management	• Total waste generated in 2022 was 11.1 Ktonnes, out of which 7.6 Ktonnes of waste was diverted from landfill. • In comparison with 16.4 Ktonnes waste generated in 2021, total waste generated was reduced by 32%	38	GRI 306-4
	Circular economy and alternative fuel	• Alternative fuel resource (AFR) co-processed in 2022 was 157Ktonnes. • In comparison with 89Ktonnes consumed in 2021, AF consumption was increased by 76.4%	38	GRI 302-4
SOCIAL	Social investments (CSR)	71 social investment projects were completed and a total of • ₦1.65 billion was spent on social investment in 2022.	61-62	GRI 413 - 1
	Employee Volunteering (Sustainability Week)	• In the year ended 31 December 2022, 1,826 employee volunteers utilised 4,055 volunteering hours for the implementation of 47 projects in 9 countries.	59	GRI 413 - 1

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	General Training/ Sustainability Training	• 313,192 training hours were utilised in general trainings in 2022. **Staff training categories include:** • Executive/senior management - 5,856 hours • Management staff - 27,444 hours • Senior staff - 88,136 hours • Junior staff - 191,756 hours • Achieved a 24.4% increase in sustainability trainings hours in 2022 compared with the 2021. • General training spend increased from ₦553.2M in 2021 to ₦812.1M in 2022 representing 46.8%.	39	GRI 404 - 1
	Employee growth and turnover	• As at 31 December 2022, staff strength increased by 10.5% with 1,172 new staff hires compared with 2021.	39	GRI 401 - 1
	Green jobs	• During the year under review, the biomass alternative fuel value chain recycling initiative was leveraged for the creation of direct and indirect green jobs as defined by the International Labour Organisation (ILO).	43	GRI 302 - 4
GOVERNANCE	Diversity of governance body	**Board diversity/composition for Dangote Cement** • Number of board members - 15 persons • Nationalities – 6 • Percentage female - 26.67% • Percentage male - 73.33%. • Percentage of females in executive management – 13%	66	GRI 405 - 1
	Anti-corruption	• 28 Anticorruption training programmes were held in 2022. • 71 whistle blowing cases were received and 31 were treated and closed within the year.	69 70	GRI 205: 1-3
	Employment	• Total number of full-time employees remunerated as at 31 December 2022 was 19,112.	55	GRI 2-7
	Supply chain	Proportion of spending on local and foreign suppliers: • Local: ₦496.3 billion • Imported: ₦300.9 billion	75	GRI 102-9
	Regulatory compliance	• A total of 93 valid environmental permits were maintained in compliance with regulatory standards.	67	GRI 307-1
	Economic performance	Economic value distributed was ₦1,606,949 million in 2022. This comprised of: • Operating cost – ₦957,901 million • Employee wages and benefits – ₦90,323 million • Payments to providers of capital - ₦406,311 million • Payments to government - ₦150,766 million • Community investments - ₦1,648 million	73	GRI 201-1

Related-party transactions

Scope of our work

AG Dangote Construction Limited	The entity buys cement from Dangote Cement and is an affiliate of DCP. |AG Dangote also provides construction services to DCP.
Amaras Nigeria Limited	The entity buys cement from Dangote Cement and is guaranteed by Sani Dangote, a late Director of Dangote Cement Plc.
Bluestar shipping Ltd	The entity engages in clearing of bulk materials and imported capital goods.
Borkir International Co. ltd	Dangote Cement Plc purchased compressed gas from this entity. The entity is related to Sani Dangote, a late Director of Dangote Cement Plc
Bulk Commodities International Inc./ Bulk Commodities International Dubai	The entity, which is an affiliate of DCP, procures gypsum, coal, clinker, bulk cement and spare parts for Dangote Cement.
DANCOM Technologies Limited	The entity, which is an affiliate of DCP, provides internet services and IT support to Dangote Cement.
Dangote Agro Sacks Limited	Dangote Agro Sacks produces bags for Dangote Cement and also purchased cement from the Company during the year. Dangote Cement also shares one of its power plants with this entity.
Dangote Coal Limited	Dangote Cement buys coal from this entity, which is an affiliate of DCP.
Dangote Fertiliser Limited	Dangote Cement purchases equipment and AGO in bulk and on behalf of DFL.
Dangote Global Services	This entity, which is an affiliate of DCP, assists Dangote Cement in importing parts.
Dangote Granite Mine Ltd.	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Industries Limited	Dangote Industries Limited is a major shareholder of Dangote Cement Plc. The two entities DIL and DCP provide short term inter-company loans to each other. In addition, DIL assists DCP is sourcing spares and managing central services for which DCP is charged management fee.
Dangote Nasarawa Sugar	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Nigeria limited	The entity engages in clearing of bulk materials and imported capital goods.
Dangote Oil & Gas	This entity, which is an affiliate of DCP, imports AGO and LPFO on behalf of Dangote Cement.
Dangote Oil Refining Company	The entity is an affiliate of Dangote Industries Limited. Dangote Cement purchases AGO & equipment in bulk on behalf of DORC.
Dangote Packaging Material Plc.	Dangote Cement paid some expenses on behalf of some subsidiaries and affiliates of DIL, including this entity.
Dangote Petroleum Refinery and Petrochemical FZE	The entity is an affiliate of Dangote Industries Limited and buys cement from Dangote Cement.
Dangote Rice Ltd.	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Sino Truck West Africa	Dangote Cement Plc purchased Trucks from this entity which is related to Dangote Industries Limited (DIL)

Scope of our work

Dangote Sugar Refinery Plc.	Dangote Cement purchases LPFO and equipment in bulk and on behalf of DSR Plc. Dangote Cement is reimbursed for expenses incurred on behalf of DSR.
DANSA Foods Limited	Dangote Cement purchased products from this entity for sales promotion. The entity is related to Sani Dangote, a late Director of Dangote Cement.
SAGAS Energy Company	Dangote Cement purchases compressed gas and spares from this entity. The entity is related to Sani Dangote, a late Director of Dangote Cement Plc.
Greenview Development Nigeria Limited	This entity, which is an affiliate of DIL, assists Dangote Cement with procurement, clearing of bulk materials, imported goods and spares.
Integrated Steel Limited	Dangote Cement purchases AGO in bulk and on behalf of some subsidiaries/ affiliates of DIL, including this entity.
Kura Holdings	This company, which is an affiliate of Dangote Industries Limited, provides travel agency services to Dangote Cement.
MHF Properties	This company, which is an affiliate of Dangote Industries, provides accommodation and property services to Dangote Cement.
NASCON Allied Industries Plc	Dangote Cement purchases AGO in bulk and on behalf of this entity. In addition, Dangote Cement purchases trucks and earthen salt on behalf of this entity.
Savannah Sugar	Dangote Cement is reimbursed for payments for duties on equipment and terminal charges on behalf of this entity. The entity is controlled by Dangote Sugar Refinery Plc.

Notice of Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting (AGM) of Dangote Cement Plc. will hold on Thursday, 13th April, 2023, at Eko Hotel and Suites, Victoria Island, Lagos at 11.00 a.m. to transact the following business:

Ordinary Business

1. To lay the Audited Financial Statements for the Year Ended 31 December 2022 together with the Reports of the Directors, Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To elect/re-elect Directors.
4. To authorise the Directors to fix the remuneration of the Auditors for the 2023 financial year.
5. To disclose the remuneration of Managers of the Company.
6. To elect shareholders' representatives of the Statutory Audit Committee.

Special Business

To consider and if thought fit, pass the following as ordinary resolution of the Company:

7. To fix the remuneration of the Directors.

Notes:

A. **Proxies:** A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy for an organization may vote by a show of hand and on a poll. To be valid, executed forms of proxy should be deposited at the registered Office of the Company at 1, Alfred Rewane Road, Ikoyi, Lagos (or dcp.legal@dangote.com) or the Office of the Registrars, Coronation Registrars Ltd, at 9, Amodu Ojikutu Street, Victoria Island, Lagos, (or eforms@coronationregistrars.com) not later than 48 hours before the time for holding the meeting. A proxy form is attached to the Annual Report and may also be downloaded from the Company's website at www.dangotecement.com.

B. **Closure of Register of Members:** Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 31 March 2023.

C. **Payment of Dividend:** If the Shareholders at the Annual General Meeting approve the dividend recommended by the Directors, dividends will be paid by Friday, 14 April 2023 to the shareholders whose names are registered in the Company's Register of Members at the close of business on 30 March 2023. A list of unclaimed dividends is available on the Company's website at www.dangotecement.com. Shareholders with unclaimed share certificates or unclaimed dividends should address their claims to the Registrars, Coronation Registrars Ltd, at info@coronationregistrars.com or 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria OR use the link https://crlselfservice.coronation.ng/ to complete the shareholder E-Mandate processing form.

   Please note that pursuant to the provision of Section 187 of CAMA 2020 the treasury shares are not entitled to dividend and voting rights.

D. **E-Dividend Registration:** Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for receiving dividend payments electronically. A detachable E-Mandate Activation form is included in the Annual Report to enable shareholders provide their details to the Registrar.

E. **Election and Re-election of Directors:**

   Pursuant to Section 285 of the Companies and Allied Matters Act 2020, the following Directors shall retire by rotation and being eligible have offered themselves for re-election:

   i. Mr. Olakunle Alake
   ii. Mr. Emmanuel Ikazoboh
   iii. Mr. Ernest Ebi MFR
   iv. Mr. Douraid Zaghouani
   v. Ms. Berlina Moroole

   Special Notice is hereby given pursuant to Section 282 of the Companies and Allied Matters Act that Mr. Emmanuel Ikazoboh and Mr. Ernest Ebi MFR are over 70 years of age and have indicated willingness to continue as Directors of the Company.

F. **Profiles of Directors for election/re-election:** The Profiles of Directors to retire by rotation and standing for re-election are amongst the profiles of Directors provided in the Annual Report for the year ended 31st December 2022.

G. **Nomination to the Audit Committee:** In accordance with Section 404(6) the Companies and Allied Matters Act 2020 (CAMA), any Member may nominate a shareholder for election as a member of the Statutory Audit Committee by giving notice in writing to the Company Secretary at least 21 days before the Annual General Meeting. Section 404(5) CAMA requires that members of the Statutory Audit Committee shall be financially literate.

H. **Rights of Securities Holders to Ask Questions:** Securities holders have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the meeting. Questions should be submitted to the Company Secretary at the Company's registered office up to two days before the date of the Annual General Meeting.

I. **Electronic Annual Report on the Company's Website:** In addition to the dispatch of physical Annual Reports to shareholders, the electronic version of the Annual Report is uploaded on the Company's website www.dangotecement.com.

J. **Streaming:** The Annual General Meeting will be streamed live from our website www.dangotecement.com and our YouTube channel www.youtube.com/dangotegroup.

By the Order of the Board of Directors.

Edward Imoedemhe
Acting Company Secretary
FRC/2021/002/00000022594

Registered Office
Leadway Marble House,
1, Alfred Rewane Road,
Ikoyi, Lagos.

24 February 2023

Directors and professional advisers

Directors

Aliko Dangote	GCON Chairman
Michel Puchercos	Group Managing Director
Philip Mathew	Deputy Group Managing Director
Ernest Ebi MFR	Independent Non-Executive Director
Emmanuel Ikazoboh	Independent Non-Executive Director
Dorothy Udeme Ufot, SAN	Independent Non-Executive Director
Sir Michael Davis	Independent Non-Executive Director
Cherie Blair, CBE, QC	Independent Non-Executive Director
Olakunle Alake	Non-Executive Director
Abdu Dantata	Non-Executive Director
Devakumar Edwin	Non-Executive Director
Douraid Zaghouani	Non-Executive Director
Viswanathan Shankar	Non-Executive Director
Berlina Moroole	Non-Executive Director
Halima Aliko-Dangote	Non-Executive Director

Ag. Company Secretary/General Counsel
Edward Imoedemhe

Auditors
KPMG Professional Services

Principal Bankers
Access Bank Plc.
First Bank of Nigeria Plc.
Guaranty Trust Bank Plc.
Zenith Bank Plc.
United Bank for Africa Plc.

Primary Legal Advisers
Banwo & Ighodalo
Olaniwun Ajayi & Co.
Fola Sowemimo & Co.

Corporate information

Capital market information

Dangote Cement Plc is listed on the Premium Board of Nigerian Exchange Group (NGX).

Each share carries one voting right

NSE Ticker Symbol	DANGCEM
Bloomberg Code	DANGCEM:NL
Reuters Code	DANGCEM: LG
Date Listed	26 October 2010
Issued Shares	17,040,507,404 as at 1 March 2023 (166,948,153 are held as treasury shares)
Market Capitalisation	₦4,690,849,471,778 as at 1 March 2023
Free Float	₦510,844,337,680 or 10.9% as at 1 March 2023

Registration information

RC Number	208767
Date of Incorporation	4 November 1992

Registered office

Leadway Marble House
customercare@dangote.com
1 Alfred Rewane Road
P.O. Box 40032
Ikoyi Lagos, Nigeria

Registrars

Coronation Registrars Limited
info@coronationregistrars.com
eforms@coronationregistrars.com
9, Amodu Ojikutu Street
Victoria Island
Lagos, Nigeria

For enquiries, please contact:

Corporate Communications

Anthony Chiejina
corporate.communications@dangote.com

Investor Relations

Temilade Aduroja
investorrelationsdangotecement@dangote.com

Donations

List of donations and sponsorships	Amount ₦
Ethiopia	
Construction of Youth Market Center at Mugger Woreda	4,499,897
Construction of culvert at Chancho Birat (Oromia Region)	23,214,838
Road work from Mugger town to Daku Kersa area	6,424,250
Support towards the construction of youth market at Inchini Woreda	10,650,492
Construction of additional block at Ula gora woreda	4,560,659
Supplying of selected materia for Mugger town construction	8,025,868
Mugger Internal Access road construction	5,213,375
Donations of fuel, petrol & lubricant for Woreda vehicle	4,497,724
Construction of road on Reji Mokoda, Obosho and Ulagora Tuli Shal	12,633,565
Ula Gora woreda access road construction	6,212,361
Animal veterinary at Gatira Woreda	7,166,127
Donation towards the construction of Youth Market Center at Mugger town	5,161,646
Support towards various community works	6,573,891
Support for children & women in poverty at Oromia region	2,968,392
Tanzania	
Support to communities in Mtwara	15,285,571
Suport towards the drilling of borehole for Mtwara community	4,950,619
Donation of various gifts in Mtwara community	738,898
Food donations made in Mtwara community	554,174
Purchase of printer for Mtwara community	717,138
Donations towards town hall meeting in Mtwara community	657,158
Food donations towards Uhuru Torch celebrations	1,043,694
Sponsorship made towards World Women Day	2,052,290
Sponsorship made towards the organisation of World Environment Day	1,007,118
Congo	
Scholarship of award scheme for Mfila primary school pupils	1,667,812
South Africa	
Support towards the cleaning of Verdwaal community	413,674
Sonsorship of code 14 and code 10 driver's license courses for people in the community	3,970,480
Support for COVID-19 community supplies	160,924
Sponsorship of mobile machinery training for people in the community	626,946
Donations of blankets for Nelson Mandela day	98,226
Support towards cattle fence across the mining communities	9,209,968
Sponsorship of agricultural development and local training for crop farmers in Stiglingspan & Verdwaal	28,552,812
Support towards Small, Medium and Micro Enterprises (SMME) plant cleaning tools/PPE	192,925
Suport towards scholarship grants to people in the community	4,648,905
Support towards Small, Medium and Micro Enterprises (SMME) training	4,407,074
Sponsorship of water supply infrastructure for community and livestock	6,553,301
Cameroon	
Sponsorship towards Africa Business Week	1,282,016
Donations to people with disability	343,602
Support towards Mbam art	206,161
Support towards the coronation of the paramount chief	1,718,012
Support towards prize awards for students in Likoundbiam community	824,646
Donation towards the burial of Chief Tombel	343,602
Donation towards the renovation of three water points	5,174,653
Donation towards the burial of the Prefect Mother	343,602
Sponsorship made towards the organisation of World Environment Day	687,205
Sponsorship of Oyebog Tennis Academy (OTA)	2,061,615
Sponsorship made towards the organisation of World Consumers Rights Day	2,061,615
Sponsorship made towards the organisation of World Consumers Rights Day	2,061,615
Scholarship of awards at Batanga Nord	343,602
Sponsorship of Limbe City Council Football tournament final	687,205
Donation of Tombel didatic materials	2,010,214
Donation To The Ministry of Land	1,520,536
Donation of didactic materials in Ndom Community	2,061,615
Donation of medical materials for Pouma Hospital	1,582,015
Donations to various communities in Bobongo & Pouma	1,531,590
Sponsorship of Femmes Leader Du Littoral	687,205
Sponsorship of NGONDO	3,436,025

List of donations and sponsorships	Amount ₦
Sponsorship of Women In Shipping and Trading Association (WISTA)	343,602
Sponsorship of Manufacture and Installation of Slabs in Bonatone	1,337,627
Support towards rehabilitation of the lighting network in Bonatone	362,501
Support towards the construction of a water well in Bonatone	543,579
Support towards the construction of a water tower in Bonatone	956,696
Senegal	
Construction of Health Center- WIP - Keur Moussa Community	8,630,277
Construction of MontRolland borewell- WIP	19,103,268
Construction of chicken coop for Ngomene communities - WIP	915,975
Constructio of four classrooms for high school in Diass and Toglou	13,206,485
Donation for first baby of the year in Pout Community	426,067
Donations to church and mosque	680,333
Education supports to Schools	343,602
Ramadan donations for villagers	21,777,525
Education scholarship to students	1,374,410
Donation towards Eid el Kebir	11,579,404
Financial support to the national army	343,602
Zambia	
Donations of cleaening materials to Copperbelt University (CBU)	291,539
Donation of cement	70,394
Nigeria	
Construction of classrooms and health centre in Ibese host community	21,828,585
Donation for 2022 christmas gift to host community chiefs in Obajana	372,000
Donation for the construction of mosque in Ibese, Ogun state	1,500,000
Donation in support of Chief Henzy Idowu monthly stipend	250,000
Donation in support of gboko host community Traditional rulers stipend	9,833,335
Donation in support of Ibese host community traditional rulers stipend	55,840,000
Donation in support of the community joint consultative (CJC) meeting in Ibese host communities	400,000
Donation of 150 units of 3-seater student desk/bench at Government Girls Junior and Senior Grammar Schools, Obalende, Lagos	6,445,969
Donation of 2022 Christmas gifts to Obajana host community	4,623,000
Donation of 2022 food items to Quarry-affected, vulnerable women women in Gboko	500,000
Donation of christmas gifts to Traditional leaders in Gboko host community	3,180,500
Donation of Easter gifts to community chiefs and officials in Obajana communities	1,518,000
Donation of items to host community during the 2022 substainability week in Obajana	1,556,800
Donation of sallah gifts to Imams in Gboko host community	530,000
Donation of sallah gifts to imams in Obajana community	2,134,000
Donation support towards SON Golden Jubilee Celebration	500,000
Donation to Chemical and Non-Metalic Products towards Canmpassan 2022 annual seminar	350,000
Donation to farmers in Iwaa community	13,000,000
Donation to Oyo community Multi-Purpose Cooperative Society	10,000,000
Donation to quarry community in Gboko	2,500,000
Donation to road traffic officers conference	500,000
Donation to the newly installed Aboro of Ibese land	500,000
Donation toward Easter gifts for the vulnerables in Ibese host communities	1,883,600
Donation towards palliatives given to families in Gboko host communities	1,165,000
Donation towards 10-drum barricades for traffic in Obajana	120,000
Donation towards 2022 Annual Rites Festac town, Obajana	1,000,000
Donation towards a CDS project on girl child education by Obajana NYSC youth corper, Esther Oloye.	250,000
Donation towards a high level engagement in host communities	1,494,000
Donation towards burial of the family of Mr. Terhamba	50,000
Donation towards business development to Chief Hezy Idowu	50,000
Donation towards Christmas Hampers to host chiefs in Obajana	120,000
Donation towards construction of stone pitching of Oyo drainage in Obajana	11,300,000
Donation towards coronation/thanksgiving service of Onne traditional ruler	500,000
Donation towards developemnt of Oyo-Iwaa community	10,100,000
Donation towards drainage construction in Obajana	3,500,000
Donation towards education-support scholarships for 2022 in Iwaa community	14,000,000
Donation towards end-of-the-year gifts for Ibese community	11,213,500
Business development to Chief Hezy Idowu	50,000
Donation towards engagement of Badagry heads	100,000

Donations continued

List of donations and sponsorships	Amount ₦
Donation towards Global Impact Africa Strategy	208,046,500
Donation towards Ibese community day celebration	3,427,550
Donation towards Inter-house sport of Ireti primary School	150,000
Donation towards labour cost on road repairs	66,000
Donation towards Naturenews Hero of Eniveronmental Actions for Development (HEAD) Awards	1,000,000
Donation towards Obajana Community Development Fund	5,350,000
Donation towards Obajana community sustainability programme	723,000
Donation towards Oworo Student Union	500,000
Donation towards pothole filling at Ajaokuta, Ilobe community in Kogi	70,000
Donation towards project branding for Ibese community day	600,000
Donation towards purchase of hose/valve for water tanker in Obajana	200,000
Donation towards refreshments and transportation allowance for traditional leaders present in awards presentation ceremony	115,000
Donation towards renovation of Iwaa community clinic	40,000,000
Donation towards road construction at Iron Ore, Jagounde & environs	3,006,000
Donation towards road safety awarness campaingn in Ibese host commuities	2,613,000
Donation towards Sallah gifts to vulnerable muslim families in Ibese, Ijako, Aga olowo, Imasayi, Iboro, Wasimi Imasayi, Balogun Ajibawo, Agas, Afami, Abule Oke, Kajola, Babalawo, Atola, Onigbedu, Abule Maria and Araromi	6,057,800
Donation towards skills acquisition program in Obajana	500,000
Donation towards sponsorship of Industry awards	500,000
Donation towards the advertisement of the 10th coronation anniversary of the Olu of Ilaro	500,000
Donation towards the celebration of Asakaran festival in Ibese communities	2,000,000
Donation towards the construction of 2 industrial solar-powered borehole at Ibese host communities	7,745,188
Donation towards the construction of 3 classrooms in a school in Ilaro, Ogun state	16,706,003
Donation towards the construction of 5 classrooms at a block in a school in Balogun, Ibese, Ogun state	20,788,450
Donation towards the construction of 5 classrooms at a block in United African Methodist Church School	1,431,480
Donation towards the construction of 5 classrooms at a school in Ibese, ogun state	3,005,650
Donation towards the construction of Aga Olowo community road	12,585,179
Donation towards the construction of Aga Olowo Community Secondary School	500,000
Donation towards the construction of borehole in Ibese community	29,946,935
Donation towards the construction of classrooms in Obajana	3,197,999
Donation towards the construction of concrete barriers for collapsed bridges at Obajana Ccommunity	3,076,150
Donation towards the construction of drainage system in Akpata community	8,391,984
Donation towards the construction of drainage system in Iwaa community	4,500,000
Donation towards the construction of drainage system in Oyo community	13,216,049
Donation towards the drilling of borehole at Gboko host communities	10,799,755
Donation towards the implementation of 2022 Sustainability week	8,207,800
Donation towards the Oworo Language Orthography for Obajana community	1,500,000
Donation towards the provision of borehole in the Obajana host communities	2,687,500
Donation towards the provision of flood lights in Obajana host communities	382,000
Donation towards training of Ibese farmers	12,878,390
Donation towards tree planting in Ibese Estate	58,900
Donation towards welfare package for community youth and chiefs in Gboko	166,667
Donations of gift items towards the death of Tor Jemgbagh's (1st class chief) wife	200,000
Donations to Federal Ministry of Enviroment towards World Enviroment Day	500,000
Donations to Obajana community heads	5,370,000
Donaton toward annual prayer conference of the Obajana muslim community	1,400,000
Financial assistaance to Chief Har Ikpa	100,000
Financial assistaance to Terhile Kighir	150,000
Financial assistance to Ajinta family towards the burial of Mr. Bemhwmba Abam	40,000
Financial assistance to Pass Brother Youth Multi-Purpose Cooperative Society Limited	50,000
Financial assistance to host communities in Ibese	72,034,889
Financial assistance towards Ibese Onigbedu day	300,000
Financial assistance towards media coverage on the closing ceremony of 2021 Skill Acquisition and Empowerment Program of youth in Ibese community	555,000
Financial assistance towards the 10th year coronation anniversary celebration of Yewaland Paramount ruler, Olu of Ilaro	6,000,000
Financial assistance towards the burial of the CJC Vice Chairman mother's burial	150,000
Financial assistance towards the celebration of 2022 feast day of the Catholic diocese of Gboko	100,000
Financial assistance towards the engagement of vigilantes to secure high tension lines in Oajana, Iwaa, Oyo and Apata	3,920,000

List of donations and sponsorships	Amount ₦
Financial assistance towards the marriage of HRH Solomon Obahawu's daughter	5,000,000
Financial assistance towards victims involved in an accident in Gboko host community	1,135,000
Financial grant to Oyo-Iwaa market women	10,000,000
Financial support for school teachers' salaries in Gboko	28,580,601
Financial support to Nigeria Guild of Editors	10,000,000
Financial support to Orona festival in Ibese community	5,000,000
Financial support to the family of Baale of Afami during the bereaved mouring period	200,000
Financial support towards meeting with Yewa defenders at Ikeja	161,250
Financial support towards monthly facilitations to the Obajana host community leaders (Oyo, Iwaa & Apata)	19,415,000
Financial support towards Obajana community facilitation meetings	2,685,000
Financial support towards provision of food for FRSC staffs for controlling traffic at the collasped culvert at obajana	1,274,000
financial support towards quarterly host communities relations committee meeting (Obajana, Oyo, Iwaa, Apata)	1,020,000
Financial support towards the 5th coronation annivesary of Aboro of Iboro, Oba Daniel Abayomi Salako and his daughter wedding ceremony	2,000,000
Financial support towards the construction of obajana-Jakura-Ogbabon road	14,155,210
Financial support towards the coronation of Attah Igala	1,000,000
Financial support towards the provision of eletricity to Obajana host community	4,543,113
Financial support towards the provision of shed in Oyo community	5,500,000
Financial support towards the repairs of vandalised high tenion in Iwaa community	4,763,540
Installation of electric poles in Ibese community	18,159,975
Purchase of rams and cows for community Obas and Leaders	4,215,000
Refreshments provided during the meeting with Gboko community consultative committee	240,000
Refreshments provided towards Ibese community quartely meeting	400,000
Scholarship grant to Apata community	3,000,000
Scholarship grant to Obajana community	3,000,000
Spnsorship for training of 25 jornalists of the South-East zone of the International Centre for Investigative Reporting	6,000,000
Sponsorship of 3-months skill acquisition programme on domestic elertical installation, wiring and maintenance for Yewa North, Ogun state	7,900,000
Sponsorship of advert on the coronation of HRM Oba (Rtn) Lukman Adeleke Kuoye as Olu of Imasayi Land	1,990,250
Sponsorship of Alaghodaro 2022 Edo Economic Summit	10,000,000
Sponsorship of Annual Built Enviroment and Building Material (BEBM) Exhibition in Kogi	1,500,000
Sponsorship of Association of Corporate Treasurers of Nigeria conference & exhibition	1,000,000
Sponsorship of Lagos State Minstry of Enviroment & Water Resources climate change business meeting and Lagos State 9th International Climate Change Summit	8,500,000
Sponsorship of media coverage of Ibese community development agreement sign off ceremony	1,396,800
Sponsorship of newsletter production for community in Ibese	166,000
Sponsorship of Oyo National Association of Block Moulders of Nigeria (NABMON) day celebration	5,000,000
Sponsorship of Pan-Atlantic University 2022 Career Fair	1,500,000
Sponsorship of Premium Times training for journalist on peace and conflict-sensitive reporting	2,400,000
Sponsorship of second annual employers excellence award of Nigeria Employers Consultative	10,000,000
Sponsorship of south-west regional conference of National Association of Block Moulders of Nigeria	5,011,000
Sponsorship of the 16th Abuja International Housing Show(AIHS)	7,500,000
Sponsorship of the the architects colloquium of the Architects Registration Council of Nigeria	3,500,000
Sponsorship of training representatives across 17 host communities in Ibese	1,765,000
Sponsorship of wowen wing NLC, Ogun State Council	250,000
Sponsorship to Turf Club Federation of Nigeria towards Sir Ahmadu Bello memorial cup event	5,000,000
Sponsorship towards the burial of Late Moshood Shotunde	3,179,250
Support for the coronation of Baale Ajibawo in Ibese community	250,000
Support to Rotary Internation for community development initiatives	150,000
Support towards appreciation of the winners of 4th edition of Unity Cup competition in Gboko	80,000
Support towards Marketing Edge Award	250,000
Support towards media coverage for Ibese coummunity day celebration	500,000
Support towards the coronation of Imasayi	1,000,000
Support towards the rehabilitation of Tspeed bumps on Pti road	317,400
Support towards the sensitization of Motorcycle Incident Prevention programme in Obajana	100,000
Support towards VDF & VDMA technical training programme for trainees	384,515,857
	1,647,562,382

Board and Committee meeting dates and attendance

Board meetings – Directors

Director	Board meeting Feb 26	Apr 28	July 29	Oct 27	Dec 8
Aliko Dangote, GCON	✓	✓	✓	✓	✓
Michel Puchercos	✓	✓	✓	✓	✓
Philip Mathew	✓	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓	✓
Devakumar V.G. Edwin	✗	✓	✗	✓	✗
Abdu Dantata	✓	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓	✓
Emmanuel Ikazoboh	✓	✓	✓	✓	✓
Douraid Zaghouani	✓	✓	✓	✓	✓
Viswanathan Shankar	✓	✓	✓	✓	✓
Dorothy Udeme Ufot, SAN	✓	✓	✓	✓	✓
Sir Michael Davies	✓	✓	✓	✓	✓
Cherie Blair, QC	✓	✓	✗	✗	✓
Berlina Moroole	✓	✓	✓	✓	✗
Halima Aliko-Dangote	✓	✓	✓	✓	✓

✓ = present ✗ = apology

Board Audit, Risk and Compliance Committee

Director	Meeting attendance Feb 16	Apr 21	July 20	Oct 20
Ernest Ebi	✓	✓	✓	✓
Dorothy Udeme Ufot	✓	✓	✓	✓
Emmanuel Ikazoboh	✗	✓	✓	✓
Cherie Blair	✓	✓	✓	✓

Board Finance and Investment Committee

Director	Meeting attendance Feb 26	Apr 26	Oct 25	Dec 8
Viswanathan Shankar	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓
Douraid Zaghouani	✓	✓	✓	✓
Michael Davis	✗	✓	✓	✓
Devakumar V.G. Edwin	✓	✓	✓	✗
Halima Aliko-Dangote	N/A	N/A	✓	✓

Board Technical and Sustainability Committee

Director	Meeting attendance Feb 16	Apr 21	July 27	Oct 20
Michael Davis	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓
DVG Edwin	✓	✓	✓	✓
Abdu Dantata	✓	✗	✓	✓
Douraid Zaghouani	✓	✓	✓	✓
Dorothy Udeme Ufot	✓	✓	✓	✓

✓ = present ✗ = apology N/A = not a member as at date

Board Remuneration, Governance and Nomination Committee

Director	Meeting attendance Jan 24	Feb 16	Apr 21	July 20	Oct 26
Emmanuel Ikazoboh	✓	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓	✓
Sir Michael Davis	✓	✓	✓	✓	✓
Cherie Blair	✓	✓	✓	✓	✓
Berlina Moroole	✓	✓	✓	✓	✓
Douraid Zaghouani	✓	✓	✓	✓	✓
Halima Aliko-Dangote	N/A	✓	✓	✓	✓

Statutory Audit Committee

Membership	Meeting attendance Feb 22	July 22	Oct 26
Robert Ade-Odiachi	✓	✓	✓
Nicholas Nyamali	✓	✓	✓
Sheriff M. Yussuf	✓	✓	✓
Olakunle Alake	✓	✓	✓
Ernest Ebi	✓	✓	✓

✓ = present ✗ = apology N/A = not a member as at date

Details of Top Customers

Position	Customer Name
1	Gilbert Igweka Global Concept
2	Kazab Heritage Limited
3	D. C. Okika Nig Ltd
4	Lafenax Nig Ltd
5	Nwa Ado Resources Nig. Enterp
6	A G T Business Ventures
7	Raybale Nig. Ltd
8	Chinedu & Son Inv. Nig. Ltd.
9	A. F. Raf. Progressive Vent.
10	Kelex Mega Investment Ltd
11	Jimi Larry Ventures Ltd.
12	Abdullahi Fugu
13	Twins Faja Enterprises
14	Ccecc Nig. Ltd
15	Kemson Gop Nig Ltd
16	Chico Trust Ventures
17	Moray Unique
18	Umar Tanko Abdullahi Ventures
19	Kabiru Isah Ahmed Nig. Ltd.
20	Ogiemwonyi Godwin Nig Enterprises

Names and Addresses of DCP Subsidiaries

NAME	REGISTERED OFFICE
Dangote Cement Senegal S.A.	14 Bis Rue Béranger Ferraud, Dakar
Dangote Cement Cameroon S.A.	Base Elf Pad, Douala, Cameroon
Dangote Cement Gabon S.A.	Centre Ville Immenble SCI.Mairie BP 7194 Libre Ville Gabon
Dangote Cement Congo S.A.	Ndingui, Usine Dangote, RD21,Route Bouansa-Mouyondzi, Departement de la Bouenza
Dangote Industries Benin S.A.	Carre 139 Lieu dit Akpapa Sodjeatinme Cotonou
Dangote Cement Côte D'Ivoire S.A.	Cocody, Riviera Golf, Immeuble AGNEBY, porte 425
Dangote Cement Togo S.A.	Angle Boulevard du Monno X augustino de Souza
Dangote Cement Guinea S.A.	Immeuble Safricom – Constantin - Matam
Dangote Cement Madagascar	LOT II Y 33 Fantanimora Antananarivo 101 Madagascar
Dangote Cement Mali S.A.	Bamako, Quartier Bamako Coura, rue 357, porte 352 près du bar Mali, Immeuble GAVINANE.
Dangote Cement Burkina Faso S.A.	Ouagadougou, Secteur 15, Ouaga 2000, 398 Av, Sare Elie
Dangote Cement Chad S.A.	Quartier Residentiel BP 6 6279317 Ndjaména Tchad
Dangote Cement Niger S.A.	Quartier ISSA BERI, Plateau, Rue, YN-27-CN1
Dangote Cement Yaounde S.A.	KM13 Nomayo, 1 BP 16165, Yaounde
Dangote Cement Congo DR S.A.	6529/6 Avenue Du PLATEAU in Kinshasa / Gombe, DRC
Dangote Mining Niger	Quartier ISSA BERI, Plateau, Rue, YN-27-CN1
Dangote Cement South Africa (Pty) Limited	Karee Street, Southdowns Office Parck, Block A, Irene x54, Centurion 0062 South Africa
Dangote Industries (Ethiopia) Plc	Bole Sub City, Kebele 03/05, House No. 2014, Addis Ababa
Dangote Cement Senegal S.A.	14, Bis Rue Beranger Ferraud, 4eme Etage Gauche, Dakar
Dangote Cement Cameroon S.A.	PAD Douala, Cameroon
Dangote Mines Limited, Tanzania	Plot No. 25, Mahakama Road, Block 10, Commercial Area, P.O.Box 1241, Mtwara, Tanzania
Dangote Cement Congo S. A.	Near Kinsaka Village, La Bouenza, Republic of Congo

NAME	REGISTERED OFFICE
Dangote Cement (Sierra Leone) Limited	Queen Elizabeth II Port, Freetown, Sierra Leone
Dangote Industries Gabon S.A.	Centre ville Immeuble SCI Mairie BP 7194, Libreville
Dangote Cement Ghana Limited	Adjacent ACS Terminal, Community Two, Tema, Ghan
Dangote Cement – Liberia Ltd.	Suite 32, Lara Building Randall Street, Monrovia, Liberia
Dangote Cement Burkina Faso S.A.	Secteur 15, Parcelle 93, Lot 03 Section B
Dangote Cement Chad S.A.	Quartier Residentiel P 66279317 Ndjamena Tchad
Dangote Cement Mali S.A.	Bamako COURA Rue 357 Porte 352
Dangote Cement Togo S.A.	Angle Boulevard du Monno x Augustino de Souza, Lome
Dangote Cement Kenya Limited	P. O. Box No 181 – 00202 Nairobi, Kenya
Dangote Quarries Kenya Limited	P. O. Box No 181 – 00202 Nairobi, Kenya
Dangote Cement Madagascar Limited	Lot 133 F. Ananimora, Antanarivo 101
Dangote Cement Nepal Pvt. Limited	40/74, Shree Bishnu Marga, Balaju, Kathmandu, Nepal
Dangote Zimbabwe Holdings (Private) Limited	6th Floor Goldbridge, Eastgate, Sam Nujoma Street, Harare, Zimbabwe
Dangote Cement Zimbabwe (Private) Limited	6th Floor Goldbridge, Eastgate, Sam Nujoma Street, Harare, Zimbabwe
Dangote Energy Zimbabwe (Private) Limited	6th Floor Goldbridge, Eastgate, Sam Nujoma Street, Harare, Zimbabwe
Dangote Mining Zimbabwe (Private) Limited	6th Floor Goldbridge, Eastgate, Sam Nujoma Street, Harare, Zimbabwe
Dangote Cement Guinea S.A.	Safricom Building, Constantin, Matam Guinea
Cimenterie Obajana Sprl- D.R. Congo	Av. Colonel EBEYA n. 54, Kinshasa
Itori Cement Plc.	1, Alfred Rewane Road, Ikoyi, Lagos
Okpella Cement Plc.	1, Alfred Rewane Road, Ikoyi, Lagos
Dangote Takoradi Cement Production Limited	Takoradi Free Zone Area.Takoradi, Western. Mc3858, Takoradi, Ghana
Dangote Cement Yaounde	km 13, Route Yaounde Douala Nomayos 1, BP 16165 Yaounde SA

NAME	REGISTERED OFFICE
Dangote Cement Congo D.R. S.A.	Avenue du Plateau, No 6529/6 Kinshasa/ Gombe
DCP Cement Limited	1, Alfred Rewane Road, Ikoyi, Lagos.
Dangote Cement Limited, Tanzania	Km 23 Mtwara – Lindi Road, Mbuo, Hiyari & Mnyundo Villages, P.O Box 1241, Mtwara, Tanzania
Dangote Contracting Services Limited, Tanzania	Km 23 Mtwara – Lindi Road, Mbuo, Hiyari & Mnyundo Villages, P.O Box 1241, Mtwara, Tanzania
Sephaku Development (Pty) Ltd	Block A South Downs Office Park, CNR John Voster & Karee Road, Johannesburg
Sephaku Delmas Properties (Pty) Ltd	Block A South Downs Office Park, CNR John Voster & Karee Road, Johannesburg
Blue Waves Properties 198 (Pty) Ltd	Block A South Downs Office Park, CNR John Voster & Karee Road, Johannesburg
Sephaku Limestone and Exploration (Pty) Ltd	Block A South Downs Office Park, CNR John Voster & Karee Road, Johannesburg
Sephaku Enterprise Development (Pty) Ltd	Block A South Downs Office Park, CNR John Voster & Karee Road, Johannesburg
Portion 11 Klein Westerford Properties (Pty) Ltd	Block A South Downs Office Park, CNR John Voster & Karee Road, Johannesburg
Dangote Quarries (Zambia) Limited	16 Katemo Rhodes park Lusaka Zambia
Dangote Fuels Zambia Limited	16 Katemo Rhodes park Lusaka Zambia
Birat Cement Pvt. Limited	40/74,Shree Bishnu Marga,Balaju,Kathmandu, Nepal

Deloitte.

Deloitte & Touche
Civic Towers, Plot GA 1
Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria.
Tel: +234 1 2717800
Fax: +234 1 2717801
www.deloitte.com/ng

1st March 2023

The Chairman
Dangote Cement Plc,
Leadway Marble House,
1, Alfred Rewane Road,
Falomo, Ikoyi,
Lagos.

Dear Sir,

Report of the Independent Consultants on the Review of the Corporate Governance Framework and Performance of the Board of Directors of Dangote Cement Plc.

Deloitte & Touche has performed the annual review of the corporate governance framework and performance evaluation of the Board of Directors of Dangote Cement Plc ("Dangote Cement") for the year ended 31 December 2022. The scope of the review included an assessment of the structure, mandate, and performance of the Board, Board Committees, and Management as it relates to the company's overall strategic direction, stakeholder engagement, disclosures, and transparency.

The review was performed in compliance with Section 11.2.9.5, Principle 14, and Principle 15 of the Nigerian Code of Corporate Governance ("NCCG"). We also evaluated the board's corporate governance framework and performance to align with regulatory requirements under the Securities and Exchange Commission's Corporate Governance Guideline ("SEC Guideline"). The scope of the review included an assessment of key areas of Dangote Cement's corporate governance and Board structure and composition framework, Board operations and effectiveness, assurance and secretarial functions, corporate disclosures, and relationship with stakeholders. Our evaluation report was premised on a desk review of relevant governance documents, policies, and procedures, interview sessions with Directors and select members of executive management, and survey responses received from the Directors.

Our evaluation result has shown that the Board, the Board Committees, Secretarial and Corporate Governance framework and practices in Dangote Cement Plc comply with the extant Codes of Corporate Governance. We also ascertained that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters in Dangote Cement Plc. Finally, the report highlights our reviewed activities, observations, and recommendations for the Board and Executive Management's sustained improvement actions.

Yours faithfully,
For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

CORONATION

E-MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all sections of this form to make it eligible for processing and return to the address below.
The completed form can also be submitted through any Access Bank Plc nearest to you.
This service costs *N150.00* per approved mandate per company.

The Registrar,
Coronation Registrars Limited RC 126257
9 Amodu Ojikutu Street, Off Saka Tinubu,
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Website: www.coronationregistrars.com
E-mail: info@coronationregistrars.com

For enquiries, please call 012 272 570 or send e-mail to customercare@coronationregistrars.com

ONLY CLEARING BANKS ARE ACCEPTABLE

Coronation Registrars Limited hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically.

AFFIX CURRENT PASSPORT PHOTOGRAPH
(to be stamped by bankers)

Please write your name at the back of your passport photograph

SHAREHOLDER ACCOUNT INFORMATION

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies at the right hand column be credited directly to my\our bank detailed below:

Bank Verification No.

Bank Name

Bank Account No.

Account Opening Date D D M M Y Y Y Y

SHAREHOLDER ACCOUNT INFORMATION

Surname/ Company Name

First Name

Other Name(s)

Address

City State Country

Previous Address (if any)

CHN (if any)

Mobile Telephone 1 Mobile Telephone 2

E-mail

Signature(s)

Joint/ Company Signatories

Company Seal (if applicable)

Kindly tick & quote your shareholder account no. in the box below:

√	NAME OF COMPANY	SHAREHOLDER No.
	Access Bank PLC	
	Access Bank Bond	
	Access Bank Green Bond	
	Afrinvest WA Ltd – NIDF	
	AIICO Insurance PLC	
	AIICO Money Market Fund	
	Airtel Africa PLC	
	Air Liquide Nigeria PLC	
	Caverton Offshore Support Group	
	ChapelHill Denham – NIDF, NREIT	
	Coronation Asset Management Limited	
	Coronation Insurance Plc (formerly Wapic Insurance)	
	First Ally Asset Management	
	Dangote Cement Bond	
	Dangote Cement PLC	
	FirstTrust Mortgage Bank PLC	
	FSDH Asset Management Limited	
	Food Emporium International Limited	
	Gombe State Government	
	IHS Nigeria PLC	
	Lagos State Government	
	Lead Asset Management Limited	
	McNichols Consolidated PLC	
	Mixta Real Estate Bond	
	MTN Nigeria Communication PLC	
	NASD PLC	
	NDEP PLC	
	NIPCO PLC	
	Red Star Express PLC	
	SFS Capital Nigeria Limited	
	STACO Insurance PLC	
	Three Points Industries Limited	

Coronation Registrars Limited | 9 Amodu Ojikutu, VI | 012 272 570 | +234 816 288 1632 | info@coronationregistrars.com | www.coronationregistrars.com

Proxy form

Dangote Cement Plc RC: 208767: Proxy Form

The Fourteenth Annual General Meeting (AGM) of Dangote Cement Plc will be held on Thursday, 13 April 2023, at Eko Hotels & Suites, Victoria Island, Lagos at 11.00 a.m.

I/We ....

(Name of Shareholder in block letters)

Being a shareholder of Dangote Cement Plc hereby appoint..

or failing him, ... as my/our Proxy to act and vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Thursday, 13 April, 2023, at Eko Hotels & Suites, Victoria Island, Lagos at 11.00 a.m and at any adjournment thereof.

Shareholder's signature .... Date ....

I/We desire this proxy to be used in favour of/ or against the resolution as indicated alongside:

SN	Ordinary business	For	Against	Abstain
1.	To lay the Audited Financial Statements for the Year Ended 31 December 2022 together with the Reports of the Directors, Auditors and the Audit Committee thereon.			
2.	To declare a dividend.			
3.	To re-elect or appoint Directors as follows:			
3.1.	To re-elect Mr. Olakunle Alake as a Director, who is retiring by rotation.			
3.2.	To re-elect Mr. Emmanuel Ikazoboh as a Director, who is retiring by rotation.			
3.3.	To re-elect Mr. Ernest Ebi MFR as a Director, who is retiring by rotation.			
3.4.	To re-elect Mr. Douraid Zaghouani as a Director, who is retiring by rotation.			
3.5.	To re-elect Ms. Berlina Moroole as a Director, who is retiring by rotation.			
4.	To authorise the Directors to fix the remuneration of the Auditors for the 2023 financial year.			
5.	To elect shareholders' representatives of the Statutory Audit Committee.			
SN	**Special business**	**For**	**Against**	**Abstain**
6.	To approve the remuneration of Directors.			

Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

Notes:

A. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. All proxy forms should be deposited at the registered office of the Registrars, Coronation Registrars Ltd, 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria or via email at eforms@coronationregistrars.com not later than 48 hours before the time for holding the meeting.

B. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.

C. If the shareholder is a corporation, this form must be executed under its Common Seal or under the hand of a duly authorised officer or attorney.

D. The proxy must produce the admission slip along with the notice of the meeting to gain entrance to the meeting.

E. It is the requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004 that all instruments of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear the appropriate stamp duty from the Stamp Duties Office (not adhesive postage stamps).

Before posting form, please tear off this part and retain it for admission to the meeting.

Admission slip

14th Annual General Meeting of Dangote Cement Plc to be held at Eko Hotels & Suites, Victoria Island, Lagos on Thursday, 13 April 2023, at 11.00 a.m.

Shareholder's name:	Shareholder's address:
Number of shares held:	Signature:

Supplementary information

The Registrar,
Coronation Registrars Limited
9, Amodu Ojikutu Street,
Victoria Island,
Lagos, Nigeria

DANGOTE
CEMENT

Dangote Cement Plc
Union Marble House
1 Alfred Rewane Road,
PMB 40032, Falomo Ikoyi,
Lagos, NIGERIA

Dangote Cement Plc Annual Report and Accounts 2022