

DELIVERING SUSTAINABLE BUILDING SOLUTIONS FOR A GREEN FUTURE



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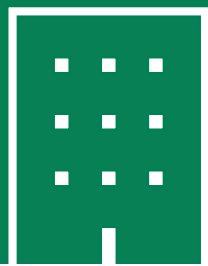






Introduction

Sustainable Building for People and the Planet



Introducing our Strategy 2025- 'Accelerating Green Growth'

Over the last few years, the construction industry continuously changed due to megatrends such as rapid population growth, changing societal needs, and emerging climate risks and opportunities. In response to these megatrends, the Holcim Group took a bold step in 2018 and launched its Strategy 2022- "Building for Growth".

The Strategy was built around four key drivers: Growth, Significance & Performance; Financial Strength; and Vision & People, all of which had set targets to ensure continuous business growth while delivering resilient returns and long-term value to our stakeholders. Holcim demonstrated excellence by capitalising

on our unique company strengths and exceeding our set targets for this strategy a year earlier than expected. This laid a solid foundation for our next chapter of growth, as the Group took the bold and ambitious step of launching the new **Strategy 2025- "Accelerating Green Growth"** in 2021.

We are harnessing the opportunities we have identified to position ourselves as the global leader in innovative and sustainable building solutions, in light of the current global energy transition and the need to adopt greener business practices. With more audacious targets, this strategy aims to increase profitability across the board, with sustainability and innovation at the forefront.

The implementation of Strategy 2025 is being guided by four value drivers, which are as follows:

Accelerating growth:

Driving profitable growth through innovation and green transformation while simultaneously promoting digitalisation across the business.

Expanding solutions and products:

Diversifying and integrating business solutions from construction and energy efficiency to repair and refurbishment.

Leading in innovation and sustainability:

Developing next generation technologies to remain at the forefront of green building solutions while reducing carbon footprint.

Delivering superior performance:

Expanding our digital solutions, leading green transformation to our customers, operations with strong profitability and cash flows.

Eight sustainability targets have been established to serve as a guide for monitoring and evaluating our performance across the ESG pillars in order to ensure that the Strategy is carried out effectively. These include;

- Achievement of over 25% of ready-mix sales with 30% to 100% lower CO₂ footprint
- Use of 75 million tonnes of recycled materials and 10 million tonnes of recycled demolition waste and aggregates through circular economy
- Allocating 0.5 billion CHF to green capex
- Reducing freshwater withdrawal by 25% in litres/ton in cement
- Diversifying senior management by increasing the number of women by 40%
- Achieving 520kg Net CO₂/ton of cement
- >40% of financing agreements linked to sustainability goals[Infographics]

These targets have been cascaded down to all our member organisations in order to promote uniformity and ensure timely achievement of the strategy. We at Lafarge Africa Plc are not left behind. We are collaborating with our stakeholders to ensure that we meet the goals we have set for ourselves as we work toward a net-zero future.



● A Message from the Chairman



Our valued stakeholders,

One word that comes to mind as I reflect on our years of operation in the Nigerian built sector is resilience. As a company, we have remained committed to building a sustainable Nigeria while also ensuring a safe environment for all. I would like to express my sincere gratitude to all of our illustrious stakeholders for helping to make this a long-term possibility.

As economies reopened following the COVID-19 pandemic outbreak last year, Lafarge Africa Plc has demonstrated its ability to deliver superior results across its strategic sustainability pillars of Climate and Energy, Circular Economy, Nature, and People, in line with Holcim's corporate positioning statement: "Building Progress for People and the Planet." Because of the effectiveness of our governance systems and strategic partnerships, we have been able to sustain impressive value creation with positive impacts across our stakeholder groups.

As a result of this, we now have a stronger voice and position when it comes to adapting our commitment to ESG issues.

For us at Lafarge Africa Plc, 2021 was a year of many great accomplishments that laid a solid foundation for our next chapter of growth. We saw a **27% increase** in revenue as a result of our effective costing strategies and increased demand for infrastructure development. We also launched a new club, "Diamond Club," to increase stakeholder engagement which improved our sales number and customer experience.

We began working toward solidifying our position on sustainable business practises through the ambitious targets we set for ourselves after launching our Group **Strategy**

Thank you,

Mr. Adebode Adefioye
Chairman

2025 - 'Accelerating Green Growth' and exceeding the Group's targets for Strategy 2022 - 'Building for Growth' a year ahead of schedule. One of these was the introduction of our LNG-fuelled trucks for our Green Logistics initiative, demonstrating our commitment to providing long-term solutions to help us achieve the greener future we all desire.

As a key player in the construction industry, we recognise that it is our ongoing responsibility to operate, innovate, support, and create long-lasting products, as embodied in our strategic sustainability pillars and company philosophy as we work towards a sustainable future.

As a result, our goal is to continue the path to sustainability to create opportunities for our company's shared value, trust, and reputational capital. As a result, we are accelerating and tailoring our sustainability initiatives to help make the world a greener place.

Finally, I would like to thank all our hardworking employees for their contributions to our success. I would also like to express my gratitude to our stakeholders for holding us accountable and allowing us to progress toward our goal.

Our resilience in 2021 gives me renewed hope that our best years are still ahead of us. We began the year in a strong position and we are growing stronger and greener. Thank you.



• CEO's Statement



2021 was unquestionably transformative given the extraordinary circumstances under which we had to operate. Considering the impacts of COVID-19 still being felt, and other macro-economic conditions, we delivered what we promised under our "Strategy 2022 – Building for Growth" as our 2021 performance showed a significant improvement over the previous year.

Our results demonstrated our **focus on innovation**, expanding our collaborative efforts, and our people's unwavering commitment and resilience as we put sustainability at the core of our strategy.

Our achievements in 2021 are a testament to the fortitude demonstrated by our people in the face of global and local disruptions. At Lafarge, we put people at the heart of everything we do, from promoting diversity in our teams to thriving with our communities, and this was evident in our results. We were recognised for our outstanding performance in promoting gender inclusion and diversity within our ranks, in addition to improving gender balance in operational roles.

We achieved a 47% female representation on our board which is a significant increase from 40% in 2020. We also collaborated closely with our communities to foster a more inclusive environment, guided by our Corporate Social Responsibility thematic areas of Education, Economic Empowerment, Health & Safety, and Shelter & Infrastructure.

In 2021, we invested about NGN 2.3 billion in community development initiatives and business inclusive projects, with a focus on youth empowerment, health centre and school construction, road construction, and skill acquisition programmes.

We had our best profit after tax in a decade, owing to improved real estate demand and pricing dynamics as the country focused on infrastructure development across all branches of government. We also kept a close eye on costs as part of our strategy, looking for cost-cutting alternatives in logistics, fuel, and energy. Using waste collected by our

Thank you,

Mr. Khaled el-Dokani
Chief Executive Officer

Geocycle function in our cement manufacturing process, we saved a total of NGN1.1 billion.

We are extremely proud to be the segment leader in incorporating alternative fuels into our plants and operations, and we remain committed to becoming the global leader in innovative and sustainable building solutions.

Maintaining our commitment to environmental stewardship, we ensured that our activities at Lafarge Africa Plc contributed to our goal of achieving a greener future that benefits people and the planet. In line with our Net-Zero commitment, we changed the power requirements for all our depots and installed solar panels to reduce our carbon footprints.

Our decision to purchase LNG vehicles for our logistics operations helped us save costs on diesel while also improving our environmental performance as LNG emits 30% less CO₂ than fuel oil. Our conversion of the Electrostatic Precipitator (ESP) dust filtration system at Ewekoro Kiln II to the "Bag House" system contributed to the 69% reduction in our specific dust emission from 2020.

In accordance with our Group **Strategy 2025: "Accelerating Green Growth,"** we are poised to become global leaders in innovative and sustainable building solutions. This strategy will enable Lafarge Africa Plc to achieve profitable growth across all our operations, fuelled by sustainability and innovation, by capitalising on current construction megatrends. As we aim to increase our Solutions & Products business to 30% of Group sales, we will implement new technologies in the most appealing segments across the construction value chain.

As evidenced by our performance in 2021, we will continue to be at the forefront of providing green building solutions and will seize the opportunities ahead to drive innovation and create solutions that will accelerate our journey to a greener and more inclusive world.



• 2021 Achievements

Achievements

RECOGNITIONS



- 2021 Institute of Directors Nigeria Corporate Governance Award
- Brand Communicator - Most Consistent Brand in Sustainability
- Gold Award for Customer Service Excellence at the West Africa Innovation Awards
- Recycling Institution of the Year Award at 2021 Africa Clean Up Conference and Award
- 3rd in NSE Top 20 Board Composition Scorecard for Women Percentage on Board

GREEN BUSINESS SOLUTIONS



- Launched Green Logistics Initiative this year with the launch of 52 natural gas (LNG) fuelled trucks
- Completed the replacement of Ewekoro Line II Kiln's Electro-Static Precipitator (ESP) with bag filter to which has reduced dust and CO₂ emission from 507g/tonne in 2020 to 156g/tonne of cementitious materials in 2021
- Use of incinerated ash from oil fields as part of our Geocycle function

BUSINESS ACHIEVEMENTS



- NGN 51 billion profit, representing 65% increase year on year
- Diamond Club launch for large volume trade partners
- Launch of the Lead Retail App 'Navendor,' for customer order and delivery tracking
- Graduation of the first set of certified female truck drivers



• 2021 Sustainability Performance

CLIMATE & ENERGY



598 kg/tons

Our total CO₂ emissions in 2021 was 598 kgCO₂/t. We remain committed to implementing our CO₂ emission reduction initiatives and strategies on a continuous basis to enable us to meet the Group's target of 550 kgCO₂/t by 2022.

CIRCULAR ECONOMY



89,057 tons

We used 89,057 tons of waste in our operations in 2021, a 25% increase from 2020, at our Ewekoro, Sagamu, and Ashaka co-processing plants, to promote the circular economy.

In 2021, alternative energy sources like waste incinerated ash and used tyres provided 9.4% of our energy.

NATURE



157.7 L/tons

Water and biodiversity conservation are crucial to our business. We made further progress towards our freshwater withdrawal rate target in 2021. We measured a cement withdrawal rate of 157.71 litres/ton and a ready-mix withdrawal rate of 204.42 litres/ton.

PEOPLE



NGN 2.3 billion

Lafarge Africa Plc is committed to empowering people and communities for a better future. In 2021, we committed a total of NGN 2.3 billion towards social investments across all our locations.

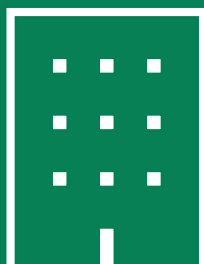
We had a direct impact on over 124,886 beneficiaries both within and outside of our host communities through our diverse social investment programs and initiatives.





Chapter 2:

Lafarge Africa Plc - Leaders in Sustainable Construction



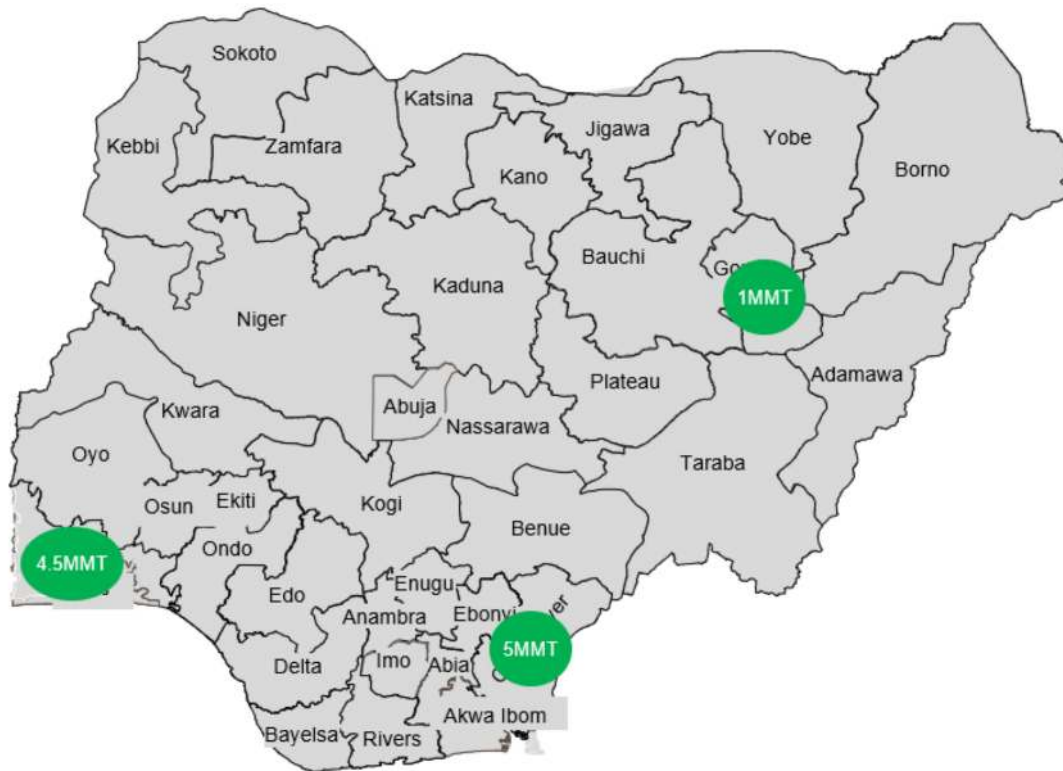
• Our Corporate Profile

Lafarge Africa Plc is a member of the Holcim Group with over sixty-three years of experience in providing innovative and sustainable building solutions as a listed and publicly quoted company on the Nigerian Exchange Group (NGX).

We specialise in providing a wide range of building and construction solutions, with a focus on meeting housing and construction needs ranging from small projects such as individual home buildings to large construction and infrastructure projects.

• Our Operations

We have a strong presence in the Nigerian market, with plants in Ewekoro and Sagamu in the South-West, Mfamosing in the South-South, and Ashaka in the North-East. Lafarge Africa currently has a cement production capacity of **10.5MTPA** installed. We have plans to expand our production capacity in the next couple of years. However, in addition to our cement plants, we have twenty-five depots and seven ready-mix sites spread within three (3) out of Nigeria's six geopolitical zones that cater to the production of quality and innovative concrete solutions for small and large construction works.



• Our Core Values

Our goal at Lafarge Africa is to provide our customers with ethical and socially responsible building services.

Our core beliefs are aligned with our Group's strategy that details our sustainability activities, direction and serve as the foundation for how we work collaboratively with our employees, customers, host communities, and other stakeholders to achieve our goals.

Our core values at Lafarge Africa Plc include:





Customer Centricity:

Our primary goal is to develop and deliver solutions that fulfil the needs and expectations of our current and prospective clients. Using innovation, we collaborate with our customers to achieve common goals.



Results:

We provide new ways of looking at challenges through business insights and enhancing the quality of our decision-making processes to enable us to generate exceptional results while maintaining accountability.



Integrity:

We are a compliance-driven organisation that takes ownership of its actions.



Sustainability:

We show environmental stewardship and leadership while also modelling responsibility for future generations. When faced with challenges, or emerging risks, we seek the broadest possible perspectives.



People, Openness, and Inclusion:

Every individual in our organisation is truly cared for and respected. We believe that the strength of our organisation is as good as the efforts put into developing our people and building effective teams, hence, employee engagement and capacity



Health and Safety:

This is our fundamental core value on which all others are built. It is embedded in all that we do and at all levels and across our organisation, we believe in visible leadership and personal accountability for Health and Safety.



● Sustainable Governance at Lafarge

We take pride in acting and operating in an ethical and responsible manner, taking into consideration the rights and interests of all our stakeholders.

We adhere to the highest corporate governance standards, which are consistent with our company's values and ethos, and this is reflected in our leadership. We maintain a strong corporate governance framework system in accordance with applicable local laws and guidelines, such as the Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance 2018, the Securities and Exchange Commission (SEC) Corporate Governance Guidelines, and other international best practices on corporate governance.

The Board of Directors maintains proper oversight of corporate governance compliance and sustainability across all of our operations through regular monitoring and consideration of reports by the full board as well as the four three Board committees. Our governance system ensures adequate oversight of sustainability issues in society, ethics, health and safety, and the environment. Lafarge Africa Plc received the Institute of Directors' Corporate Governance award in 2021. The award recognises and rewards corporate

excellence among Nigerian companies, with the goal of achieving a truly enterprise-wide culture of governance and ethics in organisations.

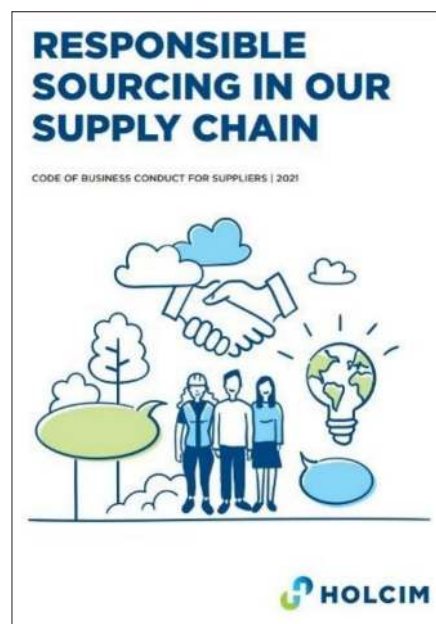
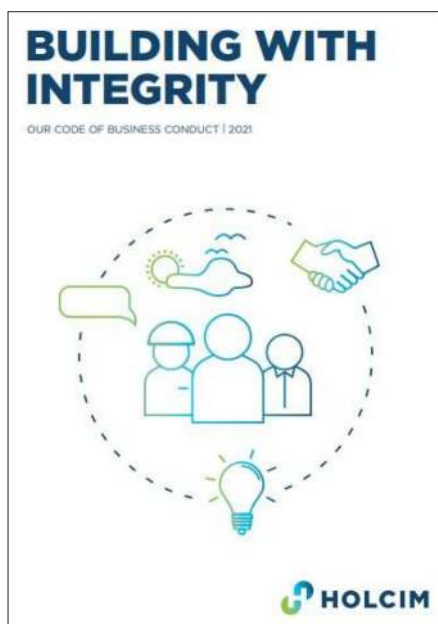
This further demonstrates Lafarge's commitment to high levels of accountability, transparency, fairness, and responsibility, as well as good corporate governance, ethics, regulatory compliance, and adherence to risk management processes across our operations.

○ Code of Business Conduct

Lafarge Africa, as a responsible organisation, is committed to corporate transparency and accountability to our stakeholders. To encourage ethical behaviour in our business, we are guided by the Holcim Group's updated code of conduct which reinforces our commitment to operating with integrity and in accordance with relevant local and international laws and global best practices. It expressly states our zero tolerance for violations of applicable laws and anti-corruption regulations, as well as our strict disciplinary measures against violators.

Our Code of Business Conduct ensures that our directors, officers, and employees share Holcim's commitment to ethical business practices. [It provides guidance on:](#)

- How to act with integrity in the workplace by promoting health & safety, diversity, fairness, and asset protection;
- How to act with integrity in business by committing to zero tolerance for bribery and corruption, fair competition, and accurate reporting; and
- How to act with integrity in our community by protecting the environment, respecting human rights, and engaging communities.



Holding our suppliers to the same standards as we do, we have our Supplier Code of Conduct that establishes the values and principles that suppliers and other third-party contractors must demonstrate, particularly in the areas of social, human rights, environmental, health, safety, and security standards.

These values and principles include:

- Security and resilience
- Health and safety
- Working conditions and welfare
- Freedom of association and non-retaliation
- Forced Labour and modern slavery
- Child labour
- Discrimination, harassment, or abusive behaviour
- Environmental regulatory compliance
- Data privacy
- Bribery and Corruption
- Competition laws
- Sanctions

○ Anti-Bribery and Corruption

Lafarge Africa Plc has a **zero-tolerance policy for bribery and corruption**, and we adopted an anti-bribery and corruption statement, which is embedded in our Code of Business Conduct, communicated within the organisation, to our customers and other stakeholders. To establish our stance against these vices, our values are regularly communicated to all employees through various channels such as trainings, CEO message to all employees, internal communications, townhalls, and one-on-one sessions with relevant teams and key employees. [We are committed to:](#)

- Conducting our business dealings and relationships in an ethical manner and with the highest level of integrity, in accordance with the Holcim's Anti-Bribery and Corruption policies.
- Complying with relevant Anti-Bribery and Corruption laws such as Corrupt Practices and other Related Offences Act of 2000 and the UK Bribery Act of 2010 regardless of the business environment we operate in.
- Implementing and enforcing effective systems to counter the risks of bribery and corrupt practices in the form of gifts and entertainment, reciprocal agreements, favours, discounts, travel, education, donations, and other forms of improper benefits for which the Company could be held liable.
- Prohibiting the Company as well as third parties acting on its behalf from engaging in fraudulent acts, corrupt practices and all forms of bribery, gratification, attempting to obtain gratification, facilitation payments, and improper payments or benefits to public officials, their family members, and other individuals.

In 2021, our Management and Non-management employees received training on anti-bribery and corruption. These trainings included Fair Competition and Gift, Hospitality, Entertainment & Travel (GHET).

All our plants (4 cement plants and 6 Ready-mix plants), including our Geocycle operations and Head Offices, have been assessed for corruption risks, with measures established and regularly tracked to ensure that anti-bribery and corruption (ABC), anti-money laundering (AML), and/or sanctions/counter-terrorism financing laws are adhered to. In addition, we include anti-bribery and corruption and sanctions clauses in all contracts with suppliers, customers, service providers, and other business partners.

○ Whistleblowing

Lafarge Africa Plc adopts a proactive fraud prevention approach, through implementation of effective controls to prevent and detect fraudulent activities and misconduct. Our whistleblowing policy and Global Integrity Platform demonstrates our commitment to integrity, and safe reporting of suspected or actual violations of our Code of Business Conduct in a confidential manner.

Reports can be made anonymously by our employees and stakeholders, the reports are then logged and investigated by our Internal Control & Investigation team.

○ Diversity and Inclusion

For us, diversity is more than just a hiring trend; it has evolved into a culture that has been transformed into a strategic obligation. We have reaffirmed our commitment to diversity and inclusion at Lafarge Africa Plc, building on previous initiatives and milestones. We are committed to inclusive workplace practices and therefore we continuously recruit, retain, train, and promote deserving employees from diverse backgrounds and experiences. In 2021, we were recognised at the PWR NGX Top 20 Gender diversity scorecard for our outstanding performance in Board gender inclusion and diversity.

Currently, women hold 47% of the available board seats at the company, a significant increase from 40% in 2020. We value our employees' perspectives and strive for full inclusion across all levels of the organisation. In keeping with the values that the company was founded on; we are focusing our efforts on eliminating systemic prejudice.



We believe that we have a responsibility to our external and internal stakeholders because our stakeholders are critical in how we create positive business impacts.

Therefore, we are committed to continuously engage with our stakeholders in an open, transparent and accountable manner. We are confident that this will enhance a healthy and sustainable long term relationship with our stakeholders.”

We accomplish this by holding frequent engagement sessions with them to understand their top priorities and obtain valuable feedback on the effects of our business practices. Our effective stakeholder engagement has aided us in risk management, gaining new insights, improving accountability, and facilitating decision-making processes.

The table below depicts our strategy for engaging with each of our various stakeholder groups:

Stakeholder	Level of Influence	Engagement Method	Frequency
Government	High	Letters & emails	As required
		Courtesy visits	
		Formal meetings	
		Government functions	Frequently, as required
Board of Directors/ Shareholders	High	Annual General Meeting	Annually
		Annual reports	Annually
		Shareholder fora	As required
		Website	Frequently
Suppliers/ Contractors	High	Satisfaction Survey	Biennially
		Annual meeting	Annually
		Emails	Frequently, as required
Customers/ End users	High	Meetings	Frequently, as required
		Market activations	Quarterly
		Conferences	Annually
		Customer satisfaction surveys	Frequently
Employees	High	Team meetings	Weekly
		Town hall meetings	Quarterly
		Newsletters	Daily and Quarterly
		Focus group discussions	Frequently, as required
Communities	High	Monthly meetings	Monthly
		Ad hoc meetings	As required
		Courtesy visits	As required
		Community days	Annually
Competition	High	Industry engagements	As required
Trade Associations (NIOB: Nigeria Institute of builders, NIA: Nigeria institute of Architects, NSE: Nigeria Society of Engineers, COREN: Council for the Regulation of Engineering in Nigeria, NACCIMA: National Association of Chambers of Commerce. Industry, Mines & Agriculture)	Medium	Committee meetings	Quarterly
		Conferences	As required



Spotlight

Diamond Club Launch

At Lafarge Africa, we value our stakeholders and understand the importance of working with the right partners to deliver our products and services for the advancement of people and the planet.

To that end, we established the Diamond Club to reward and recognise our exclusive trade partners who have consistently stayed through by delivering best in class volume and value to our customers and end users.

The Lafarge Africa Diamond Club was launched during the 2021 Customer Service Week themed 'The Power of Service,' which was held at Eko Hotels and Suites in Victoria Island, Lagos.

During the event, our CCEO Khaled El Dokani stated, "The Diamond Club we are launching today is our way of showing our appreciation while deepening the partnership that has enabled us to reach and serve our customers with great efficiency."

He also talked about how Lafarge is using digitalisation to resolve some of the challenges from payment to delivery with the introduction of CLICKIT and REAL as an App to manage customer inventory from the ordering process, payment tracking and delivery.

The app empowers our customers to order our products and services, and monitor delivery progress from the comfort of their own homes. Customers can also use the app to rate their delivery experience and file complaints with Lafarge's Customer Service. Our customers now hold us more accountable based on the visibility provided on their orders as they move through the delivery chain.

There is a very **positive acceptance and adoption rate** of CLICKIT and REAL at about **87% and 75%** respectively.





Very Interesting application, customer can coordinate affairs themselves.

Trustolap Nigeria Limited



I am thrilled; We can check updates without calling anyone.

Adekunle Oseni



I love the App. It gives me visibility of my orders, account balance and all payments and rebates. I can also raise my orders.

Ivanate Nig Limited



I really like the app; it makes transaction easy and transparent. The App is very good.

Fugle Nigeria Limited



I love the App. I am doing business now with Lafarge easier and better. I have visibility of everything I do now. Thank you, Lafarge, for making business easy.

Kabec Nig Ltd



• Meet our Leadership Team



Khaled El Dokani
Country Chief Executive Officer



Lolu Akinyemi
Chief Financial Officer



Ibrahim Aminu
MD Ashaka Cement



Olusegun Shoyoye
Industrial Director



Gbemiga Owolabi
Organisation and Human Resources Director



Gbenga Onimowo
Commercial Director



Saeed Ande
Procurement Director



Folake Odegbami
Head, Safety Health and Environment



Adewunmi Alode
Company Secretary/ General Counsel



Daniel Adedokun
Head, Geocycle



Bestow Akeze
Head, Aggregates and Concrete



Femi Yussuff
Head, Mortar, Innovation and New Product



Helmut Korak,
Country Security Manager



• Our Business Segments

Lafarge Africa Plc has three business units; Cement, Ready-mix Concrete and Ready to Use Mortar. The products and solutions from these business units are used for different types of construction projects. Following our net-zero commitment, our goal is to lead the industry in reducing carbon emissions and transitioning to low-carbon construction.

○ Cement

Our cement segment is at the heart of our commitment to urbanisation and development in the country. We have a wide range of cement products, which have been designed to meet all building and construction needs with production of quality and durability products as our driving force.

○ Ready To Use Mortar

We provide a one-of-a-kind range of products and solutions based on our extensive local knowledge and research and development capabilities. We have different types of solution for building segment such as tile adhesives, plastering mortars, grouts and waterproof solutions for water prone areas.

Our products and services are developed in a socially and environmentally responsible manner to provide our customers with high-quality innovative building solutions that meet their specific needs while also contributing to a greener future.

Our brand is well-known for high-quality products and solutions that are easy to work with, making it suitable for both general-purpose and structural projects. Lafarge Africa Plc has established itself as the construction industry leader in innovative construction technologies.

This is due to the company's consistent investments in Research and Development (R&D), allowing us to continue to deliver value to our diverse customer base and stakeholders. Therefore, we have developed a good number of solutions to meet a wide range of building requirements.

Cement Solution



Elephant Cement ; Elephant Supaset ; AshakaCem ; RoadCem ; Supafix ; Powermax ; ETEX ; SRC (Sulphate Resistant Cement)

○ Ready To Mix Concrete

The quality, consistency, dependability, and effective delivery of our ready-mix concrete solutions provide superior performance for our customers' unique demands.

○ Concrete Solutions

Our Ready-mix products are long-lasting and of consistently high quality, delivering excellent structural performance while promoting environmentally friendly applications and green building.

Our services are designed to foster stronger relationships and partnerships with our customers and distributors, which has proven critical to our company's success.

As a result, we assist our customers in the use and application of our cement products and concrete solutions by providing advisory services such as:

- Concrete mix designs optimisation;
- Comprehensive technical support;
- Materials and concrete testing; and
- Development of site concrete quality management systems.



Value Creation through our Business

At Lafarge Africa, we remain committed to providing shared economic value, as guided by our Group Strategy, and this drives our efforts toward innovation and the creation of sustainable building solutions for the benefit of our stakeholders, communities, and all levels of our value chain.

Despite the disruptions caused by the COVID-19 pandemic, naira devaluation, and worsening economic factors in 2020, **we achieved outstanding results** that set the stage for an outstanding performance in 2021.

We experienced exponential financial growth and exceeded our 2021 targets for achieving the goals of our 2022 Group Strategy across our defined value drivers: Simplification and Performance, Financial Strength, Vision, and People.

The strategic initiatives implemented by our effective leadership demonstrated excellence in resource management and plan execution, resulting in the achievement of our pre-determined KPIs.

As a result, sales revenue **increased by 27.1% to NGN 293 billion**, while earnings before interest and tax (EBIT) **increased by 42.6% to NGN 65.1 billion**.

This was accomplished by lowering our production costs through the use of alternative energy and increasing operational efficiency across our sites.



Despite the macroeconomic challenges and complexities in the operating environment, Lafarge Africa Plc sees growth opportunities in Nigeria.

Lolu Akinyemi
Chief Financial Officer

Value Driver

Value Created in 2021

NGN 293 billion



Growth

We experienced exponential growth in 2021 net sales. Our 2021 net sales exceeded expectations by 21.7%, largely owing to our positive business impacts and innovative building solutions.

9.4%



Simplification & Performance

Our Thermal Substitution Rate in 2021 was 9.4%; we remain committed to promoting the use of alternative fuels in our clinker production process.



89,057 tons



Financial Strength

Lafarge Africa's Geocycle function played a critical role in saving NGN1.4 billion on operational fuels in 2021. 89,057 tons of recyclable waste/biomass was used as alternative fuels at our plants, excluding Mfamosing.

NGN 595 million



Vision & People

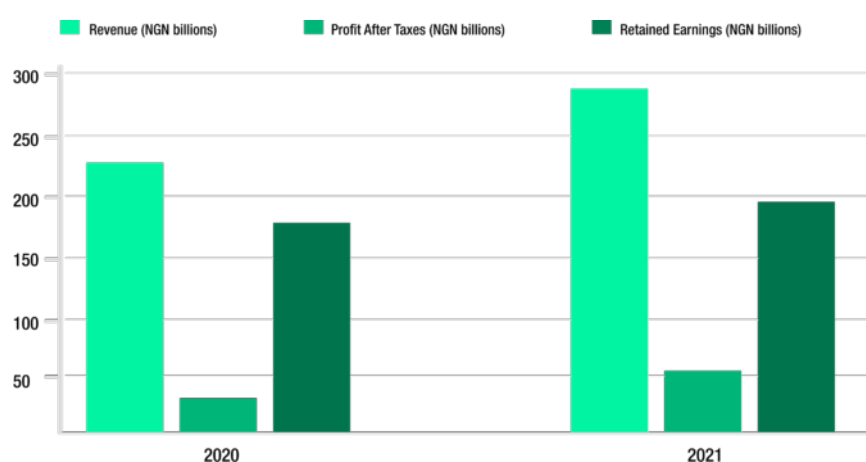
In 2021, we committed over N595,000,000 to supporting our communities through scholarships, agribusiness assistance, capacity development, and other worthwhile social investments.

	2022 Target (%)	Group 2021 Performance (%)	Lafarge Africa Plc's 2021 Performance (%)	2025 Target (%)
Net sales growth	3 to 5	+11%	+27%	3% to 5%
Recurring EBITDA growth	7%	+26%	+43%	Over proportional to Annual Net Sales Growth
Free Cash Flow to Recurring EBITDA	>40%	50%	42%	45%



• Our 2021 Financial Highlights

	2020	2021	% increase
Revenue (NGN billions)	230.6	293.1	+27.1%
Profit After Taxes (NGN billions)	30.8	51.0	+65.4%
Retained Earnings (NGN billions)	170.6	189.5	+11.1%



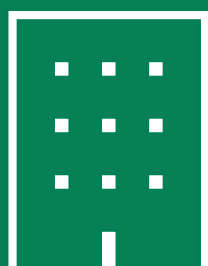
	2019	2020	2021
	NGN (million)	NGN (million)	NGN (million)
Direct Economic Value Generated	77,225	83,088	114,605
Revenue from operations	212,999	230,572	293,086
Other Income	5,510	2,152	2,427
Economic Value Distributed	77,225	83,088	114,605
Operating Costs	38,337	59,370	82,435
Employee wages & benefits	18,866	13,532	25,398
Payment to provider of funds	18,866	7,859	3,764
Payment to Government	1,175	2,327	3,009
Economic value retained	45,547	59,369	82,435





Chapter 3:

Sustainability at Lafarge Africa



Q&A with Head, Sustainable Development and Corporate Brand

TITILOPE OGUNTUGA



Q IN 2021 MANY ORGANISATIONS EXPERIENCED TIPPING POINTS. AS THE HEAD OF SUSTAINABLE DEVELOPMENT AND BRAND FOR LAFARGE AFRICA PLC, WHAT WERE YOUR MAJOR HIGHLIGHTS, LEARNING AND REACTIONS TO ALL THESE DURING THE YEAR?

A As an organisation, we accelerated the walk through our mappings in actualising our sustainability ambitions despite the impact of the pandemic. 2021 was a year that demonstrated our continuous resilience and our commitment as an organisation. The decision to forge ahead with our sustainability ambitions despite the impact of a global pandemic was a tall order but despite all the disruptions and setbacks from the pandemic year, using innovation, pragmatism and our drive for excellence at the heart of our interventions, we continued to build on and strengthen our resolve to deliver impact.

The Group Strategy 2025 – Accelerating Green Growth is a key driver in our journey to 'Building Progress for People and Planet' and being the global leader for innovative and sustainable building solutions helped us to chart the course for what we can outline

as our successes today. In the same vein, we set ambitious targets for our strategic sustainability pillars on our path to net zero and continuous positive social impact knowing that sustainability is an ongoing journey.

More highlights from 2021; we co-processed about 89,057 tonnes of waste and these were used as alternative fuels thereby supporting stakeholders' goals of achieving a cleaner and safer environment, this was achieved in partnership with Geocycle, the waste recycling arm of Lafarge Africa Plc. Through innovation and continuous improvement, Lafarge Africa Plc also launched over 50 Liquefied Natural gas (LNG) trucks to drive sustainable supply chain targets. This ongoing intervention aims to improve environmental performance as LNG generates 30% less carbon dioxide than fuel oil and 20% less than diesel.

We invested over NGN 2bn in corporate social responsibility and business inclusive projects, enabling positive social impact in host communities and beyond. Our gender diversity initiatives are recording a significant improvement. Lafarge Africa Plc was recognised in the Top 20 gender diversity scorecard for listed companies in 2021. Our success spoke for itself as we also received awards such as the; Corporate Governance Award by the Institute of Directors, Recycling Company of the Year by the Africa Clean Up Initiative and most consistent brand in Sustainability by the Brand Communicator. Our collaborative efforts as a team driven by sustainable development propelled us through the journey.

Through it all, some performance indicators such as Health & Safety, CO₂ emissions reduction and environmental sustainability, 100% CSR completion rate, as well as impact monitoring and evaluation remain a constant barometer in our Sustainability journey.

Q YOU DEFINITELY HAVE HAD QUITE A JOURNEY; CAN YOU TELL US ABOUT LAFARGE AFRICA PLC'S APPROACH TO SUSTAINABLE DEVELOPMENT?

A Lafarge Africa Plc's approach is one that is deliberate and focused on the triple bottom line. Through our four sustainability pillars – Climate and Energy, Circular Economy, Nature and People, we have adopted a horizontal approach that promotes sustainable development as the golden thread that remains constant. It is at the core of strategy and our Board remains committed to Environmental, Social and Governance (ESG). Furthermore, a dedicated corporate leadership team led by Khaled El Dokani, our Country CEO provides an enabling environment for this to thrive.

This is also evident in how we leverage innovation - from a 360 degrees perspective – manufacturing, operations, supply chain, customer service delivery, stakeholder management and relations amongst others. Through innovation, we are creating a more sustainable business.

We continue to leverage being a member of Holcim, global leader in innovative and sustainable building solutions as a major driver for our Sustainability programmes.

This brings a global mindset and approach to the way that we deliver our sustainability targets. We have global expertise, knowledge, research-driven data and resources to fuel our ambitions.

Q HOW DO YOU INTEND TO CHAMPION AND ENSURE THAT LAFARGE AFRICA PLC ACHIEVES ITS TARGET UNDER THE SUSTAINABILITY STRATEGY?

A By complete adherence to our strict performance measurement metrics that support



this is a daily collective effort towards ensuring that our performance is measured, analysed and reported on a regular basis. Every employee of Lafarge Africa Plc understands that Sustainability is the core of all we do.

Monitoring and Evaluation: one of the strategies that we have deployed to achieve our strategy is adopting data as a vital resource with our strategic sustainability pillars being the basis for performance management.

For example, to strengthen our performance management system, we report on key indicators on a quarterly basis, creating a credible platform for continuous monitoring and opportunities for us to improve our performance. We also continue to monitor data while leveraging the support from the Group to achieve our targets. The importance of data cannot be over-emphasised.

Lafarge Africa Plc is guided by the ten principles of the United Nations Global Compact and has adopted other global frameworks such as the Sustainable Development Goals, as a benchmark for delivering its objectives.

Q
DO YOU HAVE A SPECIFIC FRAMEWORK FOR HOW TO SUSTAIN YOUR SOCIAL LICENSE TO OPERATE?

A We have a deliberate stakeholder management framework that supports our license to operate. It is an all-inclusive approach that enables for access, open communication, grievance management and constructive feedback. This approach enables us to focus on our diverse stakeholder groups and their various interests.

Through strategic employee engagement initiatives, community advisory and relations panels, thought leadership platforms and impact assessment programmes, we consistently provide opportunities for

engagement with our various publics. Our host communities play a pivotal role in ensuring a clement operating environment. We have enjoyed their partnership and the support to us continue to attest to being advocates for Lafarge Africa Plc

In addition, corporate financial and non-financial reporting, disclosures and effective risks management enables us to sustain our license to operate. Therefore, we continue to engage strategically in a manner that enables us to scale impact with employees, investors, communities, the government, media and other valued stakeholders.

Q
SPEAKING OF STAKEHOLDERS, WHAT SHOULD THEY LOOK FORWARD TO IN THE COMING YEAR?

A I have a very constant saying that sustainability must be approached from 2 angles – The Framework and stakeholders. The importance of our stakeholder's management initiatives cannot be overstated as we ensure to keep them abreast on our interventions, initiatives and possible ways of collaborations.

In the coming year, our journey to net zero remains a top priority for us here at Lafarge Africa Plc We are monitoring our footprints and will be implementing initiatives that support reduced carbon footprints. Health and Safety is equally a key focus for our business.

We will also continue in our pursuit to create economic, social and environmental impact through Circular Economy and our use of waste-derived resources as alternative sources of energy.

Through this initiative, we will leverage more partnership opportunities that support value creation.

On the journey to 2030, we have set targets that are aligned with Strategy 2025 – Accelerating Green Growth for our four Sustainability Pillars. We will be monitoring progress to deliver on these ambitions.

Innovation will be at the forefront of our operations and strategy. We will be developing new and pragmatic ways to deliver our sustainability ambitions.

The journey to the future is one of continuous improvement, collaboration and a visible demonstration of our commitments. We will continue to pursue as a team geared towards achieving our objectives that truly enables us to build progress for people and the planet.

Q
IN A SENTENCE, GIVE US A CONCLUDING STATEMENT?

A We believe that we are on the right path on the journey. We will continue to be open, committed, collaborative, impact- focused, people and planet-driven to achieve our ambitions. Through this, a sustainable future is guaranteed.



● Scope of the Report

Lafarge Africa Plc has been on a journey towards sustainability reporting since 2015.

We are committed to publishing our yearly sustainability report to demonstrate transparency and accountability because we value the trust of our stakeholders.

This sustainability report was published in accordance with the Global Reporting Initiative (GRI) Standards for 2016 and alignment with the United Nations Sustainable Development Goals (SDGs),

the United Nations Global Compact (UNGC), and the Nigerian Exchange Group (NGX) Sustainability Disclosures.

This report showcases Lafarge Africa's accomplishments and initiatives for the fiscal year 2021. These achievements and initiatives are further expounded upon in accordance with our four sustainability pillars, which are Climate & Energy,

Circular Economy, Nature, and People. We were able to develop this report thanks to effective data collection and input from our business leaders.

Our project team is shown below:

Name	Department
Funke Madojutimi	SHE (Environment)
Victor Nka	
Adeyemi Ariyo	SHE (Health & Safety)
Osaze Aghatise	Logistics
Adedeji Esan	Power & Energy (Industrial)
Ugochi Bede- Nwokoye Nyong Okon	Organisation & Human Resources
Chinedu Richard Yemi Sanni	Finance
Sola Akinboboye	Security
Itune Brown	Marketing (Commercial)
Greg Salami	Geocycle
Oluoyemi Bakare Agnes Keke Simi Dabup	Communication, Public Affairs & Sustainable Development
Omowunmi Ajilore	Procurement
Anuoluwapo Gbadegesin	Legal and Compliance



Our 2021 Materiality Analysis

We value and prioritise our stakeholders' input and needs in our operations because engaging with them is critical to maximising the positive effects of our business operations.

The double and dynamic materiality approach was used in our 2021 materiality assessment. This took into consideration the company's current and emerging risks, as well as its environmental, social, and governance performance across all operations.

Our analysis included extensive research on current and future human rights and environmental risks, as well as a thorough examination of Lafarge Africa Plc's material issues.

The identified topics were compared to previously validated material topics, industry requirements, key organisational values, policies, strategies, goals, and targets to determine what was most important to us.

The GRI Standards were followed during the revalidation process, which included feedback from both internal and external stakeholders on the topics that were most important to them. The findings then revealed the priorities and direction of Lafarge Africa Plc's long-term development contribution to the country.

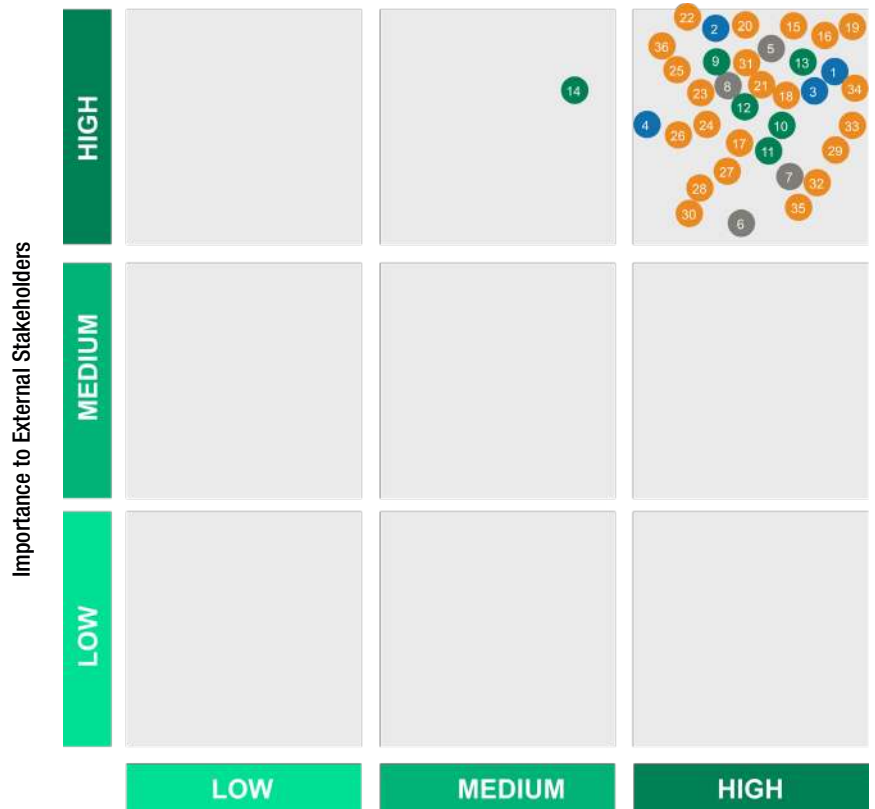
The following methodology was used to assess materiality:

IDENTIFICATION of issues and stakeholder groups

PEER AND COMPETITOR BENCHMARKING against global and local peers and competitors in the construction materials industry

RATING of issues by internal and external stakeholders

VALIDATION of materiality matrix by senior management



Importance to Lafarge Africa as rated by Internal Stakeholders



Materiality Key

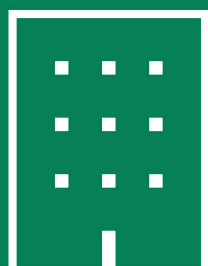
1. CO ₂ emissions	19. Quality products and services
2. Climate change risks	20. Anti-bribery and corruption
3. Energy consumption & efficiency	21. Community engagement
4. Energy transition risks	22. Business ethics
5. Resource efficiency	23. Employee wellness and development
6. Packaging	24. Social investments
7. Poverty alleviation through job creation	25. Diversity and equality
8. Product innovation	26. Youth empowerment
9. Dust emissions	27. Sustainable procurement
10. Biodiversity & quarry rehabilitation	28. Stakeholder engagement
11. Effluents and waste	29. Employee engagement
12. Water contamination	30. Training and education
13. Environmental compliance	31. Cyber threat and data protection
14. Eco-manufacturing	32. Business resilience
15. Reputation	33. Foreign exchange factors
16. Health and safety	34. Pricing integrity and antitrust compliance
17. Employee and labour relations	35. Strategic partnerships
18. Economic value	36. Sustainable supply chain





Chapter 4:

Towards a Greener Future



• Our Net-Zero Commitment

As global climate action gains momentum, businesses are setting ambitious targets to decarbonise their operations.

The race to net zero will forever change the way in which many companies do business but we at Holcim are ahead of the curve being the first global building materials company to sign the UNGC's "Business Ambition for 1.5°C initiative", with 2050 targets validated by SBTi.

○ Holcim's 2050 Net-Zero Targets

We have set ourselves ambitious targets short- and long-term targets validated by SBTi to accelerate our reduction in CO₂ intensity.

We will maximise the deployment of existing technologies and will start laying the groundwork for our net zero journey to 2050.

We are committed to;

- Reduce our scope 1 and 2 GHG emissions by 95% per ton of cementitious materials by 2050 from a 2018 base year;
- Reduce our absolute scope 3 GHG emissions by 90% by 2050 from a 2020 base year.

In line with our Group's strategic direction, we are approaching net zero in a holistic manner, from automation and artificial intelligence to accelerating green solutions such as increasing the use of alternative materials in our clinker production.

We will accelerate our efforts to achieving net-zero emissions that benefit both people and the environment, in accordance with our Group's Net-Zero commitment.

We have set country-specific targets across all our pillars that are continuously monitored, guided by our strategy, which focuses on four thematic areas: **Climate & Energy, Circular Economy, Nature, and People.**



● A Low-Carbon Transformation

According to the GCCA, with the world's population expected to reach nearly 10 billion people by 2050, urbanisation has the potential to increase by 68%.

Over the next several decades, these increases will fuel a critical demand for infrastructure, particularly in Nigeria.

As such, we actively manage climate change challenges and take responsibility for our direct and induced carbon emissions as a company committed

○ CO2 Emissions (SDGs 7, 11, 12, 13)

According to the Global Alliance for Building and Construction, the harvesting, manufacturing, and transportation of raw materials used in building construction now accounts for 11% of global emissions.

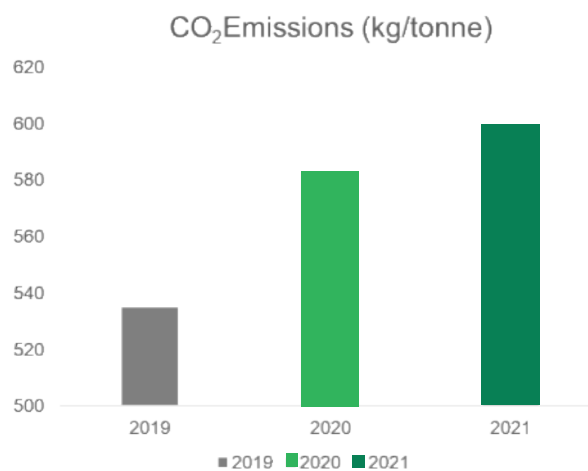
Therefore, we at Lafarge ensure that we employ sustainable and innovative solutions to decrease our carbon emission levels throughout our extraction, processing, manufacturing, transportation, and distribution processes.

to a green and sustainable future, demonstrating our commitment to building resilience against the negative effects of climate change.

In accordance with our Group's net zero commitment, we have set realistic targets for ourselves to ensure that we are not only energy efficient and cost effective, but also contribute to lowering carbon emissions levels in accordance with the Paris Agreement on Climate Change.

Using cutting-edge technologies, we have remained steadfast in our journey towards achieving the targets mapped out in our Group's ambitions to produce 40% less net CO₂ per tonne of cement and 520Kg net CO₂/tonne of cementitious material by 2022.

The specific CO₂ emission - net (kg/tonne cementitious material) emitted in LAP plants in Nigeria was 598kg/tonne in 2021 compared to 583kg/tonne in 2020. (A)



Following the assessment of our operations to identify the major sources of CO₂ emissions in 2020, we implemented CO₂ emission reduction initiatives in 2021 to reduce our current output.

They are as follows:

- Reduction of the clinker content used in our cement production
- Reduction of fossil fuel consumption by increasing the use of industrial waste and biomass
- Implementation of our save power strategies to ensure reduction of power consumption in producing cement
- Reduction of non-kiln fuels by reducing materials transport and handling by mobile equipment
- Maintenance of mobile equipment at intervals of 250 hours

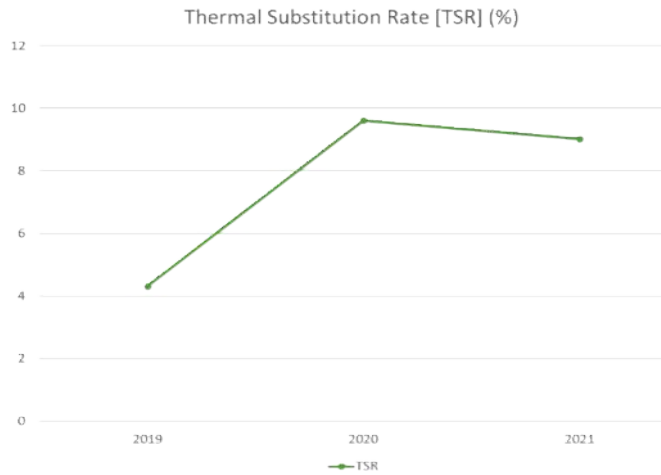


Energy Consumption & Efficiency (SDGs 7, 11, 12, 13)

Operating in an energy-intensive industry with significant environmental, health, and safety implications, we have a longstanding commitment to reducing the environmental impact of our operations to the bare minimum using energy efficient technologies. Lafarge Africa places a high value on the use of non-fossil fuels in our plants.

As an alternative fuel, we use mixed industrial waste, agricultural waste, tyre chips, and biomass to power our kiln.

In 2021, we achieved a global substitution rate of about 9.4% compared to 9.3% recorded in 2020.



We were able to achieve this substitution rate due to a good number of initiatives that were implemented throughout the course of the year.

At our Ewekoro plant, we reached an agreement with our Operations and Maintenance (O&M) operator to reduce the number of engines run at a time

to improve effective usage of all the engines, thus improving our effective utilisation.

In addition to these initiatives, our 10 golden rules have been a constant driver for monitoring our heat consumption reduction at all our plants.

They are:

- Optimise Ball Mill Power:** Ensure that the ball mill performances are optimised in terms of production and/or specific power consumption through regular inspections and audits, proper internals condition and operating parameters monitoring.
- Minimise False Air:** Ensure through regular inspections, repairs and monitoring that we only handle the minimum gas flow required by the process and minimise air in-leakage.
- Manage Equipment Idling:** Ensure that any power consuming equipment not required to run has been shut down, that the start/stop sequences have been challenged and the number of start-ups minimised.
- Optimise Mill Power:** Ensure that the vertical mill performances have been optimised in terms of output and specific power consumption through proper maintenance and monitoring.
- Handle Gas Efficiently:** Ensure that the minimum gas flow required for production is handled efficiently with minimum pressure drop through proper inspection, maintenance and operation.
- Monitor Power Consumption:** Ensure that power meters are installed and operated in such a way as to allow an accurate and reliable tracking of our consumption per shop. It will allow us to check our power bill and to take advantage of the lowest tariffs, revenues from curtailments and savings from low balancing costs due to precise load forecasts.



7. **Manage Production:** Ensure that we will deliver a daily/ weekly/ monthly production planning to be able to predict our power consumption accurately and optimise our power costs
8. **Master Clinker and Cement Quality to lower Power Consumption:** Ensure that we will produce a reactive and uniform clinker, which will allow us to meet the Lafarge Quality Technical Specifications without excessive grinding
9. **Control Mill Feed Size:** Ensure that we select and operate the size reduction process in the most effective way, by setting targets for feed size, by performing regular inspections and monitoring performances
10. **Minimise Compressed Air:** Ensure that the quality and quantity of compressed air is delivered according to usages, distribution is optimised and leaks are corrected. The amount of compressed air used has been minimised

Climate Change Risks (SDGs 7, 8, 13, 17)

The building materials sector is one of the most vulnerable to long-term climate risks because of its significant contributions to global carbon emissions and the high cost of decarbonisation technologies.

To meet the climate targets, major changes in production methods have been made over the years through operational advances and technological innovations to ensure that production demands are met while remaining cost effective.

Climate action is pivotal to Lafarge's strategy as we strive for a net-zero built environment. By driving circular construction to reduce, reuse and recycle materials wherever we can and promoting environmental stewardship, we are contributing to the decarbonisation agenda.

We are guided by our Group's 2030 targets of:

- Scope 1: Net CO₂ of 475Kg/tonne of cementitious material
- Scope 2: CO₂ of 13Kg/tonne of cementitious material

In addition to the CO₂ reduction initiatives implemented in 2021, we planted about **16,500 trees** as part of our quarry rehabilitation plans.

Tree planting does not only support biodiversity but also acts as a carbon sink as it absorbs carbon dioxide (CO₂) and other pollutant gases from the atmosphere thereby contributing to cleaner air and climate change mitigation.

We also minimised the use of imported coal in our operations and rely solely on locally sourced coal. Furthermore, in 2021, we used 6% less coal in our energy consumption than we did in 2020.

As a result, reducing our carbon footprint in terms of transporting and utilising coal while helping to boost the local economies.



With increasing pressure on our industry to reduce its climate and environmental impact, our long-term emission-reduction targets will allow us to meet regulatory requirements and achieve net-zero emissions by 2050.

Olusegun Shoyoye
Industrial Director

Energy Transition Risks (SDGs 7, 11, 12, 13, 17)

As the demand for building materials rises in response to increased infrastructure development and population growth, it is critical that we meet these demands while also supporting the low-carbon economy.

As part of our "Green Logistics" initiative, **we launched a new set of 52 Liquefied Natural Gas (LNG) fuelled trucks**, in accordance with the current global energy transition to net zero.

It is an excellent alternative to be adopted in **reducing greenhouse gas emissions** and aiding in the fight against global warming, thus reaffirming our commitment to achieving our net zero carbon emission ambition while protecting the environment in collaboration with Ecologique.





Recognising that we are major players in an energy-intensive industry, we have implemented innovative technologies to become more energy efficient and **reduce our carbon footprint**.

Twenty-two (22) of our depots and distribution centres, as well as our Cement plants and offices were running primarily on fossil fuel driven generators.

We conducted solar studies and successfully transitioned 90% of our power from the national grid and AGO generators to solar panels across all our depot locations in 2021.

We deployed **79 solar streetlights** and **30 solar panels** which now power our offices and IT facilities.



Solar powered streetlights



Solar panels at Depot

For our cement plant at Ewekoro which will have a higher energy demand due to the cement plant being built, the use of solar generated power is to be integrated at the low voltage side.

Upon completion, this factory will operate 24/7 with an average power demand of 3MW and an estimated average annual consumption of 26GWh.

As such, Lafarge Africa has made plans to adopt an energy mix that will include both gas powered and solar powered engines.



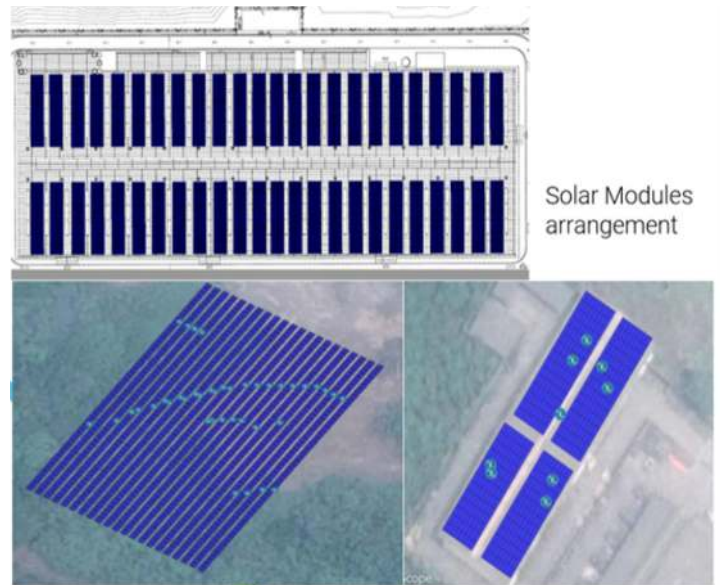
Solution Description - Use of roofs + ground (Option 2 -2.5MWp)

Project Highlights

- Sizing : 2.5MWp
- Annual energy production : 3.14GWh
- Design of the system : Roof mounting
- Type of Hybrid solution proposes: Solar PV Direct

Installation Details

- The cumulative area for the installation of solar panels is 24,400sqm (Combination of the roof and land area). This includes all obstacles, walkways, skylights and cable management routes.
- Procurement: 540Wp capacity- 4629 PV modules, Tier 1
- Inverter: Tier 1
- Balance of system: Tier 1



Solar Power Plant for Bag Manufacturing



Additionally, we have completed solar studies for our Head Office (500KW), Sagamu plant (1.3MW), all of which are currently awaiting approval, with plans to begin studies for our Ashaka plant in 2022.

Lafarge Africa has also made plans to gradually reduce our reliance on gas at our Mfamosing plant. The reductions in the first phase (25%) and second phase (50%) are contingent on a successful negotiation with our gas providers.

Furthermore, and in alignment with our strategy, we have received approval from our management to sell excess power capacity to the national grid, allowing us to run our engines more frequently due to an increase in offtakes. As a result, our energy efficiency improves because no energy is wasted.

We are committed to improving our operational efficiency as we work towards our **Strategy 2025- Accelerating Green Growth**.

Lafarge Africa intends to increase CAPEX to improve waste recovery systems and retrofit our plants with improved metering and monitoring systems to keep track of our emissions and energy consumption.



● Circularity for a Net-Zero Future

At Lafarge Africa, we have developed a business strategy that will replace the linear concept of production with a circular economy model.

Our Geocycle function is a leading provider of industrial, agricultural, and municipal waste management services allowing us to reuse, optimise, and recycle waste and reduce our reliance on non-renewable raw materials.

As a Group, our goal is to **recycle 75 million tons by 2025**, with 10 million tons of construction and demolition waste (CDW) converted into new, high-value products.

We intend to accomplish this by utilising innovative technologies to maximise our resources for the benefit of our company, society, and the environment.

● Resource Efficiency (SDGs 6,8,9,12,14,15)

Underpinned by our commitment to developing more innovative and sustainable solutions, we aim to manufacture more products with fewer new extractive materials for the construction of longer lasting and more resilient structures.

As a result, we are continuously conducting research to identify new ways of reducing our new materials and incorporating pre-processed waste materials into our manufacturing process. In 2021, our waste management service for a major oil and gas company took off with the successful sustainable and controlled co-processing of waste incinerated ashes generated from the oil fields.

Our existing collaborations with well-known pharmaceutical companies, used tyre pyrolysis companies and some notable FMCG group in Nigeria forged on as they committed their waste management to Geocycle.



Recovered plastic and biomass waste



We are committed to building more with less to enable greener cities, smarter infrastructure, and improved living standards as we drive circular construction across our business to minimise waste and preserve nature's resources.

Daniel Adedokun
Head, Geocycle



In 2021, Lafarge Africa utilised 89,057 tons of waste, compared to 71,029 tons in 2020, representing a 25% increase. **(A)**

This volume of waste derived materials is equivalent to 9.4% of our thermal energy across the country.

Following successful planned upgrades, our two kilns at the Ewekoro plant are fully equipped with co-processing and pre-processing facilities that will facilitate our journey toward net zero target of achieving 20% reduction in CO₂ intensity by 2030 (compared to 2018 baseline).

We affirm our commitment to decarbonising all our operational sites by co-processing of waste materials.

Furthermore, to reduce our reliance on natural gypsum and iron ore, we made use of synthetic gypsum and iron mill scale wastes from other industries as raw materials and cement additive materials.

The successful completion of the upgrading of our dust collection system at our cement plants also improved the reuse of collected dust in clinker production.

Thus, reinforcing our obligation to use our resources in a closed loop system to reduce waste and protect the health of our people.



In order to meet the Paris Agreement's goal of reducing direct CO₂ emissions from cement and concrete production by 24% by 2050, we are developing methods to replace clinker with low-carbon alternatives and increase the use of alternative fuels in our kilns.

Bestow Akeze
Head, Aggregates and Concrete



Poverty Alleviation Through Job Creation (SDG 8)

We prioritise thriving with our people and promoting shared growth at Lafarge Africa.

Our circular economy model enables us to build a waste-free, economically viable, and socially inclusive society. This innovation has immensely benefited our host communities due to more job opportunities created and improved livelihoods. Our conservation of natural resources is hinged on long-term sustainability.

This has enhanced our capability to assist other businesses by incorporating by-products such as synthetic gypsum and iron mill scale from steel mills into raw material additives.

Through the value chain of our biomass alternative fuel sourced from various communities in

the South West and South / South of Nigeria, we generated more than 3,000 jobs in 2021. This includes value chain support offered by our direct host companies.

Spotlight

2021 Geocycle week: Think Planet, Think Solutions

Taking pride in being leaders in innovative and sustainable building solutions, our Geocycle function celebrated its 2021 Geocycle week, which was themed "Think Planet, Think Solutions." This celebration coincided with World Clean-up Day.

In partnership with the Food and Beverage Recycling Alliance (FBRA) and our employee volunteers, we commemorated the day with a cleaning exercise at the popular Bariga market in Lagos.

With Lagos, Nigeria's bustling city of nearly 16 million people, generating approximately 13,000 and 15,000 tonnes of waste per day, it was critical to educate people in our community on the importance of sorting waste at the source and cleaning up the environment.

We cannot overemphasise the need to reduce the amount of waste that ends up in dumpsites and drainage systems, as well as to prevent poor waste management.

The World Clean-up Day served as a reminder that we all have a role to play in achieving a zero-waste future.

Mr. Daniel Adedokun, our Head of Geocycle, attended and expressed Lafarge Africa's commitment to plastic neutrality, stating that over the years, we have collaborated with industries to drive innovative and sustainable solutions through our use of plastic waste in energy generation.

Lafarge Africa aims to meet our global commitment by investing continuously in waste pre-processing and co-processing. These investments are steadily allowing us to shift away from carbon-emitting energy sources and toward renewable energy sources to power our plants.

We will continue to push this forward through individual efforts and collaborations with other organisations and communities to ensure progress for people and the planet, as well as a greener, more sustainable environment.



○ Packaging (SDGs 7, 12)

As the world prioritises addressing the issue of packaging waste, we must design environmentally responsible and highly protective solutions for our products.

Lafarge Africa places a high value on our ability to reduce our environmental impacts wherever possible. As a result, we leverage our strong research and development capabilities as well as local market knowledge to develop innovative greener packaging solutions.

We remain committed to using sustainable cement packaging solutions to preserve our products when in storage. In addition, we will curtail waste of resources due to a lesser need to replace products thereby reducing our CO₂ footprint.

In 2021, we began the construction of our cement bag manufacturing factory at Ewekoro plant. We intend to run this plant on a hybrid energy mix, incorporating approximately 2.5MW of solar energy.

By adopting this vertical integration approach, we are not only cutting costs through economies of scale, but we are able to have control over the quality and sustainability of product packaging.

○ Product Innovation (SDGs 8,9,11,12,13)

As a business focused on delivering sustainable and innovative building solutions, we are constantly on the lookout for new and efficient ways to reduce our reliance on natural resources and fulfil our commitments to a zero-waste future.

We aim to remain at the forefront of sustainability initiatives in the cement industry by utilising our existing assets with additional CAPEX to provide waste management solutions.

Consequently, we are making a significant contribution to achieving the ambitious sustainability targets by reducing greenhouse gas emissions and providing zero waste solutions for other industries. Recently, we evolved a cement production strategy in one of our major plants and this migration will lead to a reduction in embedded CO₂ in the products.

In collaboration with our Switzerland Technology Centre and over 210 researchers at our industry-leading Research and Development Centre in Lyon, France, we continue to identify local alternative materials that can be co-processed and used as a component of our cement.

We will continue to develop new strategic partnerships in this manner to enable us to increase the availability of renewable waste materials in accordance with our circular economy model.

Currently, ongoing discussions are underway with various third parties for investment in Pyrolysis plant using waste used tyres as feedstock in the Northeast region for the country.

This will boost our Ashaka Plant alternative fuel resource use with a ramp up target of 50% fuel substitution. We intend to install a carbon black handling and rice husk feeding system at the plant in order to achieve the target thermal substitution rate.



We are demonstrating our business resilience by focusing on innovation, research, and development on technologies that will aid in the global low-carbon transition.

Femi Yussuff
Head Mortar, Innovation and New Product Development



Innovation for Water and Biodiversity Conservation

We rely heavily on natural resources for our manufacturing processes due to the nature of our industry.

As a result, we prioritise nature by ensuring that our activities have a low environmental impact and that we offset any unavoidable impacts as much as possible.

Environmental Compliance (SDGs 2,3,12,13,15)

We take pride in being a responsible organisation, and as such, we constantly ensure that all relevant environmental laws, regulations, and standards applicable to our operations and products are adhered to. Guided by our approved environmental policy, it enables us to put in place effective and efficient safeguards to reduce the negative externalities of our operational footprints.

We have twelve (12) approved Environmental and Social Impact Assessment (ESIA) for all our sites obtained from the Federal Ministry of Environment prior to the start of our operations, demonstrating our leadership in environmental stewardship and role-modelling responsibility for future generations. Our monitoring phase for impact mitigation was also completed successfully.

Furthermore, we ensure that all our plants and quarries undergo a statutory Environmental Audit every three years. In the event of project expansion, we developed an Environmental Management Plan (EMP) and ensure approval

Air Emissions (SDGs 3,9,15)

Dust is a significant component of our emissions as it is emitted during various processes such as handling raw materials, through our cement mills and kiln stacks, leakages from the conveyors and vehicular traffic within the factory. We recognise that this poses a significant risk to the environment and the health of our people.

As a result, as part of our plans for environmental stewardship, we have dust control equipment installed across our process lines to minimise the impact and we have installed on-line monitoring equipment in our plant to ensure real-time monitoring and measurement of our dust emissions across our plants.

This is evidenced by the methods we have developed for biodiversity and quarry rehabilitation, effluent and waste management, water contamination reduction, environmental compliance, and eco-friendly production.

This aligns with our Group's environmental and biodiversity directives of conserving and restoring the natural resources on which we rely.

from the appropriate ministry.

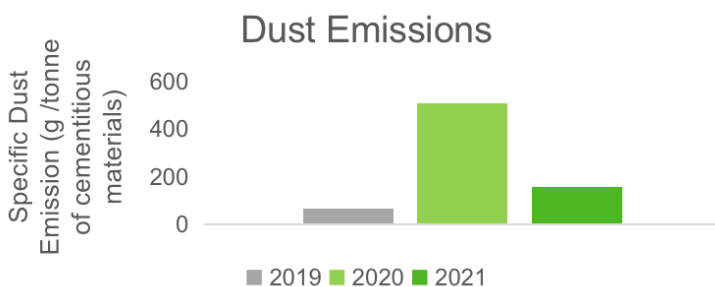
In 2021, we recorded a 100% ISO 14001 Environmental Management System certification for all our cement plants. **(A)**

Staying committed to reducing air pollution and water management, quarterly emission monitoring exercises are conducted by government approved consultants regularly and reported to both state and federal regulators. The parameters monitored are air emissions (dust, NO_x, SO_x) and water discharges (PH, TSS, temperature difference). We also ensure that elemental analysis of water samples is also done according to the regulation in all our plants.

In 2021, we had zero non-compliance cases reported and no environmental fine for the year.

This is calibrated on a regular basis to ensure dependability, and it is also tracked for internal monitoring and assessments, as well as external examination by environmental regulators.

Following a significant increase in dust emission in 2020 to 541.82 g/tonnes of cementitious material, we upgraded the Electrostatic Precipitator (ESP) at our Ewekoro Plant 1 to a more modern system of a "Bag House " dust collection system in 2021. This significantly reduced our dust emissions to 156 g/tonnes of cementitious material in 2021, a **69% reduction** from the previous year, which is below the Nigerian regulatory limit.



As part of our responsibility to Holcim group's environmental and biodiversity directive, we have installed on-line monitoring equipment in our plants to measure our dust emission on a continuous basis. This equipment is also calibrated at regular schedules, to ensure good reliability.

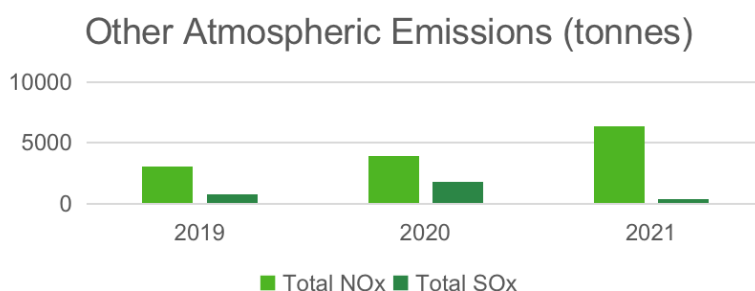
We also ensure a minimum stock reorder level of dust control equipment spares are also put in place to respond to failures and conduct preventive maintenance as needed to reduce dust emissions from other sources, such as dirt roads surrounding our plants.

We conduct quarterly air quality monitoring within a 10-kilometre radius of

our facilities to ensure that it is within acceptable limits with reports submitted to National Environmental Standards and Regulations Enforcement Agency (NESREA).

Additionally, in accordance with the Group's standards and local regulations we monitor and manage other types of air emissions monitored and managed.

The graph below shows our air emissions records between 2019 and 2021.



Biodiversity and Quarry Rehabilitation (SDGs 1,2,3,8,9,12,14,15)

As issued under Holcim's Environmental Policy, we have an obligation to Biodiversity and Quarry rehabilitation which governs our operations within our quarry sites. As a result, the biodiversity survey conducted acts as a baseline in all our sites, from which we developed our Environmental Management Plans.

We have 100% of our quarries with approved rehabilitation plans in place which act as a guide in ensuring that all our operations are carried out responsibly and efficiently, minimising any risk our operations may pose in maintaining the ecosystem while considering the ecological complexes. None of our operational activities were in protected or identified high biodiversity areas as of 2021.

Following the mine restoration studies completed by Golders Associates (SA) in 2018 for all our quarries, we conduct progressive quarry rehabilitation on an annual basis.

Our Environmental Protection and Rehabilitation programme has been approved by the Ministry of Mines and Steels Development and which details the actions and steps we have in place for rehabilitation of our mined areas. Our

rehabilitation programmes, common to all our plants, are aimed at promoting favourable microclimatic conditions for inhabitants and minimising soil erosion, run-offs as well as contributing to biodiversity. To sustain biodiversity, the statutory environmental audits and regular joint inspections conducted by relevant stakeholders from the Ministry of Mines and Ministry of Environment inform our reports which are submitted to both state and federal regulators.

The incorporation of our quarry site rehabilitation plan into our yearly extraction/mining plan has assisted us in rehabilitating approximately 933 hectares (ha) of land as of 2020. In 2021, 600 hectares (ha) of land within our quarries was rehabilitated, reinforcing our commitment to driving the creation of carbon sinks and afforestation.

We constantly engage with our host community in the selection of vegetation to be planted to ensure that our choice provides both ornamental and economic benefits to them. In 2021, approximately 16,500 seedlings were planted in and around our quarries across the country, with over 50,000 young trees properly maintained.



Spotlight

Keeping up with our Maiganga Wetland Project progresss.

We began our five-year Maiganga Wetland Project, which aims to improve acid mine drainage and establish a biodiversity hotspot in an arid area, as part of our commitment to reinventing the way we build a greener and healthier future for all.

Following approval from the Federal Ministry of Environment and community support, the wetland system was developed in the vicinity of Maiganga, Kargo-Burodi, Kayelbaga, Tudun-kuka, Kalkulum, Lakwalak, Kubwan-tangale, Kubwan-fulani, Kargo-maishanu, Piyau, Komta, Alatai, Kuibah, and Kulapandi communities in Akko and Billiri Local Government Areas of Gombe State. Wetlands not only provide habitat for a diverse range of aquatic and terrestrial animals and plants, but they also play an important role in water storage and

treatment by relying on natural dynamics to achieve purification.

As of 2021, construction works on the system, including pump installations and testing had been completed and afforestation with over 70,000 plants, including economic crops such as mangoes, cashew, etc, on 6 hectares of land.

This project aims to not just improve water quality but also benefit over 2,000 residents of Maiganga and the microclimate of the surrounding communities in the long run as it contributes to our Group's target of **reducing our carbon footprint by 2030**.

Effluents and Waste (SDGs 3,8,10,12,13,14,15)

The cement manufacturing industry contributes significantly to global waste generation. Given the current megatrends influencing our industry, it is critical for us as a company to manage and reduce the waste we generate. Thus, the National Environmental (waste sanitation) Regulations serve as the foundation for our waste management procedure, which guides operations across our plants. Our EMS ISO-14001 certifications cover waste management from cradle to grave, with state environmental protection agencies saddled with the responsibilities of waste evacuation and disposal across plants to the government approved dump sites.

We have segregated scrap yards where scraps are temporarily stored prior to disposal or purchase by state accredited scrap buyers to ease our waste sorting process. Medical waste from our clinics is also either temporarily disposed of in designated biohazard bins prior to collection by government-approved agents or incinerated in our plant clinics.

When there is a need to dispose of radioactive sources, the foreign manufacturer removes them following approval from the relevant authority.

At some of our plant locations, our effluents are treated in chlorine tanks in sewage treatment plants. In accordance with regulatory requirements, we also conduct continuous sampling of run-offs and effluent water in-house by a government-accredited third-party consultant. COD and other physicochemical parameters are considered in this sampling analysis.

As part of our manufacturing process, we produce hazardous and non-hazardous waste.

The table below shows the type of waste by amount disposed in 2021 in comparison to 2020 and 2019 figures.

	2019	2020	2021
Non-hazardous waste recovered (T)	15	32	10
Non-hazardous waste disposed (T)	4071	4490	2548
Hazardous waste recovered (T)	48	80	10.2
Hazardous waste disposed (T)	21	75	58.7

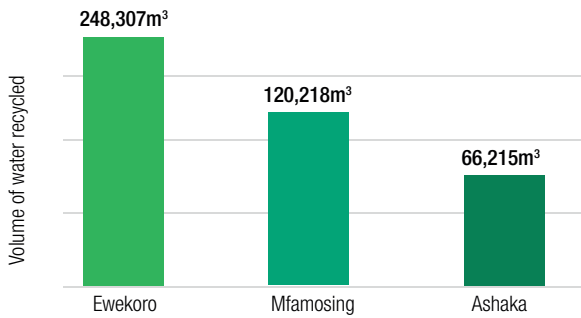


Water Contamination (SDGs 3,6,12)

At Lafarge Africa Plc, we are obligated to ensure that our quarry and plant operations have minimal negative impact on the quality of water within our host communities, which is in alignment with Holcim's environmental targets.

Thus, we have set up management initiatives in place to include:

- Continuous awareness and trainings on water conservation across the country.
- Periodic checks/inspections conducted along the water lines for leakages by the utility team.
- Installation of emergency response procedure available for management of water leaks, with periodical test for effectiveness.
- Installation of water flow metres for monitoring of water usage.
- Capturing of water consumption, withdrawal, and discharge on SAP.

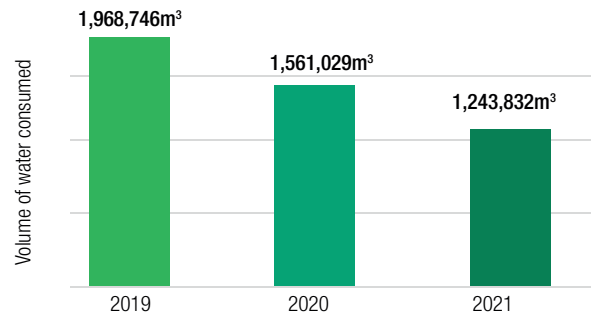


We do not depend on any municipal water supply, as water is efficiently utilised in the process of cement manufacturing, using a closed-circuit system where we utilise only what we require. The source of our water is natural from ponds created to contain dewatering activities from the quarry and rainwater.

In 2021, Lafarge Africa recycled a total of 446,507.69m³ of water across Ewekoro, Mfamosing and Ashaka plants, while consuming in total 1,243,832.46m³ of water, which is 5.5% reduction from 2020.

Our specific freshwater withdrawal was 157.71 L/ton of cement in 2021. ^(A) We also recorded a specific freshwater withdrawal for ready mix of 204.42 L/M³.

We also recorded a total of 182,985.36m³ for water credits from water access and sanitation to our communities for the year 2021.



Eco-manufacturing (SDGs 6,9,11,12,13)

Over time, the use of these materials has resulted in the destruction of trees and environmental degradation due to mining. Lafarge Africa, as an organisation dedicated to creating a better and more sustainable world, has taken steps to optimise the use of available alternative materials and energy sources, which is critical to achieving a carbon-negative manufacturing process.

In response to this, we are putting our innovation to work to make sustainable building possible, with solutions ranging from low-carbon materials to more efficient water systems that do not compromise our performance.

In line with our strategy, we have a continuous commitment towards resource recovery that contributes to the reduction in our CO₂ emissions and biodiversity stewardship.

Rather than sourcing, mining, and milling new components for our building material, we substitute using recycled plastic and other ground-up waste to produce concrete. Our Geocycle operations provide us with alternative materials to be used in our manufacturing process such as plastic and agricultural waste, construction and demolition waste, and recycled steel.

By implementing this practice, we are reducing our greenhouse gas emissions and giving non-biodegradable waste new use, rather than clogging landfills and contributing to plastic pollution.



● Thriving with Our People

At Lafarge, our People are at the heart of what we do.

We rely on collaboration to empower our people and communities to create a better future. 2021 showed our continuous commitment to deploying interventions that focus on people and communities.

We recognise our stakeholders and place a premium on human rights throughout our operating communities and the business value chain. We have developed trust among our stakeholders' groups through our social interventions while maintaining our operating licence.

This is approached through social impact programs in the areas of Education; Economic Empowerment; Health & Safety; and Shelter & Infrastructure.

○ Reputation (SDGs 8,10,16)

We take pride in being an upright and responsible organisation, which is why we do business in a way that preserves the immaculate reputation of both our company and the Group as a whole.

Our key principles are as follows: Customer Centricity, Results, Integrity, Sustainability, People, and Health & Safety being our overarching core value. These concepts define who we are, how we act, and what we believe. These core values are communicated to each employee at the beginning of their tenure with our company by way of orientation and training programs. In accordance with our Performance Management process, we expect our staff to uphold and exemplify these principles.

Our organisation is committed to upholding the highest standards of corporate governance and fostering an honest culture. We have continued to maintain an optimal level of transparency and accountability.

This is due to our robust corporate governance system which is in alignment with the 2018 Nigerian Code of Corporate Governance, the Securities and Exchange Commission (SEC) Corporate Governance Guidelines, and other applicable international best practices on corporate governance.

Our Board of Directors maintain supervision of our compliance with these standards by routine monitoring and review of relevant committee reports. With the objective of ensuring the long-term value and success of the company for our stakeholders, we continue to research and develop new and innovative solutions by **investing in cutting-edge technology** that contributes to the construction of sustainable, durable, and better-connected cities across the country.



Human rights are at the heart of everything we do, and they are a non-negotiable value for us as we work to empower people and communities to create a better future.

Adewunmi Alode

General Counsel/ Company Secretary



Economic Value (SDGs 2,3,8,9,10,11)

As an organisation committed to the creation of shared value for all, we contribute towards the economic growth of the country through our commercial and industrial operations.

We ensure that our financial performance is disclosed in accordance with standard accounting principles, in compliance with all the government-mandated financial regulations.

Our approach for generating economic value is aimed at building sustainable cities that contribute not only to Nigeria’s building and infrastructure industry, but also to the country’s Gross Domestic Product (GDP). In 2021, our revenue generated from cement and construction materials was NGN 293 billion, with capital expenditure (asset depreciation) accounting for 27% of value added, wages and salaries accounting for 22%, and finance costs and taxes accounting for 3%.

Our Geocycle function served as an avenue to create approximately 3,000 jobs in our host communities through our biomass project. From 1,748 suppliers in 2020 to 1,816 suppliers in 2021, our supplier base increased by about 6%.

To ensure that this value creation is widespread, we use our local suppliers interchangeably and encourage them to hire people who can deliver within communities. This demonstrates our dedication to promoting local content development.

Following strong demand in the cement sector, Lafarge Africa Plc paid NGN 2.7 billion in corporate income tax and created over **1,000 direct and**

indirect jobs across our entire value chain, positively impacting the Nigerian economy.

We believe that knowledge transfer is an efficient method for a business to generate long-term economic value; thus, we are better equipping the nation’s workforce and contributing to economic growth through our training programmes such as the Cement Manufacturing Technical Workshop, the Process & Production Engineering Development Program (PPEDP), and the Preventive Maintenance Engineering Development Program (PMEDP).



Quality Products and Services (SDGs 9,11)

As leaders in the building materials and solutions, our customers are confident in the high-quality products we produce. We are constantly developing novel and environmentally friendly methods to improve the quality and efficiency of our goods and services, while ensuring that we remain market leaders in offering innovative long-lasting building solutions.

Through Group-level R&D expenditures, we have created innovative, more sustainable concrete brands and cement products that have had a transformative impact on the building sector, demonstrating our commitment to providing high-quality goods and services in a highly competitive market.

We tailor our goods and services to meet the unique needs of our clients and the market, and we provide continuous after-sales support to ensure responsible use.

Our value-added concrete solutions include the following specialised performance features:

- Steel Fibre
- Quick Set
- High Strength
- Trench fill
- Lightweight
- Self-Compacting Concrete
- High Flow
- Delayed set
- Low Shrinkage
- Poly Fibre
- Screed
- Shotcrete
- Sulphate Resistant
- Mortar
- Mortar C2
- Grout



In 2021, Lafarge Africa won the Gold Award for Customer Service Excellence at the West Africa Innovation Awards.

This award was well-deserved for us, as we made deliberate and well-planned efforts to be the best at what we do in terms of customer service.

Playing in a highly competitive market, we understand that expanding our distribution footprints is necessary to become the best at retail in the market. We are also deliberate in our market prioritisation initiatives, which have

resulted in the development of a strategy based on a cost analysis of the costs incurred to serve various markets over time.

As a result, we determined that our self-collection models and transportation costs were excessive, and we resolved to focus on markets with close proximity to our plants.

Cyber Threat and Data Protection (SDGS 8,9,11,12,16,17)

Cybersecurity is an integral aspect of our company's ability to withstand business disruptions.

We recognise the vital role that information technology plays in driving company success, and as a result, we have structured our systems and processes accordingly.

In 2021, we improved upon the foundation laid during the COVID-19 pandemic in the previous year. During the reporting period, we took extra precautions to ensure that our IT security and governance policies and processes were adhered to. Our Disaster Recovery Plan, which includes potential IT risks and mitigation measures guided our activities during the year. We were intentional about communicating our cyber security and data protection processes to employees, contractors, customers and other stakeholders who might be involved in or affected by its implementation.

Employees also participated in mandatory cyber security training which equipped them with knowledge on identification and prevention of cyber security risks.

When it comes to the protection of personal information, we prioritise the privacy of our employees, customers, vendors and other stakeholders. Through our data protection policies and processes, we ensure the security and confidentiality of all personal data shared by our stakeholders.

We are fully committed to adhering to the Nigerian Data Protection Regulations (NDPR), in 2021, Lafarge Africa Plc was listed as one of the entities that prioritised data protection requirements. Lafarge obtained the National Information Technology Development Agency's (NITDA) approval to place the NDPR Audit Compliant Mark on its website as a compliance testament.



Business Resilience (SDGS 8,9,11,12,16,17)

We have taken steps to improve our ability to anticipate and prepare for change, as well as adapt to events in ways that maximise long-term value. We have been able to expand our supplier network, conduct safety audits, develop training programmes and information technology systems, and implement mitigating measures due to these steps.

We maintained oversight of our business operations in 2021 through the operations of the Business Resilience Team (BRT) and our Health, Cost, and Cash Action Plan, which was implemented in 2020.

The BRT was tasked with the following responsibilities in response to changing business environments caused by external events:

- The designing, planning, and testing of company responses to likely disruptions and situations occurring within and outside of the organisation
- Updating the country's Trigger Action Response Plan (TARP) and implementing agreed action plans whilst updating the group on progress and results
- Equipping the organisation in adapting to the new normal whilst simultaneously safeguarding the safety of our people, operations, and results.

These responsibilities were adequately carried out during the reporting period and business processes ran smoothly as a result.

Foreign exchange factors (SDGS 8,9,11,12,17)

Despite the continuing inflationary and currency-exchange effects of the COVID-19 pandemic in 2021, our strategy for creating economic value remained centred on developing sustainable cities that contribute not only to Nigeria's construction and infrastructure industry, but also to the country's gross domestic product. Our cement and construction products generated **NGN 293 billion in direct economic value**, with 35% of this value added retained for maintenance and replacement of capital investment in 2021.

As the naira depreciated and foreign exchange rates fluctuated, we maintained strategic and effective engagements with our stakeholders, resulting in minimal disruptions to our operations.

To mitigate against fluctuations in foreign exchange, we localised our imports by expanding our local supplier base by 3%.

We also reduced our gas-related energy costs, which are tied to employment transactions using alternative fuel (shredded tyres, palm kernel shells, sawdust, industrial waste, carbon black, and shredded plastic) at our Ewekoro, Sagamu, and Ashaka facilities.

We also discontinued the use of imported coal in our kiln, utilising more locally mined coal.

Pricing Integrity and Antitrust Compliance (SDGS 8,11,16)

To create sustainable long-term impact, Lafarge Africa Plc adheres to the Federal Competition and Consumer Protection Act (FCCPA), including Holcim Directives and policies on pricing and fair competition.

Our employees are prohibited from directly or indirectly engaging in anti-competitive practices.

As part of our compliance training plan, new hires and relevant teams received fair competition and other compliance training in 2021.

Health and Safety (SDGS 8, 11,17)

Health, Safety & Environmental sustainability remains at the core of our operations as Lafarge Africa.

We ensure that our business is conducted responsibly with HSE as our overarching core value, by putting effective safeguards in place to protect our employees, customers, suppliers, and communities. This has given us the ability to promote a safe working environment that

improves employee safety & well-being, reduces workplace risks, and instils a continuous improvement mindset.

Our leadership team, line management, and the Health, Safety and Environment committees at each of our sites have the skill set, competence, training and teamwork to help us achieve our goal of zero harm to our employees and other stakeholders.



Our success strategy in this area revolves around educating our employees about the importance of taking responsibility and accountability for their own health and safety and others who may be affected by their actions or failure to act, and in accordance with established guidelines and policies.

Risk identification, prevention and management remains a key strategy for accident and injury prevention, with a special focus on the use of Critical Controls Management (CCM), alongside Boots on Ground (BoG) for employee engagement, by both onsite managers and executive leadership.

We continue to see the gains via improvement in Lost Time Incident Frequency Rate (LTIFR), total incidents and injuries, year on year. We proactively reduce our risk exposure with audits, corrective actions and continuous improvement.

Lost Time Incident Frequency Rate (LTIFR) of 0.07
For all our employees in 2021, we recorded:

1. No of Fatalities - 0
2. No of Injuries - 26
3. No of Loss Days - 4
4. Average rate of Injuries - 0 A

Boots on the Ground

What is Boots on the Ground?

Boots on the Ground is our framework to drive workforce engagement, through field presence of the leadership, closer perception of field challenges and constraints, frequent interactions with workers to build positive behaviors and to create effective relationships.

As a framework, it is fundamental that the Country ExCo adapts its main elements to the local context, cultural aspects and on-going engagement initiatives.

What are the key elements for an effective Boots on the Ground program?

Country ExCo shall lead the program implementation, through workshops to establish a performance baseline, to ensure a common understanding on the main levers to drive change and to set up the country roll-out plan.



KEY SUCCESS FACTORS

- Visible leadership is a key improvement lever
- Country ExCo leads the program
- What gets measured gets done
time in the field will be tracked
- Focus should be on sharing quality time with workers



At Lafarge Africa, our employees' health and safety is a valuable asset because it improves our productivity, efficiency, and quality of our work.

Folake Odegbami
Head, Health, Safety & Environment

Category	First Aid Injuries	Medical Injuries	Non- Reportable Injuries	Fatalities	No of VPC (Safety Observations)	Hours in the field on HSE	No of HSE corrective actions completed
Employees	1	1	0	0	62,190	76,593	11,714
Contractors	17	7	0	0			

We continue to carefully manage all aspects of Business resilience, continuity and transitions relating to COVID-19, from pre-pandemic phase and up to date, such that our people and operations remain safe and robust.

All our sites maintain strict protocols on prevention, testing, vaccination and management in compliance with state, national and Holcim group standards.

We equally enhance the overall health and well-being of our workers with Group life insurance, periodic health checks, work-related task assessment, confidential employee mental wellness program, nutrition and lifestyle modification advisory, HMO insurance for workers and immediate dependants, biannual comprehensive medicals, and ongoing treatment and management support as may be required. All these are done in a confidential and care-promoting manner.



Some of the health programmes conducted in 2021 can be seen in the table below:

Program Undertaken	Type of program carried out (yes to applicable option)			
Name of Program undertaken	Education/ Training	Counselling	Prevention	Treatment
Asthma	Yes	Yes	Yes	Yes
Lung disease	Yes	Yes	Yes	Yes
AIDS/HIV	Yes	Yes	Yes	Yes
Diabetes	Yes	Yes	Yes	Yes
Hypertension	Yes	Yes	Yes	Yes
Typhoid	Yes	Yes	Yes	Yes
Tuberculosis	Yes	Yes	Yes	Yes
Heart Attack	Yes	Yes	Yes	Yes
Malaria	Yes	Yes	Yes	Yes
Other	Mental Health promotion & awareness, COVID-19 Awareness & management			
General Health Awareness & Personal Hygiene				
Eye Care	Yes	Yes	Yes	Yes
Dental Care	Yes	Yes	Yes	Yes
Ear Care	Yes	Yes	Yes	Yes
Stress Management	Yes	Yes	Yes	Yes
Lifestyle Diseases	Yes	Yes	Yes	Yes
Ergonomics	Yes	Yes	Yes	Yes

Our Health and Safety measures extend to our drivers and other external parties as well. In 2021, we implemented the following four approaches to safeguard the health and safety of our contracted drivers and other parties:

- **Organisation of driver training and coaching programs:** Included in this category are Aegide DDT, Motorbike Incident Prevention, and Roll-over Incident Prevention. These three trainings provide a total of 16 training hours each year for each driver.
- **Monitoring the performance of drivers:** In-Vehicle Monitoring System (IVMS) installation on all of our specialised vehicles, enforcement of driver tags (identifying means) for all drivers, daily monitoring and review of drivers' performance, including Hours of Service (fatigue)
- **Management of the performance of drivers:** This pertains to our administration of consequences and rewards. This includes the daily application of consequences to all high-risk drivers in our operations and the quarterly delivery of incentives to the country's top 30 safest drivers and top 3 safest transporters.
- **Community road safety awareness:** A road safety awareness campaign was conducted in the communities where our plants are located, including Sagamu, Ewekoro, Mfamosing, and Ashaka. This awareness involves the dissemination of road safety education, the distribution of reflective vests to community schools, and the distribution of crash helmets to commercial bike riders. The campaigns are conducted in partnership with state traffic regulating organisations.



Employee and Labour Relations (SDGS 8,11,17)

Lafarge Africa Plc is in alignment with the national government regulations, the International Labour Organisation (ILO), and the United Nations Global Compact (UNGC) regarding the management of employee labour relations. We are dedicated to promoting an environment in which the individual rights, freedom of association and right to engage in collective bargaining of our employees are acknowledged and protected.

We have created processes, such as the "Integrity line," that allow our employees to file complaints involving human rights violations, harassment, and discrimination, among other concerns. Existing collective bargaining agreements require a minimum notice period of three (3) months for any significant operational changes, including but not limited to restructuring, outsourcing, and closure of our activities.

With "Health and Safety" being the overarching core value of Lafarge Africa, it illustrates the importance we place on this aspect of our business. We reaffirm our commitment to doing our business in a manner that supports a safe and clean environment for all of our stakeholders, including our employees, our vendors, our customers, and our communities. Our purpose is to not harm the persons with whom we engage, and the success of this goal depends on the contribution of every employee.

Using our management systems, we ensure that every one of our employees is aware of the contribution they make to the success of our business. Our objective is to create a culture that promotes individual responsibility and accountability for health and safety and to do so in a manner that is conducive to a safe working environment for both our employees and the contractors we work with.

Employee Wellness and Development (SDGS 8,11,17)

Our company's success is dependent on our employees' ability to support the achievement of our organisational goals, as they are our most valuable resource. Lafarge Africa prioritised employee health and well-being due to the mental health challenges posed by the pandemic, as well as adjusting to new work methods. As a result, we remained committed to fostering an environment that promotes both personal development and well-being.

We continued to use the technologies deployed to reduce work-related disruptions, guided by our flexible working policy. Our employees also benefited from our parental leave programme, which is available to all full-time employees. In 2021, we had a 100% Return-to-Work rate for employees who took parental leave during the reporting period, with 10 female and 28 male employees taking maternity and paternity leave.

During the year, we also conducted initiatives geared towards improving the well-being and building the morale of our employees. Some of these include Volunteering programs, Friday Hangout with the CEO, Function Retreats and Team building exercises.

Following the 1999 Constitution of the Federal Republic of Nigeria, the Trade Union Act, and the Industry Procedural Agreement, all Lafarge Africa employees have the freedom of association and the right to join any union of their choosing.

Our staff members are affiliated with the following labour unions:

- Chemical and Non-Metallic Product Senior Staff Association (CANMPSSA)
- National Union of Chemical Footwear, Rubber, Leather and Non-Metallic Product Employees (NUCFRLANMPE)

Our human rights policy, which can be found in our Code of Business Conduct, governs our operations.

This policy ensures that our company complies with all applicable human rights regulations.



We are one of the few multinationals operating in Nigeria that employs more than 99% indigenous professionals and experts who are dedicated to ensuring the firm's success. We will continue to look for new ways to empower and develop our people through processes that are fair, equal, and transparent.

Gbemiga Owolabi
Organisation and Human Resources Director



In 2021, a total of 211 employees dedicated 4,115 hours of their time to our programs including National Literacy Day, World Environment Day, World Clean-up Day, Waste to wealth initiatives with children from a low-income school, Impact with partners initiative, Day of the Girl Child, International Day for Girls and Women in Science.

In terms of staff development, we have put processes and systems in place to ensure that employees understand their career progression. One way we accomplish this is through our Talent review sessions within our THRIVE framework.

Each employee's areas of strength and development are discussed during these sessions, and a clear action plan is identified and implemented. In addition, we created Functional Career Maps to assist our employees in their career journeys.

These maps define the tasks and experiences that are required at various organisational levels and functions. Employees are encouraged to plan and initiate the experiences they want to gain throughout their careers by using the career maps.

Furthermore, each employee has an Individual Development Plan (IDP) that is reviewed as part of the performance management process. The table below shows the number of employees that were appraised during the year.

We also conducted a Performance Review for 64 of our Fixed Term Contract employees.

Employees appraised during FY2021

Category		No. of Employees			% of Total Employees
Designation	Grades	MALE	FEMALE	Total	
SENIOR MANAGEMENT	C	6	0	6	0.5%
	D	12	2	14	1.1%
	E	74	14	88	6.9%
MIDDLE MANAGEMENT	F	190	30	220	17.2%
JUNIOR MANAGEMENT (EXECUTIVE)	G	706	73	779	60.9%
STAFF (PERMANENT)	H	170	2	172	13.4%
TOTAL		1,158	121	1279	100%



Employee Engagement (SDGS 8,11,17)

At Lafarge Africa, our workers have the right to openly express themselves and fully utilise their talents and abilities.

We constantly strive to improve our employees' job conditions, bolster their trust in the organisation, and maintain their motivation and engagement. This is achieved via our consistent engagement with our staff through surveys which vary in number yearly depending on specific concerns unique to each year.

Furthermore, we conduct focus group discussions with our employees in each department or business unit to ascertain their level of satisfaction with their current working conditions and to request their feedback on these conditions. As a result, we have been in a position to respond to the specific needs of our employees with targeted initiatives.

The HR team conducted talent conversations with employees. Some of the conversations were targeted at women in the industrial section. The feedback obtained from these sessions was applied in the resolution of internal concerns that had been brought to the attention of senior management. During the reporting period, we deployed four (4) pulse surveys to determine the level of employee satisfaction as it relates to well-being and work-life balance as well as their reception of new initiatives. One of the surveys deployed was designed to assess the response and adaptation of our employees to a group-wide initiative called THRIVE.

The results from the survey were used to improve the program. The progress of Project One, an initiative launched in 2020 to build a high-performing organisation, with one team moving in the same direction, was assessed in 2021.

The results of this survey highlighted areas that needed to be addressed as we continue to make progress towards ensuring a high-performing organisation.

With the work-from-home approach still fully in place in 2021, we made sure to keep our employees engaged while working remotely. The results of one of our employee engagement surveys showed that there was a need to focus on our engagements with our manufacturing plant-based population. In response to this, we began to tailor the CEO's hangout sessions to our plant population and leadership presence was increased as well.

In support of our women, we had a virtual celebration of International Women's Day in 2021. This was organised by the organisation's women in partnership with our communications team. We also launched the Green Women Network which serves as a platform where issues about women's wellbeing, career progression and related matters are promoted. The focus of the platform is women's inclusion.

During the reporting year, we also had a Career Week event during which we devoted a day to discuss issues surrounding gender and diversity and how to overcome prejudice. This day was dubbed 'Diversity Day'.



International Women's Day, 2021



Training and Education (SDGS 8,11)

In delivering a quality learning system and environment in 2021, we maintained our knowledge transfer approach which is the 70:20:10 principle where 70% of knowledge transfer is derived on the job, 20% through coaching and mentoring and 10% from classroom training.

This ensures that all employees are afforded ample opportunity to put theoretical knowledge to work, on the job, while being accountable to coaches and mentors. We remain committed to finding new and engaging ways of bridging knowledge and experience gaps for our employees.

This is achieved through periodic engagements between the Learning and

Development (L&D) team and functional and unit heads of our various departments.

Our remote working approach continued in 2021 and our ability to provide training programs for our people was not negatively impacted by this.

As is our custom, we employed a blended learning approach which comprises instructor led (physical and virtual) training programs, e-learning, webinars, coaching & mentoring and on the job assignments. We recorded a total of **13,002 training hours in 2021** across all our employee levels. These hours were accumulated from the 1484 training programs organised during the year.

The table below shows a summary of the 2021 training records.

Employee Category	Total number of training programs	Total training attendance	Total training hours
Senior Management	233	754	1436
Middle Management	589	1953	7223
Junior Management	338	2714	2905
Staff (Permanent)	324	466	2255
Total	1484	5887	13002

Total Training Hours 2021



■ Senior Mgmt ■ Middle Mgmt ■ Junior Mgmt ■ Permanent Staff

To further foster quality education and training, we also have the Lafarge Africa Training Centre (LATC) at our Ewekoro, Sagamu, Mfamosing and Ashaka plants.

These centres are open to all our stakeholders, staff, contractors and members of our host communities.

Some of the programs run at the facility are:

- Cement Manufacturing Technical Workshop,
- Process & Production Engineering Development Program (PPEDP),
- Preventive Maintenance Engineering Development Program (PMEDP), etc.



National Literacy Competition.

Our annual Lafarge Africa National Literacy Competition, which was established as a flagship Corporate Social Responsibility (CSR) effort by Lafarge Africa in 2014, has since evolved into a national program with a positive impact on children and teachers across the country.

The seventh edition of this competition was held in Nigeria in 2021, with the topic "Building the Nigeria of my dreams." The competition, which is accessible to students aged 9 to 13 from public primary and secondary schools in the Junior and intermediate categories, is accepting submissions from December 4, 2020 through January 15, 2021.

One thousand six hundred (1600) contestants from all thirty-six states of Nigeria, as well as the Federal Capital Territory of Abuja, registered for the competition.

Miss Ewaade Adebowale of Alapere Primary School, Alapere-Lagos, who emerged as the overall winner in the Junior category, **received a cash prize of N1.5 million** in the Diamond category,

while Zainab Saliu of Ummul Khair Model School, Lagos and Emmanuel Somefun of Community Nursery & Primary School, Magodo-Lagos won **N1 million and N750,000 in the Gold and Silver categories** respectively. In addition, they won a number of intriguing educational consolation prizes.

In the Intermediate category, Miss Bilkisu Aliyu of U.B.E Junior Secondary School, Abaji, FCT was the overall winner and took home a cash prize of N1.5 million, while Ekpono Obot of Uyo High School, Uyo, Akwa Ibom and Alexandra Pearl Egonu of Federal Government Girls College, Nkwelle, Anambra State **won N1 million and N750,000 in the Gold and Silver categories** respectively.

This essay competition is evidence of the company's dedication to contributing to the development of the Nigerian kid through literacy, and strategic investments are being made across all levels of education in Nigeria.

Our goal is to leave a **legacy of quality education**, and the annual literacy competition is one of the efforts we take to equip our students for the future.



2021 Lafarge Africa National Literacy Competition



Diversity and Equality (SDGS 1,2,5,8,10,11)

We are an equal opportunity employer, and we take intentional steps to ensure that diversity, inclusion and equality are embedded within our culture and activities.

Our efforts toward promoting gender equality include instituting gender friendly policies like maternity leave, paternity leave and creche services and celebration of notable events like the International Women’s Day.

We also subscribe to and are affiliated with Professional platforms like the IFC/ NSE Nigeria2Equal Programme, Women in Management, Business and Public Service (WIMBIZ).



Women in Leadership Workshop

As of December 31st, 2021, our Board comprised 11 members, with 6 males and 5 females, representing 53% and 47% respectively while our Senior Management Team consisted of 11 men and 2 women. The table below shows the ratio of Nigerian male to female employees from 2019 to 2021.

Employees from Nigeria						
	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Number	1201	130	1227	133	1312	149
Total	1331		1360		1461	



The ratio of expatriates to Nigerians in the whole workforce is 1:67, whereas the ratio of expatriates to Nigerians in senior management positions is 1:5.

This demonstrates the good impact Lafarge Africa has had on the capacity enhancement of our indigenous and diverse workforce.

In Calabar, Cross River state, our Lafarge Driving Institute also produced its first set of certified female truck drivers in 2021. This reaffirms our commitment to creating inclusive workplaces for women and ensuring road safety in Nigeria by making qualified drivers available within our operations and creating jobs in the host communities.

We made necessary accommodations to ensure the safety of our female drivers during transportation.

The following are some of the initiatives we implemented:

- Shorter logistics distances (from plants to depots)
- Truck-mounted tracking systems
- Designated rest areas
- Built-in camera



At Lafarge Africa, we believe that our success is directly proportional to our levels of inclusiveness and diversity. We continue to enhance our various employee programs to ensure that every employee, regardless of gender, has equal opportunity to flourish.

During the reporting year, we were recognised by the International Finance Corporation (IFC), a member of the World Bank, and the Nigerian Exchange

Limited (NGX) as **one of the five top-performing organisations fostering gender equality and diversity among its employees.**

This award followed the recent IFC Gender Equality research, done in cooperation with Nigerian Exchange Limited (NGX) to evaluate gender inequalities at 30 prominent companies listed on NGX.

Community Engagement and Social Investments (SDGS 1,2,4,6,8,9,10,11,16)

As an impact-driven organisation, we prioritise the prosperity of the communities in which we work. As we develop a closer relationship with them, we are committed to encouraging and promoting the economic and social development growth of the communities within and outside our operations.

We have always placed a premium on social investments in order to stimulate economic progress and build self-sufficient communities. To achieve our goal of having a broad positive impact on people's lives, we are committed to making long-term investments in local communities.

Our commitment to making a positive difference in people's lives is reflected in our social investment strategy, which focuses on social investment projects selected in collaboration with our Community Relations Committees in the host communities.

We primarily engaged our communities through our Community Relations Committee (CRC), which assists in identifying and prioritising community issues. A total of 29 Community Relations Committee (CRC) meetings held in 2021. **(A)**

All projects were conducted with oversight from our Plant Managers and Community Relations Managers in each location.

We had a **direct impact on 124,886 beneficiaries** both within and outside of our host communities during the reporting year. We struck a fair balance across our CSR pillars of Shelter/Infrastructure; Education; Health & Safety; and Economic Empowerment, and they were upscaled in 2021 after being downplayed in 2020 due to the pandemic.

All of our CSR projects are always in line with the needs of our communities, and in 2021, we spent a total of **NGN 2.3 billion** focused on issues that were important to them. The table below shows a breakdown of the investments made in the year.

The table below shows a breakdown of the investments made in the year.

Description	Spend (₦)
CSR Interventions	595,931,780.00
Inclusive projects (Roads)	1,784,683,335.72
Sponsorships and Donations	8,185,000.00
Total	2,392,682,860.



Lafarge Africa's social investment projects **impacted over 16,000 people in Ewekoro**, with several initiatives addressing health and safety, education, rural electrification, infrastructure, and environmental sustainability implemented in multiple areas.

Among the initiatives are a 14-bed healthcare centre and medical equipment supplied to the Olujobi community, a 1.5-kilometer reinforced concrete road and drainage in Alagutan, a 4-kilometre pipe-borne water supply installed at Elebute, a transformer base for electrification at Okeoko Sekoni, and **several bursary awards given to students** from the communities currently enrolled in tertiary institutions in Nigeria.

Beyond the Ewekoro community, we made further investments in initiatives such as road construction at the Alaagutan Community, support towards the construction of a modern fire service station for Sagamu Community and provision of security personnel to improve the safety of the members

of the Sagamu Community. In addition, we turned over a fully equipped COVID-19 isolation center in Ota, Ogun State, in 2021 which was funded in collaboration with Unilever Plc.



COVID-19 Isolation center in Ota, Ogun State

We joined the United Nations Children's Fund (UNICEF) six-point agenda in 2021, which calls for immediate global coordination to prevent the COVID-19 pandemic from becoming a child rights

crisis. The UNICEF six-point plan outlines a series of practical and specific steps to unite the international community around achieving the SDGs and the Convention on the Rights of the Child.

In this regard, one of our most significant CSR activities was the celebration of Children's Day at Ken-Ade Primary School, Makoko, a low-income school in the Lagos suburbs. To demonstrate how important education is to us, we provided learning aids such as notebooks, school bags, flasks, and a variety of books for their library in an effort to increase access to a high-quality education.

We also **pledged NGN 2 million for computer purchases and the construction of a school mini library**. Because some low-income students had dropped out, some students were awarded scholarships to rekindle their interest in pursuing a formal education.



COVID-19 Isolation center in Ota, Ogun



Launch event of the Lafarge and Unilever joint COVID-19 Isolation center in Ota, Ogun State



Children's Day at Ken-Ade Primary School



Our Agric Ecology Project, which targets over twenty communities in close proximity to our Ashaka plant, aims to improve productivity and livelihoods, enhance resilience and living standards of the target communities through the deployment and adoption of socioeconomic and

technical innovations on sustainable agriculture and natural resources management.

Since its inception in 2018, the Project has had a positive impact on the food security and market competitiveness of the participating communities,

empowered over 5,000 farmers with limited access to resources, increased job and self-employment opportunities for youths and women, and bolstered the communities' efforts to manage their natural resources in a sustainable manner.



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We held our Agric Ecology Summit in 2021, which provides beneficiaries with

a multifaceted benefit. It not only contributes to community food security, but also to women's empowerment and climate action.

We provided seedlings and livestock to farmers, particularly women, in collaboration with Ahmadu Bello University and the Nigerian Agricultural Research Institute.

Given the cultural differences in the country's northern regions, we developed a programme for women that provided them with goats and sheep to raise in their backyards.

To ensure the initiative's long-term viability and impact, livestock offspring will be passed down to empower other women to start their own businesses.



Capacity building session for women



Beneficiaries of the Agric Ecology Project



Livestock for Animal Husbandry



Livestock for Animal Husbandry



Youth Empowerment (SDGS 1,2,4,8,9,11,16)

We are committed to being good corporate citizens, thus, we never lose sight of the importance of forming strong connections and collaborating closely with the local communities where our production facilities are situated.

As part of our effort to meet SDG 8 of promoting sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all, we recognise that it is our responsibility as a company to contribute to the socioeconomic development of the communities in which we operate.

By making possibilities, such as employment training and skills acquisition programs, available to young people across a variety of our company's initiatives, we work in close partnership with the local communities to reduce the number of youths without jobs.

In collaboration with some of our partners, we also provided tricycles and motorbikes to community youth worth over NGN 16 million as part of our CSR initiatives, and we conducted a Country Education Program that included Career counselling and Waste to Wealth for low-income schools.

We also expanded our Skills Acquisition Scheme programme to include plumbing, auto-mechanic, carpentry, welding, red brick (production & laying),

fashion & tailoring, and beauty care in order to increase the pool of professionals in the country and provide them with a source of income.

Our training centres across our facilities have admitted and trained young secondary school graduates from the host communities into various programs. After graduation, some of these individuals were hired by Lafarge Africa, while others were hired by our third-party service providers. In addition, a number of the trainers are natives of the communities in which we operate.

During the reporting period, 30 apprentices were direct beneficiaries of these centres. 15 Cement Professionals Technicians Program (CPTP) Apprentices graduated, and 15 Technical Skills Development Program (TSDP) apprentices were recruited as well.

This goes a long way to show our positive impact even in our host communities.



Lafarge Nigeria Graduate Trainees



Lafarge Nigeria Graduate Trainees



At Lafarge Africa Plc, our sourcing processes are highly digital;

We have an e-sourcing platform that enables us to obtain additional information from our suppliers and contractors whenever necessary, and this platform has existed for some time. We also ensure that, prior to enrolling suppliers and contractors into our network, we obtain references from other organisations that have worked with the prospective supplier to confirm that they have a solid track record.

We at Lafarge Africa Plc adhere to relevant sustainable policies that will lower the environmental impact of our operations on the planet. In an effort to promote environmental sustainability and reduce our ecological footprint, we ceased using paper bags to wrap souvenirs and conference materials. We now utilise more eco-friendly, reusable, and recyclable bags. We also signed an agreement to the tune of adopting the use of LNG trucks for logistics purposes.

To manage the risks within our supply chain in 2021, we held several engagement sessions with our contractors and suppliers, taking steps to ensure that they were educated on our Supplier Code of Conduct and also, the new Code of Business Conduct that we embraced.

We also ensured that exposure was limited as regards buying supplies from the OECD listed pillar two countries. This was done via enlightenment programs that held with both our internal and external stakeholders in the supply chain. Intervention measures were also put in place and implemented when poor practices were observed during inspections across our plants.

Due to the competitive market in which we operate, in 2021, we focused our efforts on high market priority areas which are close to our plants, to defend our market shares. We also continued to drive very impactful channels across our supply chain.

We are committed to providing as much support to all members and key players within our value chain. To this effect, we employed different initiatives such as deploying field sales agents to support our distributors, giving away tricycles to members of communities surrounding our plants as rewards to facilitate our secondary distribution model, thus creating job opportunities in the process and improving the livelihoods of all beneficiaries.

This created a system of shared economic growth for both us and our suppliers and distributors. We also started a redistribution initiative where small 20 tonne trucks were distributed to our retailers across our market areas.

This was borne out of the concerns raised by retailers and dealers about the difficulties experienced by truck drivers in navigating the large trucks used in transporting our products across narrower streets, as well as the inability of some retailers to afford the cost of logistics.



As the world moves toward a greener, more inclusive future, it is critical for us to follow suit as a responsible business. “We prioritise financially inclusive and environmentally responsible businesses in our procurement practices.”

Saeed Ande
Procurement Director



Lafarge Africa Holds Transporters' Summit, Rewards Performance

The Transporters' Summit, a two-day capacity-development event, was hosted by Lafarge Africa Plc, a leader in innovative and sustainable construction solutions, for the independent transport partners who distribute its products throughout the country.

The event served as a knowledge-sharing platform as the company's management and staff, as well as logistics, business management, sustainability, and other Supply Chain ecosystem professionals, shared and exchanged best practices, innovations, and insights on global transport operations and logistics.

The summit with the subject Let's build together – partnering for growth was held at the Sheraton Hotels in Ikeja, Lagos, and was an occasion to recognise and honour the transporters for their significant contributions to the company's success and growth.

The Transporters were presented with a Mitsubishi van, 20 and KVA generators, and 50-inch televisions for being the overall winner and regional champions for the North, West, and South, respectively, during the awards ceremony.



At Lafarge Africa, we see our distributors as committed partners whose efforts have helped us achieve our goals of customer alignment, market expansion, and process synergy for the benefit of all our stakeholders.

Gbenga Onimowo
Commercial Director

Strategic Partnerships

At Lafarge Africa Plc, we recognise the distinct value that relevant and strategic partnerships bring to our company.

As a result, in 2021, we began a process with the Nigerian Customs office to obtain a fast-track licence, which will have a significant impact on the speed with which we complete our procurement practices. Scheduled to kick off fully in 2022, this partnership will allow us to take our imported goods from the seaports to our warehouse(s) without a Customs check.

Following the success of the first driving institute in the south-east region of Nigeria in 2017, Lafarge Africa Plc, in collaboration with Automated Integrated Services Limited (AISL) and the Federal Road Safety Corps (FRSC), inaugurated a second institute in the south-west region of Nigeria in 2021.

The institute was established to promote professionalism and ensure that Heavy Goods Vehicles (HGV) are driven by trained professionals who have finished a program created exclusively for Nigerian truckers. The original objective of supporting safe, sustainable, and effective road transportation remains.

We understand the importance of forming strategic alliances with like-minded local and international parties as we use innovation to contribute to global efforts to address climate change and other issues in order to achieve a greener future.

We will continue to broaden our footprints as we seek opportunities to form new partnerships and strengthen existing ones.



We prioritise the safety of our truck drivers, particularly female drivers. We have taken extra precautions to keep them and others on the road safe.

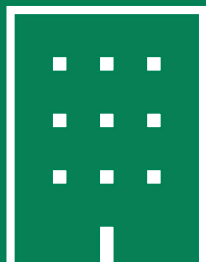
Helmut Korak
Country Security Manager





Chapter 5:

Envisioning Future Possibilities



● Pushing the Boundaries

We are continuously pushing the boundaries of innovation in order to shape the future of construction in a way that creates shared value for people and the planet.

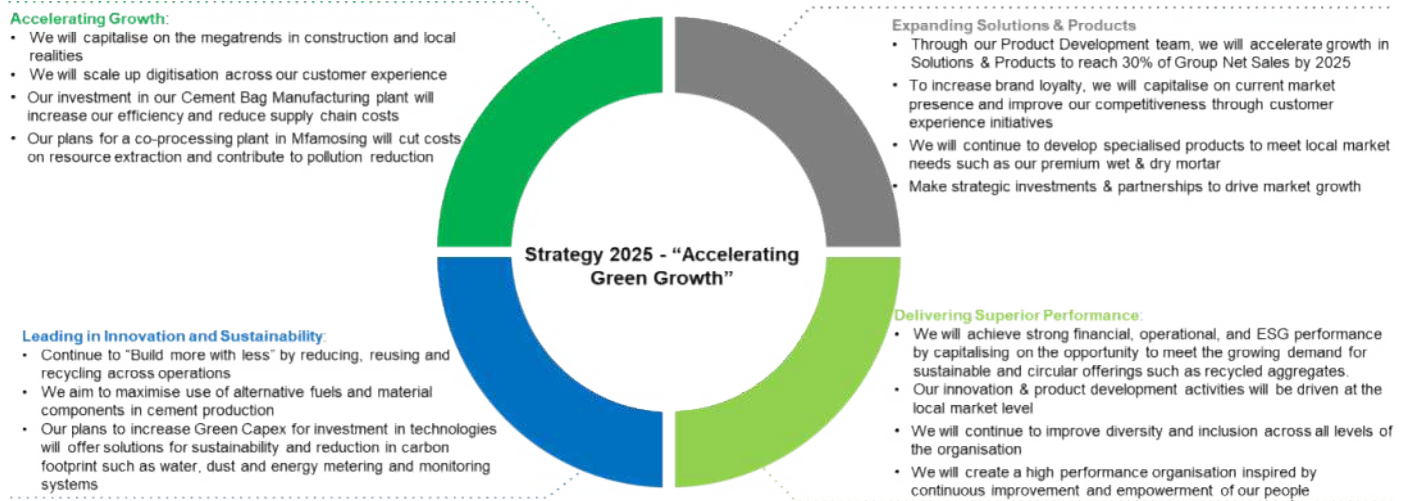
As a business, we are committed to delivering 'sustainable building solutions for a green future' within and beyond our operating communities, whilst creating shared environmental, economic, and social impact.

Our **"Strategy 2022 – Building for Growth"** laid the groundwork for our transformation into a global leader in innovative and sustainable building materials and solutions.

We are leading the way in the cement industry's green transformation alongside our Group, becoming the first company to set 2050 targets validated by the Science Based Targets initiative.

We will achieve net zero largely through changes in our key cement segment, while remaining market leaders and profitable.

Riding on the successes from our Strategy 2022, we will seize the opportunities that have presented itself in our industry and we are confident that as we transition into our Strategy 2025, we will achieve the targets we have set for ourselves.



We will achieve these results by cultivating a high-performance culture while adhering to the **highest standards of ethics and integrity.**



Supporting Our Partners

To have a greater impact, we are collaborating with the brightest minds in our industry.

As part of our pledges to ensure positive footprints for various stakeholders, we have developed numerous opportunities for partnerships and are building responsibly for the greater good of

everyone, not just today, but in the future. At Lafarge Africa, we value our partners and strive towards shared value creation for all. We continue to forge strong strategic partnerships to enable us

to mitigate the impacts of our business and explore more opportunities to create greater impact as we transition into a decarbonised economy.



Appendix





Independent Auditor's Limited Sustainability Assurance Report on the Selected Sustainability Information in Lafarge Africa's Sustainability Report for the year ended 31 December 2021

To the Directors of Lafarge Africa Plc.

We have undertaken a limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2021 Sustainability Report of Lafarge Africa Plc. for the year ended 31 December 2021. This engagement was conducted by a multidisciplinary team including economic, social and environmental assurance specialists with relevant experience in sustainability reporting.

Subject Matter

You have engaged us to provide a limited assurance conclusion in our report on the following selected sustainability information, marked with **A** on the relevant pages in the sustainability report for the year ended 31 December 2021. The selected sustainability information in the table contained in this opinion have been prepared in accordance with the reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

Lafarge Africa Plc. Management's responsibility

The Management of Lafarge Africa Plc. is responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the accompanying reporting criteria as set out in the Sustainability Report (the "Reporting Criteria").

This responsibility includes:

- Identification of the stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- Design, implementation and maintenance of internal control relevant to the preparation of the Sustainability performance data so that is free from material misstatement, whether due to fraud or error.
- Determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the report users.



Key Performance Indicator	Unit of Measurement	Holcim Group Sustainability Targets	Selected Information (as documented in the Lafarge Africa PLC's 2021 Sustainability Report)	Page Number
Emissions	Kg/tonne	By 2030, we want to produce 40% less net CO2 per tonne of cement than we did in 1990 – representing an additional effort of 19% reduction if we consider 2014 as reference year. (2020 target for thermal substitution rate is >25%)	The specific CO2 emission - net (kg/tonne cementitious material) emitted in LAP plants in Nigeria was 598kg/tonne in 2021 compared to 583kg/tonne in 2020	35
Procurement Practices	Tonne	By 2030, we want to use 80 million tonnes of resources made from waste in our operations each year. We will be supplying 4 times more recycled aggregates from construction & demolition waste and reclaimed asphalt pavement by 2030.	In 2021, Lafarge Africa utilised 89,057 tons of waste, compared to 71,029 tons in 2020 representing 25% increase	41
Environmental Compliance	L/tonne	We have committed to reducing our specific freshwater withdrawal in Cement, Aggregates and Ready Mix operations by 33%, 20% and 15% respectively compared to our 2018 baseline. To ensure compliance with stringent company requirements we expect all our cement plants to have an environmental management system in place.	Specific freshwater withdrawal was 157.71L/ton of cement in 2021	47
	Percentage		In 2021, we recorded a 100% ISO 14001 environmental management system certification for all our cement plants	44
Health and Safety	Number Days	By 2030, we want to achieve a zero-fatality target, a Lost Time Injury Frequency Rate of 0.2, a 50% reduction in Total Injury Frequency Rate (vs 2015), and have an occupational disease rate of 0.1.	For all our employees in 2021, we recorded: 1. No. of Fatalities - 0 2. No of Injuries - 26 3. No of Loss Days - 4 4. Average rate of Injuries – 0	51
Stakeholder Management	Number	By 2030, we want to help 75 million people live better lives through our affordable housing solutions, our inclusive business initiatives and our social investments.	A total of 29 Community Relations Committee (CRC) meetings held in 2021	61



Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques that can result in materially different measurements and can impact on comparability. Qualitative interpretation of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine the information, as well as the measurement criteria and the precision thereof, may change over time.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) issued by the International Federation of Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1 (ISQC 1), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance provider's responsibility

Our responsibility is to express a conclusion on the sustainability report based on conducting a limited assurance engagement. We performed our limited assurance engagement in accordance with International Standard on Assurance Engagements (revised), Assurance Engagements Other Than Audits or Reviews of Historic Financial Information (ISAE 3000). This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.

Our assurance engagement involves performing procedures to obtain sufficient appropriate evidence about the sustainability report which is the subject of our assurance engagement. The procedures selected depend on our professional judgement, including an identification of areas where a material misstatement of the subject matter information is likely to arise whether due to fraud or error. In our identification, we considered internal control relevant to management's preparation of the sustainability report in order to design procedures that are appropriate in the circumstances.

A limited assurance is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of qualification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, and performing the procedures listed above, we:

- Interviewed management to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management in our interviews;





- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by Management in the preparation of the selected sustainability information; and
- Evaluated whether the selected sustainability information presented in the report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's sustainability information have been prepared, in all material respects, in accordance with the accompanying Company's reporting criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on procedures we have performed and the evidence we have obtained, and subject to inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the subject matter paragraph above for the year ended 31 December 2021 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

The maintenance and integrity of Lafarge Africa's website is the responsibility of Lafarge Africa PLC's Directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Lafarge Africa PLC's website.

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the Directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company for our work, for this report, or for the conclusion we have reached.

For: **PricewaterhouseCoopers**

02 August 2022
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Edafe Erhie
FRC/2013/ICAN/00000001143



2021 Performance Data Table

	Unit	2016	2017	2018	2019	2020	2021
Environmental Compliance							
Number of severe non-compliance cases	#	18	0	0	0	0	0
Fines and penalties paid	CHF	8000	0	0	0	0	0
Environmental Management Systems							
Plants with an ISO 14001 certification	#	2	2	3	3	3	4
Biodiversity							
Quarries with rehabilitation plan in place	%	43	43	100	100	100	100
Quarries with high biodiversity value	#	0	0	0	0	0	0
Quarries with high biodiversity value with biodiversity management plans in place	#	0	0	0	0	0	0
Total rehabilitated area	ha	503	505	637	927	933	600.79
Water (excluding CPP)							
Specific freshwater withdrawal for cement	(L/t of product)	873	209	233	227	201	157.71
Specific freshwater withdrawal for Readymix	(L/t of product)			189	209	228	204.42
Total water withdrawal	Cubic meters	5'505'326	2,684,873	2'160'625	2'624'693	2'094'004	1694733.81
Total freshwater withdrawal	Cubic meters	5'124'091	1'776'827	1'504'129	1'146'486	1'108'003	949222.43
Freshwater withdrawal from ground water	Cubic meters	44'116	50'551	47'920	26'765	24'300	32502.43
Freshwater withdrawal from surface water	Cubic meters	581'648	918'510	1'372'432	1'117'811	1'082'115	208970
Freshwater withdrawal from municipal waters							
supplies or other waste utilities	Cubic meters	2'274	1'706	1'638	1'910	1'588	1260
Freshwater withdrawal from other water sources	Cubic meters	4'496'052	806'060	82'138	0	0	706490
Non-freshwater withdrawal	Cubic meters	5'500	990	0	0	0	185097.61
Rainwater harvested	Cubic meters	375'735	907'056	656'496	1'478'207	986'001	560413.77
Total water discharge	Cubic meters	3'477'574	802'928	607'742	655'947	532'975	450901.35
Water discharge to surface water	Cubic meters	2'296'074	702'928	607'742	655'947	532'975	450861.05
Water discharge to Ground or soil infiltration	Cubic meters	0	0	0	0	0	40.29
Water discharge to offsite treatment	Cubic meters	0	0	0	0	0	0
Water discharge to others	Cubic meters	181500	0	0	0	0	0
Total water consumption	Cubic meters	5'802'667	1'881'945	1'552'882	1'968'746	1'561'029	1243832.46
Recycling and waste							
Non hazardous waste recovered	tonnes	445	252	0	15	32	10
Non hazardous waste disposed	tonnes	717	4'510	2'449	4'071	4'490	2547.73
Hazardous waste recovered	tonnes	0	34	80	48	80	10.2
Hazardous waste disposed	tonnes	5	52	60	21	75	58.7
CO₂ Emission							
Specific CO ₂ emissions (kg/tonne of cementitious material)		608	557	542	535	583	597.86
Thermal substitution rate (Ewekoro)	%	4	9	40	26.21	17.45	20.86
Thermal energy consumption biomass-based fuels	GJ	600'000	1'150'000	12'00'000	1'400'000	643'801	783'357
Energy consumption total	GJ	n/a	88'590	1'112'285	4'632'669	4'658'183	5'076'210



	Unit	2016	2017	2018	2019	2020	2021
Biodiversity							
Quarries with rehabilitation plan in place	%	43	43	100	100	100	100
Quarries with high biodiversity value	#	0	0	0	0	0	0
Quarries with high biodiversity value with biodiversity management plans in place	#	0	0	0	0	0	0
Total rehabilitated area	ha	503	505	637	927	933	600.79
Other atmospheric emissions							
Specific dust emissions (g /tonne of cementitious materials)		58	51	90	67	507	155.86
Total dust emissions	tonnes	316	244	433	320	2'661	901.66
Specific NO _x emissions (g / tonne of cementitious materials)		683	591	634	638	742	1199.26
Total Nox: emissions	tonnes	2957	2817	3039	3061	3'893	6937.76
Specific SO ₂ emissions (g/tonne of cementitious materials)		103	297	1046	162	333	67.27
Total SO ₂ emissions	tonnes	445	1414	5017	776	1'750	389.16
Total VOC emissions	tonnes	12	6	11	9	10	9.25
Specific Mercury emissions (mg/tonne of cementitious materials)		4	8	3	3	3	1.62
Total Mercury emissions	tonnes	0	0	0	0	0	0.01
Specific Dioxins/ Furans emissions (ng TEQ/tonne of cementitious materials)		11	16	18	26	11	2.92
Total Dioxins/Furans emissions	g TEQ	0	0	0	0	0	0.02
Employees							
By employment contract and age interval							
Permanent employees	#	1'835	1'658	1'592	1'582	1'282	1'284
Employees under the age of 30	%	5.4	3.4	4.8	14.4	4.9	8.5
Employees between 30 and 50	%	84.7	84.2	82.3	83.3	80.9	70.8
Employees above 50	%	9.9	12.4	12.9	2.3	14.2	20.6
Gender diversity							
Gender diversity – females management level	%	10.6	11.3	10.9	10.6	10.3	9.3
Gender diversity – females non-management level	%	2	1.6	1.6	2.3	2.2	0.2
Gender diversity – females total	%	8.3	9	9.1	10.1	9.1	9.5
Development							
Employees in senior management who had annual performance review	%	7.6	7.4	8	8.1	8.7	8.4
Employees in middle management who had annual performance review	%	10.8	11.4	12.6	13.6	16.5	17.2
Employees in junior management who had annual performance review	%	55.4	58.5	60	62.2	61.4	60.9
Non-managers who had annual performance review	%	26.2	21.3	19.4	16	13.5	13.4
Communities							
Social Investments	Naira (million)	748	661	868	900	1'200	2'388



● GRI Index Table

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