

2022



Sustainability Report



Shaping a **greener future**  
through **innovation**  
and **collaboration**





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Lafarge Africa 2022



# Introduction





# About This Report



At Lafarge Africa Plc, our yearly sustainability reports detailing our commitments, programmes and performance on our environmental, social and governance (ESG) priorities show our continuous push towards Building Progress for People and the Planet.

Since 2015, we have stayed the course and reported on topics of particular interest to stakeholders capturing the ESG components of our operations and demonstrated our dedication to transparency and accountability through sustainability reporting. This has led to increased trust from both our stakeholders and shareholders.

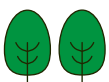


## Lafarge Africa Plc received the Award for Sustainability Reporting at the 2022 NGX Made of Africa Award

The 2022 NGX Award for Sustainability Reporting that we received validates our dedication to contributing towards Nigeria's sustainable development. This award recognises Lafarge Africa's leadership in sustainability, adherence to high ethical standards, compliance with the rules and regulations of the Nigerian Exchange, and other extant laws.

Our 2022 Sustainability Report illustrates our ESG performance and contributions - across our four sustainability pillars of Climate and Energy, Circular Economy, Nature and People - for the period spanning 1 January 2022 to 31 December 2022 across our operations in Nigeria.

We have adhered to the principles and requirements of the Global Reporting Initiative (GRI) Standards for 2021 and aligned with the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC), and the Nigerian Exchange Group (NGX) Sustainability Disclosures.





# Our Purpose

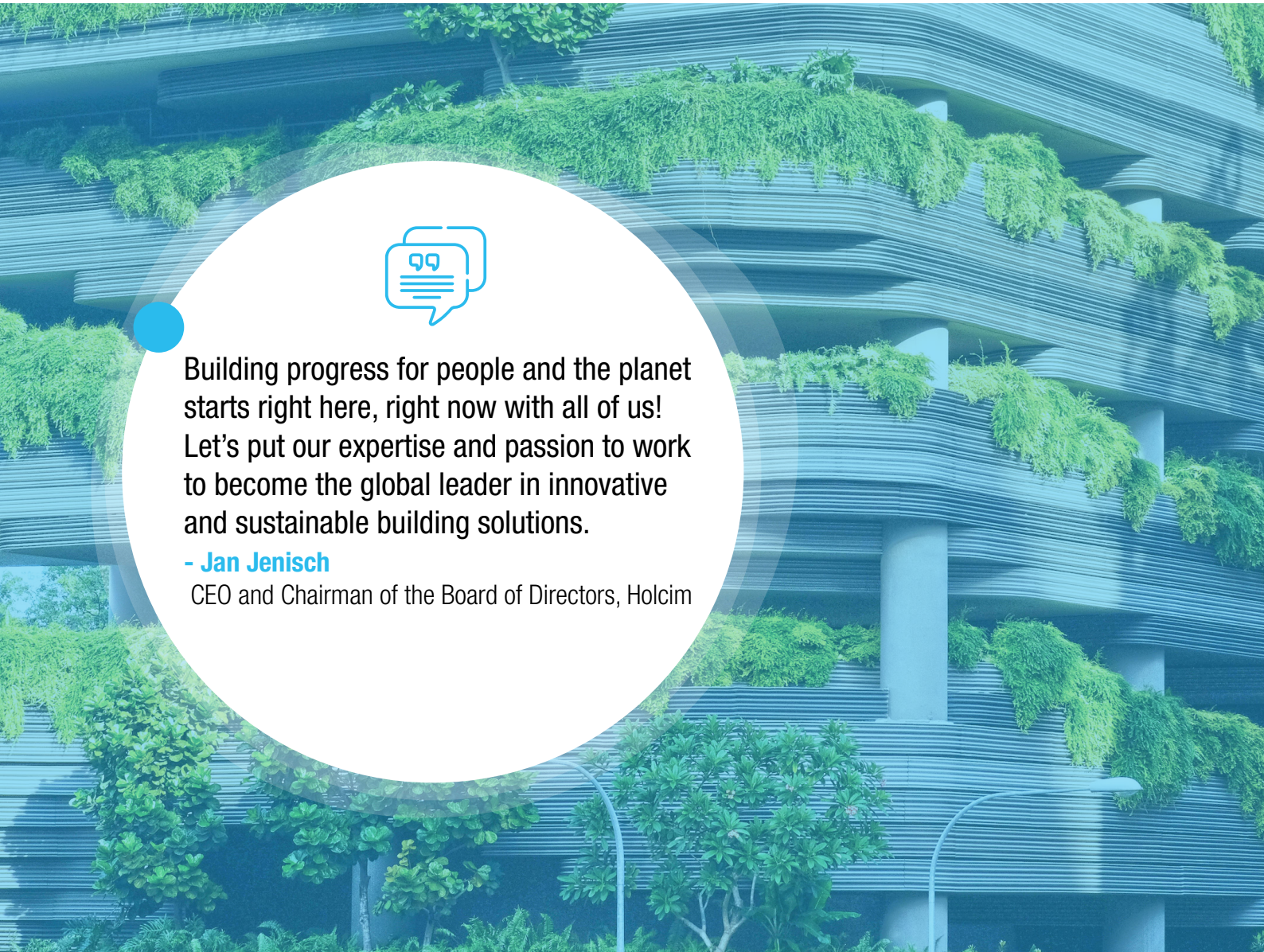
## (Building for the People and the Planet)

Sustainability drives everything we do at Holcim, in line with our purpose to build progress for people and planet. Across diverse markets and business segments, we strive to build greener cities with energy-efficient solutions, support smart infrastructure from renewable energy to green mobility, and optimise living standards for all with affordable and sustainable solutions.

As a pioneer in cutting-edge and eco-friendly building solutions, Holcim is taking an ambitious science-driven approach, validated by the Science-Based Targets initiative (SBTi), to decarbonise the business. We enable a circular economy in our solutions by recycling to build more with less.

We foster a thriving network from various backgrounds, expertise and abilities because we know that our people and communities are at the heart of our success.

In line with our Group's ESG goals, we strive to have positive local environmental, economic, and social impacts in our operating communities while also promoting the Nigerian society. Our commitment is to sustain positive footprints for our various stakeholder groups. We also build and leverage partnerships to enhance growth for the greater welfare of all. We are reinventing how the world builds today, tomorrow, and in the future through numerous actions.



Building progress for people and the planet starts right here, right now with all of us! Let's put our expertise and passion to work to become the global leader in innovative and sustainable building solutions.

- **Jan Jenisch**

CEO and Chairman of the Board of Directors, Holcim

# A Message from the Chairman



**Mr. Adebode Adefioye**  
Chairman, Lafarge Africa Plc.

I am delighted to present Lafarge Africa Plc's latest Sustainability Report, highlighting our steadfast commitment to sustainability and our ongoing journey towards a greener future. The theme of this report, 'Shaping a Greener Future through Innovation and Collaboration,' encapsulates our dedication to fostering positive environmental and social impacts while upholding strong governance practices.

Our governance framework serves as the bedrock of our sustainability initiatives implemented robust systems and processes to ensure transparency, accountability, and ethical conduct across all levels of our organisation. By adhering to the highest standards of corporate governance, we safeguard the interests of our stakeholders and reinforce their trust in our operations.

Aligned to our corporate purpose, our sustainability strategy revolves around creating long-term value for all our stakeholders. We recognise that sustainability is not just an option but a strategic imperative, thus is deeply ingrained in our business model and decision-making processes. Our strategy focuses on four pillars: Climate and Energy, Circular Economy, Nature, and People. We are committed to minimising our environmental footprint and mitigating the impacts of climate change. Through innovation and technology, we aim to reduce our carbon emissions, enhance energy efficiency, and promote the responsible use of resources. Our sustainability initiatives, such as the adoption of clean energy sources and the implementation of circular economy practices, are crucial steps towards achieving our ambitious environmental goals.

As a responsible business, we understand the importance of positively impacting the communities in which we operate. Our social initiatives are designed to create shared value by promoting inclusive growth, supporting education and healthcare, and empowering local communities. We actively engage with our stakeholders to address their concerns and incorporate their perspectives

into our decision-making processes. By fostering these strong relationships with our communities, we aim to contribute to their long-term development and well-being.

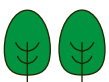
We also recognise that sustainability is intrinsically linked to our long-term financial performance. We therefore strive for economic resilience while upholding the principles of sustainability. Our focus on operational efficiency, cost optimisation, and innovation enables us to drive growth, generate value for our shareholders, and contribute to the overall economic prosperity of the regions in which we operate.

Furthermore, we have embraced the principles of Environmental, Social, and Governance (ESG) as a guiding framework for our sustainability journey. Our ESG commitments are deeply embedded in our corporate purpose, strategy, and day-to-day operations. Guided by our Sustainability Strategy, we have aligned our corporate purpose with ESG principles, and ensure that sustainability considerations are integrated into every facet of our business.

As we move forward, we remain firmly committed to collaborating with our stakeholders, embracing innovation, and forging strategic partnerships to drive positive change and shaping a greener future for generations to come. I extend my deepest appreciation to our dedicated employees, whose passion and hard work continuously drives our sustainability performance. I also express my sincere gratitude to our esteemed stakeholders for their trust, support, and valuable contributions. Together, we will forge ahead on our journey towards a sustainable and prosperous future.

Warm regards,

**Mr. Adebode Adefioye**  
Chairman, Lafarge Africa Plc





# CEO's Statement



**Lolu Alade-Akinyemi**  
Chief Executive Officer, Lafarge Africa Plc

Dear Shareholders, Stakeholders, and Colleagues,

Over the years, Lafarge Africa has consistently pursued a sustainable development strategy that aligns our business objectives with the long-term well-being of our people, planet and communities, and 2022 was no exception.

We truly believe that sustainable practices are critical for delivering shared value and building a resilient future, particularly in the light of challenging business environment we find ourselves. With the unwavering support and collaborative efforts of our shareholders, employees, customers, and communities, we were able to innovate in the areas of manufacturing, supply chain and service delivery to create value for all our stakeholders while preserving our planet for the future generations. Our 2022 Sustainability Report highlights the milestones we have achieved on this journey.



## Environmental Stewardship

We continued to prioritise environmental stewardship in 2022 by implementing measures to reduce our carbon footprint across our value chain as well as converting waste to energy through our Geocycle model. We achieved a 3.7% reduction in our CO<sub>2</sub> emissions from 595 kgCO<sub>2</sub>/t in 2021 to 574 kgCO<sub>2</sub>/t in 2022 through the use of Alternative Fuel and the deployment of energy-efficient technologies across our production and distribution processes. We achieved a global thermal substitution rate of 13.5% compared to 9.4% recorded in 2021. Additionally, we continued to invest in renewable energy sources such as solar to reduce our reliance on fossil fuels as we journey towards net zero.

Furthermore, our commitment to responsible quarry rehabilitation remained unwavering, as we worked diligently towards restoring biodiversity and ecosystems in areas affected by our operations. By adopting best practices and engaging with local communities, we ensured that our quarry rehabilitation efforts not only met regulatory requirements but also created sustainable livelihoods for host communities through employment and job creation as well as other social impact programmes.



## Social Impact

Lafarge Africa recognises the importance of being a responsible corporate citizen and actively contributing to the well-being of our stakeholders. In the year, we continued to foster partnerships with communities, governments, and non-profit organisations to address social challenges and make a positive impact. We continue to focus on the areas with the most needs for our communities by implementing interventions in Education, employment and empowerment, health and safety as well as shelter and infrastructure.

Education remains a key focus area for us. Through our various education initiatives, we supported access to quality education for children in disadvantaged communities, equipping them with the necessary skills for a better future. In 2022, we provided 2,000 pupils from our host community's schools with learning aids via our Back-to-School Campaign. In addition, we provided educational learning aids to primary and secondary school students across communities, implemented teacher support programmes, provided school furniture and gave bursary awards to over 300 students of tertiary institutions. We also provided vocational training and employment opportunities to empower youth and enhance their employability. In total, we invested about N761m in supporting our communities in 2022, a testament to our unwavering commitment to creating shared value with our people.







## Health and Safety

The well-being of our employees, contractors, and host communities is of utmost importance to us and in the year, we intensified our efforts to promote a culture of safety across all our operations. We continuously enhanced our safety protocols, invested in training and development programmes, and implemented robust monitoring systems to ensure a safe working environment. By adopting a proactive approach to health and safety, we significantly reduced the number of accidents and incidents from 26 to 4, further reinforcing our commitment to zero harm.



## Governance

At Lafarge Africa, we firmly believe that strong governance practices are essential for maintaining transparency, accountability, and ethical conduct. We continued to strengthen our governance framework during the reporting year, aligning it to global best practices. We actively promoted diversity and inclusion, ensuring equal opportunities for all employees.

We were especially intentional about improving gender diversity among our senior management staff in 2022, with 40% female representation on our Board of Directors and improvement in female representation in our senior management team. As a testament to our efforts, we were recognised as the 'Most Outstanding Company in Gender Inclusion' (Extractive Industry) at the Women in Marketing Communications Award (WIMCA) 2022. In terms of business resilience, we also improved our risk management processes, enhancing our ability to identify and mitigate potential risks.

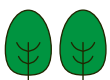


## Looking Ahead

As we reflect on our sustainability journey in the reporting year, we recognise that there is much more work to be done. We remain committed to continually improving our performance, embracing innovation, and addressing emerging sustainability challenges. Going forward, we will intensify our efforts to drive the circular economy, enhance our supply chain resilience, and deepen our engagement with stakeholders.

Yours sincerely,

**Lolu Alade-Akinyemi**  
Chief Executive Officer, Lafarge Africa Plc





# Meet Our Leadership Team



**Khaled el Dokani,**  
Country Chief Executive Officer



**Saeed Ande,**  
Procurement Director



**Lolu Alade-Akinyemi,**  
Chief Financial Officer (now CEO)



**Folake Odegbami,**  
Head, Safety Health and Environment



**Olusegun Shoyoye,**  
Power and Energy Director



**Adewunmi Alode,**  
Company Secretary/ General Counsel



**Gbemiga Owolabi,**  
Organisation and Human Resources Director



**Daniel Adedokun,**  
Head, Geocycle



**Gbenga Onimowo,**  
Commercial Director



**Bestow Akeze,**  
Head, Aggregates and Concrete



**Johannes Diedericks JJ,**  
Industrial Director



**Femi Yusuff,**  
Head, Mortar, Innovation and New Product Development



# 2022 Sustainability performance

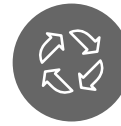


## Climate & Energy

We incorporated CO<sub>2</sub> emission reduction initiatives into our country-wide operations and recorded a total CO<sub>2</sub> emission of 574 kgCO<sub>2</sub>/t in 2022

**2021:** We recorded a total CO<sub>2</sub> emission of 598kgCO<sub>2</sub>/t.

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## Circular Economy

Keeping resources in a closed loop system is paramount to us as we aim to reduce the amount of waste we put out into the environment. We used a total of 123,263 tonnes of waste in our 2022 operations which generated 13.50% of energy from alternative sources.

**2021:** We used 89,057 tonnes of waste, generating 9.40% of energy from alternative sources.

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## Nature

As a business committed to conserving the environment, we ensure that we use natural resources responsibly. Our recorded 2022 total freshwater withdrawal rate was of 283 litres/tonne for cement and 191 litres/tonne for ready mix

**2021:** We recorded a cement withdrawal rate of 157.71 litres/tonne and a ready-mix withdrawal rate of 204.42 litres/tonne

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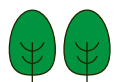
## People

We recognise the importance of ensuring the impacts of our business operation on our people.

In 2022, we had a direct impact on over 126,233 people and invested NGN2.30 billion on social interventions in our host communities.

**2021:** We committed a total of N2.30 billion and a direct impact on over 124,886 beneficiaries

04





# Lafarge Africa Plc – Pioneering Innovative Building Solutions





# Who We Are

Lafarge Africa Plc, a member of the Holcim Group, is a leading company in the Nigerian construction industry. In over 64 years of our operations, we have built a reputation and expertise in providing innovative and sustainable building solutions as a listed and publicly quoted company on the Nigerian Exchange Group (NGX).

Our speciality ranges across a wide array of services which revolve around providing building and construction solutions. We especially focus on meeting housing and construction needs, from small projects such as individual home buildings to large construction and infrastructure projects, especially national landmark initiatives.

Our building solutions, materials, and concrete ranges enable us to minimise environmental impact, enhance the quality of living for inhabitants, and contribute to compact cities. They are particularly suitable for constructing tall buildings.

## Vision and Mission



**Our vision is to build a stronger Nigeria safely, ethically and sustainably through innovative construction solutions.** We want to be recognised as an innovative business leader, demonstrating shared values in our operating communities, enabling social, economic and environmentally sustainable development, for the benefit and in close partnership with all our stakeholders.



**Our Mission is to be a leading provider of innovative building materials, solutions, and services that contribute to sustainable construction and urban development.** We are committed to creating value for our customers, employees, shareholders, and society at large.

At Lafarge Africa Plc, we aim to achieve our vision and mission with these core values.



### People, Openness and Inclusion:

We truly care and respect every individual and have placed a high priority on developing our people and building effective teams.



### Results:

We introduce new ways of looking at challenges to achieve excellent results through business insights and the quality of our decision-making while ensuring accountability.



### Health and Safety:

We believe in visible leadership and personal accountability for Health and Safety at all levels and throughout our organisation.



### Integrity:

We operate a compliance-focused organisation and act with a clear sense of ownership.



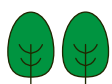
### Customers:

Our focus is to build and deliver solutions that meet our customers' expectations. We encourage diverse thinking to promote and nurture innovation. We achieve our shared objectives by collaborating with our customers.



### Sustainability:

We demonstrate leadership and environmental stewardship while role-modelling responsibility to future generations. We look towards the broadest possible views of any issue or challenge



# Our Footprint

Lafarge Africa has established a significant presence in Nigeria, making substantial contributions to the country's construction and building materials sector. Currently, Lafarge Africa operates plants in Ewekoro and Sagamu in the South-West, Mfamosing in the South and Ashaka in the North-East of Nigeria, Lafarge Africa Plc currently has an installed cement production capacity of 10.50 million metric tonnes per annum (MTPA) and has plans to grow in the near term.

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### South-West Operations:

Lafarge Africa has two plants in Sagamu and Ewekoro, both situated in Ogun State. Combined, these plants have an annual cement production capacity of 4.50 million metric tonnes. Additionally, the South-West region houses the Geocycle and Mortar plants.

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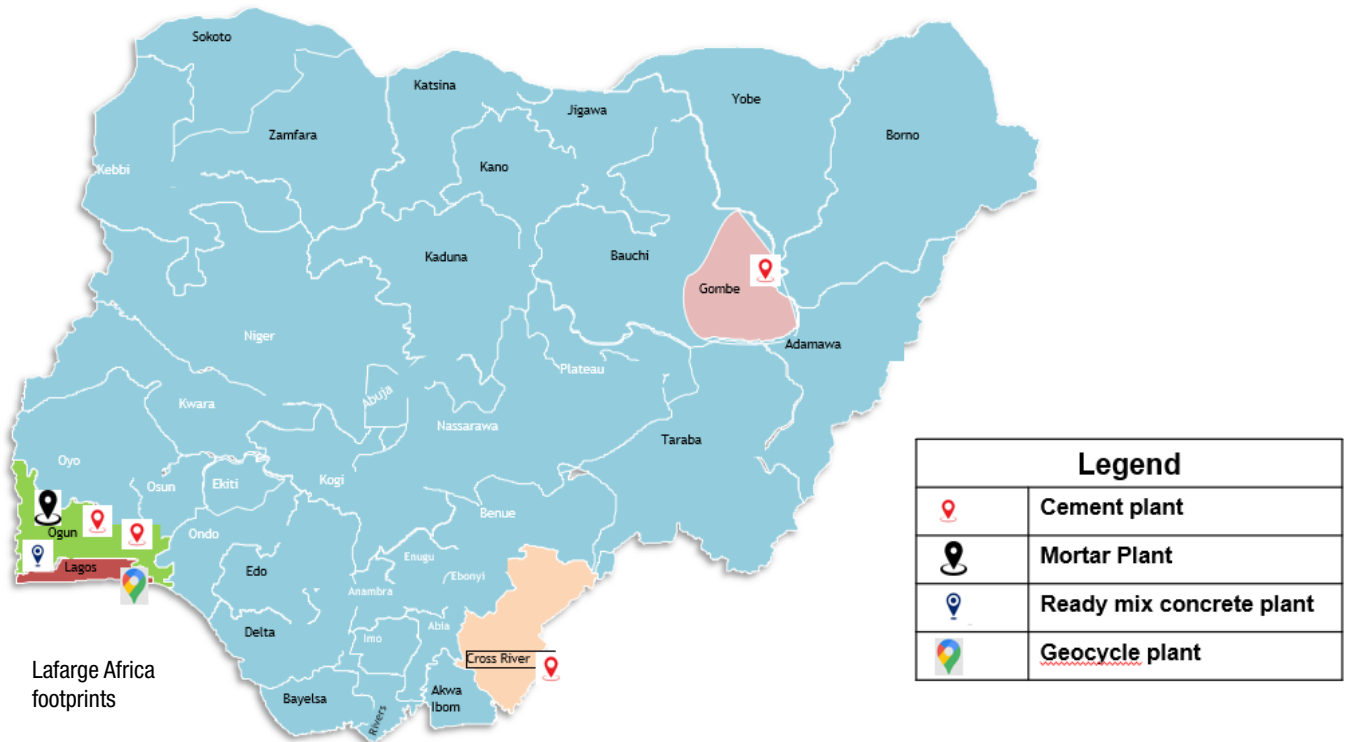
### South-East Operations:

The Mfamosing plant, located in Cross River State, serves as Lafarge Africa's cement production facility for the South-East region. This modern plant has an annual cement production capacity of 5 million metric tonnes. Originally established in 2002 as United Cement Company Nigeria (UNICEM) Limited, it acquired the assets of the dormant Calabar Cement Company (CalCemCo).

03

### Northern Nigeria Operations:

The Ashaka Cement plant in Gombe State has been a crucial contributor to the economic growth and development of the North-East region for over four decades. With an annual installed cement production capacity of 1 million metric tonnes, the Ashaka plant continues to positively impact the region.



Lafarge Africa footprints



Lafarge Africa also operates in other areas of the building materials sector



### Mortar Operations:

Lafarge Africa established a new mortar plant in Sagamu in 2019. This expansion aimed to meet customer demands by developing unique products, establishing effective market routes, and implementing a sustainable business model.

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### Readymix Concrete Operations:

Lafarge Africa is a pioneering force in commercial Readymix concrete operations in Nigeria. With an annual installed capacity of over 400,000 cubic metres, Lafarge Africa operates a network of commercial batching plants in key locations such as Lagos (Oregun, Victoria Island, and Lekki), Ogun State (Ewekoro), Port Harcourt (Trans-Amadi), and Abuja (Idu). Additionally, a central laboratory is situated in Lagos.

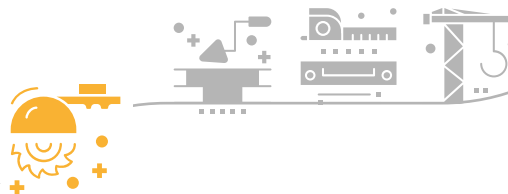
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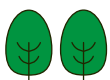
### Geocycle:

Lafarge Africa's Geocycle services promote a circular economy by transforming waste materials that would typically end up in landfills. The Geocycle plant is located in Sagamu, Ogun State, and operates with a focus on waste management and recycling.

03



Lafarge Africa's diverse operations in Nigeria, demonstrates its commitment to providing high-quality building materials, and sustainable practices. This contributes to the country's economic growth and development.





# What We Do

We are dedicated to creating value for our customers and meeting the demands of the market. We also collaborate with governments to enhance economic development and living conditions. Our deep understanding of customer needs and product usage allows us to develop truly innovative solutions.

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.

As a leading provider of construction solutions and building materials, we prioritise innovation and have invested significantly in research and development. Lafarge Africa Plc operates through three business units: Cement, Readymix Concrete, and Ready-to-Use Mortar. These units cater to different construction projects.

Our customers trust in the exceptional quality of our products. We are dedicated to continuous improvement and constantly explore new and eco-friendly approaches to enhance the effectiveness and excellence of our offerings. Our goal is to maintain our position as market leaders by delivering ground-breaking and enduring building solutions that incorporate innovation. Investing in research and development at the group level, we have successfully introduced cutting-edge concrete brands and cement products that are more sustainable. These advancements have significantly influenced the construction sector, showcasing our unwavering commitment to delivering superior goods and services in a fiercely competitive market.

## Cement

Our cement segment is crucial for urbanisation and development. We offer a diverse range of cement products designed to meet various construction needs. Our portfolio includes Elephant Cement, Supaset, Powermax, Etex, and SRC, each serves specific applications such as general purpose, fast-setting, high strength, high-performance, and sulphate resistance.

## Concrete Solutions

Lafarge Africa produces innovative and high-quality concrete and aggregates solutions for projects of all sizes. Our Readymix products offer excellent structural performance while promoting environmentally friendly applications and green building practices.

## Readymix Concrete

We deliver superior performance with our high-quality and consistent Readymix concrete solutions. Our products are designed to meet diverse strength and durability requirements, tailored to specific projects or site challenges. We adhere to European Standard (EN206) quality standards, providing concrete strengths ranging from 10 mega pascal (MPa) to 50MPa with guaranteed strength at 28 days.

## Ready-to-Use Mortar

Our unique range of mortar products and solutions is based on extensive local knowledge and research and development capabilities. We offer solutions for various building segments, including tile adhesives, plastering mortars, grouts, and waterproofing solutions. Our socially and environmentally responsible products contribute to a greener future.

In 2022, we launched two new mortar products, TectorPlast I (ready-to-use plastering mortar) and TectorPlast II (waterproof mortar ready to use), expanding our range to cover floor screed, floor tiling, wall screed, and wall tiling. Our wall-tiling products can support heavy tiles, including marble tiles.



We provide comprehensive services to foster stronger relationships with our customers and distributors. These services include concrete mix design optimisation, technical support, materials and concrete testing, and the development of site concrete quality management systems.

With our reputable brands known for their standards, quality, and reliability, we have served the Nigerian market for decades. Our products, designed with cutting-edge technology, are built to withstand the test of time, and ensure the success of projects.





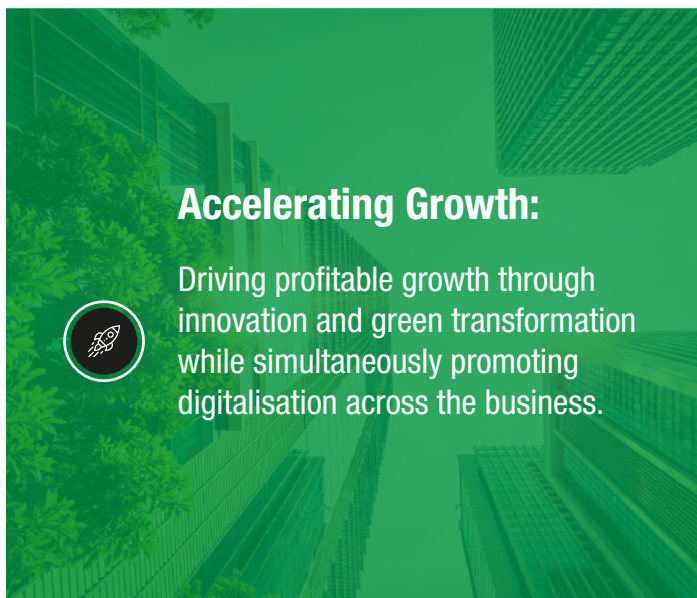

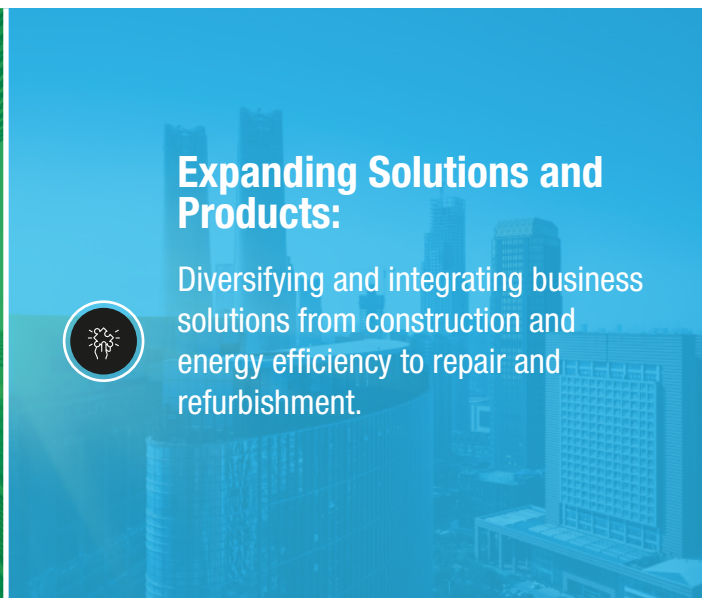



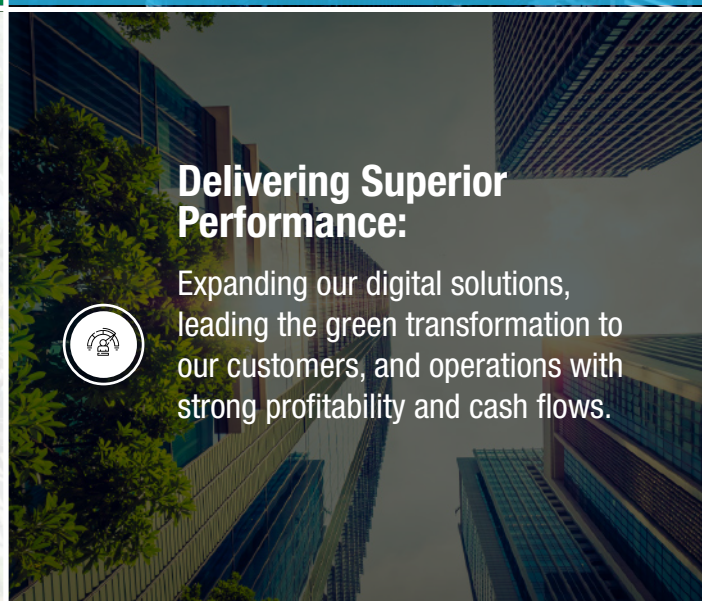



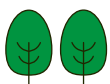
# Accelerating Green Growth

At Lafarge Africa, our commitment to generating economic value for our stakeholders, communities, and value chain is unwavering. Our dedication to innovation and sustainable building solutions drives our actions, guided by our Group Strategy. Having surpassed targets for our Strategy 2022 ahead of the proposed timeline, the Group launched 'Strategy 2025: Accelerating Green Growth'.

This strategy is built on four drivers: Accelerating Growth, Expanding Solutions and Products; Leading in Innovation and Sustainability; and Delivering Superior Performance, each with specific targets that ensure alignment with the global energy transition, continuous business growth, resilient returns, and long-term value for our stakeholders. Holcim, our parent company, has demonstrated excellence by effectively utilising its resources.

Four value drivers guide the implementation of Strategy 2025, which are as follows:

 <h3>Accelerating Growth:</h3> <p>Driving profitable growth through innovation and green transformation while simultaneously promoting digitalisation across the business.</p> 	 <h3>Expanding Solutions and Products:</h3> <p>Diversifying and integrating business solutions from construction and energy efficiency to repair and refurbishment.</p> 
 <h3>Leading in Innovation and Sustainability:</h3> <p>Developing next-generation technologies to remain at the forefront of green building solutions while reducing carbon footprint.</p> 	 <h3>Delivering Superior Performance:</h3> <p>Expanding our digital solutions, leading the green transformation to our customers, and operations with strong profitability and cash flows.</p> 





In 2022, our achievements were the outcome of strategic initiatives implemented by our capable and audacious leadership, delivering excellence in resource management and execution of plans. As a result, our sales revenue soared by 27.3% from 2021, reaching NGN 373.2 billion while our net income grew by 5.2% to close at NGN 53.6 billion.

We also received government grants worth NGN 326,473,000 during the 2022 financial year. This remarkable growth was made possible by the value we deliver to our customers through our innovative brands. In 2022, we delivered over 1.4 million Tons of our Eco-label cement product; in line with our commitment to accelerate green construction with the use of lower carbon

footprint products. Also, we reduced production costs through the use of alternative energy sources and enhancing operational efficiency across our sites. This has helped us improve net income despite inflation and FX pressures on our costs. Embracing alternative energy, we contributed to cost savings and demonstrated our commitment to sustainable practices.

These efforts have allowed us to optimise our operations and drive financial growth while aligning with our environmental responsibilities.

In 2022, the execution of Strategy 2025, guided by four value drivers, resulted in the following achievements:

	Value Driver	Value Created in 2022
<b>27.3%</b> increase in sales	Accelerating Growth	In 2022, our net sales showed remarkable growth, surpassing expectations by 27.3%. This exceptional performance can be attributed to the positive effects of our business practices and innovative building solutions.
<b>1,866</b> suppliers  <b>30%</b> less carbon emissions	Expanding Solutions and Products	In 2022, we experienced continued growth in our supplier base, with a total of 1,866 suppliers. Also, we allocated approximately NGN 289 billion towards the procurement of supplies through these vendors during that year.  Lafarge Africa launched lower carbon emissions cement Eco-label to reduce construction industry's environmental impact, with as much as 30% less embodied carbon emissions.
<b>38.40%</b> increase in utilised waste and <b>2.30%</b> reduction in CO <sub>2</sub> emission	Leading in Innovation and Sustainability	In 2022, we used 123,263 tonnes of waste to serve as alternative fuel and raw material sources, resulting in a 38.40% increase in the amount saved from 2021 and 2.30% reduction in the specific CO <sub>2</sub> emissions - net (kg/tonne cementitious material) from our plants.
<b>40%</b> female representation	Delivering Superior Performance	As of December 2022, our Board of Directors comprised six male members and four female members.

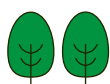
Accelerating Green Growth Strategy 2025 implementation progress



# 2022 Financial Highlights

	FY21	FY22
<b>Direct Economic Value Generated (NGN million)</b>	<b>114,605</b>	<b>105,498</b>
Revenue from operation	293,086	373,245
Other income	2,427	2,091
Exceptional items	-180,908	-269,838
<b>Economic Value Distributed (NGN million)</b>	<b>114,605</b>	<b>105,498</b>
Operating cost	82,435	78,432
Employee wages & benefits	25,398	24,252
Payment to provider of funds	3,764	767
Payment to Government	3,009	2,048
<b>Economic value retained (NGN million)</b>	<b>82,435</b>	<b>78,432</b>

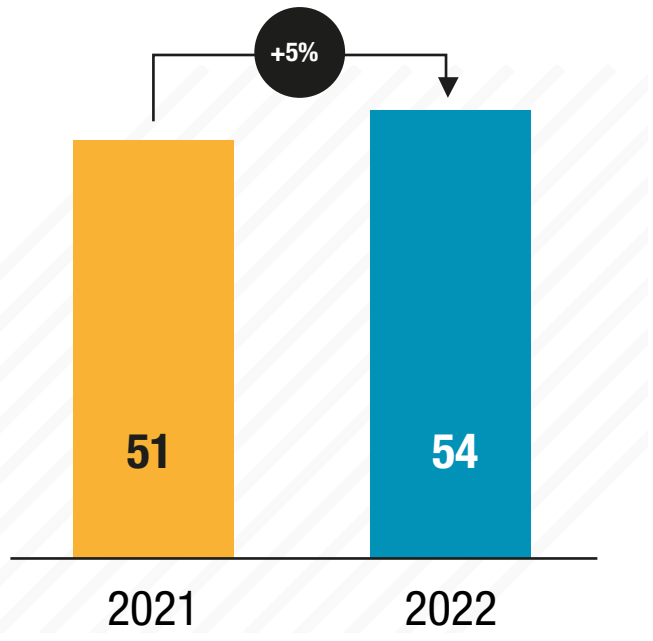
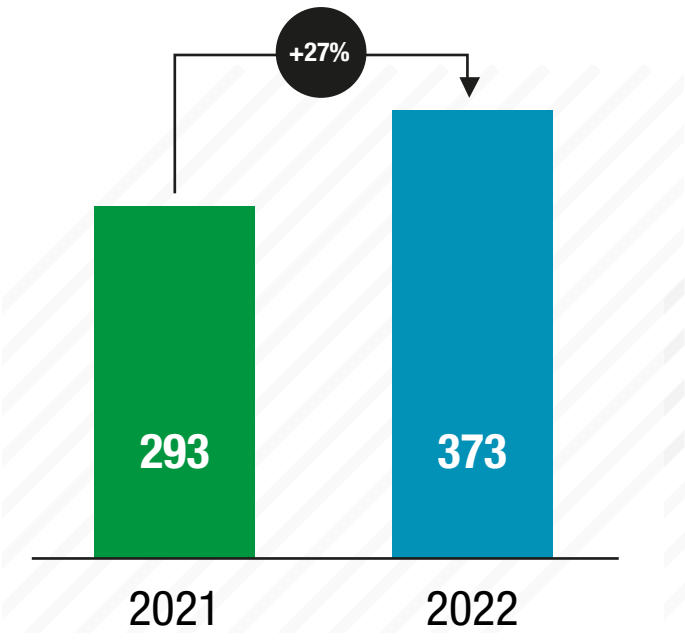
## 2022 Financial Highlights



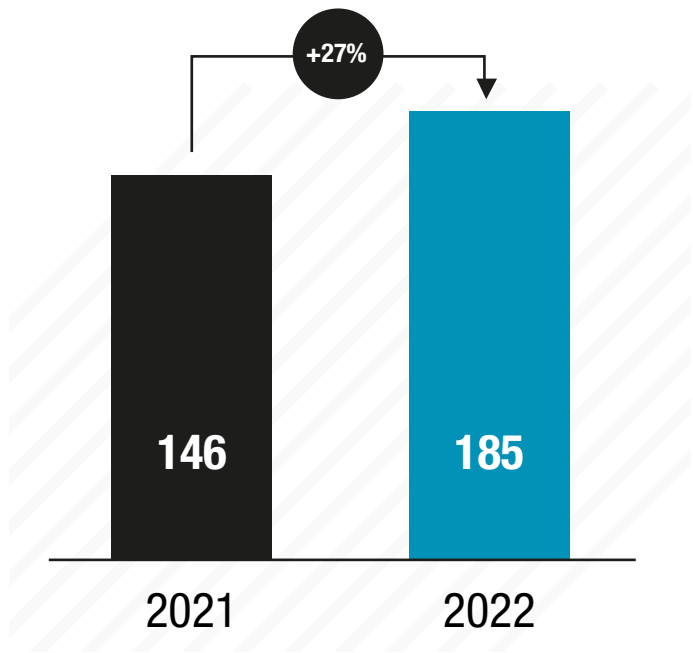


Net Sales  
**373.2BN**

Profit after Taxes  
**53.7BN**



Retained Earnings  
**184.8BN**





# Our Approach to Governance

Lafarge Africa recognises the significance of transparent and responsible corporate governance as a fundamental pillar for achieving long-term sustainable growth and creating value for all stakeholders. In aligning our operations to local laws, regulations, and international best practices, we promote ethical conduct, environmental stewardship, and social responsibility in the country.

## Cyber Threat and Data Protection

(SDGs 16, 9, 11, 17)

As technology advances and our dependence on digital systems grows, it is essential to consider how cyber security and data protection connect with sustainability. Presently, both organisations and individuals face a new set of challenges posed by cyber threats and the necessity for strong data protection.

Data has become incredibly important for organisations, and we have made data governance, privacy, and protection an integral part of our organisational culture. We believe that ensuring information resilience is a fundamental aspect of organisational resilience.

At Lafarge Africa Plc, we understand that responsible and secure handling of data is essential for maintaining trust and integrity with our stakeholders. We are committed to upholding the highest standards of data protection and privacy to safeguard the interests of our customers, employees, and other stakeholders.

We have put in place strong technical measures to protect against unauthorised access, data breaches, and malicious activity. Our professional team monitors and assesses the growing threat landscape to proactively identify vulnerabilities and implement necessary safeguards. In addition, we prioritise compliance with Nigeria Data Protection Act 2023 (“the Act”), relevant regulations and

industry standards.

We are committed to transparently communicating our data processing and practices, ensuring informed consent, and providing individuals with control over their personal information. Our privacy policies and procedures are regularly reviewed and updated to reflect best practices and changing legal requirements.

Furthermore, we have established measures in accordance with the Act, to guarantee that the collection and handling of personal data from customers, suppliers, employees, and other stakeholders of the Company adhere to the legal and regulatory stipulations.

Our privacy policy, accessible on our website at <https://www.lafarge.com.ng/privacy-policy>, outlines how we handle personal data, including the rights and choices available to individuals whose data are involved. Lafarge is committed to compliance with provisions of the Act and has dedicated its resources accordingly.

Through our commitment to cyber threat mitigation and data protection, we aim to ensure the confidentiality and, integrity of information for our stakeholders. By prioritising the security of data, we seek to build trust, protect privacy, and contribute to a safer digital ecosystem.

## Data review

01

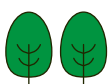


Yearly substantive complaints received due to betrayal of customer information  
– Nil (0)

02



Yearly complaints from regulatory bodies and third parties  
– Nil (0)



## Business Resilience

(SDGs 8, 9, 11, 13,17)

Businesses are recognising resilience as an essential condition for achieving a sustainable, inclusive future in the face of a world of continual, overlapping challenges. Our ability to anticipate and effectively address risks and disruptions is fundamental to maintaining the trust of our stakeholders, meeting customer expectations, and ensuring the long-term sustainability of our operations.

Business resilience is a critical aspect of our corporate strategy, encompassing a wide range of activities and practices aimed at fortifying our organisation against potential threats and enabling us to rebound quickly from adverse situations.

We are building resilient communities, enabling economic, social, and environmental development. Adopting proactive measures and robust strategies, we minimise the impact of disruptions, address potential risks and seize opportunities for growth and innovation, thus emerging stronger from unexpected events. The resilience and agility of our management and staff are pivotal to the improved results we present to shareholders today and this commitment extends

to every level of our organisation. Our goal is to create a sustainable future where our operations contribute to the well-being of communities and the protection of the environment.

Furthermore, the Board holds the responsibility of safeguarding the maintenance of a strong internal control system and risk management practices. The Board receives regular reports from the Risk Management and Ethics Committee to assess the effectiveness of the company's risk management processes in alignment with its strategy and objectives.

The Board establishes the company's risk appetite and sets limits. Quarterly risk assessments and reviews are conducted, while risk management reports are presented to the Board at least twice a year. Lafarge Africa's Risk Management function focuses on minimising the gap between expected and actual outcomes, ensuring the realisation of more predictable results which is accomplished through a robust framework and a clearly defined and transparent risk management process.

**At Lafarge Africa, we adopt risk assessment and mitigation steps comprising:**



We firmly believe that business resilience is a key driver of sustainable growth and competitiveness. In maintaining our ability to adapt, innovate, and recover, we navigate uncertainties, safeguard our operations, and contribute positively to our communities and industries.



## Sustainable Procurement and Supply Chain

(SDGs 8, 9, 12, 13, 16)

In promoting environmental stewardship and social responsibility, we recognise the significant impact that our procurement and supply chain activities can have on the overall sustainability performance of our operations. We strive to ensure that our practices align with our commitment to sustainable development, thereby minimising our environmental footprint and maximising positive social and economic impacts.

We engage in procurement activities that cover the complete life cycle of our products and services. This includes recruitment of vendors, obtaining raw materials and components, as well as managing the disposal or reuse of products that have reached the end of their useful life. Our goal is to incorporate sustainable procurement practices to tackle environmental issues, encourage social fairness, and contribute to economic progress. To ensure we promote localization of our product, and develop local partners in our communities, and to minimise cost and delays caused by waiting for materials from abroad, we use locally available resources to create semi-finished products. Additionally, we have established in-house manufacturing capabilities for our bags.

In our procurement unit, we have implemented measures to work towards our Net Zero target. One such measure involves utilising Compressed Natural Gas (CNG) trucks, which are not only environmentally friendly but also cost 17 % less to operate. As part of our ongoing efforts, we are currently in the planning phase to procure a larger number of CNG trucks. This initiative aims to significantly reduce our carbon dioxide (CO<sub>2</sub>) emissions and contribute to a more sustainable future.

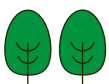
In 2022, Lafarge implemented comprehensive training programmes for our suppliers, specifically focusing on iron

ore and other mining related activities. These training initiatives are strategically developed to guarantee that our suppliers adhere to our rigorous quality and safety standards when supplying iron ore for our operations. During the training, we educate our suppliers on the specific requirements and specifications that we expect them to adhere to.

This includes details about the desired chemical composition, particle size distribution, moisture content, and other critical parameters. We also emphasise the importance of consistent quality and the impact it has on our manufacturing processes and the final product. Additionally, our training covers safety protocols and practices to ensure that our suppliers prioritise the well-being of their workers and adhere to industry-standard safety guidelines. We emphasise the need for safe handling, transport, and storage of iron ore to minimise any potential risks or hazards.

Our main objective is to contribute to the growth of local economies and communities through various actions that improve social welfare. We achieve this by encouraging the use of local resources and actively participating in initiatives that benefit society. These efforts involve collaborating with nearby enterprises, creating job prospects and training programmes, as well as investing in projects that foster community development.

To ensure the involvement of the local community, we hired members of our host communities to operate the recently obtained fleets. Additionally, our commitment to supporting the local economy is evident in our supplier network, where 70% of our suppliers are from local communities. Notably, 60% of these local suppliers are small businesses, further reinforcing our dedication to promoting their growth and sustainability.

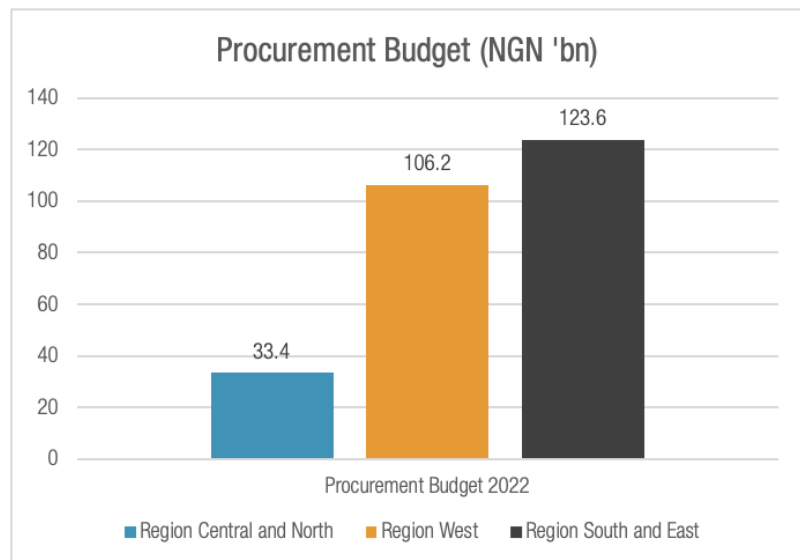




Number of Local and International Suppliers

We are proud to be pioneers in the Middle East and Africa regions for supplier assessments and audits. During the year, we identified 143 of our suppliers as having considerable actual and potential negative environmental effect, and we had monthly, bi-annual, and annual review meetings to ensure ethical environmental and social practices. We also received no complaints due to betrayal of suppliers information. Through these meetings, we provide an opportunity to discuss any practices that may have a negative impact on the supply chain.

During the reporting year, a vendor portal was introduced as part of our initiatives to enhance communication and streamline processes with our suppliers and vendors, ensuring that adequate controls are in place to protect data and prevent data breach. It facilitates efficient interactions regarding tasks such as invoice booking, purchase orders, and deliveries and since its introduction, the vendor portal was met with positive feedback from our suppliers, who appreciated its effectiveness.



2022 Procurement Budget by Region





## MAIN FUNCTIONALITIES: PAYMENT ADVICE

**Payment Advices:** Vendor will see all the bank transfers received so they are able to identify which invoice are included in each of them.



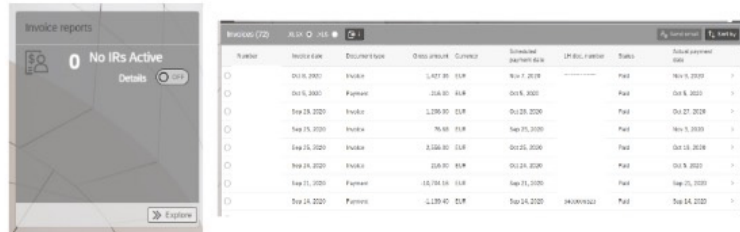
2



## MAIN FUNCTIONALITIES: INVOICE REPORT

**Invoice report:** Possibility for the vendor to see all invoices received by LH and the status of them.

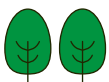
Vendor Portal Interface



1



At Lafarge Africa Plc, we firmly believe that sustainable procurement and supply chain management is not just essential for our business success but also for the well-being of the planet and future generations. We want to create a more resilient, inclusive, and environmentally conscious construction sector that contributes to a sustainable future.



## Respecting Human Rights

(SDGs 5, 8, 10, 16, 17)

At Lafarge Africa Plc, we are committed to respecting and protecting human rights wherever we conduct business. As a prominent building solutions company, we recognise the vital importance of respecting human rights and ensuring that our activities have a positive impact on the communities in which we operate. We firmly believe that doing so is not just a moral obligation but also a crucial aspect of sustainable development. By integrating human rights principles into our business practices, we aim to foster an inclusive and fair environment for all our stakeholders, including employees, suppliers, customers, and communities.

As a business, our commitment aligns with the principles outlined in the International Labour Standards on Child Labour, including the Minimum Age Convention and the Worst Forms of Child Labour Convention. We are aware of our impact on the supply chain and strive to ensure that our suppliers and contractors uphold human rights standards as set forth in the Holcim Supplier Code of Conduct, particularly principles on human rights, labour related issues, environment, anti-bribery and corruption. Our suppliers are expected to meet the same standards and comply with local laws.

We conduct self-assessments and fact-finding activities on all our suppliers, who are strictly prohibited from interfering with workers' freedom of association and their right to engage in collective bargaining. Furthermore, we strictly prohibit the use of involuntary labour, including forced overtime, human trafficking, slavery or servitude, debt bondage, and forced prison labour. We ensure that all suppliers, without exception, complete the pre-qualification form, and we undertake frequent visits to our suppliers to verify they acknowledge and adhere to our Code of Business

conduct.

During this review year, we screened 246 suppliers using our third-party due diligence and social criteria to ensure they follow ethical practices and safe working conditions for their employees. This process ensures that equity and equality are maintained across our operations and throughout our supply chain. Our primary focus is to foster collaborations with suppliers who meet these standards.

### RESPONSIBLE SOURCING IN OUR SUPPLY CHAIN

CODE OF BUSINESS CONDUCT FOR SUPPLIERS | 2021



Code Of Business Conduct for Suppliers

We also actively work towards establishing mutually beneficial connections with the communities where we operate. Our objective is to engage with local stakeholders, respect their rights, and address their concerns to make a positive contribution to their social and economic progress. To ensure a safe and inclusive workplace, we have implemented comprehensive policies that prohibit any form of discrimination, harassment, or child labour within our workforce.

We regularly conduct assessments to proactively identify and address any potential negative impact on human rights arising from our operations. Our continuous monitoring and evaluation processes ensure that we fulfil our commitments and promptly take corrective actions when necessary. During the reporting period, we are pleased to report that there were no complaints of discrimination based, on race, ethnicity, colour, age, sex, or religion. In 2022, we did not identify any incidents involving violations of the rights of indigenous people.



## Regulatory Compliance

(SDGs 8, 12, 13, 16)

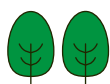
Lafarge Africa Plc is dedicated to compliance with relevant local, regional, and international laws, regulations, and standards. We prioritise staying informed about regulatory changes that affect our industry and take proactive steps to ensure adherence. Our commitment to being a responsible corporate citizen and promoting environmental sustainability is ingrained in our business practices. We not only meet our statutory and regulatory obligations but also strive to exceed expectations by providing socio-economic benefits to the communities we work with. Operating in a manner that aligns with these principles is fundamental to our business operations

Another area of utmost importance to us is pricing integrity. We promote transparency and fairness in our pricing practices in accordance with our Pricing policy, as part of our long-term sustainability strategy. By upholding pricing integrity, the company cultivates trust among stakeholders and fosters positive relationships with customers, suppliers, and the communities it serves. This dedication reinforces Lafarge Africa's adherence to ethical business conduct and responsible corporate citizenship.

To ensure sustainable long-term impact, we comply with relevant regulations such as the Federal Competition and Consumer Protection Act (FCCPA) and adhere to Holcim Directives and policies on pricing and fair competition. We strictly prohibit our employees from engaging in any form of anti-competitive practices, whether directly or indirectly. In accordance with Nigerian law, we must adhere to specific legal limits and undergo quarterly spot emissions monitoring conducted by government-accredited consultants. The results of these monitoring activities are reported to both National Environmental Standards and Regulatory Agency (NESREA) and the Federal Ministry of Environment. **It is important to note that we possess valid NESREA certificates for all our plants, and our plant has also obtained ISO 14001 certification.**

To maintain compliance with environmental regulations, we have fulfilled the requirements set by NESREA, including obtaining permits for air quality, waste management, and handling toxic substances. In addition, we have followed the guidelines outlined in the Environmental Impact Assessment and Environment Management Plan. As part of our compliance efforts, the plant conducts a mandatory Environmental Audit every three years, and a quarterly statutory emission and discharge monitoring. All reports generated from these compliance monitoring activities are submitted to NESREA, the Federal Ministry of Environment, and the various State Ministries of Environment where we operate plants.

We continuously monitor dust emissions; we have implemented an online dust continuous emission monitoring system for our kiln stacks. Furthermore, we meet the regulatory requirements by hiring accredited consultants to perform quarterly spot emission measurements, which are then reported to NESREA as the regulations stipulate. Compliance is our top priority, and we take full responsibility for our actions. We understand the importance of environmental regulations and standards in protecting the environment, conserving resources, and ensuring people's well-being. Despite the challenges of the current economic and regulatory environment, Lafarge Africa has made significant progress in various areas, leading to strong operational performance. We closely monitor and track progress in meeting carbon footprint and decarbonisation commitments, to avoid compliance risks and to seize opportunities.





## Responsible Tax Strategy

Our commitment to tax compliance is an integral part of our business operations, as we firmly believe that paying our fair share of taxes contributes to the socioeconomic development of the countries in which we operate. At Lafarge Africa Plc, we prioritise **integrity** and **transparency** in our tax practices, fostering trust and long-term partnerships with governments, stakeholders, and communities.

Our tax strategy serves as a comprehensive set of guidelines and plans that enable us to effectively manage our tax obligations while remaining compliant with applicable laws and regulations. The frequency of reviews conducted by our Board of Directors regarding our tax strategy varies based on the complexities of ongoing projects and industry dynamics. Each case is carefully evaluated to ensure our approach aligns with our objectives.

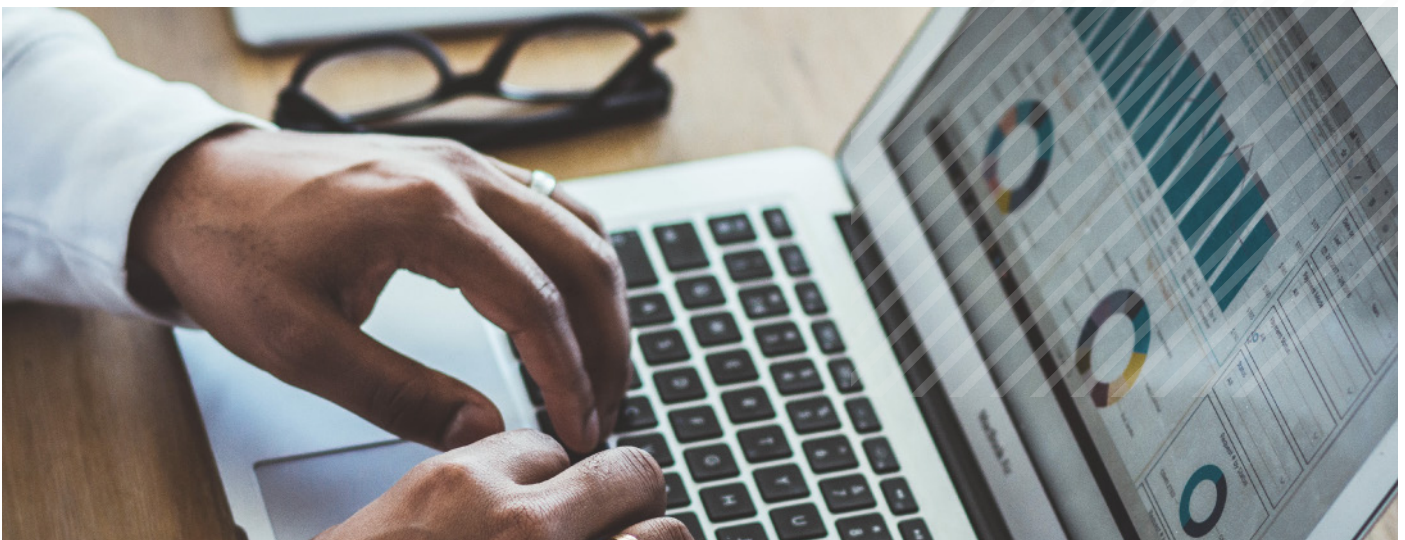
Our tax strategy is closely linked to our overall business and sustainable development strategies. Aligning tax strategies to our business goals, we optimise our tax positions and allocate resources efficiently. This involves making tax-efficient decisions when structuring our operations, such as mergers, acquisitions, and investments.

At Lafarge Plc, compliance with tax laws and regulations is a priority for us. By adhering to these rules, we maintain our reputation and build trust with stakeholders, including customers, employees, investors, and governments. We are proud to engage in transparent and responsible tax practices, which have been recognised by the Federal Inland Revenue Service

**In 2022,**

Lafarge Africa Plc was acknowledged as one of Nigeria's top 20 compliant companies through a public notice. Through our tax compliance and strategy, we aim to contribute to the sustainable development of the communities where we operate while maintaining strong partnerships with governments and stakeholders. As part of our commitment to sustainable development, our tax strategy supports environmentally friendly initiatives and investments. We promote renewable energy projects, energy-efficient technologies, and carbon footprint reduction.

At Lafarge Africa Plc, regulatory compliance is an integral part of our sustainability journey. We place a strong emphasis on occupational health and safety compliance. We uphold the highest standards to protect the well-being of our employees, contractors, and visitors. We recognise the significance of complying with applicable laws, regulations, and standards in our operations. By adhering to these requirements, we not only meet legal obligations but also demonstrate our dedication to responsible and ethical practices.





## Anti-Bribery and Corruption

(SDGs 16, 17)

We firmly believe that sustainable growth extends beyond financial results. Therefore, we place a strong emphasis on generating shared value for all parties involved as well as sustaining a positive effect on the environment and society. We recognise that establishing a strong framework to combat bribery and corruption is essential for our long-term success and reputation.

In line with our zero tolerance for such practices, the Board of Directors of Lafarge Africa Plc has adopted an Anti-Bribery and Corruption Statement, which complements our widely communicated Anti-Bribery and Corruption Policy.

The Company is committed to conducting all business dealings and relationships with the utmost integrity and ethical conduct, adhering to Lafarge Africa's Anti-Bribery and Corruption policy, Code of Business Conduct and relevant laws. Regardless of the business environment we operate in, we comply with applicable Anti-Bribery and Corruption laws, including the Corrupt Practices and Other Related Offences Act of 2000 and other applicable laws and regulations.

To counter the risks of bribery and corrupt practices, Lafarge ensures the implementation and enforcement of effective systems. These systems address various forms of improper benefits, such as gifts, entertainment, reciprocal agreements, favours, discounts, travel, education, donations, and other forms of potential liability for the company.

We strictly prohibit fraudulent acts, corrupt practices, and all forms of bribery, gratification, facilitation payments, and improper payments or benefits to public officials, their family members, and other individuals.

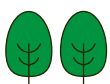
This statement reinforces our commitment to conducting business ethically and holds us accountable for our actions and those of our representatives. We strive to embed this commitment as part of Lafarge Africa's culture and ensure its effective communication to all stakeholders. Lafarge Africa is dedicated to complying with Group Directives and relevant anti-bribery and corruption laws. Additionally, we include anti-bribery and corruption clauses, as well as sanctions, in all contracts with suppliers, customers, service providers, and other business partners.



We are proud to report that in 2022, there were no public legal cases related to corruption brought against our organisation or employees.

We understand that addressing bribery and corruption is an ongoing journey that requires constant vigilance, adaptability, and collaboration. Therefore, we remain steadfast in upholding the highest ethical standards throughout our operations, continuously strengthening our systems, and actively engaging with our stakeholders to foster a more sustainable and corruption-free future.

High, medium and low exposed employees were trained on the Code of Business Conduct (COBC) comprising conflict of interest and anti-bribery and corruption, Gifts Hospitality Entertainment and Travel (GHET), among other compliance and data protection training in accordance with the Company's 2022 Compliance Plan and identified needs.





# Sustainability at Lafarge Africa



# A discussion with the Head of Sustainability



**Titilope Oguntunga**

Head, Sustainable Development and Corporate Brand

## Q: What have been your highlights for 2022?

**A:** The journey to decarbonization in line with the Strategy 2025: Accelerating Green Growth has definitely been a profound one. In 2022, we progressed in our march towards our Net Zero targets, accelerating action towards achieving Nigeria's first eco-friendly cement. The reviews, measurements and improvements are a learning opportunity for our teams. Through some of our specific programmes such as enabling operational efficiency in power consumption, improvements in production methods technological innovations have enhanced our capacity to produce more sustainably and driving more efficient solutions to ensure that production demands are met while remaining cost effective. On the wings of this, are the increased positive footprints we achieved through circularity by achieving over 30% increase in waste usage as alternative energy for low carbon manufacturing. Through Geocycle, we have expanded our reach within the corporate sectors, while we continue to provide waste management solutions to a discerning clientele that is contributing positively to reducing climate change risks within the Nigerian Society.

In addition, over 10,000 trees were planted on about 25 hectares of land, while we continue to maintain and assure the survival of about 16,000 young trees planted in the previous years. Stakeholder management is pivotal to delivering on our strategy, ensuring that we continue to build, leverage and explore sustainable relationships that culminate in visible business value as demonstrated in our performance for 2022. Beyond our immediate host communities, other communities benefited from various social impact programmes. With an estimated 120,000 people reached, our investments are indeed yielding the desired ROI.

Furthermore, we set new performance targets for our Sustainability Pillars in 2022, ensuring that they align with the 2030 goals. What this means for our business, is that we are advancing the building blocks beyond 2025 to the

year 2030. Through capacity development programmes and the sharing of best practices within the Holcim network, our workforce is better poised to deliver on the set goals.

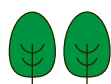
Our Sustainability Week with the theme 'Accelerating Collaboration for Sustained Impact' is a demonstration of one of our core values as we all stayed committed to ensure that sustainability is woven across the fabric of our organisation. I am happy that the lines of sustainability become more blurred across functions within Lafarge Africa with many teams integrating efforts and resources to achieve our goals.

Our team is indeed proud of the giant strides we made in 2022 but more importantly is committed to how we as a responsible organisation is truly 'Building Progress for People and the Planet

## Q: How has the business been impacted by emerging trends and regulations?

**A:** The increasing demands of Environmental, Social and Governance on a global scale means that organisations need to stay pragmatic, proactive and agile. Our approach to emerging trends and regulations has been to proactively monitor and engage, equip our teams with available resources and reinforce our approach in line with the global strategy of our organisation.

The signing of the climate act into law in 2021 and the Federal Government's resolve to achieve a net-zero economy by 2060 creates a more solid foundation and basis for Lafarge Africa to make renewed commitments towards this goal. Being a responsible corporate citizen, we are on the path to enabling this target as we have demonstrated through various initiatives. What the Climate Change Policy further enables us to do is lay bolder building blocks to make positive contributions not just as a nucleus but one operating in a progressive society.





One of the most significant regulations is the upcoming adoption of the principles of the Taskforce for Climate Related Financial Disclosures (TCFD) which public listed companies are expected to embrace.

Our strategy is to equip and empower as gear up for the demands of climate disclosures in the near future. For example, we have and are taken advantage of learning opportunities in this regard while also bringing these discussions to the fore with the relevant stakeholders', ensuring that our plan is water tight. We are preparing adequately for the demands of an evolving and dynamic local and global environment.

**Q: What innovations are you most excited about?**

**A:** Innovations are a lever to not just do better but also do right, and it is from this lens that we view innovation at Lafarge Africa.

In 2022, we implemented a few initiatives. One of the innovations that we are most excited about is the implementation of Office Goes Green – a Holcim Group led initiative in Nigeria. This initiative has reinforced through policies, both a corporate and employee focused commitment to achieving net zero. To support this was the Office Goes Green Challenge with participation from employees across the Holcim Network of over 60 countries.

For us, the Office Goes Green initiative is a way to deliver on a practical daily model that empowers our workforce to take simple actions that make a positive difference. The training of Lean in Circle Leaders from our countries in Holcim was a way to further establish our commitment to gender diversity and inclusion.

In Nigeria, our gender ambitions were further advanced with the launch of the Green Women's Network to create a platform for women within our voice to be seen, heard and more importantly equipped to perform in a male dominated sector. An automatic admission of every Lafarge Woman into the Network provides the opportunities for our women to thrive and succeed.

Other new social impact programmes such as the Female Block Makers and Tilers Programme – a dedicated vocational skill training and economic empowerment for women in communities stands out for us.

In addition, the Social Contributors Awards provided opportunities for our employees to create positive footprints in the communities through volunteering with the highest contributors duly recognized and appreciated. Both initiatives provided strategic engagement and project



**Innovations are a lever to not just do better but also do right, and it is from this lens that we view innovation at Lafarge Africa.**

management opportunities for our people with a semblance of the balanced score card model that helps us deliver stakeholder value.

Continuous improvement is the watchword for us in driving our sustainability ambitions and we are resolute about this finding practical expressions above the call of duty, in all that we do as an organisation.







# Our Approach to Sustainability

Sustainability at Lafarge is centred on four pillars to ensure resilient growth for the society and environment at large – Climate and Energy, Circular Economy, Nature and People.



Using established tenets of sustainable development and responsible business practices, we continue to strive towards achieving our 2030 ambitions for reduced CO<sub>2</sub> emissions, increased recycling processes and use of waste materials, reduced freshwater withdrawal and an overall improvement in the lives of our people and communities. Across the construction value chain, our sustainability strategy seeks to integrate ingenuity to drive cleaner building solutions whilst assuring the responsible use of natural resources as well as promoting a market framework for energy efficiency and the development of host communities.

We believe that a good tone-from-the-top approach helps establish the pathway to success, ensuring that we operate in a manner that cuts back potential negative environmental and social effects that may arise as a result of our business activities. For us at Lafarge, it is crucial we conduct business in a way that fosters trust from our stakeholders while building green, revolutionary solutions. Our Board of Directors is comprised of seasoned individuals with substantial experience in a wide range of business industries and geographies. They collaborate to produce value for our stakeholders while upholding an ethical and productive company culture throughout our whole value chain.

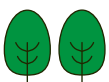
Integrity, reputation, and commitment are important considerations for effective selection to the Board, as are

familiarity with the commercial and economic landscape, regional balancing, and a good network in our field of business.

The Board has the responsibility of ensuring corporate governance compliance and sustainability through regular monitoring and evaluation of management reports presented to the Risk Management & Ethics Committee and the full Board. The Risk Management and Ethics Committee has responsibility for reviewing and monitoring the Company's activities on Corporate Social Responsibility, with a clear sight on Health, Safety, Security, Environment, Community Relations, Human Rights and Business Ethics.

Through our sustainability initiatives conducted during the year such as the Lafarge Sustainability Week, we have continued to encourage an increased awareness of how sustainable solutions can be maximised and ingrained in our operations and culture.

Our policies, processes and operations are structured with the objective of aiding the United Nations achieve its Sustainable Development Goals (SDGs) as these set a holistic framework for addressing the world's most pressing sustainability challenges and creating a future that is good for all. We understand that strategic partnerships with relevant stakeholders and networks enable sustainable development, which is why we are members of the Private Sector Advisory Group Nigeria (PSAG) and UN Global Compact Network (UNGC).





## Project Team

Our project team comprises seasoned professionals who understand and implement our purpose for a sustainable future.

Internal Control Chukwugekwu Okolie	Finance Chinedu Richard
SHE (Environment) Funke Madojutimi	Security Sola Akinboboye
SHE (Health & Safety) Adeyemi Ariyo	Marketing (Commercial) Itune Brown
Logistics Osaze Aghatise	Geocycle Greg Salami
Logistics Ogbonna Arua	Communication, Public Affairs & Sustainable Development Oluyemi Bakare
Power & Energy (Industrial) Jamiu Oriade	Communication, Public Affairs & Sustainable Development Simi Dabup
Organisation & Human Resources Ugochi Nede-Nwokoye	Procurement Gabriel Ibiyemi
Organisation & Human Resources Nyong Okon	Legal and Compliance Anuoluwapo Gbadegesin

Project Team



# Creating Value for All

We recognise our responsibility to external and internal stakeholders as they are essential to our vision for sustaining positive impacts. For that reason, we continuously engage with our stakeholders through various channels in an open, clear process. This serves to further deepen our relationships with our valued stakeholders and enhances their trust in our commitments.

Our stakeholders are not only limited to our employees, shareholders and government parastatals, they also

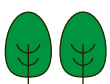
include the communities where we operate, suppliers, trade associations and our customers, amongst others. We interact with our diverse stakeholder groups as often as possible to obtain better understanding of their key interests, feedback and other vital insights, which improve decision-making processes, risk management, and long-term value creation.

Our engagement strategy varies across our various stakeholder groups.

This is described in the table below:

Stakeholder	Level of influence	Engagement Method	Frequency
Government	High	Letters and emails	As required
		Courtesy visits	
		Formal meetings	
		Government functions	
Board of Directors/Shareholders	High	Annual General Meeting	Annually
		Annual reports	As required
		Shareholder fora	
		Website	Frequently
Suppliers/Contractors	High	Contractor Satisfaction surveys	Biennially
		Annual meeting	Annually
		Emails	As required
Customers/End Users	High	Meetings	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	As required
Communities	High	Meetings	Monthly
		Ad hoc meetings	As required
		Courtesy visits	As required
		Community days	Annually
Competition	High	Industry engagements	As required
Trade Associations Nigeria Institute of Builders (NIOB), Nigeria Institute of Architects (NIA), Nigeria Society of Engineers (NSE), Council for the Regulation of Engineering in Nigeria (COREN), National Association of Chambers of Commerce, Industry, Mines & Agriculture (NACCIMA).	Medium	Committee meetings	Quarterly
		Conferences	As required

## Stakeholder Engagement Strategy





Our strategic stakeholder management ensures an emphasis on deepening and cementing critical relationships which are vital to reinforcing Lafarge’s position as a leader in economic and social development and a strategic business partner in creating and supporting sustainable solutions.

We drive our business advantage through joint partnerships and collaboration with stakeholders to identify existing or emerging concerns, assist in initiatives and programs to address concerns as well as support innovation in green transformation in the buildings industry.

Our engagements with government, public and private offices, and other policy makers are scheduled directly with the offices while engagements with the community are scheduled with the Community Relations Committee (CRC) and our Community Relations Managers, inclusive of relevant LAP functions depending on the agenda at hand.

Through engagements and collaboration with various stakeholder groups, we rolled out essential initiatives during the year which further established our objective of value creation for all. These initiatives include the National Agric-Ecology Programme for communities, Road Safety Show Project, and Road Safety Club in Schools Project in collaboration with government, schools and communities.

In line with our culture, internal and external engagements with stakeholders are held in accordance with Lafarge Africa Plc ethics, code of business conduct and human rights. Sustainability goals and other objectives are clearly highlighted and agreed upon for planning and execution of initiatives and programs. Where disagreements arise around certain aspects of the business, these are reported to Legal and Compliance for guidance and appropriate escalation while keeping open communication with stakeholders to stay abreast and forestall any degeneration.



## Our 2022 Materiality Analysis

Our stakeholders play a vital role in the success of our operations; therefore, their insights and inputs remain valued and welcomed at all levels of the business. We believe these help us enhance value creation in our business operations.

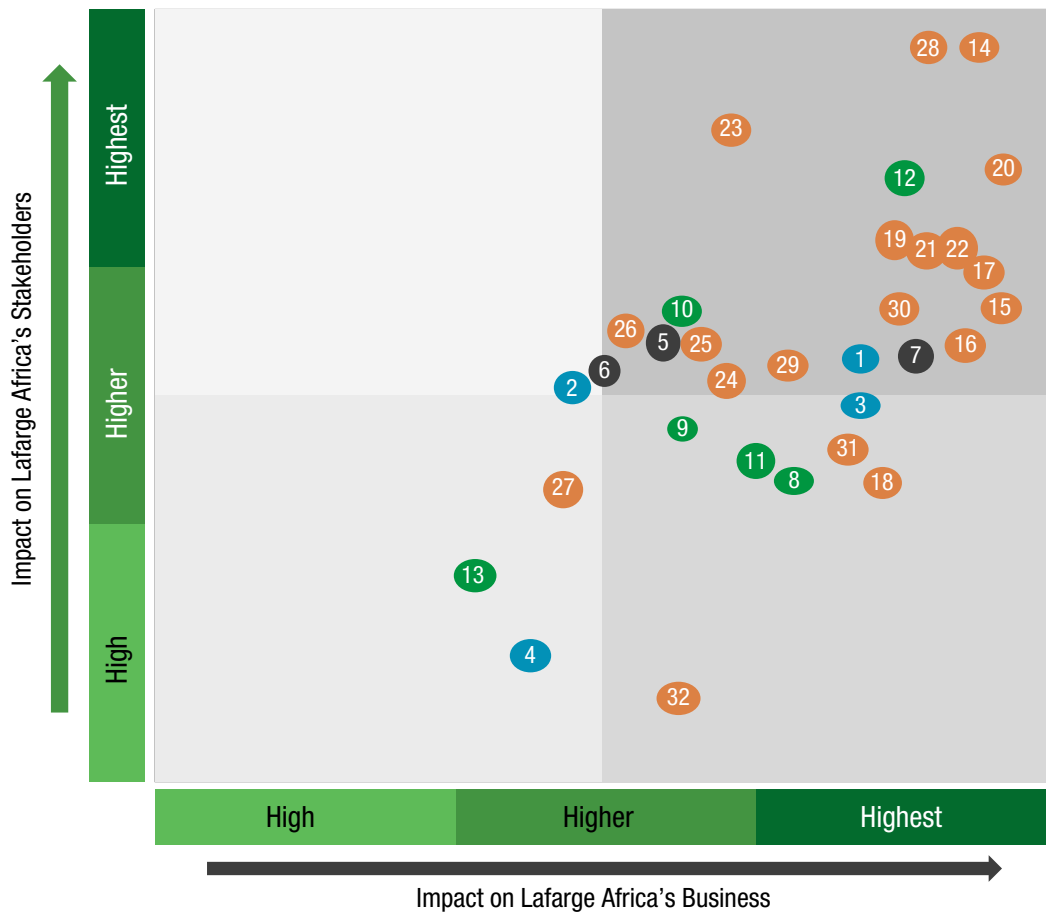
We adopted the double and dynamic materiality approach in our 2022 materiality assessment. This considered factors such as our current and potential risks, as well as our environmental, social, and governance performance across all operations.

Our assessment also involved an in-depth analysis of material issues relevant to Lafarge Africa Plc. 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 approach used to assess materiality relied on the inputs of both external and internal stakeholders to determine the most relevant topics to be reported on.

- Identification and review of issues across stakeholder groups
- Peer and competitor benchmarking against peers and competitors in the building materials landscape
- Rating of issues by internal and external stakeholders against defined scoring criteria
- Consolidation and validation of prioritised material issues by senior management for materiality mapping.

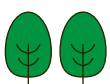




- Climate & Energy
- Circular Economy
- Nature
- People

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>1 CO<sub>2</sub> emissions ☺</li> <li>2 Climate Change risks</li> <li>3 Energy consumption and efficiency</li> <li>4 Energy transition risks</li> <li>5 Resource efficiency ☺</li> <li>6 Packaging</li> <li>7 Product innovation</li> <li>8 Air emissions (including dust emissions) ☺</li> <li>9 Biodiversity &amp; quarry rehabilitation</li> <li>10 Waste management</li> <li>11 Water and effluents</li> <li>12 Environmental compliance ☺</li> <li>13 Green Building materials</li> <li>14 Anti-bribery &amp; corruption</li> <li>15 Business ethics</li> <li>16 Pricing integrity and anti-trust compliance</li> </ul> | <ul style="list-style-type: none"> <li>17 Business resilience ☺</li> <li>18 Economic value</li> <li>19 Cyber threat &amp; data protection ☺</li> <li>20 Reputation ☺</li> <li>21 Quality products and services</li> <li>22 Stakeholder engagement ☺</li> <li>23 Strategic partnerships ☺</li> <li>24 Sustainable procurement and supply chain ☺</li> <li>25 Labour relations ☺</li> <li>26 Talent attraction, development and retention ☺</li> <li>27 Training &amp; education ☺</li> <li>28 Health &amp; safety ☺</li> <li>29 Diversity &amp; equality</li> <li>30 Local communities</li> <li>31 Youth empowerment</li> <li>32 Poverty alleviation through job creation</li> </ul> |
|---|---|

☺ Represents topics rated Higher-Highest by both stakeholder groups





# Shaping a greener future through innovation and collaboration



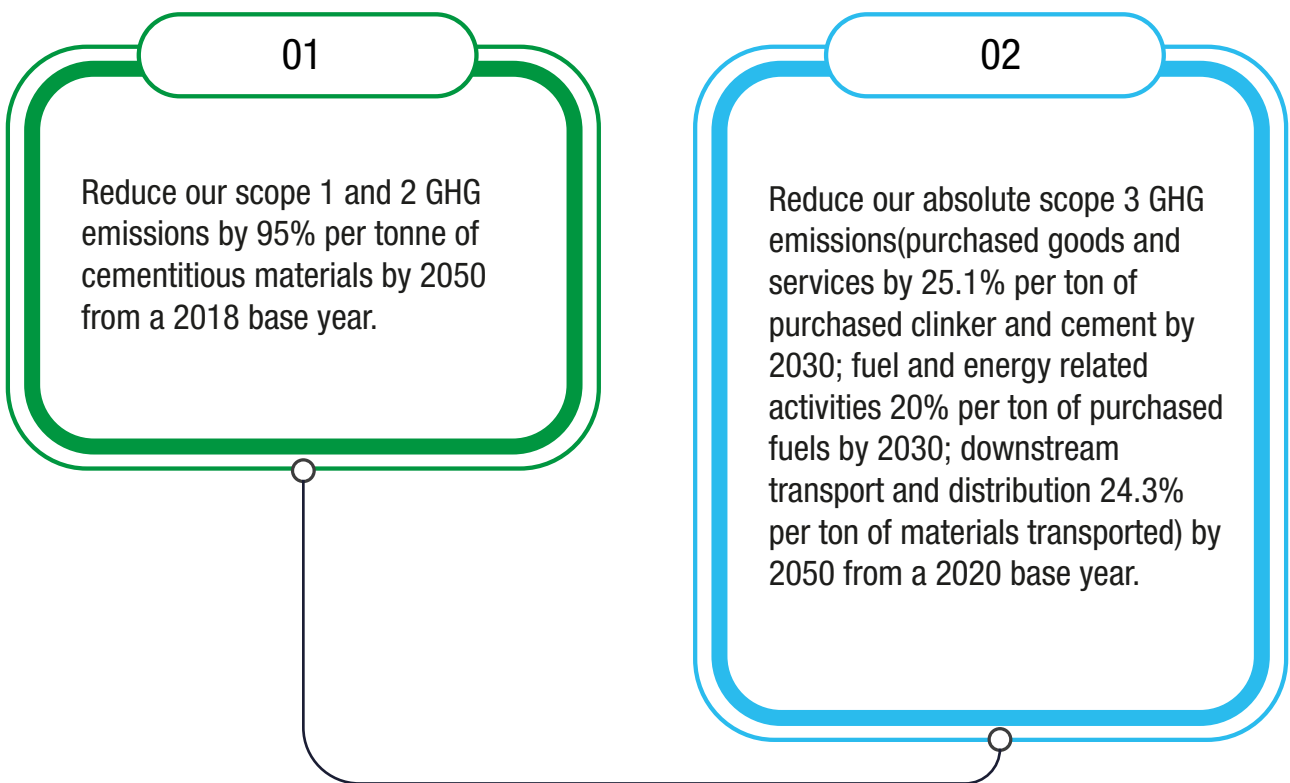


# Decarbonising Our Operations

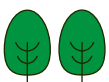


Decarbonising our operations is a strong signal of our commitment to addressing climate change and reducing greenhouse gas (GHG) emissions at Lafarge Africa Plc. We acknowledge the urgent necessity of transitioning to a low-carbon economy and are actively implementing initiatives to minimise our environmental impact.

To accelerate our CO<sub>2</sub> intensity reduction, the Group has set ambitious short- and long- term targets that have been validated by SBTi. They are;

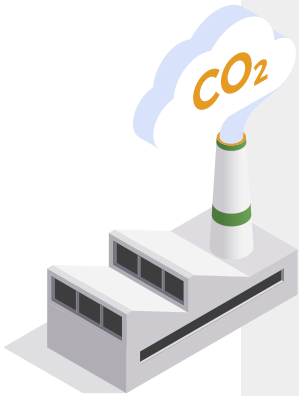


In line with our Group's climate goals, we have set country specific targets and aim to achieve them through a deliberate focus on responsible consumption, production efficiency, and waste reduction. As we strive to become a net-zero company, our energy-related efforts play a significant role in achieving our sustainability goals. These targeted actions have enabled us to reduce our CO<sub>2</sub> and other emissions, successfully.



# CO<sub>2</sub> Emissions

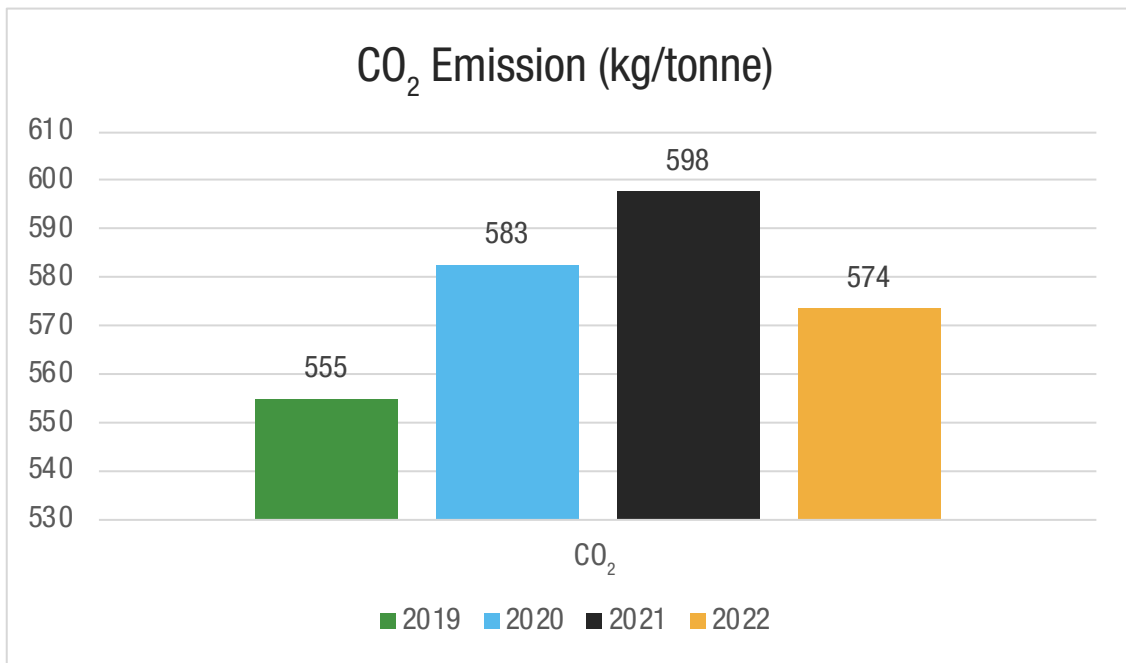
Key (SDGs 7, 9, 11, 12 and 13)



At, Lafarge, we recognise the urgent need for sustainable practices in the building solutions industry to mitigate the impact of climate change. As a leading player in the sector, we are committed to addressing one of the most significant contributors to greenhouse gas emissions—CO<sub>2</sub> emissions.

We have implemented comprehensive strategies throughout our operations to reduce the environmental impact of CO<sub>2</sub> emissions such as the alternative fuel co-processing, use of our Liquefied Natural Gas (LNG) fuelled trucks and rail dispatch for products, which aid in minimising our emissions. Utilising state-of-the-art technologies, we remain dedicated to achieving our Group's ambitious targets, which aim to produce 40% less net CO<sub>2</sub> per tonne of cement and 420 kilogramme (kg) net CO<sub>2</sub> per tonne of cementitious material by 2030.

In 2022, the specific CO<sub>2</sub> emissions net (kg/tonne cementitious material) emitted at our plants in Nigeria was 574, showing a reduction of about 4% compared to 2021.<sup>(A)</sup> This progress marks a significant step towards achieving our emission targets. Here is a summary of the data review for the year 2022.



CO<sub>2</sub> emission (kg/tonne)







To identify the primary contributors to CO<sub>2</sub> emissions, we have conducted thorough assessments of our operations. These assessments have given us insights into the sources of emissions and informed the implementation of various initiatives in 2021 to reduce our CO<sub>2</sub> footprint.

01

**Reduction of Clinker Content:** We have successfully reduced the clinker content in our cement to 75.6%. By using alternative materials and optimising our manufacturing processes, we minimise the reliance on clinker production, which is a significant contributor to CO<sub>2</sub> emissions. ipsum dolor sit amet, consectetur.

02

**Increased Usage of Industrial Waste and Biomass:** To reduce our reliance on fossil fuels, we have significantly increased the usage of industrial waste and biomass as alternative fuels. This shift has resulted in a 19% increase in the proportion of these sustainable energy sources, further reducing our carbon footprint.

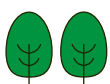
03

**Power Consumption Optimisation:** Through the implementation of energy-saving strategies, we have successfully reduced power consumption in cement production to **118.3 kWh** per tonne of cement. Optimising our equipment and processes, we minimise energy waste and achieve more efficient operations.

04

**Reduction of Non-Kiln Fuels:** We have taken measures to reduce materials transport and handling by mobile equipment, leading to a decrease in non-kiln fuel consumption. Additionally, we have implemented regular maintenance intervals for our mobile equipment, ensuring their optimal performance and minimising fuel usage.

These initiatives highlight our commitment to CO<sub>2</sub> emission reduction and demonstrate the progress we have made in mitigating our environmental impact. We continually review and improve our operations, pushing the limits as we align to our Group's emission reduction targets.



## Climate Action

(Key SDGs 7, 11, 12 and 13)



Lafarge Africa Plc has made climate action a central part of its sustainability efforts in order to steadily create a more environmentally friendly and resilient future. Recognising the significant impact of energy consumption and carbon emissions on climate change, we have prioritised the adoption of sustainable practices and the development of innovative solutions. The goal is to minimise our climate impact while still meeting the growing demand for our products.

We have been deliberate in the strategies we have implemented to achieve our goals, from measures to reduce carbon emissions in our manufacturing processes, to ensuring alignment with global climate targets, to a focus on operational advancements and technological innovations to meet production demands while remaining cost-effective. Climate action is a key component of our strategy as we aim for a net-zero built environment.

In addressing our reliance on fossil fuel-powered generators, we have done a comprehensive solar energy study, yielding significant advancements in our power sourcing. We have successfully transitioned 90% of our depots' power supply from the national grid and automotive gas oil (AGO) or diesel generators to solar panels, resulting in a substantial reduction in carbon emissions and providing sustainable power to our offices and information technology facilities, exemplifying our unwavering commitment to environmentally responsible practices.

To further align with our sustainability objectives, Lafarge Africa is strategically pursuing an energy mix encompassing both natural gas-powered and solar-powered engines. Additionally, solar studies have been completed for our Head Office (500 kW) and Sagamu plant (1.30 megawatts) and initiated studies for our Ashaka plant in 2022.

We have attained significant milestones in decarbonising our energy consumption. Lafarge Africa has successfully reduced coal usage by 33% compared to 2021 (10% vs. 15% previous year), leading to a reduced carbon footprint and positive impact on local communities. Additionally, plans have been put in place to gradually reduce reliance

on natural gas at the Mfamosing plant, with reductions of 25% and 50% in the first and second phases respectively, contingent upon successful negotiations with gas providers.

We are also continuously exploring alternative fuel sources and have successfully incorporated mixed industrial waste, agricultural waste, tyre chips, and biomass as alternative fuels to power our kilns. By utilising these non-fossil fuel sources, the company reduces reliance on traditional energy sources and minimises associated environmental impacts.

Engaging with our communities is a crucial aspect of our climate action initiatives. We believe that education and awareness are powerful drivers of sustainable behaviours and practices and through these community engagement programmes, we promote the importance of energy conservation, waste management, and sustainable living, fostering a culture of environmental responsibility. We also actively seek collaborations with government agencies, non-governmental organisations (NGOs), and industry partners to share knowledge, best practices, and resources. By working together, we aim to collectively address the challenges of climate change and accelerate the transition to a low-carbon future.



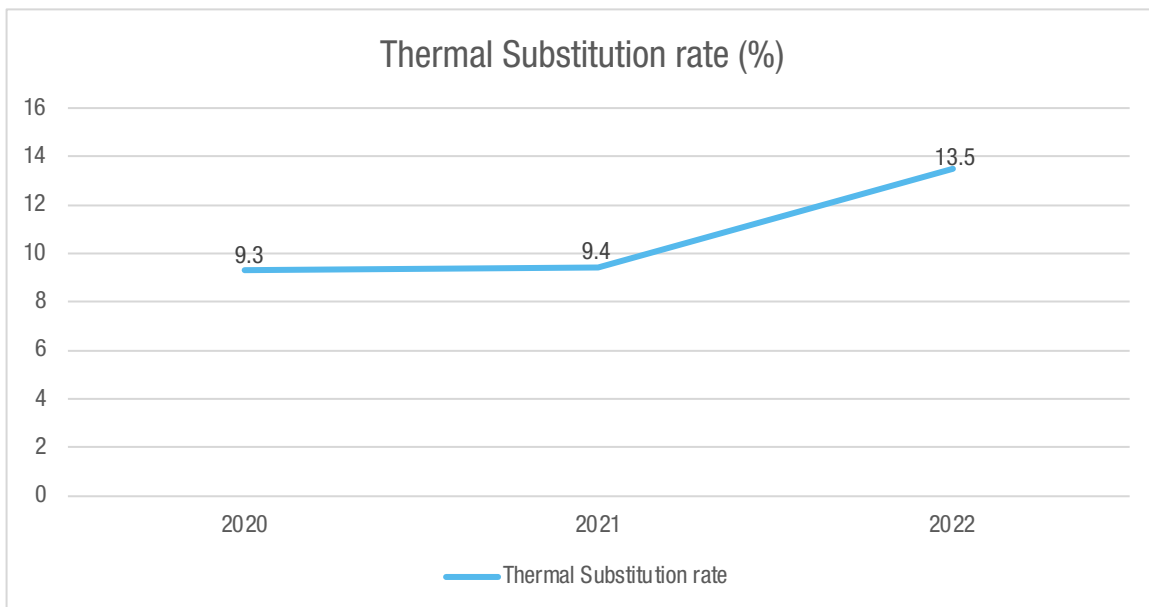


## Energy Consumption and Efficiency

We continuously look for opportunities to improve energy efficiency by implementing innovative technologies, optimising production processes, and investing in energy-efficient pieces of equipment. These efforts contribute to mitigating climate change, enhance operational efficiency and reduce costs.

In our energy-intensive industry with significant implications for the environment, health, and safety, we have a longstanding dedication to minimising the environmental impact of our operations using energy-efficient technology. At Lafarge Africa, we highly value the use of non-fossil fuels in our plants through the use of a combination of mixed industrial waste, agricultural waste, tyre chips, and biomass to power our kilns.

In 2022, our efforts resulted in a notable 44% improvement in our thermal substitution rate (TSR) compared to the previous year, achieving a global TSR of 13.50% in contrast to the 9.40% recorded in 2021. This increase in substitution rate was accomplished through various initiatives implemented throughout the year. New product development positioned us to reduce clinker use for cement manufacturing and we continue to focus on full saturation of our product portfolio that will further enhance the efforts to minimise energy consumption.

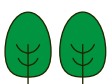


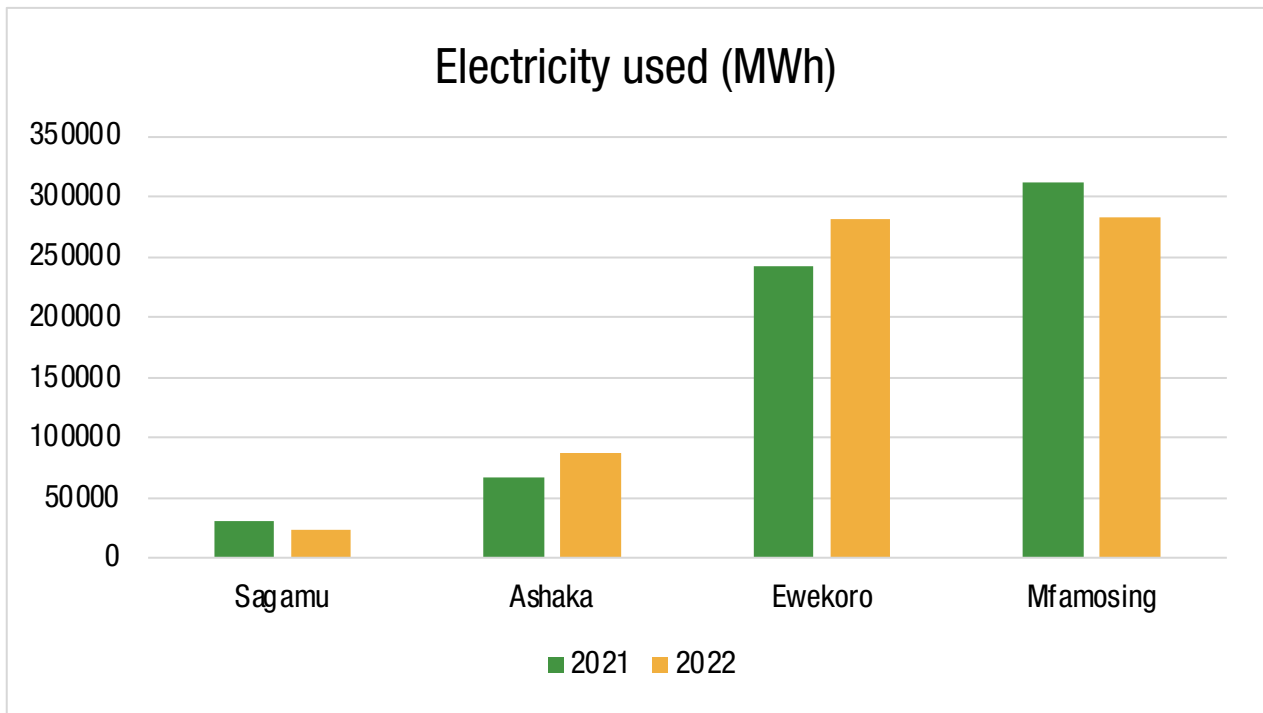
Thermal Substitution Rate

At our Ewekoro power plant, we collaborated with our Operations and Maintenance (O&M) team to optimise engine usage, reducing the number of engines operated simultaneously and maximising their effective utilisation. A similar approach will be employed at our Mfamosing plant with the introduction of a new Buzz Barr scheduled for 2023.

To minimise the reliance on outdated and inefficient diesel generators, we implemented a strategy to transition to 100% reliance on the public power grid at our Ashaka plant. With corrective measures in place, we achieved a remarkable 95% utilisation of the national grid, resulting in a stable and high-quality power supply.

Furthermore, at the Ashaka plant, we have optimised the use of solid fuel in combination with alternative fuel (Carbon Black), reducing the consumption of more expensive liquid fuel. In 2023, our commitment is to attain a solid fuel substitution rate of 92% while enhancing the use of improved alternative fuels. In 2022, due to our energy efficiency initiatives, we experienced a reduction in electricity consumption at both the Mfamosing and Sagamu plants.





Electricity Consumed (MWh)

To further enhance efficiency, Lafarge Africa has obtained management approval to sell excess power capacity to the national grid from our Ewekoro Power Plant, enabling more frequent engine operation and improved energy utilisation. We are committed to operational efficiency improvements and are working towards our Group Strategy 2025 - Accelerating Green Growth. We aim to achieve this by increasing capital expenditure (CAPEX) to enhance waste recovery systems and retrofitting plants with improved metering and monitoring systems to track emissions and energy consumption effectively.

We remain dedicated to advancing our sustainability goals by continuously improving our energy efficiency, reducing reliance on fossil fuels, and maximising the utilisation of alternative and more sustainable energy sources.





## Spotlight: One2Tree - A Carbon Compensation Programme

### One Trip, One Tree

One2Tree is a carbon compensation programme designed to enable all employees contribute to positive environmental footprints. The inspiration behind this intervention stems from the awareness of carbon emissions generated during air travel, often displayed on flight tickets. The programme aims to offset these emissions by implementing compensation interventions, thereby making the planet safer.

The programme currently targets employees who undertake official flights, both domestically and internationally, during the pilot phase. In the advanced phase, employees who take personal flights will also be encouraged to participate and contribute to compensating for their carbon footprint.

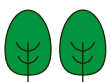
Naming the programme One2Tree, emphasises the correlation between one trip and the planting of one tree. The name derives from combining the first letters of "trip" and "tree" (TR) and adding an additional "ee" to create an outcome that sounds like "123," representing simplicity and ease of engagement.

One2Tree aligns with three of our four Sustainability Pillars: Climate and Energy, Nature, and People. Furthermore, it is in line with the net zero ambitions pledged by Holcim, emphasising the commitment to reducing carbon emissions. Looking ahead to 2030, this intervention aligns with five of the 17 sustainable development goals: SDG 3 (Good health and Well-being), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), SDG 15 (Life on Land), and SDG 17 (Partnership for the Goals).

The programme offers a credible and inclusive way for employees, regardless of their function, to actively participate in "Building Progress for People and the Planet." By making individual contributions, employees support the overall purpose of the organisation while fostering a sense of responsibility for nature. One2Tree not only encourages engagement with sustainability goals but also empowers employees to make a tangible difference and play an active role in creating a more sustainable future.



Head of Talent, Holcim MEA & HR and O&HR Director planting a tree to compensate for their trip





# Building New from the Old



Lafarge Africa champions a reuse and recycle approach in operations, focusing on waste optimisation and circular economy as key sustainability principles. Through our Geocycle function, we incorporate effective waste management practices in our production activities to fully maximise resource utilisation and promote use of recycled materials which offers our business and the environment an advantage.

## Resource Efficiency and Waste Management

(SDGs 8,9,12,15)

With our dedication to creating more sustainable building solutions, we strive to make use of the limited natural resources in a sustainable manner while minimising negative impacts on the environment. In order to achieve this, we continue to identify innovative ways to transition to a zero-waste future and develop environmentally friendly solutions.

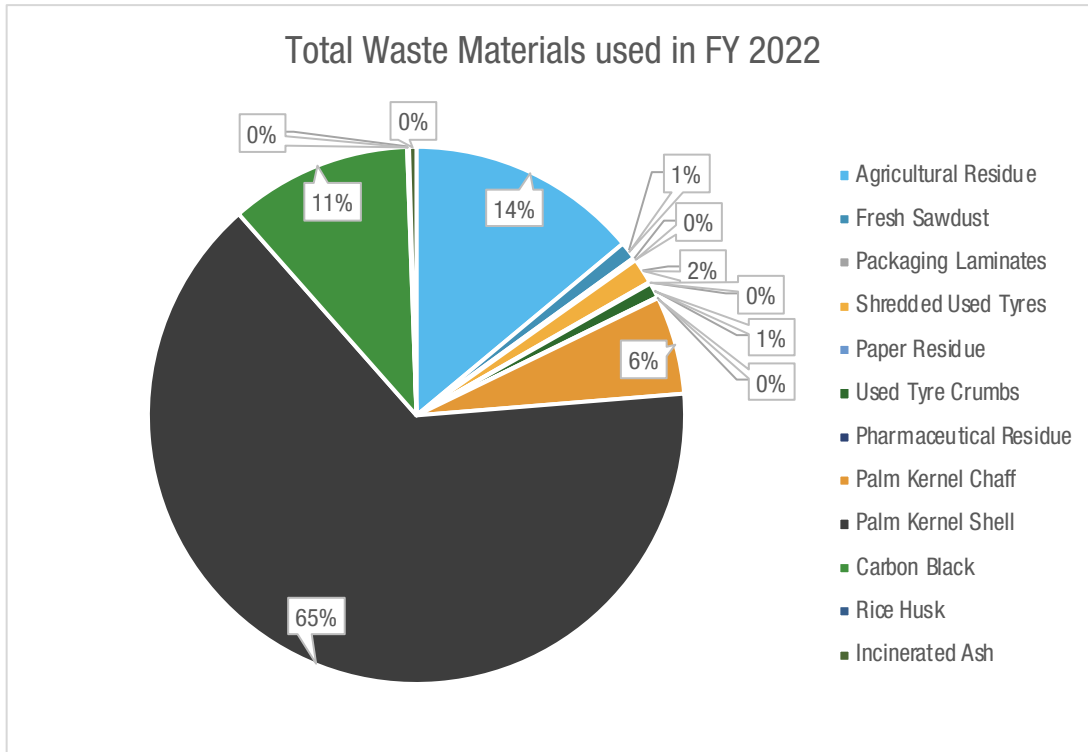
With the co-processing procedures carried out in our cement kilns, waste that would have been disposed have been given a new purpose – to serve as an effective source of alternative energy. We have garnered interest from various stakeholders, and sourced alternative fuel and raw materials through our growing private and public sector partnerships with notable companies in market segments such as Oil & Gas, FMCGs, Pharmaceuticals, Tyre & Pyrolysis as well as several Small & Medium Enterprises (SMEs) in our local communities.

Our waste treatment and co-processing facility at Ewekoro in Ogun State successfully co-processed various solid waste (biomass, tyre derivatives & other industrial waste) into a homogenous mix for complete destruction in the cement kiln, leaving no residue.

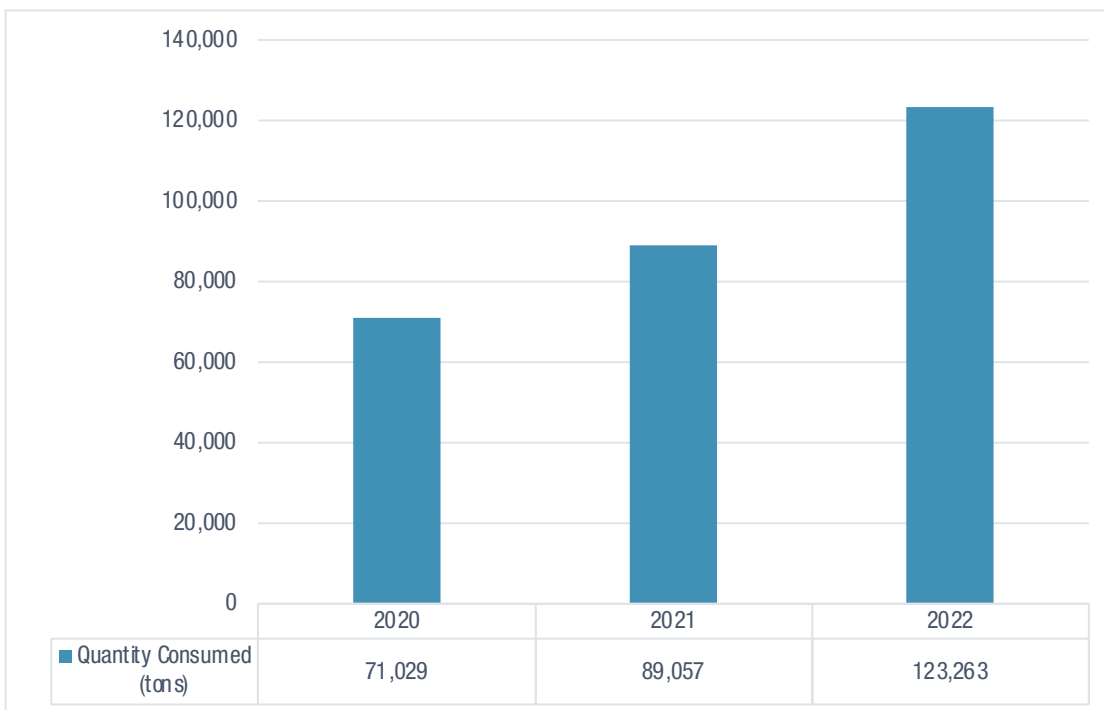


Recovered Waste



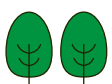


Total Waste Materials Used in 2022



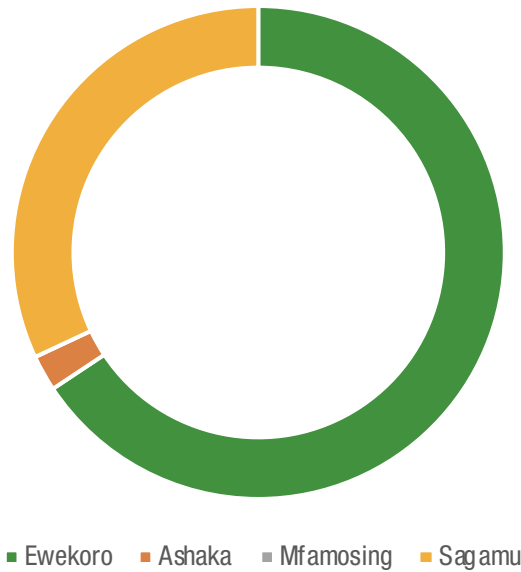
Quantity of waste consumed in 2022

In 2022, we used 123,263 tonnes of waste to serve as alternative fuel and raw material sources, showing a 38.40% increase in the amount used from 2021. (A) During the year, 13.50% of energy requirement for our cement kilns was derived from waste materials and 350.82 tonnes of waste were diverted from disposal and recycled at all our plant sites.





### Source of waste recycled in 2022 (in tonnes)



Source of Waste Recycled in 2022

As part of Geocycle's stakeholder engagement sessions, we showcased best practices in industrial waste management to various stakeholder groups – such as the Ogun State Government, to grow potential collaboration opportunities in waste management service delivery. Our relationships with our host communities have also contributed significantly to the success of our endeavours, as they provide biomass waste thus sustaining over 4,000 job opportunities locally.

Additionally, we are actively engaged in recycling efforts to further reduce our environmental footprint. In 2022, we successfully recycled tonnes of hazardous waste, contributing to a more sustainable circular economy. The table below shows the type of waste by amount recovered and disposed in 2022 in comparison to 2021 figures.

	2020	2021	2022
Non-hazardous waste recovered (T)	11.60	10.00	15.05
Non-hazardous waste disposed (T)	2117.95	2547.73	2592.90
Hazardous waste recovered (T)	15.56	10.20	328.69
Hazardous waste disposed (T)	0.67	58.70	37.59

Type of Waste by Amount Recovered and Disposed in 2022







## PET Bottles Collection Unit



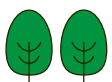
We have a waste PET bottle recycling initiative in which we pre-process and co-process waste pet bottles in our plant. The pre-processing involves the collection, sorting and shredding of the bottles, while the co-processing activities involve blending of the shredded waste pet bottles with other alternative fuel materials, transport and injection into kiln operation for heat generation. In 2022, this initiative facilitated a reduction in plastic pollution by eradicating about 730,000 pieces of waste PET bottles from Ewekoro plant facility. It also served as a means for us to reduce our waste evacuation cost.



## PET Bottle Shredding Machine

In the coming years, we plan to achieve the following via this initiative:

- Incorporate co-processing of other waste within the system.
- Implementation of Zero waste initiative across location





# Replenishing Ecosystems



Biodiversity conservation and environmental sustainability undergird the commitment at Lafarge Africa Plc to replenish ecosystems. We are conscious of our role as responsible stewards of the environment, and transcend the conventional boundaries of cement manufacturing, infusing our operations with a resolute dedication to sustainable development principles.



We weave innovation, research, cutting-edge technologies and forward-thinking methodologies into our pursuit of excellence in environmental stewardship, redefining the boundaries of sustainability. We recognise the shared responsibility to leave a lasting positive impact, fostering close collaborations with local communities and stakeholders to establish green corridors, restore fragile ecosystems, and create sanctuaries for sustainable growth.



## Air Emissions

Key (SDGs 3, 7, 9, 11, 13, 15, 17)

Lafarge Africa has implemented a robust framework of stringent controls and cutting-edge monitoring systems to curtail the generation of dust throughout its cement manufacturing operations. The company has made substantial investments in advanced technologies and state-of-the-art equipment, meticulously designed to capture and effectively control dust particles. This ensures Lafarge Africa complies with stringent environmental regulations while diligently mitigating potential health hazards and environmental risks.

To maintain our commitment to environmental excellence, we conducted comprehensive emission monitoring campaigns in order to ensure compliance to regulatory requirements and to ensure effective operating system monitoring. This focuses on our point source emission for particulate matter and toxic gases and our water discharge quality.

We also conduct comprehensive environmental audits that cover a wide range of topics in accordance with regulatory requirements. The findings of these audits are reported to the National Environmental Standards and Regulations Enforcement Agency (NESREA). Our thorough studies includes ambient particulate matter, ambient toxic gases, and heavy metals pollution, noise and vibration impacts, water discharge analysis and stakeholders' opinion sampling on impact of our operations.

Kilns and cement mills stand as significant sources of dust emissions within Lafarge Africa's operations, alongside the potential for fugitive dust emissions originating from Dust Control Equipment (DCEs) within our plants. Recognising the profound impact of dust emissions, the company prioritises their reduction through regular and diligent maintenance of dust control equipment.





Furthermore, we ensure prompt response to failures and uphold preventive maintenance by maintaining minimum stock reorder levels for dust control equipment spare parts. By strategically installing dust control equipment throughout our production lines, we effectively minimise the overall impact of dust emissions. Furthermore, the implementation of real-time online monitoring systems within our plants empowers us to promptly measure and monitor dust emissions, enabling swift intervention and effective control measures.

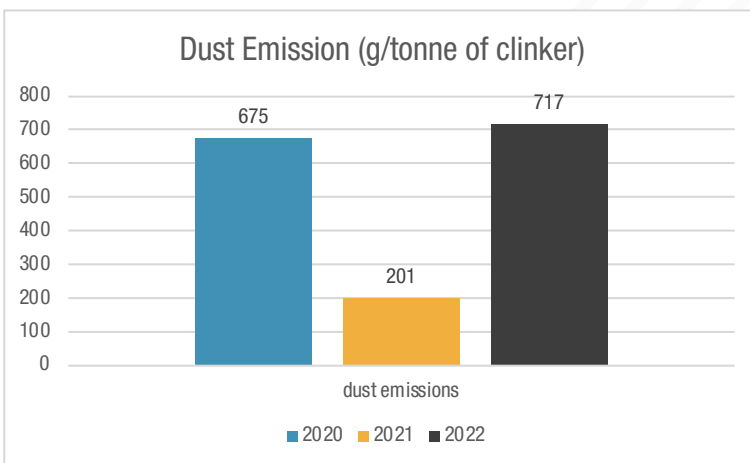
In a significant milestone for Lafarge, the year 2022 witnessed the commissioning of state-of-the-art continuous emission monitoring (CEM) gas analysers at two of our esteemed plants: Ewekoro and Ashaka. This remarkable achievement underscores Lafarge's unwavering dedication to environmental stewardship and steadfast adherence to stringent air quality regulations. By integrating continuous emission monitoring (CEM) gas analysers at these plants, Lafarge gains the capability to continuously monitor and analyse the concentration of gases emitted from the stacks in real-time.

This advanced technology empowers us to measure and evaluate key parameters including oxygen levels, carbon dioxide, carbon monoxide, nitrogen oxides, sulphur dioxide, and VOCS (volatile organic compounds). By closely scrutinising these gas components, Lafarge proactively identifies any deviations or anomalies that may indicate inefficiencies or potential environmental concerns within the combustion processes.

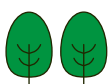
Overall, the commissioning of CEM gas analysers at the Ewekoro and Ashaka plants represents a remarkable leap forward for Lafarge in terms of bolstering environmental monitoring, reducing emissions, and driving sustainable operations.



In 2022, Lafarge Africa recorded a specific dust emission rate of 717.48 g/tonne of clinker produced which is a significant increase from our 2021 emissions. This was as a result of obsolete dust abatement equipment at our Sagamu Plant, therefore we promptly suspended operations and developed a workplan to reduce emissions below the predetermined limits and in adherence to the regulators' directive.



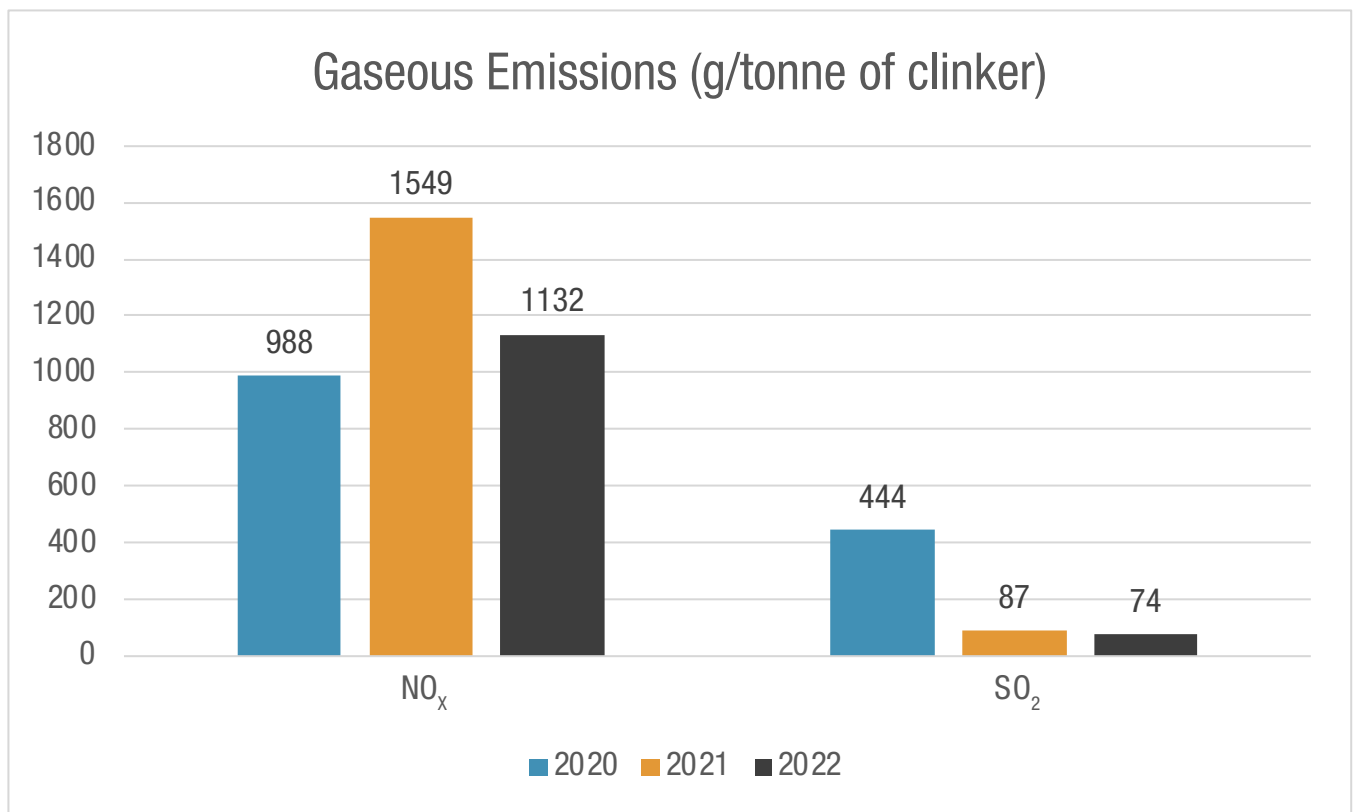
Specific Dust Emission (G/tonne of Cementitious material)





Lafarge Africa maintains an unwavering commitment to effectively manage and meticulously monitor various types of air emissions, aligning with our rigorous internal standards and local regulations. Our dedication to reducing nitrogen oxides ( $\text{NO}_x$ ), sulphur dioxide ( $\text{SO}_2$ ), and other emissions is steadfast, as we actively embrace innovative technologies and optimise our production processes.

Through the conscientious utilisation of low-sulphur fuels and the implementation of cutting-edge emission control systems, we proactively address  $\text{NO}_x$ ,  $\text{SO}_2$ , and other emissions. These systems are continuously monitored and reviewed, ensuring our compliance with stringent standards and regulations. We remain resolute in our pursuit of excellence, consistently exploring opportunities for further enhancement in our emissions performance.

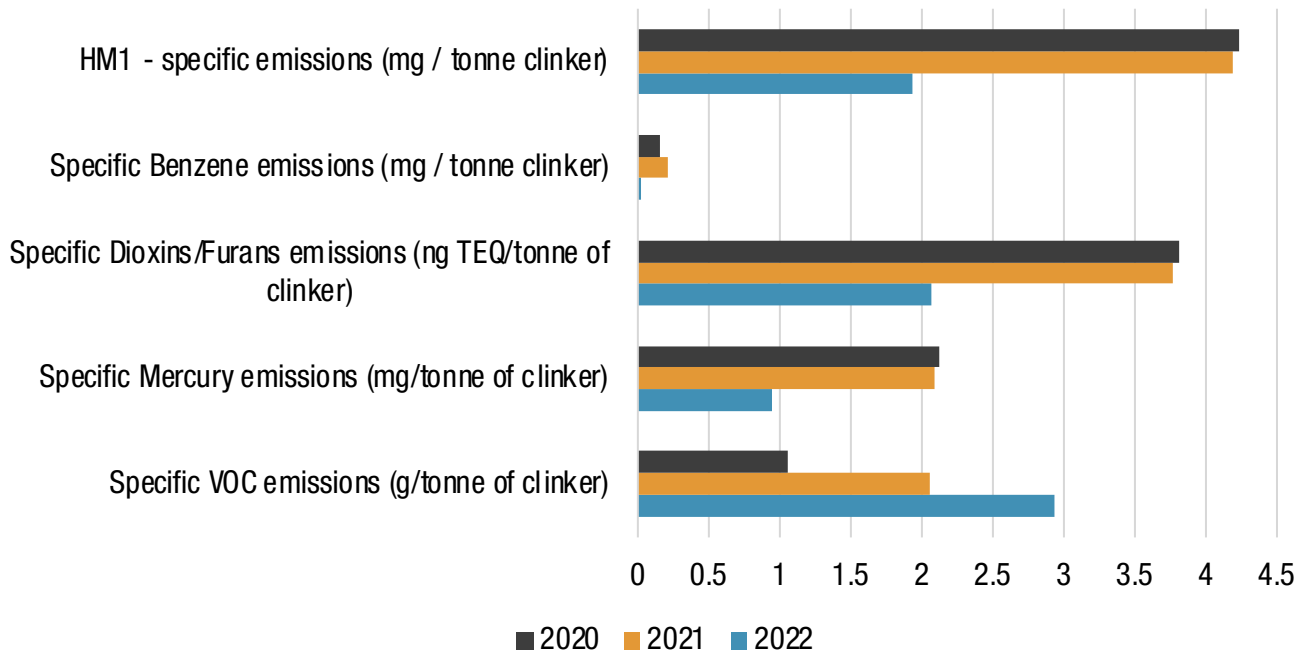


Gaseous emissions





## Persistent Pollutant Emissions

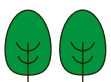


Gaseous emissions

All persistent pollutants are periodically measured and below the regulatory limit.

Data review

SO<sub>2</sub> emissions decreased by 15%  
NO<sub>x</sub> emissions decreased by 27%





## Water and Effluents

(SDGs 6, 9, 12,14, 15)

Lafarge Africa Plc is deeply committed to mitigating any adverse effects of our quarry and plant operations on water quality within our host communities, aligning with Holcim's rigorous environmental targets.

We have implemented highly efficient water use practices in our cement manufacturing process, eliminating the need for reliance on fresh water sources. For instance, we have established an artificial lake designed to capture rainwater at our Mfaamosing quarry, which will be implemented in other location in the coming years. This valuable water resource is utilised within a closed-circuit system, meticulously calibrated to meet our precise requirements.

In strict compliance with regulatory mandates, we subject effluents to thorough treatment in chlorine tanks at selected plant locations within our sewage treatment plants and conduct comprehensive sampling and analysis of run-offs and effluent water through the use of government-accredited third-party consultants. This sampling analysis encompasses critical parameters such as Chemical Oxygen Demand (COD) and other physicochemical factors, allowing for meticulous monitoring and proactive mitigation.

Effluent water discharges are also monitored in line with group and regulatory requirements by government accredited consultants and results communicated to the regulatory agencies for all our plants and quarries.

To address any potential water leaks, we have implemented robust emergency response procedures that undergo periodic testing to ensure their effectiveness. Our commitment to water conservation is further amplified through the installation of awareness signage and comprehensive training initiatives throughout our nationwide operations. Regular inspections along the waterlines are conducted to promptly detect and address any potential leakages, with our dedicated utility team assigned to swiftly resolve such issues.



Year	Internally recycled water
2021	446,507 litres
2022	548,331 litres

Volume of Water Consumed in 2022





We have implemented several management initiatives to address water conservation, including:

- Ongoing awareness campaigns and training programmes on water conservation conducted nationwide.
- Regular checks and inspections along water lines to detect and address any leakages, performed by our dedicated utility team.
- Implementation of an emergency response procedure to effectively manage water leaks, which undergoes periodic testing to ensure its effectiveness.
- Installation of water flow meters to monitor and track water usage accurately.
- Integration of water consumption, withdrawal, and discharge data into our SAP (Systems, Applications, and Products) system for effective monitoring and management.



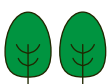
Ewekoro water recycling installations.

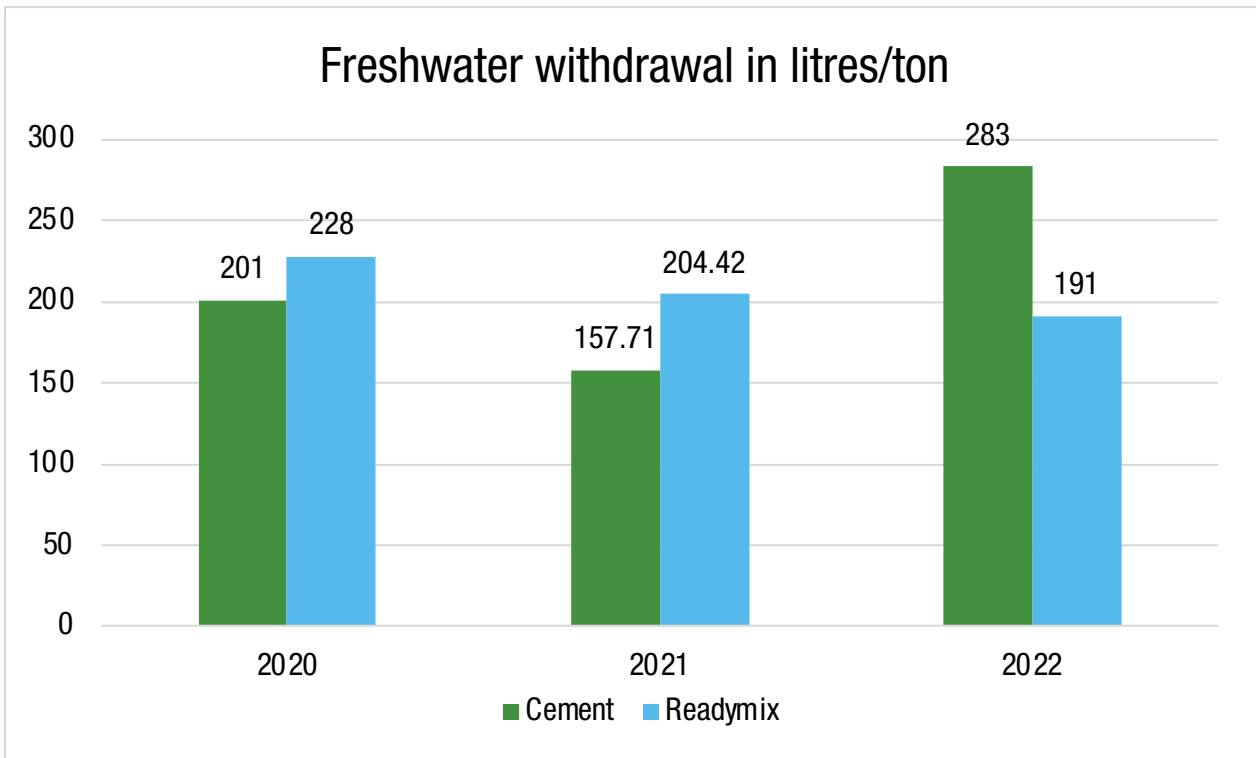
In terms of specific freshwater withdrawal,

in 2022 we recorded a rate of

➤ **283 litres/ton of cement produced and 191 litres/ton for Readymix,** slightly higher than the 157.71 litres/ton and 204.42 litres/ton of cement and Readymix respectively in 2021.

This increase was mainly due to a fault at the Mfamosing plant where a crack was observed in the water collation pit. The chart below shows a trend of our freshwater withdrawal rates since 2020.





Freshwater Withdrawal Rates for Cement and Readymix Since 2020



### Spotlight: Water, Sanitation, and Hygiene (WASH) for employees, contractors, and the community

At our company, we prioritise the well-being of our employees, contractors, and host communities. Our WASH initiatives demonstrate our commitment to sustainable practices and community development. Here is an overview of our efforts.



#### Water Provision for Employees and Contractors

- We ensure access to potable drinking water through water dispensers, bottles, and sachets across offices, canteens, workstations, and other buildings within our plants.
- Regular cleaning of water dispenser bottles is conducted following suppliers' recommendations.
- Clean and treated water is provided for sanitation and domestic purposes, with quarterly tests to monitor raw water quality.



#### Sanitation Facilities and Hygiene

- Adequate toilets and urinals are available in office buildings and workstations.
- Dedicated cleaners maintain the cleanliness of the toilets.
- Sanitation and hygiene materials, signage, promoting handwashing behaviour and toilet use etiquette, are posted near the facilities.
- Handwashing is facilitated with the provision of liquid soap and hand dryers.







### Employee Health and Care

- All employees have access to free healthcare, and we operate a 24-hour clinic within the plant premises to address emergencies.
- Comprehensive medical examinations are conducted for employees on a biennial basis.



### Contributions to Host Communities

- We install boreholes in host communities, providing potable water for domestic and sanitation purposes.
- Healthcare facilities are constructed for the benefit of host communities, with some locations offering free healthcare services in our plant clinics.
- We conduct hygiene awareness sessions in schools, educating students on good sanitation practices such as waste segregation and proper disposal.

These initiatives exemplify our dedication to promoting sustainable water management, sanitation, and hygiene practices both within our organisation and in the communities we serve. By prioritising WASH, we strive to improve the well-being of our stakeholders and contribute to a healthier and more sustainable future.

## Biodiversity & Quarry Rehabilitation

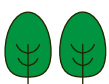
(SDGs 1,2,3,8,9,12,14,15)

At Lafarge, we acknowledge our duty to preserve biodiversity and undertake quarry rehabilitation as fundamental aspects of our operations within our quarry sites. Adhering to Holcim’s Environmental Policy, we have instituted a comprehensive Quarry Rehabilitation and Biodiversity Directive to govern our activities in these crucial areas. Our commitment is exemplified in biodiversity surveys, which serve as the basis for developing biodiversity Management Plans across all our quarry sites, and also to serve as a guide for our Biodiversity indicators reporting system (BIRS) study in the coming year.

Integrating quarry rehabilitation into our annual extraction and mining plans is paramount, ensuring that we prioritise the restoration of previously mined areas. We carry out annual implementation of quarry rehabilitation plan progressively in line with our mining plan and also ensure financial provisions.

To ensure adherence and transparency, we undergo regular statutory environmental audits and joint inspections conducted by relevant stakeholders from the Ministry of Mines and Ministry of Environment.

These inspections, alongside quarterly measurements and monitoring conducted by accredited consultants appointed by the government, contribute to our meticulous statutory compliance reports submitted to state and federal regulators. These reports are shared with both state and federal regulators, demonstrating our commitment to transparency and accountability in our sustainability initiatives.





Aligned with our steadfast dedication to environmental protection and rehabilitation, we have formulated an approved EPRP Environmental protection and rehabilitation plan as required by the Ministry of Mines and Steel Development. This plan delineates the specific actions and steps we undertake for the comprehensive rehabilitation of our mined areas. Implemented across all our plants, our rehabilitation programmes foster favourable microclimatic conditions, mitigate soil erosion and runoff, and make meaningful contributions to the preservation of biodiversity.



Dumpsite



Artificial Wetland

Transformation of Maiganga Coal Mine Dumpsite to Artificial Wetland

Lafarge Africa Plc remains resolute in our commitment to responsible quarry operations, where biodiversity conservation and effective rehabilitation strategies are at the forefront. Through robust systems, stringent compliance measures, and collaborative efforts with government agencies, we strive to create a positive impact on the ecosystems surrounding our quarry sites.

In 2022, about 25 hectares of quarry land was rehabilitated with over 10,700 young indigenous trees planted across the country as part of our commitment to land restoration and reduction in our carbon footprints.



Sagamu & Ewekoro Quarry Rehabilitation Area

We firmly recognise the critical importance of preserving biodiversity and ensuring responsible quarry rehabilitation as indispensable facets of our comprehensive sustainability efforts. Our steadfast commitment entails minimising the impact of our operations on the ecosystems surrounding our quarries while actively contributing to the restoration and conservation of biodiversity in the regions where we operate.





## Environmental Compliance

(SDGs 6, 7, 12, 13, 14, 15, 17)

Lafarge Africa Plc has implemented robust systems and processes to ensure strict adherence to environmental compliance across all operations. Our environmental policy guides sustainable practices, resource conservation, pollution control, and quarry rehabilitation and restoration. To further conserve natural resources and promote sustainability, we collaborate with other businesses, utilising their by-products such as synthetic gypsum as additives in our raw materials.

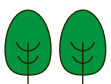
In line with our commitment to environmental compliance, regular environmental audits are conducted every three years for all our plants and quarries. Expansion projects undergo thorough Environmental Management Plan (EMP) development and approval from the appropriate ministry. **We obtained twelve (12) approved Environmental and Social Impact Assessments (ESIAs) from the Federal Ministry of Environment for all our sites prior to commencing operations. LAP received certification for our Environmental Management System ISO 14001:2015 across all our cement plants, as evidenced by the audit(s) conducted in the year 2022.** (A)

Significantly, in 2022, no fines were imposed for environmental non-compliance, underscoring our steadfast commitment to upholding high environmental standards. Our comprehensive audit encompasses a wide array of elements, including plant design, air quality analysis, noise and vibration measurements, soil and vegetation surveys, plant maintenance and waste analysis, water and wastewater quality assessments, as well as socio-economic and occupational health and safety surveys. The findings of the audit inform actionable recommendations and subsequent follow-up measures to ensure continuous improvement.

At our Sagamu facility, an incident concerning high dust emissions occurred, leading to the issuance of a warning letter by regulatory authorities to Lafarge. In response, we promptly devised a comprehensive work plan designed to reduce emissions below the predetermined limits and in adherence to the regulators' directive, we promptly ceased plant operations. Subsequently, we submitted the detailed work plan to the authorities, who granted permission to resume plant operations upon implementation of the proposed measures and provision of regular updates to the regulators on the progress achieved.

To effectively address the emission issue, one of the measures undertaken was the reduction of the plant's operational duration. This adjustment was made as part of our concerted efforts to minimise emissions and ensure strict compliance with the prescribed limits.

We uphold a proactive approach to environmental management, consistently surpassing regulatory requirements and proactively monitoring our operations, ensuring transparency and sharing the results with regulatory bodies. Our unwavering commitment to environmental compliance stems from our broader vision of sustainable practices that extend beyond mere regulatory obligations.





## Packaging

(SDG 7,12)

We understand the significance of responsible packaging in our sustainability endeavours at Lafarge Africa Plc. The role of packaging in our building solutions is vital, ensuring the secure and efficient delivery of our products to customers while minimising environmental impact.

As part of Lafarge Africa Plc's ongoing commitment to excellence and innovation in the manufacturing industry, the company has inaugurated a state-of-the-art cement bag manufacturing plant at its cement plant in Ewekoro, Ogun State. This strategic move reinforces Lafarge's position as a leading provider of innovative and sustainable building solutions. Embracing a vertical integration approach, we achieved cost savings through economies of scale, control the quality and sustainability of our product packaging.

With a monthly production capacity of 8.80 million bags and an annual output target of 105 million bags, we plan and execute every stage of the manufacturing process, from sourcing raw materials to delivering finished products. In line with our climate-responsible approach, we have implemented measures to reduce CO<sub>2</sub> emissions throughout our bag manufacturing and distribution process. We are also committed to addressing environmental concerns by implementing bag recycling initiatives and promoting a circular economy model. We strive to reduce waste and optimise resource usage while upholding the highest standards of quality and customer satisfaction.

Through these initiatives, Lafarge Africa Plc demonstrates its commitment to responsible packaging, ensuring that our products are delivered efficiently and sustainably while maintaining the highest standards of quality and customer satisfaction.





## Green Building Materials

(SDGs 7, 9, 11, 12, 13, 17)

Lafarge Africa Plc is committed to sustainability in building solutions, and a key focus area is the development of green building materials through product innovation. We recognise the significant impact that traditional construction materials have on the environment, including high carbon emissions, depletion of natural resources, and waste generation. To address these challenges, we have taken proactive steps to introduce innovative and eco-friendly building materials.

Our product innovation efforts revolve around creating sustainable alternatives to traditional construction materials without compromising on performance and quality. We invest in research and development to identify and leverage new technologies, materials, and manufacturing processes that reduce the environmental footprint of our products. This commitment aligns with global sustainability goals and supports the transition towards a low-carbon and resource-efficient built environment.

One of our significant achievements in green building materials is the development of alternative cementitious materials. We have successfully introduced blended cement that incorporate supplementary cementitious materials such as pozzolana. This is a product used to reduce the demand for clinker, a major contributor to carbon emissions but also enhance the durability and performance of our concrete products.

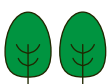
Conventional cement is composed of **80%** limestone and **20%** clay, which are combined to form clinker, an ingredient that emits up to **60%**  $\text{FCO}_2$ . To reduce pollution, this new process replaces clinker with fly ash from coal-fired power plants and other recycled construction materials, utilising materials readily available from the construction and power generation industries that would otherwise be disposed of.



**In 2022, Lafarge Africa won the Eco-Friendly Cement Manufacturing Company of the Year - ECOSEA Awards**

Additionally, Lafarge's dedication to innovation and continuous improvement is demonstrated through its research and development laboratory and equipment. This commitment ensures ongoing efforts to enhance sustainability and align with evolving technologies and industry practices. In 2022, we launched two new mortar products, TectorPlast I (ready-to-use plastering mortar) and TectorPlast II (waterproof mortar ready to use), expanding our range to cover floor screed, floor tiling, wall screed, and wall tiling. Our wall-tiling products can support heavy tiles, including marble tiles.

To promote the adoption of green building materials, we actively engage with architects, engineers, contractors, and other stakeholders in the construction industry. We provide technical support, share best practices, and collaborate on projects that showcase the benefits and viability of sustainable building materials. Through these collaborations, we aim to drive market acceptance and create a positive impact on the built environment.





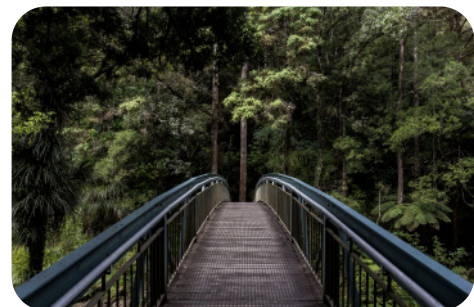
## Spotlight: ECOPact - Advancing Sustainable Construction with Lower Carbon Emissions

Lafarge Africa's ECOPact is a ground-breaking solution in the construction industry, offering products that significantly reduce carbon emissions compared to traditional Portland cement. Integrating fly ash and other upcycled construction materials, Lafarge is able to lower its carbon footprint while making use of readily available materials that would have otherwise been discarded.

Furthermore, Lafarge utilises its co-located Geocycle business to obtain relevant recycled materials. Through Geocycle, Lafarge co-processes over 100,000 tonnes of waste annually from various sectors, including industry, municipalities, agriculture, and waste management companies. This integration of recycled materials not only reduces waste but also promotes a circular economy within the construction industry.

ECOPact's introduction aligns with Lafarge's commitment to creating a sustainable and circular construction ecosystem. By offering products with significantly lower carbon emissions, Lafarge supports the industry's transition towards net-zero goals. ECOPact's usage contributes to achieving higher ratings under Level 3 and beyond, showcasing its role in advancing sustainable construction practices.

Lafarge's ECOPact represents a significant step forward in sustainable construction. By prioritising the reduction, reuse, and recycling of materials, Lafarge contributes to closing the gap in a circular economy. The integration of upcycling and recycling initiatives within Lafarge's operations highlights the company's commitment to environmentally responsible practices and its dedication to a greener future.





# Co-Creating with Our People

The construction materials industry recognises the paramount importance of people and their well-being as a central aspect of sustainable development. As a responsible industry leader, Lafarge Africa Plc places great significance on understanding and addressing the impacts of its operations on communities, employees, and stakeholders.

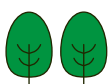
Recognising that our activities can have wide-ranging effects on people, we strive to prioritise their safety, health, and overall quality of life. This commitment is reflected in our comprehensive health and safety programmes, employee welfare initiatives, community engagement efforts, and continuous dialogue with stakeholders. By fostering a culture of inclusivity, respect, and empowerment, we aim to collaborate with our people effectively in shaping a greener future.



Our direct workforce of **1,387 employees**, alongside all **6,786 sub-contractor and third-party employees** all collaborate in providing quality services and products as well as bringing our organisational goals to life. The data on number of contract staff is collated through a monthly contractor report at each operation site and reported centrally. Our contract staff are responsible for carrying out tasks that cut across the Technical, Administrative and Logistics arms of the business.



We maintained our diligence to establishing interventions that further the sustained resilience of our people and local communities in 2022, and in doing so, strengthened trust and deepened our relationships.





## Health, Safety & Environment

(SDGs 3, 11)

At Lafarge Africa Plc, Health, Safety & Environment are fundamental pillars of our sustainability commitments. We firmly believe that every employee has the right to work in a safe and healthy environment. As such, we have implemented rigorous health, safety and environment management systems that comply with international standards and local regulations.

Our comprehensive programmes prioritise risk assessment, hazard identification, and the implementation of preventive measures to minimise occupational hazards and ensure the well-being of our workforce. Through regular training, awareness campaigns, and continuous improvement initiatives, we foster a culture of safety throughout our organisation. We actively engage with employees, contractors, and stakeholders to promote a shared responsibility for health and safety, encouraging open communication and the reporting of near misses and incidents. Our ultimate goal is to achieve zero harm, safeguarding the physical and mental well-being of our employees and creating a safe working environment where everyone can thrive.

Our leadership team and Health, Safety and Environment committees play a vital role in ensuring the creation and maintenance of optimal working environments that adhere to our stringent safety requirements. To minimise risk vulnerabilities, we employ a systematic approach that includes regular and thorough assessments, implementation of action points, and a relentless pursuit of continuous improvement. By proactively identifying potential hazards and taking swift and appropriate actions, we prioritise the well-being of our employees and stakeholders, striving to provide them with the safest possible work environment. Our unwavering dedication to health and safety reflects our unwavering commitment to the protection of our workforce and the communities in which we operate.

We continue to observe improvements in HSE integration in terms of total incidents and injuries, year-on-year. In 2022, we recorded the following for all our employees:

**Number of First Aid injuries:**

**13**

**Number of Fatalities:**

**00**

**Number of Reportable injuries:**

**04**

**Number of Loss days:**

**04**

**A**







### Breakdown of HSE Incidents During the Year

Category	Reportable Injuries	Non-Reportable Injuries	High-Consequence work-related injury	Fatalities
Employees	1	0	0	0
Contractors	3	0	0	0

To ensure effective communication on health, safety, and environment (HSE) matters, we employ various channels such as toolbox talks, social media platforms, emails, and town hall meetings. Using these avenues, we facilitate seamless communication with our employees and other stakeholders, promoting a shared commitment to HSE excellence.

We implemented a comprehensive daily Drivers Performance Monitoring system using our state-of-the-art In-Vehicle Monitoring System (IVMS) installed in all Lafarge Africa dedicated trucks. This advanced technology enables us to closely supervise and evaluate our drivers' performance, including monitoring their Hours of Service to mitigate the risks of driver fatigue and overexertion. Monitoring and reviewing driver performance on a daily basis, we prioritise the welfare of our drivers and uphold our commitment to fostering a safe and secure working environment.

To empower our workforce, we have implemented a policy that empowers all workers to stop any unsafe work. We firmly believe that no task is worth risking injury, and we encourage employees to always prioritise their well-being.

In line with this principle, we have established diverse reporting platforms that enable prompt incident reporting and identification of hazards.

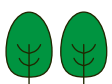
Our iCare H&S portal, Unsafe Condition form, and the Boots-On-Ground mobile app provide accessible channels for reporting and enhancing incident response time. By encouraging active reporting and hazard spotting, we strive to create a proactive safety culture where potential risks are identified and addressed swiftly.



Through these comprehensive measures and robust communication channels, Lafarge Africa Plc remains committed to maintaining the highest standards of health, safety & environment, fostering a safe working environment for all our employees and stakeholders.

We ensure the overall well-being of our employees by giving access to free health care via health insurance (HMO) and our on-site 24hrs emergency health centres, Group life insurance, annual task-based medicals, biannual comprehensive medical examinations as well as mental health support services, all of which are done with utmost confidentiality and care. We also apply collective bargaining agreements as it relates to health and safety topics.

Finally, we continued to drive all our Road Safety initiatives through drivers' training and coaching program, effective monitoring and management of drivers' performance and reward, recognition and consequence management system.





## Environment

LAP complies with stringent emissions monitoring requirements of Nigeria and Holcim group standards; we manage our environmental impacts by working in close contacts with government and regulatory agencies like NESREA, Ministry of Environment and Ministry of mines. We comply with schedules of statutory emissions monitoring and reporting and follow guidelines on mitigation and management of impacts.

We have relevant permits and licenses to operate, we are subject to quarterly and annual compliance monitoring measurement/audits by relevant regulators, and we work with them to implement corrective actions when required. We operate a closed-circuit dry process system, drive aggressive waste prevention and minimization and recycling. And our activities are regularly monitored, and report submitted to regulatory authorities.

We remain committed to continuous improvement, respect for people, stakeholders and communities where we operate, as well as compliance with statutory regulations and standards.





## Talent Attraction, Development and Retention

SDGs (8,11,17)

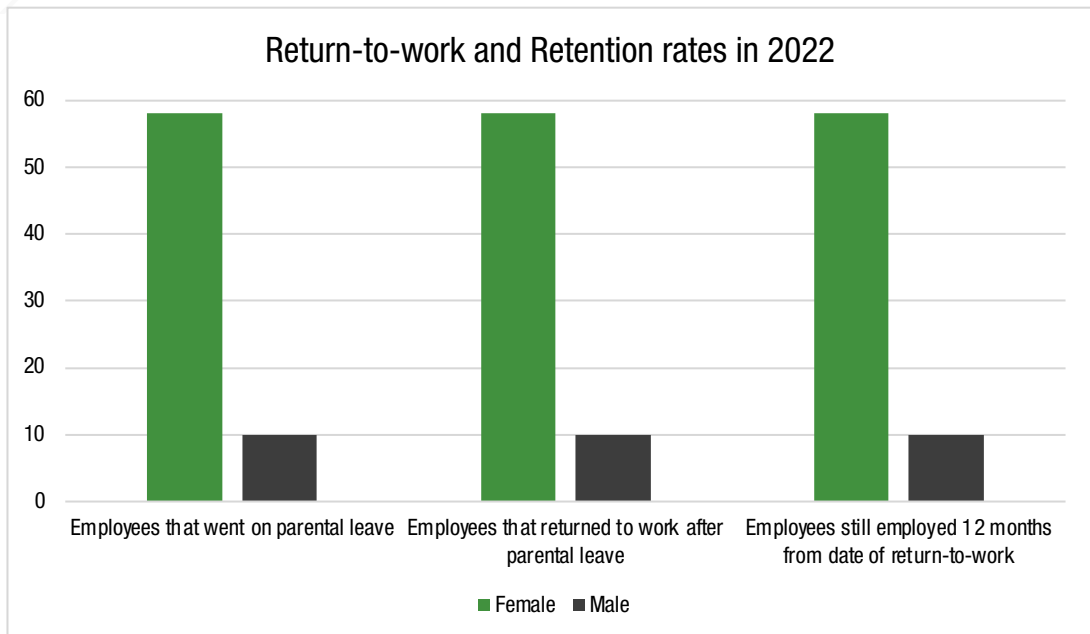
Our achievements and ongoing success at Lafarge are the direct result of the invaluable efforts and contributions made by our dedicated employees. As a responsible and people-centred organisation, we prioritise the well-being and development of our workforce, fostering a supportive work environment that promotes health, flexibility, and career progression while maintaining a healthy work-life balance.

We understand the importance of adaptability in a rapidly changing world and have embraced technology to minimise work-related disruptions while providing flexible working arrangements. In line with our commitment to employee welfare, we offer a comprehensive range of benefits and support services. These include disability and invalidity coverage, pension plans, group life insurance, and medical insurance that encompass emergency care as well as primary to tertiary health services. We also prioritise mental health support services, recognising the significance of holistic well-being.

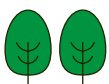
To further empower our employees, we provide allowances and incentives that encourage the development of their capabilities and potential. We strongly believe in fostering an inclusive work environment that supports work-life balance, and we actively encourage employees to take advantage of parental leave benefits.



It is with great pride that we share a remarkable achievement of a 100% return-to-work rate and 100% retention rate for employees who took parental leave (both maternity and paternity) in 2022.



Return-to-work and Retention rates in 2022





Our unwavering dedication to fostering professional growth and development is evident in our relentless pursuit of building progress for our employees. We understand the importance of providing a clear and defined pathway for career advancement, which is why we conduct talent review sessions to facilitate individual discussions on strengths, areas for improvement, and development opportunities. These sessions enable us to collaboratively create tailored action plans that guide employees' professional growth.

To ensure clarity and transparency in career progression, we have implemented Functional Career Maps that outline the required assignments and expertise for different levels and functions within our organisation. These maps serve as valuable resources for employees, empowering them to proactively plan their career journeys and pursue the experiences they aspire to gain.

In line with our commitment to individual growth and performance excellence, we engage in comprehensive

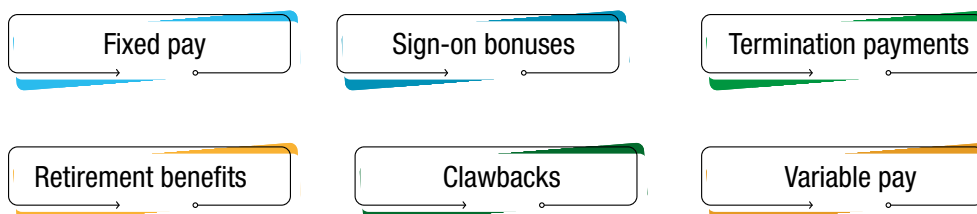
performance management processes that include discussions on Individual Development Plans (IDP). Through these discussions, we identify specific developmental areas and establish a roadmap for enhancing skills and competencies. The following table presents the number of employees appraised during the year, demonstrating our commitment to continuous improvement and employee development.

We firmly believe that investing in the growth and advancement of our employees not only benefits them individually but also strengthens our organisation as a whole. By providing clear career pathways, encouraging active utilisation of career maps, and facilitating robust performance management discussions, we empower our employees to reach their full potential and contribute to the sustainable success of our company. The table below showcases the number of employees appraised in the year.

Designation		Percentage of Total employees			
Senior Management	C	5	0	5	0.39%
	D	12	21	4	1.09%
	E	75	16	91	7.05%
Middle Management	F	188	31	219	16.98%
Junior Management	G	696	90	786	60.93%

Employees Appraised in 2022

At Lafarge Africa Plc, we offer competitive remuneration packages across all management and staff levels. For our Board and Senior Management, our remuneration policy covers the following benefits:





Benefits covered under our remuneration policy provided to all our full-time employees, but not temporary employees are listed below:

- Lafarge Africa's medical insurance policy
- Lafarge Africa's contribution to Pension funds
- Group Life insurance
- Employee Compensation insurance
- Incentives
- Bonus payments
- Leave Allowance
- Maternity Leave
- Paternity Leave
- Disability and invalidity coverage

### Data Review

- Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual): **75:1**
- Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): **1:11**

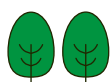
Throughout the year, we remained dedicated to fostering strong employee engagement by supporting a range of impactful initiatives. These initiatives included volunteering programmes, interactive sessions such as the Friday Hangout with the CCEO, Quarterly Town Hall meetings, Open Conversations, Function Retreats, and Team building exercises. By actively encouraging these activities, we aimed to strengthen the sense of camaraderie among our staff and foster meaningful relationships within our organisation.

At Lafarge Africa Plc, we believe in the power of employee volunteerism and its ability to drive positive change. We actively encouraged our employees to participate in company-endorsed projects, such as the Waste to Wealth initiatives, where they collaborated with children from low-income schools, the Impact with Partners initiative, Back to School initiatives, voluntary teaching programmes in schools, and the commemoration of United Nations' days including National Literacy Day, World Environment Day, World Clean-Up Day, Day of the Girl Child, International Day for Women and Girls in Science, and many more.

In 2022, we are proud to share that a total of 242 employees generously committed 8,803 hours of their time to engage in 30 volunteering projects conducted throughout the year. Through their dedicated efforts, we were able to make a measurable and positive impact on enhancing community resilience.

	2022	2021
Number of employee volunteers	242	211
Number of employee volunteering hours	8,803	4,115
Number of employee volunteering projects conducted during the reporting period	30	30

2022 Employee Volunteering Hours





Hospice Visit Day



World Clean-Up Day



International Day for Women and Girls in Science

We recognise the immense value of employee engagement and the instrumental role it plays in creating a sense of purpose, unity, and shared responsibility within our organisation. By actively supporting initiatives that promote employee involvement and giving back to society, we continue to foster a culture of social responsibility and make a meaningful difference in the communities where we operate. As is our culture, we continue to show appreciation for all contributions and volunteering efforts from our employees through regular recognition and awards. These awards are not limited to:

- 1. The Social Contributor Awards:** The Social Contributor Awards was designed to encourage employees to strengthen their footprints in the host communities through volunteering launched on the 1st of August and closed out on the 30th of November 2022, this initiative was open to registered employee volunteers and to non-registered ones. The intervention ran for four months, encouraging employees to create positive impact, and extended to unregistered employees interested in volunteering.

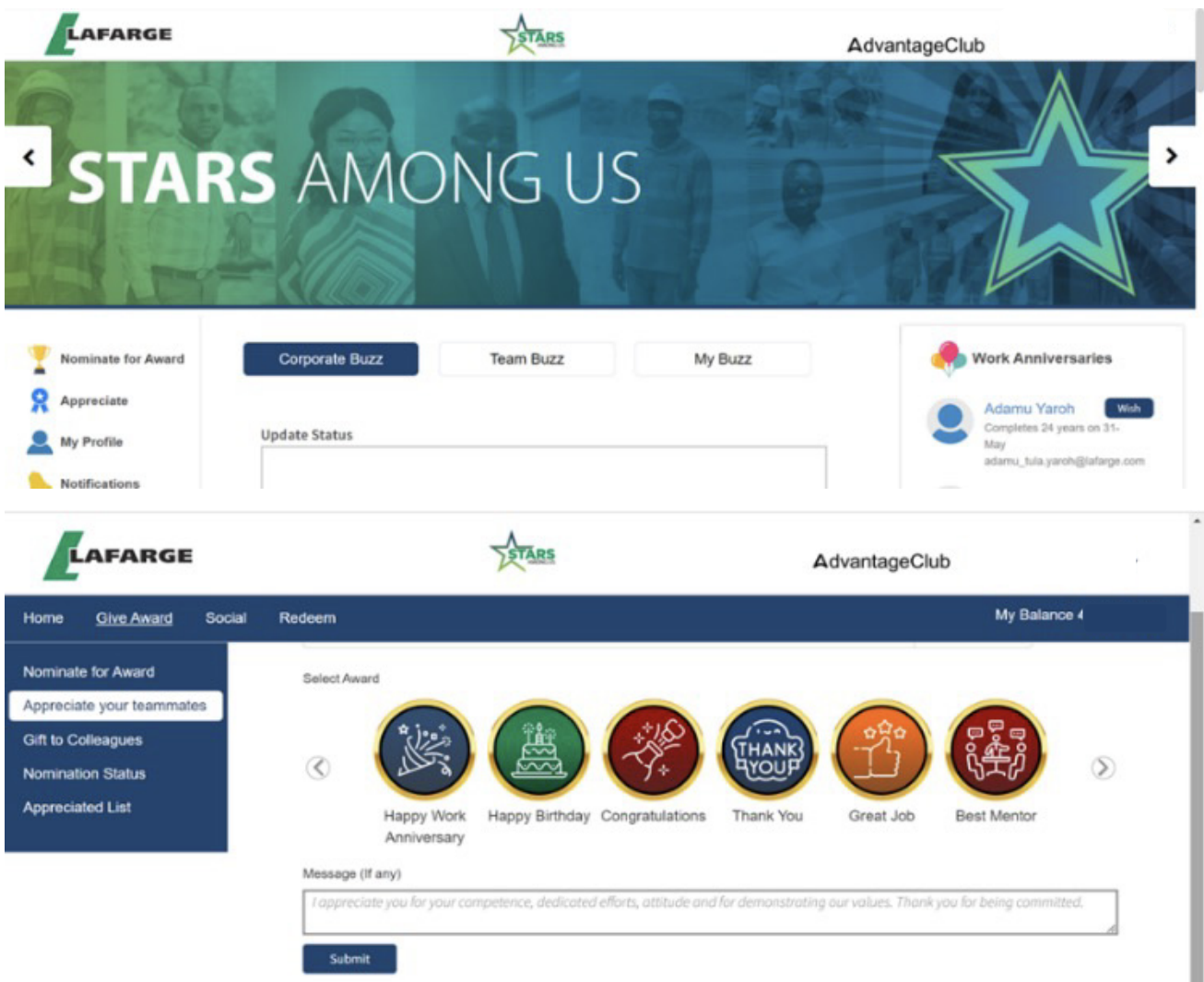


Lafarge Social Contributor Awards

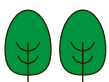




- 2. Drivers Rewards Administration:** Rewarding top 30 safety compliant drivers and top three performers for safety among transporters in the country on a quarterly basis.
- 3. Annual HSE days for recognition**
- 4. The Stars among Us:** A platform created for the workforce to show appreciation and share feedback on exemplary efforts contributed by peers and colleagues.



Stars Among Us Dashboard





## Training and Education

SDGs (4, 8, 11)

In 2022, our commitment to knowledge transfer remained unwavering as we embraced the proven 70:20:10 principle. This approach ensures a comprehensive learning experience for our staff, with 70% of knowledge gained through on-the-job training, 20% through coaching and mentoring, and 10% from classroom-based learning. We prioritise practical learning and provide ample opportunities for our employees to apply their newly acquired knowledge to their roles.

In addition to onboarding sessions conducted at the beginning of employment, we ensure that our workforce remains aware of the numerous training and development opportunities available to them. We utilise various communication channels such as internal communications, staff retreats, town halls, and engagement with HR Business Partners to disseminate information regarding training programmes and initiatives. Our Learning & Development team regularly collaborates with line management to identify the training needs of employees and implement best practices to bridge any identified learning gaps.

Given the hybrid working model we implemented, combining remote work and physical presence, we employed a blended learning approach to cater to different learning styles and preferences. This included a combination of instructor-led sessions conducted both in-person and online, e-learning modules, webinars, coaching and mentoring sessions, and on-the-job assignments. This diversified approach ensured that our staff received well-rounded and relevant training experiences, enabling them to continuously develop their skills and expertise.

Throughout the year, we dedicated a total of 128,678.50 hours to various training initiatives across all staff grades including contractors who were taken through periodic technical training. <sup>(A)</sup> This investment in time was utilised effectively through the implementation of 405 training programmes, covering important topics such as anti-corruption, human rights, and Health, Safety, and Environment (HSE) practices. By prioritising these areas of training, we demonstrate our commitment to upholding ethical standards, promoting a culture of respect and responsibility, and ensuring the well-being of our employees and the environment.







To ensure the delivery of effective training sessions and provide a high-quality educational experience, Lafarge Africa has established dedicated training centres known as the Lafarge Africa Training Centres (LATC). These centres are strategically located at our Ewekoro, Sagamu, Mfamosing, and Ashaka sites

The LATCs serve as specialised facilities designed to enhance learning and skills development for our employees. Equipped with state-of-the-art training equipment and resources, these centres create an optimal environment for conducting various training programmes, workshops, and practical sessions. They are staffed with experienced trainers who possess in-depth knowledge of the industry and are equipped to deliver comprehensive training to our workforce.

In addition to serving our employees, the LATCs have also opened their doors to individuals from our host communities. By extending training opportunities to qualified candidates from our host communities, we contribute to the development and empowerment of the local workforce and strengthen our pipeline for designated technical roles. This inclusive approach brings benefits not only to the

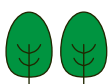
individuals involved but also strengthens the bond between Lafarge Africa and the communities where we operate.

Through the Lafarge Africa Training Centres, we prioritise knowledge transfer and skills development, enabling both our employees and members of the local communities to acquire the necessary competencies for personal growth and professional advancement.

To foster career growth and development among our employees, we have also introduced a digitalised Coaching and Mentoring Platform. This platform enables our employees to select their preferred coaches and mentors from a pool of experienced professionals. By allowing employees to choose coaches and mentors with whom they have built relationships and trust, we empower them to navigate their career journeys at Lafarge Africa effectively. We continue to support the professional growth and success of our workforce by promoting awareness of training and development opportunities. We believe that investing in their continuous learning and skill enhancement contributes to their overall satisfaction and helps drive the long-term success of Lafarge Africa.



A Cross-Section of Employees at Hasler Training



## Diversity and Equality

SDGs (5, 10)

Aligned with the United Nations Sustainable Development Goals for Gender Equality (SDG 5) and Reduced Inequalities (SDG 10), Lafarge Africa Plc is dedicated to fostering an equal-opportunity workplace that embraces diversity, inclusion, and equality. We firmly believe in providing fair and equitable treatment to all employees, irrespective of their race, ethnicity, gender, or religion.

To uphold these principles, we have implemented inclusive policies that support work-life balance, such as maternity leave, paternity leave, and crèche services, ensuring that employees have the necessary support to balance their personal and professional responsibilities. We also provide comprehensive disability and invalidity coverage to ensure that individuals with disabilities have equal access to opportunities within our organisation.

In addition to our internal policies, we actively engage with external initiatives such as the IFC/NSE Nigeria2Equal Programme, which promotes and supports gender equality ambitions and plans in the workplace. Our recruitment policy mandates a 30% representation of females in all shortlists, contributing to a more diverse workforce. This commitment is reflected in our 2022 Graduate Trainee intake, where the ratio of women to men was 2:1.

In 2022, we launched the Lafarge Green Women Network (GWN), providing a platform for women to connect, engage in meaningful discussions, and foster sustained careers within the manufacturing sector. This network aims to empower and support women in their professional growth and development, driving gender equality in our organisation and beyond. Furthermore, we celebrate significant UN commemorative days, including International Women's Day, in all our locations to highlight the importance of diverse and inclusive perspectives in our business activities.

In alignment with the Women on Wheels Programme within Holcim, we have successfully implemented female-focused truck driver initiatives. With over 20 female truck drivers who operate safely within Lafarge Africa Plc, we demonstrate our dedication to providing inclusive work opportunities and promoting safe operations.

Lafarge Africa Plc strives to create an inclusive work environment that values and embraces diversity, empowering all employees to thrive and contribute to our collective success. We foster a culture where everyone has an equal opportunity to excel and make a meaningful impact in our organisation.



Green Women Network launch





Our commitment to promoting gender inclusion and equality has been recognised through esteemed accolades. Lafarge Africa was honoured with the prestigious 'Most Outstanding Company in Gender Inclusion' (Extractive Industry) award at the Women in Marketing Communications Award (WIMCA) in 2022. This esteemed recognition acknowledges our continuous efforts in creating a healthy working environment that breaks down barriers for talented and qualified women to join corporate boardrooms while fostering inclusivity throughout the workplace.

As of December 31, 2022, our Board of Directors comprised six male members and four female members, reflecting our commitment to achieving gender diversity at the highest levels of leadership. Furthermore, within our senior management team, we had 94 male members and 18 female members, showcasing our ongoing efforts to enhance gender representation in key decision-making positions. We also recorded 85% local community representation within our senior management team during the year. We demonstrated an improvement in gender distribution year-on-year as showcased in the table below:

	2022		2021	
	Male	Female	Male	Female
Number of full-time employees	1196	147	1220	141
Total		1343		1361

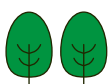
Employees in Nigeria

In 2022, the ratio of expatriates to Nigerians in senior management roles and technical roles was 1:4 while the ratio of Nigerians to expatriates in the full workforce was 79:1. We ensured development plans for Nigerians to further knowledge transfer from expatriates and career development opportunities for senior roles

	Employees from Nigeria		Employees from other countries	
	Male	Female	Male	Female
Number of full-time employees	1179	147	17	0
Total		1326		17

Employees Per Region in 2022

We remain steadfast in our pursuit of creating a workplace that empowers and celebrates the talents and contributions of each individual regardless of gender, as we believe that diverse perspectives drive innovation and sustainable growth.





## Labour Relations

(SDGs 8, 10)

Creating and promoting a work environment where individual and labour rights are recognised and respected is essential to our purpose.

At Lafarge, we constantly engage with our employees to deepen the relationship between our leadership team, line management and workforce. We conduct our employee relations in line with the National Labour Act and other relevant government regulations in addition to standards set by the International Labour Organisation (ILO) and the United Nations Global Compact (UNGC).

We promote the use of diverse communication avenues to make certain that employees are comfortable and able to share their key pain points, observations and other feedback. In addition to this, we prompt employee participation in initiatives such as Town Hall meetings, Function Retreats, and Friday Hangout with the CCEO to support a culture of open conversations and staff engagement.

We continue to ensure that the individual rights of our people and their collective bargaining agreements are considered at all levels of our operations. We have encouraged reporting of human rights violations, harassment, discrimination, and other complaints through the Line Manager, HR Business Partners or anonymously through the Integrity Line. Existing collective bargaining agreements require a minimum notice period of three (3) months for any significant operational changes pertaining to restructuring and outsourcing of operations.

We respect every employee's right of association in alignment with the National Constitution, Trade Union Act, and Industry Procedural Agreement, and continue to support their freedom to join any union by promoting a conducive environment for union activities to thrive.

The following trade unions are active across our sites:

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

Finally, in the course of the year, an Employee Engagement survey, powered by Gallup, was conducted to evaluate employee engagement levels in the organisation. Lafarge Africa Plc scored an engagement mean of 3.84 (out of 5), ahead of the average for peer companies, surveyed at the same period. Consequently, action plans were delineated across business segments to close out on the key areas of development called out during the survey, for implementation. A follow up survey to track progress, is planned for 2023.





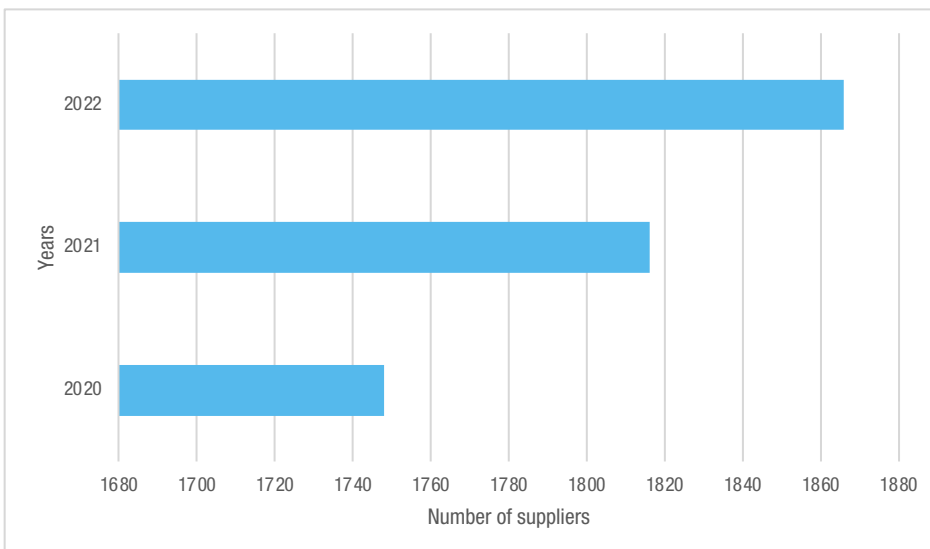
## Economic Value

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

As a responsible corporation, we continue to contribute to the nation’s economic development through our business and production ventures. At Lafarge, we drive our business with the understanding of creating sustained shared value for all.

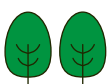
We make certain that all financial disclosures are in compliance with all relevant regulations as stipulated by the government and in accordance with the standard accounting principles. Our plan of action for sustained value creation is through developing sustainable cities using innovative technologies in the construction industry while contributing to the nation’s Gross Domestic Product (GDP). In 2022, we contributed directly to Nigeria’s GDP through the sales of building solution products worth NGN373 billion, with 24% of value added derived from the utilisation of capital expenditure (asset depreciation), 23% from wages and salaries, and finance costs and taxes accounting for 1%. In addition, we promoted the creation of thousands of jobs directly and through sub-contractors and service providers, with strong cement sector growth positively impacting the Nigerian economy.

We employ over 1,000 employees directly with thousands of sub-contractors and through our Geocycle function, we have created over 4,000 job opportunities locally for sourcing of biomass. We rely on Small and Medium Enterprises (SMEs) as part of our procurement and supply chain for the provision of different materials and products required for our operating activities. Year-after-year, our supplier base continues to expand, growing from 1816 in 2021 to 1866 in 2022, and approximately NGN263 billion was expended on supplies sourced through vendors in 2022.



Number of Suppliers from 2020 to 2022

We believe in supporting training and development activities in our communities and through our Lafarge Africa Training Centres, we offered various programmes to young school leavers from our host communities in the year. After training, some of the graduates were employed by Lafarge while others were gainfully employed by third party vendors providing services for us. We have also created opportunities for local subject experts to be employed as trainers in our training programmes.





## Youth Empowerment

(SDGs 1,2,4,5,8,11)

As a leading construction material company in Nigeria, Lafarge Africa recognises the importance of youth empowerment in shaping the future of our nation. We believe that investing in the development and empowerment of young individuals is not only a social responsibility but also a strategic imperative for sustainable growth. Engaging and empowering the youth, we contribute to the overall socio-economic development of our communities and foster a pipeline of skilled talent for the construction industry.

Through various initiatives, we strive to create opportunities for young people to gain valuable skills, knowledge, and experience. We provide vocational training programmes, internships, and apprenticeships that equip youth with practical skills and prepare them for meaningful careers in the construction sector. Additionally, we collaborate with educational institutions, government agencies, and non-profit organisations to support youth-focused initiatives such as mentorship programmes, entrepreneurship training, and scholarships.

Lafarge Africa is committed to playing a significant role in nurturing and empowering the youth of Nigeria, as we firmly believe that investing in their potential is an investment in the future of our nation. Through our actions and partnerships, we strive to inspire, educate, and empower young individuals to become leaders, entrepreneurs, and change-makers in the construction industry and beyond. We accomplish this by facilitating programmes geared towards the youths within the communities, some of which are Cement Professional Technician Programme (CPTP) and Technical Apprentice Programme (TAP) and other vocational skills trainings. We conducted training programmes and had 15 Cement Professionals Technician Programme (CPTP) Apprentice Graduates.

By empowering young individuals, we enable them to contribute to the development of infrastructure and construction projects, while also driving innovation and sustainability in the industry. We believe that the energy, creativity, and fresh perspectives of young people are vital for addressing the challenges and opportunities that lie ahead. Furthermore, by promoting youth empowerment, we contribute to reducing unemployment rates, poverty, and social inequality, creating a more inclusive and prosperous society.





## Local Communities

(SDGs1,2,3,4,6,11)

At Lafarge, we recognise the vital role that local communities play in our operations and the importance of engaging with them in a transparent and mutually beneficial manner. As part of our commitment to sustainable development, we prioritise building strong relationships with local stakeholders, including community leaders, residents, and organisations. Through ongoing dialogue and consultation, we seek to understand their needs, concerns, and aspirations, and integrate their perspectives into our decision-making processes.

Recognising the direct and indirect effects on the communities where we operate, we conduct comprehensive community impact assessments to identify and evaluate the social, economic, and environmental effects of our activities. These assessments enable us to develop targeted strategies and initiatives that address community needs, promote sustainable development, and maximize positive impacts while minimising negative ones.

We actively support local community development through various programmes and initiatives. These include job creation, skills development, education and training, infrastructure improvement, healthcare initiatives, and environmental conservation projects. Investing in these areas, we enhance the well-being and quality of life of community members, contribute to local economic growth, and foster social cohesion.

We demonstrate a commitment to collaborative long-term value creation through our strategy for social investments and accomplish this through our Community Relations Committees (CRC).

Our Community Relations Committees serve as our connection to identify, assess, and address communal priorities.

We engage our communities through different avenues and initiatives in place to foster inclusive and ongoing stakeholder engagement including Annual Community Day events across the business locations, one-on-one meetings with community leadership, engagements with Youth Associations, monthly Community Relations Committee (CRC) engagements, courtesy visits to state actors and more.

All our socioeconomic interventions and initiatives are in line with the needs of our communities and are framed around our four (4) core Corporate Social Responsibility (CSR) strategic themes of

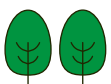
Education

Empowerment

Health & Safety

Infrastructure

Through diverse social investment programmes and initiatives in our communities across Nigeria, in 2022 Lafarge invested NGN2.35 billion and had a direct impact on over 126, 223 people both within and beyond our host communities.



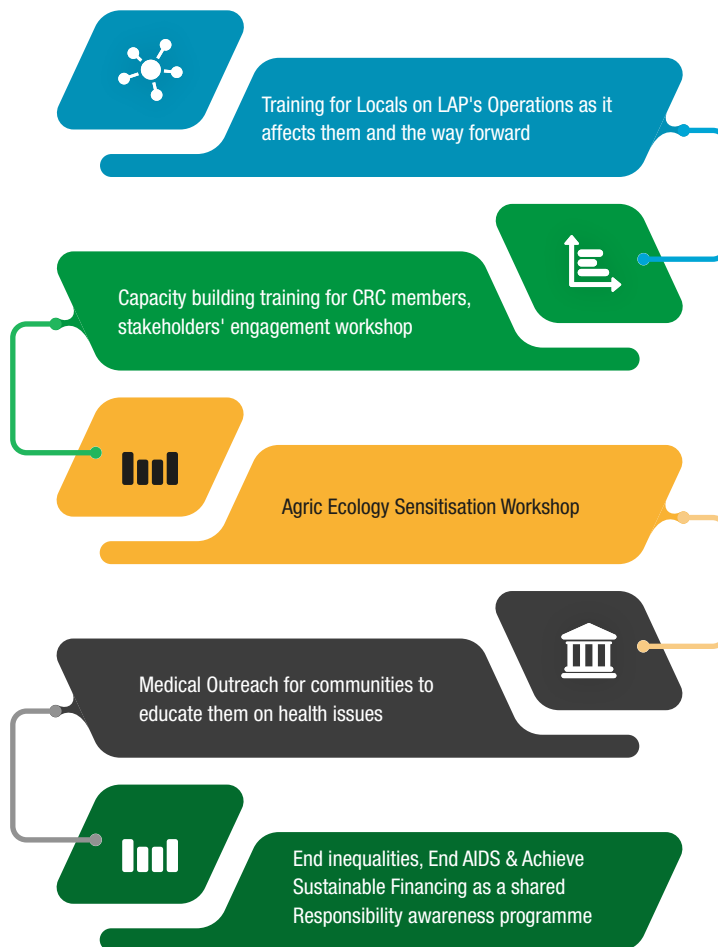


The breakdown of our social investments is shown in the table below:

Category	Amount in NGN
CSR Interventions	NGN1,114,196,007.37
Donations & sponsorships	NGN9,750,000.00
Inclusive projects (roads)	NGN1,232,669,489.63
Total	NGN2,346,865,497.00

Social Investments in 2022

In 2022, we held a total of 30 community engagement meetings and conducted the following key awareness campaigns:



Our social investment projects carried out in the year helped address various key concerns regarding health care, good sanitation and hygiene practices, availability of potable water, security and reconciling the skills gap in the community.

In Mfamosing, we contributed to the alleviation of concerns in the community by organising medical outreach programmes and construction of needed infrastructure like functional health centres, town halls, schools, installation of solar streetlights, as well as upskilling of local residents by vocational skills trainings and our Back-to-School initiative.







In line with our CSR pillar of Education, we focused on helping families get children back in school for the 2022/2023 academic session. The Back-to-School Campaign was initiated to support school enrolment and address the challenges of children without basic educational materials in our host community schools. We carried out needs assessment across the community schools and learnt that about 90% of school children lack basic educational materials such as tuition fees, uniforms, sandals and school bags and this affected attendance rate of school children in our host community schools.

To solve this issue, we embarked on this campaign which provided 2,000 pupils from our host community's schools with required materials like school uniforms, bags, sandals and writing books.



Back-to-School Campaigns



In Ewekoro, our interventions included construction of classrooms in several communities, construction of 14 bed health centres at Papalanto, Okeno Sekoni; provision of medical equipment, construction of 100m long reinforced drainage at Alaguntan, construction of 180m road, drainage and culvert Egbado Ajegunle, and importantly, provision of security, health, safety and environment hazards control.

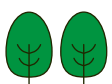


Medical Outreach programme



Elderly Support programme

In Sagamu, our focus was on supporting our communities with secretariat maintenance and management, security outfit maintenance and upkeep, technology supplies, medical equipment purchase, construction of culvert and borehole, provision of lockers for public primary schools, and expanded programme on skills acquisition scheme for youth.





At Ashaka, we brought some succour to the Bajoga flood victims through our flood victim alleviation programme. We also invested in community capacity building workshops, maintenance of rural roads, medical outreach, and construction of borehole at Galdimari and Bakari, repairs of gully erosion of Piyau, and the Girl-Child education scheme.



World Malaria Day - Medical Outreach programme

We also organised a bi-annual community road safety awareness campaign within and around host communities at our plant sites. We collaborated with federal and local road safety regulatory agencies to share knowledge on road safety and the importance of safety equipment such as crash helmets and reflective vests. This measure helped showcase best practices in transport safety.

We further strengthened efforts in our Agric-Ecology project with increased farmer support programs and pieces of training on conventional farming as well as animal husbandry to improve living standards and the resilience of communities. We encouraged potential farmers and livestock farmers with seedlings and livestock to promote food security in the region. Based on our understanding of the various regional cultural practices, we provided livestock to select women in northern communities, empowering them with knowledge and tools required to successfully contribute to the development of their communities.



Agric-Ecology Field Day



Women Empowerment Programmes





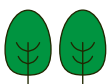
We take feedback from our local communities seriously and have promoted diverse community grievance mechanisms to ensure open communication, collaboration and accountability. We ensure that our community engagement efforts are systematic, measurable, and accountable, driving positive change and creating lasting value for both Lafarge and the local communities we proudly operate alongside. Through our community grievance mechanisms, two (2) critical concerns were raised in 2022:

1. Concerns regarding emissions noted in Sagamu plant by the Ogun State Environmental Protection Agency
2. Building cracks observed in community neighbouring Mfamsosing plant observed by an international NGO

These key complaints were investigated and rectified with inputs from stakeholder engagement to prevent recurrence where possible.

We also took note of feedback pertaining to our logistics operations - over speeding by drivers and wear and tear of the road due to heavy-duty vehicles. We collaborated with our communities to address the wear and tear while regular debriefings and consequence management were meted out as appropriate.

At Lafarge, our commitment to local communities goes beyond compliance with standards - it is ingrained in our corporate values and business strategy. We recognise that the long-term success of our operations is closely intertwined with the prosperity and sustainability of the communities we serve.





# Exploring New Frontiers





# Scaling up our Green Growth

We are dedicated to decarbonising our business operations and driving sustainable growth through our Strategy 2025

## »» “Accelerating Green Growth” »»

Following the overachievement of “Strategy 2022” one year in advance, we continue to take advantage of opportunities to implement our strategy for further growth and achieve the targets we have set for ourselves. We aim to accomplish optimal results by encouraging an inclusive, high-performing culture while maintaining high standards of ethics and integrity.



Our Strategy 2025 “Accelerating Green Growth”

As part of the Holcim Group, we lead the way in the cement industry’s clean transformation, becoming the first global building materials and solutions company to have our 2030 and 2050 net-zero targets validated by the Science Based Targets initiative (SBTi) for all scopes. In 2022, the SBTi further approved our upgraded near-term targets in line with the 1.5°C science-based framework.

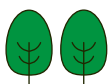
Recognising the urgent need to combat climate change and transition to a low-carbon economy, we are making strategic investments to reduce our carbon footprint and contribute to a greener future. These investments focus on several key areas.

Firstly, Lafarge Africa is expanding its use of renewable energy sources, such as solar power and biomass, to power its operations. There are also plans in motion to increase the liquefied natural gas (LNG) truck fleet in the near future to further reduce our emissions. By harnessing clean and sustainable energy, we can significantly reduce our reliance on fossil fuels and lower our greenhouse gas emissions.

Additionally, we are investing in innovative technologies and processes that enhance energy efficiency and optimise resource use. This includes the adoption of advanced equipment and systems that minimise energy consumption and waste generation while maximising production efficiency. Through these investments, we aim to improve our overall operational sustainability and reduce our environmental impact.

Furthermore, Lafarge Africa is exploring the use of alternative fuels, such as biomass and waste-derived fuels, in its cement manufacturing process. Embracing circular economy principles, the company repurposes waste materials as valuable resources, reducing both its carbon emissions and waste generation.

These efforts demonstrate Lafarge Africa's commitment to sustainable development and its proactive approach to addressing climate change challenges. By aligning its business strategies with environmental goals, the company is driving positive change within the construction industry and contributing to a more sustainable and resilient future.





# Collaborative partnerships for sustainable transformation

Recognising the complex and multifaceted nature of sustainability, Lafarge Africa understands that collaboration with diverse stakeholders is essential to achieve meaningful and lasting impact.

Hence, forming collaborative partnerships, we leverage the expertise, resources, and networks of other organisations, including government bodies, non-profit organisations, research institutions, local communities, and industry associations. This collective approach allows for a comprehensive understanding of the challenges faced and facilitates the development and implementation of innovative solutions.

We continue to seek out opportunities for collaboration across sectors, both public and private, in order to push innovation and diminish negative impacts resulting from our operations while shaping a greener future.

Our strategic partnerships also provide us with the opportunity to contribute to industry-wide initiatives and collaborative platforms. By actively participating in sector-specific collaborations, Lafarge Africa can help shape the development of sustainability standards, guidelines, and regulations. This involvement benefits the company and contributes to the overall advancement of sustainable practices within the construction industry.

Our key partnerships include:

## The Nigerian Economic Summit Group (NESG)

The Nigerian Economic Summit Group is a private sector-led non-profit, non-partisan think tank with the objective of promoting and championing the transformation of the Nigerian economy into a modern internationally competitive, sustainable, inclusive, open economy. The NESG sustainability objectives include fighting climate change, management of marine ecosystem and building a circular economy model that eliminates waste and ensures continual use of resources



To help NESG achieve its sustainability objectives, we have strategically collaborated with them and the Lagos Business School to bridge the gap in sustainability, support the embedding of low carbon practices in the manufacturing industry, enhance the drive for circular economy models to reduce waste, and encourage the adoption of other Nigerian Economic Summit (NES) recommendations.

## Global Cement and Concrete Association (GCCA)

The Global Cement and Concrete Association (GCCA) is a progressive association dedicated to developing and strengthening the building sector's contribution towards sustainable construction. Focusing on research and innovation, it aims to promote the development of durable, resilient, and environmentally sensitive buildings and infrastructure at the global level.



Together with the GCCA, we continue to drive ingenuity in sustainable construction while contributing to international and local socioeconomic development challenges.





### The Nigerian Exchange Group (NGX)

The NGX Group plays a critical role in driving Nigeria’s economic growth through the provision of a sustainable and efficient capital market. The Group provides a wide range of services including listing and trading securities, licensing, market data solutions, ancillary technology, regulation, real estate, and more through its wholly-owned subsidiaries – NGX Exchange, NGX REGCO, and NGX RELCO.

At NGX Exchange, innovative capital market solutions are deployed to provide a globally competitive platform for Issuers to raise capital, and investors to meet their financial objectives across markets and geographies while maintaining a seamless flow of information.

Since 1979, Lafarge Africa Plc. has been listed as an issuer under the Nigerian Exchange (NGX) and is also a member of the premium board which highlights companies who are industry leaders in varying sectors of the NGX. The principles and core elements of sustainability by the NGX align with most of the sustainability goals we have set for ourselves as a responsible business.



### United Nations Global Compact Network (UNGC)

The United Nations Global Compact Network aims to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change.

To make this happen, the UNGC supports companies to do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption, and take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

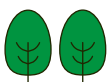
We are a member of the United Nations Global Compact (UNGC) Nigeria network at the Board level. Our sustainability objectives continue to be in alignment with the principles of the UNGC, as demonstrated by our efforts and contributions during the year.



### Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is an independent international organisation that aids businesses and organisations to take responsibility and account for their impacts through provision of a global common language for reporting those impacts. The GRI provides the world's most widely used sustainability reporting standards, which cover topics that range from biodiversity to tax, waste to emissions, diversity and equality to health and safety. As such, GRI reporting is the enabler for transparency and dialogue between companies and their stakeholders.

As part of our journey to sustainable development, we remain committed to the adoption of the GRI standards in disclosing our environmental, economic and social footprints as well as publishing comprehensive reports on issues in the ESG aspects of our operations which are of particular interest to stakeholders.





### United Nations Sustainable Development Goals (UN SDG)

The 17 United Nations Sustainable Development Goals (SDGs) are at the core of the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015 which provides a shared blueprint for peace and prosperity for people and the planet. The UN SDGs are an urgent call for action by all countries - developed and developing - in a global partnership. The goals recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – while tackling climate change and working to preserve our oceans and forests.



We aim to build progress through our operations and thus, our sustainability strategy and approach is centred on effectively contributing to achieving the UN SDGs with minimal negative impacts on people and planet. We are aligned to 14 of the 17 SDGs and remain dedicated to working together with the Federal Government of Nigeria to achieve the 2030 targets.

### Federal Road Safety Corps (FRSC)



The Federal Road Safety Corps (FRSC) is the Government Agency in charge of regulating, enforcing, and coordinating road traffic and safety management activities in Nigeria. FRSC has a vision of eradicating road traffic accidents and creating a safe monitoring environment in Nigeria.

In collaboration with the FRSC and other local government agencies, we conducted road safety awareness programmes for our host communities to share insights on the best road safety practices and ensure awareness of health and safety procedures while on the road.

### Private Sector Advisory Group Nigeria (PSAG)



The Private Sector Advisory Group (PSAG) Nigeria was created in 2015 to better understand and identify areas of common interest and promote the SDGs to establish productive public-private partnerships. The purpose of PSAG Nigeria is to provide PSAG Global with guidance and strategic support to achieve better development results in coordination with the private sector in Nigeria.

Lafarge Africa Plc. is a co-lead for PSAG Cluster 8 which is essentially focused on driving private sector engagement on the attainment of SDGs 9 and 11 – industry, innovation & infrastructure and sustainable cities and communities. Cluster 8 is meant to attract and galvanise the actions of organisations focused on manufacturing, engineering & construction, transport, financial services and information technology.







# Appendix



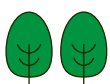
# 2022 Performance Data Table

	Unit	2016	2017	2018	2019	2020	2021	2022
<b>Environmental Compliance</b>								
Number of severe non-compliance cases	#	18	0	0	0	0	0	0
Fines and penalties paid	CHF	8000	0	0	0	0	0	0
<b>Environmental Management Systems</b>								
Plants with an ISO 14001 certification	#	2	2	3	3	3	4	4
<b>Biodiversity</b>								
Quarries with rehabilitation plan in place	%	43	43	100	100	100	100	100
Quarries with high biodiversity value	#	0	0	0	0	0	0	0
Quarries with high biodiversity value with biodiversity management plans in place	#	0	0	0	0	0	0	0
<b>Total rehabilitated area</b>	ha	503	505	637	927	933	600.79	625.01
<b>Water (excluding CPP)</b>								
Specific freshwater withdrawal for Cement	(L/t of product)	873	209	233	227	201	157.71	283
Specific freshwater withdrawal for Readymix	(L/t of product)			189	209	228	204.42	191
Total water withdrawal	Cubic meters	5'505'326	2,684,873	2'160'625	2'624'693	2'094'004	1'694'733.81	1'736'962.72
Total freshwater withdrawal	Cubic meters	5'124'091	1'776'827	1'504'129	1'146'486	1'108'003	949'222.43	1'563'146
Freshwater withdrawal from ground water	Cubic meters	44'116	50'551	47'920	26'765	24'300	32502.43	34,616
Freshwater withdrawal from surface water	Cubic meters	581'648	918'510	1'372'432	1'117'811	1'082'115	208970	187,200
Freshwater withdrawal from municipal waters supplies or other waste utilities	Cubic meters	2'274	1'706	1'638	1'910	1'588	1260	1,040
Freshwater withdrawal from quarry dewatering	Cubic meters	4'496'052	806'060	82'138	0	0	706490	1'340'290
Non-freshwater withdrawal	Cubic meters	5'500	990	0	0	0	185097.61	172,001.03
Rainwater harvested	Cubic meters	375'735	907'056	656'496	1'478'207	986'001	560'413.77	1'815.69
Total water discharge	Cubic meters	3'477'574	802'928	607'742	655'947	532'975	450'901.35	489,481.91
Water discharge to surface water	Cubic meters	2'296'074	702'928	607'742	655'947	532'975	450'861.05	489,450.73
Water discharge to Ground or soil infiltration	Cubic meters	0	0	0	0	0	40.29	31.18
Water discharge to offsite treatment	Cubic meters	0	0	0	0	0	0	0
Water discharge to others	Cubic meters	181500	0	0	0	0	0	0
<b>Total water consumption</b>	Cubic meters	5'802'667	1'881'945	1'552'882	1'968'746	1'561'029	1243832.46	1,247,480.8
<b>Recycling and waste</b>								
Non-hazardous waste recovered	tonnes	445	252	0	15	32	10	15
Non-hazardous waste disposed	tonnes	717	4'510	2'449	4'071	4'490	2'547.73	2'592.90
Hazardous waste recovered	tonnes	0	34	80	48	80	10.2	328.69
<b>Hazardous waste disposed</b>	tonnes	5	52	60	21	75	58.7	37.59





	Unit	2016	2017	2018	2019	2020	2021	2022
<b>CO<sub>2</sub> Emission</b>								
Specific CO <sub>2</sub> emissions (kg/tonne of cementitious material) Ewekoro Plant		608	557	484.78	494.07	584.18	628.69	576.16
Specific CO <sub>2</sub> emissions (kg/tonne of cementitious material) - net - Country figure		608	557	542.23	554.91	582.54	597.86	573.66
Thermal substitution rate (Ewekoro)	%	4	9	47.99	45.23	18.93	20.1	28.74
Thermal energy consumption biomass-based fuels	GJ	600'000	1'150'000	830657.90	583612.70	251982.43	854'117.82	1'622'130.02
<b>Energy consumption total</b>	GJ	n/a	88'590	1730812.92	1301282.60	1330795.10	5'109'253.39	6'170'226.17
<b>Other atmospheric emissions</b>								
Specific dust emissions (g /tonne of clinker)		58	51	90	67	675.38	201.36	717.48
Total dust emissions (g /tonne of clinker)	tonnes	316	244	433	320	2'661	901.66	2'901.62
Specific NO <sub>x</sub> : emissions (g / tonne of clinker)		683	591	634	638	933.07	1'549.37	1'131.59
Total NO <sub>x</sub> : emissions	tonnes	2957	2817	3039	3061	3'893	6937.76	4,576.32
Specific SO <sub>2</sub> emissions (g/tonne of clinker)		103	297	1046	162	444.24	86.91	73.76
Total SO <sub>2</sub> emissions	tonnes	445	1414	5017	776	1'750	389.16	298.30
Total VOC emissions	tonnes	12	6	11	9	10	9.25	11.88
Specific Mercury emissions (mg/tonne of clinker)		4	8	3	3	1.06	2.09	0.95
Total Mercury emissions	tonnes	0	0	0	0	0	0.01	0.00
Specific Dioxins/ Furans emissions (ng TEQ/tonne of clinker)		11	16	18	26	3.81	3.77	2.07
<b>Total Dioxins/Furans emissions</b>	g TEQ	0	0	0	0	0	0.02	0.01
<b>Employees</b>								
By employment contract and age interval								
Permanent employees	#	1'835	1'658	1'592	1'582	1'282	1'284	1292
Employees under the age of 30	%	5.4	3.4	4.8	14.4	4.9	8.5	7.3
Employees between 30 and 50	%	84.7	84.2	82.3	83.3	80.9	70.8	68.8
Employees above 50	%	9.9	12.4	12.9	2.3	14.2	20.6	24.0
<b>Gender diversity</b>								
Gender diversity – females management level	%	10.6	11.3	10.9	10.6	10.3	9.3	10.0
Gender diversity – females non-management level	%	2	1.6	1.6	2.3	2.2	0.2	1.0
Gender diversity – females total	%	8.3	9	9.1	10.1	9.1	9.5	11.0
<b>Development</b>								
Employees in senior management who had annual performance review	%	7.6	7.4	8	8.1	8.7	8.4	8.5
Employees in middle management who had annual performance review	%	10.8	11.4	12.6	13.6	16.5	17.2	17.0
Employees in junior management who had annual performance review	%	55.4	58.5	60	62.2	61.4	60.9	60.9
Non-managers who had annual performance review	%	26.2	21.3	19.4	16	13.5	13.4	13.6
<b>Communities</b>								
Social Investments	Naira (million)	748	661	868	900	1'200	2'388	2'346





## Performance Data Table Footnotes

- Rainwater harvested: Harvested rain water for the year reduced due to the collapse of the harvested rainwater pond in Mfamosing plant, causing water from the pond to mix with water from the quarry.
- Specific NO<sub>x</sub>: emissions (g / tonne of clinker) for 2021: Cause of high NO<sub>x</sub>
  1. Opening around the calciner, creating false air.
  2. Intermittent presence of condensate along the gas line

### **ACTIONS DONE**

1. False air cause was addressed by sealing off the openings
2. A gas scrubber was installed along the gasline and the gas pipe was relocated from underground to a suspended position.

- Specific SO<sub>2</sub> emissions (g/tonne of clinker) for 2021: In 2020, 3rd party measurements showed high SO<sub>2</sub>. Raw material analysis also indicated high pyritic sulphur in mining locations.

### **ACTIONS DONE**

1. This made us change the mining location from the south to the East of the quarry as advised by the 3rd party consultant after quarry raw material analysis. The change in location resulted in decrease in SO<sub>2</sub>.





# Assurance Statement



## Independent Auditor's Limited Sustainability Assurance Report on the Selected Sustainability Information in Lafarge Africa's Sustainability Report for the year ended 31 December 2022

### 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 2022 Sustainability Report of Lafarge Africa Plc. for the year ended 31 December 2022. 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 2022. 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.

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Key Performance Indicator	Unit of Measurement	Holcim Sustainability Targets	Selected Information (as documented in the Lafarge Africa PLC's 2022 Sustainability Report	Page number
Emissions	kg/tonne cementitious material	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%)	In 2022, the specific CO2 emissions net (kg/tonne cementitious material) emitted at our plants in Nigeria was 574, showing a reduction of about 4% compared to 2021.	40
Environmental Compliance	No of ISO 14001:2015 received	We are committed to ensuring environmental compliance by ensuring regular environmental audits are conducted every three years for all our plants and quarries.	LAP received certification for our Environmental Management System ISO 14001:2015 across all our cement plants, as evidenced by the audit(s) conducted in the year 2022.	59
Resource Efficiency and Waste Management	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 2022, we used 123, 263 tonnes of waste to serve as alternative fuel and raw material sources, showing a 38.40% increase in the amount used from 2021.	18
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.	In 2022, we recorded the following for all our employees:  <ol style="list-style-type: none"> <li>1. Number of First Aid injuries: 13</li> <li>2. Number of Reportable injuries: 4</li> <li>3. Number of Fatalities: 0</li> <li>4. Number of Loss days: 4</li> </ol>	64

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Key Performance Indicator	Unit of Measurement	Holcim Sustainability Targets	Selected Information (as documented in the Lafarge Africa PLC's 2022 Sustainability Report)	Page number
People Development	Hours	Our commitment to knowledge transfer is embraced the 70:20:10 principle. This approach ensures a comprehensive learning experience for our staff, with 70% of knowledge gained through on-the-job training, 20% through coaching and mentoring, and 10% from classroom-based learning.	Throughout the year, we dedicated a total of 128,678.50 hours to various training initiatives across all staff grades, including contractors who were taken through periodic technical training.	72



## 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:

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- 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 2022 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'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'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.

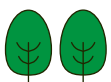
*Edafe Erhie*

**For: PricewaterhouseCoopers**

10 October 2023  
Chartered Accountants  
Lagos, Nigeria  
Engagement Partner: Edafe Erhie  
FRC/2013/ICAN/00000001143

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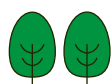


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