



**DANGOTE
FERTILISER**

Environmental,

Social, and

Governance

Report 2024





CONTENTS

○ About This Report	- pg. 4	○ Environmental Stewardship	- pg. 49
○ About Dangote Fertiliser	- pg. 5	○ Water and Responsible Consumption	- pg. 56
○ Leadership Statement	- pg. 6	○ Environmental Compliance	- pg. 62
○ Foreword By The Chief Executive Officer	- pg. 10	○ Compliance with Environmental Laws and Regulations	- pg. 64
○ Message by the Group Chief HSSE & Sustainability Officer	- pg. 13	○ Biodiversity and Land Use	- pg. 67
○ Key Milestones FY 24	- pg. 15	○ Social Responsibility	- pg. 69
○ Our Operational Footprint	- pg. 16	○ Human Capital Development	- pg. 75
○ Contribution To The UN Sustainable Development Goals (SDGs)	- pg. 23	○ Diversity and Equal Opportunity	pg. 79
○ Sustainability Governance	- pg. 25	○ Employee Engagement and Retention	- pg. 83
○ Strategy And Materiality	- pg. 30	○ Community and Product Stewardship	- pg. 86
○ Implementation & Monitoring	- pg. 32	○ Ethical Business Conduct and Regulatory Compliance	- pg. 94
○ Integrated Stakeholder Engagement and Value Creation	- pg. 35	○ Sustainable Economic Growth	- pg. 98
○ Our Material Topics	- pg. 37	○ GRI Content Index	- pg. 102
○ Managing Our Risks and Opportunities	- pg. 44		

ABOUT THIS REPORT

Scope and Boundary

This Sustainability Report (SR) provides a comprehensive overview of the Environmental, Social, and Governance (ESG) performance of Dangote Fertiliser Limited (DFL) for the specified reporting period.

Report Scope

The report focuses on the material topics identified through the 2024 Materiality Assessment, which engaged a diverse range of stakeholders. Key material topics covered include:

- **Environmental:** Climate Change and GHG Emissions, Air and Water Pollution, Water Stewardship, Waste Management, Energy Efficiency.
- **Social:** Occupational Health and Safety, Community Development,

Human Rights, Anti-corruption Practices, Diversity, Equity, and Inclusion (DEI).

Reporting Period

- **Reporting Period:** This report covers the performance data and activities for the Financial Year 2024 (FY24).
- **Prior-Year Comparison:** Performance data for key metrics is compared against the preceding financial year, FY23, to demonstrate year-on-year trends and progress.



Framework	Alignment Details
Global Reporting Initiative (GRI)	The report is prepared in reference to the GRI Standards, specifically addressing disclosures relevant to DFL's material topics
	GRI 2: General Disclosures 2021 (Organizational Profile and Governance)
	GRI 300 Series (Environmental Standards, e.g., GRI 305 on Emissions, GRI 303 on Water)
	GRI 400 Series (Social Standards, e.g., GRI 403 on Occupational Health and Safety, GRI 408 & 409 on Labor Practices)
United Nations Sustainable Development Goals (UN SDGs)	The report demonstrates how DFL's strategy and performance contribute to relevant UN SDGs, particularly those aligned with its social investment focus (e.g., Quality Education, Decent Work and Economic Growth, Climate Action).



ABOUT DANGOTE FERTILISER

CORPORATE PROFILE, PURPOSE AND VALUES

Established in 2007, Dangote Fertiliser Limited is a flagship subsidiary of the Dangote Group and a key driver of Nigeria's agricultural transformation. The company operates Africa's largest granulated urea fertiliser complex, strategically located within the Lekki Free Trade Zone, Lagos. With an investment of \$2.5 billion and an installed capacity of 2.7 million metric tonnes per annum (MMTPA), the facility strengthens Nigeria's position as a regional leader in fertiliser production.

Through its operations, the company supports national efforts to achieve self-sufficiency in fertiliser production and enhance agricultural productivity. It also contributes to Nigeria's export diversification agenda, supplying high-quality urea fertiliser to markets such as Africa, Europe, Asia, South America and North America. Building on this success,

plans are underway to establish a new \$2.5 billion fertiliser plant in Ethiopia, expanding its footprint across Africa.

Leveraging advanced production technology, the company manufactures granulated urea with a 46% nitrogen content, engineered to improve soil health and boost crop yields. This commitment to product quality underpins its role in promoting sustainable and efficient agricultural practices among smallholder and commercial farmers.

The company's growth strategy includes plans to expand production capacity by 200% through the development of additional Trains 3 to 6 by 2028, positioning it among the world's top urea producers. In addition, it is preparing for an Initial Public Offering (IPO) on the Nigerian Exchange (NGX) by H1 2026, with a projected valuation of \$8 billion. These initiatives align with its medium-term financial targets of achieving \$20 million in daily revenue and distributing \$3 – 4 billion in dividends within the next 40 months.

Guided by the vision and leadership of Aliko Dangote, President of the Dangote Group, the company continues to drive innovation, operational excellence, and sustainable growth. As a wholly owned subsidiary of Dangote Industries Limited, it remains committed to creating long-term value for its stakeholders while contributing meaningfully to Africa's food security and sustainable development goals.

Vision

To make Nigeria self-reliant in food production by improving crop productivity for the farmers.

Mission

To provide distinctive, high quality fertiliser products and services with sustained commitment to customer satisfaction, whilst delivering superior returns to our stakeholders.

Core Values

- **Customer Service:** As a world-class organisation, we understand that we exist to serve and satisfy our customers. Accordingly, our customer orientation reflects our commitment, integrity and learning.
- **Entrepreneurship:** We continuously seek and develop new business, employing state-of-the-art methods to retain our market competitiveness.
- **Excellence:** We are a large organisation, working together to deliver the best products and services to our valuable customers and stakeholders. To achieve this, we demonstrate teamwork, respect, and meritocracy.
- **Leadership:** We thrive on being leaders in our business, markets and communities. To drive this, we focus on continuous improvement, partnership and professionalism.

LEADERSHIP

PRESIDENT'S STATEMENT



Aliko Dangote GCON
President, Dangote Industries Limited

Dangote Fertiliser was founded on an ambitious but achievable belief - that Africa can feed itself. This conviction continues to guide everything we do: empowering farmers, strengthening food systems, and driving national and continental prosperity through sustainable production of fertiliser.

Our vision to make Nigeria self-reliant in food production is no longer a dream, it is a mission in progress. Each bag of fertiliser we produce supports farmers' aspirations, enhances soil productivity, and strengthens the backbone of our economy: agriculture. Through our work, we are not only producing fertiliser, but we are also cultivating hope, resilience, and a sustainable future for generations to come.

The year 2024 was defined by a complex global environment: geopolitical tensions, market volatility, and persistent supply chain disruptions all had far-reaching effects on global fertiliser markets. Yet, amidst these challenges, Dangote Fertiliser Limited (DFL) remained resilient. Our fully integrated ammonia-urea production system, which utilizes domestically sourced natural gas, ensured operational stability and independence from volatile global feedstock markets. This model, built on self-sufficiency and innovation, has become a source of national pride and a cornerstone for

Our strategy remains anchored on sustainability, innovation, and shared prosperity. We are building an integrated agricultural ecosystem that connects farmers to productivity tools, training, and improved crop yields.

Nigeria's food security.

Across Africa, renewed attention to food security and regional trade integration under the African Continental Free Trade Area (AfCFTA) continues to expand opportunities for growth. DFL remains strategically positioned to serve both domestic and export markets, generating foreign exchange for the nation while contributing to the broader vision of an economically self-sufficient Africa.

Our strategy remains anchored on sustainability, innovation, and shared prosperity. We are building an integrated agricultural ecosystem that connects farmers to productivity tools, training, and improved crop yields. Through collaboration with governments, research institutions, and development partners, we are enhancing access to high-quality, affordable

LEADERSHIP

PRESIDENT'S STATEMENT

Cont'd

fertilisers while promoting climate-smart agricultural practices. Environmental, Social, and Governance (ESG) principles continue to shape our decisions in, but not limited to, operational efficiency, clean technology adoption, community development, worker welfare, and transparency in governance.

DFL sustained strong performance and deepened our impact across the agricultural value chain. Beyond economic contribution, our operations have created thousands of jobs, developed local technical expertise, and supported farmers across Nigeria and West Africa with knowledge, inputs, and innovation. By producing fertiliser locally and exporting to other markets, we are helping stabilize the naira, reduce import dependence, and advance Nigeria's industrial and agricultural agenda.

Sustainability remains at the heart of who we are, and it is entrenched in our business model through our sustainability strategy tagged "The Dangote 7 sustainability pillars – the Dangote way". We are nurturing the soil, empowering people, and securing the future of food. Our environmental initiatives focus on reducing emissions,

conserving energy, and managing resources responsibly. Our relationship with our host community is friendly and value adding as we invest in community development under the following themes: education, empowerment, healthcare and infrastructure, reflecting our unwavering commitment to inclusive growth and shared prosperity.

This maiden Sustainability Report represents a defining moment in the evolution of Dangote Fertiliser Limited (DFL). As the first non-listed subsidiary within the Dangote Group to publish a standalone sustainability report, we are setting a new benchmark for corporate transparency, accountability, and stakeholder engagement.

Looking ahead, our vision is bold and inclusive. We are investing in the expansion of our production capacity by 200% through trains 3, 4, 5 & 6 which are expected to come upstream by 2028. We are also investing in a \$2.5 billion fertiliser plant in Ethiopia, expanding our footprint and supporting East Africa's food systems. We are preparing for our listing on the Nigerian Exchange (NGX), democratizing ownership and enhancing transparency as part of our long-term value creation

journey by H1 2026.

As we continue this journey, we remain guided by our mission: to deliver distinctive, high-quality fertiliser

products and services, sustain customer satisfaction, and create superior value for all stakeholders, today and for generations to come.



VICE PRESIDENT'S STATEMENT



Devakumar V. G Edwin
Group Vice President, Oil & Gas:
Dangote Industries Limited

The journey of Dangote Fertiliser Limited (DFL) is a testament to the transformative power of vision, collaboration, and sustainable innovation. As Vice President, Oil & Gas, I am proud to reflect on how DFL have catalysed the Nigeria's agricultural and economic resilience.

The establishment of DFL was born from the strategic vision of our President/CEO of Dangote Group - Alhaji. Aliko Dangote GCON, to ensure the country will become self-sufficient in fertiliser production and even have the capacity to export the products to other African countries. Out of several possible options, the use of natural gas (which usually are unsustainably flared) as feedstock to produce fertiliser was chosen, despite the absence of a gas pipeline in the project area. DFL in partnership with the Nigerian Gas Company (NGC) constructed a 51 km gas pipeline to get gas supply to the project area. Today, an average of 173,375 mmscf of gas which would have been flared have been converted to about 5.4 million tonnes of fertiliser. We partnered with the Nigerian Gas Company (NGC) to construct a dedicated pipeline from Epe to Lekki, enabling the supply of natural gas to power fertiliser production.

This complex undertaking was not just

about infrastructure, it was about building capacity. We trained over 77 young Nigerian engineers in India on fertiliser production technologies, ensuring that knowledge transfer preceded commissioning. These engineers returned home equipped to operate world-class facilities, laying the foundation for DFL's operational excellence and sustainability.

Our commitment extended beyond technical execution. We engaged host communities proactively, fostering trust and ensuring the safe delivery of the project. Today, DFL operates with low-emission equipment and adheres to global environmental standards, reflecting our dedication to responsible industrialisation.

The impact of DFL on Nigeria's agricultural landscape has been profound. From a nation once dependent on fertiliser imports, Nigeria now enjoys self-sufficiency and has become a net exporter of fertiliser. This shift has not only improved food security but also strengthened our foreign exchange position, contributing to macroeconomic stability.

As we present DFL's inaugural Sustainability Report, we celebrate a convergence of energy, agriculture, and sustainability. This report aligns with the Global Reporting Initiative (GRI) Standards

VICE PRESIDENT'S STATEMENT

and reflects our readiness to adopt IFRS S1 and S2 Sustainability Disclosure Standards, positioning DFL and by extension, Dangote Industries as a leader in sustainable development across Africa.

I commend the entire DFL team, our partners, and stakeholders for their unwavering commitment. Together, we have demonstrated that sustainability is not a destination but a journey one that begins with bold vision and is sustained by purposeful action.



FOREWORD BY THE CHIEF EXECUTIVE OFFICER DANGOTE FERTILISER LIMITED

Innovating for Food Security and Sustainable Growth

Fellow Stakeholders,

It is with great pride that I present the Dangote Fertiliser Limited (DFL) 2024 Sustainability Report. The year 2024 was defined by formidable challenges, including high inflation that drove up costs and reduced food security, exacerbated by the removal of fuel subsidies and a weakened Naira. These economic challenges, alongside the persistent urgency of climate change and ongoing insecurity, amplified the significant opportunity for DFL to demonstrate its pivotal role by increasing local urea production and improving capacity, which reduced the nation's import reliance.

Our purpose remains clear and unwavering: To provide distinctive, high quality fertiliser products and services with sustained commitment to customer satisfaction, whilst delivering superior returns to our stakeholders. This ultimately will increase food production in Nigeria, Africa and nation of the world that patronise DFL by improving crop productivity for the farmers, and

enhancing foreign exchange availability in Nigeria to build a sustainable economy. We believe that this commitment is inextricably linked with our responsibility to operate sustainably. This report details how we integrate Environmental, Social, and Governance (ESG) principles into every aspect of our strategy, moving beyond compliance to create lasting, shared value.

Operational Excellence and Production Highlights

The year 2024 marked a significant period of operational maturity and record-breaking performance for our plant. We successfully manufactured 1,500,135 metric tonnes of product, leading to a 23.6% increase in overall sales volume. This achievement is a testament to the efficient utilization of our world-class facility and the commitment of our dedicated operations teams. Furthermore, this year saw us successfully export 1.13 million MT of Urea to international markets, generating essential foreign exchange and elevating Nigeria's profile as a key player in the global fertiliser industry.



Vishwajit Sinha
Chief Executive Officer
Dangote Fertiliser Limited

FOREWORD BY THE CHIEF EXECUTIVE OFFICER DANGOTE FERTILISER LIMITED

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Data, ESG Integration, and Performance

At DFL, we are moving from reporting to performance management, which requires rigorous data integrity. In 2024, DFL enforced the implementation of the "DFL Plant Performance Information System" with the objectives of standardizing our ESG metrics across the organization to ensure accuracy and comparability with national and international frameworks. This focus has

allowed us to confirm tangible ESG achievements:

- **Environmental Efficiency:** We achieved significant intensity reductions: a 6.7% reduction in specific energy consumption (SEC) per tonne of urea and a 9.0% reduction in greenhouse gas (GHG) emissions intensity despite a 28% increase in production. These improvements confirm our operational discipline and our

commitment to maintaining a lower-carbon production footprint. Additionally, we reduced total waste disposed by 26% year-on-year.

- **Social Investment:** Our direct investment in Corporate Social Investment (CSI) programs saw massive growth, increasing by 113.6% to total 246.3 million. This investment focused heavily on Education and Scholarship programs, dedicating 172.3 million (over 70% of funding) to initiatives that provided educational assistance, including the donation of 450 notebooks to students, aligned with UN SDG 4. Other key initiatives included People Empowerment and direct community support projects. We successfully completed four major community projects and strengthened relationships through 63 community stakeholder engagements during the year, ensuring broad reach into host communities. Furthermore, our focus on community resilience resulted in zero social incidents or disruptions recorded, and we successfully closed 80% of reported community grievances,

demonstrating effective conflict resolution.

- **Occupational Health and Safety:** The Occupational Health and Safety Management System (OHSMS) cover 100% of DFL employees (1,263 workers) and 3,865 contractors, and 3,983 hours of dedicated safety training was achieved. However, the Lost Time Injury Frequency Rate (LTIFR) increased from 0.0 in 2023 to 1.19 in 2024. The Total Recordable Injury Frequency Rate (TRIFR) also increased from 1.32 in 2023 to 2.15 in 2024.

Our Staff: Safety, Skill, and Empowerment

Our people are our greatest asset and the driving force behind our success. Our total workforce grew to 1,263 employees in 2024, representing a 6.2% increase year-over-year.

- **Grievance Management:** We successfully closed 80% of reported employee grievances and recorded a 26.7% reduction in employee exits (turnover), indicating improved satisfaction. This is facilitated by our continuous engagement with the Joint

FOREWORD BY THE CHIEF EXECUTIVE OFFICER DANGOTE FERTILISER LIMITED

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Consultative Committee.

- **Talent Development:** We strategically increased our investment in learning and development by 288.9%. 951 staff received specialized training on Human Rights and Sustainability, underscoring our commitment to ethical operation.
- **Local Content & Diversity:** Our commitment to increasing national capacity is demonstrated by the fact that local talent accounts for a strong 87.9% of our workforce. Notably, a total of 163 members of staff are from our host communities. We are also focused on driving a sustained increase in gender representation; while women currently make up 7.7% of our staff, we have initiated targeted recruitment and development programs to achieve greater gender equality across all job categories.

Governance and Resilience

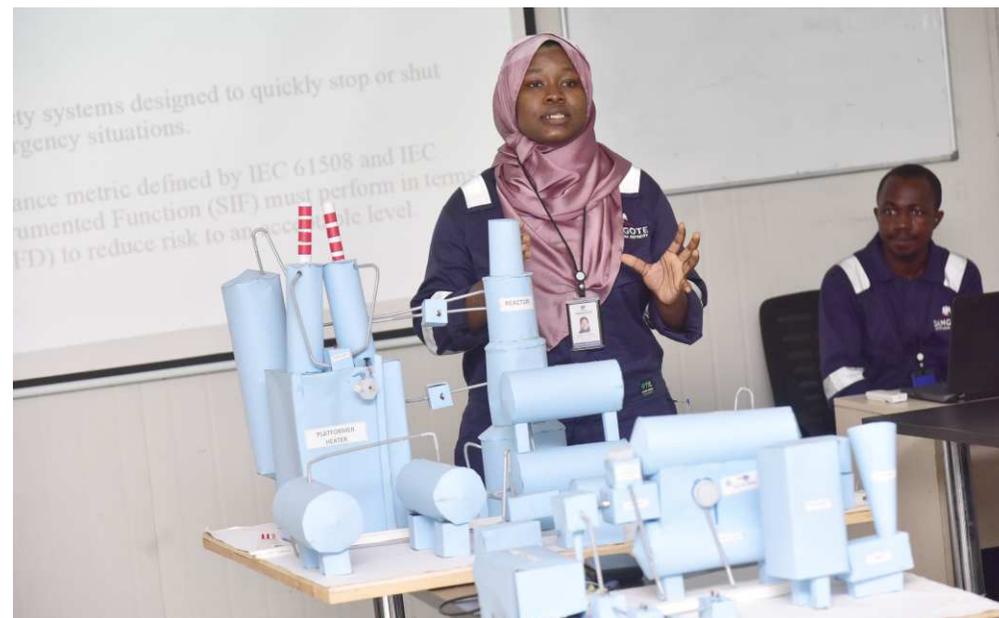
The foundation of sustainable growth is robust governance. In 2024, we significantly reinforced our ethical and compliance frameworks, underpinned by a suite of policies that define our

standards. These foundational documents, including our Anti-Bribery and Corruption Policy, Anti-Slavery Policy, Child Labour Abolition & Prevention Policy, and Whistle Blowing Policy 2.0, ensure strict adherence to ethical conduct and regulatory compliance across the business. We also enhanced our due diligence processes across our entire supply chain to ensure that our partners adhere to the same high ESG standards we set for ourselves. This focus on transparency, accountability, and the comprehensive training of our staff ensures resilience and builds trust with our investors, regulators, and the public.

Looking Forward

The journey to true sustainability is continuous. As we navigate the coming years, DFL is geared for sustainable growth, guided by the materiality insights presented in this report. We will continue to collaborate with our stakeholders, from farmers to policymakers, to ensure that Dangote Fertiliser remains a catalyst for a prosperous, self-sufficient, and sustainable Africa.

Thank you for your continued partnership and support.



Message from

THE GROUP CHIEF HSSE & SUSTAINABILITY OFFICER



James Adenuga, PhD, CFIOSH

Group Chief, HSSE & Sustainability,
Dangote Industries Limited

At Dangote Industries Limited, our commitment to sustainability and responsible business practice continues to evolve in depth, discipline, and impact. Guided by our seven sustainability pillars—Financial, Economic, Environmental, Operational, Cultural, Social, and Institutional—we are embedding resilience and shared value across every business unit. Dangote Fertiliser Limited (DFL), one of our flagship energy-intensive operations, exemplifies this transformation through its deliberate and measurable progress in health, safety, environment, and social performance during the 2024 reporting year.

Importantly, DFL stands out as the first non-listed Dangote business to execute and publish a Sustainability Report, demonstrating leadership, transparency, and alignment with the Group's vision of standardising sustainability reporting across all subsidiaries. This milestone underscores DFL's proactive approach to embedding ESG principles in every aspect of its operations.

Driving Safety Excellence and Operational Discipline

Our foremost priority remains the elimination of fatal and life-changing

injuries across all operations.

Within DFL, a total of 4,177,566 work hours (a 10% increase from the previous year) was recorded in 2024 without any fatalities, reflecting both growth and improved resilience. The company's safety performance shows notable improvement in several indicators — first-aid injuries reduced by 27%, medical treatment cases by 20%, and near misses by 17%, supported by an intensified focus on hazard identification and staff training. Over 1,880 employees were trained on HSE practices, representing a 164% increase from the previous year, translating into over 15,000 training hours. These outcomes demonstrate how capacity development, one of our strategic HSSE focus areas, is translating into safer behaviours and operational discipline at site level.

Enhancing Environmental Stewardship and Climate Action

The year under review also reflects DFL's proactive response to our Group-wide decarbonisation drive, which mandates that all business units develop and secure management-approved decarbonisation plans. DFL achieved this milestone with its decarbonisation roadmap formally

Message from

THE GROUP CHIEF HSSE & SUSTAINABILITY OFFICER

endorsed by the Chief Executive Officer, reinforcing the company's commitment to the Group's low-carbon transition agenda. The plan outlines a **5% reduction** in GHG intensity by 2030 through the implementation of purge gas recovery systems and optimised energy integration.

Despite a production increase of 28%, DFL successfully reduced its GHG intensity from 1.00 to 0.91 tCO₂e per tonne, reflecting a 9.0% improvement in carbon efficiency. Additionally, the plant maintained a strong record in resource conservation, with 40.9% of total water recycled and a 41% reduction in total waste generated. These results underscore the effectiveness of operational efficiency programs and the growing maturity of DFL's Environmental Management System.

Strengthening Compliance and Institutional Capacity

We continue to deepen compliance with the Group Management System Framework, ensuring our businesses align with regulatory, investor, and industry expectations. DFL has demonstrated this by improving its internal HSSE reporting accuracy, maintaining environmental compliance,

and implementing the Environmental and Social Action Plan (ESAP) commitments linked to ESG-related loan agreements.

Our 2024 Group injury trend analysis shows a 30% reduction in incidents, with DFL contributing meaningfully to this outcome through consistent implementation of work-at-height, energy isolation, and permit-to-work standards. We also acknowledge the ongoing need to strengthen control over lost-time injuries through enhanced supervision, consequence management, and behavioural safety interventions.

A Forward Path: Resilience, Innovation, and Shared Value

The year 2024 has demonstrated that embedding sustainability is not a parallel exercise but an intrinsic part of business excellence at Dangote. Through continuous technical advisory, internal reporting enhancement, and targeted capacity-building programs, we are cultivating a workforce that not only meets compliance standards but actively drives innovation and performance improvement.

As DFL advances into the future, the focus will remain on full execution of its decarbonisation roadmap, continuous improvement in incident prevention, and



deeper social engagement aligned with our Group vision of becoming Africa's leading force for sustainable industrialisation. Together, through our collective actions, we are building safer operations, stronger communities, and a cleaner future for the generations that

follow.

KEY MILESTONES FY24

Environment

Energy Use
 ↑ **53 million – GJ**
 (FY23: 47 million – GJ)

GHG Emission
 ↑ **1,364,793 tonnes CO₂e**
 (FY23: 1,169,318 tonnes CO₂e)

Water recycled/reused
 ↑ **9,154 tonnes**
 (FY23: 7,696 tonne)

GHG Intensity
 ↓ **0.91 tCO₂e/t**
 (FY23: 1.00 tCO₂e/t)

Waste generated
 ↓ **382 tonnes**
 (FY23: 649 tonne)

Waste recycled
 ↔ **64 tonnes**
 (FY23: - 64 tonne)

Social

Total Recordable Injuries Rate (TRIR)
 ↑ **2.15**
 Per 1million working/exposure hours
 (FY23: 1.32)

Zero fatalities
 ↔ **Zero**
 (FY23: Zero)

Employees
 ↑ **1,263**
 (FY23: 1,189)

Training & Development
 ↑ **6.0 million (₦)**
 (FY23: 2.7 million (₦))

Human Right Training
 ↑ **951 staff**
 (FY23: 500 staff)

Community Investment Spend
 ↑ **246 million (₦)**
 (FY23: 115 million (₦))

Production

Urea
 ↑ **1.50 million tonnes**
 (FY23: 1.17 million tonnes)

Energy intensity (net)
 ↓ **35.40 GJ** per tonne manufactured
 (FY23: 40.18 GJ per tonne)

Ammonia
 ↑ **776 tonnes**
 (FY23: 436 M/t)

Water intensity
 ↓ **8.83 tonne**
 (FY23: 9.55 tonne)

Water efficiency (discharge ratio)
 ↓ **1.81 t/t** water intake
 (FY23: 2.60 t/t water intake)

Governance

Board Diversity
 ↔ **30% female**
 (70% male)

Ethics & Anti-corruption
 ↔ **Zero**
 (FY23: Zero)

Stakeholder Engagement
 ↔ **63**
 (FY23: 63)

Compliance & Risk Mgt.
7 Strategic Risk
 (198 Total Risk)



OUR OPERATIONAL FOOTPRINT

Dangote Fertiliser Limited (DFL) operates a state-of-the-art facility, positioning itself as a major player with a significant presence in both the Nigerian domestic market and the international commodity trade. Our operations involve the use of natural gas to produce high quality urea for local and international market with a special focus on sustainable development and strong commitment to engaging our local community.

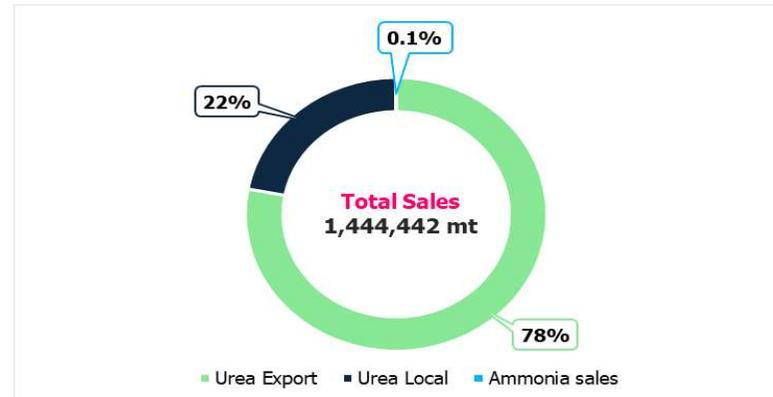
Operational Scale and Production

The core of DFL's operations is our world-class fertiliser complex. In the fiscal year 2024, our total production reached 1,500,135 tonnes of product. Our primary product mix and sales volumes for FY 2024 demonstrate our core business focus:

DFL Fertiliser Products Sold in the Reporting Year.

Products (mt)	FY23	FY24	(%+/-)
Urea Export	1,023,057	1,126,223	10%
Urea Local	145,165	317,443	119%
Ammonia sales	436	776	78%
	1,168,658	1,444,442	24%

DFL Fertiliser Products Sales Distribution Chart.



The data confirms DFL's position as a major regional exporter, with nearly 78% of its sales volume dedicated to international markets.

Global Footprint and Supply Chain

DFL maintains a robust global footprint, driven by its extensive export market and international supply chain dependencies.

- **Export Dominance:** The majority of DFL's revenue is generated through the export of Urea, serving agricultural markets across various continents and establishing the company's global brand presence.

DFL's products has been sold to countries in Africa, Europe, Asia, South America and North America, which further validates the ESG compliance level of DFL's product.

- **Global Sourcing:** Our operational scale relies heavily on international sourcing. In FY 2024, approximately 96% of DFL's total procurement spending was dedicated to

imported goods and services (248.49 million), highlighting a dependence on global suppliers for specialized raw materials, equipment, and expertise.

- **Workforce Diversity:** Our global reach is supported by a diverse team, which includes 153 expatriate (Asians, Africans and Europeans) employees out of a total workforce

of 1,263. This international expertise is vital for maintaining world-class operational standards.

Local Footprint and Community Engagement

Despite its strong global focus, DFL's local footprint is significant and centred around its facility and its socio-economic impact in Nigeria.

- **Domestic Market Contribution:** DFL plays a critical role in bolstering national food security, supplying over 317,000 metric tonnes of urea to the local Nigerian market in FY 2024.
- **Host Community Relations:** We recognize our responsibility to our host communities. In FY 2024, DFL maintained active engagement with 15 host communities through 63 planned stakeholder engagements, ensuring two-way communication and addressing community concerns.
- **Local Supply Chain Challenges:** The concentration of procurement spending on international sources (96%) indicates a key area for potential improvement in strengthening the local supply chain and increasing support for local businesses in the coming years.

DFL'S BUSINESS MODEL & VALUE CHAIN

Plant Overview

Specifications	Description
Capacity	2.7 million Tons of Urea Per Year (2 x 1.35 MMTPA)
Location	Dangote Free Trade Zone, Lekki, Lagos
Type	Greenfield Project
Feedstock	Natural Gas

Process Plants & Technologies:

Process	Technologies
Ammonia Plants	(Train 1 & 2): 2 x 2,200 MTPD Ammonia (HTAS, Denmark)
Urea Plants	(Train 1 & 2): 2 x 3,850 MTPD Urea (Snamprogetti, Italy; Thyssenkrupp, Germany)

DFL- PROJECT OVERVIEW & MILESTONES



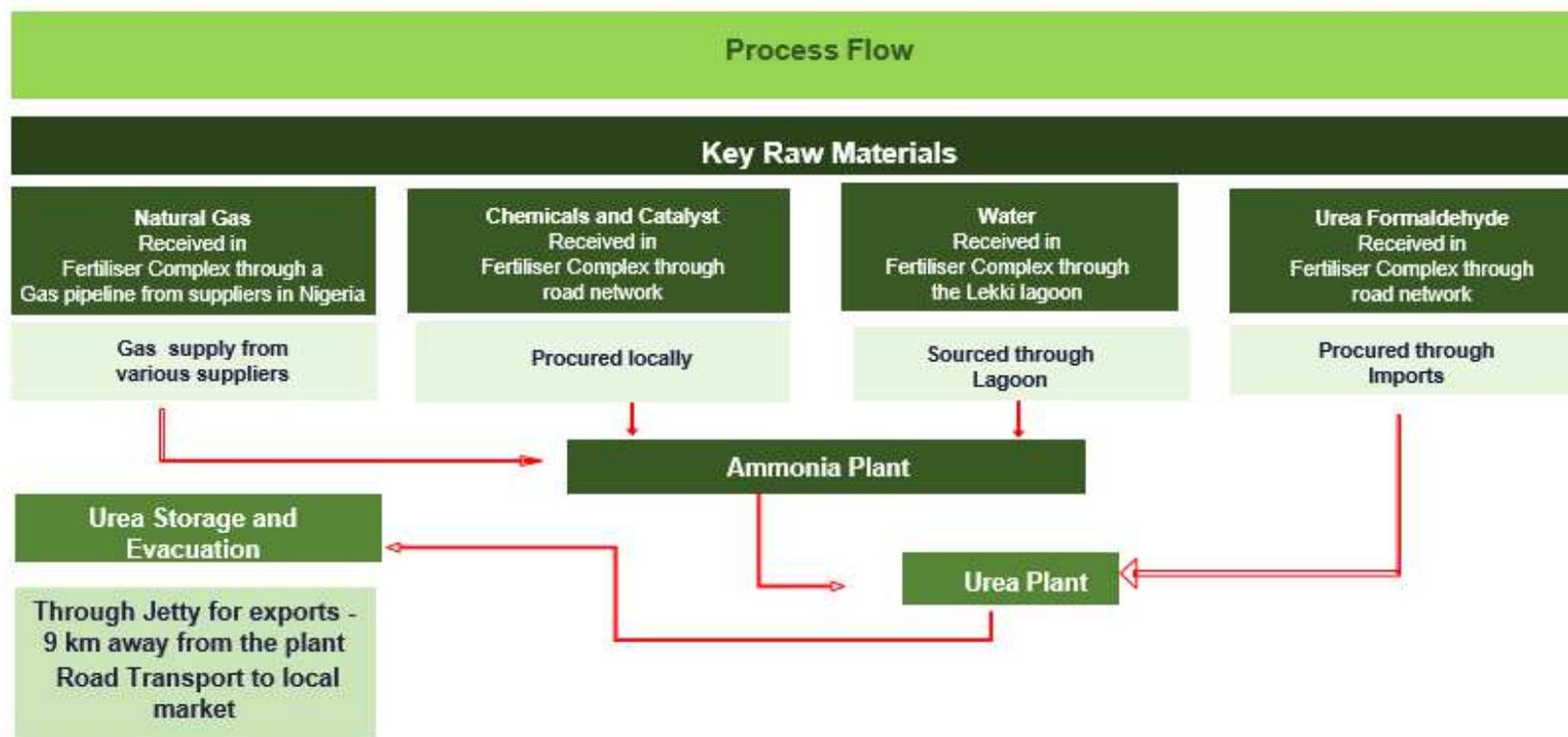
Delays due to COVID-19.



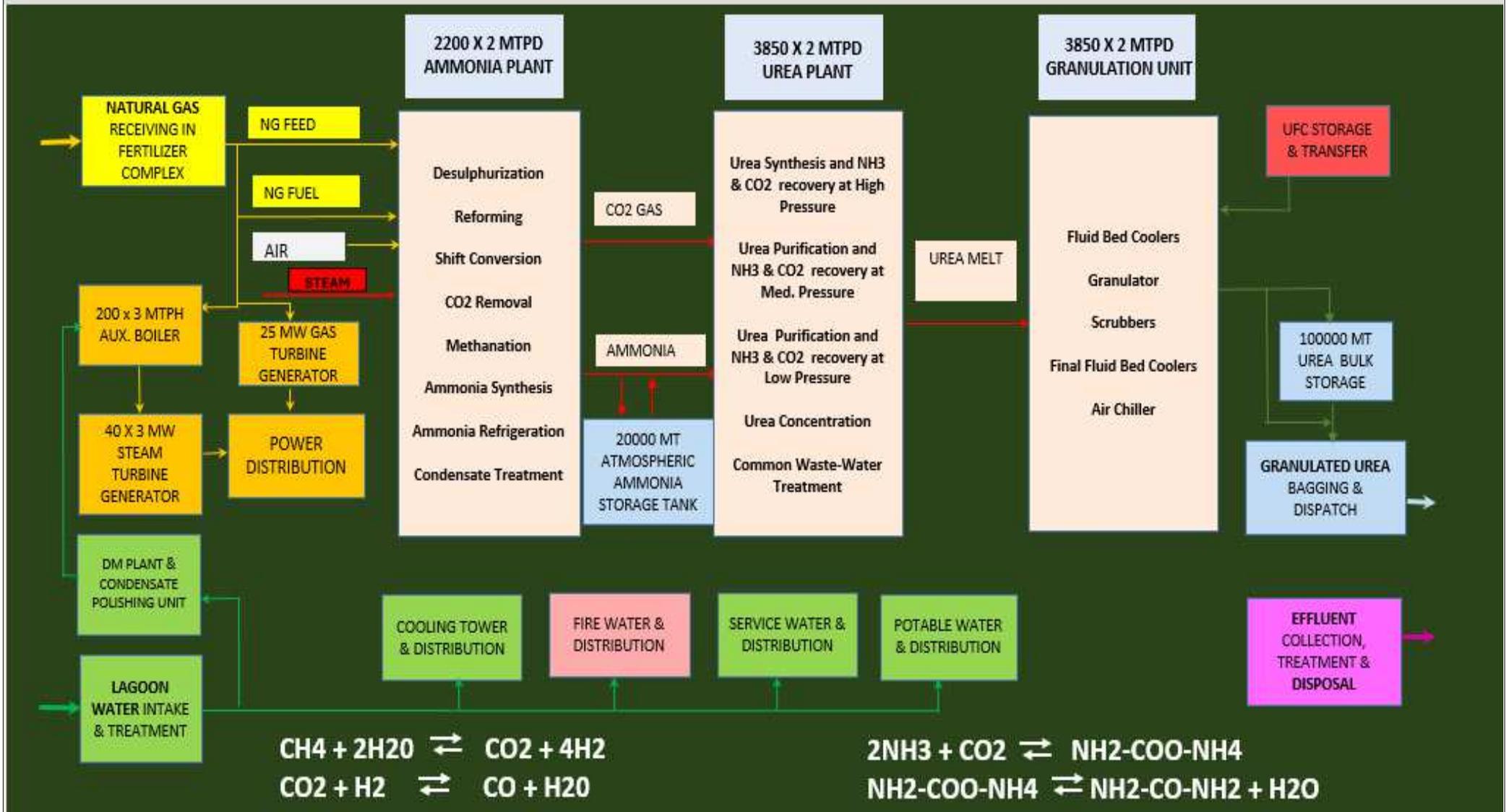
DFL's Value Chain *Cont'd*

System Elements	Description
Inputs	Natural Gas, Water (from Lagoon), Technology & Human Capital
Process	Ammonia Synthesis (Halder Topsøe) -> Urea Synthesis (Snamprogetti) -> Granulation (ThyssenKrupp)
Outputs	Urea Fertiliser (46%N).

RAW MATERIALS TO PRODUCT & DISTRIBUTION



PROCESS FLOW



Detailed Business Model

Business Model Component	How we create value	Our approach to sustainability (ESG Considerations Integrated)
<p>Our Operations & Impact</p>	<p>We operate one of the world's largest and most modern urea fertiliser plants, with a capacity of 2.7 million tonnes per annum. We create value by ensuring Nigeria's and West Africa's food security through reliable, local production of high-quality fertiliser (46% Nitrogen).</p>	<p>We are committed to minimising our environmental footprint through modern, efficient technology, a circular economy mindset, and strategic partnerships for a sustainable future. Our decarbonization roadmap includes recovery of off-gas in the new proposed boiler as supplementary fuel, displacing some natural gas and process optimizations by 2026/27 to reduce carbon intensity.</p>
<p>Input Materials</p>	<p>Natural Gas We secure reliable, local feedstock (from CNL, SPDC, NGML, NDPL via ELPS pipeline) to ensure uninterrupted production and competitive pricing.</p> <p>Water Intake (from Lekki lagoon) We ensure sustainable abstraction from the Lekki Lagoon and avoid pollution.</p> <p>Leading process technologies</p> <ul style="list-style-type: none"> Commitment to high engineering standards by selecting top-tier technology providers (Haldor Topsøe, Snamprogetti, & ThyssenKrupp) 	<p>Natural Gas:</p> <ul style="list-style-type: none"> <u>Supplier due diligence</u>: To ensure responsible extraction practices; managing supply chain resilience We ensure pipeline integrity checks are carried out by suppliers. <p>Water Intake:</p> <ul style="list-style-type: none"> Continuous physical, chemical & biological sampling and analysis of the lagoon to ensure sustainable water quality. <u>Sustainable abstraction</u>: We practice responsible water stewardship with a total need of about 25 million m³ of water in 2024, 13.2 million m³ was withdrawn, and 9.15 million m³ was recycled. Developing water stewardship policies; securing and complying with water use permits. Leading process technologies Our ~3-year-old plant uses best-available technologies for energy and resource efficiency. <p>Chemicals/Catalysts:</p> <ul style="list-style-type: none"> Sustainable procurement of chemicals and sending the spent catalyst to approved parties for recycling of precious metals <p>Human Capital:</p> <ul style="list-style-type: none"> Highly skilled workforce: extensive training programs (e.g., 77 young Nigerian Engineers were trained in India) Continuous hiring & training of fresh graduates and experienced personnel.

Detailed Business Model *Cont'd*

Business Model Component	How we create value	Our approach to sustainability (ESG Considerations Integrated)
<p>Process (Ammonia Synthesis, Urea Synthesis, Granulation)</p>	<ul style="list-style-type: none"> • Top-tier technology that ensures maximum energy efficiency, minimizing our natural gas consumption and associated greenhouse gas emissions per ton of product, efficient conversion of captured CO₂ from our ammonia plant into urea, integrating waste streams and preventing emissions, production of a superior, low-dust fertiliser granule, reducing environmental losses and enhancing safety for our workers and customers. Pollution abatement from design including granulation scrubbers, strippers for urea, waste heat recovery section to lower temperature of flue gas before release. • Self-reliant in power generation. 	<ul style="list-style-type: none"> • Continuous emissions monitoring systems. • Circular economy- CO₂ removal and recovery for Urea synthesis, off-gas recovery and utilization as fuel. • GHG reduction strategy and decarbonization plan approved by executive management. • Environment monitoring of air pollutants (NO_x, SO_x, and ammonia dust) to ensure they are within regulatory limits. • Energy Self-Sufficiency and efficiency of 35.4 GJ/MT (8.46 GCal/MT) Urea in 2024 and a reduction of 11.9% from 2023 to 2024. • Flaring is only done for safety purposes. • Effective water management with a water intensity of 8.83 tonnes of water per tonne of urea in 2024, representing a 7.52% reduction from 2023. A target has been set to further reduce the water intensity to 7 tonnes of water per tonne of urea by 2027. • 31% increase in water efficiency (based on discharged ratio) from 2023 to 2024 • Safe disposal protocols with 30% recovery of hazardous waste in 2024. • Managing process safety to prevent major incidents and tracking lost time injuries. • Robust HSE management systems; extensive staff training; commitment to IMS (ISO 45001 14001 and 9001) certification.
<p>Output Products & Distribution</p>	<ul style="list-style-type: none"> • Urea Fertiliser (46% Nitrogen): A critical input for enhancing agricultural productivity and soil health. 	<ul style="list-style-type: none"> • Distribution Network: In the reporting year, 98.2% of our product reached the market through a robust network of distributors across Nigeria and for export. • Product quality and safety for end-users ensuring a positive impact on food security. • Farmer Support: Direct agronomic services and soil testing. Sustained after-sales services by promoting sustainable product usage. Our team of agronomists provides farmer training on the 4R Nutrient Stewardship (Right Source, Right Rate, Right Time, Right Place) to prevent overuse and nutrient runoff. • We are part of the Dangote Group's circular economy drive, sending spent oil to Dangote Cement as a resource.

Detailed Business Model *Cont'd*

Business Model Component	How we create value	Our approach to sustainability (ESG Considerations Integrated)
<p>Contribution / Impact</p>	<ul style="list-style-type: none"> • Economic: We are a major contributor to the agricultural sector and the Nigerian economy. - Employment: We employ 1,263 people (1,110 national, 153 expatriates) with a strong focus on training and skills development. - Food Security: Our products are fundamental to boosting crop yield and sustaining livelihoods for millions of farmers. 	<ul style="list-style-type: none"> • Sustained Social Investment: We invested ₦246 million in our host communities in 2024, primarily in Education (79%) and People Empowerment (21%), and actively manage stakeholder grievances • Safety: We ensure our neighbouring communities are safe from the potential impact of our operations. • We conducted 63 community engagements to ensure dialogue and feedback and 4 carried community projects in 2024.



CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Dangote Fertiliser Limited (DFL) is firmly aligned with the global 2030 Agenda for Sustainable Development and contributes meaningfully to the United Nations Sustainable Development Goals (SDGs) through its operations, partnerships, and community initiatives.

As a proudly Nigerian company with a Pan-African outlook, our activities are guided by the belief that industrial growth must advance social progress and environmental protection. By embedding the Sustainable Development Goals (SDGs) into our operations and outreach, we ensure that our growth strengthens communities, enhances livelihoods, and advances the vision of a more inclusive and sustainable Africa.



In 2024, DFL reinforced this commitment through impactful initiatives, which directly advanced key SDGs:

2 ZERO HUNGER



SDG 2 – Zero Hunger: DFL distributed 10,000 bags of rice (10kg each) to households across 15 host communities, supporting food relief and household nutrition for vulnerable families. DFL operations supports farmers with the availability of sustainable fertiliser to enhance crop yield.

3 GOOD HEALTH AND WELL-BEING



SDG 3 – Good Health and Wellbeing: Through school health talks, DFL promoted healthy living among students and donated 100 sanitary pads to improve menstrual hygiene and wellbeing for female students. Also, provision of HMO, annual medical check-up and promotion of work life balance for our employees.

4 QUALITY EDUCATION



SDG 4 – Quality Education: To enhance learning environments, DFL provided 800 chairs and tables, offered scholarships to students in host communities and assisted with roof repairs at Magbon Senior Secondary School, Magbon-segun. DFL ensures continuous training and education for staffs by providing financial support for employees who chose to seek higher degree of education.

6 CLEAN WATER AND SANITATION



SDG 6 – Clean Water and Sanitation: The company supported local sanitation efforts by clearing waste at the Lekki Coastal Road waste centre, contributing to cleaner and healthier communities.

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs) *Cont'd*

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8 – Decent Work and Economic Growth: Through local procurement, employment, and skills development, DFL continues to drive inclusive economic opportunities in its host communities, which includes the employment of nine (9) host community youths with one (1) of them being Engineer in the Electrical Department.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9 – Industry, Innovation & Infrastructure: Operates Africa's largest granulated urea fertiliser plant, leveraging process automation and technology to drive industrial transformation and regional trade.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12 – Responsible Consumption & Production: Promotes efficient resource utilization, energy recovery, and waste minimization in production processes.

13 CLIMATE ACTION



SDG 13 – Climate Action: Through our commitment to emissions monitoring, energy efficiency, and sustainable operations, we are contributing to Nigeria's Energy Transition Plan and supporting global climate goals.

14 LIFE BELOW WATER



SDG 14 – Life Below Water: Supported mangrove restoration efforts to protect coastal ecosystems and enhance carbon sequestration capacity.

17 PARTNERSHIPS FOR THE GOALS



SDG 17 – Partnerships for the Goals: By working with government agencies, local schools, and community associations, DFL strengthened collaboration to deliver lasting impact across 33 impacted communities.

Through these initiatives, DFL continues to strengthen its role as a catalyst for sustainable industrialization, economic empowerment, and environmental stewardship.



Our Approach and Strategy

Sustainability Governance

DFL'S Governance Structure And Composition

Our Approach and Strategy

Sustainability Governance

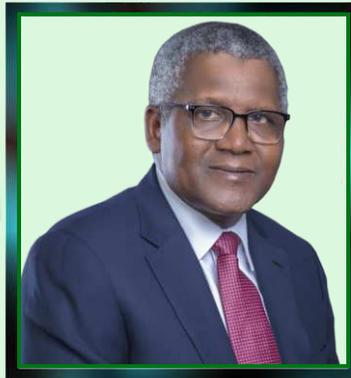
DFL's Governance Structure and Composition

Governance Framework

Dangote Fertiliser Limited (DFL) currently operates under the governance framework of its parent company, Dangote Industries Limited (DIL), in the absence of a standing board. This arrangement ensures continuity, strategic alignment, and compliance with group-wide governance and sustainability standards.

The board provides oversight across key areas including risk management, sustainability, ethics, and stakeholder engagement. This board function is consistent with the governance practices observed by the board of other Dangote Group entities such as Dangote Cement Plc (DCP), Dangote Sugar Refinery Plc (DSR), and NASCON Allied Industries Plc, where ESG matters are integrated into board-level decision-making through dedicated committees.

Board Composition



Aliko Dangote *GCON*
Chairman



Halima Aliko Dangote
Director



Devakumar V. G Edwin
Director



Vishwajit Sinha
Chief Executive Officer



Mustapha Matawalle Ibrahim
Director

Management

S/No	NAME	JOB TITLE
1	Vishwajit Sinha	Chief Executive Officer
2	Adham Fahim	Head of Commercial
3	Hope Uwagboe	Head of Finance
4	Olusegun Basorun	Head of Human Asset Management
5	Manish Goyal	Chief General Manager Maintenance
6	Nirmal Singh	Chief General Manager Production
7	Sanjay Agrawal	GM HSSE/F
8	Pooran Prakash	GM Process/Production Ammonia & Urea Plant
9	Ameer Khan	GM Utility, Offsite and Bulk Loading
10	Devendrapal Chauhan	DGM Mechanical

S/No	NAME	JOB TITLE
11	Sunil Mohanty	GM Electrical
12	Sujit Ghosh	GM Instrumentation
13	Vishram Tare	DGM Inspection
14	Anand Srivastava	GM Quality and Environment
15	Asir Rajasingh	Head Materials and Inventory
16	Babatunde Adenekan	GM Information Technology
17	Oluseyi Odekunle	GM Plant Logistics
18	Oluwafemi Oguntebi	Head of Risk
19	Mark Okemiri	Head of Internal Control

DFL's Governance Structure and Composition

Board Oversight of ESG

The DIL Board oversees ESG matters through its established committees, which include:

- **Sustainability and Technical Committee:** Responsible for reviewing sustainability strategy, climate-related risks, and ESG performance metrics.
- **Audit, Risk and Compliance Committee:** Oversees internal controls, regulatory compliance, and ESG-related disclosures.
- **Governance and Nomination Committee:** Ensures board composition, succession planning, and ethical governance align with ESG principles.

Key Responsibilities of the DIL Board in ESG Oversight

- **Policy Approval and Strategic Direction:** The Board reviews and approves DFL's sustainability strategy, ESG policies, and climate-related frameworks, ensuring alignment with group-wide priorities and international standards such as GRI, UNGC, NGX SDGs, and IFRS S1/S2.
- **Risk and Opportunity Management:** ESG risks including climate change, water scarcity, supply chain resilience, and community relations—are evaluated and integrated into enterprise risk management (ERM). The Board monitors mitigation plans, and

emerging opportunities linked to energy efficiency, circular economy, and social impact.

- **Performance Monitoring and Disclosure:** The Board oversees ESG performance indicators, stakeholder engagement outcomes, and sustainability reporting. This includes reviewing annual disclosures, assurance statements, and progress against SDG-aligned targets.
- **Ethics, Compliance, and Governance Culture:** Through its committees, the Board ensures ethical conduct, anti-corruption compliance, and adherence to governance codes. It supports a culture of transparency, accountability, and continuous improvement across all ESG dimensions.



DFL's Governance Structure and Composition *Cont'd*

Internal ESG Governance at DFL

ESG governance is embedded operationally through:

- A cross-functional Sustainability Core Team responsible for ESG data management, reporting, and stakeholder engagement with support from DIL.
- Departmental ESG focal points across Environment, Health & Safety, Risk Management, Procurement, and Community Relations.
- Regular coordination with DIL's governance and compliance units to ensure consistency and accountability.
- Group-aligned ESG policies including:

Processes and Controls

DFL's ESG governance processes include:

- Materiality Assessments – Conducted annually to identify and prioritise ESG risks and opportunities.
- Stakeholder Engagement Framework – Guides interactions with communities, regulators, suppliers, and investors.
- ESG Data Collection and Reporting Protocols – Ensure accuracy, consistency, and traceability of sustainability metrics.
- Internal Audit and Compliance Reviews – Monitor adherence to ESG policies and regulatory

requirements.

Future Governance Enhancements

DFL will officially commission its board to strengthen its ESG governance structure in 2025. The board will carry-out the following responsibilities:

- Establishing a dedicated Sustainability Committee.
- Formalising ESG-linked executive accountability and reporting lines.

- Pursuing independent assurance of ESG disclosures.
- Integrating ESG into enterprise risk management and board-level oversight.

These enhancements will align DFL with the governance maturity and ESG leadership, positioning the company for long-term resilience, stakeholder trust, and sustainable growth.



STRATEGY AND MATERIALITY

Our Sustainability Strategy

Dangote Fertiliser Limited (DFL) presents its 5-Year Sustainability Strategy, structured around the Dangote Group's 7 Sustainability Pillars. This comprehensive roadmap integrates sustainability into our core business operations, driving long-term value for stakeholders while contributing to Nigeria's agricultural development and environmental protection.

FINANCIAL SUSTAINABILITY

Goal: Secure long-term profitability by embedding climate considerations and innovation into financial planning.

Strategic Initiatives:

Initiative	Timeline	Key Performance Indicators
Decarbonisation Investments (using off-gas as supplementary fuel in New Boiler)	2025-2027	<ul style="list-style-type: none"> • 2 years ROI on projects. • Reduction in carbon cost per ton
Sustainable Product Development	2029	<ul style="list-style-type: none"> • 5% revenue increase from sustainable products & penetration of new markets.

INSTITUTIONAL SUSTAINABILITY

Goal: Achieve best-in-class governance through certification and ethical conduct.

Strategic Initiatives:

Initiative	Timeline	Key Performance Indicators
ISO Certification (9001, 14001, 45001)	2025-2026	<ul style="list-style-type: none"> • Successful certification attainment
ESG Risk Integration	2025-2026	<ul style="list-style-type: none"> • Increase in number of management staff with ESG goals as part of their KPI. • ESG risk assessments conducted quarterly.
Anti-Corruption Training	Ongoing	<ul style="list-style-type: none"> • 100% staff trained. • Annual whistleblowing process awareness/campaign.

OPERATIONAL SUSTAINABILITY

Goal: Optimize resource use and advance circular economy principles.

Strategic Initiatives:

Initiative	Timeline	Key Performance Indicators
Resource Efficiency Projects	2026-2030	<ul style="list-style-type: none"> • 5% reduction in Water intensity (m³/tonne) by 2030 • 5% reduction in Energy intensity yearly (GJ/tonne of urea) • 2% increase in Waste recycling
Sustainable Supply Chain	2025-2027	<ul style="list-style-type: none"> • 100% Supplier ESG assessments • Increase in local procurement spend by 5% annually

CULTURAL SUSTAINABILITY

Goal: Foster an inclusive, safe, and high-performing organizational culture.

Strategic Initiatives:

Initiative	Timeline	Key Performance Indicators
Talent & Diversity Drive	2025-2029	<ul style="list-style-type: none"> • 10% increase in female representation in DFL leadership • 40 hours for training per employee annually
Safety Excellence Program	2025-2029	<ul style="list-style-type: none"> • LTIFR - 0.4 • TRIR - 0.5
Sustainability Acculturation	2025-2026	<ul style="list-style-type: none"> • 5% Increase in Sustainability Champions trained annually • 5% Increase for Volunteering participation annually

Our Sustainability Strategy

ECONOMIC SUSTAINABILITY

Goal: Drive national prosperity and industrial self-sufficiency.

Strategic Initiatives:

Initiative	Timeline	Key Performance Indicators
Production Optimization	2030	<ul style="list-style-type: none"> • 100% Increase in Domestic market volume. • 100% increase in Export revenue
Local Content Development	2030	<ul style="list-style-type: none"> • 100% Increase in Local Jobs opportunities. • 100% Increase in Tax contributions.

ENVIRONMENTAL SUSTAINABILITY

Goal: Lead in climate action and environmental stewardship.

Strategic Initiatives:

Initiative	Timeline	Key Performance Indicators
Emissions Reduction Roadmap	2026-2030	<ul style="list-style-type: none"> • 5% Reduction of GHG Intensity. • Reduction of Scope 1 emissions by 5%
Water Stewardship Plan	2025-2030	<ul style="list-style-type: none"> • Increase in Water recycling by 2%
Compliance	2025-2030	<ul style="list-style-type: none"> • 100% reporting of Environmental incidents • 100% Permit compliance every year
Biodiversity	2025-2030	<ul style="list-style-type: none"> • Implement Biodiversity Action plan

SOCIAL SUSTAINABILITY

Goal: Strengthen social license through community investment and engagement.

Strategic Initiatives:

Initiative	Timeline	Key Performance Indicators
Strategic Social Investment	2026 - 2030	<ul style="list-style-type: none"> • 10% increase in annual social investment spend • 10% increase in beneficiary counts annually
Stakeholder Engagement	2026 - 2030	<ul style="list-style-type: none"> • 100% Community engagements achieved annually • 100% grievance resolution
Farmer Empowerment	2026 - 2030	<ul style="list-style-type: none"> • 10% increase in number of farmers trained in 4R practices annually • 10% increase in acres covered by soil testing





IMPLEMENTATION & MONITORING

Governance: The DFL Board Sustainability Committee will oversee implementation

Reporting: Annual sustainability performance reporting

Review: Strategy refresh every 2 years

IMPLEMENTATION & MONITORING

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EXTERNAL OPERATING CONTEXT AND MARKET DRIVERS

External Operating Context and Market Drivers

Dangote Fertiliser Limited (DFL) operates within a dynamic and evolving business environment shaped by global economic shifts, national policy reforms, environmental concerns, and the growing demand for sustainable agricultural inputs. Understanding these external factors enables us to adapt proactively, seize opportunities, and sustain long-term competitiveness across domestic and regional markets.

Macroeconomic and Policy Environment

Nigeria's economic landscape in 2024 was defined by exchange rate adjustments, inflationary pressures, and ongoing policy reforms aimed at stabilizing the economy and boosting non-oil exports. These macroeconomic conditions influenced input costs,

logistics, and market pricing. However, they also reinforced the strategic importance of local manufacturing and the need for foreign exchange diversification - areas where Dangote Fertiliser plays a vital national role. Government reforms in agriculture, trade, and industry continue to prioritize local production, self-sufficiency, and job creation. The implementation of the African Continental Free Trade Area (AfCFTA) further presents opportunities to expand intra-African trade and deepen regional integration, positioning Dangote Fertiliser as a key player in advancing Africa's agricultural transformation.

Agricultural and Market Dynamics

The global fertiliser market has experienced significant volatility, driven by geopolitical disruptions, and changing demand patterns. In Africa, the rising need for food security and sustainable agricultural practices has increased demand for reliable and affordable fertiliser supplies.



Nigeria's agricultural sector, the largest in Africa, continues to evolve, with growing emphasis on mechanization, improved inputs, and climate-smart farming. Dangote Fertiliser remains central to this transformation by providing high-quality urea that supports improved yields, enhances soil fertility, and strengthens the productivity of smallholder farmers.

Sustainability and Environmental Drivers

The global transition toward sustainable production and climate action has become a defining market driver. Investors, regulators, and stakeholders are increasingly demanding transparency, environmental responsibility, and alignment with the United Nations Sustainable

IMPLEMENTATION & MONITORING *Cont'd*

Development Goals (SDGs).

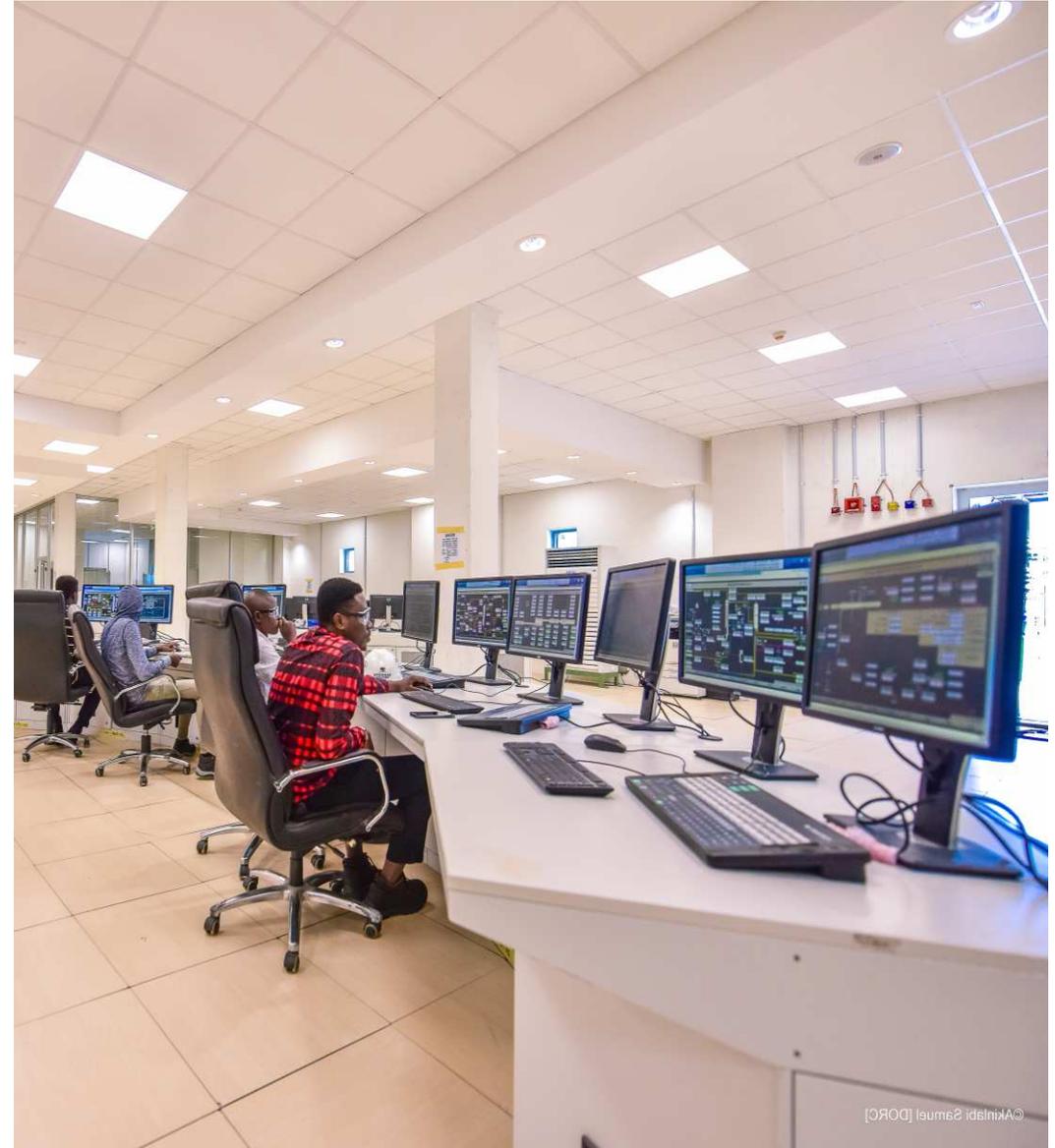
In response, Dangote Fertiliser is integrating sustainability into every facet of its operations, from energy efficiency and emissions monitoring to waste management and community engagement. This approach not only ensures compliance with environmental standards but also enhances our competitive edge and brand reputation in global markets.

Technological and Innovation Trends

Advancements in digitalization, process automation, and data analytics are reshaping the fertiliser industry. Dangote Fertiliser leverages these innovations to optimize production efficiency, strengthen supply chain visibility, and improve safety performance. We continue to explore and deploy technologies that advance precision agriculture, including the use of mobile soil testing laboratory that enable on-site analysis of soil nutrients for farmers. This innovation allows DFL to provide tailored fertiliser recommendations, helping farmers make data-driven decisions that optimize crop yields, improve soil health, and minimize environmental impact.

Looking Ahead

As market dynamics continue to evolve, Dangote Fertiliser remains focused on resilience, adaptability, and innovation. By anticipating external risks and responding strategically to global and regional drivers, we are positioning the company to remain a catalyst for sustainable agricultural and economic growth across Africa.



INTEGRATED STAKEHOLDER ENGAGEMENT AND VALUE CREATION

At Dangote Fertiliser Limited (DFL), we recognize that value creation is a collaborative process. Our integrated approach to stakeholder engagement aligns with the Dangote group Stakeholder Engagement Standards which ensures that we actively listen to, address the concerns of our

stakeholders, and aligning their expectations with our business strategies. This proactive dialogue is the foundation of our materiality assessment and risk management framework.

Identifying Key Stakeholders and

Communication Methods

Our stakeholder landscape as determined in our stakeholder identification workshop spans from the local communities hosting our operations to the global financial institutions funding our growth. We

maintain structured engagement channels for each group to ensure relevance and timeliness of communication.

The table below outlines our key stakeholders, their primary engagement methods, frequency, and the critical topics they raised in FY 2024.

Stakeholder Group	Primary Engagement Method	Frequency	Key Topics Raised (Integrated Value Focus)
Employees	Internal Communications, Training, Volunteering	Continuous/3 Major Events	Talent Management, Human Rights, Company Policy, Occupational Health & Safety (OHS).
Host Communities	Town Hall Meetings (63 Engagements), Trainings, Community Development Committees	Quarterly/Bi-Annually/Annually	Road and Drainage Infrastructure, Social Impact Investments (Education/Scholarships), Local Employment, Environmental Impact.
Customers & Distributors	Entry Inductions, Quarterly Training, Market Visits	Quarterly	Product Quality and Value Delivery, Supply Chain Safety Policies, Human Rights Awareness in the supply chain.
Lenders & Financial Institutions	One-on-One Meetings, Financial Reporting	Annually/Ad-hoc	Financial Performance, Corporate Governance, Anti-Bribery and Corruption (ABC), Climate Change Mitigation, GHG Emissions Reduction.
Suppliers & Contractors	Entry Inductions, Training, Vendor Vetting	Quarterly	Safety Policies and Procedures, Human Rights, Responsible Sourcing, Procurement Awareness.
Government & Regulators	Formal Meetings, Site Inspections	Annually/As Required	Regulatory Compliance, Permit Application, Tax Approach.

INTEGRATED STAKEHOLDER ENGAGEMENT AND VALUE CREATION *Cont'd*

Value Creation through Engagement

The insights gathered from our stakeholders through the materiality assessment survey directly influence our strategy and material topics, ensuring that our value creation model is responsive and robust.

- **Financial Credibility (Lenders):** Lenders consistently rank governance and environmental risks highly, specifically requesting information on Anti-bribery and Corruption and GHG Emissions. By providing detailed performance data in these areas, we build trust, ensuring continued access to capital.
- **Social License to Operate (Host Communities):** Our 63 community engagements focused primarily on tangible local development needs. This direct communication enabled DFL to focus 70% of its ₦246 million social investments on Education, Scholarships and infrastructures (roads and boreholes), which directly addresses the community's priority of community development project.
- **Operational Resilience (Employees & Supply Chain):** Both internal and

external operational stakeholders prioritize safety and compliance. Regular training on Safety Policies and Human Rights ensures operational continuity and ethical labour practices, mitigating the risk of social incidents or supply chain disruptions.

- **Market Alignment (Customers):** Customers' engagement highlighted a strong preference for products and operations with lower environmental impact, ranking Greenhouse Gas Emissions Reduction and Air and Water Pollution Management highly. This

confirms our strategic direction to continuously improve our environmental intensity and product stewardship.



OUR MATERIAL TOPICS

Dangote Fertiliser Limited (DFL) carried out a comprehensive materiality assessment to identify and prioritise sustainability topics that reflect the company's most significant actual and potential impacts on the environment, economy, and society. The assessment was conducted in line with the Global Reporting Initiative (GRI) Standards and guided by the

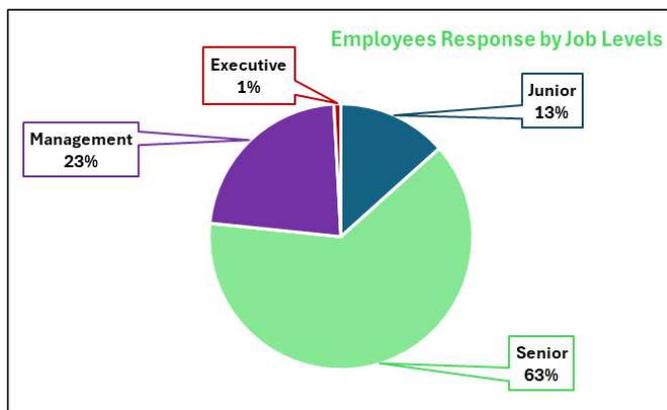
principle of impact materiality.

The final set of material topics was endorsed by the Board and organised under four thematic pillars: Environment, Society, Governance, and Economic, reflecting the areas where DFL generates the most meaningful impacts.

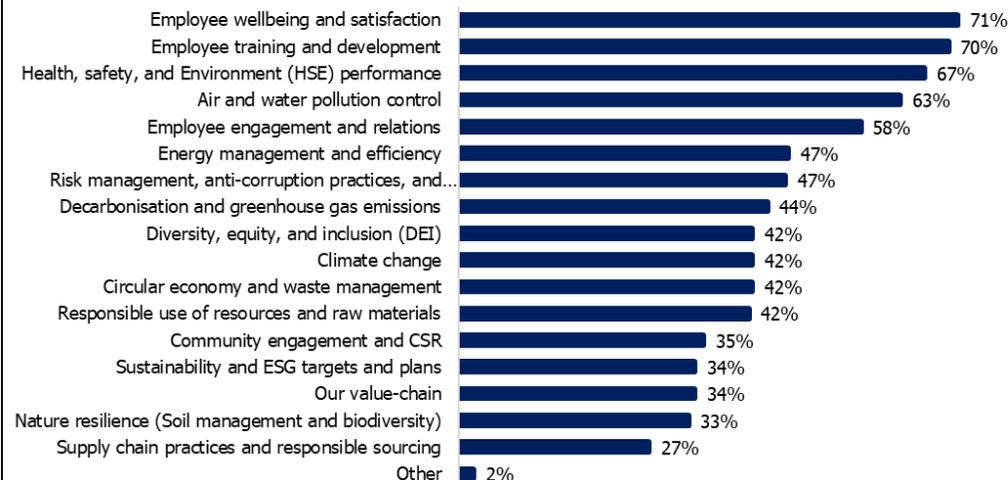
Employees

Distribution of Employees Survey Response by Job Levels

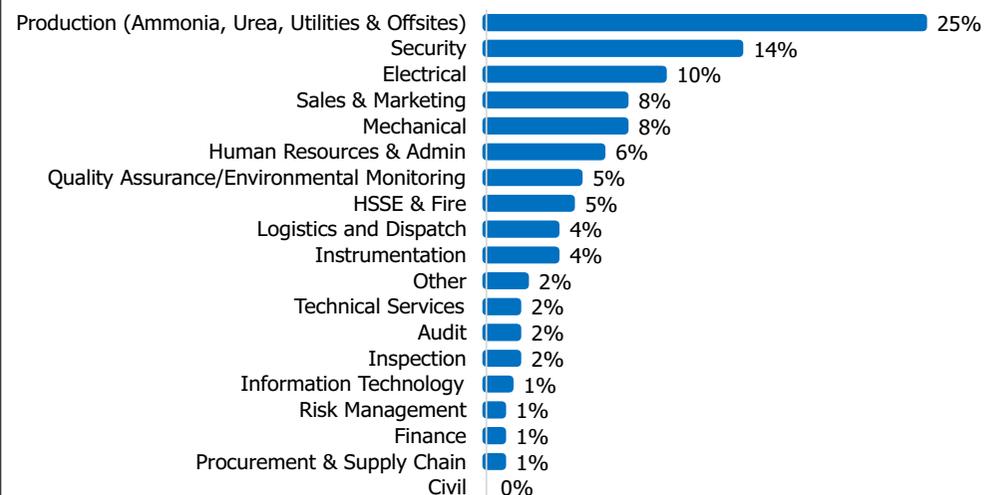
Junior	31	13%
Senior	146	63%
Management	52	23%
Executive	2	1%
	231	100%



High Ranking material topics important to Dangote Fertiliser Limited Employees in 2024



Employees Response Department Spread

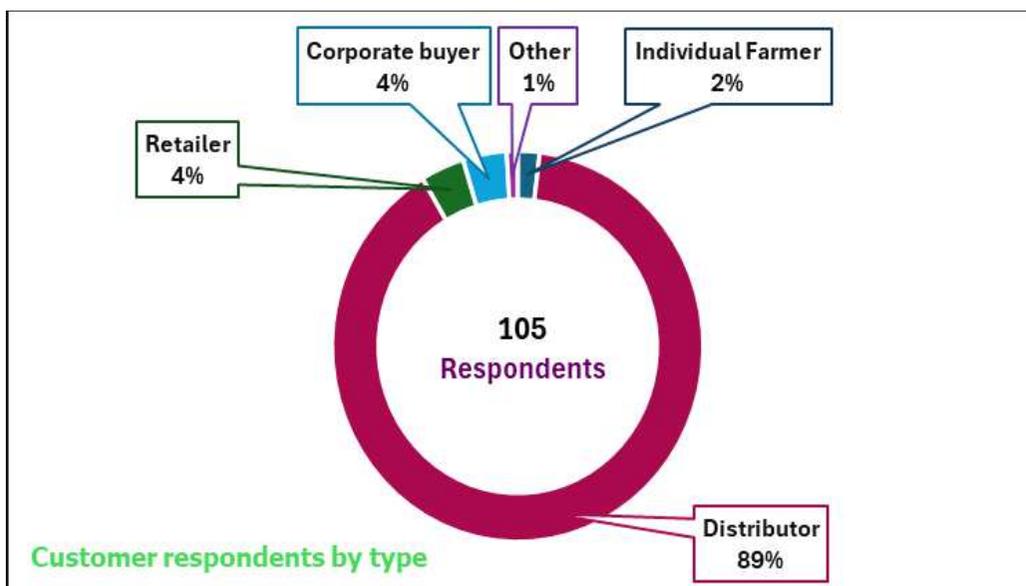


OUR MATERIAL TOPICS *Cont'd*

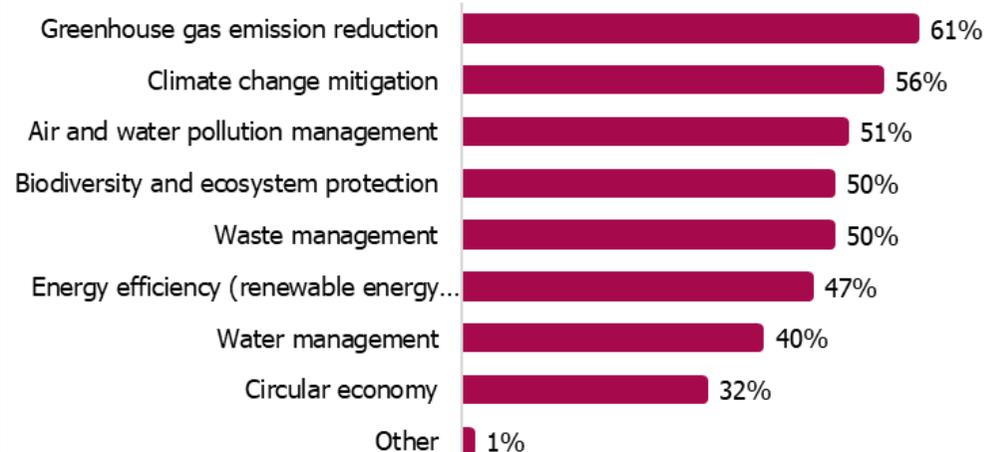
Customers

Customer Survey Response distribution by customer type

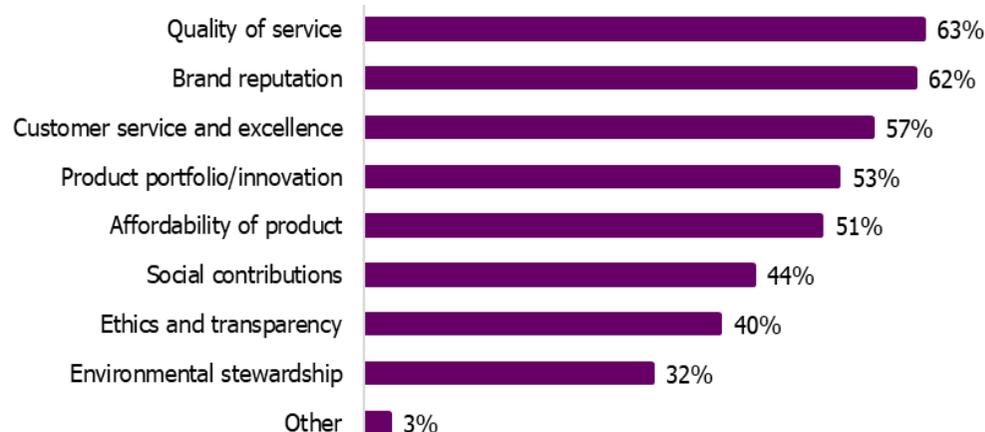
Individual Farmer	2	2%
Distributor	94	90%
Retailer	4	4%
Corporate buyer	4	4%
Other	1	1%
	105	100%



High Ranking material topics important to Dangote Fertiliser Limited Customers in 2024



High Ranking factors influencing DFL's customer fertiliser purchasing decision in 2024

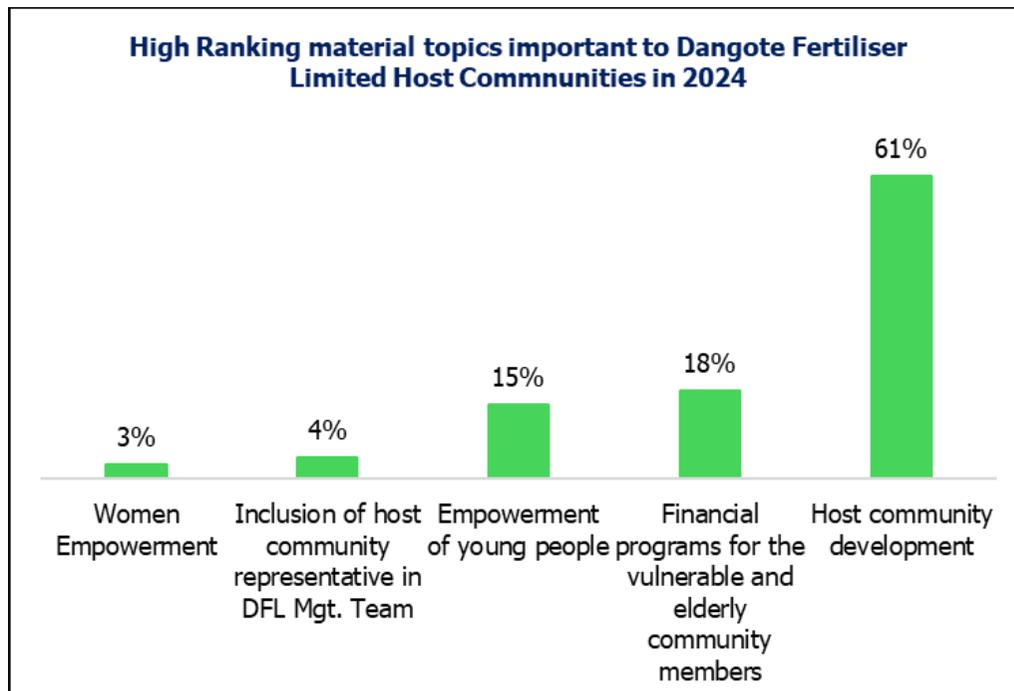
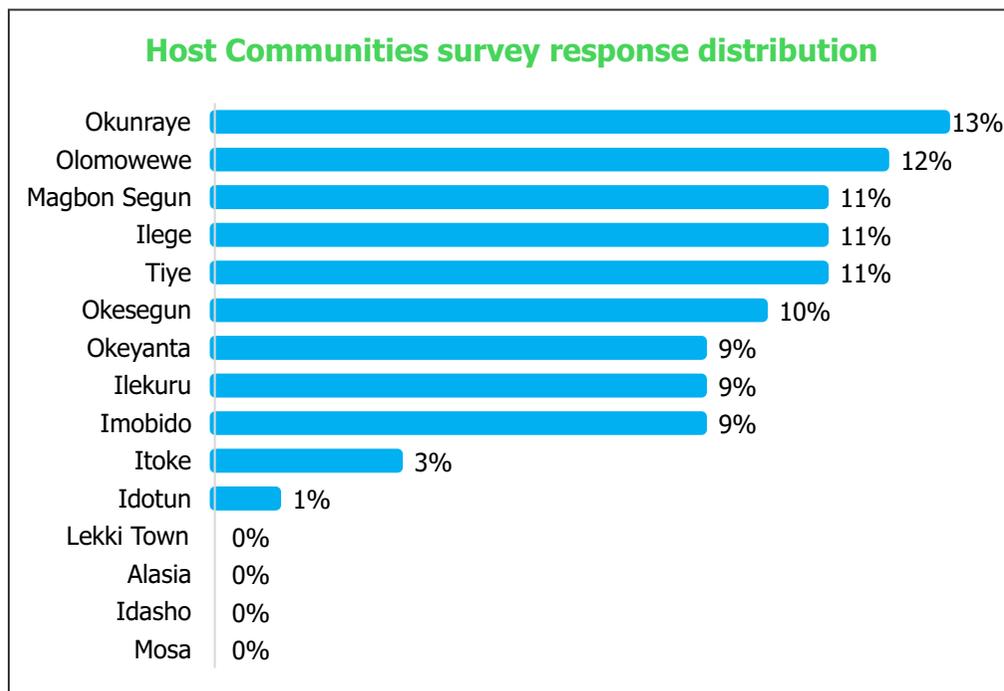
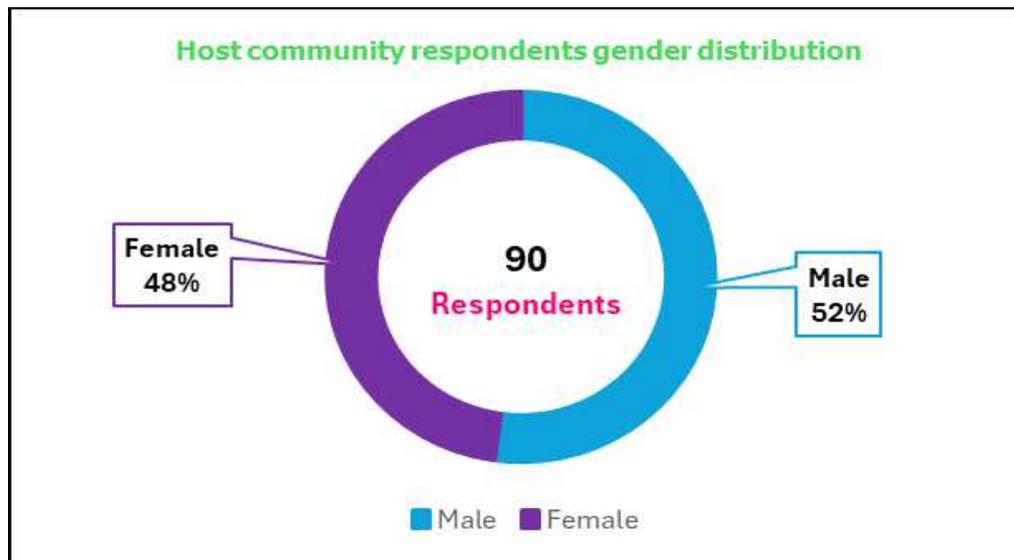


OUR MATERIAL TOPICS *Cont'd*

Host Communities

Host Communities survey response gender distribution

Male	47	52%
Female	43	48%
	90	100%



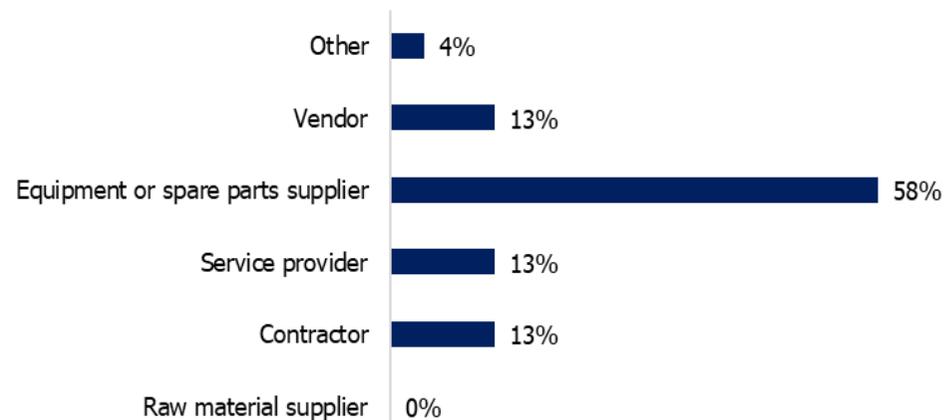
OUR MATERIAL TOPICS *Cont'd*

Supply Chain Partners

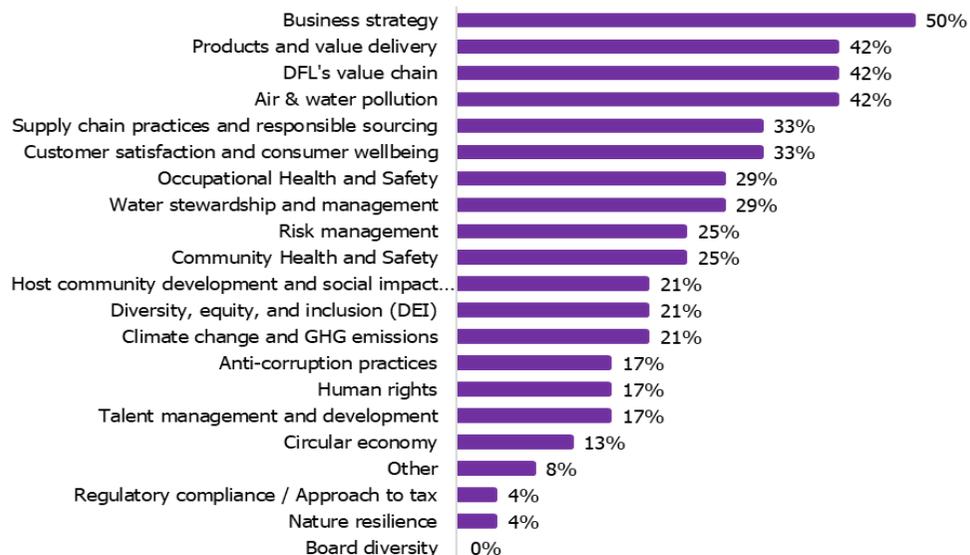
Supply chain partners category

Raw material supplier	0%	0
Contractor	13%	3
Service provider	13%	3
Equipment or spare parts supplier	58%	14
Vendor	13%	3
Other	4%	1
	100%	24

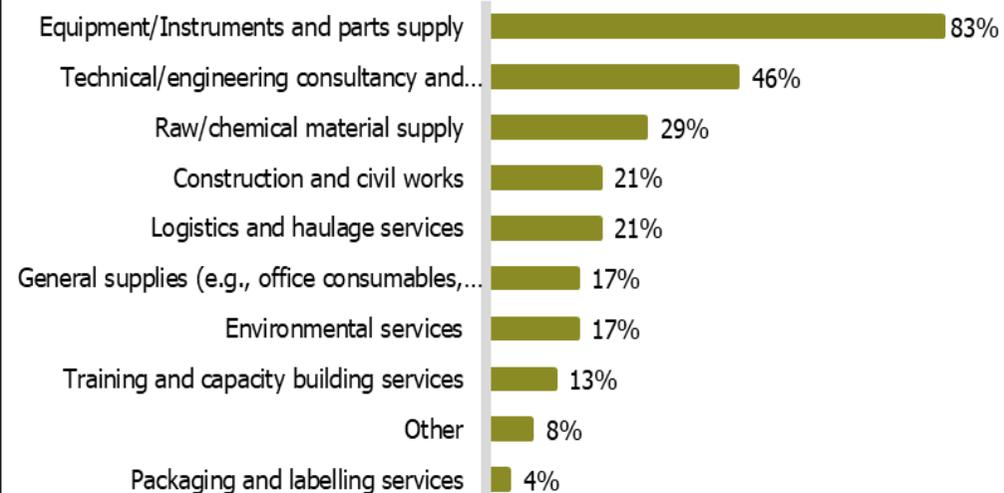
Supply chain partners respondents category distribution



High Ranking material topics important to Dangote Fertiliser Limited Supply chain partners in 2024



Supply chain partners core business areas



OUR MATERIAL TOPICS *Cont'd*

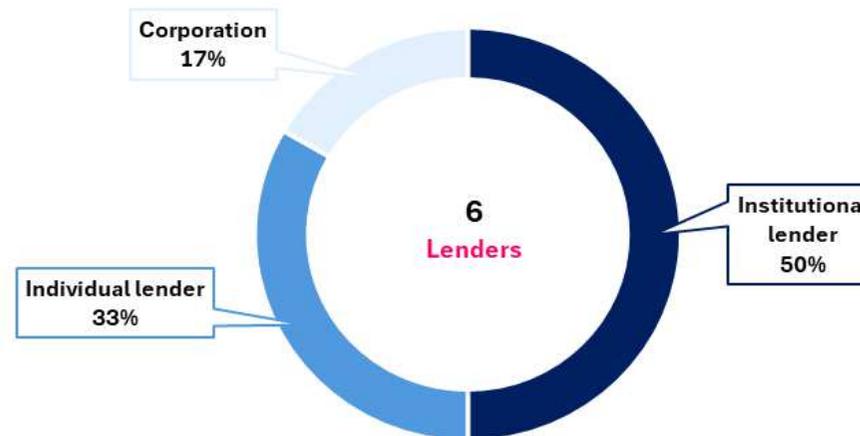
Lenders

Lenders Survey Response distribution by organisational type

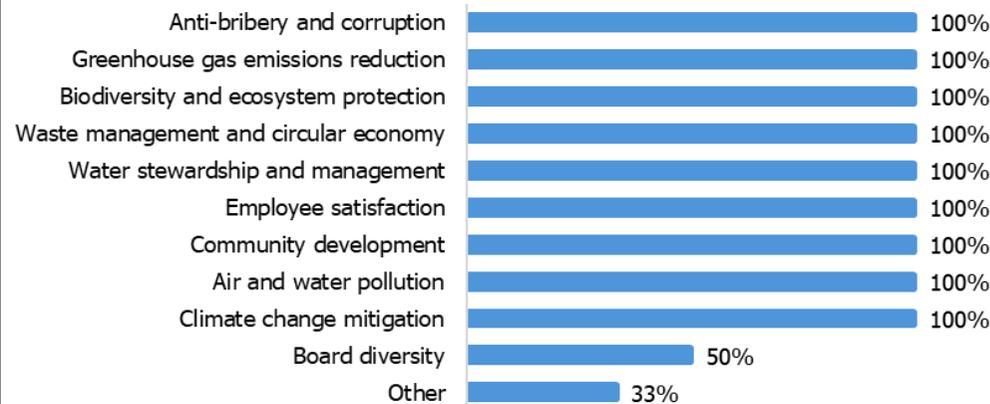
Institutional lender	3	50%
Individual lender	2	33%
Corporation	1	17%
	6	100%



Dangote Fertiliser Limited Lenders organisational distribution



High Ranking material topics important to Dangote Fertiliser Limited Lenders in 2024



OUR MATERIAL TOPICS *Cont'd*

Stakeholder Insight:

- 90% of customer respondents confirmed that DFL's fertiliser products improve soil quality and enhance agricultural productivity.
- Institutional lenders emphasised the importance of strong governance, regulatory compliance, and sustainable financial performance.
- Host communities highlighted expectations around environmental management, local employment, and continued community engagement.
- Employees responses reflected strong internal awareness of DFL's sustainability initiatives and the need for capacity building on ESG topics
- Supply Chain partners prioritised issues such as regulatory compliance, nature resilience, and responsible sourcing, underscoring the importance of sustainable supply chain practices

The materiality assessment process involved the following key steps:

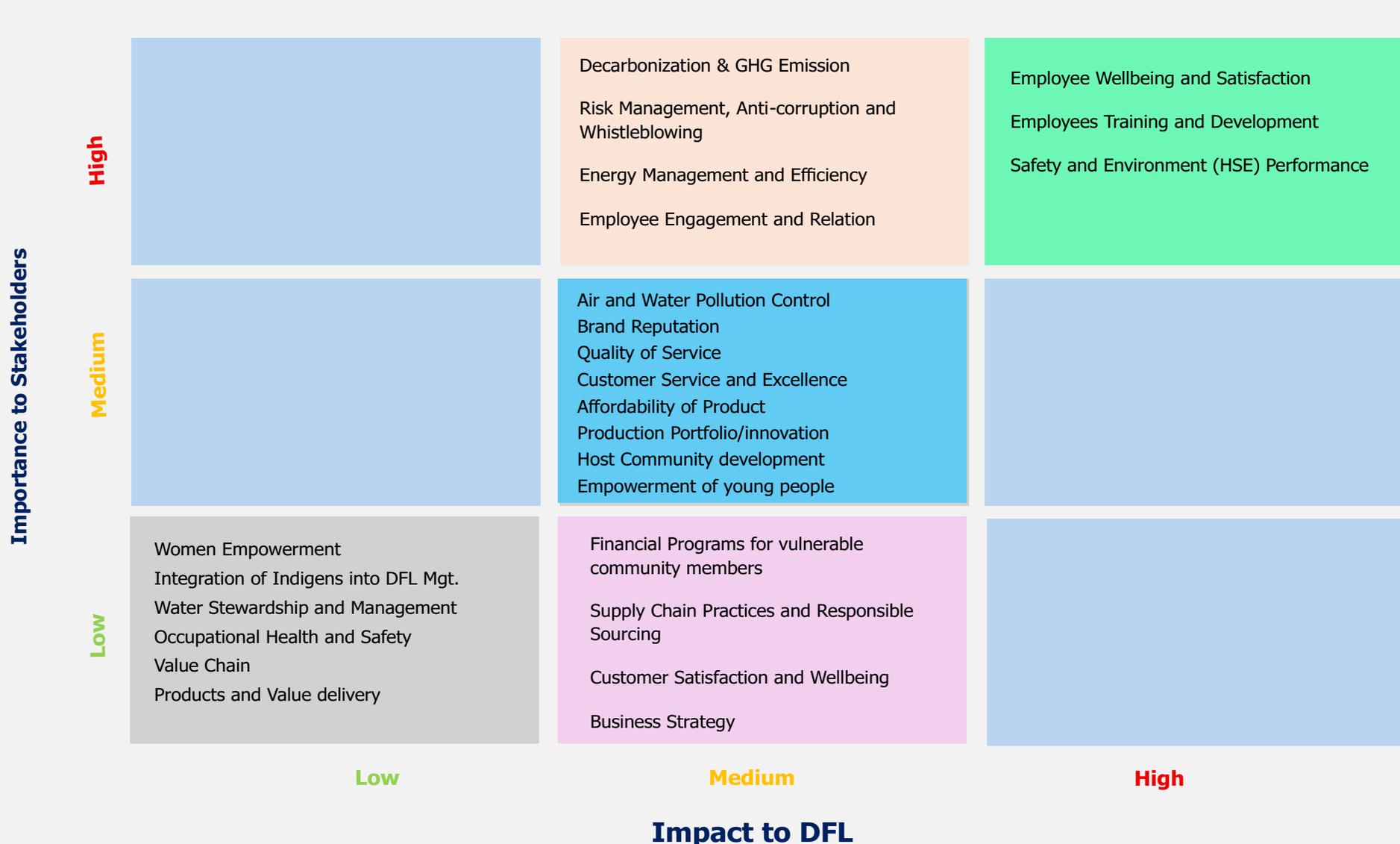
- Peer benchmarking to understand

industry practices and emerging sustainability priorities.

- Review of global reporting trends in alignment with leading sustainability frameworks.
- Integration with the enterprise risk register to ensure consistency with identified business risks and opportunities.
- Stakeholder engagement through a materiality assessment survey distributed to key stakeholder groups, including employees, customers, host communities, suppliers, and financial partners — to capture their perspectives on DFL's most significant impacts.
- Leadership interviews to validate internal priorities and strategic direction.
- Executive validation workshop to review outcomes and confirm alignment with DFL's strategic objectives.



DFL 2024 Sustainability Report Materiality Matrix.





MANAGING OUR RISKS AND OPPORTUNITIES

(Integrating ESG Risks into Enterprise Risk Management)



MANAGING OUR RISKS AND OPPORTUNITIES

(Integrating ESG Risks into Enterprise Risk Management)

At Dangote Fertilizer Limited (DFL), effective risk management is fundamental to achieving sustainable growth, protecting value, and ensuring long-term resilience. Operating in an environment shaped by climate variability, evolving regulations, and global market dynamics, DFL adopts a proactive and structured approach to identifying, assessing, and managing both traditional and emerging Environmental, Social, and Governance (ESG) risks.

Enterprise Risk Management Framework

Our Enterprise Risk Management (ERM) framework, aligned with the Dangote Group Corporate Risk Management Policy and ISO 31000, embeds risk awareness and accountability across all levels of decision-making. The framework provides a structured approach for assessing operational, financial, environmental, and regulatory risks, while identifying opportunities that enhance business resilience and

sustainability performance.

Integrating ESG Risks into Risk Management

DFL has integrated ESG risk evaluation into its ERM processes to ensure that sustainability-related risks are managed alongside operational and financial risks. This integration enables DFL to anticipate challenges, build resilience, and align risk responses with its sustainability and strategic objectives.

Operating in an environment shaped by climate variability, evolving regulations, and global market dynamics, DFL adopts a proactive and structured approach to identifying, assessing, and managing both traditional and emerging Environmental, Social, and Governance (ESG) risks.



MANAGING OUR RISKS AND OPPORTUNITIES *Cont'd*
Approach to Risk and Opportunity Management

DFL applies multiple layers of governance, technical controls, and strategic interventions to manage risks and capitalize on opportunities:

Focus Area	Approach / Tools	Budget Provision
Risk Governance	Oversight by Group Risk Management Committee and DFL's Risk Management Committee	Adequate
ERM Processes	Annual risk identification, Risk and Control Self-Assessment (RCSA), and periodic risk register updates.	Adequate
HSSE Systems	Fire detection/suppression, ammonia leak detection and response, emergency drills, and safety audits.	Adequate
Engineering & Infrastructure	Upgraded drainage to handle extreme rainfall condition, backup power systems, and infrastructure resilience projects.	Adequate
Business Continuity Planning (BCP)	Crisis management team, emergency shutdown protocols, and recovery plans.	Adequate
Regulatory & Compliance Monitoring	Engagement with regulators, continuous policy tracking, and insurance coverage reviews.	Adequate
Opportunity Management	Implementation of energy efficiency programs and renewable energy evaluations.	Adequate

These systems collectively strengthen operational reliability, reduce risk exposure, and enhance DFL's readiness for emerging sustainability challenges.

Financial Commitment

DFL allocates annual budgetary expenditures toward HSSE initiatives, resilience improvements, insurance premiums, and infrastructure investments. These expenditures reflect the company's commitment to preventive measures that ensure safety, business continuity, and environmental stewardship.

Governance and Oversight

Risk oversight is driven by the Group Risk Management Committee and DFL's Risk Management Committee,

which monitors key risk indicators, reviews reports, and ensures alignment with the Dangote Group Sustainability Strategy – The 7 Pillars. Periodic training, audits, and risk awareness campaigns further promote a strong risk culture and continuous improvement within the organization.

Anti-Corruption Risk Management

Building on our strong governance foundation, Dangote Fertilizer Limited (DFL) upholds the highest standards of integrity, transparency, and accountability in all business

dealings. The company maintains a zero-tolerance policy towards all forms of bribery, corruption, and unethical practices, ensuring that our operations and stakeholder relationships reflect the highest standards of business ethics.

As part of our annual risk and control self-assessment, all 20 departments were reviewed for corruption-related risks in 2024. The assessment helped to identify potential control gaps in areas such as payment authorization, approval thresholds, and transaction validation. While no confirmed cases of bribery or

MANAGING OUR RISKS AND OPPORTUNITIES

Key ESG Risks and Opportunities

Category	Description	Classification	Potential Impacts	Financial Implications (Before Action)	Management & Mitigation Measures	Related Opportunities
Flooding / Extreme Weather	Heavy rainfall and flooding events may damage infrastructure and cause downtime.	Physical Risk	<ul style="list-style-type: none"> - Infrastructure damage - Production delays - Increased repair and insurance costs 	<ul style="list-style-type: none"> - Potential multi-day or week-long operational shutdowns - High repair and insurance claim costs 	<ul style="list-style-type: none"> - Upgraded drainage systems to handle extreme rainfall condition, and flood protection infrastructure - Emergency drills and shutdown procedures - Comprehensive insurance coverage 	<ul style="list-style-type: none"> - Enhanced infrastructure resilience - Improved safety and ESG ratings
Carbon Regulation	Evolving climate policies and potential carbon taxes could increase compliance costs.	Regulatory Risk	<ul style="list-style-type: none"> - Increased production and compliance costs - Potential export restrictions - Reduced competitiveness 	<ul style="list-style-type: none"> - Higher cost of production if carbon levies or restrictions are introduced 	<ul style="list-style-type: none"> - Continuous monitoring of national and international carbon policies - Engagement with regulators and stakeholders - Energy efficiency and low-carbon technology investments 	<ul style="list-style-type: none"> - Reduced energy use and GHG emissions - Operational cost savings
Corruption and Fraud Risk	Irregular payments, unauthorized approvals, or document manipulation could lead to financial and compliance breaches.	Governance Risk	<ul style="list-style-type: none"> - Financial loss and reputational damage - Regulatory non-compliance 	<ul style="list-style-type: none"> - Potential loss of funds through fraudulent transactions 	<ul style="list-style-type: none"> - Annual risk assessments and RCSA - Internal audits and segregation of duties - Mandatory anti-corruption training. 	<ul style="list-style-type: none"> - Strengthened governance and stakeholder confidence

MANAGING OUR RISKS AND OPPORTUNITIES

Cont'd

corruption were recorded, these findings guided the enhancement of our internal control processes, audit mechanisms, and employee awareness programs.

To sustain ethical excellence, DFL mandates annual anti-corruption and ethics training for all employees through the Dangote Academy. The training reinforces employees' understanding of ethical conduct, proper documentation, and financial integrity.

Through continuous monitoring, regular reviews, and capacity-building programs, DFL ensures that ethical behaviour

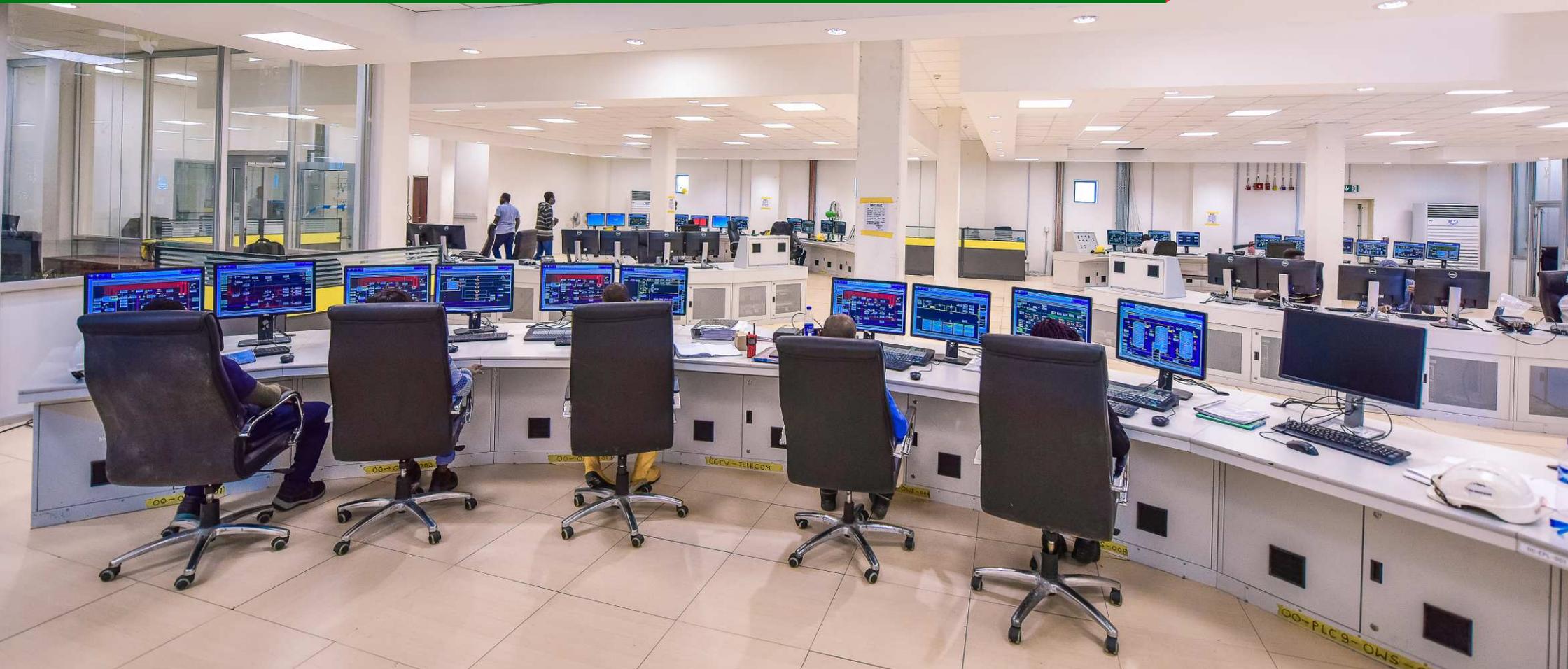
remains central to its operations. Our commitment to integrity not only protects the business from financial or reputational risks but also enhances stakeholder confidence in our governance systems.

The company maintains a zero-tolerance policy towards all forms of bribery, corruption, and unethical practices, ensuring that our operations and stakeholder relationships reflect the highest standards of business ethics.



ENVIRONMENTAL STEWARDSHIP

Climate Change Response and Energy



ENVIRONMENTAL STEWARDSHIP

Climate Change Response and Energy

DFL's Response to Climate Change

Climate change mitigation and Greenhouse Gas (GHG) emissions reduction are recognized as primary material issues for Dangote Fertiliser Limited (DFL), ranked with the highest importance by our key financial stakeholders (Lenders) and as a top concern for our customers. As a large-scale manufacturer of urea fertiliser, DFL's response is founded on three strategic pillars: Operational Decarbonization, Climate Resilience, and Product Innovation.

DFL Climate Change Strategy

Pillar	Focus Area	Strategic Goal
Operational Decarbonization	Plant Efficiency & GHG Intensity	Maximize operational stability and efficiency to separate production growth from increased emissions, and systematically lower GHG intensity through technological upgrades.
Climate Resilience & Risk Management	Physical and Transition Risks	Enhance physical infrastructure to protect against climate -related physical risks (e.g., flooding) and future -proof the business against potential regulatory transition risks (e.g., carbon pricing).
Product & Value Chain Innovation	Low-Carbon Fertiliser	Investigate pathways for producing low -carbon ammonia and urea (Blue and Green) to maintain competitiveness in global export markets seeking sustainable agricultural inputs.

DFL Climate Targets (FY 2025 Focus)

DFL is setting specific, measurable targets for the next reporting cycle (FY 2025) to formalize its commitment to continuous environmental improvement.

Target Category	Baseline (FY 2024)	FY 2025 Target	Strategic Link
GHG Intensity Reduction	0.91 tCO ₂ e/tonne	Achieve a further 1% reduction in GHG Intensity from the FY 2024 baseline.	Pillar I: Operational Decarbonization
Energy Intensity	35.4 GJ/tonne	Conduct the comprehensive technical feasibility study for the integration of utility-scale solar power generation.	Pillar I: Operational Decarbonization
Decarbonization Roadmap	Pre-management approval	Publish a formal "Decarbonization Roadmap" outlining DFL's long-term strategy for decarbonisation.	Pillar II: Climate Resilience & Risk Management Pillar III: Product & Value Chain Innovation
Physical Risk Mitigation	Flood Risk Identified	Review the flood and defence enhancement plan.	Pillar II: Climate Resilience & Risk Management

The significant reductions in GHG and energy intensities (9% and 6.7%, respectively), achieved between FY 2023 – 2024, provides the foundation for these ambitious, long-term decarbonization goals

Energy Consumption and Intensity

Dangote Fertiliser Limited (DFL) is committed to maximizing energy efficiency, which is vital both for operational cost management and for reducing GHG emissions. Our primary energy source is Natural Gas, which is utilized both as a fuel for power generation and as the main feedstock for the production process (ammonia synthesis).

Energy Performance Summary (FY 2023 vs. FY 2024)

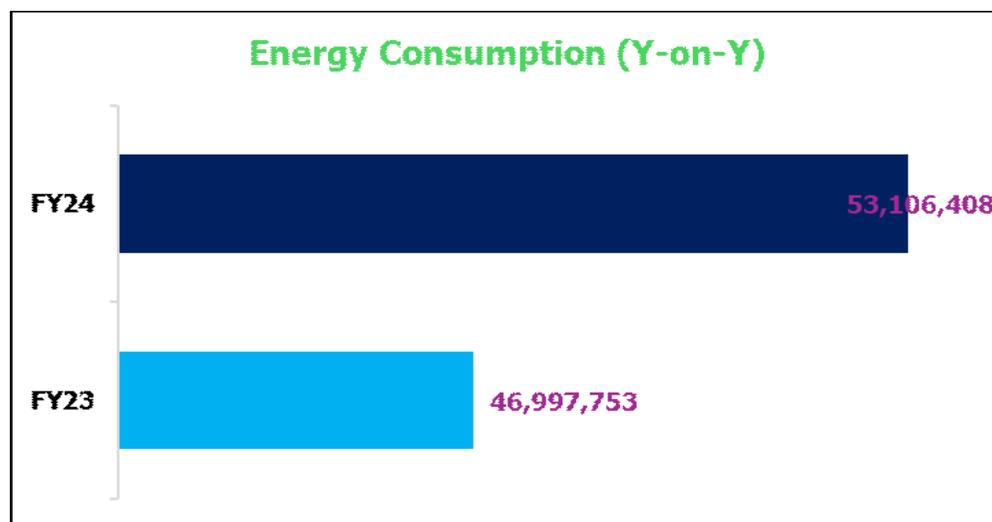
DFL recorded a significant improvement in energy efficiency, successfully decoupling production growth from an equivalent increase in energy usage

Year	Total Production (tonnes of Urea)	Total Energy Consumption (GJ)	% +/- [Year-on-Year]	Energy Intensity (GJ/tonne Urea)	% +/- [Year-on-Year]
2023	1,169,598	46,997,753	-	40.18	-
2024	1,500,135	53,106,408	13.00%	35.40	-11.9%

The 11.9% reduction in Energy Intensity (GJ/tonne) is the key highlight of our performance, achieved despite a major 28.3% increase in total production. This reduction demonstrates the success of operational optimization initiatives across the plant.

Energy Consumption Breakdown

All energy consumed by DFL is considered non-renewable as it is derived from natural gas (used as fuel for power generation and as a feedstock). DFL currently purchases no externally generated electricity (Scope 2), all power used for the plant's operation is generated on-site using natural gas.



DFL's commitment to energy efficiency (Strategic Pillar I) is demonstrated through a combination of proactive operational optimization. Our focus in FY 2024 was on leveraging process optimization to drive immediate energy savings.

Operational Energy Reduction Initiatives (FY 2024).

The significant 11.9% reduction in Energy Intensity (GJ/tonne) achieved in FY 2024 was driven by the following operational and technological improvements:

Reduction Initiatives	Strategy
Process Stabilization and Debottlenecking	<ul style="list-style-type: none"> Enhanced stability in the ammonia and urea synthesis loops reduced the frequency of startups and shutdowns, which are the most energy-intensive phases of production. This contributed to less energy wastage and higher overall throughput relative to consumption.
Optimal Catalyst Management	<ul style="list-style-type: none"> Implementing advanced monitoring and replacement schedules for key catalysts within the gas reforming and synthesis sections. Optimized catalyst activity requires less thermal energy input to achieve target conversion rates.
Heat Recovery Maximisation:	<ul style="list-style-type: none"> Auditing and tuning the waste heat recovery section to maximise the recovery of process heat, converting it back into usable energy for the plant, and minimising the need for primary fuel consumption.
Equipment Optimisation	<ul style="list-style-type: none"> Investing in variable frequency drives (VFDs) for high-power motors and pumps, allowing energy consumption to scale precisely with demand rather than operating at full power constantly.



Emissions Management

Our Commitment

Dangote Fertiliser Limited is committed to leading the fertiliser industry's transition to a low-carbon future. We manage a comprehensive emissions profile, dominated by our direct (Scope 1) emissions, and are implementing a clear strategy to improve efficiency, partner and invest in abatement technology, and address our value chain footprint.

Our Emissions Profile

We measure and report our greenhouse gas (GHG) emissions in accordance with the GHG Protocol standard. Our unique operational model of complete self-sufficiency means that our primary focus is on direct control and reduction of our Scope 1 emissions.

Scope	Source Description	Status
Scope 1	Direct Emissions from Our Operations: <ul style="list-style-type: none"> • Process emissions from ammonia and urea synthesis. • Fuel combustion from our 145MW captive power plant. • Fuel combustion from our company -owned distribution fleet (trucks & tippers). • Fuel combustion from company -owned employee commuting • Fuel combustion from plant machineries. 	Actively Managed & Reported (1,364,793 tCO ₂ e in 2024)
Scope 2	Indirect Emissions from Purchased Energy: <ul style="list-style-type: none"> • We are fully self-sufficient in energy and do not purchase electricity. 	Zero
Scope 3	Indirect Value Chain Emissions: <ul style="list-style-type: none"> • Category 1: Purchased Goods & Services (e.g., upstream methane from gas extraction). • Category 11: Use of Sold Products (emissions from the application of our urea by farmers). 	Presently out of scope

Emissions Reduction Strategy & Performance

Direct Emissions (Scope 1) Management

Our Performance in 2024:

- Total Scope 1 Emissions: 1,364,793 tCO₂e
- GHG Emission Intensity: 0.91 tCO₂e / tonne of urea

DFL Year-on-year comparison of GHG emissions (tCO₂e)

Year	Total Production (tonnes of urea)	Total GHG Emissions (tCO ₂ e)	% +/- [Year-on-Year]	GHG Intensity (tCO ₂ e/tonne)	% +/- [Year-on-Year]
2023	1,169,598	1,169,318	-	1.00	-
2024	1,500,135	1,364,793	16.72%	0.91	-9.0%

Initiative	Description	Status
Operational Excellence	Continuous optimization of our world-class ammonia (Haldor Topsøe) and urea (Snamprogetti) synthesis loops for maximum energy and carbon efficiency.	Ongoing. (This is the foundation of our low GHG intensity)
Off-Gas Recovery Eliminating Natural Gas Consumption	Commissioning of a new boiler designed to utilize off-gas as fuel, thereby displacing natural gas consumption.	Target: 2027
Synchronised Plant Startup	Investment in the new boiler system will also eliminate the venting of CO ₂ during plant startup, a significant periodic emission source.	Target: 2027
Water Conservation	5% reduction in Water intensity (m ³ /tonne of Urea)	Target: 2030

Indirect Emissions (Scope 3) Management

Our Approach:

While our direct operations are highly efficient, we recognise that a large portion of our value chain footprint lies in the use of our products. Our strategy is to mitigate this through customer education and innovation.

Initiative	Description	Status & Impact
4R Nutrient Stewardship Programme	Direct training for farmers on the Right Source, Right Rate, Right Time, and Right Place principles to minimise fertiliser overuse and nitrous oxide emissions from soils.	Ongoing. This is our primary lever to reduce downstream (Category 15) emissions.
Upstream Engagement	Working with our natural gas suppliers to encourage improved methane leak monitoring and detection in their operations.	Planned.

Future Focus & Decarbonisation Pathway

Timeline	Approach
Short-Term (2025 -2027)	Successfully commission a New Boiler, achieving the recovery of off-gases as fuel and displacing natural gas consumption. This also ensures the synchronized startup of the Ammonia & Urea plants, eliminating the venting of CO2 during plant startup. The result is a verifiable reduction in carbon intensity
Long-Term (2028+)	Leverage our partnership with the IFC on CCUS (Carbon Capture, Utilisation, and Storage) to assess the feasibility of large-scale carbon capture at our facility and the introduction of renewable energy.

Air Quality Management

Beyond greenhouse gases, we actively monitor and manage our air pollutant emissions to protect local community health and comply with regulations.

KPI	Description
Pollutants Monitored	<ul style="list-style-type: none"> Nitrogen Oxides (NOx), Sulfur Oxides (SOx), Ammonia (NH₃), and Particulate Matter (PM).
Our Performance	<ul style="list-style-type: none"> In 2024, our emissions for NOx was 156.7 mg/Nm³, and SOx was below detectable limit.
Control Technologies	<ul style="list-style-type: none"> We utilise state-of-the-art abatement systems integrated into our production technology to minimise the release of these pollutants.





**WATER AND
RESPONSIBLE
CONSUMPTION**

WATER AND RESPONSIBLE CONSUMPTION

Water Management and Efficiency

Water remains a critical input across Dangote Fertiliser Limited's (DFL) operations, serving essential functions such as steam generation for power and process, cooling, firewater supply, and utility processes. Recognising the finite nature of this shared resource, DFL continues to embed responsible and efficient water management practices into every aspect of its operations.

For DFL, water efficiency is not only an operational necessity but also an environmental and social commitment, reflecting the company's dedication to regulatory compliance, cost optimisation, community relations, and sustainable resource stewardship. This aligns with the Dangote Group's environmental priority of achieving a *minimum 5% increase in water intensity by 2030* in line with UN Sustainable Development Goal (SDG) 6 – Clean Water and Sanitation.

Performance Overview

DFL's total water consumption increased from 11,164,982 m³ in 2023 to 13,244,066 m³ in 2024, primarily due to higher production output and utility demand. However, the company achieved a 7.5% improvement in water intensity, reducing consumption from 9.55 m³/tonne of product in 2023 to 8.83 m³/tonne in 2024.

This improvement demonstrates enhanced

DFL Year-on-year comparison of Water use (ML)

Year	Total Production (tonnes of product)	Total Water Use (tonne)	% +/- [Year-on-Year]	Water Intensity (tonne of water per tonne Urea)	% +/- [Year-on-Year]
2023	1,169,598	11,164,982.00	-	9.55	-
2024	1,500,135	13,244,066.00	18.62%	8.83	-7.52%

efficiency in production processes and optimised recycling practices. Total water use is sourced entirely from surface water (Lekki Lagoon water). DFL discontinued borehole abstraction to promote aquifer conservation. Approximately 41% of total water used was recycled in 2024, translating to over 9,154,167 m³ of water returned to the system after treatment.

DFL's treated effluent, meeting NESREA marine discharge standards, is safely discharged into the Atlantic Ocean, with quarterly monitoring conducted to ensure compliance with national and international thresholds. The Environmental Evaluation Studies (EES) and Effluent Dispersion Modelling conducted after plant commissioning confirmed no significant alterations to the quality or ecology of the receiving water body.

Water Use (Tonne)

Year	FY23	FY24
	11,164,982.00	13,244,066.00

Water abstraction (Tonne)

Year	FY23	FY24
	11,164,982.00	13,244,066.00

Water discharged (Tonne)

Year	FY23	FY24
	3,046,466.00	2,714,145.00

Volumes of water recycled or re-used (Tonne)

Year	FY23	FY24
Volumes recycled	7,696,588.78	9,154,166.64
(%) recycled	41%	40.9%

Water Use per tonne of fertiliser produced (Tonne)

Year	FY23	FY24
Water Intensity	9.55	8.83

WATER AND RESPONSIBLE CONSUMPTION

Efficiency Strategies and Initiatives

In 2024, DFL implemented multiple initiatives to optimise water use and promote a circular approach within its production ecosystem:

- Optimisation of Raw Water Treatment Plant (RWTP) and Effluent Treatment Plant (ETP) to enhance recovery and reuse of process water.
- Adoption of circular water management systems, including closed-loop cooling towers, significantly reducing freshwater withdrawal.
- Deployment of automated monitoring systems and flow transmitters to track consumption and maintain water balance across the facility.
- Preventive maintenance programs on pipelines and cooling towers to reduce leakages and improve efficiency.
- Employee awareness and sensitisation campaigns on responsible water use, reinforcing a culture of conservation.

These interventions have contributed to the year-on-year improvement in water intensity and recycling performance, positioning DFL as a model of industrial water stewardship within the Dangote

Group.

Compliance and Standards

DFL's water management system is guided by national regulations and international best practices, including:

- Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) Environmental Guidelines and Standards for the Petroleum Industry in Nigeria (EGASPIN)
- Federal Ministry of Environment (FMEnv) discharge requirements
- IFC Performance Standard 3: Resource Efficiency and Pollution Prevention
- Dangote Group Environmental Management Standard and Group Environmental Key Performance Indicators (KPIs).

All water-related performance is monitored and reported under the Group HSSE and Sustainability framework, contributing to broader Group-level targets on resource efficiency and pollution prevention.

Addressing Water-Related Impacts

Water-related impacts at DFL are managed through an integrated approach that ensures sustainable withdrawal, treatment, recycling, and discharge. The plant's water requirement

The plant's water requirement is fully met through lagoon intake and internal recycling, while wastewater treatment systems ensure effluents meet quality standards prior to discharge.

is fully met through lagoon intake and internal recycling, while wastewater treatment systems ensure effluents meet quality standards prior to discharge.

DFL has eliminated borehole use to prevent groundwater depletion and continues to implement signage, awareness programs, and routine

training to strengthen conservation practices across its workforce. The company also conducts monthly effluent quality monitoring by NMDPRA-accredited third party and daily in-house monitoring to verify compliance and identify opportunities for improvement.

Outcomes and Impact

Through its robust management practices, DFL achieved measurable progress in 2024:

- 18.9% increase in total water recycled, reinforcing circular use.
- 7.5% reduction in water intensity despite an 18.5% rise in production output.
- Zero non-compliance incidents related to water use or effluent discharge.
- 40.9% of total water reused, reducing dependence on freshwater abstraction.

These outcomes illustrate DFL's commitment to operational excellence, resource conservation, and environmental protection, advancing both the Group's sustainability priorities and the UN SDG 6 target on efficient and equitable water use.

INTERACTIONS WITH WATER AS A SHARED RESOURCE

Commitment to Collective Water Stewardship

Dangote Fertiliser Limited (DFL) operates an evolving industrial ecosystem where water is both a vital production input and a shared environmental resource. Recognising its interconnectedness with the surrounding hydrological and marine systems, DFL's approach to water management extends beyond facility boundaries, embracing the principles of collective stewardship, compliance, and ecological protection.

DFL continues to demonstrate responsible industrial operations by aligning its practices with the International Finance Corporation (IFC) Performance Standards, and national environmental regulations of the Federal Ministry of Environment (FMEnv) and Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA).

Effluent Management and Hydrodynamic Interactions

Waste Water of the plant undergoes rigorous treatment within DFL's Effluent Treatment Facility (ETF) - a system integrating oily water separation, biological treatment, chlorination, and automated re-treatment for off-spec effluent. Treated water is discharged through a 8 km sub-sea pipeline, extending into the Atlantic Ocean at approximately 20 metres depth.

An Effluent Dispersion and Hydrodynamics Study conducted in 2024 provided empirical insights into how DFL's treated effluent interacts with the receiving environment. Key findings include:

- Dilution and Dispersion: Effective mixing within the offshore environment ensures a 75.6%

concentration reduction per hour under typical current speeds (0.04 m/s), confirming rapid dispersion and minimal near-field impact.

- Ecological Safety: Under standard discharge volumes (100–800 m³/hr), effluent quality consistently meets FMEnv, NMDPRA, IFC, and EGASPIN standards. Ecological risk assessment results classify potential impacts as ranging from “no effect” to “moderate” for sensitive marine species, such as diatoms (*Skeletonema costatum*).
- Temperature Sensitivity: The modelling also

emphasises that even small temperature deviations can significantly influence ecological risk, highlighting DFL's commitment to strict temperature control and continuous monitoring.

Water as a Shared and Regulated Commons

DFL's interactions with water as a shared resource are guided by transparency, joint monitoring, and proactive communication among stakeholders — including regulatory authorities, the Dangote Refinery, and local environmental agencies.

Through this model, DFL contributes to maintaining the ecological balance of the Lekki Lagoon and



INTERACTIONS WITH WATER AS A SHARED RESOURCE *Cont'd*

offshore marine ecosystem, while safeguarding the interests of surrounding communities and other water users.

Adaptive Management and Continuous Improvement

DFL applies a science-based, adaptive management approach to ensure that operational activities remain within environmentally sustainable thresholds. The integration of real-time data analytics, predictive modelling tools allows for early detection of environmental deviations and timely corrective actions.

DFL reinforces its reputation as a responsible steward of shared water resources, ensuring that industrial progress coexists with environmental integrity by ensuring alignment with local and international discharge standards and continuously improving its operational controls.

Waste Management

Dangote Fertiliser Limited (DFL) remains committed to responsible waste management and continuous reduction of waste generation in line with our environmental stewardship and circular economy objectives. In FY24, total waste generated decreased by 41%, from 649 tonnes in FY23 to 381.8 tonnes, reflecting improved operational efficiency and enhanced

material management practices across our operations.

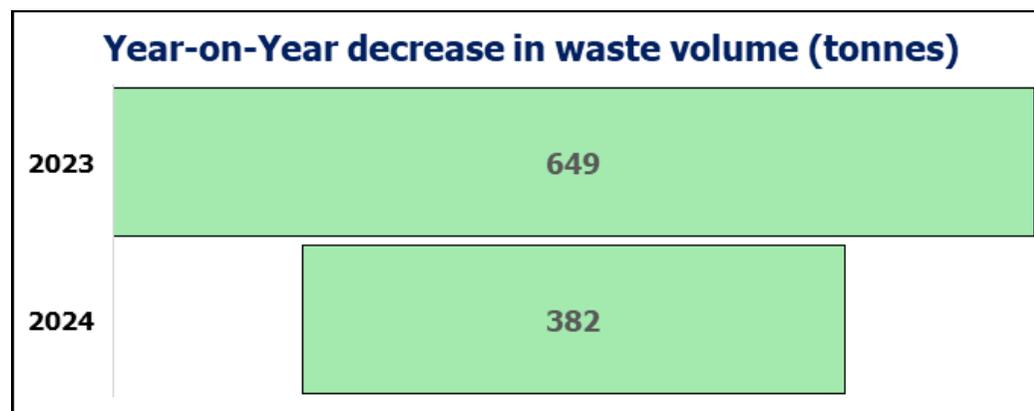
Non-hazardous waste generation reduced from 410 tonnes in FY23 to 170 tonnes in FY24, largely due to improved process optimization and heightened employee awareness on proper waste handling. However, hazardous waste increased from 239 tonnes to 211.8 tonnes, primarily due to replace of catalysts for enhancing process efficiency.

Waste (tonnes)

Year	FY23	FY24
Non-hazardous waste generated	410	170
Hazardous waste generated	239	212
Total waste generated	649	382
% Reduction in waste generated		-41%

Waste recycled (tonnes)

	FY23	FY24
Non-hazardous	-	-
Hazardous	64	64
% Waste recycled	10%	17%



INTERACTIONS WITH WATER AS A SHARED RESOURCE *Cont'd*

Waste Generation and Significant Impacts

Waste generation from DFL's operations can have significant environmental impacts if not effectively managed - including soil contamination, potential harm to aquatic ecosystems, and air quality degradation from improper disposal. To mitigate these risks, DFL ensures all hazardous and non-hazardous

waste streams are handled in compliance with regulatory requirements and internal standards.

Waste Diverted from Disposal

In FY24, a total of 64 tonnes (30.2%) of hazardous waste (spent oil) was diverted from disposal through recycling and reuse initiatives. Spent oil is transferred

to another Dangote business unit for use in energy generation, while indigenous supplied chemical plastic containers are sent back to supplier for reuse purpose. These actions exemplify our commitment to minimizing environmental impacts and advancing circular economy practices.



Environmental Compliance



Environmental Compliance

DFL is committed to continuously improving its environmental performance and achieving regulatory excellence. The Company's strategic objective is to achieve full Integrated Management System (IMS) certification (encompassing ISO 9001 for quality, ISO 14001 for environment, and ISO 45001 for health and safety) by 2025/2026. To lay the groundwork, DFL dedicated Fiscal Year 2024 to the foundational implementation of its Environmental Monitoring Plan (EMP). This EMP has not only been approved by the NMDPRA but is also fully aligned with the requirements of ISO 14001, marking the formal commencement of the certification process to be completed by the 2025/2026 target. This structured system for environmental management is already demonstrating its efficiency, as evidenced by its role in driving the significant 11.9% reduction in energy intensity and 9% reduction in GHG intensity recorded in the reporting year.

Environmental Monitoring Plan (EMP) Framework

The EMS provides a structured framework to measure and manage the environmental aspects of DFL's operations. The framework's primary

objectives are:

- **Minimizing Operational Impact:** The EMS systematically controls and monitors environmental resource consumption, emissions, and waste generation. This involves adherence to the comprehensive Environmental Monitoring Plan and Schedules, which includes detailed monitoring of critical aspects like:

Air Emissions: Measuring point source emissions (stack monitoring) and general air quality (ambient and workplace).

Water Stewardship: Monitoring groundwater, surface water, drinking water, and treated effluent water quality.

Waste Management: Managing hazardous and non-hazardous waste generation and disposal.

Noise and Vibration: Conducting scheduled monitoring to control nuisance and ensure compliance limits are met.

- **Ensuring Compliance:** The EMS is underpinned by a robust Administrative and Legal Framework that establishes clear processes, accountability, and

responsibility to meet all relevant environmental legislation, regulatory permits (including NMDPRA requirements), and internal DFL policies.

- **Driving Continuous Improvement:** This is achieved through mandatory steps defined

in the system's life cycle, including regular Evaluation of monitoring results against targets, structured Reporting to management, and a formal Review process to reset objectives and targets, thereby enhancing environmental performance year-on-year.



COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS



COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

DFL's commitment to continuous compliance with all regulatory requirements set by the statutory bodies. The company has dedicated resources and processes to monitor its operations against national and state environmental standards.

Compliance Performance in FY 2024

DFL reports zero significant incidents of non-compliance with environmental laws and regulations during the reporting period (FY 2024).

- **Zero Fines/Sanctions:** There were no reported incidents of non-compliance with environmental permits, laws, or regulations resulting in fines, sanctions, or non-monetary penalties from regulatory bodies.
- **Air Quality Operational Deviation:** On a few occasions during plant start-up procedures, the facility observed a temporary spike in ambient ammonia (NH₃) concentrations but within permissible limit
- **Control:** Early detection from continuous monitoring using Ammonia gas detectors fixed at strategic locations within the plant with alarms in the control room
- **Corrective Action and Prevention:** In response, DFL takes appropriate

action in plant startup philosophy strict adherence to the SOP for minimising ammonia emission.

- **Regulatory Compliance and HSE Governance:** Our commitment to operational excellence and sustainability is underpinned by rigorous adherence to both national and international regulatory frameworks. Environmental compliance monitoring studies are routinely conducted under the supervision and approval of key Nigerian regulators, including the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) and the Federal Ministry of Environment (FMENV), which performs regular compliance visits.

This robust compliance structure is championed by our highly certified and well-read HSE Manager, who ensures that the organization maintains an effective Health, Safety, and Environment management system. We continually seek and implement sustainable recommendations for improvement provided by national and international regulatory bodies and auditors. The continuous implementation of these recommendations is an ongoing

process, ensuring that DFL's operations meet or exceed industry best practices.

- **External Verification:** To reinforce our quality and compliance standing, we have successfully secured the SON MANCAP certificate, which verifies the quality, safety, and regulatory compliance of our products. Furthermore, we are in the process of certifying our Integrated

Management System (IMS), which provides a single, cohesive structure for managing quality, environment, and health and safety, thereby streamlining processes and reducing defects. This proactive approach ensures consistency in product quality, environmental stewardship, and occupational health across the entire value chain.



COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS *Cont'd*
Compliance Assurance Mechanism

To proactively manage the risk of non-compliance, DFL has implemented the following controls:

Compliance Control Measure	Description	Outcome
Air Emission Monitoring	Quarterly monitoring of criteria air contaminants (NOX, SOX, Particulate Matter) is conducted to ensure emissions remain below statutory limits.	Proactive identification and correction of deviations to maintain air quality standards involved addressing a significant deviation in Nitrogen Oxides (NOX) emissions, which decreased from 1 64.85 mg/Nm ³ in FY23 to 156.7 mg/Nm ³ in FY24 (a increase of approximately 5%). Conversely, proactive measures successfully maintained 0 mg/Nm ³ of both Sulphur Oxides (SOX) and Particulate Matters for both FY23 and FY24, indicating consistent control and compliance for those criteria air contaminants.
Water Balance Audits	Regular audits and tracking of water use intensity ensure efficient resource management and compliance with water abstraction and discharge regulations.	Optimized water stewardship has been achieved, with Water Intensity reducing by 7.52% year-on-year, moving from 0.0095 ML/tonne of product in FY2023 to 0.0088 ML/tonne in FY2024.
Dedicated Personnel	The Quality Assurance/Environmental Monitoring department is responsible for ensuring the implementation of the EMS and verifying compliance across all operational units.	Consistent oversight and immediate response capability for potential compliance issues is evidenced by the successful management of reported incidents. In the reporting period, we maintained zero (0) confirmed cases of child labour and forced labour across all aspects of the value chain. Furthermore, there were zero (0) social incidents or disruptions reported, resulting in zero (0) hours lost to social incidents, demonstrating high stability and effective community relations.

The company remains dedicated to achieving full certification of its IMS, which will further embed a culture of continuous environmental compliance and reporting integrity across the organization.

BIODIVERSITY AND LAND USE



BIODIVERSITY AND LAND USE

Biodiversity plays an essential role in maintaining ecosystem resilience, ecological balance, and long-term climate stability. At Dangote Fertiliser Limited (DFL), we are committed to responsible land use and the protection of biodiversity within and around our operational footprint. Our approach is guided by the Dangote Group Environmental Management Standard, which ensures compliance with relevant environmental regulations and supports the sustainable management of natural resources.

DFL's operations are situated in an area characterized by industrial development and modified vegetation dominated by secondary forest species, herbs, and grasses. Baseline environmental surveys and periodic ecological assessments conducted by DFL indicate that the immediate environment is largely transformed, with limited natural habitats and no record of endangered or critically threatened flora or fauna species.

Although our activities take place in a largely industrialised zone, DFL actively seeks to minimise its ecological footprint through continuous monitoring of land and vegetation. The company maintains

tree planting initiatives to restore green cover, improve air quality, and support broader environmental sustainability efforts.

In addition, DFL ensures that wastewater and effluent discharges are properly treated before release, in compliance

with the requirements of the Federal Ministry of Environment (FMEEnv) and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), thereby preventing contamination of soil and nearby ecosystems.

Through these measures, DFL continues to uphold its commitment to sustainable land use and biodiversity conservation, ensuring that our operations contribute to the long-term health and stability of the surrounding environment.





SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY

A. SAFETY, HEALTH, AND WELL-BEING

Occupational Health and Safety Management System (OHSMS)

Our Commitment

At Dangote Fertiliser Limited (DFL), we are committed to safeguarding the health and safety of our employees, contractors, and all persons involved in our operations. This commitment is embedded in our corporate policy and is a fundamental aspect of our operational culture. We strive for zero harm through the continuous implementation, maintenance, and improvement of a robust Occupational Health and Safety Management System (OHSMS), aligned with international best practices and in pursuit of ISO 45001 certification.

Policy and Leadership

Our OHSMS is governed by the Dangote Industries Limited Corporate Policy on Health, Safety, Social, Environment and Sustainability, which mandates compliance with applicable laws and a proactive approach to identifying and mitigating risks. Top and line management are directly responsible for the application of this policy, ensuring that health and safety is integrated into all

business decisions.

Leadership at DFL visibly demonstrates this commitment by:

- Actively setting the tone for safety and championing the Dangote 15 HSE Golden Rules.
- Conducting weekly management walkthroughs to observe conditions, engage with workers, and reinforce safe practices.
- Chairing the monthly Safe Operations Committee meetings to review performance and address

strategic safety issues.

System Framework and Worker Participation

Our OHSMS provides the structured framework for managing all aspects of occupational health and safety. A critical component of this system is the active participation and consultation of our workforce.

Key elements include:

- **Safe Operations Committees:** Monthly meetings are held for the Ammonia, Urea, Utility, and Bagging

departments. These committees, comprising management, safety personnel, and operations staff, serve as a formal platform for discussing safety concerns, reviewing incidents, and developing corrective actions.

- **Worker Empowerment:** All employees are empowered and expected to stop any work they observe to be unsafe or in violation of our HSE Golden Rules.
- **Communication Channels:** We utilise multiple channels, including



safety meetings, posters, and the DFL SafeAct App, to reinforce safety messages and ensure clear, two-way communication on OHS matters.

Training and Competence

Ensuring our workforce is competent and aware of workplace hazards is a cornerstone of our OHSMS. In 2024, we significantly expanded our training efforts:

- Total Staff Trained on HSE: 1,880 employees and contractors (up from 712 in 2023).
- Total HSE Training Hours: 15,489 hours (up from 3,983 in 2023).
- Key Training Modules: Training was provided on critical topics including Hazard Awareness, Permit-to-Work (PTW), Lockout/Tagout (LOTO), Working at Height, Confined Space Entry, Emergency Response, and Behavioural-Based Safety.

Emergency Preparedness and Response

DFL maintains a state of readiness to respond to potential emergencies. Our capabilities include:

- A fully equipped, 24/7 manned Fire Station with three (3) Rosenbauer

fire tenders and a comprehensive fire hydrant network.

- A dedicated and trained team of 36 fire professionals as of 2024, ensuring robust fire safety and emergency response capabilities
- Regular preparedness activities include fire evacuation, rescue, and medical response drills, with firemen conducting two (2) drills per week and four (4) comprehensive mock drills annually.

On-site medical facilities with qualified doctors, nursing staff, and ambulances.

Performance Evaluation and Continuous Improvement

We monitor the performance of our OHSMS through leading and lagging indicators to drive continuous improvement.

We utilise multiple channels, including safety meetings, posters, and the DFL SafeAct App, to reinforce safety messages and ensure clear, two-way communication on OHS matters.



2024 Health & Safety Performance Summary

Type of Incident	2023	2024
Fatalities	0	0
Total Work Hours	3,787,234	4,177,566
Total Recordable Injuries	5	9
Total Recordable Injuries Rate (TRIR)	1.32	2.15
Lost Time Injuries (LTI)	0	5
Total LTI / days Lost	0	5/24
Severity Rate	0	5.74
Total Number of Near Misses	6	5
Total number of staff & contractors trained on HSE	712	1,880

The increase in Lost Time Injuries in 2024 is a key focus area. It has been met with intensified safety campaigns, targeted training, and a renewed focus on hazard identification and risk assessment, which is detailed in the following section. Our OHSMS provides the mechanism to learn from these incidents and implement corrective actions to prevent recurrence.

Hazard Identification, Risk Assessment, and Incident Investigation

Proactive and Reactive Safety Management

At Dangote Fertiliser Limited (DFL), we employ a dual approach to managing workplace safety, integrating proactive hazard prevention with rigorous incident investigation. This systematic process is fundamental to creating a safe working environment and is a core requirement of our Occupational Health and Safety Management System (OHSMS).

Hazard Identification and Risk Assessment

Our goal is to identify potential hazards before they result in incidents. We achieve this through a multi-layered risk assessment process:

- **Task-Level Risk Assessment:** We conduct thorough risk assessments for all tasks to identify potential hazards and ensure appropriate controls are in place before work begins. This is a foundational step for issuing Permits-to-Work (PTW).
- **Formal Studies:** For process safety, we conduct advanced studies such as Hazard and Operability (HAZOP) studies. In 2024, HAZOP workshops

were conducted for the Granulation and Utility plants in collaboration with Turatech Engineering.

- **Workplace Inspections and Audits:** A continuous program of weekly inspections and audits is implemented across all plants. This includes routine checks of workplace conditions, equipment, and procedures to identify and correct unsafe acts and conditions.
- **Management Walkthroughs:** Weekly walkthroughs by management teams provide senior-level oversight for hazard identification

and reinforce the importance of workplace safety.

- **Worker Reporting:** We actively promote a culture of vigilance through our "Near Miss Reporting" campaign. All employees and contractors are encouraged to report any incident with the potential for harm, allowing us to investigate and implement controls proactively. In 2024, a total of 5 near misses were reported and addressed.

Incident Investigation

When incidents occur, our focus is on understanding the root causes to prevent recurrence. Our investigation procedure is designed to be thorough, fair, and focused on systemic improvement.

- **Process:** The investigation process is initiated immediately for all incidents, with severity determining the level of investigation. For serious incidents, such as the 5 Lost Time Injuries (LTI) recorded in 2024, a cross-functional team is assembled to conduct a root cause analysis.



Hazard Identification, Risk Assessment, and Incident Investigation

- **Objective:** The objective is not to assign blame, but to identify the underlying failures in procedures, equipment, training, or management systems that contributed to the event.
- **Outcome:** The investigation concludes with the development of a corrective action plan, which is tracked to completion to ensure effectiveness.

Control and Mitigation

The findings from both risk assessments and incident investigations feed directly into the continuous improvement of our safety controls. Key mitigation measures in place include:

- **HSE Golden Rules:** Enforcement of rules such as the proper authorization for Lockout/Tagout (LOTO) and the mandate that safety devices are never to be removed or bypassed.
- **Permit-to-Work (PTW) System:** A robust PTW system, with round-the-clock monitoring by HSE officers, ensures that high-risk tasks are properly authorized, hazards are

communicated, and controls are verified.

- **Engineering Controls:** Regular inspection, testing, and maintenance of critical safety equipment, including 134 Fire & Gas detectors and firefighting infrastructure, ensure their reliability when needed.
- **Training:** Targeted training, as detailed in the OHSMS section, is a primary control measure to mitigate risks associated with specific hazards like working at height, confined spaces, and hazardous energy.

Through this integrated process of identifying what could go wrong, learning from what has gone wrong, and implementing effective controls, we systematically work to protect our people and our operations.





HUMAN CAPITAL DEVELOPMENT

HUMAN CAPITAL DEVELOPMENT

ATTRACTING AND DEVELOPING PEOPLE

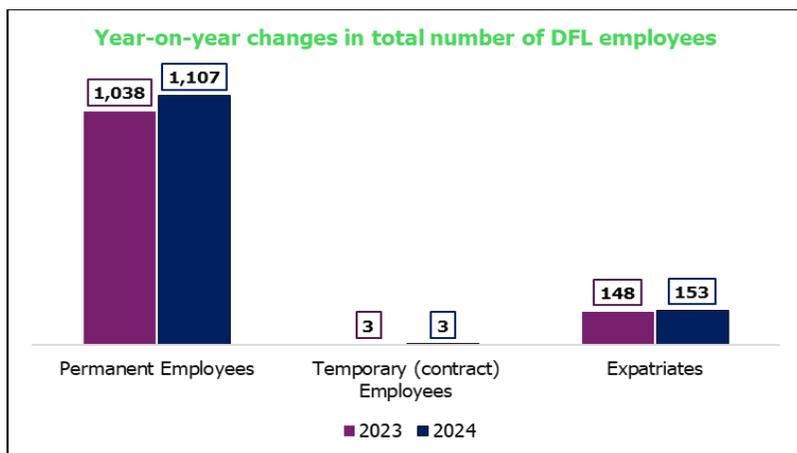
Dangote Fertiliser Limited (DFL) recognizes that its people remain the cornerstone of its operational excellence and sustainability performance. The Company remains committed to attracting, developing, and retaining a competent, motivated, and diverse workforce capable of driving strategic growth and sustaining competitive advantage. DFL's human capital strategy emphasizes fair recruitment, continuous

learning, and a safe, inclusive work environment that nurtures employee potential and engagement.

In FY2024, DFL's total workforce, including temporary employees, increased from 1,189 in FY2023 to 1,263, representing a 6.2% growth. This increase reflects the Company's sustained expansion and operational stability. The distribution of employees by employment type is shown below:

Distribution of employees by employment type

Year	FY23	FY24	(%)
Permanent Employees	1,038	1,107	87.6%
Temporary (contract) Employees	3	3	0.2%
Expatriates	148	153	12.1%
	1,189	1,263	100%

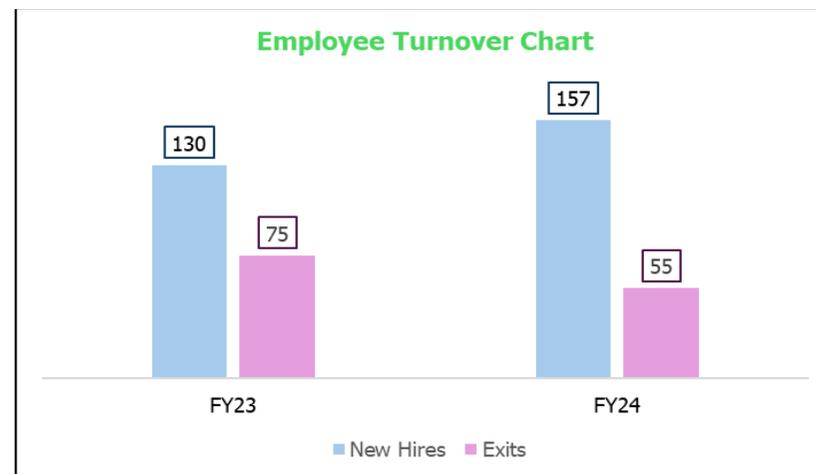


The workforce remains predominantly composed of permanent employees, highlighting DFL's commitment to providing stable employment and fostering long-term engagement. Expatriates accounted for 12.1% of the total workforce in FY2024, providing technical expertise and facilitating continuous knowledge transfer to local staff. Employee mobility trends further underscore

DFL's strategic approach to talent management. The Company recorded 157 new hires in FY2024, representing a 21% increase from 130 in FY2023, while employee exits reduced by 27% (from 75 to 55). These figures reflect enhanced retention strategies and a workplace culture that prioritizes employee well-being, inclusion, and professional advancement.

Employee Turnover

	FY23	FY24	% +/-
New Hires	130	157	21%
Exits	75	55	-27%



HUMAN CAPITAL DEVELOPMENT

Cont'd

DFL continues to demonstrate a strong commitment to workforce development through structured learning and capacity-building programs. In FY2024, the number of training programmes increased substantially from 20 in FY2023 to 52, representing a 160% growth. Correspondingly, the number of employees trained rose by 55%, from 712

to 1,107, while total training hours increased by 289%, from 3,983 to 15,489 hours. Training expenditure also rose by 121%, from ₦2.74 million to ₦6.07 million, reflecting the Company's continued investment in professional growth and technical excellence.

Most learning activities were delivered physically onsite (45 sessions), complemented by virtual sessions (7), reinforcing flexibility and access to learning opportunities. By gender, 99 female and 1,008 male employees

participated in various training programs, accounting for 9% and 91% of total training hours, respectively.

Training participation across job levels is illustrated below:

Employees Training

Year	FY23	FY24	% +/-
No. of training	20	52	160%
No. of employees trained	712	1,107	55%
No. Training hours	3,983	15,489	289%
Total training spend (₦)	2,743,525	6,074,500	121%

Employees trained by (Gender & Job levels)

Year	Female	Male	Total
Executive/Senior Management	1	22	23
Management	6	61	67
Senior/Professional	82	483	565
Junior/Technician	10	442	452
	99	1008	1107

Employees training delivery mode

Year	FY24
Physical (Onsite)	45
Virtual (Online)	7
Total	52

HUMAN CAPITAL DEVELOPMENT

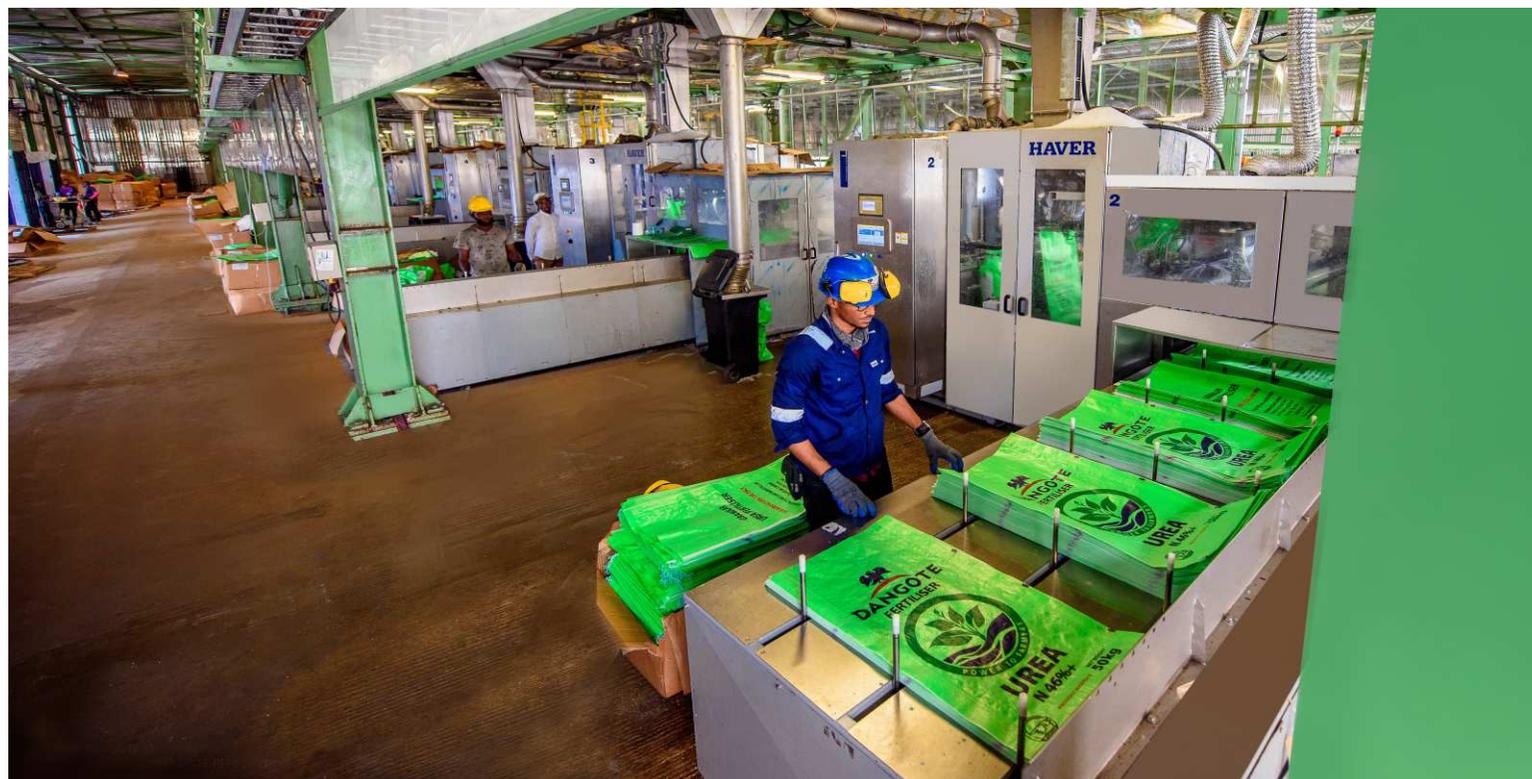
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Sustainability training

Year	FY23	FY24	% +/-
No. of training	2	5	150%
No. of employees trained	8	258	3125%
No. Training hours	26	1,452	5485%

In line with the Company's sustainability objectives, DFL scaled up its sustainability and ESG-related training initiatives to enhance awareness and integrate responsible practices into daily operations. Between FY2023 - 2024, the number of sustainability training sessions increased from 2 to 5, with participation expanding from 8 to 258 employees, and total training hours rising significantly from 26 to 1,452 hours. Most of these trainings were delivered virtually to enable wider participation and knowledge dissemination.

Through these initiatives, DFL continues to foster a culture of learning, innovation, and shared responsibility. The Company's approach to human capital development ensures that employees are well-equipped with the technical expertise, leadership capabilities, and sustainability mindset required to drive long-term value creation and operational excellence.





DIVERSITY AND EQUAL OPPORTUNITY

(Diversity of Governance Bodies and Employees)

DIVERSITY AND EQUAL OPPORTUNITY

(DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES)

At Dangote Fertiliser Limited (DFL), we value diversity, equity, and inclusion as key drivers of performance, creativity, and innovation. We strive to maintain a respectful, engaging, and safe workplace for all employees.

Aligned with the Social, Institutional, and Cultural Pillars of the Dangote Sustainability Framework, DFL is committed to equal opportunity in employment and career growth. Recruitment, retention, and promotion are based solely on merit, qualifications, and experience, while recognising the unique perspectives and value that a diverse workforce brings to our operations.

Our Diversity and Inclusion and Anti-Harassment Policies prohibit all forms of

discrimination, including those based on gender, ethnicity, religion, marital status, age, or physical ability. We maintain a zero-tolerance stance toward bullying, harassment, and workplace abuse and require our suppliers, contractors, and business partners to uphold these same standards.

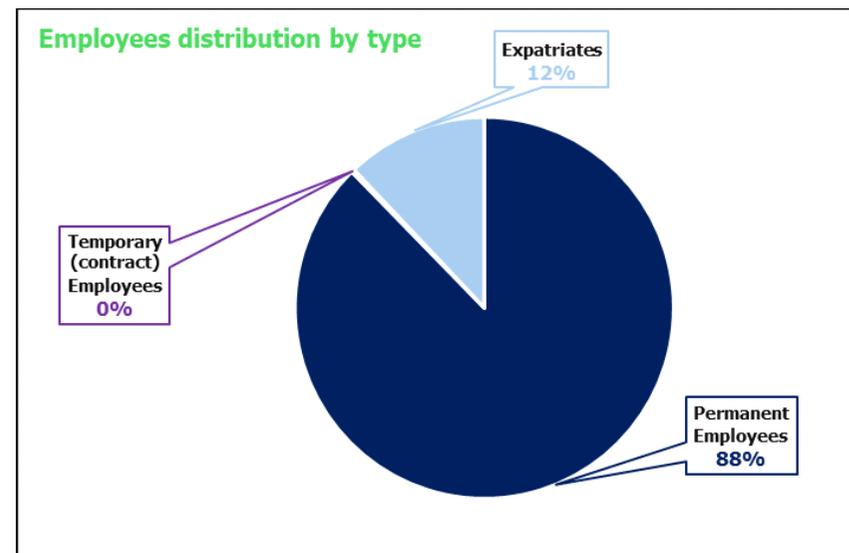
Workforce Overview

In FY2024, DFL recorded a 6.2% increase in its total workforce, growing from 1,189 employees in FY2023 to 1,263 employees. In addition, a total of 163 employees, representing 13% of our workforce are from host communities. This growth reflects our ongoing commitment to local employment, operational expansion, and technical excellence.

Distribution of Employees by Employment Type

Distribution of employees by employment type

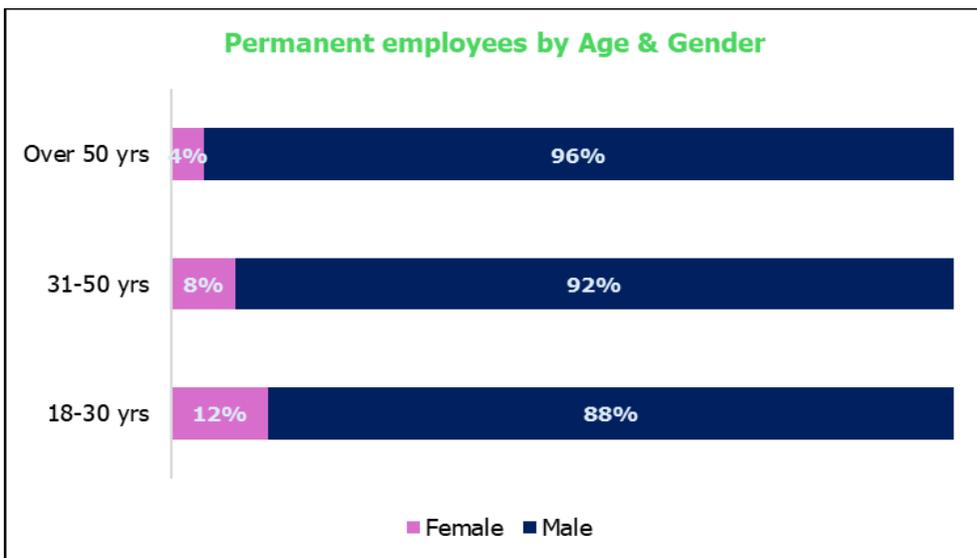
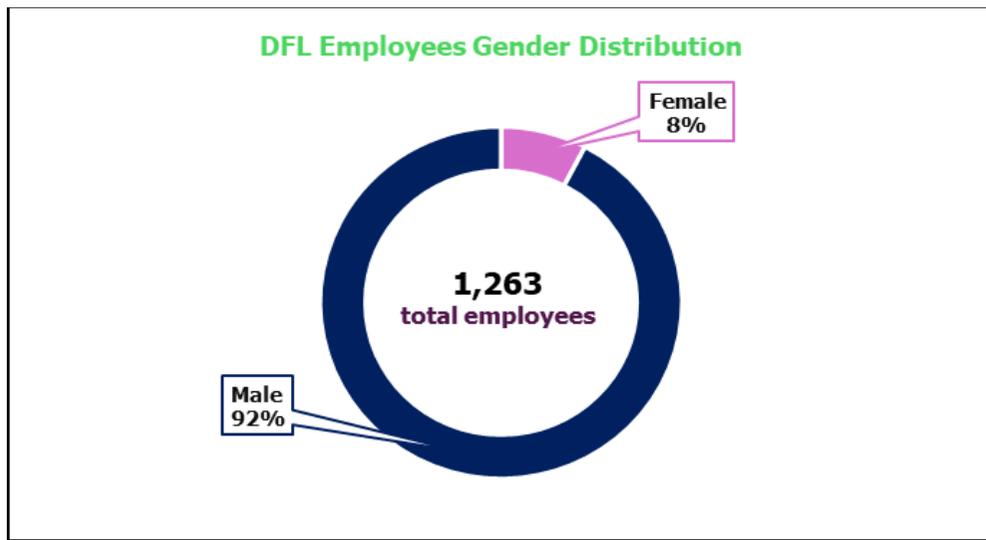
Year	FY23	FY24	(%)
Permanent Employees	1,038	1,107	87.6%
Temporary (contract) Employees	3	3	0.2%
Expatriates	148	153	12.1%
	1,189	1,263	100%



This mix of local and expatriate staff supports knowledge transfer, technical capacity building, and operational excellence across the organisation

Permanent employees by (Age & Gender)

Age Group	Female	Male	Total
18-30 yrs	35	248	283
31-50 yrs	57	647	704
Over 50 yrs	5	115	120
	97	1,010	1,107



Freedom of Association and Collective Bargaining

DFL respects the fundamental rights of employees to freedom of association and collective bargaining. In compliance with national labour laws and International Labour Organization (ILO) standards, employees are free to join or form associations and engage in legitimate worker delegates activities without fear of reprisal or discrimination.

In FY2024, a total of 1,107 employees, representing all permanent staff, were covered under collective bargaining agreements, reinforcing our commitment to fair labour practices and inclusive dialogue between management and employees.

This reflects our commitment to the Institutional and Social Pillars, promoting transparency, fairness, and employee inclusion in decision-making.

Child Labour and Forced or Compulsory Labour

DFL maintains a zero-tolerance policy against child labour and forced or compulsory labour across all operations and supply chains. We adhere to the UN

Global Compact Principles and ILO Standards, both of which condemn child exploitation and any form of coerced labour.

We ensure fair and safe working conditions and continuously monitor compliance through internal audits and supplier engagement. Anonymous whistleblowing channels are available to report any suspected violations, reinforcing our accountability and human rights commitment.

Human Rights and Indigenous People's Rights

DFL upholds human rights principles as outlined by the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

We integrate human rights considerations into our business operations, ensuring fairness, inclusion, and respect for the cultural and social rights of our host communities. This approach supports the Social and Institutional Pillars, embedding ethical and responsible practices across the

value chain.

Gender Diversity and Empowerment

DFL continues to promote gender inclusion across all employment levels. In FY2024, female employees accounted for 9% of total training hours, actively participating across management, technical, and administrative roles.

Employees Trained (by Gender & Job Levels)

	Female	Male	Total
Executive/Senior Management	1	22	23
Management	6	61	67
Senior/Professional	82	483	565
Junior/Technician	10	442	452
	99	1008	1107

Through targeted training and leadership development, DFL continues to enhance female participation, build capacity, and foster a more inclusive workplace culture aligned with SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth).

Looking Ahead

Going forward, DFL will deepen its commitment to diversity, equity, and inclusion by:

- Increasing female representation in technical and leadership roles.
- Enhancing local talent development and succession planning, and.

- Strengthening employee engagement and collaboration initiatives.

These actions reinforce the Social, Institutional, and Cultural Pillars of the Dangote Sustainability Framework and ensure that DFL continues to foster an inclusive, fair, and high-performing workplace.

Spotlight: Human Rights and Workplace Ethics Training (Fy2024)

Training Theme	Description	Alignment
Anti-Bullying Awareness and Campaign	Promoted a respectful and harassment-free workplace culture.	Cultural & Social Pillars
Environmental Management Training	Strengthened awareness of environmental responsibility, rights to clean and safe environment, and employee participation in sustainability.	Environmental & Institutional Pillars
Training on Grievance Reporting	Enhanced staff understanding of reporting mechanisms and whistleblowing procedures to uphold human rights.	Institutional & Social Pillars

Category: Human Rights and Ethical Conduct Training

Coverage: 951 employees trained in FY2024 across all departments and job levels.



EMPLOYEE ENGAGEMENT AND RETENTION

EMPLOYEE ENGAGEMENT AND RETENTION

CULTIVATING A CULTURE OF BELONGING, VOICE, AND GROWTH

At Dangote Fertiliser Limited (DFL), people are not merely resources, they are partners in progress. In FY2024, DFL deepened its commitment to fostering a workplace where every employee feels seen, heard, valued, and empowered to grow. Anchored in the belief that sustainable business success begins with engaged people, the company elevated its human capital strategy through intentional listening, inclusive dialogue, and career-enabling development.

Every Voice Matters: The "Voices of DFL" Initiative

DFL's "Voices of DFL" initiative, launched enterprise-wide in 2024, served as the cornerstone of the company's engagement philosophy. This structured feedback mechanism invited employees across all levels and functions to share insights on operational improvements, workplace well-being, safety enhancements, and innovation opportunities. The response was resounding – over 200 actionable ideas were submitted, with more than 60% implemented within the reporting year.



From streamlining shift handover protocols to redesigning breakroom facilities, these employee-led solutions not only improved efficiency but also reinforced a shared sense of ownership and pride.

This open-channel approach is complemented by regular Plant-Level Safety and Engagement Forums, Town Hall Meetings, and Pulse Surveys. Feedback is systematically reviewed by the Sustainability Core Team and HR, with progress tracked transparently and

communicated back to employees, effectively closing the loop and building trust.

Industrial Relations: A Foundation of Trust

DFL maintains a very good industrial relations frameworks. In FY2024, 100% of permanent employees (1,107 individuals) were covered under a Joint Consultative Committee which represents the employee's interest marking a 6.65% increase from 1,038 in

FY2023. This achievement reflects DFL's unwavering respect for freedom of association and its proactive partnership with staff representatives to co-create fair, transparent, and progressive working conditions. Regular dialogues involving management and worker delegates ensure concerns are addressed promptly and collaboratively. Notably, zero industrial actions or work stoppages occurred in FY2024, underscoring the maturity and mutual respect that define DFL's labour relations.

Total Rewards, Recognition, and Career Clarity

DFL's Total Rewards & Recognition Framework goes beyond competitive compensation to embed appreciation into daily operations. The company ensures 100% compliance with Nigeria's national minimum wage, with all employees earning significantly above statutory thresholds. Performance is linked to merit through annual reviews, safety excellence awards, and innovation incentives—such as the recognition given to a team of young engineers whose in-house solution reduced equipment downtime **by 12%**, earning

EMPLOYEE ENGAGEMENT AND RETENTION *Cont'd*

them top honours at the DFL Excellence Awards.

Career progression is equally prioritised. Clear competency-based career pathways, internal mobility opportunities, and succession planning for critical roles ensure that ambition is met with opportunity.

The DFL Learning Academy: A Catalyst for Growth

The DFL Learning Academy has become a strategic engine for engagement and capability building. In FY2024, the company delivered 1,107 training programmes, engaging 1,880 staff and contractors—a 164% increase from FY2023. Total training hours surged to 15,489, with a significant focus on HSE, leadership, digital fluency, and sustainability literacy. Notably, sustainability integration reached new heights through targeted programmes such as:

- GHG Assessment & Management Training
- Net Zero Business Optimization Workshops

- ESG Masterclass for Managers
- Green, Social & Sustainability (GSS) Bonds Awareness

These sessions not only build technical capacity but also strategically align employees with DFL's broader ESG vision, turning individual development into collective purpose.

Measurable Impact: Stability, Loyalty, and Pride

The outcomes of DFL's holistic engagement strategy are evident in its workforce metrics:

- Voluntary turnover dropped from 6.31% to 4.35%—a 31% reduction, well below industry benchmarks.
- Employee exits declined by 26.67% (from 75 to 55).
- Total workforce grew by 6.22% (from 1,189 to 1,263).
- New hires increased by 20.77% (from 130 to 157).

This declining turnover rate signals a workforce that is not only retained but is highly motivated, loyal, and proud to be

part of DFL's journey.

Looking Ahead: Embedding Belonging at Scale

As DFL scales its operations and global footprint, the company is committed to embedding engagement into its DNA. Future priorities include:

- Launching a Digital Employee Experience Platform for real-time feedback and recognition.
- Expanding mentorship and leadership pipelines for women and early-career talent.
- Strengthening psychosocial well-being support through enhanced Employee Assistance Program (EAP) services.
- Deepening inclusion metrics and setting formal Diversity, Equity, and Inclusion (DEI) targets aligned with global best practices.

In the spirit of world-class ESG reporting, DFL affirms that its greatest competitive advantage lies in its people. By nurturing a culture where engagement, equity, and growth are non-negotiable, DFL is not





COMMUNITY AND PRODUCT STEWARDSHIP

COMMUNITY AND PRODUCT STEWARDSHIP

SUPPORTING OUR COMMUNITIES (COMMUNITY ENGAGEMENT AND CORPORATE SOCIAL INVESTMENT - CSI)

Our People and Communities

Our Philosophy: Investing in Sustainable Communities

We recognise that our long-term success is intrinsically linked to the health, prosperity, and resilience of the communities in which we operate. Our

approach to social sustainability is rooted in strategic, impactful investments that empower individuals, strengthen social structures, and foster shared value. We move beyond philanthropy to create lasting partnerships that build capacity, enhance livelihoods, and improve the overall quality of life for our host

communities.

Our strategy is built on a foundation of deep engagement and is aligned with our Group's sustainability pillars, focusing on three core areas: Education & Skills Development, Community Health & Wellbeing, and Economic Empowerment & Infrastructure.

Impact in Action: Highlights of Our Community Projects in 2024

The following table summarizes the reach and impact of our key community interventions, demonstrating the tangible results of our strategic approach.

Initiative Area	Details
Employee Volunteers	<ul style="list-style-type: none"> Number of volunteers: 48 Total Volunteered Hours: 5
Locations	<ul style="list-style-type: none"> Magbon Senior Secondary School, Magbonsegun
Education Support	<ul style="list-style-type: none"> Health Talk delivered to students to improve healthy living Donation of 100 pieces of Sanitary Pads to female students to promote menstrual hygiene and wellbeing Provision of Infrastructure: 800 chairs and tables distributed to secondary schools to improve learning conditions
Infrastructure & Support	<ul style="list-style-type: none"> Renovation Assistance: Donation of 100 pieces of planks to support roof repairs at Magbon Senior Secondary School.
Food Security & Poverty Alleviation	<ul style="list-style-type: none"> Distribution of Ten Thousand (10,000) 10kg bags of rice to the 15 Host Communities and 33 Impacted Communities to support households with food relief.
Environment & Sanitation	<ul style="list-style-type: none"> Community Waste Management: Clearing of waste at the Lekki coastal road waste centre in support of government environmental sanitation efforts.
Beneficiaries	<ul style="list-style-type: none"> Magbon Senior Secondary School, Magbonsegun 15 Host Communities 33 Impacted Communities

Figure 1: Rice Distribution



2: Chairs & Tables contributed to Schools



Looking Ahead

Building on this strong foundation, we are committed to deepening our impact. Our future focus will include:

- **Scaling Proven Initiatives:** Expanding the reach of our most successful programmes in education, skills acquisition, and agriculture.
- **Enhancing Monitoring & Evaluation:** Strengthening our data collection to measure long-term outcomes and the sustained impact of our investments.

- **Fostering Greater Partnerships:** Collaborating with more specialized organizations to bring innovative solutions to community challenges.
- **Promoting Digital Literacy:** Exploring programmes to bridge the digital divide and prepare community members for the future economy.

Through these focused efforts, we remain dedicated to being a catalyst for positive, sustainable change, ensuring that our operations continue to be a source of pride and shared prosperity for all our stakeholders.

FOCUS AREAS FOR CSR

(E.G., FOOD SECURITY, EDUCATION, INFRASTRUCTURE)



Our Strategy & Commitments

Our social sustainability strategy is designed to create a measurable and positive impact, aligning with global best practices and our corporate values.

Strategic Focus	Our Commitment
Education & Human Capital Development	To foster a future pipeline of talent and elevate educational standards by providing scholarships, improving educational infrastructure, and supporting STEM initiatives.
Skills Acquisition & Economic Empowerment	To reduce unemployment and stimulate local economies by equipping youths and adults with viable technical, vocational, and agricultural skills for employability and entrepreneurship.
Community Health & Wellbeing	To enhance access to healthcare, promote healthy living, and provide critical support to vulnerable groups, including the elderly, within our host communities.
Local Infrastructure & Environmental Stewardship	To improve the quality of communal life by providing essential infrastructure like clean water and good roads, and by supporting a clean and healthy environment.
Inclusive Stakeholder Engagement & Partnerships	To work collaboratively with community structures, government bodies, and specialized partners to ensure our interventions are relevant, effective, and sustainable.

PRODUCT STEWARDSHIP AND QUALITY

- ENSURING THE RESPONSIBLE USE AND QUALITY OF DFL'S FERTILISER PRODUCTS

Our Commitment: Responsible from Production to Harvest

At Dangote Fertiliser Limited, our responsibility extends far beyond the factory gates. We are committed to the principles of Product Stewardship, a proactive approach to managing the health, safety, and environmental impacts of our fertilisers throughout their entire lifecycle. This is underpinned by an uncompromising commitment to quality, ensuring that every bag of fertiliser we produce delivers optimal performance to the farmer while safeguarding people and

the planet. Our integrated strategy ensures that product quality and responsibility are inseparable, driven by rigorous standards, continuous innovation, and deep customer engagement.

Our Strategy & Commitments

Our approach to Product Stewardship and Quality is built on four interconnected pillars:



Strategic Pillar	Our Commitment
Quality & Process Excellence	To manufacture consistently high-quality fertiliser products that meet or exceed national and international standards, through state-of-the-art processes, rigorous testing, and a culture of continuous improvement.
Safety & Responsible Use	To ensure the safe handling, transportation, storage, and application of our products by providing clear guidance, training, and support to our customers, distributors, and employees.
Environmental Stewardship & Nutrient Efficiency	To develop and promote products and practices that enhance nutrient use efficiency, minimize environmental footprint, and support sustainable soil health and agricultural productivity.
Customer Innovation & Support	To work closely with farmers to understand their needs and provide innovative fertiliser solutions and agronomic support that maximize yields, improve livelihoods, and promote sustainable farming practices.

PRODUCT STEWARDSHIP AND QUALITY *Cont'd*

Our Framework in Action

Uncompromising Quality Assurance

Our quality management system is the bedrock of our operations. We ensure excellence at every stage:

- **Incoming Raw Materials:** Strict quality checks on all incoming raw materials to ensure purity and composition.
- **In-Process Control:** Real-time monitoring and control of our synthesis and granulation processes to ensure consistent particle size, nutrient content, and physical quality.
- **Final Product Testing:** Our urea product is rigorously tested in our modern laboratory against national and international standards to guarantee premium quality and performance. Key parameters include:

Nutrient Content: A minimum of 46.0% Nitrogen by weight, delivering the high nutrient value farmers depend on.

Purity: A maximum of 1.0% Biuret

Physical Integrity: Maintaining low Moisture levels (0.5% max.) and high Crushing Strength (2.5 kgf min.) to prevent caking, minimize dust, and

ensure excellent handling and storage properties.

Additive Control: Ensuring Formaldehyde content **is maintained within the specified range (0 – 0.5% max.)** to optimize granule hardness and control nitrogen release.

Appearance & Consistency: Producing uniform, white granules that meet market expectations for a high-quality product.

2. Safety, Labeling, and Distribution

We prioritize safety across the value chain:

- **Clear Labeling:** Our product bags feature clearly specifies nutrient composition, manufacturer details and end of use product.
- **Safe Handling Training:** We conduct training programs for our distributors, transporters, and retailers on the safe handling and storage of fertilisers to prevent accidents and contamination.
- **Secure Packaging:** We use robust, multi-layer packaging that protects the product from moisture and physical damage during transportation and



storage, preserving its quality and integrity.

3. Promoting Sustainable Application

We recognize that the responsible use of our products is key to environmental protection and farmer prosperity. We actively promote Nutrient Use Efficiency (NUE) through direct engagement and support:

- **Farmer Education & Training:** As part of our corporate social responsibility, our Market Development Officers, Agronomists, and Field Officers work directly with farmers to educate them on best agronomic practices. This initiative is designed to improve crop yields and increase the standard of living within farming communities.

PRODUCT STEWARDSHIP AND QUALITY *Cont'd*

- **Free Soil Testing:** We provide free soil testing and training to help farmers determine precise nutrient requirements, preventing both under- and over-application of fertilisers.
 - **The 4R Nutrient Stewardship Framework:** We promote the application of the Right fertiliser source, at the Right rate, at the Right time, and in the Right place.
 - **Application Techniques:** Training on proper methods, such as incorporation and timely irrigation, to minimize nitrogen loss through volatilization, runoff, and leaching into water systems.
- 4. Innovation for a Greener Future**
Our commitment to stewardship drives our research and development:
- **Product Development:** We are exploring and investing in next-generation fertiliser solutions, such as Enhanced Efficiency Fertilisers (EEFs) like urease and nitrification inhibitors, which can improve nutrient uptake and reduce greenhouse gas emissions.



- **Circular Economy:** We investigate opportunities to utilize by-products from other industrial processes as nutrient sources, aligning with circular economy principles.
- **Radio & Print Materials:** We disseminated these best practices in local languages across our key markets to ensure wide reach and comprehension.

Case Study: The Urea Advantage Education Campaign

Challenge: Urea, a high-nitrogen fertiliser, can lose a significant portion of its nitrogen to the atmosphere as ammonia gas if surface-applied and not incorporated. This leads to economic loss for the farmer and unnecessary environmental impact.

Our Intervention: DFL launched a targeted farmer education campaign on the proper use of urea. The campaign included:

- **Demonstration Plots:** We established side-by-side comparison plots showing the clear yield difference between surface-applied urea and correctly incorporated urea.
- **Simple Messaging:** We promoted easy-to-understand techniques like "Dig and Bury" for manual application and emphasized the importance of timely irrigation

Impact:

- **For the Farmer:** Improved nitrogen uptake by crops, leading to better yields and higher profitability from the same input, directly boosting their standard of living.
- **For the Environment:** A significant reduction in ammonia volatilization, contributing to improved air quality and a lower carbon footprint associated with farming.

This initiative exemplifies our commitment to Product Stewardship—ensuring our products deliver their maximum potential benefit for the farmer while minimizing their environmental footprint.

Looking Ahead

Our journey in Product Stewardship is continuous. Our future focus includes:

PRODUCT STEWARDSHIP AND QUALITY *Cont'd*

- **Digital Tools:** Developing mobile apps or SMS-based services to provide farmers with personalized crop nutrition advice.
- **Strengthening NUE Metrics:**

Setting and publicly reporting on targets for improving nutrient use efficiency in the regions we serve.

- **Sustainable Sourcing:** Enhancing the sustainability criteria for our

raw material supply chain.

- **Product End-of-Life:** Exploring programmes for the collection and recycling of used fertiliser bags to reduce plastic waste.

By upholding the highest standards of quality and responsibility, DFL does not just sell fertiliser; we deliver a promise of productivity, sustainability, and trust.



Governance and Economic Performance

ETHICAL BUSINESS CONDUCT AND REGULATORY COMPLIANCE



Governance and Economic Performance

ETHICAL BUSINESS CONDUCT AND REGULATORY COMPLIANCE

At Dangote Fertiliser Limited (DFL), ethical business conduct and regulatory compliance are not merely obligations, they are foundational principles that shape our operations, stakeholder relationships, and long-term sustainability. As a subsidiary of Dangote Industries Limited, DFL aligns with the Group's overarching commitment to integrity, transparency, and responsible corporate citizenship.

Governance Framework and Ethical Standards.

DFL's governance structure is anchored in robust ethical policies and compliance mechanisms. The company has instituted a suite of foundational documents including the Anti-Bribery and Corruption Policy, Anti-Slavery Policy, and Child Labour Abolition Policy, which collectively define the standards expected of all employees, contractors, and partners.

These policies are reinforced through:

- Annual anti-corruption training for all staff.
- Whistleblowing awareness campaigns to promote transparency and accountability.
- Quarterly ESG risk assessments integrated into management KPIs.



Regulatory Engagement and Compliance Culture.

DFL maintains active engagement with regulatory bodies such as FMEEnv, NAFDAC, SON, and NMDPRA, ensuring that its operations comply with national and international standards. Insights from the regulatory materiality assessment reveal that regulators acknowledge DFL's responsiveness, timely reporting, and collaborative posture in resolving community grievances and environmental issues.

Key highlights include:

- Regular submission of accurate

environmental compliance reports.

- Documented QA/QC procedures aligned with regulatory expectations.
- Fertiliser products that meet all applicable quality and technical standards.

Stakeholder Trust and Ethical Engagement.

DFL's ethical conduct extends to its stakeholder engagement practices. The company's Materiality Assessment Survey further confirms that stakeholders value DFL's ethical approach to business, particularly in

areas such as:

- Human rights and labour practices.
- Anti-competitive behaviour and fair compensation.
- Diversity, equity, and inclusion.

Leadership Commitment and Strategic Integration.

The CEO's foreword underscores DFL's belief that ethical conduct and compliance are inseparable from sustainable growth. The speech highlights how DFL integrates ESG principles into its strategy, moving beyond compliance to create shared value for stakeholders.

This is operationalised through the DFL's 5-Year Sustainability Strategy, which includes:

- ISO certification targets (9001, 14001, 45001).
- ESG risk integration into performance metrics.
- Continuous training and capacity building on ethical standards.

Our Strategy & Commitments

Our approach to creating a responsible and resilient supply chain is guided by four key pillars:

Strategic Pillar	Our Commitment
Supplier ESG Integration	To systematically assess our key suppliers on environmental, social, and governance criteria, setting clear expectations for performance and continuous improvement.
Supply Chain Resilience	To build a diversified, agile, and transparent supply chain that ensures the security of raw material supply and mitigates risks from external disruptions.
Local Economic Development	To proactively source goods and services from local suppliers where possible, contributing to the economic development of our host communities and nations.

Our Framework in Action

1. Supplier Assessment & ESG Integration

We are moving beyond traditional cost and quality metrics to evaluate our suppliers holistically. Our process includes:

- **Supplier Code of Conduct:** We have established a Supplier Code of Conduct that outlines our non-negotiable expectations in areas of:

Business Ethics: Zero tolerance for bribery, corruption, and fraud.

Human & Labour Rights: Prohibition of child labour, forced labour, and discrimination; commitment to fair wages and safe working conditions.

Health & Safety: Maintaining a safe working environment for all employees.

Environmental Compliance: Adherence to all relevant environmental laws and regulations.

- **Due Diligence & Onboarding:** We conduct due diligence on new suppliers, particularly in high-risk categories or regions, to screen for potential ESG risks

before they are onboarded.

- **Performance Monitoring:** For our strategic suppliers, we are developing a framework to monitor key ESG performance indicators, fostering a partnership for sustainable improvement.

2. Building Supply Chain Resilience

In a volatile global landscape, we proactively manage supply chain risks to ensure operational continuity.

- **Strategic Sourcing & Diversification:** We avoid over-reliance on single-source suppliers or geographic regions for critical raw materials like ammonia, phosphates, and potash. We actively identify and qualify alternative suppliers to create a robust and flexible supply network.

- **Logistics & Inventory Management:** We maintain strategic buffer stocks of essential raw materials and employ a versatile logistics network, utilizing multiple transport routes and modes to mitigate the impact of port congestion, shipping delays, or regional instability.

- **Risk Mapping & Monitoring:** We

Governance and Economic Performance

ETHICAL BUSINESS CONDUCT AND REGULATORY COMPLIANCE

Cont'd

continuously monitor global events, weather patterns, and geopolitical developments that could impact our supply chain, allowing us to implement contingency plans proactively.

3. Empowering Local Communities through Procurement

We believe in growing with the communities we operate in. Our commitment includes:

- **Local Supplier Development:** We prioritize sourcing from qualified local suppliers for services such as logistics, maintenance, packaging, and catering. This not only shortens our supply chain but also injects capital directly into the local economy, creating jobs and fostering entrepreneurship.
- **Capacity Building:** We work with local suppliers to help them meet our technical and quality standards, thereby building their capacity and enabling them to become more competitive.

Case Study: Strengthening Local

Supply Chains

Challenge: To reduce dependency on imported packaging materials and support the local manufacturing sector.

Our Intervention: DFL initiated a programme to source a significant portion of our woven polypropylene fertiliser bags from a manufacturer within Nigeria. Our procurement and quality teams worked closely with the local supplier to:

- Conduct rigorous quality assurance tests to ensure the bags met our durability and safety standards.
- Provide technical guidance on improving their production processes.

Impact:

- **Enhanced Resilience:** Reduced lead times and exposure to international shipping volatility and currency fluctuations.
- **Economic Impact:** Created stable demand for a local manufacturer, supporting jobs and contributing to the national economy.

- **Reduced Footprint:** Shortened supply chains led to a reduction in transportation-related carbon emissions.

Looking Ahead

Our journey towards a fully sustainable and resilient supply chain is ongoing. Our future focus includes:

- **Formalizing ESG KPIs:** Integrating specific ESG performance metrics into supplier scorecards and contractual agreements.
- **Deepening Engagement:** Conducting supplier training workshops on topics like HSE standards and ethical business practices.
- **Technology Adoption:** Exploring blockchain and other digital solutions for enhanced supply chain traceability and transparency, particularly for high-risk materials.

Through these concerted efforts, we are building a supply chain that is not only a competitive advantage but also a reflection of our core values and our

commitment to sustainable development.



SUSTAINABLE ECONOMIC GROWTH

DIRECT ECONOMIC VALUE
GENERATED AND DISTRIBUTED



SUSTAINABLE ECONOMIC GROWTH

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

DFL is proud to serve as a **powerful anchor for economic prosperity** within Nigeria and across its global market. Our philosophy transcends mere profit generation; it is fundamentally about translating operational excellence into **tangible, shared economic value** for every stakeholder. The deliberate distribution of this value underscores our commitment to national development, human capital formation, and a resilient, equitable economic ecosystem.

Direct Economic Value Distributed: Fuelling National and Human Capital Growth in FY 2024

Recipient	Distribution Category	FY 2024 Value (₦)	Strategic and Enduring Impact
Host Communities	Social Impact Investments	246,333,250	Unprecedented 113.6% surge, strategically focused on long-term human capital development.
Suppliers & Contractors	Total Procurement Spending	258,838,860	Massive economic injection to secure world-class operational continuity and quality.
Local Suppliers	Local Procurement Spending	10,352,429	Pioneering capital for import-substitution and domestic business growth.

The financial flows in FY 2024 are a testament to our intensified commitment to social and economic stewardship.

Strategic Highlights of Deepened Economic Impact:

1. **A T r a n s f o r m a t i o n a l Commitment to Human Capital:**

Our most profound distribution of value lies in the unprecedented 113.6% increase in social investments, reaching over ₦246 million. This is not simply charitable giving, but a strategic investment in Nigeria's future. By dedicating of this fund to Education and Scholarships, DFL is actively building the intellectual infrastructure and developing the next generation of leaders and technical experts, ensuring that our economic success translates into sustainable empowerment for our host communities.

2. **A n c h o r i n g W o r l d - C l a s s Operations and Global Trade:**

The injection of over ₦258.8 million into our supply chain demonstrates our capacity to procure the necessary resources to maintain the DFL complex as a global benchmark for fertiliser production. This spending

secures the quality of our exports and supports our dominant position as a regional economic driver.

3. **The New Frontier of Local Content Development:**

While our current local procurement figure stands at 4.0% (₦10.35 million), DFL views this as a bold and immediate mandate for strategic transformation. This is an unparalleled opportunity to transition DFL into a powerful catalyst for industrial development and import substitution. We are committing to a future where we aggressively pursue partnerships with indigenous SMEs, provide capacity-building support, and integrate them into our high-value supply chain. Our goal is to systematically convert our current imported spending into a resilient, 'Made-in-Nigeria' value chain, ensuring that the billions of Naira required for our world-class operations circulate domestically, driving job creation and technological transfer at an accelerated pace.

SUSTAINABLE ECONOMIC GROWTH *Cont'd*

Category		Specific Risk/Opportunity	Financial Consequence (Impact on P&L)	DFL's Strategic Response
Climate Change Transition Risks (Costs related to shifting to a low-carbon economy)	Carbon Pricing/Taxes	The Nigerian government or international markets (where DFL exports) introduce a carbon tax on industrial emissions.	Increased Operating Expenses (Cost of goods sold increases), reduced profit margins, and higher compliance costs.	DFL uses natural gas (a less carbon-intensive fuel), providing a competitive advantage. Strategy is to invest in energy efficiency and prepare for potential carbon capture to reduce liability.
	Stranded Assets	New, cheaper, and greener fertiliser production technologies (e.g., green hydrogen-based ammonia) make DFL's plant economically obsolete prematurely.	Impairment losses (a major accounting write-down) on the \$2.5 billion facility.	Focus on process optimization and diversifying products to include lower-carbon options (e.g., green/blue ammonia) to ensure the facility remains competitive.
Climate Change Physical Risks (Costs related to the direct impacts of a changing climate)	Coastal Flooding/Sea-Level Rise	Increased frequency of extreme rainfall and rising sea levels threaten the Lekki coastal site and its supporting infrastructure (e.g., gas pipelines, port facilities).	Asset Damage Costs, Business Interruption leading to lost revenue, and significantly higher insurance premiums.	Investing in climate-resilient infrastructure (e.g., elevated critical equipment) and developing robust emergency response plans to maintain operations.
	Water Scarcity	Severe, chronic drought in the region could impact the availability of water required for cooling and industrial processes.	Increased operational costs for securing and treating alternative water sources, or production shutdowns resulting in revenue loss.	Investing in water recycling and advanced water treatment technologies to reduce dependency on freshwater sources.
Other ESG Risks (Governance)	Anti-Corruption/Regulatory Fines	Failure to maintain strict ethical conduct and full compliance with local and international anti-bribery regulations.	Financial Penalties (Fines that hit the income statement), legal costs, and loss of critical operating licenses.	Implement a robust anti-corruption policy, mandatory staff training, and transparent financial controls to mitigate the risk of fines and reputational damage.

FINANCIAL IMPLICATIONS OF CLIMATE CHANGE AND OTHER ESG RISKS

Assessing the financial implications of climate change and other ESG risks is critical for long-term strategic planning and capital allocation, aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For Dangote Fertiliser Limited

(DFL), a large-scale industrial facility utilizing natural gas, these risks fall primarily into two categories: Transition Risks and Physical Risks.

SIGNIFICANT INDIRECT ECONOMIC IMPACTS

Dangote Fertiliser Limited (DFL) continues to play a pivotal role in advancing Nigeria's economic growth through its contributions to agricultural productivity, job creation, and local value chain development. The Company's operations generate extensive indirect economic benefits that extend beyond its immediate business activities.

Through the production and supply of high-quality fertiliser, DFL enhances farmers' access to essential agricultural inputs, thereby improving crop yields, food security, and income generation across the agricultural value chain. This has a multiplier effect on rural economies, empowering smallholder farmers and strengthening livelihoods in farming communities nationwide.

Additionally, the Company's large-scale operations have catalysed business opportunities for transporters, distributors, agro-dealers, and service providers, creating a thriving ecosystem of indirect employment and enterprise development. DFL also drives infrastructural development in its host communities through improved road networks, energy access, and local procurement initiatives.

Beyond direct economic output, DFL contributes significantly to Nigeria's foreign exchange savings by reducing fertiliser import dependence and supporting government efforts to achieve agricultural self-sufficiency. Through these initiatives, DFL reinforces its commitment to inclusive economic growth and sustainable national development.



Appendices

GRI CONTENT INDEX (CROSS-REFERENCE TO GRI STANDARDS 2021)

GRI 1: Foundation 2021			
	Disclosure	Description	
	1.1	Use of the GRI Standards	
	Disclosure	Disclosure title	Page number
GRI 2: General Disclosures 2021	2-1	Organizational details	5
	2-2	Entities included in organization's sustainability reporting	4
	2-3	Reporting period, frequency, contact	4
	2-6	Activities, value chain and other business relationships	16-22
	2-7	Employees	76-82
	2-8	Workers who are not employees	76
	2-9	Governance structure and composition	26-29
	2-10	Nomination and selection of the highest governance body	26
	2-11	Chair of the highest governance body in sustainability	26
	2-12	Role of the highest governance body in overseeing the management of impacts	26-29
	2-13	Delegation of responsibility for managing impacts	26-29
	2-14	Role of the highest governance body in sustainability reporting	28-29
	2-22	Statement on sustainable development strategy	6-7, 30-31
	2-23	Policy commitments	33-34
	2-24	Embedding policy commitments	28-29
	2-25	Processes to remediate negative impacts	11
2-26	Mechanisms for seeking advice and raising concerns	70,81,84	
2-27	Compliance with laws and regulations	63-65	
2-28	Membership associations	95	
2-29	Approach to stakeholder engagement	22, 35-36,84	
2-30	Collective bargaining agreements	81,84	

GRI Standards	Disclosure	Disclosure title	Page number
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	37
	3-2	List of material topics	42-43
GRI 3: Material topics 2021	3-3	Management of material topics	16,99
GRI 204 - Procurement Practices 2016	204-1	Local supplier spend	16, 99
GRI 3: Material topics 2021	3-3	Management of material topics	95
GRI 205 - Anti Corruption 2016	205-2	Anti-corruption training	95
GRI 3: Material Topics	3-3	Management of material topics	51-52
GRI 302 - Energy 2016	302-1	Energy consumption within the organisation	51
	302-3	Energy intensity	51
	302-4	Reduction of energy consumption	51-52
GRI 3: Material topics 2021	3-3	Management of material topics	20, 21, 57-61, 66
GRI 303 - Water and effluents 2018	303-1	Interactions with water as a shared resource	20, 21, 59-61, 66
	303-2	Management of water discharge-related impacts	57-58
	303-3	Water withdrawal	57
	303-4	Water discharge	57
	303-5	Water consumption	57
GRI 3: Material topics 2021	3-3	Management of material topics	68
GRI 304 - Biodiversity 2016	304-1	Operations near protected areas	68
GRI 3: Material Topics	3-3	Management of material topics	53-55, 63, 66
GRI 305 - Emissions 2016	305-1	Direct (Scope 1) GHG emissions	53-54
	305-2	Energy indirect (Scope 2) GHG emissions	53
	305-3	Other indirect scope 3 GHG emissions	53
	305-4	GHG emissions intensity	54
	305-5	Reduction of GHG emissions	15,54
	305-7	NO _x , SO _x , NH ₃ , and other air emissions	55,63, 66
GRI 3: Material topics 2021	3-3	Management of material topics	60-61
GRI 306 – Waste 2020	306-1	Waste generation and significant waste-related impacts	60-61
	306-2	Management of significant waste-related impacts	60
	306-3	Waste generated	60
	306-4	Waste diverted from disposal	61
	306-5	Waste directed to disposal	60,61

GRI Standards	Disclosure	Disclosure title	Page number
GRI 3: Material topics 2021	3-3	Management of material topics	96, 99
GRI 308 - Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	96, 99
GRI 3: Material topics 2021	3-3	Management of material topics	76, 84-85
GRI 401 - Employment 2016	401-1	New employee hires and employee turnover	76
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	84, 85
GRI 3: Material topics 2021	3-3	Management of material topics	70-74
GRI 403 - Occupational Health and Safety 2018	403-1	Occupational health and safety management system	70-71
	403-2	Hazard identification, risk assessment, and incident investigation	73-74
	403-3	Occupational health services	71
	403-4	Worker participation, consultation and communication on occupational health and safety	70, 71
	403-5	Worker training on occupational health and safety	71, 72
	403-6	Promotion of worker health	71
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73-74
	403-8	Workers covered by an occupational health and safety management system	70
	403-9	Work-related injuries	72
	403-10	Work-related ill health	72
GRI 3: Material topics 2021	3-3	Management of material topics	76-78, 82, 84-85
GRI 404 - Training and Education 2016	404-1	Average hours of training per year per employee	77-78
	404-2	Programmes for upgrading employee skills and transition assistance programs	76-78, 82, 85
	404-3	Percentage of employees receiving regular performance and career development reviews	84
GRI 3: Material topics 2021	3-3	Management of material topics	80 - 82
GRI 405 - Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	80-82
GRI 3: Material topics 2021	3-3	Management of material topics	80-82
GRI 406 - Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	80, 81, 82
GRI 3: Material topics 2021	3-3	Management of material topics	81

GRI Standards	Disclosure	Disclosure title	Page number
GRI 408 - Child labour 2016	408-1	Operations and suppliers at significant risk of child labor	81
GRI 3: Material topics 2021	3-3	Management of material topics	81
GRI 409 - Forced or compulsory labour	409-1	Operations and suppliers at significant risk of forced or compulsory labor	81
GRI 3: Material topics 2021	3-3	Management of material topics	81-82, 96
GRI 412 - Human rights assessments 2016	412-1	Human rights assessments	81
	412-2	Human rights training	82
	412-3	Supplier assessments	96
GRI 3: Material topics 2021	3-3	Management of material topics	87-89
GRI 413 - Local Communities 2016	413-1	Operations with local community engagement impact, assessments, and development programmes	87 - 89
	413-2	Operations with significant actual and potential negative impacts on local community	87 - 89
GRI 3: Material topics 2021	3-3	Management of material topics	96-97
GRI 414 - Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	96-97
GRI 3: Material topics 2021	3-3	Management of material topics	90-93
GRI 416 - Customer health and safety 2016	416-1	Assessment of health and safety impacts of product and service categories	90-93
GRI 3: Material topics 2021	3-3	Management of material topics	65, 91-93
GRI 417 - Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	91-93
	417-2	Non-compliance incidents	65
GRI 3: Material topics 2021	3-3	Management of material topics	50-55, 80-81, 92-93, 97, 99
GRI 13 - Agriculture, Aquaculture and Fishing Sectors 2022	13.2	Climate adaptation and resilience	50-55
	13.5	Soil health	54, 91, 92
	13.12	Local communities	97
	13.14	Rights of indigenous peoples	81
	13.15	Non-discrimination and equal opportunity	80
	13.21	Economic inclusion	99

PREPARED BY:



Dr. Adeyemi Adun

Group Lead, Environment
and Sustainability, DIL
Team Lead



Cyril Owen

Senior Sustainability Analyst,
Dangote Sugar Refinery (DSR)



Dr. Tosin Adepoju

Environment Manager,
Dangote Fertiliser Limited



Grace Chindo

Process Engineer,
Dangote Fertiliser Limited



Ifeoma Onwura

HSSE Officer, NASCON



Nzoputa Kalakiya

Environment and Sustainability
Analyst, DIL



Oluwaseyi Olora

Sustainability Analyst, DCP



Abdullahi Ibrahim

Environment and Social
Performance Analyst, DIL



CONTACT:

Corporate Head Office:

Leadway Marble House
1 Alfred Rewane Road,
PMB 40032, Falomo Ikoyi,
Lagos, Nigeria

   @DangoteGroup

 www.dangote.com

Plant Address

Dangote Free Trade Zone
Km 15, Lekki Coastal Road, Okunraye
Ibeju-Lekki, Lagos, Nigeria

Sales and Marketing:

Customer Care +234 905 709 1300
Sales Enquires +234 905 709 1200

distributor@dangotefertilizer.com
customercare@dangotefertilizer.com