Sustainability Report 2025

# Growing Responsibly

BUA CEMENT

## Tangible benefits for our communities and the environment

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# Contents

# OUR APPROACH TO SUSTAINABILITY

BUA Cement remains steadfast in its commitment to sustainability as a core business principle, embedding environmental stewardship, social responsibility, and robust governance practices into every aspect of its operations.

In 2025, the Company advanced its integrated sustainability approach through strengthened implementation of its Environmental and Social Management System (ESMS), improved data accuracy, expanded environmental and safety programs, and deeper community engagement. These efforts reflect the Company's ongoing commitment to ensuring that business growth aligns with responsible resource management, climate resilience, and long-term shared value.

A central focus during the reporting year was enhancing environmental performance and data precision across key operational areas. The Company transitioned to plant-specific emissions factors for raw meal-to-clinker ratio under the GCCA GNR v3.1 methodology, resulting in more precise greenhouse gas accounting.

This was complemented by development of GHG emission management in line with its developed GHG Reduction Procedure under the ESMS, reinforcing BUA Cement's long-term pathway toward decarbonisation. Across energy management, the Company strengthened its Resource & Energy Efficiency Management Plan, supported by full-scale energy audits, LNG infrastructure expansion, and renewable energy integration planning. These initiatives set the foundation for improved energy efficiency and lower carbon intensity in the coming years.

In 2025, BUA Cement also deepened its commitment to air quality management by advancing the operational readiness of its Continuous Emissions Monitoring System (CEMS). Engagement of a specialist service provider to initiate Relative Accuracy Test Audit (RATA) processes ensured that the Company remains aligned with global emissions verification standards, enhancing data

# OUR APPROACH TO SUSTAINABILITY (Contd)

reliability and operational transparency. Routine monitoring was expanded both within the plant and in nearby communities, strengthening the Company's efforts to mitigate local environmental impacts in accordance with its Air Quality Management Plan.

Water stewardship remained a critical pillar of the Company's sustainability agenda, particularly in the face of global water scarcity challenges. BUA Cement continued to reduce dependence on groundwater by maximising the use of harvested rainwater and quarry dewatering sources. Improved metering systems were introduced in 2025 to enhance water accounting accuracy, while systematic groundwater monitoring was extended to neighbouring communities through groundwater level monitoring under the ESAP. These efforts ensured that water abstraction remained balanced, responsible, and aligned with long-term conservation principles.

Biodiversity protection and land restoration continued to gain prominence across the Company's operations. More than 124,225 square metres of disturbed land were reclaimed during the reporting year, and the Company strengthened ecosystem restoration through the conversion of select exhausted pits into artificial water reservoirs in water-stressed areas. The successful implementation of a high-impact soil reclamation and livelihood restoration programme in Sokoto further demonstrated BUA Cement's commitment to enabling ecological regeneration while supporting socio-economic resilience among host communities.

Aligned with its circular economy vision, the Company expanded waste recovery initiatives, increased waste-to-energy contributions, and enhanced responsible waste management frameworks through ongoing implementation of the Solid Waste Management Plan and related ESMS procedures. Improved waste segregation, material repurposing, and responsible disposal practices underscored the company's commitment to resource efficiency and environmental responsibility.

On the social front, BUA Cement deepened stakeholder engagement and advanced local content development through structured capacity-building initiatives across its host communities. Flagship programmes, including the Heavy-Duty Operator Training Programme in Sokoto and the skill acquisition and empowerment programme in Obu, demonstrated meaningful progress in job readiness, income diversification, and long-term skills development. Strengthened community engagement mechanisms under the ESMS further enabled proactive issue resolution and strengthened trust with host communities.

Health and safety remained a core organisational priority. In 2025, BUA Cement strengthened its safety governance framework through the deployment of a modern Permit to Work system, enhanced Lockout-Tagout-Tryout (LOTOTO) controls, and significant improvement in safety reporting culture. Scenario-based emergency response drills, structured management walk-throughs, and extensive capacity-building further enhanced operational readiness and alignment with global safety standards.

Overall, 2025 represents a year of consolidated progress in environmental stewardship, social impact, and safety performance. Through continued implementation of its ESMS and Strategic Environmental and Social Action Plans (ESAP), BUA Cement remains firmly committed to building a sustainable future, driven by operational excellence, climate-conscious innovation, community empowerment, and responsible resource management.

# A. Environment

BUA Cement continues to deepen its environmental stewardship through proactive resource management, structured emissions control, and enhanced ecosystem protection across all operations. In 2025, the Company advanced key environmental programmes under its Environmental and Social Management System (ESMS), including targeted improvements in greenhouse gas accounting, energy efficiency planning, air quality monitoring, water conservation, circular economy practices, and biodiversity restoration.

These efforts reflect the Company's long-term commitment to aligning operational performance with global sustainability benchmarks, minimising environmental impacts, and enhancing resilience in the face of evolving climate and resource challenges.

During the reporting period, BUA Cement placed strong emphasis on enhancing environmental data integrity and methodological accuracy, transitioning to plant-specific emissions factors, expanding internal monitoring systems, and strengthening engagement with technical experts to validate performance against established standards. Environmental monitoring was intensified both within and beyond plant boundaries, ensuring that mitigation actions remain scientifically robust and fully aligned with regulatory expectations and ESAP commitments.

The Company also continued to integrate cleaner fuel alternatives, advance renewable energy planning, optimise thermal and electrical processes, and expand the use of low-impact water sources such as harvested rainwater and quarry dewatering.

BUA Cement's growing circular economy initiatives further demonstrate a sustained commitment to waste minimisation, resource recovery, and operational efficiency. Efforts in land and quarry rehabilitation, afforestation, and ecosystem restoration remained central to sustaining ecological balance within host environments. Through these combined efforts, the Company is strengthening the long-term sustainability of its operations, enhancing environmental performance, and laying firm foundations for a lower-carbon, resource-efficient industrial future.

## 1. Greenhouse Gas Emissions (GHG)

BUA Cement continues to prioritize climate stewardship through strengthened emissions accounting, improved operational efficiencies, and alignment with international cement-sector decarbonization frameworks.

In 2025, changes in production volumes and enhancements in methodological precision shaped the Company's GHG profile, reinforcing its commitment to transparency and the continued implementation of its GHG Reduction Procedure under the ESMS.

This strategic focus ensured that despite operational variability, the Company remains firmly committed to reducing its carbon footprint and advancing towards a more sustainable, low-carbon future.

The 2025 reporting period was characterised by lower production volumes, with cementitious output declining by 16%. This reduction had a corresponding influence on absolute emissions, which decreased across Scope 1 and Scope 2 categories. Gross Scope 1 emissions fell by 15%, mirroring production trends and signalling stable combustion efficiency despite intermittent operational interruptions.

These outcomes were further shaped by the Company's transition to plant-specific values for the raw meal–to–clinker ratio under the GCCA GNR v3.1 methodology. Moving away from the default industry factor of 1.55 improved the

| **GHG - Absolute and Net Emission** | **2025** | **2024** |
|---|---|---|
| Absolute Gross Scope 1 Emission including Emission from PG[1] [million metric tonnes $CO_2$] | 5.50 | 6.48 |
| Absolute Gross Scope 1 Emission [million metric tonnes $CO_2$] | 5.07 | 6.01 |
| Absolute Net Scope 1 Emission [million metric tonnes $CO_2$] | 5.07 | 6.01 |
| Emission from PG[1] [million metric tonnes $CO_2$] | 0.44 | 0.48 |
| Absolute Gross Scope 2 Emission [million metric tonnes $CO_2$] | 0.00164 | 0.00170 |
| **GHG - Specific Absolute and Net Emission** | **2025** | **2024** |
| Specific Gross Scope 1 Emission [kg $CO_2$/t cem prod] | 676 | 669 |
| Specific Net Scope 1 Emission [kg $CO_2$/t cem prod] | 676 | 669 |
| Specific Gross Scope 2 Emission [kg $CO_2$/t cem prod] | 0.22 | 0.19 |

[1]PG – Separate Onsite Power Generation

accuracy of emissions accounting and reflected BUA Cement's maturing data-quality systems, though it introduced a marginal upward adjustment in calculated emissions per tonne.

Power generation emissions decreased by 8%, which, though not proportional to production changes, is consistent with the operational dynamics of the year, particularly the increased kiln shutdowns for maintenance. During these periods, baseline power requirements continued even when clinker throughput was constrained. This pattern demonstrates that PG optimisation has improved but remains partly influenced by operational constraints inherent in maintenance cycles.

Specific Scope 1 emissions rose slightly from 669 kg CO₂/t to 676 kg CO₂/t. This marginal increase is typical when kilns operate below optimal utilisation levels and experience more frequent starts, stops, and load variations. Thermal systems are most efficient under steady, high-volume conditions. Therefore, the operational variability in 2025 naturally elevated intensity values.

Scope 2 emissions, although extremely small in absolute terms, showed a similar pattern, with specific emissions rising because the denominator (production volume) contracted.

During the year, BUA Cement advanced several strategic initiatives that will support future GHG reductions. The ongoing LNG expansion project reached beyond its halfway milestone, positioning the Company to double its LNG handling capacity upon completion next year. This transition remains central to the Company's low-carbon energy strategy. In addition, circularity principles were strengthened through enhanced repurposing of spent engine oil as an alternative fuel for hot-gas generators, reducing the reliance on virgin fuels and lowering, in addition, indirect emissions linked to waste handling.

Overall, 2025 represents a year of relatively stable carbon performance under constrained production conditions, enhanced methodological rigor, and continued implementation of decarbonisation measures under the ESMS. These efforts lay a solid foundation for further GHG reductions in the coming reporting periods.

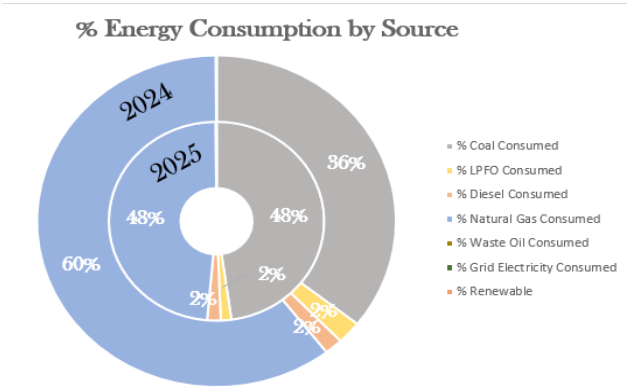
## 2. Energy Management

BUA Cement continues to strengthen its energy management practices through process optimisation, cleaner fuel integration, and long-term efficiency planning. In 2025, operational variations and strategic assessments shaped the Company's energy performance, while the Resource & Energy Efficiency Management Plan under the ESMS guided ongoing improvements and positioned the Company for more efficient energy utilisation in coming years. These efforts reflect a steady advancement toward resilient, lower-carbon energy systems aligned with global cement-sector expectations.

Energy performance in 2025 closely mirrored production trends, with total plant energy consumption decreasing by 16% and kiln energy consumption falling by 18%. These changes were strongly influenced by the increased maintenance-driven kiln shutdowns, which affected operational continuity. Although energy consumption decreased proportionally with reduced output, shutdown cycles inherently reduce thermal efficiency because pyro-processing systems operate optimally under stable, high-throughput conditions.

The composition of energy sources shifted in response to operational and supply dynamics. Coal's contribution rose from 36% to 48%, while natural gas declined from 60% to 48%. This change demonstrates challenges with clean energy sourcing and aligns with transitional constraints as the LNG expansion project progressed through its construction phase. Once commissioned, the expanded LNG capacity is expected to rebalance fuel consumption toward cleaner energy sources. LPFO and diesel remained stable at low levels, demonstrating continued discipline in avoiding high-carbon fuels where possible.

Specific heat consumption (SHC) of clinker remained nearly unchanged, increasing only slightly from 3,362 MJ/t to 3,374 MJ/t. This stability is notable given the operational disruptions, as SHC typically rises under fluctuating throughput conditions. The Company's ability to maintain this performance reflects operational discipline and effective kiln management despite the increased frequency of maintenance cycles.




| Energy Management - Absolute Consumption | 2025 | 2024 |
|---|---|---|
| Total Energy Consumption - Cement Plant [TJ] | 28,975 | 84,291 |
| Total Energy Consumption - Kiln [TJ] | 20,788 | 25,859 |
| **Energy Management - Percentage Consumption by Source** | **2025** | **2024** |
| % Coal Consumed | 48% | 86% |
| % LPFO Consumed | 2% | 2% |
| % Diesel Consumed | 2% | 2% |
| % Natural Gas Consumed | 48% | 60% |
| % Waste Oil Consumed | 0.061% | 0.000% |
| % Grid Electricity Consumed | 0.046% | 0.041% |
| % Renewable | 0% | 0% |
| **Energy Management - Specific Consumption** | **2025** | **2024** |
| SHC of clinker production [MJ/t cli] | 3,374 | 3,362 |

A key milestone in 2025 was the completion of comprehensive energy audits across all plants. These audits assessed a range of pyro-processing optimisation opportunities, including cement mill fan improvements, VRM and cooler fan variable frequency drives, Tire-Derived Fuel (TDF) integration, and High-Pressure Roller Press (HPRP) deployment to mention but a few. The resulting roadmap offers defined short-, medium-, and long-term interventions that will enhance energy efficiency, reduce thermal losses, and improve equipment performance as implementation progresses.

Advancements continued in fuel diversification. With the LNG expansion nearing completion, BUA Cement is preparing for a significant scale-up in low-carbon fuel consumption.

Circular energy practices also strengthened, particularly the enhanced repurposing of waste engine oil as an alternative fuel for hot-gas generation. This initiative reduces dependence on virgin fossil fuels while supporting responsible waste handling, reinforcing the link between energy efficiency and circular economy practices.

Overall, energy management in 2025 reflects a year of controlled performance under operational constraints, strategic readiness for future efficiency gains, and continued alignment with the Resource & Energy Efficiency Management Plan under the ESMS. These efforts position the Company for improved energy performance and reduced emissions in the years ahead.

## 3. Air Quality

BUA Cement continues to reinforce its commitment to responsible air quality management through enhanced monitoring, improved data accuracy, and strengthened compliance with global cement-sector environmental expectations.

In 2025, the Company intensified its focus on continuous emissions monitoring, system calibration readiness, and baseline reappraisals, ensuring that its air quality performance remained consistent with both regulatory standards and the structured implementation of the Air Quality Management Plan under its ESMS. These efforts reflect a maturing approach to emissions governance, anchored on operational accountability, scientific rigor, and proactive mitigation.

Air quality performance in 2025 reflects enhanced measurement precision, updated estimation methodologies, and significant operational variability. The estimation of specific emissions was aligned more closely with the GCCA Sustainability Guidelines for Monitoring and Reporting of Emissions (2018), transitioning the denominator from plant-specific clinker production to overall group production. This change improves consistency, comparability, and methodological robustness, although the shift influences the intensity values due to back-calculation for 2025 and 2024 for particulate matter (PM) and sulfur oxides (SOx) compared to the previous year.

Absolute PM emissions increased by 43%,

| **Air Quality - Absolute Group 1 Emission** | **2025** | **2024** |
|---|---|---|
| PM [tonnes] | 269 | 188 |
| SOx [tonnes] | 88 | 25 |
| NOx [tonnes] | 1,886 | 5,955 |
| **Air Quality - Specific Group 1 Emission** | **2025** | **2024** |
| PM [g/ tonne Cli] | 44 | 25 |
| SOx [g/ tonne Cli] | 5 | 8 |
| NOx [g/ tonne Cli] | 806 | 789 |
| **Air Quality - Group 1 Emission Coverage Rate** | **2025** | **2024** |
| Coverage rate continuous measurement [%] | 54% | 58% |

rising from 188 tonnes in 2024 to 269 tonnes in 2025. This change is attributable to intensified monitoring efforts. Specific PM emissions increased from 25 g/t to 44 g/t clinker, reflecting the operational variations, particularly the increased frequency of kiln shutdowns during maintenance. Shutdown cycles often lead to dust-release dynamics when kilns restart or ramp down, and these conditions naturally elevate PM profiles despite good dust-control systems. Despite this, monitoring was strengthened significantly, demonstrating responsible oversight under the Air Quality Management Plan.

SOx emissions increased moderately from 25 tonnes to 33 tonnes, with specific emissions rising from 3 g/t to 5 g/t clinker. While these values remain comparatively low for the cement sector, the increase reflects changes in fuel mix, notably higher coal utilisation relative to natural gas during the period. This underscores the importance of the planned Relative Accuracy Test Audit (RATA) in further refining emissions control and validation.

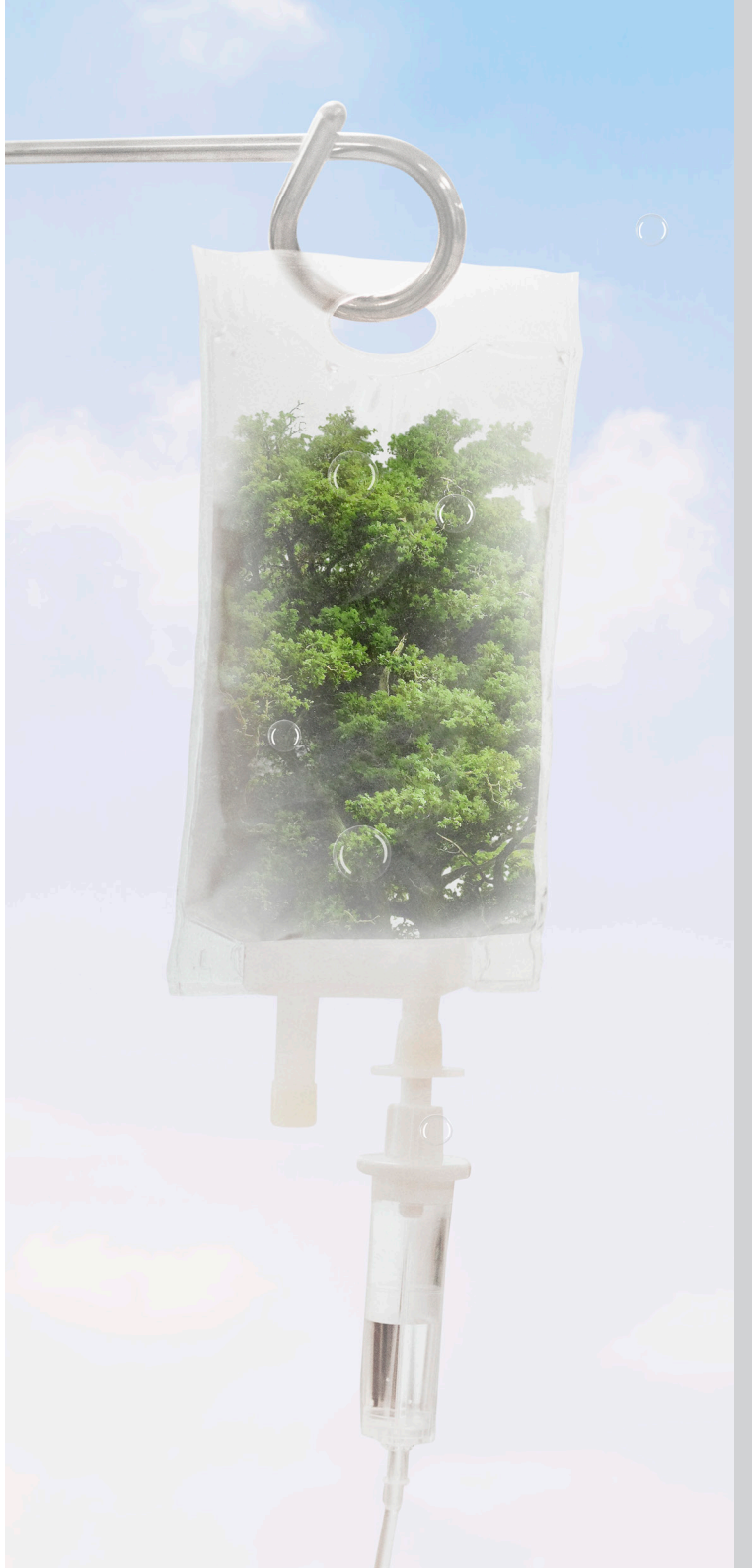
In contrast, NOx emissions demonstrated substantial improvement, declining by 68% in absolute terms and 61% in specific terms. This sharp reduction indicates improved burner optimisation, combustion control, and kiln operation stability during active production windows. Although shutdown cycles influenced PM and SOx profiles, the operational quality during active kiln phases supported measurable NOx reductions, highlighting focused improvements in thermal profile management and combustion efficiency.

Continuous monitoring capability also improved, with coverage of Group 1 emissions continuous measurement coverage rising to 54%. This aligns with ongoing implementation of the Continuous Emissions Monitoring System (CEMS) and readiness steps completed during the year. To strengthen the accuracy, reliability, and regulatory alignment of emission monitoring, BUA Cement engaged a service provider to initiate the Relative Accuracy Test Audit (RATA) process. Although the full execution of RATA is scheduled for the following year under the ESAP, preparatory work conducted in 2025 ensures that calibration, accuracy validation, and reference benchmarking will proceed effectively. RATA remains essential for improving CEMS precision, supporting compliance, and enhancing the reliability of emissions data for decision-making and reduction efforts.

As part of its commitment to continuous improvement, the Company also engaged international independent consultants to reappraise emissions and noise levels against the Environmental and Social Impact Assessment (ESIA) baselines within and around host communities. This proactive initiative strengthens environmental governance and reinforces the Company's dedication to mitigating local air quality impacts through scientifically grounded assessments.

Throughout the year, the Air Quality Management Plan under the ESMS continued to guide performance improvements. Monitoring frequency was increased within and around plant facilities, supporting early detection of deviations and allowing timely interventions. This structured approach, consistent with global sustainability benchmarks, ensures that air quality management remains operationally effective and environmentally responsible.

Overall, 2025 represents a year of improved measurement accuracy, strong NOx performance, recalibrated estimation techniques, and enhanced readiness for next-level validation through RATA. These efforts demonstrate BUA Cement's sustained commitment to responsible air emissions governance and continuous improvement in air quality performance.

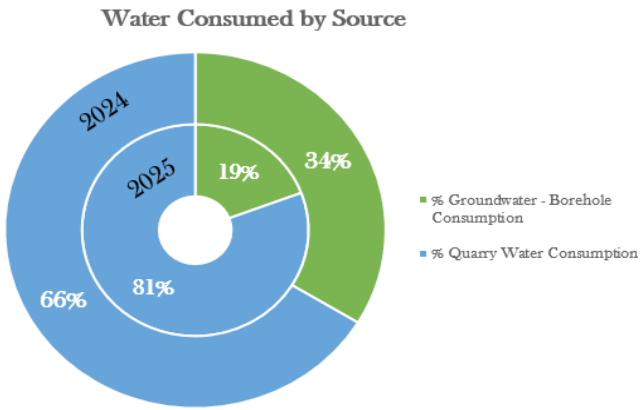


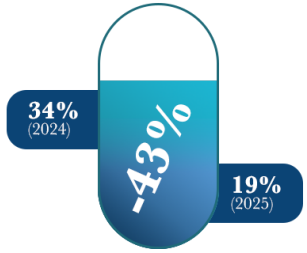
# 4. Water Management

BUA Cement continues to strengthen its commitment to sustainable water stewardship by enhancing resource efficiency, reducing reliance on freshwater sources, and aligning its practices with global environmental expectations. In 2025, the Company expanded its water accounting accuracy, deepened hydrogeological monitoring within and beyond its operations, and advanced the implementation of its Water Management Plan under the ESMS. These initiatives reflect a proactive approach to safeguarding water resources, maintaining aquifers balance, and ensuring long-term environmental long-term sustainability.

Water performance in 2025 reflects enhanced accuracy in accounting combined with a deliberate shift toward alternative water sources. Total water withdrawal and consumption increased by 70%, rising from 1.04 million cubic metres in 2024 to 1.76 million cubic metres in 2025. This upturn is primarily attributed to improved metering and the inclusion of additional water inflows previously unaccounted for rather than a material increase in water demand.

During the year, a water inflow from a repurposed pit – now an artificial pond for rainwater harvesting and quarry dewatering reservoir was formally metered for the first time, increasing reported volumes. Despite the numerical increase, operations remained largely supported by harvested rainwater and quarry dewatering, reinforcing the Company's continued shift away from freshwater dependence.




This strategy is reflected in the significant reduction in groundwater abstraction, which declined from 34% to 19%, representing a 43% reduction. Conversely, reliance on quarry water rose to 81%, confirming the success of BUA Cement's deliberate transition toward circular water sourcing practices. Although water recycling decreased slightly from 4% to 2%, the Company's overall water balance continued to be driven by need for accurate accounting on recycling line and low-impact sources dependency.

Specific water consumption increased from 116 litres per tonne of cementitious product in 2024 to 235 litres per tonne in 2025. This change was driven primarily by reduced production volumes and improved accounting coverage. As overall production declined, fixed or semi-fixed water usage, for dust suppression, cooling, and cleaning operations, had a proportionally greater effect on intensity metrics. The inclusion of historically unmetered inflows further contributed to the rise, highlighting the importance of accurate monitoring in aligning performance indicators with operational realities.

The Water Management Plan under the ESMS was effectively implemented during the reporting period, which expanded its monitoring efforts to include surrounding communities. Routine appraisals of groundwater levels were carried out using a dedicated monitoring borehole, enabling the Company to track aquifer behaviour relative to its operations. These assessments were guided by established aquifer safe-yield and drawdown baselines and conducted with the support of renowned external hydrogeology consultants in line with ESAP commitments.

Findings confirmed no adverse impact on neighbouring aquifers, validating the effectiveness of the Company's responsible water use strategy.

By extending water assessment beyond its fence line, the Company ensures that community water security remains protected, supporting long-term social and environmental resilience. This holistic approach aligns with international best practices in industrial water management and demonstrates the Company's proactive stance toward mitigating potential community impacts.

Overall, 2025 marks a year of improved data accuracy, reduced reliance on groundwater, and intensified hydrogeological oversight. Through continued implementation of its Water Management Plan under the ESMS, BUA Cement remains committed to responsible consumption, aquifer protection, and sustainable water management across its operations. water management across its operations.

| **Water Management** | **2025** | **2024** |
|---|---|---|
| Total water withdrawn (million cubic metres) | 1.76 | 1.04 |
| Total water consumed (million cubic metres) | 1.76 | 1.04 |
| % Groundwater - Borehole Consumption | 19% | 84% |
| % Quarry Water Consumption | 81% | 66% |
| % Water Recycled | 2% | 4% |
| Specific Water Consumption [Ltrs/ tonne cem | | |

# 5. Biodiversity impacts

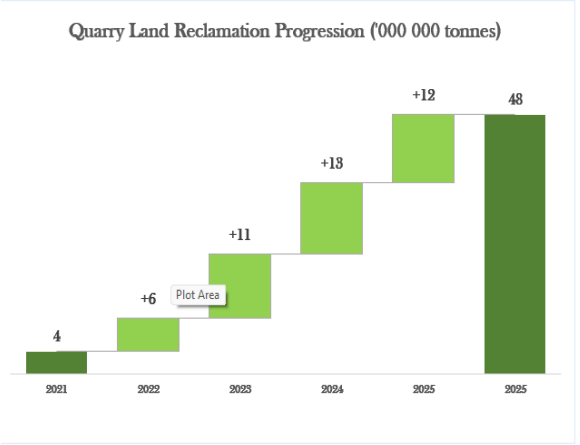
BUA Cement continues to strengthen its commitment to biodiversity conservation, sustainable land use, and ecological restoration through structured rehabilitation strategies, and community-focused initiatives.

In 2025, the Company advanced its efforts to restore disturbed landscapes, enhance ecological resilience, and demonstrate the long-term value of responsible quarry lifecycle management. These initiatives reflect a proactive approach to supporting environmental integrity while improving land productivity and community livelihoods.

Biodiversity and land restoration performance in 2025 reflects a year of continued progress in rehabilitating post-extraction landscapes while expanding the scope and complexity of restoration strategies. Quarry land reclamation reached 12.62 million metric tonnes, demonstrating sustained dedication to responsible land use even as absolute values dipped slightly compared to the previous year. A notable milestone during the reporting period was the reclamation of over 124,225 square meters of land, including the near-complete rehabilitation of the Oroji farm pit 2 at the Sokoto plant. At the Obu plant, the Company advanced its strategy of transforming exhausted pits into artificial water-collection ponds, an approach that is especially valuable in water-stressed environments. With more than three pits now functioning as rainwater and quarry-dewatering reservoirs, this nature-based solution contributes both to biodiversity protection and long-term water security for operations and surrounding ecosystems.

One of the most significant achievements in 2025 was the successful implementation of a soil reclamation and agricultural livelihood restoration programme at the Sokoto plant. Conducted in collaboration with BUA Cement's technical partners, the initiative transformed a one-hectare reclaimed quarry area into a productive agricultural land. The programme is an integral element of the Company's Resettlement Action Plan, applied advanced soil reclamation technologies, improved plantation methods, and climate-smart agronomic practices.

The establishment of a Management Training Plot (MTP), divided into six crop demonstration strips, showcased both




| Biodiversity Impact | 2025 | 2024 |
|---|---|---|
| Quarry Land Reclamation (million metric tonnes) | 12.62 | 18.42 |
| Planted Trees | 650 | 720 |
| Planted Trees (Within host communities) | 550 | 650 |
| % Planted Trees within Host Communities | 84.6% | 90.3% |
| Planted Eco-Bloomer (flower) | 500 | 100 |

strip-cropping and sole-cropping systems using early-maturing, drought-tolerant, and pest-resistant varieties such as millet (Super SOSAT), sorghum (SAMSORG 28), maize (OBA Super G), cowpea (SAMPEA VTA), groundnut (SAMNUT 24), and soybean (TG 1951). Germination rates averaged approximately 95 percent, and harvests were achieved within 45–75 days, depending on the crop. Yields ranged from good to excellent compared to local benchmarks, conclusively demonstrating that degraded post-limestone landscapes can be restored to full agricultural productivity within a single farming season.This achievement represents a major step forward in integrating biodiversity restoration with community livelihood support, strengthening community trust, and showcasing a scalable model for post-mining land rehabilitation in northern Nigeria. The programme reinforces the relationship between ecological restoration and socio-economic resilience, offering long-term benefits that extend beyond the immediate operational footprint.

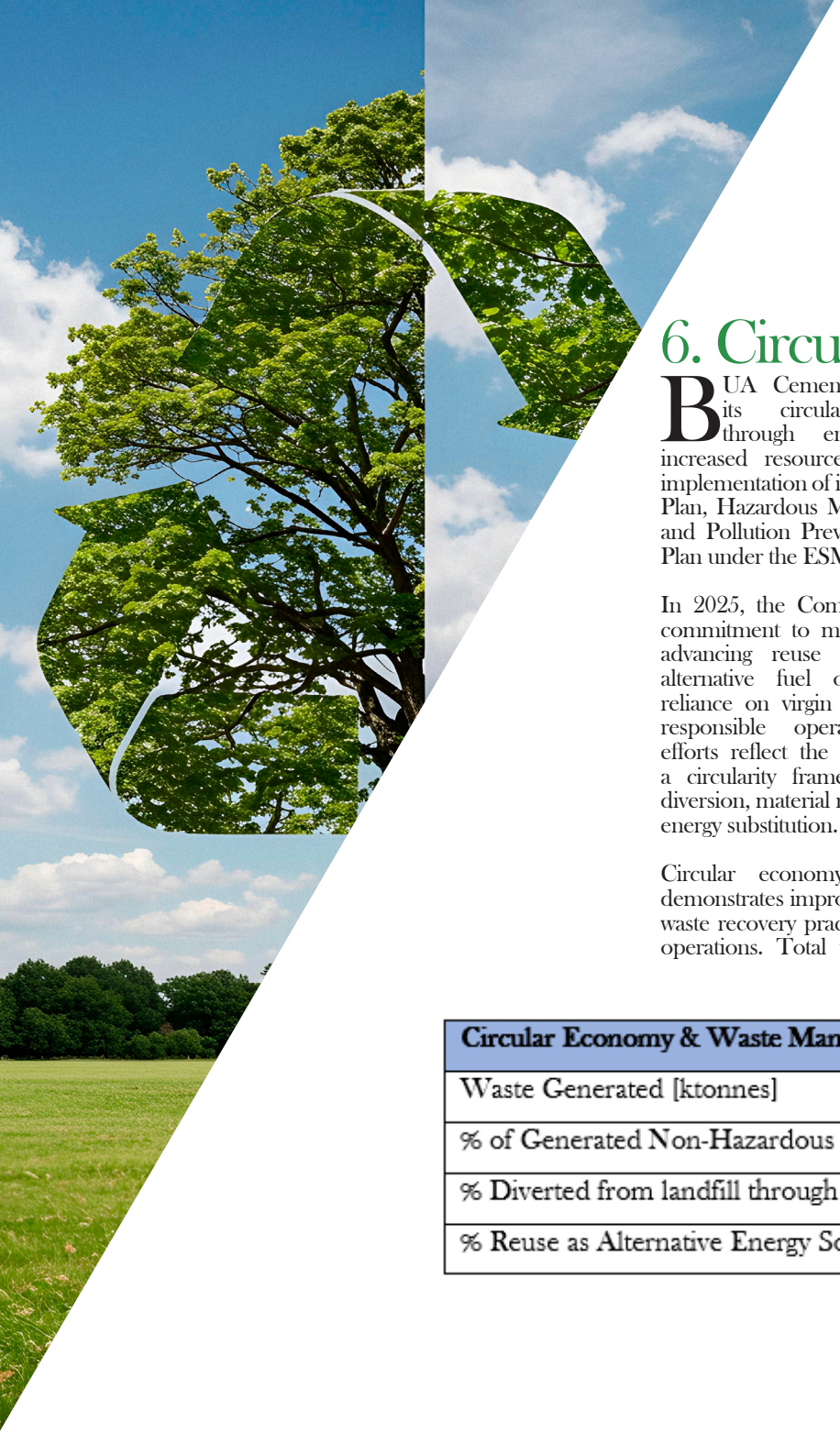
Tree planting efforts continued across operational areas and host communities, with 650 trees planted in 2025. Although total tree numbers decreased slightly, the Company maintained strong emphasis on community-based planting, with 85% of all trees planted within host communities. This community-focused approach enhances shared ecological benefits, increases vegetation cover, and supports local microclimates. The significant increase in Eco-Bloomer plantings, from 100 in 2024 to 500 in 2025, demonstrates renewed investment in fostering pollinator-friendly vegetation, improving landscape aesthetics, and supporting habitat diversity.

As part of its ESAP commitments and Management Plan, BUA Cement continues to enhance monitoring and expert engagement. The Company collaborated with international consultants to reappraise emissions and noise levels relative to baseline ESIA conditions around host communities. Although primarily environmental in scope, these assessments contribute to a broader understanding of ecological conditions, reinforcing proactive mitigation measures across the operating landscape.

Looking ahead, BUA Cement will continue to expand its afforestation initiatives, enhance carbon sequestration strategies, and deepen the implementation of biodiversity management

Quarry Land Reclamation

**12.62**
million mt

# 6. Circular Economy

BUA Cement continues to strengthen its circular economy approach through enhanced waste tracking, increased resource recovery, and sustained implementation of its Solid Waste Management Plan, Hazardous Materials Management Plan, and Pollution Prevention and Spill Response Plan under the ESMS.

In 2025, the Company further deepened its commitment to minimising waste generation, advancing reuse pathways, and integrating alternative fuel opportunities that reduce reliance on virgin materials while supporting responsible operational practices. These efforts reflect the continued development of a circularity framework built around waste diversion, material repurposing, and sustainable energy substitution.

Circular economy performance in 2025 demonstrates improved resource efficiency and waste recovery practices across the Company's operations. Total waste generated decreased significantly by 40%, dropping from 24.31 ktonnes in 2024 to 14.55 ktonnes in 2025. This reduction is attributable to improved material utilisation, increased operational discipline, and more effective waste segregation practices. The proportion of non-hazardous waste remained high at 96%, slightly lower than the previous year but still indicative of strong adherence to safe material handling and responsible waste classification.

Waste diversion remained a key circularity strength. In 2025, 96.2% of total waste generated was diverted from landfills through reuse and resale, demonstrating sustained performance despite a slight reduction of two percentage points from 2024. This diversion rate reflects the efficiency of the Company's reuse systems and the adaptability of its waste management channels even under changing operational conditions. The minor reduction is consistent with the overall decrease in total waste volumes and does not signal any decline in circular economy performance.A notable

| Circular Economy & Waste Management | 2025 | 2024 |
|---|---|---|
| Waste Generated [ktonnes] | 14.55 | 24.31 |
| % of Generated Non-Hazardous Waste | 96% | 99% |
| % Diverted from landfill through Reuse & Resale | 96.2% | 98.0% |
| % Reuse as Alternative Energy Source | 2.9% | 0.5% |


highlight for 2025 is the substantial increase in waste repurposed as an alternative energy source, which rose from 0.5% to 2.9%, representing a more than fourfold increase. This significant improvement is attributed to the enhanced integration of waste-derived inputs, particularly spent engine oil, into hot-gas generator systems. By repurposing waste oil as an energy feedstock, BUA Cement continued to reinforce the synergy between circularity and decarbonisation, reducing dependency on virgin fuels while improving waste recovery outcomes.

This initiative also aligns with the ESMS-driven Pollution Prevention and Spill Response Plan, ensuring responsible handling and controlled reuse of materials that would have otherwise been disposed.

Innovative material repurposing also progressed strongly through the Company's protective gear recycling initiative. In 2025, 945 damaged chest aprons were repurposed into 1,177 arm protectors, representing a 16% increase in output compared to the previous year. This initiative not only diverts textile waste from disposal channels but also capacitates local content, reduces the need for virgin materials, lowers procurement-related impacts, and demonstrates the practical value of upcycling within operational environments.

The increase in output, despite fewer damaged aprons available for repurposing, highlights improved efficiency in the conversion process and stronger alignment between waste-to-resource systems and operational safety needs.

The Company continued to advance the implementation of key circularity frameworks under the ESMS. Waste monitoring, classification, and controlled disposal methods were strengthened, and operational teams expanded their awareness and participation in circularity practices. These improvements support BUA Cement's strategic focus on maximising resource efficiency, reducing residual waste volumes, and embedding sustainability across production cycles.

Overall, 2025 represents a year of improved waste generation performance, enhanced circularity pathways, and strengthened integration of alternative energy recovery. Through continued execution of its ESMS waste-related plans, BUA Cement remains committed to scaling circular economy initiatives, reducing environmental footprint, and advancing a more resource-efficient and sustainable operational model.

# BUA Cement WED 2025:

## Advancing Action Against Plastic Pollution Through Collective Responsibility

BUA Cement reaffirmed its environmental commitment by commemorating World Environment Day (WED) 2025 across both Sokoto and Obu plants through coordinated awareness, advocacy, and clean-up activities. Aligned with the global theme #BeatPlasticPollution, the Company strengthened its efforts to address the growing challenge of plastic waste by mobilising employees, contractors, and host community members to participate in hands-on environmental protection initiatives. The commemoration further reinforced the Company's ongoing implementation of its Waste Management Plans under the ESMS, highlighting its dedication to proactive environmental stewardship.

Activities commenced with an environmental awareness session in Sokoto, where staff were sensitised on the global implications of plastic pollution. The session emphasised the dangers of improper plastic disposal, the long-term impact of plastic pollution, including its effects on ecosystems, soil quality, waterways, and human health. Employees were encouraged to strengthen daily waste-conscious behaviour by adopting the principles of reduce, reuse, and recycle, both within the workplace and in the surrounding communities.

Similarly, at the Obu plant, employees, contractors, and community members participated in structured sensitisation activities, including short training sessions on proper waste segregation, plastic recycling practices, and the threat plastic poses to soil quality, waterways, and human health.

The awareness sessions were followed by extensive clean-up exercises across operational and surrounding community areas. In Sokoto, staff moved through various segments of the plant to collect plastic items, bottles, bags, and other discarded materials, ensuring that all collected plastic waste was sorted and handed over to the plant's approved waste vendor for responsible recycling and disposal. Meanwhile, in Obu, teams expanded the clean-up efforts beyond the facility, clearing plastic waste from surrounding roads, drainage channels, and community access routes to prevent environmental contamination and improve communal hygiene. These exercises strengthened collective action and demonstrated the Company's role in promoting environmentally responsible practices across its operational footprint.

The Obu celebration further incorporated tree-planting activities, symbolising the importance of ecological restoration and reinforcing BUA Cement's long-term commitment to green landscapes and regenerative environmental practices. Staff and community participants collectively pledged to reduce the use of single-use plastics, incorporate reusable alternatives into daily operations, and maintain cleaner surroundings. This pledge reflects the Company's broader sustainability focus on circularity, waste minimisation, and ecosystem protection.

Both plants concluded the WED activities with group photographs and short reflection sessions, where participants were encouraged to integrate sustainable waste practices into their daily routines. Management reiterated BUA Cement's dedication to responsible production, environmental protection, and continuous improvement under its ESMS aligned management frameworks. The combined efforts of employees, contractors, and community stakeholders made WED 2025 a meaningful reminder of the shared responsibility to combat plastic pollution and safeguard the environment for future generations.

# B. SOCIAL

BUA Cement remains committed to advancing social sustainability through strengthened stakeholder engagement, expanded local content development, and inclusive community investment programmes. In 2025, the Company continued to deepen its engagement frameworks under the ESMS, particularly through its Stakeholder Engagement Plan and Community Safety Plan, ensuring that its interactions with host communities, government agencies, and social partners remained proactive, structured, and transparent. The year also featured the rollout of transformative empowerment initiatives across both Sokoto and Obu operations, reinforcing the Company's long-term commitment to inclusive development and shared socio-economic progress.

Social performance in 2025 reflects a dynamic year characterised by intensified engagement and expanded focus on community capacity development. Proactive stakeholder engagements increased significantly, rising to 63 engagements within the year and contributing to a total of 90 structured engagements across both proactive and responsive categories. Reactive engagements accounted for 30%, demonstrating that although the Company faced more community feedback and grievances compared to the previous year, the shift remained within manageable thresholds, supported by responsive communication mechanisms and strengthened grievance-resolution channels under the ESMS. Importantly, business disruptions originating from the community dropped to zero, showing improved trust, stability, and alignment between BUA Cement and its host communities.

A major highlight for 2025 was the advancement of local content development, particularly in local employment and empowerment initiatives. Although the number of local employment opportunities reduced compared to 2024, the year marked significant quality improvements in community capacity building. In Sokoto, the Company launched the Host Community Heavy Duty Operator Training Programme, a structured workforce development initiative targeting 60 youths from host communities. The programme was designed to equip participants with strong technical, operational, and safety competencies needed for heavy-duty equipment operation within quarry and cement manufacturing environments. Through rigorous phases, including theoretical instruction, hazard identification, PPE use, operational responsibility, and six months of practical training under experienced supervisors, participants received hands-on exposure to excavators, bulldozers, wheel loaders, dump trucks, and other quarry associated machinery. Progressive remuneration ensured financial support during the training, with full salary eligibility upon program completion. The initiative delivered meaningful capacity development and strengthened workforce sustainability in the quarry environment, reinforcing BUA Cement's commitment to empowering local talent and enhancing community livelihoods.

In Obu, the Company executed a comprehensive skill acquisition and empowerment programme, targeting young residents of the Okpella community. The programme focused on vocational development such as tailoring, hairdressing, and entrepreneurial training, creating pathways to self-reliance and income generation. Participants engaged in hands-on sessions led by professional trainers, utilising real tools and equipment to transition from theoretical knowledge to practical expertise. Over time, the programme fostered new micro-businesses, strengthened community confidence, and expanded socio-economic opportunities. By promoting dignity, financial independence, and long-term economic resilience, the initiative demonstrated the transformative potential of tailored community empowerment programmes.

On vendor development, although the absolute number of local vendors contracted declined slightly from 17 to 13, the weighted percentage of

| Social Metrics | 2025 | 2024 |
|---|---|---|
| Proactive Stakeholder Engagement | 63 | 54 |
| Reactive Stakeholder Engagement | 27 | 4 |
| Town Hall Meeting | 0 | 0 |
| Community feedbacks in terms of grievance | 10 | 8 |
| Social Incident | 2 | 1 |
| Business Disruption from Community | 0 | 1 |
| Local Employment Made | 189 | 596 |
| Local Vendor Contracted | 13 | 17 |
| % Local Vendor Contracted | 7% | 3% |

vendors sourced increased markedly from 3% to 7%, reflecting targeted efforts to deepen local supply chain participation. This underscores a stronger commitment to enhancing local business integration and capacity within the value chain.

Social investment (CSR) performance in 2025 focused more on targeted, high-impact projects rather than volume. The Company implemented 19 social investment projects, reaching over 36,900 beneficiaries across priority thematic areas. Spending totalled ₦649.7 million, with a strategic shift toward education and empowerment, representing 31% and 47% of total investments respectively. Empowerment initiatives, in particular, doubled in number compared to 2024, signaling a renewed focus on skills, livelihoods, and economic development. Health projects were introduced during the period, while WASH and infrastructure investments declined due to the completion of major projects in prior years.

Community relations showed a balanced outlook. Grievances increased slightly to 10 reports but remained within expected engagement dynamics typical for large-scale industrial operations. Social incidents rose to 2 but did not escalate into operational disruptions, reflecting effective corrective responses and improved risk management structures. With zero business disruptions recorded, the year demonstrated enhanced social stability and stronger trust-building outcomes.

Overall, 2025 marks a year of strengthened stakeholder relations, transformative local empowerment programmes, and targeted community development investments. Through continued execution of the Stakeholder Engagement Plan, Community Safety Plan, and other ESMS frameworks, BUA Cement remains committed to fostering inclusive growth, safeguarding community well-being, and reinforcing long-term social sustainability across its operational footprint.


# C. HEALTH & SAFETY

BUA Cement remains deeply committed to fostering a strong health and safety culture built on proactive risk management, robust operational controls, and continuous capacity development. In 2025, the Company advanced the implementation of its Occupational Health & Safety Management Plan under the ESMS, strengthening compliance frameworks, enhancing frontline supervision, and deepening safety awareness across all operations. A renewed emphasis on behavioural safety, extensive training, and structured field engagement further supported the Company's mission to achieve zero harm while safeguarding the well-being of employees, contractors, and host community stakeholders.

Health and safety performance in 2025 reflects substantial system strengthening, enhanced workforce engagement, and improved injury outcomes across BUA Cement's operations. The year recorded a significant rise in reported near misses, unsafe conditions, and unsafe acts, reaching 9,334 cases, a 722% increase from 2024. This increase is a positive indicator of heightened hazard awareness and improved reporting behaviour, reflecting a more transparent and proactive safety culture. Employees demonstrated increased vigilance, contributing to earlier risk identification and more effective mitigation actions before incidents occurred.

| | |
|---|---|
| NM+UC/A[1] | 9,334 |
| FA | 188 |
| MT | 5 |
| RW | 1 |
| HSE Training hours | 10,934 |
| All Training hours, including HSE | 68,774 |
| % Work Hours dedicated solely to HSE training | 0.08% |
| % Work Hours dedicated to all trainings, including HSE | 0.51% |
| LTIFR | 0.30 |

[1]Near miss, unsafe condition and unsafe act

Lost Time Injuries (LTI) decreased markedly from 9 to 4 cases, representing a 56% reduction, and the Lost Time Injury Frequency Rate (LTIFR) dropped significantly from 0.81 to 0.30, underscoring the effectiveness of strengthened controls, safer work practices, and enhanced field supervision. First Aid cases declined by 25%, while Medically Treated cases increased slightly, indicating better escalation of moderate incidents for appropriate treatment. Restricted work cases fell by 50%, further reflecting improvements in incident severity and overall safety performance.

During the reporting year, BUA Cement advanced several major initiatives to reinforce operational safety. A comprehensive Permit to Work (PTW) system was deployed across operations, ensuring that high-risk work activities are rigorously controlled and monitored. This was supported by robust enforcement of critical safety procedures, including Contractor Management, Work at Height, Energy Isolation, Confined Space Entry, PPE Compliance, Site Access Control, and Incident Reporting & Investigation. Regular PTW audits, mandatory gas testing prior to confined space entry, and strengthened LOTOTO implementation, complete with locks and lockout boxes, further enhanced operational discipline and energy safety assurance.

Training remained a central pillar of the Company's safety strategy. In 2025, 68,774 total training hours were delivered across the Organisation, out of which 10,934 training hours were dedicated to HSE, representing a remarkable 350% increment up from the 2,429 hours reported in the previous year. This implies a significant 0.08% of the work hours dedicated to HSE training, demonstrating a remarkable achievement from 0.02% reported in the previous year.

A tangible increment of 317%, from 0.12% reported previously, was achieved as dedicated working hours on all training, including HSE, during the reporting period. HSE training modules were deliberately tailored to address critical plant-specific risks, including Risk Awareness, Work at Height, Confined Space Entry, Hot Work, Energy Isolation, Firefighting and Prevention, Quarry Safe Operations, First Aid, Root Cause Analysis (RCA), and Environmental Compliance. These programmes were executed through structured, coordinator-led sessions, reflecting a shift toward fit-for-purpose, competency-based training aligned with the Organisation's zero-harm philosophy.

Emergency preparedness continued to be reinforced through sustained monthly scenario-based emergency drills, strengthening readiness for various incident scenarios. In addition, mandatory daily HSE inspections were conducted across both plants to reinforce field compliance, operational discipline, and behavioural accountability. Monthly management walk-throughs further enhanced leadership presence on the shop floor, enabling senior leaders to engage directly with frontline employees, identify unsafe conditions first-hand, and provide on-the-spot corrective direction.

In Sokoto, progress on the HCSE-Improvement Plan, developed during a cross-functional working session in late 2024, was reviewed between programme sponsors, champions, and plant leadership. The review assessed progress, challenges, and priorities, ensuring continuous alignment with the overarching objective of transitioning from a lagging-indicator culture toward a proactive risk mitigation model. This shift is progressively embedding predictive safety thinking across operational teams.

In Obu, the annual Walk for Life Fitness Programme continued to promote health, camaraderie, and employee well-being. The December event brought together staff from across the plant, engineers, technicians, administrative personnel, and leaders, for a collective fitness walk marked by music, lively energy, team bonding, and shared motivation. The event reinforced the connection between physical wellness, mental balance, and a safe, productive workforce.

Overall, 2025 marked a transformative year for BUA Cement's Health and Safety performance. With strengthened governance, enhanced training, proactive field management, and deeper employee engagement, the Company continues to advance toward a mature, prevention-driven safety culture aligned with global best practices and its ESMS framework.

# Conclusion

The 2025 reporting year reflects BUA Cement's continued progress toward embedding sustainability at the heart of its operations, driven by strengthened governance systems, enhanced environmental performance, and deepened social responsibility. Across all pillars of ESG, the company demonstrated resilience, transparency, and strategic intent, reinforcing its commitment to responsible growth and long-term value creation.

In environmental stewardship, the company advanced the implementation of its ESMS and ESAP commitments, improved emissions accounting through plant-specific methodologies, expanded monitoring systems for air and water, and intensified circular economy initiatives that supported both resource efficiency and waste minimisation. Landmark efforts in land rehabilitation, water conservation, renewable energy planning, and ecosystem restoration highlight BUA Cement's determination to align its operations with global sustainability expectations and the realities of a climate-conscious industrial landscape.

Social performance in 2025 demonstrated meaningful engagement with host communities, strengthened local content development, and innovative empowerment programmes implemented across Sokoto and Obu. Through targeted skills training, job readiness development, livelihood restoration, and transparent stakeholder engagement, the company continued to build trust, reduce disruptions, and support local capacity for long-term socio-economic resilience. These efforts were complemented by focused CSR investments that delivered significant impact to over 36,900 beneficiaries across education, empowerment, infrastructure, health, and WASH.

Health and Safety remained central to sustaining operational excellence, with significant improvements in hazard reporting, strengthened controls through a new Permit to Work system, and a dramatic rise in training hours that reflect the company's dedication to cultivating a proactive, zero-harm culture. Major safety events, including the World Day for Safety and Health at Work celebration, reinforced innovation, emergency preparedness, and employee engagement, solidifying the company's progression toward a mature, prevention-driven safety model.

As BUA Cement looks ahead, the company remains unwavering in its commitment to sustainability leadership. Planned expansions in LNG capacity, continued refinement of safety systems, and the ongoing implementation of ESMS frameworks will anchor future improvements in environmental performance, operational resilience, and community impact. The company will continue to strengthen transparency, invest in capacity building, foster inclusive growth, and align its sustainability strategy with global frameworks that support long-term decarbonization, circularity, and socio-economic progress.

Through strategic intent, disciplined execution, and a steadfast commitment to responsible operations, BUA Cement reaffirms its ambition to build a more sustainable future for its employees, communities, partners, and the environment.


Edo Plant
KM 164, Benin Okene Exp way,
Obu (Okpella),
Edo State,
South-South, Nigeria.

Corporate Head Office
5th Floor, BUA Towers PC 32,
Churchgate Street, Victoria Island,
Lagos, Nigeria.

info@buacement.com
www.buacement.com

Sokoto Plant
KM 10 Kalambaina Road,
Sokoto State,
North-West, Nigeria.