2020

ANNUAL REPORT
& FINANCIAL STATEMENTS

Sugar for Nigeria

DANGOTE
SUGAR

CONTENT

DANGOTE SUGAR

Vision

Our vision is to be one of the world's leading integrated sugar producers, respected for the quality of our products and the way we conduct our business.

Mission

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

Our Values

- Customer Service
- Entrepreneurship
- Excellence
- Leadership

CORPORATE INFORMATION

Directors, Officers and Professional Advisers

BOARD OF DIRECTORS

Aliko Dangote, GCON	–	Chairman
Ravindra Singh Singhvi	–	Group Managing Director/CEO
Sani Dangote	–	Non-Executive Director
Olakunle Alake	–	Non-Executive Director
Abdu Dantata	–	Non-Executive Director
Bennedikter Molokwu	–	Non-Executive Director
Konyinsola Ajayi, SAN	–	Non-Executive Director
Uzoma Nwankwo	–	Non-Executive Director
Maryam Bashir	–	Independent Non-Executive Director

COMPANY SECRETARY/LEGAL ADVISER
Temitope Hassan (Mrs.)

AUDITORS
PricewaterhouseCoopers
Landmark Towers, Plot 5B Water Corporation Road,
Victoria Island, Lagos, Nigeria

BANKERS
Access Bank Plc.
Coronation Merchant Bank
Ecobank Nigeria Plc.
Fidelity Bank Plc.
First Bank of Nigeria Limited.
First City Monument Bank Plc.
FSDH-FIRST Security Discount House
GTBank Plc.
Globus Bank
Jaiz Bank Plc.
StanbicIBTC Bank Plc.
Standard Charted Bank Nigeria Limited
Sterling Bank Plc
UBA Plc.
Union Bank Nigeria Plc
Unity Bank Plc
Zenith Bank Plc.

CAPITAL MARKET INFORMATION

NSE TICKER SYMBOL	DANSUG
DATE LISTED	8TH MARCH 2007
FINANCIAL CALENDAR (YEAR END)	December 31
RC Number	613748

Authorized Share Capital
15,000,000,000 Ordinary Shares of 50k each.

Issued/Paid Up Share Capital
12,146,878,241 Ordinary Shares of 50k each

SHAREHOLDER INFORMATION

Date of Incorporation	4th January 2005

REGISTERED OFFICE
3rd Floor, GDNL Building
Terminal E, Shed 20
NPA Wharf Port Complex
Apapa
Lagos

FACTORY
Shed 20 Apapa Wharf
Apapa
Lagos

DANGOTE SUGAR NUMAN OPERATIONS
Km 81, Yola – Gombe Road,
Numan, Adamawa State

SUBSIDIARIES

- Nasarawa Sugar Company Limited
  1, Anguwan Kaura, Tunga Central Chiefdom,
  Tunga, Awe Local Government Council,
  Nasarawa State.

- Dangote Taraba Sugar Limited
  LAU/TAU PROJECTS
  C/o Dangote Sugar Refinery Plc
  Shed 20 Apapa Wharf Complex,
  Apapa Wharf
  Lagos

- Dangote Adamawa Sugar Limited
  1, Alfred Rewane Road
  Falomo, Ikoyi
  Lagos

REGISTRAR AND TRANSFER OFFICE:
VERITAS REGISTRARS LIMITED
PLOT 89A, Ajose Adeogun Street, Victoria Island, Lagos.
Telephone: (01) 27089304, 2784167-8; Fax: (01)2704085
enquiry@veritasregistrars.com
www.veritasregistrars.com

INVESTOR RELATIONS CONTACT
Douglas Ngharamike
+234 8112192595
investorRelationsDSR@dangote.com

CORPORATE COMMUNICATIONS CONTACT
Ngozi Ngene
+234 8150983259
Ngozi.Ngene@dangote.com
srefinery@dangote.com
dangotesugar@dangotesugar.com.ng
www.dangotesugar.com.ng


1kg
DANGOTE
REFINED GRANULATED
WHITE
SUGAR
500g
250g

WE ARE DANGOTE SUGAR REFINERY PLC

Dangote Sugar Refinery Plc (DSR) is a Sugar Refining and Production Group, with a successful history and the pioneer company in the development of the Nigerian Sugar sector of the food and beverage industry.

In this Annual Report, we present a comprehensive account of our financial and operational performance during the year under review and have combined our Annual and Sustainability Reports. The Sustainability Report is structured around our 7 Sustainability Pillars of what we call - "The Dangote Way."

Dangote Sugar commenced business in March 2000 as the sugar division of Dangote Industries Limited. The division was spun-off as Dangote Sugar Refinery Plc via a Scheme of Arrangement in January 2006 which transferred all the assets, liabilities, and undertakings attributable to the sugar division of Dangote Industries Limited to Dangote Sugar Refinery.

Dangote Sugar Refinery is Nigeria's largest producer of household and industrial sugar refined from raw sugar imported from Brazil to Vitamin A fortified granulated white sugar suitable for direct consumption and non-fortified sugar for industrial use.

Dangote Sugar Refinery Plc was listed on the main board of the Nigerian Stock Exchange in March 2007. Today, Dangote Sugar is a household name in the Nigerian Food and Beverage industry with core competences in the:

- Refining of raw sugar to make high quality Vitamin A fortified and non-fortified granulated white sugar.
- Marketing and distribution of our refined sugar grades in 1000kg, 50kg, 1kg, 500g & 250g packages
- Cultivation and milling of sugar cane to finished sugar from the DSR Numan Operations in Adamawa State
- Development of Greenfield projects in line with our "Sugar for Nigeria Project," strategic plan

In September 2020, the scheme of merger between DSR and Savannah Sugar was completed and a stronger business with great growth opportunities was born for growth and delivery of superior benefits to all stakeholders.

Also, the step is in line with DSR's resolve to achieve its Sugar for Nigeria Project with the Backward Integration and the goal is to become a global force in sugar production, by producing 1.5MMT/PA refined sugar from locally grown sugarcane for the domestic and export markets.

To achieve this, we acquired Dangote Sugar Numan, (Savannah Sugar Company Limited), Adamawa State in 2012, and embarked on the ongoing rehabilitation of its facilities and expansion of the 32,000 hectares' sugarcane estate. Other greenfield sites at Tunga, Nasarawa state and Lau/Tau, Taraba State are being developed.

OUR DESIRED OUTCOME

> "TO CONSOLIDATE OUR LEADERSHIP POSITION LOCALLY AND BECOME A LEADING INTEGRATED SUGAR COMPANY IN AFRICA, WITH WORLD CLASS STANDARDS"

STRATEGIC MISSION

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

- To satisfy market demand by producing the very best refined granulated sugar using exceptional resources and processes that comply with international standards and industry best practices.

- To help Nigeria towards self-sufficiency in sugar production by moving from importation and refining to creating new plantations with their own refining facilities, close to major centres of demand, with a target to produce 1.5 - 2.0 million tonnes of refined sugar annually, by 2024 from over 150,000 hectares of locally grown sugar cane.

- To provide economic benefits to local communities by way of direct and indirect employment.

- To set a good example in areas such as governance, sustainability, health and safety.

RESULTS AT A GLANCE

	GROUP 2020 ₦'000	GROUP 2019 ₦'000	COMPANY 2020 ₦'000	COMPANY 2019 ₦'000
Turnover	214,297,747	161,085,778	206,360,656	158,104,577
Profit Before Taxation	45,622,319	29,820,430	46,038,948	34,829,241
Taxation	(15,847,076)	(7,459,154)	(14,668,289)	(10,726,425)
Profit After Taxation	29,775,243	22,361,276	31,370,659	24,102,816
Other Comprehensive Income	-	-	-	-
Dividend Paid	13,200,000	13,200,000	13,200,000	13,200,000
Share Capital	6,073,439	6,000,000	6,073,439	6,000,000
Shareholders' Fund Per 50 Kobo Share Data (Kobo)	1,027	905	1,032	984
Earnings Per Share (kobo)	245	187	258	201

Proposed Dividend
The Directors recommend for approval of the shareholders at the Annual General Meeting, a dividend of **₦1.50k** for every ordinary share of 50 kobo each held in the company; for the year ended December 31, 2020. If approved the total cash dividend payable for the year ended December 31, 2020 will be **₦18.22billion.**

NOTICE IS HEREBY GIVEN, that the 15th Annual General Meeting of DANGOTE SUGAR REFINERY PLC will be held at the Eko Hotel & Suites, Plot 1415, Adetokunbo Ademola Street, Victoria Island Lagos at 11:00am on Thursday May 27, 2021 to transact the following business:

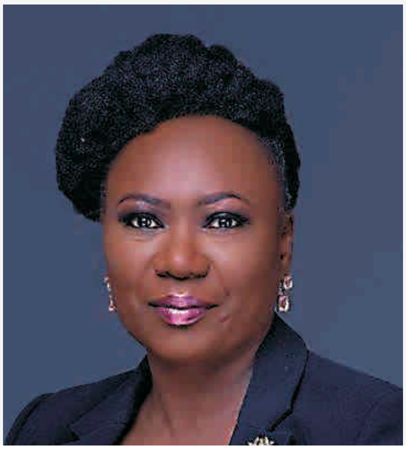
ORDINARY BUSINESS
1. To receive and consider the Audited Financial Statements for the year ended December 31, 2021, the Reports of the Directors, Auditors and Statutory Audit Committee thereon.
2. To declare a dividend.
3. To re-elect Directors.
4. To authorise the Directors of the Company to fix the remuneration of the Auditors.
5. To disclose the remuneration of Managers.
6. To elect/re-elect members of the Statutory Audit Committee.

SPECIAL BUSINESS
7. To fix the remuneration of Directors.

Dated this 23rd day of April, 2021

BY ORDER OF THE BOARD

TEMITOPE HASSAN (MRS.)
COMPANY SECRETARY
FRC/2017/NBA/00000016669



NOTES

1. Proxy
Only members (shareholders) of the Company entitled to attend and vote at the Annual General Meeting can appoint proxies to vote in their stead.

In the interest of public safety, and having regard to the Nigerian Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, the guidelines of the Corporate Affairs Commission (CAC) on holding Annual General Meetings and the restrictions on public gatherings by the Lagos State Government, Dangote Sugar Refinery PLC will conduct its 15th Annual General Meeting by proxy only and limited to the maximum number of persons allowed in a gathering.

2. Approval of the Corporate Affairs Commission
The approval of the Corporate Affairs Commission (CAC) was sought and obtained to hold the AGM in line with the guidelines on holding of AGMs of public companies using proxies, and to consider Special Business.

3. Nominated Proxies
Accordingly, members entitled to vote are requested to appoint a proxy of their choice from the list of nominated proxies below to represent them at the Meeting: (A blank Proxy Form is attached to the Annual Report)

(i) Alhaji Aliko Dangote (GCON)
(ii) Mr. Olakunle Alake
(iii) Ms. Bennedikter Molokwu
(iv) Mr. Ravindra Singhvi
(v) Sir Sunny Nwosu
(vi) Mr. Nornah Awoh
(vii) Mrs. Bisi Bakare
(viii) Dr. Farouk Umar
(ix) Hadjia Muheebat Dankaka
(x) Mr. Patrick Ajudua
(xi) Chief Matthew Akinlade
(xii) Mrs. Esther Augustine

Each member is to appoint a proxy by ticking the relevant box in the Proxy Form attached hereto to indicate how his/her/its vote is to be cast for each proposed resolution on the agenda. The duly executed Proxy Form should be deposited at the office of the

Company's Registrars, Veritas Registrars Limited, Plot 89A, Ajose Adeogun street, Victoria Island, Lagos as shown on the Proxy Form, or sent to the Registrars by email to veritasregistrars@veritasregistrars.com not later than 48 hours before the time appointed for the Meeting.

The Company has made arrangements at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

4. Viewing of the Proceedings of the Meeting
The Meeting will be streamed live online to enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the live streaming of the Meeting will be made available on the Company's website at www.dangotesugar.com.ng at least 48hours before the meeting.

5. Closure of Register
The Register of members was closed on March 18, 2021 for the purpose of updating the Register of Members and for the Registrars to prepare for payment of dividend.

6. Dividend
If approved, dividend will be payable at the rate of N1.50k per every 50Kobo ordinary share, to shareholders whose names appear in the Register of Members as at the qualification date, March 17, 2021. Shareholders who have completed the E-dividend forms will receive a direct credit of their dividend into their bank accounts within 24-48hours of the Meeting.

Shareholders are kindly requested to update their records and advise Veritas Registrars Limited of their updated records and relevant bank accounts for the payment of their dividend. A detachable application form for e-Dividend is attached to the Annual Report for use and the service is available to all shareholders free of charge.

7. Unclaimed Share Certificates and Dividend Warrants
All shareholders are hereby informed that the Registrars of the Company are holding Share Certificates and Dividend Warrants which have been returned by the Post Office as 'unclaimed'. Some Dividend Warrants sent to shareholders registered addresses are yet to be presented for payment or returned to the Registrars for validation.

A schedule of the members who are yet to claim their dividends will be circulated to shareholders along with the Annual Report & Financial Statements and published in the newspapers.

8. Statutory Audit Committee
In accordance with Section 404(6) of the Companies & Allied Matters Act 2020, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and reach the Company Secretary not later than 21 days before the Annual General Meeting.

The Code of Corporate Governance issued by the Securities and Exchange Commission stipulates that members of Audit Committee should have basic financial literacy and should be able to read financial statements. Thus, a detailed Curriculum Vitae confirming the nominee's qualification should be submitted with each nomination.

9. Re-election and Election of Directors
In accordance with Article 62(b) & (c) of the Company's Articles of Association, the Directors retiring by rotation are Ms. Bennedikter Molokwu, Alhaji Abdu Dantata and Mr. Uzoma Nwankwo, and being eligible, offer themselves for re-election.

The profiles of all Directors are provided in the Annual Report and the Company's website.

10. Rights of Securities Holders to Ask Questions
Shareholders reserve the right to ask questions at the AGM and may submit their questions in writing prior to the meeting, and such questions should be submitted to the Company ahead of the AGM in line with Rule 19.12(c) of the Listing Rules of the Nigerian Stock Exchange. The questions may be submitted by electronic mail to
DSRCompanySecretariat@dangote.com

The Company's Annual Reports are available online for viewing and downloading from our website at www.dangotesugar.com.ng or the Registrars' website at www.veritasregistrars.com

OUR CHAIRMAN'S STATEMENT

Despite the challenges during the year under review the company posted a Group turnover of ₦214.3 billion, a 33% increase over ₦161.1 billion in 2019

Aliko Dangote GCON
Chairman

CHAIRMAN'S STATEMENT *Cont'd*

Fellow Shareholders,
Members of the Board of Directors, invited guests, Gentlemen and Ladies of the Press, Ladies and Gentlemen; I warmly welcome you to the 15th Annual General Meeting of Dangote Sugar Refinery Plc. I shall present to you the Annual Report and Financial Statements for the year ended 31st December 2020, as well as the activities in the business environment that impacted the performance.

Before I go ahead, I hope that you are keeping well and safe with your families and adapting to the new normal in the face of the global pandemic, COVID-19.

2020 was indeed an extraordinary year due to the evolving case of COVID-19, its impact on human lives across the globe, the eventual lockdown for greater part of the year, and its attendant impact on the world economy. Though we were taken unawares by this unprecedented situation, the Dangote Group supported the Federal Government's efforts, and contributed towards the alleviation of its impact on Nigerians to ensure that we all strengthen the fight towards overcoming this devastating pandemic.

The health and safety of our employees and all stakeholders was given top priority. The COVID protocols were adhered to, with additional measures put in place companywide and off site, to ensure that we meet the continued demands in spite of the stay-at-home directive.

Against all odds, our team lived up to the company's values hence the performance we recorded in the year 2020.

OPERATING ENVIRONMENT & PERFORMANCE
The year under review saw major disruptions in economic actitivites due to the COVID 19 pandemic. Global economy was hit by the worldwide lockdown on movements and restrictions, with major disruptions to the educational calendar, while policies affected and discouraged investments. Every sector was impacted and it is expected that the situation will leave a lingering effect on the global landscape which has actually changed our world from what it was before 2020. Unfortunately, the prevailing impact of COVID-19 remains far reaching and has continued amidst governments' concerted efforts to reset the economy and accelerate its recovery.

Against this backdrop, the Company's perfomance was impacted by the pandemic, which had wider effect on FX shortage in Nigeria, with huge backlog on FX, due to the constricted ability of the CBN to meet FX demands. Low oil prices, constrained consumer demands due to liquidity squeeze, and lack of social interactions. In addition, there were civil unrest and heightened insecurity, rising inflation and adverse impact of FX fluctuations which impacted businesses nationwide. There was a steady rise in inflation during the year; real GDP contraction by 6.1% and 3.6% YOY in the 2nd and 3rd quarters, respectively.

As a result, the economy slipped into recession which was relieved with the positive GDP growth of 0.11% by the last quarter. The Company's performance was also impacted by the continued Apapa Wharf Road gridlock, which worsened in the 2nd quarter, 2020. This led to the inability to evacuate products from the refinery, which impacted on production and sales volumes.

Despite the challenges during the year under review the company posted a Group turnover of ₦214.3 billion, a 33% increase over ₦161.1 billion in 2019; Profit Before Tax of ₦45.6 billion, Profit After Tax of ₦29.7 billion. Our earnings per share increased to ₦2.45kobo against ₦1.87kobo, a 31 % increase over 2019. EBITDA increased to ₦55.4 billion, with EBITDA margin of 25.9% a 17.1% increase compared to the ₦35.57 billion with EBITDA margin of 22.1% achieved in 2019.

In September 2020, following Shareholder's approval at the Court Ordered Meeting held on July 9th, 2020, the scheme of arrangement – merger of Dangote Sugar Refinery Plc (DSR) and one of its subsidiaries, Savannah Sugar Company Limited (SSCL) became effective September 1, 2020.

DIVIDENDS
The Board of Directors has recommended for the Shareholders approval a total cash dividend payment of ₦18.22 billion, being ₦1.50kobo per ordinary share of fifty (50) kobo each, held in the company as at December 31st 2020. If approved, the dividend will be paid to the shareholders in the register of members as at March 17th 2021, net withholding tax at the standard rate. All shareholders are encouraged to embrace the e-dividend payment option to ensure the prompt credit of their bank accounts with their dividends.

THE BACKWARD INTEGRATION PROJECTS
Recall that the Federal Government revised the BIP targets for the 3 major refiners in the country, after firsthand inspection of the backward integration project sites acknowledging the challenges facing the realization of the sugar production target by the Honourable Minister of Industry Trade & Investment. DSR's target was revised to 550,000 metric tonnes achievable by 2024. Concerted efforts were already being made early in the year in line with the revised

timelines before the COVID 19 pandemic lockdown ensued. This led to the delayed shipment and delivery of project equipment to site, and personnel with the required skills who could not travel due to the situation. Land development work at the sites amongst others by local contractors were also halted. This led to the delays in the delivery of key project targets during the year under review.

Activities commenced at the sites once the lockdown was eased and we are focused to managing the situation effectively to ensure we make up for most of the lost time as much as possible. Despite the revised targets, our goal remains the achievement of the "Dangote Sugar for Nigeria" Master plan to produce 1.5million metric tonnes of refined granulated white sugar locally every year.

The community issues are being managed as much as possible by our teams to ensure there are no disruptions in our operations at the sites. This however excludes the Lau/Tau project in Taraba State, where the community issues are yet to be resolved.

Despite the COVID-19 pandemic lockdown delays, rehabilitation and expansion of the DSR Numan Sugar estate has advanced. The factory upgrade to 3,800TCD has been completed, while upgrade from 3,800TCD to 6,000TCD is at an advanced stage. Development at the Nasarawa Sugar Company Limited, Tunga is well underway on target for the commencement of the first phase of the 6000ha commercial planting by December 2022.

SUSTAINABILITY

During the year under review the Dangote Group's approach to sustainability was sustained by making very positive impact in the communities we operate and the society at large, could not be more evident. Besides the Group's support to Government's efforts in combating and cushioning the impact of the COVID -19 pandemic on citizenry, our businesses also provided support to their immediate communities.

DSR supported its immediate communities with COVID – 19 relief packages, held awareness sessions and distributed food packages to the communities at the Numan and Tunga projects in conjunction with the Aliko Dangote Foundation. (ADF).

Our Group's 7 Sustainability Pillars which are Institutional, Cultural, Operational, Environmental, Economic, Social and Financial entrenched in our business operations, in line with the Principles of the United Nations Global Compact, have proven to be critical in determining our responses to the challenges posed by COVID-19 during the year under review.

We remained conscious of our environmental and social impacts as well as the governance obligations of our operations. These were deployed with a conscious effort through stakeholder engagement and impact assessments to identify the challenges faced by these communities and their needs. DSR continued with the support and promotion of quality education, provision of infrastructure, clean source of water and free medical care in our immediate communities. School projects were executed to make the environment conducive for pupils during the year, while the first batch of scholarships were given to 250 indigent students in secondary and tertiary institutions at the Tunga project communities.

During the Annual Dangote Group Sustainability Week, our employee volunteers came out to generate awareness about COVID-19 Safe practices and distributed the COVID care packs.

BOARD OF DIRECTORS

There were no changes in the Board composition during the year under review, however, at the last Annual General Meeting, the Company approved the appointment of Mr. Ravindra Singhvi as an Executive Director with effect from May 22, 2020. The Directors retiring by rotation, being eligible will offer themselves for re-election during this Annual General meeting.

THE FUTURE

The Board remains positive about the Company's future. We are resolute and committed to the achievement of the Sugar for Nigeria Project targets, as we continue to witness significant recovery globally from the COVID-19 pandemic.

Despite the surge of the second wave, the Global economy is projected to rebound with a growth of 6% in 2021, and as we accept the realities on ground and adapt to the new normal, achievement of the Sugar for Nigeria Backward Integration Project goal remains a key priority. Our focus is to achieve the Federal Government's revised sugar production target of 550,000 metric tonnes annually by 2024. We are confident our strategic initiatives will see to the delivery of stronger future performance and will continue to strengthen our efforts towards optimizing our market channels and drive value creation for all stakeholders.

Ladies and Gentlemen, on behalf of the Board, I thank our customers for their continued patronage and partnership support during the year under review, our dear shareholders for their support and all other stakeholders for their contributions during this period.

CHAIRMAN'S STATEMENT *Cont'd*

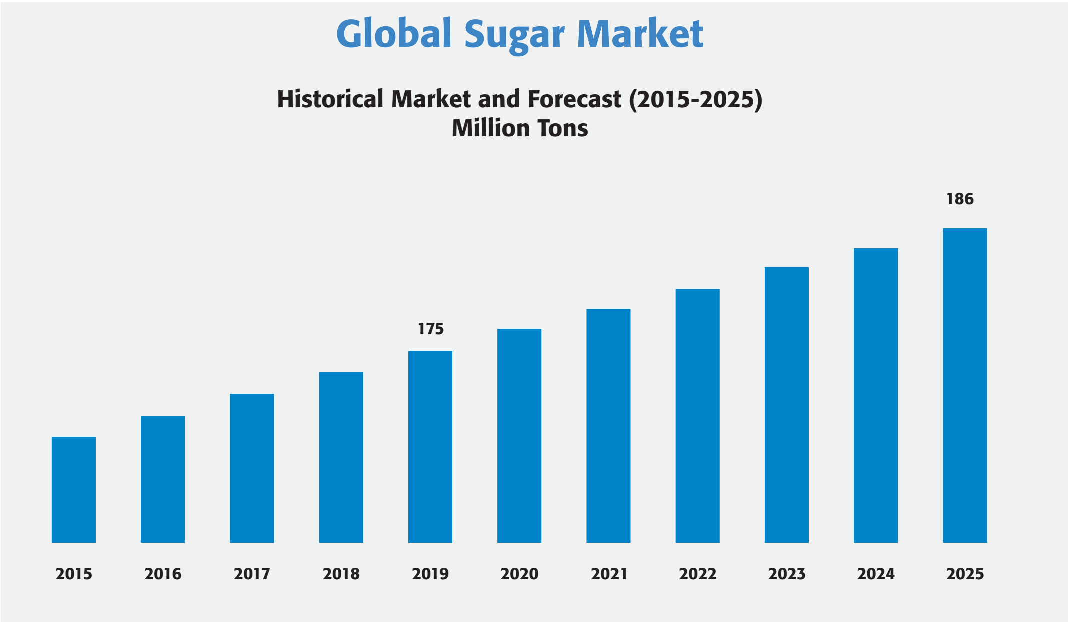
We thank them most profoundly and look forward to the continued partnership in the years ahead.

My appreciation also goes to the distinguished Board members, the Management and Staff for living up to our values through the challenging times of the previous year. Their unrelenting commitment and dedication to the achievement of the Company's goals is the result of this performance, and it is with such resilience that I look optimistically forward to a fruitful year.

Thank you.

Aliko Dangote, GCON
Chairman

The global sugar market attained a volume of 175 million tons in 2020 driven by rising standards of living and increasing purchasing power in the emerging economies. Aided by the growing consumption of beverages containing sugar and introduction of new food and beverages, the market is expected to witness a further growth in the forecast period of 2021-2026, growing at a CAGR of 1%. The market is projected to reach 186 million tons by 2026.



www.expertmarketresearch.com

Sugar, used as a sweetener in food and beverages, is a sweet crystalline substance acquired from various plants, such as sugar cane and sugar beet. It is used across the globe for innumerable food and non-food applications. In addition to offering a sweet taste, sugar performs a variety of other functions in the food industry. It is used as a preservative and prevents the development of microorganisms. It is also used for preventing formation of large ice crystals in frozen products like ice cream. Apart from this, sugar encourages fermentation in products which contain yeast. Moreover, it is used in baked goods for retaining moisture and preventing staleness.

It is said that sugar had first been used in the Polynesian Islands more than five thousand years ago. Early Polynesians discovered that sugar cane held a sweet-tasting liquid and could be used in preparing food. Sugar cane then became widespread due to trade, invasions, and conquests. In 1493, Christopher Columbus brought sugar cane to the Caribbean and the crop thrived in the fertile environment.

SUGARCANE

Sugarcane or sugar cane refer to several species and hybrids of tall perennial grass in the genus Saccharum, tribe Andropogoneae, used for sugar production. The plants are two to six meters tall with stout, jointed, fibrous stalks that are rich in sucrose, which accumulates in the stalk internodes. Sugarcanes belong to the grass family, Poaceae, an economically important flowering plant family that includes maize, wheat, rice, and sorghum, and many forage crops. It is native to the warm temperate to tropical regions of India, Southeast Asia and New Guinea.

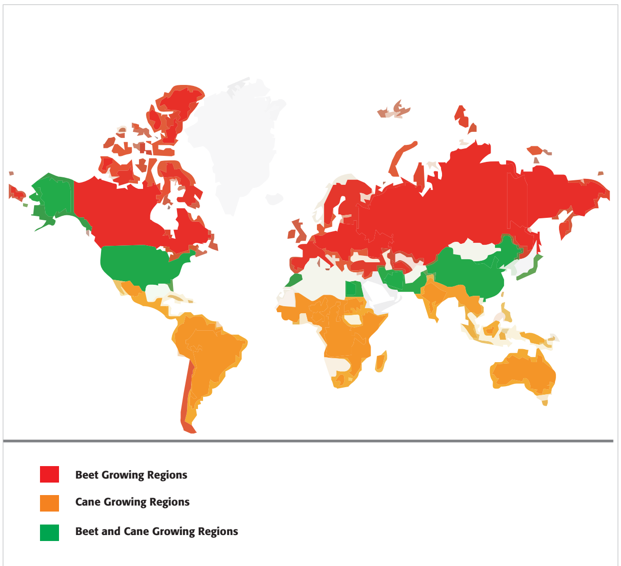
Sugarcane was originally domesticated around 8000 BCE in what is now the country of New Guinea. It began a long and gradual spread through the countries of Southeast Asia until finally reaching the area that is

now known as India around 1000 BCE. At this time, the very first organized production of sugarcane began in earnest, after an Indian chemist discovered a way to crystalize extracted sucrose in the 5th century, sugar became significantly easier to transport.

Sugar cane spread to Middle Eastern, Arab, and Asian countries, eventually making its way to Europe, but the climate was not ideal for production, sugarcane soon spread out to the more ideal areas in the New World (the Americas) in the 16th and 17th centuries. Soon, cultivation of sugarcane and the production of sugar for European markets became a defining factor in the development of the culture, demographics, and socio-economic characteristics of the Caribbean region.

SUGAR PRODUCTION

Sugar is a high profile commodity both politically and in terms of trade in many of the world's key producing regions. Its production (whether from cane or beet) is also highly capital intensive, requiring large scale operations to be competitive. Sugar is traded using futures contracts. These are agreements to buy or sell a certain amount of sugar at an agreed price on a date in the future. The two benchmark sugar contracts are the Sugar No. 11 contract, for raw (semi-refined) sugar, and the Sugar No. 5 contract, for refined 'white' sugar.



Over 100 countries around the world produce a total of 180 million tonnes of sugar annually, from either cane or beet, and eight countries produce sugar from both cane and beet. Sugarcane, on average, accounts for nearly 80% of global sugar production, of which around one-third is sold internationally.

World sugar production, consumption and trade are dominated by a few influential producing countries. The ten producing countries (India, Brazil, Thailand, China, the US, Mexico, Russia, Pakistan, France, Australia) accounted for nearly 70% of global output. Brazil and Thailand account for about half of cross border trade. Brazil is the largest producer and exporter, with around 55-60% of world raw sugar exports.

Sugar crops offer production alternatives to food, such as livestock feed, fibre and energy, particularly biofuels (sugar-based ethanol) and co-generation of electricity (cane bagasse). Sugarcane is generally regarded as one of the most significant and efficient sources of biomass for biofuel production. A wide range of environmental and social issues relate to sugar production and processing, and sugar crop growers, processors, plus energy and food companies, are seeking ways to address concerns related to sugar production, biofuels, and sustainability.

SUGAR CONSUMPTION

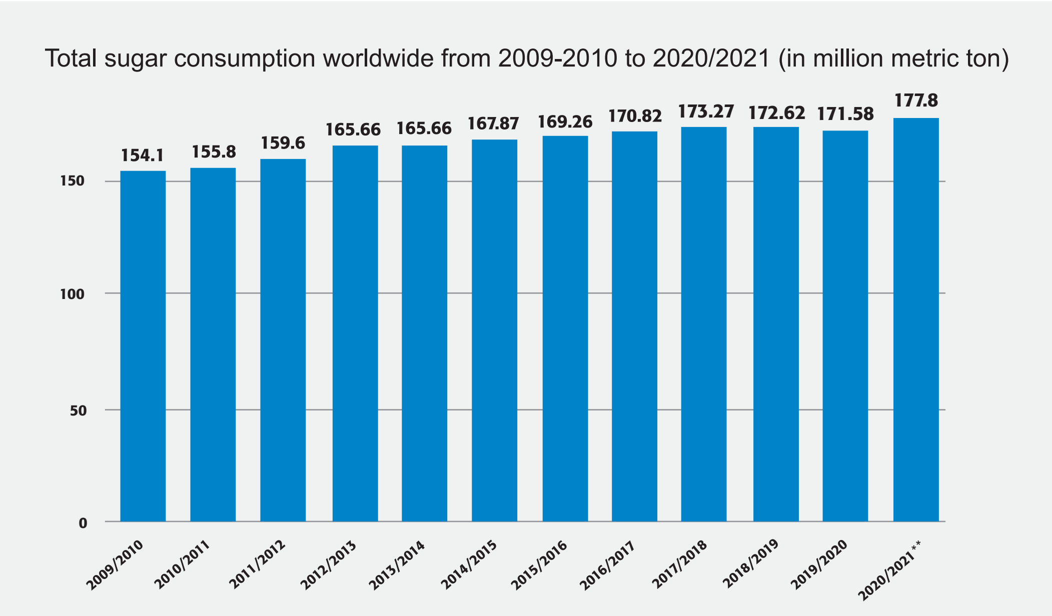
The global consumption is projected to increase to about 177.8 million metric tons by 2020/2021. With the increase in world trade, better agricultural technology, among other reasons, global consumption is projected to grow at 2.2% a year to reach nearly 201 million tonnes in 2021, dependent on economic growth.

The global food and beverage industry is relatively immune to downturns caused by economic fluctuations. Currently, the food and beverage sector is a major driver of sugar consumption and is expected to create a positive impact on the sugar industry. As a result, the sector has witnessed a constant growth over the past few years. Developing countries account for 77% of global sugar consumption and are expected to be the primary sources of future demand growth, particularly in Asia. Global consumption continues to expand, averaging 1.83% over the past 10 years driven largely by population growth, rising incomes, and shifting dietary patterns.

The major sugar consuming markets include India, the EU, China, Brazil, the US, Indonesia, Russia, Pakistan, Mexico, and Egypt.

GLOBAL SUGAR MARKET DRIVERS

Compared to its substitutes, sugar is more economical, easily available and consumed across all socio-economic age groups. The global food and beverage sector is a major driver of sugar consumption and is expected to create a positive impact on the sugar industry. The market growth is anticipated to continue



www.statista.com

in the long term. Sugar finds numerous applications in the pharmaceutical and skincare industry. In the pharmaceutical sector, it is included in the preparation of antibiotics and cough syrups. On the other hand, in the skincare sector, sugar is used in the manufacturing of scrubs owing to its exfoliating properties. Although the sugar market remains saturated in developed economies, such as North America and Western Europe, it is showing a promising growth in the emerging regions.

Driven by rising disposable incomes, urbanization and changing food habits, the demand for sugar-based products in developing markets, such as India, China, and Middle East, is showing a strong growth. The most important drivers which influence sugar demand include: -

- Population growth,
- Per capita incomes,
- The price of sugar and alternative sweeteners
- Health concern debate.
- Changes in dietary habits (diet globalization)

AFRICAN SUGAR INDUSTRY

Africa grows only about 5% of the world sugar production. South Africa is the leading producer followed by Sudan, Kenya, and Swaziland. In Africa, sugar output is projected to increase by 49% by the end of 2025 because of production expansion in Sub-Saharan countries. With its favourable agronomic conditions, Africa has significant potential to contribute towards the production needed to meet this growing demand.

African sugar production is projected to increase by 4% annually to 2025 due to the continued increases in production capacity at both the farms and processing levels. The growth will be driven by strong demand for sugar, Government policies, like the Nigerian Sugar Master Plan, as well as trade opportunities offered under the Economic Partnership Agreements; the Everything but Arms initiative of the European Union.

The African sugar industry also has potential for diversification into biofuels, cogeneration, and cooking fuels. Per capita sugar consumption in Africa is historically low and growth prospects are high compared to other regions. High increase in consumption is also projected in several Sub-Saharan countries, both in level and per capita, which will be driven by its over average population growth, continued urbanization, rising income etc. A major sustainability feature for Africa is the abundant resources it has for agricultural production in general, and sugar production, in addition to the average consumption growth rate of 2% per annum.

South Africa and Egypt dominate production on the continent with a combined 4.0 million tonnes, but new production planned by Ethiopia, Nigeria and Sudan is set to further boost production levels in Africa. Africa consumes about 19million tonnes with Intra-African sugar trade worth about 32% of all African sugar exports and is set to rise further primarily due to increasing local consumption and the impact of the EU sugar reform, which closed a preferred market outlet. Five Africans countries are amongst the world leaders in low cost sugar production and several more have the potential to join them. They have not however been able to realize their full potential due to the distortions in the world market for sugar created by global protectionism.

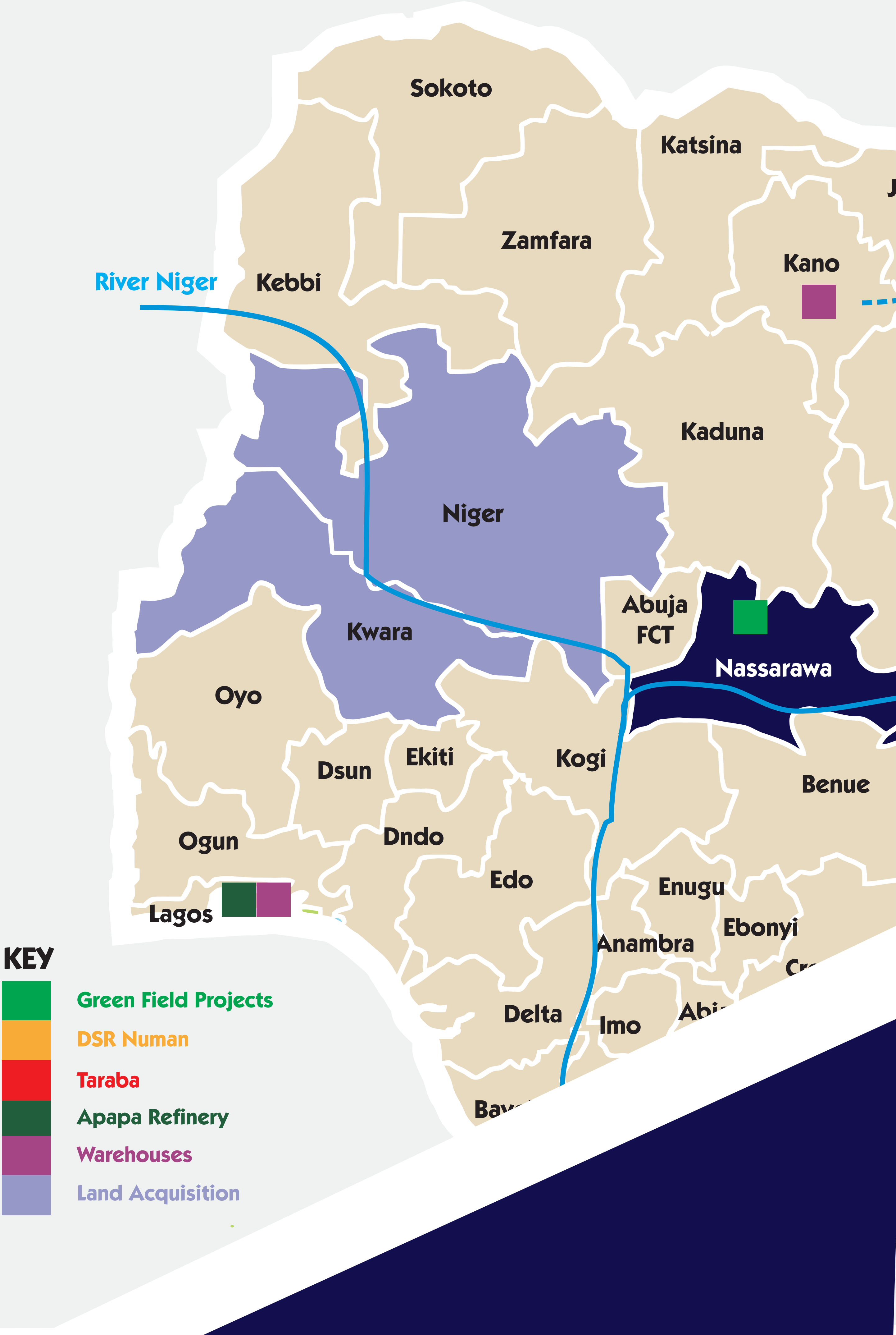
The recent moves to allow "unrestricted" access to the EU markets for African sugar, although at a price lower than the previous quota allocations, is creating a new economic prospect for the industry. This has attracted the UK's leading beet sugar producer, Associated British Foods, to enter discussions to acquire a major stake in Illovo, in the belief that Africa, in future will play a major role in supplying EU markets.

Experience has shown that successful development and operations requires a close working relationship between private businesses and supportive governments willing to provide a fair and efficient regulatory and marketing environment for the sugar industry – one which allows efficient, "world-class" producers to thrive.

Africa's world class sugar producers are large-scale and capital intensive. (a modern sugar factory would cost of the order of US$100m. The development of irrigated cane land can cost up to US$10,000/ha). All investors will need confidence in the future if they are to make further substantial investments in land development, irrigation, and processing facilities in the region.

However, the African experience has also demonstrated that smallholders are willing and able to specialize in cane production, whether as out growers or settlers whenever they are offered an attractive market opportunity, i.e., reasonable profit margins combined with relatively low levels of production and marketing risk. The sugar industry in Africa is one of the key industries which contributes to providing jobs for the growing unemployment as well as instrumental in rural development. This will reduce the high rates of migration from rural to urban areas and many associated problems, including smuggling.

Africa's sugar producers want governments to tighten border controls across the continent and tackle sugar smuggling, a problem they said was helping drive down local sugar prices. Large amounts of illegal imports had led to stockpiles and was pushing down sugar prices in Africa, with illegal imports being repackaged into local bags to conceal their identity and evade the surveillance network.



Sokoto
Katsina
Zamfara
Kano
River Niger
Kebbi
Kaduna
Niger
Abuja
FCT
Nassarawa
Kwara
Oyo
Dsun
Ekiti
Kogi
Benue
Ogun
Dndo
Edo
Enugu
Lagos
Ebonyi
Anambra
Delta
Imo
KEY
Green Field Projects
DSR Numan
Taraba
Apapa Refinery
Warehouses
Land Acquisition

DANGOTE SUGAR REFINERY PLC

OPERATIONS REVIEW

Dangote Sugar Refinery, Apapa

Dangote Sugar Refinery is a world class facility of 1.44 million MT/PA located at Shed 20 NPA Apapa Wharf Complex, Apapa. Lagos. The facility, commissioned in year 2000, is the first sugar refinery built in Nigeria, with an initial refining capacity of 600,000MT/PA.

The refinery uses Talo-Phosphitation process for purification and Ion Exchange Resin for decolourisation and has a combined in-house turbo-alternator power generating capacity of 16MW; with steam supply to them from high pressure boilers fuelled with natural gas and/or Low-Pour Fuel Oil (LPFO).

Over the years, the facility has undergone two major upgrades which turned it into one of the largest sugar refineries in the world with 1.44 million MTPA refining capacity, at the same location.

The Dangote Sugar refinery produces Vitamin A Fortified and non-fortified refined granulated free flowing crystal white sugar, packaged and distributed, as fortified, in 50kg bags, and 1kg, 500g, 250kg sachets and as non-fortified, in 1000kg, and 50kg sugar bags; sold under the brand name "Dangote Sugar".

Our facility and production processes are operated in line with best practices as well as regulatory and international standards and can accommodate requests for special products and packaging from customers.

Dangote Sugar Refinery is FSSC 22000 version 5.0 certified which includes ISO 22000:2018, ISO/TS22002-1:2009 and FSSC 22000 additional requirements version 5.0; and OHSMS (ISO 18001:2007) certified. Currently preparation is towards achieving EMS (ISO14001-2018) Certification. DSR is also SMETA (Sedex Members Ethical Trade Audit) certified and active on SEDEX (Social Ethical Data Exchange) platform.

Dangote Sugar Numan, Adamawa State

Dangote Sugar Numan (formerly Savannah Sugar Company Ltd), is a 32,000 hectares' brownfield Sugar Backward Integration estate, located in Numan, Adamawa State. Following the successful completion of the Scheme of Arrangement – merger of Dangote Sugar Refinery Plc (DSR) and Savannah Sugar Company Limited (SSCL) with effect from September 1, 2020 has enabled both companies to operate under one unified entity.

The Dangote Sugar Numan Operations has an installed milling capacity of 50,000 tonnes of sugar per annum, and currently produces over 22,080MT refined granulated Vitamin A fortified white sugar for consumption, from about 320,497MT of its own grown sugarcane from more than 7,000 hectares sold in the local markets across the region.

Dangote Sugar Refinery Plc acquired the brown field sugar estate as part of the DSR sugar backward integration strategy, to achieve its 1.5MMT/PA sugar production target in 10 years. Dangote Sugar Numan,

is still undergoing rehabilitation and expansion to cultivate more of its land for a robust harvest. The project will include the development of an enlarged out-growers scheme.

The existing factory has been revamped and its capacity increased from 3000TCD to 3,800 TCD, and eventually upgraded to 6000TCD, in addition to a new 12000 TCD factory, which will be installed to process the increased cane supply to be grown at the expansion project. The expansion project will increase sugar milling capacity to about 260,000 tonnes of sugar per annum, from sugar cane produced on approximately 25,000 hectares.

Dangote Sugar Numan generates 6 megawatts of power from bagasse, for its operations, the sugar estate, and the immediate communities. The operations employ over 10,000 staff (including permanent, seasonal, and non-permanent workers); with about 415 people through the out growers' scheme. The project will include the development of an enlarged out-growers scheme, as well as thousands of people further empowered through the various activities that arise due to the company's operation in the area.

SALES & DISTRIBUTION

Dangote Sugar is a leading supplier of high quality refined granulated Vitamin A fortified white sugar for direct consumption, and non-fortified sugar for industrial use.

Our sugar brand is a market leader with the largest market share of the Nigerian sugar industry; and are trusted by the various industries we serve. Through our vast network of trade distributors across the country, we reach consumers nationwide, and in the neighbouring countries on the West African coast.

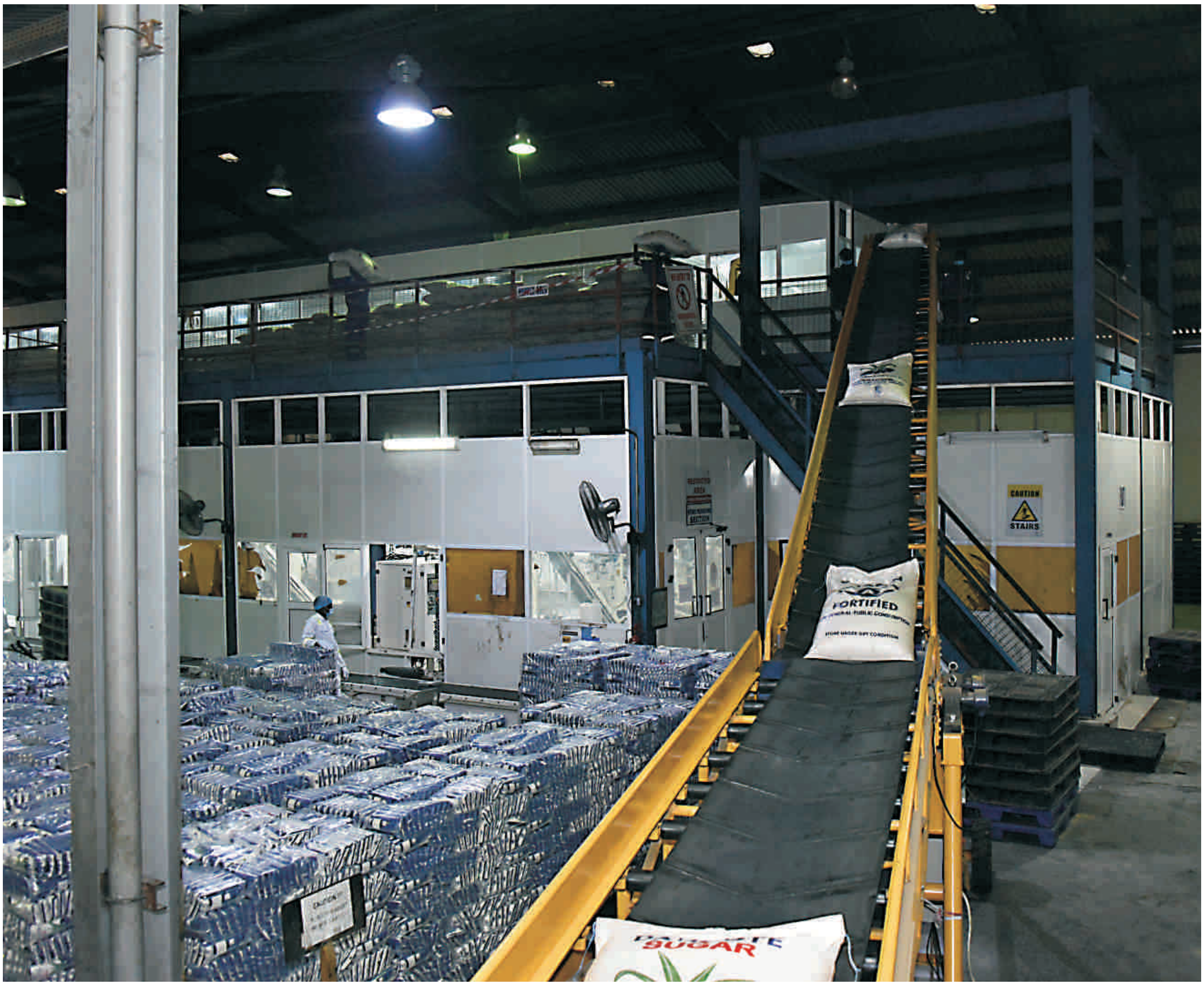
With high volume capacity warehouses at strategic locations across Nigeria; the warehousing locations are part of Dangote Sugar's strategy to optimize supply chain opportunities by being close to our target markets with very fast and reliable delivery service.

Dangote Sugar Refinery Plc's goal to sustain and continuously grow its current market share is being actualized by partnering with retailers, sugar cubing companies, private label packaging, the emerging modern trade segment, and small-scale businesses to set the platform for sustainable market expansion.

OPERATIONS REVIEW *Cont'd*

The Company's strength is drawn from the Dangote Group's culture of exceptional performance, and our Sales and Distribution teams are empowered to take ownership of every transaction. They adopt cost effective measures, to ensure seamless operations and efficiency at resolving the inevitable problems that may occur when traffic grid locks, weather, and other road mishaps that threaten timely fulfillment of scheduled commitments to our customers.

We are building competences within our teams, to provide the needed support to these partners and ensure that the opportunities are maximized to their full potentials. The customers with outstanding performance are appreciated at the Dangote Foods Customer's Awards/Gala Night, held annually across the trade channels.



SUPPLY CHAIN

Dangote Sugar have placed Nigeria on the global map of sugar refining and are looking to gain more market share locally through innovative product development, marketing improved efficiency, and value creation for the environment in which we operate.

Our operation is focused on sustainably optimizing the raw materials and other resources required in our production processes, which includes sourcing of our raw and packaging materials from various vendors and ensuring that the safety of our product is foremost and critical in everything we do. We are supporting local content and are contributing to the local economies of the places where we operate.

During the year under review, about 20% of our raw materials were locally sourced, raw sugar being our main raw material input. The local input will increase as we gradually increase production locally through the backward integration projects.

As such, over 400 Out growers (local farmers) were empowered during the year under review to improve the quality of their locally grown sugarcane over the years; and we are looking to surpass this in 2021 and beyond, as we implement the Sugar for Nigeria Project Plan and we seek to build a positive and cordial relationship in our immediate communities.

Significant changes are being introduced in our supply chain management process to assure the Supply Chain integrity of DSR to deliver increasing and superior value year on year.

Steps taken include: -

1. Attracting and retaining qualified supply chain management professionals.
2. Fostering and entrenching a collaborative relationship with partners across the value chain to drive innovation.
3. Creating a stretch performance ethic in the supply chain teams.

DISTRIBUTION

With warehouses strategically located near our key markets nationwide, DSR Fleet is poised to meet the on time delivery to its customers.

With over 700 trucks in our fleet operations, we are strategically routing our newer trucks for long distances to optimize utilization and improve our delivery services to our customers nationwide. Our trucks are fitted with tracking devices and are tracked end to end by our experienced professionals. This ensures our customers are always served effectively to ensure availability of our products to the end users. With a professional team that has a minimum of 15 years industry experience; the goal is to sustain our leadership position in the Nigerian sugar sector, by ensuring availability through effective delivery schedules and timelines.

The challenge of Apapa gridlock is being addressed and our maintenance time losses now being managed efficiently with the strategic location of a maintenance workshop at Ogere, Ogun state to cater for all routine preventive maintenance, tyre maintenance and trailer welding operations.

The Dangote Sugar Refinery Plc, Sugar for Nigeria Project Master Plan goal is to become a global force in sugar production, working within Nigeria's National Sugar Master Plan to end importation, produce 1.5MMT/PA of refined sugar annually from locally grown sugarcane. The target will help Nigeria achieve sugar sufficiency and support export to neighbouring countries.

The Dangote Sugar Refinery Plc, Sugar for Nigeria Project Master Plan goal is to become a global force in sugar production, working within Nigeria's National Sugar Master Plan to end importation, produce 1.5MMT/PA of refined sugar annually from locally grown sugarcane. The target will help Nigeria achieve sugar sufficiency and support export to neighbouring countries.

To achieve this goal, Dangote Sugar Refinery Plc acquired Dangote Sugar Numan, (formerly Savannah Sugar Company Limited), in December 2012, and embarked on the ongoing rehabilitation of its facilities and expansion of its sugarcane estate. Located on 32,000 hectares, the Dangote Sugar Numan Estate has considerable opportunity for expansion, which will be augmented by acquiring additional sites that are suitable for sugarcane plantation required for the Project.

In view of the various challenges facing the project from land acquisition to lack of skilled manpower amongst others, the "Sugar for Nigeria" Project's strategy was revaluated in line with the various challenges to a phrasal implementation strategy. This will see to the achievement of 1.08M MT/PA refined sugar in the 6 years, from five factories and 108,000 Ha of land under cultivation; and eventually the 1.5M MT/PA target of refined sugar, from locally grown sugar cane, across various sites in Nigeria. In addition to the refined sugar, over 75,000 employment will be generated, in addition to ethanol production, power generation and other value derived from the extended value chain of sugar production.

SUGAR FOR NIGERIA PROJECT *Cont'd*

The target is to achieve 1.08MMT/PA from the first phase of the project, covering Rehabilitation and Expansion of Dangote Sugar Numan estate, the greenfield projects at Lau/Tau in Taraba State and Tunga, in Nasarawa State. The Lau/Tau project is still on hold following attack on our workers by the locals over the lingering compensation issue between the communities and Taraba state government.

Due to these challenges, the situation was further reviewed after the 2 day working visit to all sugar backward integration sites by the Honourable Minister for Industry, Trade & Investment in December 2019. The Dangote Sugar Backward Integration target was changed and is now required to deliver 550,000MT/PA of refined sugar by 2024.

NASARAWA SUGAR COMPANY LIMITED

The Nasarawa Sugar Company Limited, is a Dangote Sugar 78,000 hectares Sugar greenfield Project, located in Tunga, Awe Local Government Area of Nasarawa State. The project is located along the Benue River. The project development activities at the site are still ongoing. Though the COVID-19 pandemic lockdown and protocols affected the equipment deliveries and the travel of the required personnel for aspects of the project, activities at the site continued once the restrictions was relaxed as much as possible during the latter part of 2020.

Installation of the centre pivot irrigation system for the 665ha A and B nursery has been completed whilst Installation of the phase 1 of 6000ha of commercial development has started, though slowed by the impact of COVID-19 lockdown. Bush clearing is completed for the 1st Phase of the 6000ha commercial development, and the planting will start in December 2022. Design for the bulk water supply and irrigation for the 6,000ha commercial development is ongoing, as well as other infrastructure development activities at the site (Staff housing phase 1 completed, Phase 11 at 80% completion. Comm tower, water and fuel tanks, boreholes completed, Water Treatment Plant in progress).

The first batch of recipients of the scholarship scheme for secondary schools and tertiary institutions, was released during the year under review, with beneficiaries selected strictly on merit and distributed among the six (6) benefitting communities namely: TUNGA, AWE, AZARA, WUSE, AKIRI and RIBI.

The communities have continued to support the project, and we currently employ over 700 staff, 400 permanent staff and 300 casuals for the land development from the communities. The staff strength will continue to increase further in line with the requirements for the project development.

MANAGEMENT TEAM

RAVINDRA SINGH SINGHVI
Group Managing Director/CEO

Mr. Ravindra Singh Singhvi is the Group Managing Director/CEO of Dangote Sugar Refinery Plc. Prior to his appointment as the Group Managing Director on the 30th of October 2020; he was the Ag. Managing Director. Mr. Singhvi joined Dangote Sugar Refinery Plc as the Chief Operating Officer on 13th August 2018. He has over 40 years of proven experience of leadership positions in Manufacturing and Processes in Sugar, Petrochemicals, Cement, Textiles products industries in India. Mr. Singhvi is a Chartered Accountant with background in Company Secretary ship and General Management. He possesses a Bachelor's Degree in B.Com (Hons) from the University of Jodhpur, India. Prior to joining Dangote Sugar Refinery Plc, Mr. Singhvi was the Managing Director & CEO of NSL Sugar Limited, Hyderabad, India, Managing Director, EID Parry (1) Limited, Chennai, India, one of top three sugar producing companies in India.

DEBOLA FALADE (MRS)
Chief Finance Officer

Adebola Falade is the Chief Finance Officer of Dangote Sugar Refinery Plc, with over 24 years post qualification experience. Mrs. Falade is a graduate of Accounting from the University of Lagos, and a Fellow of the Institute of Chartered Accountants of Nigeria. She previously served as the Chief Financial Officer of Ecart Internet Services Ltd (Jumia). She also held the role as Controls Compliance and Ethics Director at Guinness Nigeria Plc (a Diageo company), whilst previously serving in various Senior Finance roles in that company including heading the Supply Finance Team, Finance Process Improvement and Governance, Internal Audit, and Compliance teams. Adebola, has also served in various Financial reporting, control and audit roles in other companies including at Afprint Nigeria Plc, Nigerian Bottling Company Ltd, Standard Trust Bank (now United Bank for Africa plc).

THIRU RAJASEKAR
GM, Refinery Operations

Mr. Thirumangai Rajasekar is the General Manager, Refinery Operations of Dangote Sugar Refinery Plc. He has over 39 years sterling work experience in management positions in Sugar Refinery Operations, Energy and Chemical industries in India. Prior to joining Dangote Sugar Refinery Plc, Mr. Rajasekar was a Senior Vice President & Head-Manufacturing, EID Parry (India) Ltd, Chennai, India; responsible for the implementation and conceptualization of new engineering concepts & operational strategies to cut down conversion cost of Raw Sugar processing in the refinery amongst other initiatives. He joined Dangote Sugar Refinery Plc in August 2019 as the Chief Executive Officer of Dangote Sugar, Numan Operations (formerly Savannah Sugar Company Limited, Numan) in Adamawa State, before he was reassigned to Dangote Sugar Refinery Plc, Apapa, Lagos, as the General Manager, Refinery Operations in April 2020. Mr. Rajasekar holds a B.Tech. (Hons.) in Engineering from Madras Institute of Technology, Anna University, Chennai, India and Bachelor's degree in Mathematics from Madras University, India.

TEMITOPE HASSAN (MRS)
Company Secretary/Legal Adviser

Temitope Hassan is the Company Secretary/Legal Adviser of Dangote Sugar Refinery Plc. A multi-disciplined Lawyer with over 26 years work experience, she has developed valuable cognitive skills and expertise in Company Secretariat Practice, Legal Drafting, Dispute Resolution, Corporate Governance Advisory, Investor Relations, Regulatory Compliance and General Management. Mrs. Hassan holds a Bachelor degree in Laws from the London South Bank University, U.K, a Bachelor degree in Insurance from the University of Lagos, Akoka and a Master degree in Business Administration from the Obafemi Awolowo University, Ile-Ife. Prior to joining Dangote Sugar Refinery Plc, she was the Company Secretary/Legal Adviser at UBA Pensions Custodian Limited and previously the Head of Company Secretariat at Skye Bank Plc (now Polaris Bank Limited). Mrs. Hassan is a certified Trainer and an Accredited Mentor of the National Mentoring Pilot Project, UK. She is a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria.

MANAGEMENT TEAM *Cont'd*

HASSAN SALISU
General Manager, Human Resources and Administration.

Mr. Hassan Salisu is the General Manager Human Resources & Administration, Dangote Sugar Refinery Plc. He has over 35 years work experience in the financial services and manufacturing sectors. Mr. Salisu holds a BSc. in Business Administration from the Ahmadu Bello University, Zaria and MSc in Technology Development from Olabisi Onabanjo University, Ago-Iwoye in Ogun State. He was the GM, Corporate Services at the Bank of Industry and GM, Organization Resourcing at Federal Mortgage Bank of Nigeria. Mr. Salisu joined Dangote Industries Limited in 2012 as Head Management Development. He later became the GM, Group Learning & Development at the Dangote Academy, a position he held until his deployment in 2018 to Dangote Sugar Refinery Plc as the GM, Human Resources and Administration. He is a professional member of CIPMN, NIM and NITAD.

BELLO SADIQ
Head Sales & Marketing

Mr. Bello Alkali Saddiq is the Head, Sales & Marketing of Dangote Sugar Refinery Plc. Mr. Saddiq holds a Master's degree in Marketing, A postgraduate diploma in management from the Bayero University, Kano, he also holds a Higher National Diploma in Business Administration from the Kaduna State Polytechnic, both in Nigeria. Prior to joining Dangote Sugar Refinery Plc, Bello was the Head of sales and key accounts at Lafarge Africa Plc. With over 25 years post work experience, Mr. Saddiq spent 18 years in the FMCG sector; in sales positions across Multinational companies. He is a fellow of the National Institute of Marketing of Nigeria and a Fellow of the Institute of Professional Managers and Administrators of Nigeria.

FEMI GBADEWOLE
Chief Internal Auditor

Femi Gbadewole is the Head of Internal Audit, of Dangote Sugar Refinery Plc. He has over 25 years' experience in the Food & Beverage (FMCG) sector, where he worked in various Finance functions across Finance Operations, Planning and Corporate Finance. Mr. Gbadewole was the Head of Internal Audit and Control of Cadbury (West Africa), before he joined Dangote Sugar in October 2020. Mr. Gbadewole holds a master's degree in Business Administration (MBA) from the University of Ado Ekiti, Ekiti State and a Higher National Diploma (HND) in Accounting from Yaba College of Technology Lagos, both in Nigeria. He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) and Associate of Chartered Institute of Taxation of Nigeria (ACIT).

ITORO UNAAM
Head HSSE

Mr. Itoro Unaam is the Head, Health, Safety, Social & Environment/ Sustainability for Dangote Sugar Refinery Plc. He has over 25 years work experience in the oil and gas in Nigeria and sub–Saharan Africa where he worked in various capacities. Prior to joining Dangote Sugar Refinery on December 14, 2020; he was the Managing Director of Treadsafe Conzults, HSSEQ Manager, Seadrill Africa, HSSE Manager, Seadrill Africa North, Shore Base QHSE Advisor 111, Safety Performance Coach, Offshore HSE Advisor, Transocean – Gulf of Guinea amongst others. Mr. Unaam has BSc. Public Health from the University of Nigeria, MPhil in Environmental Management Rivers State University of Science and Technology, Port Harcourt, and Diploma in General Nursing from St. Margaret School of Nursing, Calabar, Cross River State. He is a professional Health and Safety expert with vast trainings globally and holds membership in the National Institute of Safety Professionals of Nigeria (NISPON) and Institute of Occupational Safety and Health (IOSH).

MANAGEMENT TEAM *Cont'd*

NGOZI NGENE
Head Corporate Affairs

Ngozi Ngene joined Dangote Sugar in 2007. She has over 24 years' multi-industry experience that spans across Sales & Marketing, Corporate Image & Reputation Management, Journalism, Media Relations and Events Management; as well as Company Secretariat functions. She holds a Master's in Public Administration from Nnamdi Azikiwe University, Awka and a Higher National Diploma in Mass Communication from the Federal Polytechnic, Oko, both in Anambra State. Ngozi is a member of the Nigerian Institute of Public Relations and Chartered Institute of Public Relations, London.

FATAY O. JIMOH
Head Risk Management

Fatay O. Jimoh holds a Higher National Diploma in Accounting from the Yaba College of Technology Yaba, Lagos. He joined Dangote Sugar Refinery Plc in April 2018, with over 25 years' multi-industry experience across the Banking sector, Information Technology, Accounting Professional practice, Risk Management etc. Fatay is responsible for the DSR Enterprise Risk Management Function. He is an Associate member of the Institute of Chartered Accountants of Nigeria, Nigerian Institute of Management, and the Chartered Institute of Taxation. He is a Fellow of the Institute of Information Management Africa, member of the Society for Corporate Governance Nigeria and member Global Association of Risk Professionals.

ADESOLA OGUNNAIKE
Head Supply Chain

Mr. Ogunnaike Mufutau Adesola is the Head Supply Chain of Dangote Sugar Refinery Plc. He has over 20 years' work experience spanning over the FMCG and Communications sectors. Prior to Joining Dangote Sugar Refinery Plc, he worked with the Nigerian Bottling Company Plc, in various positions and rose to the position of Regional Logistics Manager (East, Central and Lagos West); responsible for Warehousing/ Inventory Management, Logistics Operations amongst others. He later joined Vodacom Business (Africa) Nigeria Limited as Head, Logistics/Warehousing. He was the Country Head, Procurement (Nigeria) with Vodacom Business (Africa) Nigeria Limited. Mr. Ogunnaike holds a master's degree in business management from the Imo State University, Owerri, and Higher National Diploma in Marketing from the Federal Polytechnic, Ilaro all in Nigeria. He is a member of the Chartered Institute of Supply Chain of Nigeria, Nigerian Institute of Management, and the Institute of Debt Recovery Practitioners of Nigeria.

ENGR. SALISU ISA HASSAN
Ag. Head Fleet Operations

Engr. Salisu Hassan is the Ag. Head, Fleet Operations of Dangote Sugar Refinery Plc. He has over 34 years' work experience in the Transport and Logistics sector. Prior to his appointment as Head, Tincan Operations, Dangote Transport in 2001, he was the Assistant General Manager Jigawa State Transport Authority, he was the Deputy Director, Engineering with the Ministry of Agriculture, Jigawa State. He has held various top managerial positions in the fleet division of Dangote Cement Plant Plc, Obajana and Gboko. Engr. Salisu Isa Hassan holds a Master's degree in Mechanical Engineering from the Bayero University, Kano; a BSc in Agric. Engineering from the University of Ibadan, Oyo State, and has attended various Road Haulage Management training programmes in Nigeria. He is a registered COREN Engineer, the Nigerian Society of Engineers (NSE), Nigerian Institution of Mechanical Engineers (NIME), National Institution of Agricultural Engineers, Chartered Institute of Logistics and Transport (CILT), and a Fellow of the International Logistics Organization.

GROUP MANAGING DIRECTOR/CEO'S REPORT

RAVINDRA SINGH SINGHVI
Group Managing Director/CEO

During the year under review, we continued to create value in these communities through job creation, economic empowerment of the locals

Dear Shareholders,

It is with pleasure that I welcome you to the 15th Annual General Meeting of Dangote Sugar Refinery Plc. I am happy to present to you a report of the Company's performance for the year ended December 31, 2020.

Though the year under review was very challenging, I am pleased to report that we stayed the course despite the drastic changes that we had to make and deal with not just as a business but human beings, due to the COVID-19 pandemic.

Permit me to state that year 2020 may have been the most challenging the world has seen in recent times. The pandemic took the world unawares, brought about serious risks to the global economy with threat to lives and means of livelihoods world over. We were able to manage the situation, the uncertainties, and its impact on our operations not just in DSR but across the Group as a team. Business and social activities were disrupted across the world due to the lockdown to help curb spread of the disease, and other civil unrests witnessed in the country during the year.

The Federal Government granted exemptions to companies in the food manufacturing industry, health and other essential services sectors. As such, our business continuity plan was activated to ensure our operations continue despite the adverse impact of the pandemic. The health and safety of our workers was given utmost priority with strict adherence to the COVID-19 safety protocols. Adequate PPEs, nose masks, sanitizers, temperature monitoring, with continuous awareness sessions and campaigns providing advice to staff on safety guidelines on COVID-19 protocols and travel advisory, in addition to the support provided by the Group COVID-19 Task Force constituted to monitor and ensure the safety of our teams. Our staff were also encouraged to stay in touch and check on each other with toll free lines provided for staff to ask for help should the need arise.

Dangote Sugar also lent its support to the efforts by organisations to help cushion the impact of the lockdown on the populace. In addition to the several donations and support provided across our immediate communities, priority was given to the production of retail sugar bundles that was part of the Federal Government's palliatives to Nigerians under the auspices of the Private Sector Coalition against COVID-19, CACOVID; which Dangote Group is a leading member.

Beyond this, we continued to live up to our goal to make very positive contributions to the society with several actions and projects that were also carried out during the year. Details of our actions are on pages 41 to 95 under the Sustainability Section of the report.

2020 PERFORMANCE REVIEW

	2020	2019	% change
Sales (MT)	731,701	684,487	+6.9
Production (MT)	743,858	654,072	+13.7
Revenue (₦bn)	214.2	161.1	+33.0
PBT (₦bn)	45.6	29.8	+53.0
PAT (₦bn)	29.7	22.4	+33.2

Distinguished shareholders, we achieved a Group Turnover of ₦214 billion during the year under review, against ₦161 billion recorded in 2019; Profit After Tax of ₦29 billion against ₦22 billion recorded in 2019. The Board of Directors has recommended for share-holders' approval at the Annual General Meeting, payment of a dividend of ₦1.50 each for every ordinary share of 50 kobo each held in the Company as at 31st December 2020.

This performance would not have been possible without the unalloyed commitment and exceptional ability of our staff members to adapt to the changes that came about due to the COVID-19 pandemic. This unprecedented global situation made leadership more challenging, but we are happy to see that our sacrifices paid off hence the result that were recorded during the period.

To achieve this, we continued implementation of strategic actions towards our commitmnet to improve our perfomance and generate value for all stake-holders. This was reflected in the sales volume delivery of 731,701 tonnes, and production of 743,858 tonnes being 6.9% and 13.7% increase in volumes over the comparative period in year 2019. We achieved a topline growth in revenue of ₦214.30 billion, a 33.0% increase over 2019; a 53.0% YOY increase in PBT, and 33.2% increase in PAT.

Other key issues that impacted our perfomance during the year were the weak macro-economic fundamen-tals caused by the underlying impact of COVID-19 pandemic which saw to the steady rise in FX rate, high inflation and the significant rise in our cost of produc-tion. This is in addition to the traffic gridlock which worsened on the Apapa Wharf Road during the year leading to delays and at times disrupting distribution of products to customers.

During the year under review, we also continued with our pursuit of optimal service delivery, cost saving drives and operational efficiencies to ensure that the positive trend is sustained for continued growth of customer base, production and sales volumes and delivery of sustainable output to all stakeholders.

THE BACKWARD INTEGRATION PROJECTS

The achievement of our Dangote Sugar Backward Integration Master Plan was not left out during the year. Despite the delays caused by the COVID-19 pandemic lookdown across the globe, we continued to pursue the achievement of our revised target of 550,000 metric tonnes of refined sugar by 2024. The Board and Management are resolute in our commit-ment to ensuring a sustainable future for our business.

Key highlight of our actions during the year in this regard was the successful completion of the Scheme of Arrangement – Merger of Dangote Sugar Refinery Plc (DSR) and Savannah Sugar Company Limited

(SSCL) with effect from September 1, 2020 to operate under one unified entity. We are confident the merger will enable us to achieve operational, administrative and governance efficiencies resulting in increased shareholder value.

Activities had since resumed at the sites after the lockdown and remarkable progress is already being made with the rehabilitation and expansion project at Dangote Sugar, Numan and development activities at the Nasarawa Sugar Company Limited, Tunga. The situation at the Lau/Tau project is still the same, while we are hopeful that the State Government will resolve the lingering issues with the communities.

SUSTAINABILITY

Dangote Sugar Refinery Plc. sustainability approach is driven by a desire to contribute and impact positively on the development of the immediate communities where we operate and the society at large – The Dangote Way.

DSR continued to focus on the sustainability principles and regulations which mandates businesses to look at performance from the Triple Bottom Line perspective: **People, Planet and Profit.** Therefore, our social responsibility platform delivers on commitments focused on managing social impact, environmental protection, promoting health and safety; education and minimizing the risks within our operations. We are mindful that the sustained growth of our business especially the backward integration projects is interwoven with the well-being and advancement of the communities we operate in.

During the year under review, we continued to create value in these communities through job creation, economic empowerment of the locals through our supply chain, scholarships, portable water, free health care amongst others. Our employees also volunteered their time, resources and carried out activities in all our host communities.

In recognition of our contributions to the advancement of our immediate communities, we were honoured with the Sustainability, Entrepreneurship and Responsibility Awards (SERAs) for the Best Company in Poverty Eradication in December 2020. We are truly honoured and excited by the steady progress we are making in our sustainability journey.

GOVERNANCE & RISK MANAGEMENT

Dangote Sugar Refinery Plc. (DSR) is very much aware of the importance of its reputation and vigilantly protects its images. As such, the Board of Directors engages Management and all stakeholders to ensure that good governance underpins its commitment to fairness, integrity, and accountability in its day to day operations. This has helped in more informed decision making and enhanced business performance.

Corporate governance is considered paramount to the survival of our business as an entity, as such the sustainability and risk policy framework incorporate guidelines that ensures the company's operations are carried out in line with best practices monitored by the Board Risk Management & Assurance Committee.

During the year under review, we continued to maintain a risk-based internal controls and systems designed to provide reasonable assurance to the integrity and reliability of our operations, products, and financial statements based on established policies and procedures. The underlying objective of our governance

practice is to counterbalance the interests of investors, consumers, producers, the environment, employees, communities, government, and any other groups impacted by its business, while safeguarding its sustainability.

HUMAN CAPITAL

Dangote Sugar employees remain the center of its operations. The Company places a premium on its human capital development for improved output. Focus was on strengthening key operational roles through identification and development of skills gaps, succession planning, Health & Food Safety habits awareness while instilling a learning culture for growth.

Our manpower development and compensation strategy are aligned with our strategic goal to build and sustain a motivated workforce through manpower development, encouraging and building teams, recognition, and the opportunity to develop their careers across our sugar production business under the backward integration projects.

During the year under review despite the pandemic Employee Training and Development continued during the year through webinars and regular updates on current issues as they relate to diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments etc. Also, our offices have been rearranged in line with COVID 19 physical distancing protocols to ensure a safe working environment.

This is unpinned by our exceptionally low staff turnover and high-performance culture over the years.

OUTLOOK

As we witness significant recovery globally from the COVID-19 pandemic amidst the surge of a second wave, and noticeable stability in economic activities, we are confident our strategic initiatives will see to the delivery of stronger future performance.

Achievement of our Sugar for Nigeria Backward Integration Project goal remains a key priority. Our focus is to achieve the Federal Government's revised sugar production target of 550,000 metric tonnes annually by 2024. We are mindful of the underlying impact of COVID-19 and anticipate an increase in cost-to-completion of the backward integration project in Naira terms, due to FX challenge since the equipment are largely imported.

Though this may have a knock-on impact on the project delivery timelines, we remain confident that the Backward Integration Programme will deliver huge benefits and positive impacts on the economy. These include significant FX outflow savings, employment generation amongst other benefits on the sugar production value chain.

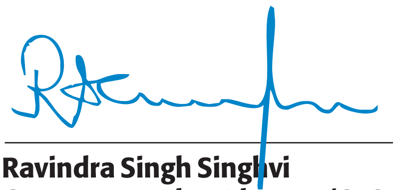
The Board and Management are committed to this goal and will continue to make CAPEX investments to see to its realization. In the end, our goal is to maximize every growth opportunity in the market to generate sales, increase market share and create sustainable value for all the stakeholders.

Ladies and Gentlemen my sincere appreciation goes to the Directors for their interest, support, commitment, and guidance throughout the year under review.

Our shareholders and customers remain the best, we thank you for your continued support and the confidence you have in the Board and Management of Dangote Sugar Refinery Plc.

Also, I thank the Management and Staff for their commitment and the strength they showed despite the unforeseen developments and major changes that were adopted during the year under review.

Thank you.



Ravindra Singh Singhvi
Group Managing Director/CEO
May 2021


DANGOTE
SUGAR

DANGOTE SUGAR REFINERY PLC

2020 SUSTAINABILITY REPORT

A Sustainable Growth Culture

Driven by the goal of achieving the highest levels of governance, the 7 Sustainability Pillars are embedded in our corporate culture and guide our approach to building a prosperous and sustainable business. Our 7 Sustainability Pillars support our unique approach to creating a world-class enterprise.

ALIKO DANGOTE, GCON
Chairman

Institutional: Effectively manage our governance, regulatory compliance, internal control and risk management issues

Financial: Drive sustainable profit and quality return on investments for shareholders

Operational: Manage our production processes and service delivery in line with global best practices and continuously innovate for product excellence and brand relevance.

Cultural:
Entrench our core values as a business and build a business culture where our people are prioritized, respected and empowered for enhanced productivity.

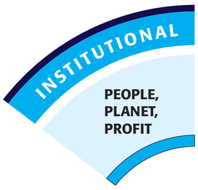
Economic:
Promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialisation in the different markets where we operate

Social:
Engage effectively with key stakeholders, including employees, customers and host communities and prioritize health and safety and other wellbeing issues for our internal and external stakeholders; invest in community development and effectively track and measure our socio-economic impacts

Environmental:
Manage our environmental impact, set realistic goals and targets; and effectively track our performance and report our environmental footprints. Hedge the risks and explore the opportunities in climate change.

MILESTONES

Institutional Pillar



- Board confirmation of Dangote Sugar Refinery Plc's (DSR) substantive Group Managing Director/CEO.
- Selection and adoption of 5 Priority UN SDGs by Dangote Sugar Refinery Plc (DSR) as key focus towards the attainment of UN SDGs by 2030 and integration of the principles across our operations.

Financial Pillar

- Total revenue for 2020 up by 33% .
- Successful scheme of arrangement – merger of Dangote Sugar Refinery Plc (DSR) and Savannah Sugar Company Limited (SSCL) to form a unified entity for operational, administrative and governance efficiencies, and towards increased shareholder value.

Operational Pillar

- Best Company in COVID-19 Preparedness and Response Award by the Dangote Group HSSE Audit

Cultural Pillar

- Our staff strength of 2,881 employees remains strong
- Introduced Employee Volunteering Scheme
- COVID-19 sensitization programs held in host communities during the 2020 Sustainability Week Celebration across the DSR Group.
- Palliatives and personal protective equipment (PPEs) such as face masks, hand sanitizers, and so on, were distributed to members of our host communities.

Economic Pillar

- 36.36% increase in dividend per share for 2020, paying shareholders N18.2 billion.

Social Pillar

- Award for Best Company in Poverty Eradication received in the Sustainability, Entrepreneurship and Responsibility Awards (SERAS) 2020 Awards
- Platinum award for excellent performance in HSE in a process industry, given by the Nigerian Ports Authority (NPA); outstanding recognition among 100 other companies
- Released the first 1st batch of recipients of our scholarship scheme for secondary schools and tertiary institutions, with beneficiaries selected from the 6 immediate communities at our Tunga, Nasarawa State Operations, thereby promoting quality education.

Environmental Pillar

- 2.50% water consumption reduction achieved.
- 7.00% reduction in thermal electrical energy consumption
- Embarked on a tree planting initiative at our DSR Numan Operations. Over 1,000 trees were planted to preserve the environment

NOTE FROM THE GMD/CEO

Dangote Sugar Refinery Plc recognises the importance of building a sustainable business culture, hence a conscious effort is being made across our operations to entrench sustainability practices and culture. Our focus is to successfully build an enduring business in support of the Federal Government of Nigeria's sustainability agenda for the Sugar Industry through the Backward Integration Programme (BIP) component of the Nigerian Sugar Master Plan (NSMP). The benefits and impact of this programme on the socio – economic growth of the country when the targets are achieved cannot be overemphasised. Therefore our actions are set towards achieving the Dangote Sugar Master Plan, while fostering partnerships to ensure sustainable value creation for all stakeholders, and the country at large. We aim to achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the society in which we operate. This we do by selling high quality products at affordable prices, supported by excellent customer service. At the heart of our sustainability agenda is the conscious effort to integrate our operations with our **Vision** "To be one of the world's leading integrated sugar producers, respected for the quality of our products and the way we conduct our business;" and **Mission** "To deliver consistently good returns to our shareholders by selling high-quality products at affordable prices, backed by excellent customer service in our day-to-day business activities.

We reiterate our commitment to integrating sustainability in every area of the Dangote Sugar business, and I am happy to present our 2020 sustainability report, which is Global Reporting Initiative (GRI) Referenced.

Year 2020 was indeed a remarkable year due to the COVID 19 pandemic, its impact on our business, operating environment, and immediate communities. Despite the challenges, we sustained our performance and impacted our communities on the strength of our core values and incorporation of the Dangote 7 sustainability Pillars: "The Dangote Way''.

Due to the pandemic, our Corporate Social Responsibility strategy was reviewed to incorporate the needed support by our immediate communities, as well as the selection and adoption of five priority UN Sustainable Development Goals (SDGs 2, 4, 6, 8 and 12), to guide our activities going forward. These priority SDGs will also support our aim of mitigating operational risks through innovation, cost optimization, reduced environmental impact, and increased positive social impact, which sustain our social license to operate.

In this regard, we identified, tracked, and accelerated our progress in areas of sustainability which are most material to our business during the year under review. We have also identified areas that require improvements and set realistic performance enhancement targets for ourselves in today's ever changing and complex market.

During the year under review, we built some schools and renovated others in our host communities. We awarded scholarships to students at the Dangote Sugar Project, Tunga, Nasarawa State; and we also supported the out-growers' empowerment scheme at Dangote Sugar Numan Operations. Financial support was also provided for indigent persons across our host communities, while palliatives were distributed to over 4,000 households in these areas, in collaboration with the Aliko Dangote Foundation.

We firmly believe that striking a balance on all triple bottom line issues – People, Planet and Profit is key to the achievement of a sustainable business. We aim to build not just a thriving business, but a safe environment that benefits all stakeholders -The Dangote Way.

RAVINDRA SINGH SINGHVI
Group Managing Director/CEO

Dangote Sugar Refinery Plc approach to sustainability is driven by a desire to contribute and impact positively on the development of the communities where we operate in and the society at large – The Dangote Way.

With an unreserved commitment to building a sustainable business, over the past decade, Dangote Sugar has played a key developmental role in the Nigerian Sugar Industry and has become a clear market leader in the sector by the size of our refinery, sugar production target, market share, strong revenue generation and profitability, and delivery of quality returns to all stakeholders.

Our business decisions and actions are targeted at making significant contributions to the growth of the Nigerian Sugar Industry, as mirrored in our 7 Sustainability Pillars.

DANGOTE 7 SUSTAINABILITY PILLARS & THE TRIPLE BOTTOM-LINE

OUR APPROACH TO SUSTAINABILITY *Cont'd*

The principles behind these pillars play a key role in our massive business investments and our unrelenting efforts towards the actualization of the Dangote Sugar Backward Integration Master Plan. The Dangote Sugar Master Plan is aimed at producing 1.5M MT/A of finished sugar from sugarcane in support of the Nigerian Government's goal to achieve sugar self-sufficiency.

This feat once achieved, will put Nigeria on the world sugar production map and generate over 75,000 jobs in addition to the over 10,000 (direct and indirect) employees within Dangote Sugar Refinery Plc. This is in addition to the value addition and multiplier effects that will be created across the external value chain. We expect that these will impact socio–economic development in our immediate communities and the larger economy.

To achieve this, DSR is driving a sustainability agenda that prioritizes good governance, best health and safety standards within its operations as well as supporting host communities in various developmental projects. During the year under review the following were achieved: -

1. Development and approval of DSR's 3-year sustainability implementation roadmap
2. Held several Sustainability trainings for HODs/ Sustainability champions
3. Implemented Water Efficiency programme.
4. Held COVID 19 Sensitization programme in Apapa Markets
5. Begun the mainstreaming Staff Volunteering Scheme
6. Held DSR Charity Day-Poverty alleviation programme
7. Executed the 2020 DSR Sustainability Week to scale up positive social and environmental impacts and connection between employees and host community members.
8. Emerged the Best Company in Poverty Eradication in the Sustainability, Entrepreneurship and Responsibility Awards (SERAS) 2020.

Our Priority SDGs:

Our sustainability agenda is mapped to the Dangote 7 Sustainability Pillars and aligned with the Dangote Sugar five priority United Nations' Sustainable Development Goals (UN SDGs): 2, 4, 6, 8 and 12. These SDGs detailed below are very critical to sustainable living, hence DSR's decision to focus, sustain and increase the contributions it makes towards positively impacting the immediate communities and the larger society.

2 ZERO HUNGER

Goal 2: Zero Hunger: End hunger, achieve food security and improved nutrition ad promote sustainable agriculture

Goal 2 seeks sustainable solutions to end hunger in all its forms by 2030 and to achieve food security The aim is to ensure that everyone, everywhere has enough good-quality food to lead a healthy life. Achieving this Goal will require better access to food and the widespread promotion of sustainable agriculture. This entails improving the productivity and incomes of small-scale farmers by promoting equal access to land, technology and markets, sustainable food production systems and resilient agricultural practices. It also requires increased investments through international cooperation to bolster the productive capacity of agriculture in developing countries.

3 GOOD HEALTH AND WELL-BEING

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 3 seeks to ensure health and well-being for all, at every stage of life. The aim is to improve reproductive and maternal and child health; end the epidemics of HIV/AIDS, malaria, tuberculosis and neglected tropical diseases; reduce non-communicable and environmental diseases; achieve universal health coverage; and ensure universal access to safe, affordable, and effective medicines and vaccines. Towards that end, world leaders committed to support research and development, increase health financing, and strengthen the capacity of all countries to reduce and manage health risks.

6 CLEAN WATER AND SANITATION

Goal 6: Ensure access to water and sanitation for all

Sustainable Development Goal 6 goes beyond drinking water, sanitation, and hygiene to also address the quality and sustainability of water resources, critical to the survival of people and the planet. The 2030 Agenda recognizes the centrality of water resources to sustainable development, and the vital role that improved drinking water, sanitation and hygiene play in progress in other areas, including health, education, and poverty reduction.

OUR APPROACH TO SUSTAINABILITY *Cont'd*

8 DECENT WORK AND ECONOMIC GROWTH

Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all.

Sustained and inclusive economic growth is a prerequisite for sustainable development, which can contribute to improved livelihoods for people around the world. Economic growth can lead to new and better employment opportunities and provide greater economic security for all. Moreover, rapid growth, especially among the least developed and other developing countries, can help them reduce the wage gap relative to developed countries, thereby diminishing glaring inequalities between the rich and poor.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Goal 12: Ensure sustainable consumption and production patterns.

Sustainable growth and development requires minimizing the natural resources and toxic materials used, and the waste and pollutants generated, throughout the entire production and consumption process. Sustainable Development Goal 12 encourages more sustainable consumption and production patterns through various measures, including specific policies and international agreements on the management of materials that are toxic to the environment.

In addition to existing actions, we are designing new initiatives to enhance our positive impacts in our economic and operational environment anchored on the Dangote Group's 7 Sustainability Pillars and the five Dangote Sugar priority SDGs. Our target is to share the sustainable development goals and strategies with all stakeholders, and to ensure that our valued stakeholders are a part of the journey.

We have adopted the Global Reporting Initiative (GRI) Standards as our framework for disclosing progress in our sustainability policies and practices.

GRI Empowering Sustainable Decisions

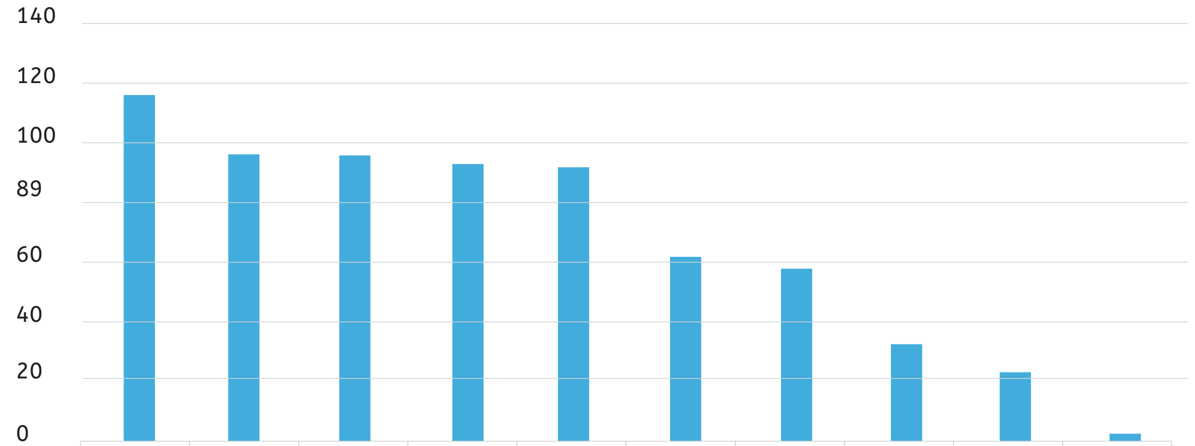
2020 MATERIALITY ASSESSMENT

The materiality assessment process for this report involved the engagement of our key stakeholders, in particular our employees, to help determine the issues that are of utmost importance to them and how such issues impact our operations and our relationship with them. Survey questionnaires were administered using Microsoft virtual platform that enables employees to respond anonymously to the questionnaires.

A total of 137 employees across our operations responded to the Employee materiality assessment survey for 2020. Of this total respondents, 80.3% were Male while 19.71% were Female. Senior level staff constituted 51% of the respondents followed by Management level staff (27.74%) and Junior staff (16.78%). Executives constituted 4.38% of the respondents. About 36% of respondents have spent above 10 years at DSR.

Also, 51% of the employees that participated in the survey have undergone Dangote Sustainability trainings and workshops during the year under review; while 27% have participated in external Sustainability trainings and certifications. In addition, 78.8% of respondents scored employee engagement and education on Sustainability as 'very important' as it broadens their understanding of DSR's Sustainability performance; while 19.71% rated this indicator as 'important'.

Top issues DSR employees think are critical to the future and sustainability of the DANGOTE SUGAR Brand

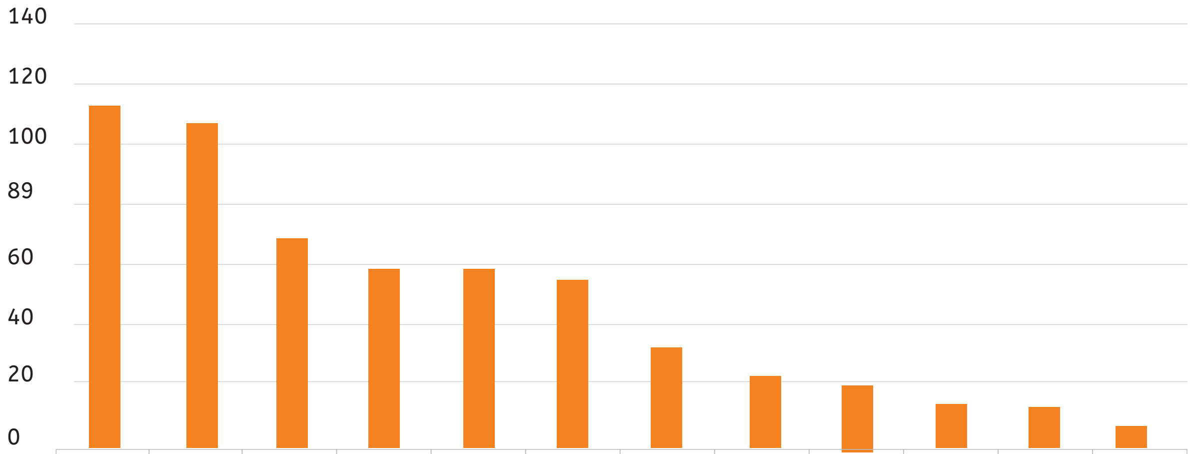


	Employee Engagement & Satisfaction	Financial Performance	Compliance with legal and regulatory standards	CSR/Host Community development standards	Compliance with environmental standards	Community Engagement	Corporate Governance	Environmental and Social Practices	Impact Investing	Others
Series 1	117	96	96	93	91	62	58	33	23	2

The insight provided by the survey outcome will be used for CSR, social impact and , strategic planning decisions. The feedback will also guide the actions we take on environmental, social and governance improvements, while also determining the material topics that are covered in this report.

OUR APPROACH TO SUSTAINABILITY *Cont'd*

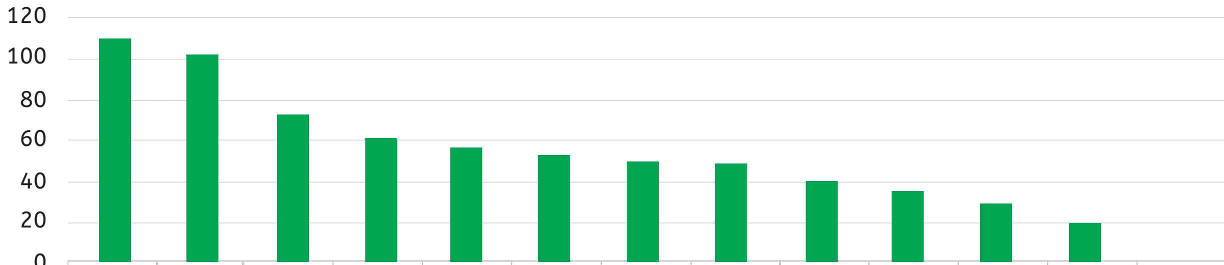
Top issues that best describes DSR employees' perception of the impact that DANGOTE SUGAR brand has on the country and host communities



	job creation	Boosting economic growth & development	CSR/Host Community development	Supporting local content patronage of local vendor and contractors	Training and capacity building in local communities	Tax payment to government	Fostering self-sufficiency/ self reliance in Sugar production	Educational empowerment & Scholarship	Dividends to shareholders	Environmental wellbeing	Effective regulation and governance	Cultural Development
Series 1	132	126	30	70	63	65	33	27	26	17	15	9

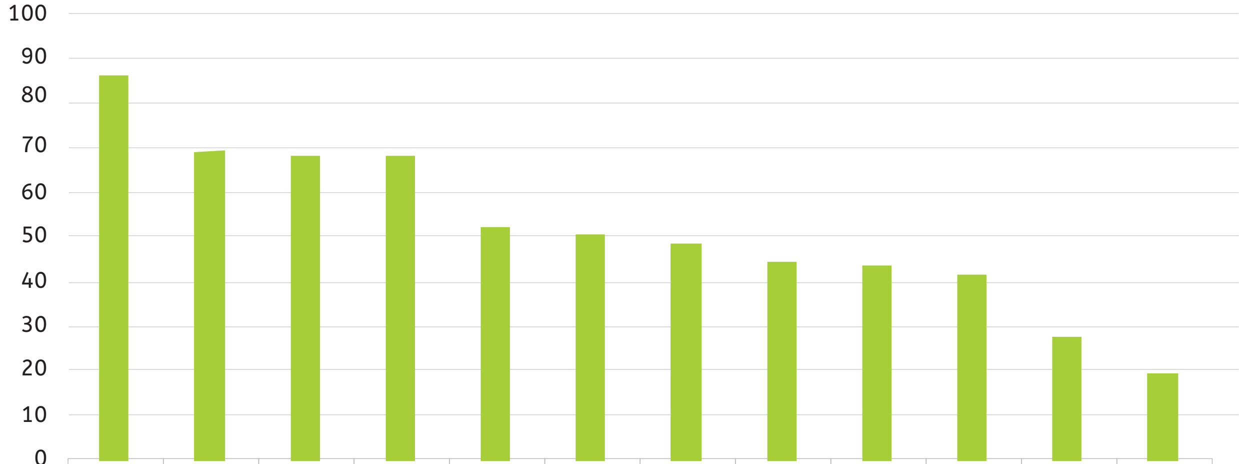
Furthermore, the materiality assessment survey provided us an opportunity to determine the key internal social and workplace related issues, as well as external social and environmental issues that DSR employees consider to be important to the business' sustainability.

Top internal social and workplace related issues that are important to employees of DANGOTE SUGAR



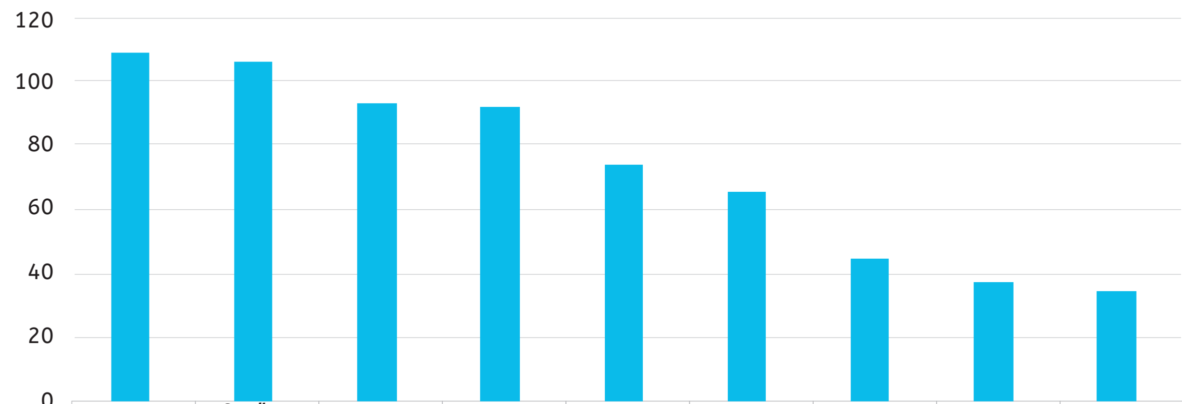
	Compensation on the Benefits (such as competitive wages, quality healthcare for employee, etc)	Career growth and development	Equal Opportunities for all employees	Capacity kills/ knowledge development	Occupational Health & Safety	International Work Experience/ Exposures	Gender Equity	Internal Communi cations & employee engagement	WorkLife Balance	Corporate Culture	Work environment	Mentoring	Others
Series 1	109	102	72	62	56	51	49	48	39	35	28	18	1

Top external social issues that are important to employees of DANGOTE SUGAR



	supporting infrastructural development in host communities	Internship opportunities for young people	Educational empowerment in host communities	Community Health and Safety	Scholarship for indigent students	Social Impact investing in host countries	Investing in support of Small Businesses	Women and youth empowerment	Employee Volunteering for community development	Community engagement	Reputational Capital and Brand Equity	Land Acquisition/ Re-settlement Issues
Series 1	37	70	69	69	53	51	49	43	44	42	23	20

Top environmental issues that are important to employees of DANGOTE SUGAR



	Effluent and waste management	Compliance with Environmental regulations	Water efficiency Management	Pollution (noise and particulate pollution, etc)	Energy efficiency	Climate change and Co2 Emission	Circular economy (Recycling)	Farmland reclamation practices	Deforestation and Biodiversity preservation
0									
Series 1	110	107	94	93	75	66	45	38	35

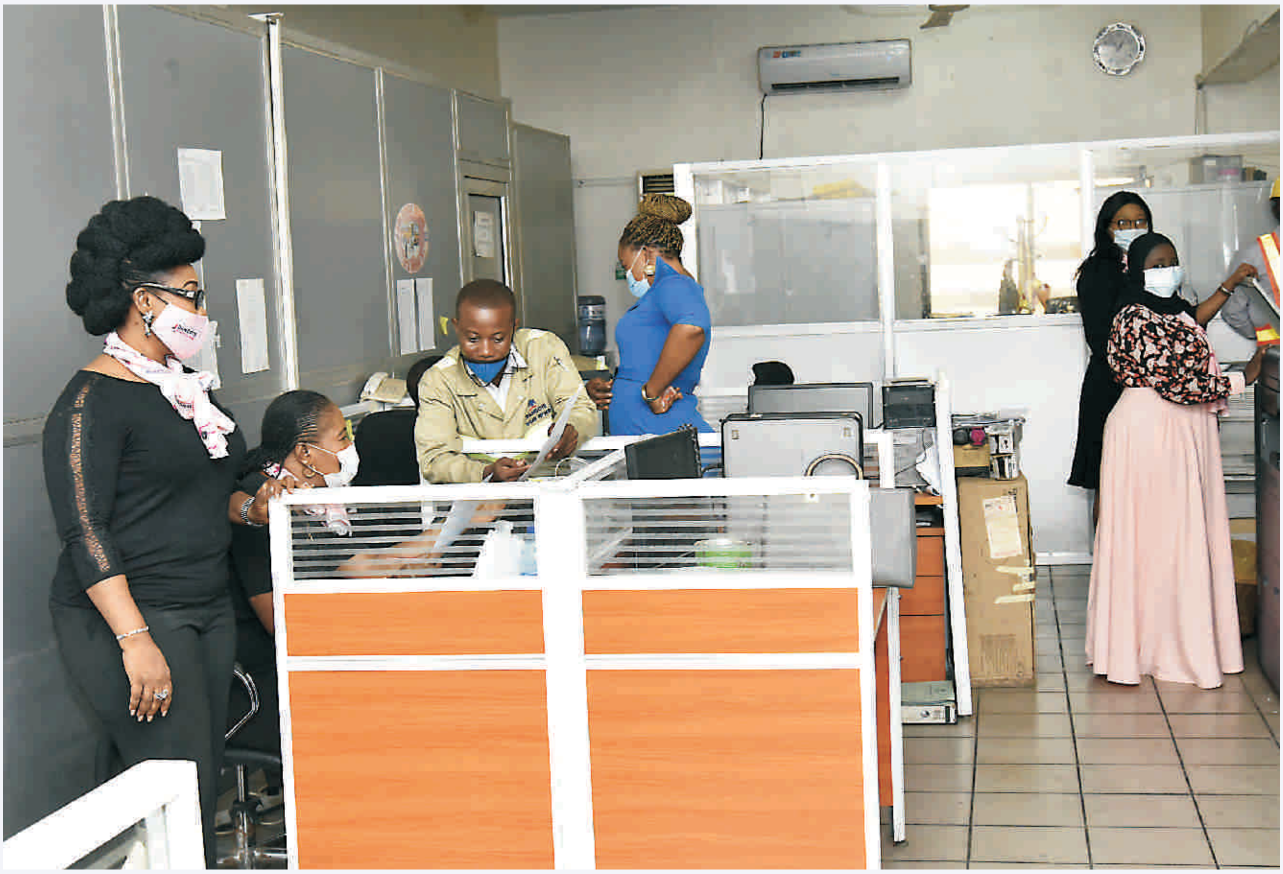
Our People, Culture and Values

Our Cultural Sustainability Pillar defines the core values of Dangote Sugar Refinery Plc. .Over the years we have built a business culture where our people are prioritized, respected, and empowered for enhanced productivity. Our teams are developed for, and given high level responsibilities that enhance their competences and support career progression. As part of our core values, we endeavour to motivate our employees and build in them an entrepreneurial mind set.

Our People

We pride ourselves not just on being an equal opportunity employer, but on striving to build the best place to work in the industry. As a result, our people stay in our employment for a long time and grow exciting careers.

Our business success has been anchored on our values and the continued development of our manpower in line with the changing times, to enable us sustain employees' performance and meet or surpass their career aspirations. In addition, we continue to invest in their health and safety, provision of conducive work environment, promoting diversity and inclusion and mutual respect for all employees across different levels and strata. Accordingly, the Company in the year under review continued implementation of its employee development plan and performance appraisal system to motivate staff for enhanced productivity. The focus is on the improvement of employee skills and competencies through the delivery of fit-for-purpose learning and development interventions. This has helped to prepare the workforce for more challenging roles across relevant functions within the organization.



Labour Laws

Employee engagement in DSR is guided mainly by the provisions of the Nigerian Labour Law and the Federal Factories Act. There is also the Employee Handbook which provides guidance on acceptable conducts, norms of behaviour and rules of engagement within our workplace, in order to ensure conformity with the corporate culture that we are building - The Dangote Way. Multiple channels are used for engagements, to foster very cordial industrial relations. These channels are through one on one consultations, departmental meetings, town hall meetings, quarterly and annual Management address, as well as staff engagements with their supervisors and line managers on matters that are of key concern to them.

Labour Practices and Benefits

During the year under review, we had a total of 2,881 full-time employees, which comprises of 110 females representing 3.81 % of our total workforce, across our Refinery, Fleet and Numan Operations. The age categories of the total workforce are 18 to 30 , 1.4%; 30 to 50 years are 77.3% while 50 years and above are 21.2%. We are conscious of the fact that the industry wherein we operate falls within the Science, Technical, Engineering and Mathematics (STEM) sector, where global statistics show that women do not have sufficient representation. However, we are now making a conscious effort to ensure the employment of more qualified women into vacant and top Management positions. This is in addition to the support provided for our female employees through the Dangote Women Network and other women empowerment initiatives that are aimed at ensuring that we continuously provide a conducive working environment for all categories of employees.

The company also provides amongst other employment benefits Group Life Insurance, Family Health Services and Pension Schemes. Furthermore, we have a Diversity and Inclusiveness Policy that ensures that our employees regardless of their gender, creed, language, religion etc. have opportunities to develop their career across our Business Units. Management has also instituted platforms for the recognition of, and awards to committed and high performing staff on quarterly basis; and an Internal Customer Service Champions initiative that was introduced in 2018. Staff are encouraged to nominate their colleagues who have delivered beyond expectations in interdepartmental service deliveries.

We are continually improving our practices in recruitment; training and employee engagement; performance management and recognition; leadership development and succession planning; and identification of key roles that employees are best suited for. These are required to sustain our growth, achievement of future goals, increased return on investment to shareholders, value creation for all key stakeholders, while ensuring the continuous wellbeing of our employees.

Learning and Development

As a business that is committed to empowering employees with the skills and competences that they require to continue to excel in the discharge of their duties, we have initiated several learning and development programmes at DSR. We are also improving existing Human Resources systems and processes, and have developed new tools for enhancing employee overall learning experience.

During the year under review, 49 training programmes were held and a total of 10,223 hours were expended on these employee trainings. The 2020 training calendar was impacted by the outbreak of the COVID-19 pandemic and lockdown. However, over 1,700 employees received various types of trainings including, virtual and in class sessions during the year under review. We will continue to build capability and leadership among our people, while attracting some of the best talents in the marketplace. We are committed to delivering fit-for-purpose trainings for our employees, to keep us ahead of competition and ensure that we remain the preferred employer in the Nigerian Food and Beverage industry. This will further our objective of attracting, developing and retaining highly skilled employees in DSR Plc.

Sustainability Trainings

In 2020 a total of four Sustainability training programmes were held and 197 employees participated. The training programmes covered various topics on sustainability and were held mostly online. Participants were drawn from across various functions and cadres, to ensure that the right sustainability knowledge and skills required at different levels were delivered, including foundational, mid-level and advanced level sustainability knowledge and competences. Also during the year, DSR designated a Sustainability Lead to manage how we entrench and operationalise Sustainability across the business.

During the year, Sustainability Champions were also appointed to support Management's efforts at entrenching the sustainability culture in the company, and to be the ambassador of mainstreaming sustainability best practices in their different functions.

Most of the training objectives were achieved in 2020. Feedbacks from the participants showed that their level of awareness on the importance of sustainability to the survival of the business has been significantly enhanced. The key areas of sustainability trainings in 2020 included building knowledge about sustainability principles and best practices; effective stakeholder management; environmental and social risks management, and so on.

Employee Volunteering

Employee Volunteering is part of DSR's Corporate Social Responsibility Initiative. Our employees are encouraged to participate in employee volunteering activities in order to create shared value in our host communities and as a way of driving sustainable impact in these communities.

Volunteering and reaching out to touch the lives of neighbours in host communities is fast becoming a culture at DSR, that is in sync with The Dangote Way. During the year under review, our staff embarked on the distribution of the COVID-19 Care Packs in our host communities, in addition to sessions that were organised to raise awareness on the pandemic in markets, transport parks and our immediate communities. The DSR Annual Charity Day, an employee engagement scheme aimed at reaching out to the less privileged during the yuletide, was also held in December 2020. Staff donated items and cash that were distributed to select charities and causes within our operating environment.

2020 Sustainability Week

We believe that building a corporate culture of sustainable policies and practices begins and ends with effective employee mobilisation and involvement. We have therefore instituted the Dangote Annual Sustainability Week during which period we mobilise our employees to create value through initiatives and programs that support social, economic, and environmental wellbeing in host communities and markets. The 2020 Sustainability week was observed in all the Dangote Business Units, driven by employee volunteers in line with the HQ Volunteering programme. The theme of the 2020 Sustainability Week was: "COVID-19: Staying Safe together, the Dangote way". About 158 DSR employees executed various activities and projects

during the week in 790 volunteering hours across our operations in DSR Apapa, DSR Numan, DSR Fleet and the Nasarawa Sugar Company, Tunga.

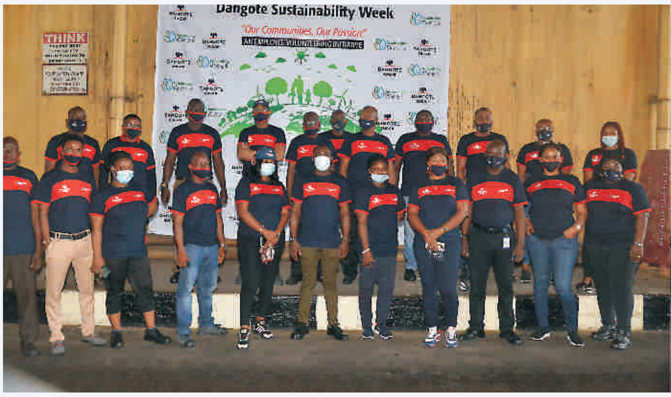
In Dangote Group, our 'Sustainability Week' (an employee volunteering initiative) is designed to impact host communities meaningfully and foster economic, social and environmental wellbeing, while providing a veritable platform for employees to volunteer their time and resources in activities that enhance human capital development in our host communities. The week-long event was implemented in strict compliance with COVID-19 safety protocols.

Summary of impact

- 158 employees volunteered during the week-long event across DSR operations at Apapa, Fleet and Numan Operations.
- 790 hours were spent by the volunteers on the planning and execution of the various activities.
- Over 700 truck drivers and motor boys were impacted.
- Over 2000 community members in about 8 immediate communities were impacted.
- The week was anchored on three initiatives (palliatives distribution, COVID-19 awareness sessions, COVID-19 Care Pack distribution and Tree planting)
- Donations: 5,000 bags of 10kg Rice, 3,000 cartons of spaghetti, 3000 bundles of sugar, 2,500 hand sanitisers and 2,500 nose masks were distributed to our immediate neighbours.
- Also achieved was increased awareness by commercial drivers and members of the host communities on the need for strict adherence to the Covid-19 safety guidelines which includes social distancing, usage of facemasks, constant hand washing and use of hand sanitizers.
- The initiative elicited positive feedback and goodwill from host communities, while also providing good opportunity for employees to bond with our esteemed neighbours.

Distribution of face masks and hand sanitizers to trailer drivers and motor boys along Wharf Road, Apapa during the on-the-spot sensitization on the COVID-19


Cross section of beneficiaries and Dangote Food items donated to Nasarawa Sugar Company Limited immediate communities (Tunga, Awe, Azara, Wuse, Akiri, Ridi, Akwate/Kafin-moyi) during the Sustainability Week at Tunga



Cross section of Dangote Sugar Refinery 2020 Sustainability Week Volunteers

ECONOMIC & SOCIAL PERFORMANCE

Dangote Sugar's business model focuses on value creation. The Dangote Economic and Social Pillars guide our approach to value creation in our immediate communities and for all other stakeholders. Our host communities are supported by the development of a business model that prioritizes the patronage of local labour, suppliers, vendors and contractors as our way of building local capacity, content and entrepreneurship.

As a responsible corporate citizen, compliance with tax requirements, regulations and timely remittances is priority at Dangote Sugar. We maintain transparency and due diligence in the payment of taxes and other statutory remittances to governments and public institutions, as well as other payments that support the actualisation of the various developmental agendas of the states and Federal governments.

This commitment enables us to support socioeconomic development in Nigeria, assisting the government to actualise their plans for infrastructural development, while contributing towards the attainment of SDG 11 (Sustainable Cities and Communities). Tax payments for the period under review are detailed in the financial report section of this document.

Creating Value

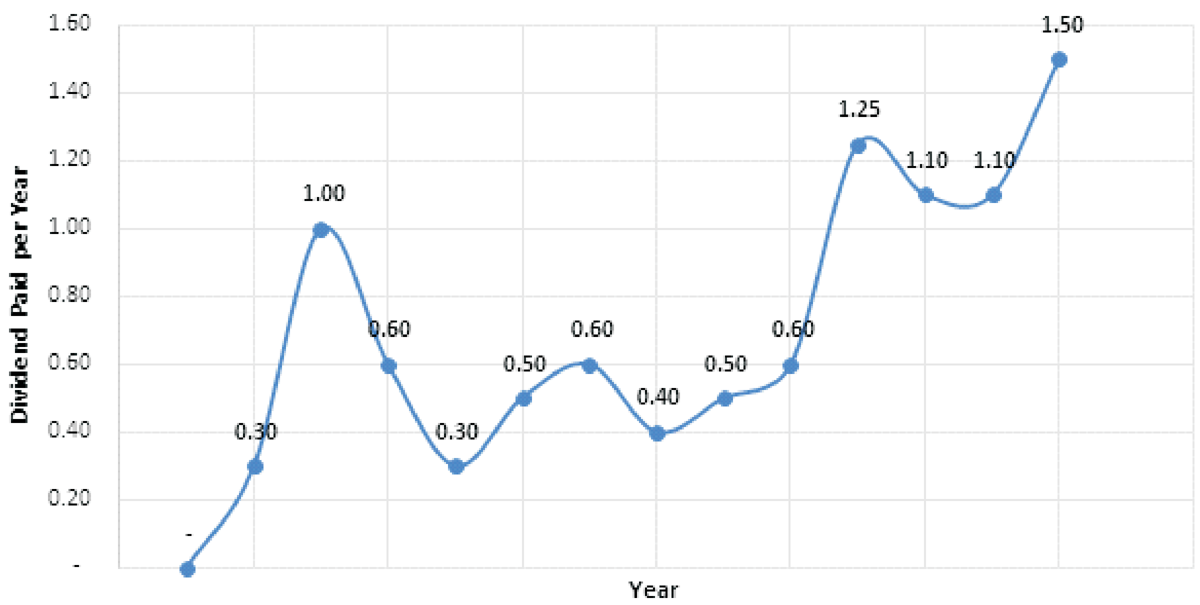
Dangote Sugar is driving positive change and sustainable growth in Nigeria by making efforts to place Nigeria on the World Sugar Production Map. This will be achieved through the Dangote Sugar Backward Integration Projects that are designed to produce about 1.5 million metric tonnes of refined sugar annually from sugar cane. This goal will support the Federal Government of Nigeria's sugar self-sufficiency objectives. It is also aimed at creating jobs for over 75,000 Nigerians. The project will help maximise the extended value chain in sugar and ethanol production, power, animal feeds, among others. It will also support the actualisation of the UN Sustainable Development Goals.

Dividend Payment

Dangote Sugar's dividend policy reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend pay out to shareholders. Our dividend payment history has been sustained since our listing on the Nigerian Stock Exchange in 2007, and we have consistently paid dividends over the years as follows:

Dividend Payment History

YEAR	DIVIDEND PER SHARE	TOTAL DIVIDEND PAY OUT (N'BLN)
2007	1.70	17,000,000,000.00
2008	1.20	14,400,000,000.00
2009	1.00	12,000,000,000.00
2010	0.60	7,200,000,000.00
2011	0.30	3,600,000,000.00
2012	0.50	6,000,000,000.00
2013	0.60	7,200,000,000.00
2014	0.40	2,400,000,000.00
2015	0.50	6,000,000,000.00
2016	0.60	7,200,000,000.00
2017	1.25	21,000,000,000.00
2018	1.10	13,200,000,000.00
2019	1.10	13,200,000,000.00



The proposed dividend for year 2020 of ₦1.50 per share despite the harsh economic situation due to COVID-19 pandemic shows DSR's commitment to the delivery of sustained value for our shareholders, in addition to creating sustainable wealth for all stakeholders.

ECONOMIC & SOCIAL PERFORMANCE *Cont'd*

Job Creation and Sustainable Livelihoods
At DSR, building mutually beneficial relationships with our stakeholders and enabling economic prosperity in local communities are key to our economic and social sustainability pillars. We are impacting lives by the over 2,881 direct jobs that we have so far created, and the multiplier effects of our operations on household income and the generation of indirect and induced jobs.

Our suppliers, contractors, vendors, and distributors, as well as their own value chains have their own employees, which make up part of our indirect and induced employments. The direct, indirect and induced jobs that we create also have positive impacts on the economy through the spending power of these different workers.

Through our business operations, we create wealth for our esteemed stakeholders and several households. We aim to support government's efforts at alleviating the high unemployment situation in the country, especially among the youth population.

DSR also supports local communities to thrive by providing sustainable investments, infrastructures and empowerment programmes. In host communities we provide infrastructure such as water, power and other socioeconomic amenities. We drive inclusiveness and local content in our market of operation by patronising local businesses and sourcing quality inputs for our production from underserved communities around us. This has helped in building the strong relationships that exist between DSR and its local communities.

The Outgrower's Scheme

Part of the Dangote Sugar Master Plan's employment generation, empowerment and enterprise drive is the development of a robust out- grower scheme for farmers in the communities where the Backward Integration Projects are located. We work closely with the Nigerian Sugar Development Council (NSDC) and the local farmers to improve on established cane grower development programmes for increased participation, quality harvest and to boost their income.

To ensure the success of this initiative, DSR Numan currently have 415 out growers under the scheme and have mapped out about 415 Ha of land to out growers' local farmers, who farm on these lands and sell the sugarcane to the company. Currently, we are increasing the land to 5,500 hectares through an Outreach, Special Independent Sugarcane Out-grower's Development Programme (SIS OGDP) -which will see the number of farmers under the scheme increase to 5500 by year 2024.

The Special out-growers under the scheme are provided with the support that is required to achieve a sustainable scheme that impacts the community and company positively.

Outgrower trainning session

TYPE OF SUPPORT	DESCRIPTION
Recruitment	415 Out Growers each with 20 farmers from the communities are recruited out of Savannah Owned land holdings, within 30 to 40 Kms distance from DSR Numan.
Land development and planting	DSR Numan develops the land, supplies the seed cane, and plants fields on cost basis that are recoverable from crop proceeds, to ensure good crop stand without gaps.
Cultivation	DSR Numan carry out the mechanical hilling up (middle busting) operation for the plant cycle on cost basis recoverable from the crop proceeds.
Water supply	DSR Numan supplies the irrigation water cost basis equivalent to water charges given by the Upper Benue Management.
Harvesting and cane haulage	DSR Numan harvests and transports the cane to the factory on cost basis to be recovered from the crop proceeds
Access to inputs	DSR Numan supplies the chemicals fertilizers on cost basis recoverable from crop proceeds
Guaranteed purchases	DSR Numan Guarantees the cane purchase with a Minimum support price for the farmer to cover their operational and infrastructure cost while offering a take away profit. This may have to be considered above NSDC pricing formula, to make the proposed scheme viable and
Payments	Payments are made to the farmers account after recovering of all the dues.
Financial Support	Crop Working Capital Term loan to be provided at cheaper finance @7% [either from NSDC or through financial institutions or DSR Numan].
Technical assistance and Training	All through the crop cycle, free training and Agric Extension services to be offered to the farmers. In-house training and on the farm training with crop monitoring on the Good Agricultural Crop Management Practices for the targeted productivity of 100 MT/ha for plant crop and a ratoon average of 80 MT/ha.

Our Communities
Beyond our employees, we dedicate substantial resources towards supporting human capital development in our local communities. Through our on-field staff who act as community relations engagement organs, we obtain insights into the needs of our hosts communities which we strive to meet, as much as it is practicable. We endeavour to make meaningful impacts in the social and economic lives of our community members, through investments that simultaneously provide lasting benefits and business sustainability. Part of this entails encouraging our employees to volunteer in communities and supporting initiatives that have measurable and lasting impacts.

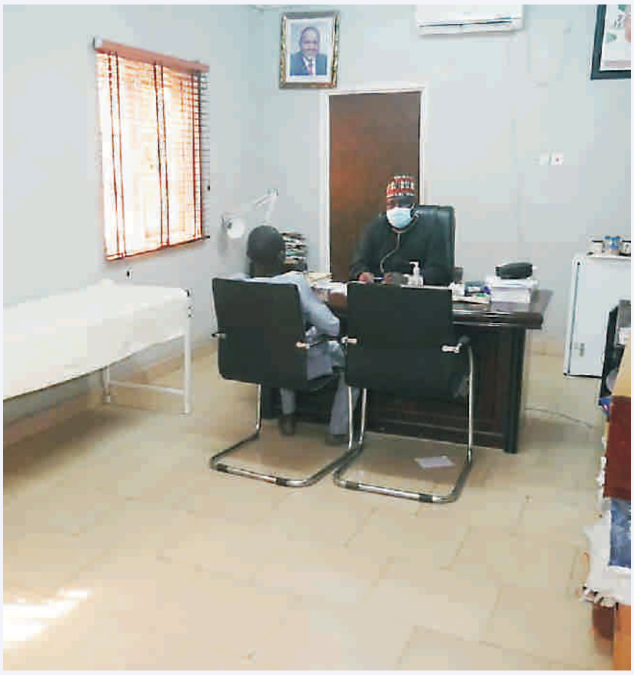
Community Investments
At Dangote Sugar, we are committed to creating sustainable impact in our host communities through our Corporate Social Investment initiatives. We consult a broad range of stakeholder groups on our social responsibility projects, and ensure that our CSR initiatives are outcomes of community needs assessment and prioritization. The key focus of our CSR initiatives include infrastructural development, job creation, healthcare, education, provision of potable water, women empowerment, and road maintenance and construction. Some of our projects are aimed at promoting wellbeing, people empowerment and sports development at our BIP locations and in the larger society.

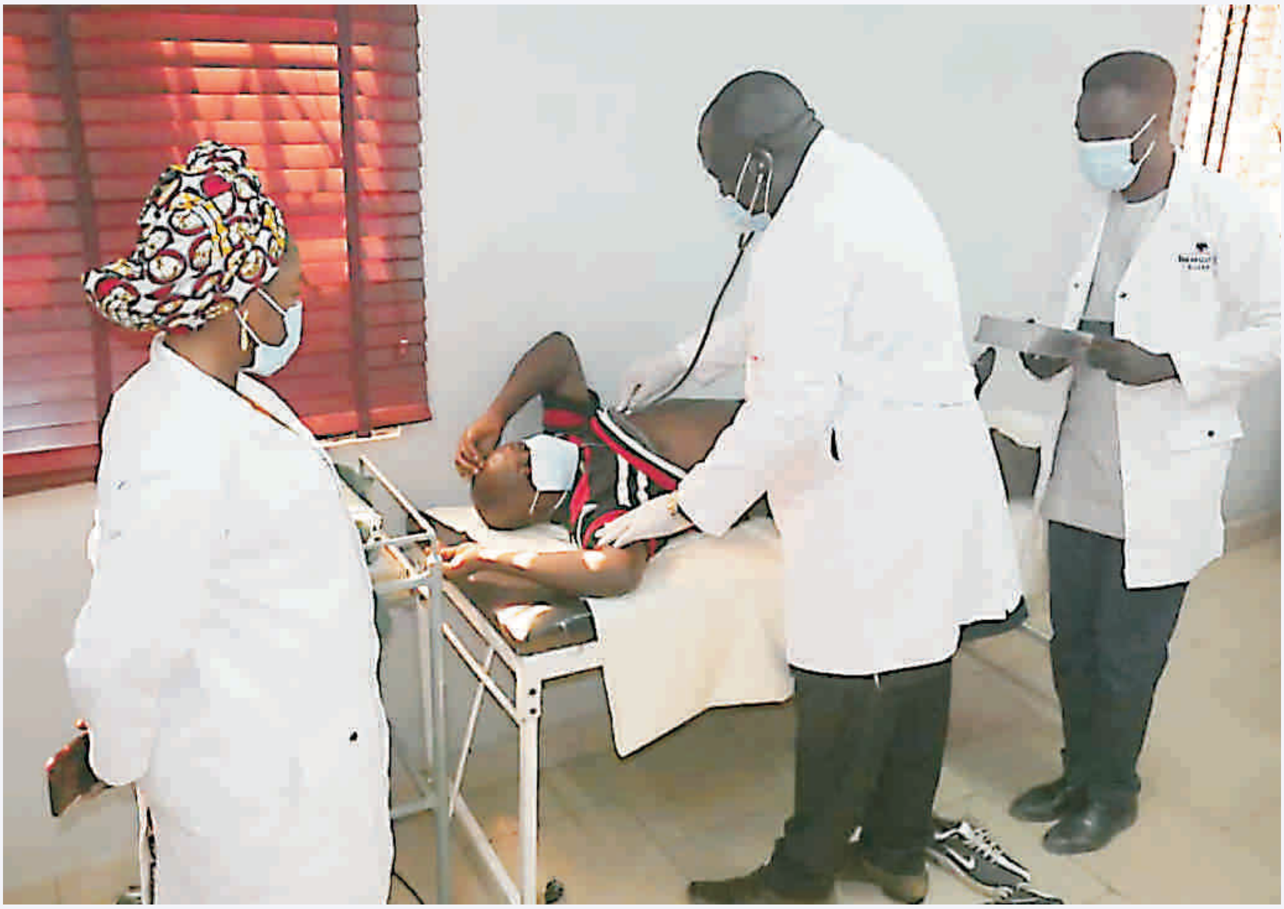
In 2020, we spent over N900 million (Nine Hundred Million Naira) on community projects, sponsorships, donations, charities and community relations affairs across all DSR operations and the country at large.

Healthcare

Our Dangote Sugar Numan onsite clinic at Adamawa State provides free healthcare services to seven host communities. In addition, we also initiate programmes that focus on improving primary and secondary healthcare, occupational health and safety, HIV and AIDS, malaria, Tuberculosis, and COVID-19, in conjunction with HMOs and other health-based NGOs and organisations. Awareness sessions and control programmes on non-communicable diseases such as high blood pressure, diabetes and healthy living habits are carried out at our operational locations nations wide.

Arrangements are also underway under the Dangote Sugar Backward Integration Master Plan community development scheme for the establishment of hospitals and refurbishments of existing ones at our greenfield sites. At our Nasarawa Sugar Company BIP, Tunga, renovation of two primary healthcare centres, immunization centre and the staff quarters were completed during the year.





Education and Skills Acquisition

DSR is a firm supporter of quality education and skills empowerment as prerequisites for the development of a skilled workforce in Nigeria. During the year under review, we implemented onsite and on the job training on sugarcane husbandry, and carried out workshops and farm machinery maintenance sessions at our BIPs sites. We collaborated with the Dangote Academy for the development of skills needed for our operations. The Dangote Academy provides training on technical and managerial skills for both existing and potential employees.

DSR also supports government and corporate education campaigns in the country. In celebration of the annual United Nations World Food Day, DSR supported the Lagos State Government's Ministry of Agriculture Schools Quiz Competition. The competition is focused on the promotion of agricultural development interest in young people, and also creates awareness on other uses of sugar. The initiative supports the winning students and schools with educational materials and equipment that foster quality education in the country.

Promoting Diversity and Women Empowerment

Although the empowerment of women has been substantially linked to the transformation of individual lives and improvement in societal wellbeing, the global STEM sectors are still largely masculine and unfavourable to women. In the manufacturing sector for example, women occupy a trifling percent of the workforce.

Dangote Sugar is aware of this gender imbalance and remains committed to changing the status quo, starting with our internal operations and down to our entire value chain. Women are encouraged to play key roles across the business. They are represented across all categories of staff, from Board to key positions in management and at our plants. Our efforts at fostering the growth of women in our company is further enabled by the Dangote Women Network which acts as a support platform for women in the entire Dangote Group. Additionally, in our supply chain the women distributors play a crucial role in ensuring that our products are available wherever they are needed.

Health and Safety Performance

Dangote Sugar Refinery Plc recognises the importance of safeguarding the health and safety of its workforce, its contractors, visitors, host communities and the larger society. We remain committed to identifying, measuring, and mitigating the potential health, safety, and environmental risks that could result from our operations. We continuously seek innovative ways of improving our health, safety, and environmental performance.

Dangote Sugar Refinery Plc's HSSE programs were implemented in 2020 in line with the Group HSSE (GHSSE) Safety Management standards and ISO certification program. The management standard is to ensure the safety of the employees, contractors, visitors, host communities and other third parties. In line with the Group HSSE policies, Dangote Sugar builds a safety culture that is supported by Management and all levels of employees.

Awards and Recognitions

Among 100 companies rated by the Nigerian Ports Authority (NPA), Dangote Sugar Refinery Plc emerged the best company and received the Platinum award for excellent performance in HSE. Also, during the year, DSR emerged the Best Business Unit in an audit conducted by the Dangote Group HSSE.

Health & Safety Initiatives in 2020:

1) Annual Medical check-up was carried out for staff
2) Visible leadership with active participation through management by walking around (MBWA) – 12 MBWA was carried out in 2020.
3) Top management participation during management review of OHSAS 18001 Surveillance audit
4) There was at least one top management participation in accident investigation.
5) OHSAS (Occupational Health and Safety Assessment Series) 18001:2007 Surveillance audit was done by SON (Standard Organization of Nigeria), with Group HSSE support for FSSC and QMS surveillance audits in 2020.
6) Group HSSE carried out two audits in 2020. An outcome is the placement of more safety signage in strategic locations in our factories. Federal Fire certificates were obtained for the plant and warehouses.
7) Implementation of PTW (Permit to work). More First aid boxes were purchased.
8) Safety Data Sheet (SDS) was provided for Chemical store.
9) Unsafe acts, unsafe conditions, and Near misses; Housekeeping audit/ Machine guard audits and Contractor safety audits were implemented in the course of the reporting year.
10) Monthly Fire Drills and four Emergency evacuation drills were conducted.

3. Socials & Environment Initiatives

In the year under review, we implemented a number of social and environmental initiatives designed to improve the wellbeing of our employees and our stakeholders in host communities.

For example, repair of our cooling towers was carried out in the year under review to migitate possible negative environmental impact. During the year, We had engagements with the Nigerian Ports Authority (NPA) to agree on an amicable resolution of the issue.

Also during the year, we introduced new pedal waste bins and a new regime of waste segregation was launched across our operations. Wastes are being weighed on the weigh bridge before disposal. In addition, an Effluent Treatment Plant (ETP) was also commissioned during the year under review. During the year, we also installed noise silencers on our boilers to dampen generator noise during operation and pressure. New Spill Prevention Control and Countermeasure (SPCC) kits were also unveiled during the year and users were adequately trained as required.

4. Training & Fleet Safety

In the year under review, we trained our key function owners on migration to ISO 45001 (Occupational Health and Safety). We also trained employees on ISO 14001 (Environmental Management System) to ensure that we build the required skills and competences to drive continuous improvement on our health and safety and environmental management practices.

Other trainings carried out during the year include Spill Prevention, Control, and Countermeasure (SPCC) to ensure spills prevention. Defensive driving trainings and testing were also done for all drivers.

COVID-19 Preparedness and Response in 2020

The beginning of the pandemic took everyone by surprise and required an immediate emergency response plan and execution. Dangote Sugar Refinery responded promptly in compliance with the protocols provided by the Group HSSE and COVID-19 task force. We were able to protect all our expatriate staff in-bound and out bound. Travel protocol that ensures the safety of our people was immediately developed and put it place. In the plants, a lot of initiatives were put in place to contain the spread when we recorded the index case.

Our preparedness and response to the COVID 19 pandemic in 2020 earned Dangote Sugar Refinery good ratings by the Group HSSE during the 2020 audit.

We ensured that we followed the guidelines that have been put in place for Testing, Tracing, Isolation and Treatment (TTIT). Specifically, the following action plan were implemented across our operations:

1) We immediately trained personnel in our health and safety function; staff in our clinics, as well as our security officers, on how to handle COVID-19 cases.
2) We identified and set up a designated area for quarantining persons with high temperature, pending when medical investigations are carried out. This is different from our regular Medical Centres or Sick Bays.
3) We enforced daily deep cleaning of key human contact surfaces, e.g., door handles, toilets flushing handles, taps, desks, etc.
4) We ensured that hand washing facilities, hand sanitizers and other personal protective equipment such as face masks, were readily available to our staff and other users of our facilities. Free face masks and hand sanitizers were issued to all DSR staff across all operations, to ensure that they observed the prescribed protocols.
5) We ensured that social distancing guidelines were strictly followed, in our offices, staff buses, and so on.
6) Over 60% of our employees were allowed to work from home, even after the complete lockdown had been lifted by government authorities.
7) We carried out continuous awareness creation and sensitization initiatives for all staff using diverse communication channels, including emails, flyers, Toolbox Talks briefings, interactive videos, and so on.
We placed posters, notifications and signposts in strategic locations to sensitize our internal and external stakeholders on the symptoms, effects, prevention and management of coronavirus, communicated in English, Pidgin English, Indian, Chinese and local languages, as applicable.
8) Handheld infrared thermometers were available for temperature checks at points of entry. We also installed digital proximity thermometers at the entrance gates in DSR Apapa and DSR Fleet.

AWARENESS CAMPAIGNS

In 2020, as part of our COVID-19 intervention programmes, we intensified widespread awareness campaigns to ensure that our workers are fully knowledgeable about the channels of transmission of the virus; preventive measures, and how to report suspected cases. Measures were put in place to identify potential cases and limit exposures. COVID-19 vulnerable groups were identified and protected using the work-from-home arrangement. Non-essential workers were also advised to work from home to reduce exposure. All meetings were held virtually, gatherings were discouraged, and social distancing was strictly maintained within the work environment as much as is practicable.

Group Travel Advisory- COVID-19

The Travel Advisory initiative provides the guidance needed to address the risk of importing COVID-19 from high-risk countries. This proactive measure is to prevent the spread of COVID-19 virus through international travels, following the reported rise in the spread of the virus in several countries. The Travel Advisory services also provide up-to-date information on identified virus strains, their virulence, and precautionary measures. It shares information on the spread of the virus locally and globally, and particularly within the countries of Dangote Group's operations and interests. It gives specific instructions to inbound and outbound travellers on steps to follow prior to departure, and on arrival.

After Care Program

The Dangote Group launched an aftercare program which caters for members of staff who have tested positive to COVID-19. The program ensures that such staff receive the best care possible to facilitate full recovery for the symptomatic cases, and immunity boosts for the asymptomatic cases. Contact tracing was vigorously pursued. Various specialist hospitals throughout the country were retained under this programme.

PRODUCT RESPONSIBILITY

As part of our commitment to fostering UN SDG 12 (Responsible Consumption and Production), we strive to ensure that our products meet and exceed the expectations of our esteemed consumers. Our product responsibility policies and practices align with best practices.

Food Safety

The Dangote Sugar Refinery (DSR) Plc Food Safety Policy ensures that its operations in the production of refined granulated white sugar meet regulatory and consumer food safety requirements. We use the most appropriate food grade production facilities under hygienic conditions, whilst also maintaining effective communication with stakeholders on food safety issues.

Compliance with the provisions of the Company's Food Safety Policy is monitored, measured and continually reviewed with the following objectives:

a) To provide wholesome and nutritious sugar that supports healthy living.

b) To achieve 100% compliance with all relevant customers', statutory and regulatory food safety requirements

c) To ensure that all relevant parties in the food production chain are aware of; and comply with the company's food safety requirement.

DSR process is FSSC 22000 (Food Safety System Certification) certified by SGS. The FSSC 22000 system is based on ISO Standards recognized by the Global Food Safety Initiative (GFSI).

The FSSC 22000 integrates with other management systems already achieved by the Company as part of a strategic initiative to meet the teeming needs of its customers; and sustain its frontline position in the Food and Beverage industry, and in line with internationally accepted practices and standards.

SGS

Certificate NG18/90694

The Food Safety Management System of

DANGOTE SUGAR REFINERY PLC

Shed 20, Apapa Wharf, Lagos, Nigeria

has been assessed and determined to comply with the requirements of

Food Safety System Certification
FSSC 22000

Certification scheme for food safety management systems consisting of the following elements: ISO 22000:2018, ISO/TS22002-1:2009 and Additional FSSC 22000 requirements (version 5).

This certificate is applicable for the scope of:

Production of Refined Granulated White Sugar

Food Category: CIV - Processing of ambient stable products

This certificate is valid from 5 January 2021 until 2 January 2022
and remains valid subject to satisfactory surveillance audits.
Date of Certification decision 5 January 2021
Issue Date: 12 January 2021
Re-certification audit due 60 days prior to expiry date
Issue 2. Certified since 2 January 2016

FSSC 22000

Authorised by

Authorised Accredited Office Manager

SGS United Kingdom Ltd

UKAS MANAGEMENT SYSTEMS 0005

Our parent company, Dangote Industries Limited, is a signatory to the United Nations Global Compact (UNGC); hence we are committed to complying with its three environmental principles. As a responsible business we ensure that we take into consideration our environmental impacts and manage them responsibly.

In the year under review, efforts were channeled towards the effective management and reduction of our environmental impacts by evaluating our production processes and introducing initiatives and projects that align our operations with best environmental practices within our industry. This is in addition to the various activities introduced to safeguard the environment not just within our operations, but also across our supply chain. These include:

- Power generation using natural gas which is cleaner and with little or no flue gas that may pollute the atmosphere.
- Use of high-quality LPFO as an alternative when gas supply becomes unreliable.
- Refinery operation noise level within the acceptable 85dB at 1.0 M, by installing silencers for that purpose.
- Implementation of energy saving projects to save water, steam, fuel, power and increase condensate return to the boiler house.
- Executive management's continual demonstration of commitment to reducing our waste and emissions.
- Operating production plant that reduces emissions to globally acceptable levels
- Processing effluent from process flow line through the use of brine recovery system that recover and recycle common salt, acid and water.

Climate Action

Dangote Sugar strives to adhere to sustainability principles that will address global and local environmental challenges and mitigate the negative impacts of climate change. We seek to improve on our operational efficiency as a way of optimising our impact on the natural environment. We leverage improved business practices and processes that support protection of our immediate communities, preservation of air and water quality, and efficiency in utilisation of land and other natural resources.

We have designed and adopted several energy savings techniques to cut down on our energy consumption. We are using alternative energy sources like natural gas, which is cleaner than fossil fuel, hence reducing our greenhouse gas (GHG) emissions. In the coming years, we would sustain and further strengthen our environmental management system to ensure that our impacts are within the regulatory limits.

As a player in the agricultural sector, protection of the natural environment is critical to our business and we strive to promote eco-friendliness across our value chain.

To pre-empt environmental challenges that stem from unsustainable farming practices and potential negative impact on business growth, we source and distribute quality inputs, including fertilizers to farmers through initiatives such as our out-growers' scheme, leveraging our suppliers, partners, aggregators, and agents. We are also committed to promoting biodiversity and enhancing water efficiency and management, while driving up yield and the quality of our products. These commitments are indicative of our focus on fostering a cleaner and more sustainable operational environment.

Environmental Performance:

We proactively manage the various types of pollutions from our operations. At the refinery, we are replacing existing silencers in the boiler plant to mitigate noise pollution. We also minimise our soot emission, wastewater discharge and deforestation in all our operations. We have a brine recovery system in place to recover minerals and water in the effluent from the process house.

During the year under review, we continued to assess our environmental performance to determine the measures that are required for continuous improvement. Though our operations are run on gas and LPFO in the event of gas cut from the suppliers, focus is on reducing our impact through the following measures: -

1. Environmental Monitoring by the DSR team, Dangote Group HSSE team and the Nigeria Ports Authority (NPA) Environmental monitoring team.
2. Environmental Management System (EMS) drive towards ISO 14001 Certification
3. Energy Management savings initiatives on optimal/efficient use of the two boilers for production
4. Water savings initiatives which include recovery of regeneration water
5. Emissions – less emissions due to efficient use of gas to fire our boilers.
6. Fine tuning of the boilers to fire with less emission on oil
7. Effluents – controlling the effluent treatment as we commission the Effluent Treatment Plant
8. Waste Management – through waste segregation, less waste generation owing to process optimization

Our vision is to be one of the world's leading integrated sugar producers, respected for the quality of our products and the way we conduct our business.

Our Institutional Sustainability Pillar supports this vision and the drive to build a world class organization centred around high quality product, responsible corporate governance, proactive risk management, effective internal control systems, and sustainability principles that promote legal and regulatory compliance, transparency, integrity, business continuity, purpose driven leadership and the delivery of quality returns for all stakeholders.

Dangote Sugar's approach to corporate governance essentially involves balancing our business interests with those of our valued stakeholders, which include shareholders, employees, customers, suppliers, financiers, governments, and host communities. This consideration is at the heart of our business decisions. We are committed to ensuring that the highest level of governance continues to champion our sustainability vision, goals, and objectives.

We are building an institution that is governed by values and ethical norms of behaviours and where effective governance is flagged as the driver of corporate performance, not just in financial numbers but with key consideration for to social and environmental footprints.

Stakeholders' Engagement

Our stakeholders are entities that are impacted by, or impact our business directly or indirectly. Their concerns and interests are therefore very important considerations in making our business decisions.

Our key stakeholders include employees, investors and shareholders, customers, regulators and government, supply chain partners, banks and financial institutions, (social) media, and so on. Our corporate responsibility is to ensure that they are meaningfully engaged, and to build mutually beneficial relationships with them.

As part of our core business practices, we seek to maintain a very cordial relationship with all key stakeholders. This commitment is driven from the Board of Directors' level, and cascaded down to all function leadership In all areas of our operation, we maintain dialogue with relevant stakeholders. Through continuous engagement, we are able to identify and address critical issues at an early stage. Through this approach, we build mutual trust and respect with local communities.

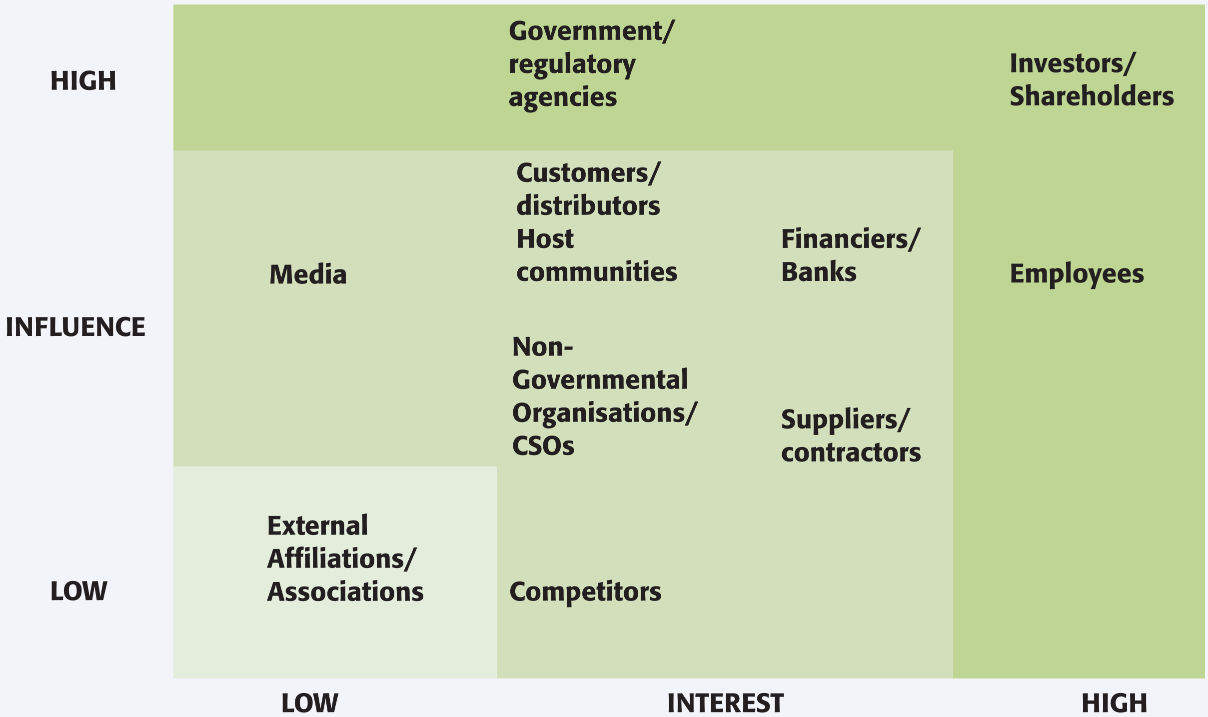
Our stakeholder engagements are designed to identify material issues, and respond appropriately to the key concerns that are raised. We also endeavour to identify the most suitable approaches for engaging our different categories of stakeholders. During the year 2020, various strategies and engagement channels were employed in engaging our key stakeholders. These channels include staff meetings, Annual General Meetings, customers' feedback surveys, market activations, community engagements and town hall meetings, among others. One of such engagements in the year under review was the 2020 Materiality Assessment and ESG Survey, in which our internal stakeholders were engaged. The surveys helped us to elicit the views, and identify the concerns of our employees. The feedback received will be used to set performance enhancement targets and guide our future decisions and actions on ensuring continuous employee satisfaction. In the coming year, we aim to broaden the survey to include investors, host communities, and possibly our supply chain players.

Stakeholder Identification, Categorization And Mapping

Our stakeholders are a critical part of our business. We therefore, ensure that they are effectively engaged and kept up-to-date on our business activities that directly or indirectly affect them. We endeavor to map our stakeholders, categorize and engage them based on the nature of their interests, and the level of influence that they wield over our business. This way, we are certain that all stakeholders no matter their level of influence are being effectively engaged.

Our Stakeholders

Dangote Sugar Stakeholder Mapping

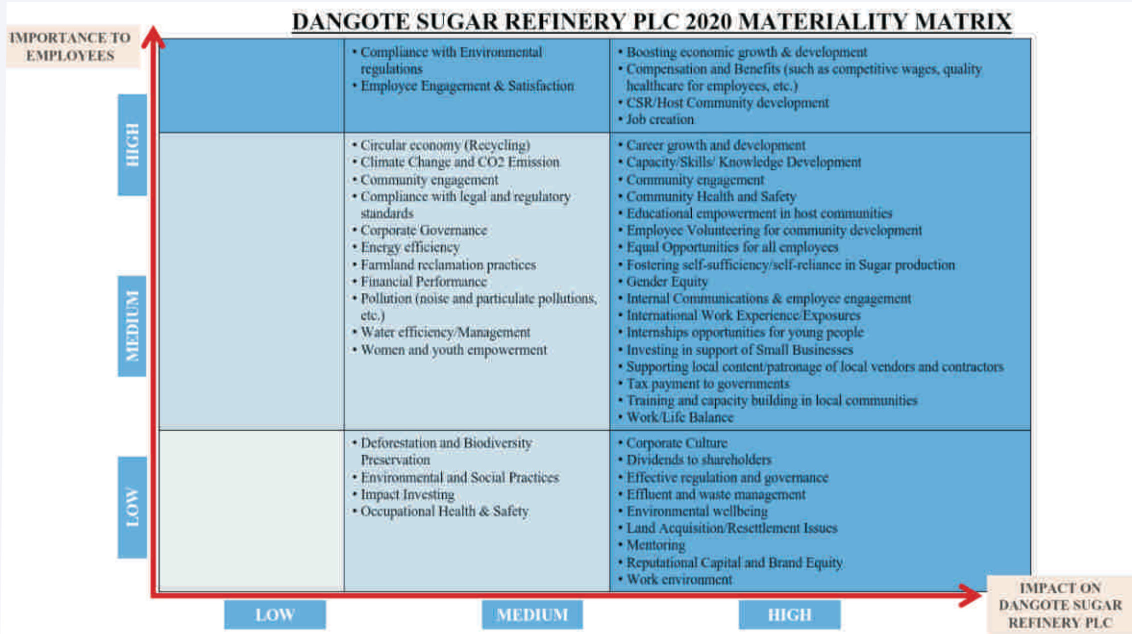


HOW WE ENGAGED OUR DIFFERENT STAKEHOLDER(S) IN 2020

Stakeholder(s)	Engagement Method	Frequency	Key Topics Raised
Employees The key resource for competitive advantage, innovation, and sustainable growth	Meetings in small groups, one-on-one engagement, notice board, emails, newsletters, sustainability reporting, surveys, awards, and recognition, etc.	As required and/or the need arises	Career growth and development, compensation and benefits, sustainability performance and reporting, equal opportunities for all employees, skill/knowledge development, health, and safety, etc
Vendors, suppliers, and contractors Critical component of the value chain	Emails, letters, one-on-one engagements, meetings	Regular	Requirements, Products and service quality, workers security, pricing, invoices and payments, aftersales support and efficiency
Distributors and customers Key partners and Principal source of sustenance	Emails, letters, visits/one-on-one engagements, meetings, customer service week	As required and/or the need arises	Social investment, environmental impacts, safety, local employment, youth empowerment, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure
Host communities Key stakeholders in the business	One-on-one engagements, town hall meetings, interest groups communications, surveys	As required and/or the need arises	Social investment, environmental impacts, safety, local employment, youth empowerment, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure
Government/ Regulatory agencies Stakeholders in sustainable development	Official letters/mails, periodic assessments, compliance filing and reporting, annual financial report, sustainability report	As required and/or the need arises	Formal notices, applications, policies and regulations, compliance, tax

HOW WE ENGAGED OUR DIFFERENT STAKEHOLDER(S) IN 2020 *Cont'd*

Stakeholder(S)	Engagement Method	Frequency	Key Topics Raised
Media Stakeholders in sustainable development	Press releases, media parley, sustainability report, annual financial report, conferences	As required and/or the need arises	Governance restructuring, Advertisement, public service announcements, social and environmental impacts
Financial Institutions Bankers and Providers of capital	Banking operations, Annual financial report, sustainability report, meetings	Daily Weekly and/or the need arises	Iinvestments opportunities, loan financing, credit negotiations, interest rates.
Labour Unions Stakeholders in sustainable development	Meetings, emails, letters, sustainability report	As required and/or the need arises	Labour laws and regulations, productivity, employees' rights and obligations, safe working conditions, compensations, and benefits.
External Affiliations/ Associations Stakeholders in sustainable development	Letters, meetings, sustainability report, workshops, other forums	Monthly, biannually, annually	Memberships subscriptions, partnerships, policy reviews
Investors/ Shareholders Owners and providers of capital	Annual General Meetings, investors relations forum, quarterly and annual financial reports releases/presentations, sustainability report, newsletters	Continuous	Business Strategy, financial performance, dividends, bonus shares, corporate governance, board composition, corporate actions, external reporting, ESG compliance
Non-Governmental Organisations Stakeholders in sustainable development	Annual financial report, sustainability report, meetings, partnerships	As required and/or the need arises	Community development, environmental impacts, social initiatives, partnership for sustainable development



ESG Compliance

As a responsible corporate citizen, we are aware that our business operations must not be carried out at the expense of the environmental and social wellbeing of our stakeholders and the larger society. We therefore endeavor to comply with all applicable laws and regulations in our areas of operations.

As part of our sustainability approach, we strive to ensure compliance with relevant ESG principles, laws, and regulatory requirements such as the United Nations Global Compact (UNGC) Ten Sustainability Principles, the Nigerian Stock Exchange's Sustainability Disclosure Guidelines, the SEC Code of Corporate Governance, the Nigerian Code of Corporate Governance, and other applicable regulations. Also, we endeavor to benchmark our ESG performance with local and global peers and best practices. We encourage environmental, social and governance best practices in every area of our business, including our supply chain.

In the year under review, no case of ESG non-compliance was reported in our operations.

Given the current national and global trends of rising trade barriers, reversal of capital flows, increased monetary tightening and high political risks, our outlook for risk management is to ensure that these factors which may be seen as major downside risks are proactively assessed, measured and effectively managed to ensure that our growth prospects are not threatened. We have put strategies an place to effectively drive our vision for growth, sustainability and the creation of value for shareholders.

These drivers ensure that we are able to respond to any challenge or volatility in our business environment in a proactive manner. Another key driver for our risk management strategy is the effective engagement of all internal and external risk management stakeholders at operational, and strategic levels. This outlook has enabled us to promptly anticipate prevalent and emerging risks for the purposes of achieving effective decision making, focused on creating a resilient and sustainable business.

The Risk Management Process
We believe that the proactive identification and management of risks are central to achieving the corporate purpose of creating long-term shareholder value, as demonstrated by our fit-for-purpose approach to risk management. The principal aim of Dangote Sugar Refinery's risk management governance structure and internal control systems is to identify, evaluate and manage risks with a view to enhancing the value of shareholders' investments and safeguarding assets.

Our risk management process is disciplined and methodical, to ensure value addition and protection for the Group, with processes that ensure appropriate ownership of risk and accountability of all stakeholders in the risk management value chain. We ensure collaboration between risk managers and process owners across the business. Measurement of risk takes into consideration our risk appetite, tolerance limits, and desired risk profiles to avoid misrepresentation of our risk profile.

Risk Identification and Assessment
Our approach stresses that good risk management starts with the right conversations to drive informed and superior business decision-making. This ensures that we embed accountability for managing risk into our business structures. Procedures for identifying risks are applied at department, subsidiary, and group levels.

Qualitative and quantitative tools are deployed to manage this process effectively across the organization including the conduct of risk and control self-assessments, key risk indicator monitoring, loss incident reporting and timely key risk reporting and escalation. These processes are supplemented with ad-hoc on-site assessments and root cause analysis when unexpected high risks are envisaged or occur.

Risk Measurement and Prioritization
This requires the quantification of the consequences of potential risks or actual risk incidents for proper understanding of risk taking and prevalent or potential risk exposures by relevant stakeholders. In Dangote Sugar Refinery, overall risk rating is based on the severity of impact whether financial or non-financial damage from each specific risk, multiplied by its probability or frequency of occurrence.

Risk Control and Reporting
Following proper identification, quantification and treatment of existing and potential risks, mitigation strategies are recommended for approval by DSR's Management on a monthly basis, and to the Board on a quarterly basis. Thereafter, the status of implementation is monitored and also, reported to both decision-making authorities. Where necessary, special risk reports are sent to relevant stakeholders on a need-to-know basis. The Board Audit, Compliance and Risk Management Committee reviews risk reports and approves the implementation of recommended risk control measures on behalf of the Board.

Risk Monitoring
The Group Risk Management Department, headed by the Group Chief Risk Officer, is responsible for coordinating all the risk management processes implemented across the Group and ensures that risk controls are duly implemented. Where risk controls remain outstanding, the department ensures timely escalation to relevant approving authorities for the required budgetary approvals or control modifications. The risk monitoring process sometimes leads to the identification and assessment of new risks that are then analyzed using the process flow previously described.

Three Lines of Defence
Our risk culture in Dangote Sugar Refinery Plc is driven by key principles embedded in our Enterprise Risk Management Framework. These principles are built around the "Three Lines of Defence". The first line of defence comprises the revenue-generating and customer-facing areas, alongside all associated support functions. The first line identifies the risks, and sets the policies, standards, and controls, within the criteria set by the second line of defence. It continuously monitors risk positions and reports

inherent risks to relevant stakeholders.

The second line of defence requires risk and compliance oversight of the activities of the first line of defence, setting the limits, rules, and controls, consistent with the risk appetite of the Group. It ensures a holistic approach to risk management and risk reporting.

The third line of defence requires internal audit providing independent assurance to the Board and Executive Management on the effectiveness of the activities of the first and second lines of defence. The Legal function does not sit in any of the three lines but supports all three levels of defence and plays a role in overseeing legal risk.

The Legal function is also subject to oversight from the Risk and Compliance functions with respect to the management of operational risks. Together with a governance process through the Audit, Compliance and Risk Management Committee and Board-level forums of DSR subsidiaries, the main Board of Dangote Sugar Refinery receives regular information in respect of the risk profile of the Group and has ultimate responsibility for setting its risk appetite and required capital expenditures.

Risk Appetite

All decisions are made with good consideration of the risk and reward balance to ensure all activities are economically viable after due consideration of risk treatments. DSR's risk appetite is always considered when making such decisions. Our Board has responsibility for determining the level of risk to be taken. It also determines the overall strategic direction for the business, and as part of this process, determines the Group's risk appetite.

Risk appetite defines the level of risk we are willing to take as a business for all types of risk whilst considering varying levels of financial and non-financial impact to the business. Setting the organization's risk appetite is key for our decision-making process, including business planning, operations, new product reviews and approvals alongside consideration of business change initiatives. Following the Board's approval of the risk appetite statement, the year under review saw the Risk Management function commence the process of quantification of its risk appetite statement hinged on converting the Group's qualitative risk appetite statement to a series of metrics which would translate specific value drivers into series of limits and tolerance levels for effective risk monitoring. Tolerance levels define escalation requirements that enable appropriate actions to be considered and implemented as required.

By applying scaled limits across all our strategic and operational activities, we control specific activities that may have material concentration and impact on our business.

The management of risk is embedded in each level of our business, with staff being responsible for the understanding and management of these risks. This is carried out by specifying responsibilities according to the "three lines of defence" with each line of defence overseen by responsible personnel, resulting in preserving a strong design, implementation, remediation, monitoring, and testing framework focused on independence and robust governance.

Risk Reporting Escalation and Treatment

1. **Board:**
   - Sets the tone for effective risk management in DSR; and
   - Delegates its oversight responsibilities to the Board Audit, Compliance and Risk Management Committee and ensures it receives quarterly updates on the DSR's risk management profile.

2. **Board Risk Management & Assurance Committee**
   - Approves DSR's risk management framework and applicable policies;
   - Approves methodologies for management of all types of risks;
   - Approves DSR's risk management strategy and risk appetite; and

- Supervises and monitors DSR's risk appetite.

3. Executive Management Committee

- Promote risk culture and desired risk behavior in decisions being made;
- Ensure macro and micro risk management by limits monitoring for acceptable risk exposures; and
- Monitor positions on an ongoing basis and report inherent and emerging risks to relevant stakeholders.

4. Group Chief Risk Officer

- Responsible for management of all types of risk exposures identified across the Group;
- Holistic monitoring, analysis, and reporting of all identified and likely risk exposures; and
- Organization of all day to day risk management activities.

5. Risk Management Function

- Understand business dynamics and complexities for apt risk management;
- Implement DSR's Risk Management Framework;
- Liaise with all stakeholders to ensure all risk management processes are effectively deployed;
- Promote a strong risk management culture and desired risk behavior in decisions being made;
- Ensure macro and micro risk management by limits monitoring for acceptable risk exposures; and
- Continuously monitor positions and report inherent risk to relevant stakeholders.

6. Specialized Risk Sub-Committees

- Standing and Ad-hoc committees set up to tackle specific risk issues such as DSR's Management Credit Committee.

7. Audit

- Understand the business of Dangote Sugar Refinery and its prevalent or likely risks;
- Ensure that business owners and risk management staff identify and control risks in a timely and optimal manner by providing independent oversight on the proper implementation of policies and procedures deployed organization wide;
- Ensure documented and relevant Policies and Standard Operating Procedures exist for all business and operational activities of DSR; and
- Ensure all process owners adhere to defined policies and procedures of DSR.

Principal Risks

I. Impact of truck unavailability and reliability due to gridlocks and spare parts/Tyres respectively
ii. Concentration risk with regards annual volumes lifted by few key Corporate Customers
iii. IT infrastructure not manned enough to support business operational needs
iv. Threat from political instability and security threat across some of our key markets in Maiduguri and North East.
v. Threat of margins shrinking due to cut-throat competition by competitors.
vi. Threat to our HSSE goal and targets for safety
vii. Credit risk of financial loss arising from Clean Credit funding of Credit Sales to Customers.

Strategic Objective	Principle Risks	Mitigation Efforts
1. Focus on optimizing the efficiency of our existing assets to increase output and lower costs	• Impact of political instability or social unrest that disrupts our Backward Integration Projects (BIP) ability to progress as desired and distribute sugar. • Fuel supply disruption • Unscheduled operational downtime. • IT disruptions through inadequate support of IT Operations. • Increase in input costs, especially for key imports such as gas and fuel.	• Development of a robust Business Continuity Management System. • Provision of In-house security personnel to ensure protection of staff and assets. • Constant monitoring of local situations especially at the BIP sites. • Ongoing strategies for business continuity and crisis management. • Greater control of own fuel supply chain. • Selection of more reliable fuel suppliers.

Strategic Objective	Principle Risks	Mitigation Efforts
		• Constant monitoring of IT systems and regular maintenance thereof. • Improvements in spare parts inventory and management. • Development and maintenance of an appropriate IT systems to support our enterprise and ensure proper training and use of same. • Review of critical systems deployment and use, whilst ensuring systems deployed are fit-for-purpose and where necessary are upgraded to suit business needs. • Ongoing group-wide revaluation of assets.
2. Increase market leadership to attain at least 60% market share	• Truck unavailability due to inefficient management, offloading delays, accidents, lack of maintenance and spare parts. • Competitive pricing pressures. • Concentration risk with regards to key corporate customers. • Disruption of Refinery operations resulting in product scarcity in the market.	• Investment in new trucks, improvements in logistics management systems, better training of drivers and mechanics, constant monitoring of truck conditions, better standards of maintenance at depot and reduced turnaround times for goods in transit and returning trucks. • Achieve market share sufficient to be "price maker". • Focus on product quality, cost, and service as differentiators. • Improve marketing and sales reach by activating more retail outlets. • Develop broader product ranges to address specific target market needs. • Widen distribution with focus on retail and trade customers to reduce reliance on larger Corporate Customers for significant volumes and margin. • Develop retail channels, through Container Programme in Nigeria, or by increasing the spread of DSR's warehouses. • Improved incentivization of sales staff and key distributors, with clear performance targets. • Continuous deployment of initiatives for optimization of assets.

Strategic Objective	Principle Risks	Mitigation Efforts
3. Tap into high-value export markets, generating useful foreign currency that we can deploy outside of Nigeria	• Border shutdowns. • Bureaucratic bottlenecks. • Lack of product awareness in local markets. • Truck unavailability or inefficient logistics	• Understand customs procedures for exports and engage local customs for knowledge on areas that require process improvement. • Penetrative marketing and brand building in potential territories for export. • Improved and diverse marketing strategies to grow market share.
4. Expand prudently into attractive and high-growth sugar markets across Sub-Saharan Africa	• Continued foreign exchange controls in Nigeria prevent investment outside the country. • Lack of available foreign currency. • Market saturation increases competition, reduces prices and creates overcapacity.	• Pursue opportunities for FX generation organically through exports from Nigeria. • Work with regulators to source FX as required. • Assess opportunities of external funding through international debt or other sources of financing to fund the Business Integration Projects (BIP). • Identification and continuous monitoring of potential markets with rigorous criteria set for market entry.
5. Adhere to high standards of corporate governance and improve our efforts in sustainability.	• Harm to staff and or assets, or any disruption caused by poor community relations which impact revenue, increase costs and or legal issues for DSR. • Reputational damage caused by environmental or safety incidents at Refinery or during transportation of goods. • Stakeholder concerns about corporate governance.	• Focus on improving community relations through increased engagement before and during operations and increasing opportunities for employment of youths. • Improved health and safety practices through deployment of global best practices, more training on safety awareness, improved reporting, and adoption of the 15 Golden Safety Rules. • Increased environmental awareness, monitoring, reporting and mitigation of threats. • Improved driver training to reduce road accidents. • Adoption of international best practices in corporate governance, including increasing the number of Independent Directors with cognate experience. • Continuous and transparent engagement with investors and other external stakeholders.

Internal Audit

At Dangote Sugar Refinery Plc., the approach to internal audit is centered on an Enterprise Risk Management (ERM) Framework and a Risk-Based Audit Approach, both of which strengthen and complement how we manage risk. This approach provides an assurance that the processes that manage risks to a level considered acceptable by the Board, are working effectively and efficiently, whilst focusing on key processes and controls.

The Board of Directors of DSR Plc. recognizes the importance of internal auditing and has adopted the definition of internal auditing by the Institute of Internal Auditors. Consequently, the Board documented its operating model for carrying out internal audit activities within the Company in an Internal Audit Charter.

The Charter describes the objectives, scope, authority, and responsibility of the Internal Audit Function in achieving internal audit objectives within the Company and is adhered to strictly by both the Board Risk Management and Assurance Committee and the Internal Audit Function.

The Internal Audit department across the DSR Plc. has been fully resourced consistent with the agreed manning level as approved by the Board Risk Management and Assurance Committee.

Dangote Sugar Refinery Plc.'s outlook for the future is based on an intentional and entrepreneurial vision for growth, sustainability and value creation. As it continues to grow and expand its business, a more sophisticated and granular methods would be applied in the management of the risk's organization wide.

Whistle-Blowing

The Company has set up regulations to identify non-compliant events, as well as the implementation of a whistle blowing policy, which allows all employees and business partners to raise genuine concerns, in good faith, without fear of reprisals.

Guiding principles over the Whistle-Blowing process include ensuring that the confidentiality of the whistle blower is maintained and not disclosed without his/her formal consent. Furthermore, if the whistle blower raises a concern in good faith, he or she will not be held liable, should the whistle blower be proven to be incorrect thereafter.

To maintain the integrity of the Whistle-blowing process, a consultant was engaged in 2016 to receive whistle blower information or complaints. The consultant has continued to provide whistle blower complaints to identified individuals within the Company based on the category of persons involved in the whistle blowing complaint.

In addition, the company also set up a strong internal reporting process and create awareness to encourage speak -up on non – compliance situations.

The Internal Audit department has developed a process to carry out necessary investigations on relevant items and provide recommendations and reports to the Board Risk Management & Assurance Committee on the results of these investigations. In addition, the Internal Audit department continued to engage with various Process Owners in a proactive manner to further improve the control environment.

This report provides an overview of our key performance and gives updates on various sustainability and non-financial initiatives undertaken by our company in 2020. The data presented in this Report covers our full year, spanning 1 January to 31 December 2020. It also covers activities carried out in our headquarters in Lagos, Nigeria and other locations of our operations in Nigeria, including Numan, Adamawa State; and Tunga, Adamawa State. The report further highlights our future plan and ambition in our journey of building a sustainable Dangote Sugar business.

The Sustainability report is structured along our 7 Dangote Sustainability Pillars and is combined with our Annual Financial Report.

The report articulates how we have identified and managed matters that DSR and its key stakeholders consider to be material for our business operations in the year under review. To identify the material issues in 2020, we deployed an Employee survey. The feedback received enabled us to determine key issues that are important to our employees and their perception of how we are performing in our sustainability journey. It also enabled us to generate DSR's 2020 Materiality Matrix. This report also gives insight into our stakeholder engagement approaches and how we have responded to the needs and issues raised by our key stakeholders.

GRI-Referenced Service

This Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and thus adopts the "GRI-Referenced" claim. It is our first GRI-Referenced Sustainability Report. This has guided our selection of the required indices from the Global Reporting Framework to report on – in line with our economic, social and environmental performance - and thus ensured transparency on how we have applied the standards.

Other Reporting Framework

This report has also been cross referenced with other framework for sustainable development such as the United Nations' Sustainable Development Goals – a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity; and the United Nations Global Compact - a voluntary initiative based on CEOs' commitments to implement universal sustainability principles and to undertake partnerships in support of the UN Goals.

OUR REPORTING PRACTICE *Cont'd*

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	SDGS	UNGC	NSE	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
RULES AND BASIS FOR REPORTING						
GRI 101: Foundation 2016		Rules and basis for reporting				
ORGANIZATIONAL PROFILE						
GRI 102: General Disclosures 2016	102-1	Name of the organization				Cover page,
	102-2	Activities, brands, products and services				7-8
	102-3	Location of headquarters				3-4
	102-4	Location of operations				3-4, 22-32
	102-5	Ownership and legal form				3-4
	102-6	Markets served				22-32
	102-7	Scale of the organisation				22-32
	102-8	Information on employees and other workers				53-54
	102-9	Description of the supply chain	Goal 9 & Goal 12			24-32
	102-10	Significant changes to the organisation and its supply chain				24-32
	102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation		Environment: Principle 7		72-73
	102-12	Externally developed economic, environmental, and social statements, principles, or other initiatives adopted or endorsed by the organisation			Social, Environment	42-43, 46-49, 72-73
	102-13	Membership in associations and organisations				49
	102-14	Statement from senior management				14-17, 36-39, 45
	102-15	Key impacts, risk, and opportunities				80-85

						ETHICS AND INTEGRITY
GRI 102: General Disclosures 2016	102-16	Values, principles, standards and norms of behaviour.	Goal 16			2, 10
	102-17	Mechanisms for advice and concerns about ethics				102, 116,
						GOVERNANCE
GRI 102: General Disclosures 2016	102-18	Governance structure			Governance	33-35, 111-113
	102-19	Delegating authority				33-35, 111-113
	102-20	Executive-level responsibility for economic, environmental and social topics	Goal 3			33-35, 111-113
	102-21	Consulting stakeholders on economic, environmental, and social topics				46-49, 74-79
	102-22	Composition of the highest governance body and its committees	Goal 16			111-113
	102-23	Chair of the highest governance body	Goal 16			111-113
	102-24	Nominating and selecting the highest governance body	Goal 5 & Goal 16			111-119
	102-25	Conflicts of interest	Goal 16			111-119
	102-26	Role of highest governance body in setting purpose, values and strategy			Governance	33-35, 111-119
	102-27	Collective knowledge of highest governance body				111-119
	102-28	Evaluating the highest governance body's performance				111-119
	102-29	Identifying and managing economic, environmental, and social impacts	Goal 16			74-79,
	102-30	Effectiveness of risk management processes				80-85
	102-31	Review of economic, environmental, and social topics				74-79, 46-49
	102-32	Highest governance body's role in sustainability reporting			Governance	33-35, 111-119
	102-33	Communicating critical concerns				74-79
	102-34	Nature and total number of critical concerns				74-79
	102-35	Remuneration policies				97-109
	102-36	Process for determining remuneration				97-109
	102-37	Stakeholders' involvement in				74-79, 94-109

STAKEHOLDER ENGAGEMENT						
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups engaged by the reporting organisation				74-79
	102-41	Employees under collective agreements				No data/information
	102-42	Basis for identification and selection of stakeholders involved by the organisation				74-79, 46-49
	102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group				74-79
	102-44	Key topics and concerns raised by stakeholders and the organization's response, also through their reporting				74-79
REPORTING PRACTICE						
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statement				121-187
	102-46	Process for defining the report content				86
	102-47	Identified important topics				74-79, 86
	102-48	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement and their impact (e.g., mergers, acquisitions, change of base years/periods, nature of business, measurement methods)				86
	102-49	Significant changes from the previous report regarding the scope, reach or measurement methods employed in the report				86
	102–50	Reporting period				86
	102-51	Date of most recent previous report (if any)				86
	102-52	Reporting cycle				86
	102-53	Contact data				3-4
	102-54	Indication of whether the report was compiled as per the GRI Standard in the Core or Comprehensive option				GRI Referenced 86
	102-55	GRI Index				87-95
	102-56	Policy and current practice with regard to seeking external assurance for the report				46-49, 86

TOPIC INDICATIONS			GRI 200: ECONOMIC STANDARD SERIES 2016			
						ECONOMIC PERFORMANCE
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				59-67
	103-2	Management approach and its elements				59-67
	103-3	Assessment of management approach				59-67
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed (including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments)	Goal 1, Goal 2, Goal 8, Goal 11,		Economic	59-67
						TAX PAYMENT
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				121-187
	103-2	Management approach and its elements				121-187
	103-3	Assessment of management approach				121-187
GRI 207: Tax 2019	207-1	Approach to Tax				121-187
	207-2	Tax, governance, control, and risk management				80-85, 121-187
	207-3	Stakeholder engagement and management of concerns related to tax				121-187
	207-4	Country-by-country reporting				130, 136, 121-187
						INDIRECT ECONOMIC IMPACTS
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				59-67
	103-2	Management approach and its elements				59-67
	103-3	Assessment of management approach				59-67
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 9			59-67
	203-2	Significant indirect economic impacts	Goal 1, Goal 3, Goal 8, Goal 10		Economic, Social	59-67

ANTI-CORRUPTION						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				102, 104
	103-2	Management approach and its elements				102, 104
	103-3	Assessment of management approach				102, 104
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Goal 16	Anti-corruption: P10		102, 104
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16	Anti-corruption: P10		102, 104
TOPIC INDICATIONS			**GRI 300: ENVIRONMENTAL STANDARDS SERIES**			
MATERIALS						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				72-73
	103-2	Management approach and its elements				72-73
	103-3	Assessment of management approach				72-73
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goal 6			72-73
	301-2	Recycled input materials used	Goal 6 & Goal 9			72-73
ENERGY						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				72-73
	103-2	Management approach and its elements				72-73
	103-3	Assessment of management approach				72-73
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Goal 7			72-73, 44
WATER AND EFFLUENTS						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				72-73
	103-2	Management approach and its elements				72-73
	103-3	Assessment of management approach				72-73
GRI 303-1: Management Approach 2018	303-1	Interactions with water as a shared resource				72-73, 44
GRI 303-2: Management Approach 2018	303-2	Management of water discharge-related impacts				72-73, 44
GRI 303: Water and Effluents	303-5	Water consumption	Goal 6	Environment: P8		72-73, 44

ENVIRONMENTAL COMPLIANCE						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				72-73
	103-2	Management approach and its elements				72-73
	103-3	Assessment of management approach				72-73
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Goal 16			72-73
TOPIC INDICATIONS			**GRI 400: SOCIAL STANDARDS SERIES**			
EMPLOYMENT						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				53-55
	103-2	Management approach and its elements				53-55
	103-3	Assessment of management approach				53-55
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Goal 8		Social	53-55
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Goal 8		Social	53-55
	401-3	Parental Leave				53-55
TRAINING AND EDUCATION						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				55
	103-2	Management approach and its elements				55
	103-3	Assessment of management approach				55
GRI 404: Training and Education 20 16	404-1	Average hours of training per year per employee	Goal 8			55
	404-2	Programs for upgrading employee skills and transition assistance programs	Goal 8			55
DIVERSITY AND EQUAL OPPORTUNITY						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				53-55
	103-2	Management approach and its elements				53-55

GRI 405: Diversity and Equal Opportunity 2016	103-3	Assessment of management approach				53-55
	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, and other indicators of diversity	Goal 5	Labour: P6		53-55
						CHILD LABOR
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				46-52
	103-2	Management approach and its elements				46-52
	103-3	Assessment of management approach				46-52
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Goal 8	Labour: P5		46-52
						FORCED OR COMPULSORY LABOR
GRI 103: M Management Approach 2016	103-1	Explanation of topics identified as significant, with an				46-52
		indication of their restriction				46-52
	103-2	Management approach and its elements				46-52
	103-3	Assessment of management approach				46-52
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of compulsory labour	Goal 8	Labour: P4		46-52
						LOCAL COMMUNITIES
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				56-58, 64-67
	103-2	Management approach and its elements				56-58, 64-67
	103-3	Assessment of management approach				56-58, 64-67
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Goal 3, Goal 4, Goal 5, Goal 6, Goal 7, Goal 17			56-58, 64-67
						PUBLIC POLICY
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				97-109
	103-2	Management approach and its elements				97-109

	103-3	Assessment of management approach				97-109
GRI 415: Public Policy 2016	415-1	Political contributions	Goal 16			No contribution from the government
MARKETING AND LABELING						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				8-10
	103-2	Management approach and its elements				8-10
	103-3	Assessment of management approach				8-10
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Goal 12		Social	8-10
	417-2	Incidents of non-compliance concerning product and service information and labeling	Goal 12			8-10
	417-3	Incidents of non-compliance concerning marketing communications				8-10

DANGOTE SUGAR

DANGOTE SUGAR REFINERY PLC

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Governance, Risks and Compliance are the three broad facets of our institutional pillar. Our business activities are governed by integrous and ethical business behaviour. These conducts are defined by policies which guide the way we do business and engage with internal and external stakeholders. The policies also ensure that we comply with statutory laws and regulations that are directly and indirectly related to our operations for the long-term profitability and sustainable growth of our business.

Board Structure & Composition

The Board of Dangote Sugar Refinery PLC. (DSR) was composed of nine (9) Directors including one Independent Non-executive Director as at December 31, 2020. The age range on the Board is adequate and the female gender representation is 22% of the Board.

The Board exercises leadership, enterprise, integrity and judgment in its oversight and control of the Company. Some of the characteristics of the Board members of Dangote Sugar Refinery PLC are as follows:

- They respect clear division of the roles between Management and Board.
- They take advantage of cutting-edge technology to improve overall performance.
- They are forward looking and periodically conducts self-assessment objectively.
- They develop Board dynamics that promote an environment of mutual trust.
- They engage external Consultant to advice where necessary.

Members of the Board have a wide range of experiences, including Business and Entrepreneurship, Finance and Accounting, Investment, Information Technology, Law, Banking, Administration, Risk Management and Strategy & Business Development.

To safeguard the objectivity and independence of the Board, no individuals have unfettered powers of decision making and there is no cross-membership on the Board of competing companies.

Changes in the Structure & Composition of Board

During the review period, the following changes were made to the structure and composition of the Board:

- Mr. Ravindra Singhvi, Executive Director was elevated to the position of Group Managing Director/CEO.
- Mr. Uzoma Nwankwo (Non-Executive Director) was admitted to the Board Finance Committee as the Committee Chairman.
- On the Board Governance Committee, Mr. Olakunle Alake and Ms. Bennedikter Molokwu were admitted as members, and Prof. Konyinsola Ajayi retired as Chairman while Ms. Molokwu assumed the role of Chairman.
- On the Board Risk Management & Assurance Committee, Mr. Uzoma Nwankwo retired as the Chairman while Ms. Maryam Bashir was appointed as Chairman

Board of Directors

The following were Directors of the Company who served during the period under review:

S/N	Director	Role
1	Alhaji Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Group Managing Director/CEO
3	Alhaji Sani Dangote	Non-Executive Director
4	Mr. Olakunle Alake	Non-Executive Director
5	Ms. Maryam Bashir	Independent Non-Executive Director
6	Ms. Bennedikter Molokwu	Non-Executive Director
7	Prof. Konyinsola Ajayi	Non-Executive Director
8	Mr. Uzoma Nwankwo	Non-Executive Director
9	Alhaji Abdu Dantata	Non-Executive Director

The Roles & Responsibilities of the Board

The primary responsibilities of the Board are the performance of oversight of the affairs and direction of the Company. The Board is responsible for defining the Company's strategic goals and deploying the relevant personnel for the attainment of these goals. Additionally, the Board has supervisory oversight in ensuring that the Company's affairs are run in compliance with the law, its Articles of Association, and principles of good corporate governance.

Some of the functions carried out by the Board in the fulfilment of its mandate include:

a. Defining the vision, goals, objectives, and strategic priorities of the Company.

b. Presentation of the audited financial statements to the shareholders and ensuring the accuracy and efficiency of the accounting and financial management.

c. Monitoring the integrity of financial and internal control policies and management information systems.

d. Reviewing the short, medium and long-term strategic and financial plans; including the review of the Company's annual budget and major risks to the Company.

e. Considering the recommendations of the Board Governance Committee for the appointment of Directors and recommending same to Shareholders for approval at the General Meeting of the Company.

The Roles of the Officers of the Board

The Chairman of the Board

The Chairman provides overall leadership and direction to the Board. His primary responsibility is to ensure effective operation of the Board such that it works towards achieving the Company's strategic objectives, enhancing shareholder value. He ensures that all members of the Board are fully informed, involved and well trained and that the Executives and Management are effective.

The Independent Non-Executive Director

The Independent Director provides objective and independent advice and guidance to the Board on various issues, and ensures that the interests of all stakeholders, including those of minority shareholders, are well considered in decisions taken by the Board.

The Non-Executive Directors

The Non-Executive Directors bring to bear their knowledge and expertise on issues of strategy and performance on the Board. The Non-Executive Directors are not involved in the day-to-day management of the Company, but have unfettered access to the Company Secretary, the Internal Auditor, and other senior Management Staff.

Group Managing Director/CEO

The Group Managing Director/CEO is the Head of Management and is responsible for the day-to-day management of the Company in accordance with the delegated powers of the Board. He has a broad understanding of the Company's business and delegates duties to Management and Management Committees to ensure the implementation of the directives of the Board towards attaining the strategic objectives for sustainable corporate performance.

The Company Secretary

The Company Secretary is accountable to the Board as a whole and advises the Board through the Chairman and the Group Managing Director on all matters of governance and ethics, including their duties and responsibilities as well as ensuring compliance with the Companies & Allied Matters Act 2020 (CAMA), Nigerian Code of Corporate Governance (NCCG) 2018, Securities & Exchange Commission Code of

Corporate Governance for Public Companies 2011, the Listing Rules of the Nigerian Stock Exchange, the requirements and the Articles of Association of the Company and extant laws, rules, codes, and regulatory circulars amongst others. The Company Secretary assists the Chairman by providing guidance on the mechanisms for induction of new members and the continuing education of the Board.

Appointment to the Board
The Board Governance Committee (BGC) has the primary responsibility for initiating Board appointments. The criteria for the appointment of members to the Board are laid down in the Board Succession Planning Policy which is through a formal, transparent and rigorous process.

New members are selected based on their wealth of experience, relevant leadership skills, and competence amongst others. The process of Board appointments is well defined and helps to ensure continuity in the operations of the Company thereby enhancing stakeholders' confidence. The process is concluded when the nominees are duly approved by Shareholders at the Annual General Meeting.

Continuing Education for Directors
Every good business must train and educate their Board of Directors, and continuously horn their skills to improve performance. This important investment in their leadership is vital given the oversight role of the Board and the ever-increasing responsibilities placed on the Directors.

The Board attended a seminar titled 'Effective Director Seminar' organized by the Lagos Business School. There was an overview of the Economy, and Key Business Risks & Recent Corporate Governance Developments in Nigeria. Key governance issues discussed were The Role & Responsibilities of a Director, Enterprise-wide Risk Management, and Board Financial Issues & Financial Oversight.

The Board also attended a 2-day training by the Wharton University of Pennsylvania, (Aresty Institute of Executive Education) titled "Boards that Lead'. The Day 1 of the Program focused on building Boards to lead and partner with Management, restructuring the Board for a new company strategy and taking charge of a Boardroom and emergent issues for Boards. The Day 2 of the Program helped to familiarize Directors with a cutting-edge dashboard that provides visibility to businesses, to explicitly measure the Company's key value drivers to help the Directors evaluate the Company's strategic decisions more proactively.

The training experience was virtual and interactive with live synchronous learning. There was strong participant engagement through individual exercises, group work and peer-to-peer dialogue. The training was overall impactful and the feedback from participants and from the faculty was impressive.

Induction & Onboarding
The Company has in place a robust Induction and Onboarding Programme to familiarize newly appointed Directors with their role, duties and responsibilities; the Company's business and operations; and the nature of the sugar refinery industry amongst others. The Induction programme includes meetings with key officers of the Company, and a tour of the Refinery, Backward Integration Project sites, and the Subsidiaries.

General Meetings Held in 2020
The Annual General Meeting (AGM) to consider the Annual Report and the Financial Statements for the year ended December 31, 2019 was held on July 9, 2020 at the Eko Hotel and Suites, Victoria Island, Lagos. On the same day, and at the same venue, an Extra-Ordinary General Meeting (EGM) of the Company was also held to transact '*Special Business*.'

In the interest of public safety and having regard to the Nigerian Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, and the restrictions on public gatherings by the Lagos State Government, attendance at the General Meetings was by Proxy only.

It is requested that the duly executed Proxy Form should be lodged at the office of the Company's Registrars, Veritas Registrars Limited, or sent to the Registrars by email not later than 48hours before the time appointed for the AGM or 24hours before the time appointed for the EGM.

The Company made arrangements at its cost, for the stamping of the duly executed Proxy Forms submitted to the Company's Registrars within the stipulated time. The Meetings were streamed live online to enable shareholders and other stakeholders who were unable to physically attend the meetings to follow the proceedings. The link for the live streaming of the Meeting was made available on the Company's website at www.dangotesugar.com.ng.

Shareholders were also given the opportunity to submit their questions to the Company prior to the date of the Meetings.

The approval of the Corporate Affairs Commission

(CAC) was sought and obtained to hold the Extra-Ordinary General Meeting in line with the guidelines on holding of General Meetings of public companies using proxies.

Shareholder's Rights & Investor Relations
Over the years the issue of Unclaimed Dividend has been a major concern to Capital Market Regulators, Public Listed Companies, Investors, and other stakeholders. The Securities & Exchange Commission (SEC) has made several efforts to curtail the growth of unclaimed dividend, including introduction of electronic payment of dividend, consolidation of multiple accounts and public sensitization amongst others geared towards increasing investor confidence. Notwithstanding the steps taken, the national value of unclaimed dividend has grown to over N200bn.

Recent Development - Finance Act 2020
Section 432 of the Companies & Allied Matters Act (CAMA) 2020 provides that dividends that remain unclaimed after 12 years should be included in the profit of the company for distribution to other Shareholders, to enhance the company's growth by ploughing back the funds into its operations. However, the Federal Government in the Finance Bill 2020 sought to reverse this position vide S.39 of the Bill.

Industry stakeholders expressed their views on the Finance Bill 2020 and the plans by the Federal Government to take over unclaimed dividends of public listed companies, they canvased that:

- The move would impact negatively on the capital market as it would discourage investment and has huge consequences for the nation's struggling capital market.
- It is an infringement of the constitutional right to property of the shareholders.
- The Government should focus more on addressing the root causes of unclaimed dividends rather than descending to the arena of unclaimed dividend and interfering with the corporate strategy of public companies.
- The Bill would amount to a breach of the contractual responsibility to pay dividends to shareholders.

Furthermore, Principle 23 of the Nigerian Code of Corporate Governance 2018 (NCCG) provides for the "Protection of Shareholder Rights", and the right to dividend by the Shareholders is one of the rights that companies and stakeholders must protect. The provisions of the Finance Bill 2020 which appeared to contravene the protection of Shareholders rights to their dividend was amended following the successful stakeholder advocacy.

The Finance Act 2020 which became effective on January 1, 2021 provides that any unclaimed dividends of public listed companies that remain unclaimed for six (6) years after declaration shall be transferred immediately to the Unclaimed Funds Trust Fund either by the company or its Registrar. It further provides that the Trust Fund shall be governed by the Governing Council chaired by the Minister of Finance and Public listed companies are to render returns on unclaimed dividend to the Debt Management Office.
A notable provision in the Act is that all unclaimed dividend that have been transferred to the Unclaimed Funds Trust Fund shall be a Special Debt owed by the Federal Government to the Shareholder and shall be available for claim together with the interest accrued at any time (in perpetuity).

The Act however makes it an offence for any company that fails to transfer its unclaimed dividend to the Fund and make the company liable to pay up to five (5) times the value of the unclaimed dividends with accumulated interest.

Investor Relations
The Company publishes investor newsletters and its annual results, quarterly forecasts, and interim results on its website at www.dangotesugar.com.ng. Other relevant investor information such as questions about shareholding or share certificates, (including the replacement of lost certificates or the consolidation of several certificates into one), or guidance to notify a change of address or to give dividend instructions to a bank account) are provided by the Company's Investor Relations Team. Investors are encouraged to send emails to InvestorRelationsDSR@dangote.com or contact our Registrars for answers to their enquiries.

Conflict of Interest & Insider Related Transactions
The Board has a policy of openness and transparency. Conflict of Interest situations are well addressed by the Conflict of Interest and Related Party Transaction Policy. Insiders are precluded from buying and selling any security in breach of their fiduciary duty and other relationship of trust and confidence while in possession of material, privileged, non-public, and price-sensitive information about the Company.

- Insiders are precluded from engaging in unlawful or improper transfers of assets and profits for their personal benefits or for the benefit of related parties.

- Disclosure of all transactions between related parties, (natural persons or company) are made to the Board, and controls triggered to ensure that the transactions are carried out at arms-length and on normal market terms.

Whistle Blowing Policy

The Company has an effective whistle-blowing framework pursuant to which its employees and stakeholders can raise their concerns relating to any illegality or unethical behavior, fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. The Statutory Audit Committee reviews the Whistle-Blowing Reports and Procedure in line with the approved Whistle-Blowing Policy.

Information on the whistle blowing procedure is available to staff and stakeholders and is published in conspicuous places in the Company's premises and circulated to staff online via the Company's intranet. The whistle-blowing facility is managed by an independent Ethics Line Provider, Messrs. KPMG and has the assurance of confidentiality which is required to protect the identity and interest of the Whistle-blower. The Board ensures that the Whistle-blower is not subject to any detriment on the grounds of the disclosure made in good faith.

Code of Conduct & Ethics

The Company's Code of Business Conduct and Ethics commits the Board, Management, employees, contractors, suppliers, and the Company's controlled entities to the highest standards of professional and ethical behaviour, business conduct and sustainable business practices.

The Board is responsible for monitoring adherence to the Code of Business Conduct and Ethics to ensure that breaches are effectively sanctioned. The Directors annually attest to the Code of Conduct for Directors and the Anti-Bribery & Corruption Policy which has a zero tolerance for all forms of fraud including but not limited to bribery and corruption, asset misappropriation and financial statements fraud.

Annual Board Evaluation & Corporate Governance Evaluation

The Board is required to establish a system to undertake a formal and rigorous evaluation of its own performance, that of its Committees, and individual Directors. The aim of the assessment is to provide the Board with the opportunity to reflect and obtain feedback on its performance. The Nigerian Code of Corporate Governance 2018 (NCCG) also provides, amongst other things, that the evaluation should be carried out by an independent external Consultant once in three years and in addition, a Corporate Governance Evaluation should also be conducted by an external Consultant once in three years.

In line with the provisions of the NCCG, the Company elected to conduct its Annual Board Evaluation and Corporate Governance Evaluation internally. This was conducted using a Board Self-Assessment Tool which provides a modern technology and a platform via online questionnaires for anonymously obtaining the opinion of Directors on the performance of the Board, its Committees, the Company Secretariat and on Corporate Governance issues.

The assessment of the governance practices, the Board, it's Committees, peer assessment of individual Directors and governance practices was done in line with the extant Codes of Corporate Governance. A summary of the report will be presented to Shareholders at the Annual General Meeting.

COVID-19 Strategies at Dangote Sugar Refinery PLC

The year 2020 is undoubtedly the most challenging year globally, in recent times, with massive adverse impact on all spheres of human life – secular, social-cultural, economic, health and more. Like many other industries the world over, The Dangote Group has had to deal with these challenges to ensure the protection of the health of its staff members while maintaining business continuity.

In line with Federal Government Directives through the Presidential Taskforce (PTF) on COVID-19, the Dangote Group launched a multi-faceted approach to manage the pandemic. Some of the strategies adopted within the year include:

Group Travel Advisory - COVID -19 Precautionary Measures

The Travel Advisory provided guidance needed to address the risk of importing infectious cases of COVID-19 from high-risk countries. This proactive measure is to prevent the resurgence of COVID-19 virus through international travels, following the reported rise in the spread of the virus in some countries. The Travel Advisory provided up-to-date information on identified virus strains, their virulence, and precautionary measures.

COVID-19 Testing Centers

Throughout the year Dangote Group maintained a well-equipped and approved COVID-19 testing center accessible to all staff. In compliance with NCDC requirements all international travelers utilized the testing facility following their mandatory quarantine period on arrival in the country. Besides international travelers, in-country staff requiring testing also made use of the facilities.

After Care Program
The Dangote Group launched an aftercare program which caters for members of staff who tested positive to COVID-19. The program ensures that such staff receive the best care possible to facilitate full recovery for the symptomatic cases, and immunity boost for the asymptomatic cases. Contact tracing was vigorously pursued. Various accredited specialist hospitals throughout the country are retained under this program.

Awareness Campaigns
Intensive widespread awareness campaigns ensured that staff were fully knowledgeable of modes of transmission, preventive measures and how to notify Management of suspected cases. Measures were in place to Identify potential cases and limit exposure through the use of infrared thermometers at all access points, provision of hand sanitizers, hand washing facilities, and the use of facemasks.

Employee Concerns
COVID-19 vulnerable groups were identified and deployed to work remotely while non-essential workers were also advised to work from home to reduce exposure. All meetings were held virtually, gatherings were discouraged, and social distancing maintained within the work environment as much as reasonably practicable.

Business Concerns
Our supply chain remained operational during the national emergency, although there were slight delays to our usual turn-around time due to the curfew and lockdown in various States, border closures, and other circumstances. We continue to produce and deliver safe and wholesome Sugar brands as we monitor the COVID-19 pandemic and its impact and comply with all regulatory directives.

Our Approach to Sustainability
Dangote Sugar has launched a 3-year Sustainability Implementation & Performance Enhancement Roadmap for 2021-2023. The baseline year (2020) was for setting up building block for DSR's sustainability vision while the Year 1 (2021) is for solidifying the sustainability vision. The Year 2 (2022) is for entrenching our sustainability vision while the Year 3 (2023) is for consolidating the Sustainability journey by embracing five of the United Nation's Sustainable Development Goals (SDGs). The five SDGs are:

SDG Goal 2 – Zero Hunger
We are committed to providing food, security, sustainable agriculture, improved nutrition, and to supporting distressed communities to fight hunger as part of our Corporate Social Responsibilities (CSR).

SDG Number 4 – Education
We are concerned about ensuring inclusive and equitable quality education and promoting life-long learning opportunities for all by investing in host communities to increase the number of youth and adults with relevant skills. We will also support indigent students in host communities with scholarship funds.

SDG Number 6 – Clean Water
We are committed to developing and implementing water efficiency program, monitoring water usage in business operations and promoting and integrating a resource efficiency culture.

SDG Number 8 – Economic Growth
The COVID-19 pandemic has disrupted billions of lives and endangered the global economy. We will help promote sustained and inclusive economic growth, to drive progress, create decent jobs for all and improve living standards.

SDG Number 12 – Responsible Consumption
We are committed to effective waste management with our operations and to develop and implement a waste management plan in compliance with regulatory requirements, taking into account the concept of Reduce, Reuse & Recycle.

In addition to the diverse social investments we make in host communities, we also encourage our employees to support community development by volunteering to make a difference in the lives of people around us. The Annual Dangote Sustainability Week was held from November 16 to 20, 2020, and our theme was "COVID-19: Staying Safe Together – The Dangote Way". During that Week, DSR volunteers, in collaboration with other Dangote Business Units, came out in large numbers to support local communities using their time, skills, and other resources for activities geared at supporting the Government's COVID-19 protocols – educating the local communities on preventive measures for COVID-19, providing hand sanitizers, soap, and facemasks and community cleaning, and donations to hospitals, among others.

The Company will continue to be visible in the global campaign for sustainability through continuous collaboration with organizations, Governments, and other private sector players.

SCHEME OF ARRANGEMENT MERGER OF SAVANNAH SUGAR COMPANY LIMITED (SSCL) AND DANGOTE SUGAR REFINERY PLC

In furtherance of its "Sugar for Nigeria" Master Plan focus, and in alignment with the Company's Backward Integration Project, channelled towards building capacity in local production of raw sugar, members of SSCL and DSR at the Court Ordered Meetings held on June 30, 2020 and July 9, 2020 respectively sanctioned the Scheme of Arrangement between DSR and SSCL. Prior to this, DSR held 92.79% equity stake in SSCL.

The Scheme of Arrangement comprised transfer of all SSCL's assets (including all tax attributes, unutilized capital allowances, tax losses, withholding tax credits and any other tax refunds available), liabilities and business undertakings including real property and intellectual property rights to DSR.

The Scheme of Arrangement became effective on September 1, 2020 and and on September 30, 2020, the Company received NSE approval for the listing of 146,878,241 ordinary shares of 50kobo each for DSR on the Daily Official List of the Exchange. The success of the Scheme was commemorated by the GMD ringing the closing gong, at the Closing Gong Ceremony of the Nigerian Stock Exchange on October 7, 2020.

The objective of the merger is to enable DSR and SSCL operate under one unified entity for the purpose of achieving operational, administrative and governance efficiencies which is expected to lead to an increase in shareholder value and enhancement of efficiencies, elimination of cost inefficiencies arising from duplicated resources and processes and improved management of resources.

Post Transaction Notification filing with the SEC was made on November 10, 2020, and the employees of the legacy SSCL were absorbed into the enlarged entity.

The Board is confident that the business has now been efficiently structured to extract financial, administrative, operational as well as other business synergies.

The New Companies & Allied Matters Act 2020

- Recent Developments Impacting on Governance Practices

The Companies and Allied Matters Act (CAMA) 2020 repealed the CAMA Cap C20 Laws of Federation of Nigeria of 2004. The new Act contains some changes and amendments in alignment with global best corporate governance practices. The Board of the Company is already putting structures in place to implement the welcome changes:

- Independent Directors - Section 275 provides that every public company is now required to have at least three (3) independent directors.

- Restrictions on multiple directorships in public companies - Section 307(2) of the Act prohibits a person from being a director in more than five (5) public companies at a time. A moratorium of 2 years has been given for regularization.

- New Ordinary Business to be Transacted at an Annual General Meeting (AGM) - Under Section 238 of the Act, disclosure of remuneration of ' Managers' of a company has been added as part of the ordinary businesses to be transacted at AGMs.

- Composition of Audit Committee - Section 404(3) requires the Audit Committee of a public company to have five (5) members comprising of three directors and two (2) Non-Executive Directors (shareholders).

Board Meetings

During the 2020FY, the Board of Directors held five (5) meetings. The agenda for each meeting and the supporting Board papers are sent to Directors at least seven (7) days before the meeting to give them sufficient time to review the Papers and request for additional information, where necessary. At Board meetings, the Board received reports on the implementation of its strategic initiatives and the financial performance of the Company and its subsidiaries and other matters for the attention of the Board.

During the period, the Board reviewed and approved the following existing governance policies in line with best practices as follows:

a. Board Training Policy
b. Conflict of Interest & Related Party Transaction Policy
c. Anti-Bribery & Corruption Policy
d. Succession Planning Policy
e. Board Appointment Policy
f. Board Code of Conduct Policy

g. Insider Trading Policy
h. Dividend Policy
I. Executive Management Succession Planning Policy

The Board Charter and Board Committees Charters were also reviewed in line with best practice. The Board considered its Annual Plan and Performance Objectives for the 2020FY, and emphasized the need to focus on Strategic Direction, Financial Performance and Assurance.

The Board engaged an external Consultant to conduct a remuneration survey to determine its market positioning. The objective of the remuneration survey was to enable the Board to determine comparable remuneration to drive the right level of performance whilst also ensuring an appreciable level of competitiveness in the industry.

Directors had access to Management through the Company Secretariat and obtained independent advice from Consultants at the expense of the Company where required.

Board of Directors Meetings Attendance (5 meetings)

S/N	Directors	ATTENDANCE Jan 28	May 22	July 29	Oct 30	Dec 11	%
1	Alhaji Aliko Dangote, GCON (Chairman)	√	√	√	√	√	100
2	Alhaji Sani Dangote	*	*	√	√	√	60
3	Mr. Olakunle Alake	√	√	√	√	√	100
4	Alhaji Abdu Dantata	√	√	√	√	√	100
5	Ms. Bennedikter Molokwu	√	√	√	√	√	100
6	Ms. Maryam Bashir	√	√	√	√	√	100
7	Prof. Konyinsola Ajayi, SAN	*	√	√	√	√	80
8	Mr. Uzoma Nwankwo	√	√	√	√	√	100
9	Mr. Ravindra Singhvi	√	√	√	√	√	100

**Alhaji Sani Dangote resumed from his medical leave in June 2020*

BOARD COMMITTEES
The Committees of the Board as at December 31, 2020 were as follows:
- Board Governance Committee
- Board Finance Committee
- Board Risk Management & Assurance Committee

Board Governance Committee (BGC)
The primary purpose of the Governance Committee is to exercise oversight on all governance matters and to ensure that the procedures for appointments to the Board are formal and transparent. During the period, the Committee's strategic direction for the 2020FY was the review of the Board composition, governance policies and practices, and oversight of the human resources strategy amongst others. The Committee also exercised its oversight role on the post-merger integration of the Company to ensure it operates under one unified entity, for synergy, increased profitability, and shareholders value amongst others. The main functions of the Governance Committee are:
- Reviewing the structure, size and composition of the Board annually, and making recommendations on proposed changes.
- Advising the Board on staff welfare matters such as benefits, pensions, human resource issues in accordance with relevant laws and regulations.
- Ensuring that a Succession Plan and Policy exist for the positions of Chairman and CEO, Executive and Non-Executive Directors and Senior Executives of the Company and its subsidiary companies Executive Management.
- Ensuring that periodic evaluation of the Board and the Company's corporate governance practices is conducted in line with the extant Governance Codes.
- Ensuring that the Company has a formal programme for the induction and training of Directors.
- Establishing an effective system for monitoring compliance with the various corporate governance codes and practices.

The schedule of the composition of the Committee and meeting attendance is as follows:

Board Governance Committee Composition & Meeting Attendance (5 Meetings)

S/N	Directors	ATTENDANCE					
		March 18	March 24	July 24	Sept 10	Oct 13	%
1	Ms. Bennedikter Molokwu (Chairman)	√	√	√	√	√	100
2	Prof. Konyinsola Ajayi (SAN)	√	√	√	√	√	100
3	Mr. Uzoma Nwankwo	√	√	√	√	√	100
4	Ms. Maryam Bashir	√	√	√	√	√	100
5	Mr. Olakunle Alake	*	*	√	√	√	60

**Ms. Bennedikter Molokwu was admitted to the Committee on May 22, 2020 but was in attendance at the Committee meetings prior to her admission.*
**Mr. Olakunle Alake was admitted to the Committee on May 22, 2020*

Board Finance Committee (BFC)
The Board Finance Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to strategic, financial, and corporate development matters. The Committee's key performance indicators include monitoring capital projects, capital expenditures and the Company's major investments and subsidiaries. Its terms of reference include the following:

- Monitoring the Company's financial performance against the annual estimates of income and expenditure.
- Recommending strategic projects to the Board for raising capital and ensuring the preparation of a capital budget against which projects can be prioritized and funding sources identified.
- Reviewing the Company's financial policies, capital structure, matters affecting the capital like mergers and acquisitions, divestments and acquisitions, and major acquisitions and disposals.
- Monitoring the financial performance of the Company's Subsidiaries.
- Providing guidance in the management of the Company's Sustainability and Corporate Social Responsibility (CSR) activities and ensuring transparency of CSR activities.

During the period, the Committee was proactive in the monitoring of the Company's subsidiaries and BIPs, the completion of the Scheme of Arrangement with Savannah Sugar Company Limited.

The schedule of the composition of the Committee and meeting attendance is as follows:

Board Finance Committee Composition & Meeting Attendance (6 Meetings)

S/N	Directors	ATTENDANCE						
		Jan 23	March 19	May 19	July 20	Oct 14	Dec 7	%
1	Mr. Uzoma Nwankwo (Chairman)	*	*	*	√	√	√	50
2	Ms. Bennedikter Molokwu	√	√	√	√	√	√	100
3	Mr. Olakunle Alake	√	√	√	√	√	√	100
4	Alhaji Abdu Dantata	√	√	√	√	√	√	100
5	Ms. Maryam Bashir	√	√	√	√	√	√	100
6	Mr. Ravindra Singhvi	√	√	√	√	√	√	100

**Mr. Uzoma Nwankwo was admitted to the Committee on May 22, 2020*

Board Risk Management & Assurance Committee (BRMAC)

The Board Risk Management and Assurance Committee is established to ensure oversight by the Board of Directors regarding the risk appetite and risk tolerance levels of the Company and provide assurance of the process and system of internal control. The Committee's strategic direction for the year was:

- To focus on implementing a sound framework for managing risk and ensuring an effective internal control system is in place.
- To ensure that the Company's internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems.

Its major terms of reference include the following:

Risk Management Oversight

- Oversight of the establishment and implementation of a Risk Management framework and guidelines.
- Review of the effectiveness of the Risk Management framework in identifying and managing risks and ensuring that appropriate controls are in place to address the risks identified.
- Review of the Company's compliance with applicable laws and regulatory requirements which may impact its risk profile.
- Review the Company's Information Technology (IT) data governance framework to ensure that IT data risks are adequately mitigated.

Assurance Oversight

- Ensure the preparation, completeness and accuracy of financial statements and overseeing the proper disclosure of its financial information.
- Review significant accounting and reporting issues, proposed adjustments and areas of judgment involved in the compilation of the Company's results.
- Review the effectiveness of the Internal Audit function and ensure that the internal audit scope covers the review of the system of internal control.
- Assess the qualifications and independence of the external auditors.

During the period, the Committee assumed the responsibility for the oversight of the Company's Information Technology and Data Governance Framework. The Committee also put the necessary safeguards to limit impairments to independence or objectivity of the Internal Control and Internal Audit functions.

The schedule of the composition of the Committee and meeting attendance is as follows:

Board Risk Management & Assurance Committee - Composition & Meetings (4 Meetings)

S/N	Directors	ATTENDANCE				
		March 12	June 19	July 21	Oct 16	%
1	"Ms. Maryam Bashir (Chairman)	√	√	√	√	100
2	Mr. Uzoma Nwankwo	√	√	√	√	100
3	Ms. Bennedikter Molokwu	√	√	√	√	100
4	Mr. Olakunle Alake	√	√	√	√	100
5	Prof. Konyinsola Ajayi, SAN	√	√	√	√	100

**Mr. Uzoma Nwankwo was admitted to the Committee on May 22, 2020*

Statutory Audit Committee (SAC)

The Statutory Audit Committee was established in accordance with the provisions of the Companies & Allied Matters Act, and its functions are as prescribed under Section 359(6) of the Act. The Statutory Audit Committee has responsibility for the following:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with the legal requirements and agreed ethical practices.
- Review the scope and planning of audit requirements.
- Review the findings on management matters in conjunction with the external auditors and Management responses thereon.
- Keep under review the effectiveness of the Company's system of accounting and internal control.

- Make recommendations to the Board in regard to the appointment, removal, and remuneration of the external auditors of the Company.

- Authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

The Committee is composed of an equal number of Non-Executive Directors and Ordinary Shareholders elected at the Company's Annual General Meeting. The Chairman of the Committee is an Ordinary Shareholder.

Early in the year, members of the Statutory Audit Committee attended a one-day training by the Lagos Business School on "Skills and Tools for Effective Audit Committees in a Challenging Nigerian Business Environment". The training was designed to enhance the knowledge and performance for a more effective functioning of the Committee.

During the period, members attended another training by the Society for Corporate Governance Nigeria (SCGN) titled "Statutory Audit Committee Effectiveness: Managing the Impact of a Changing Business Environment". The training covered areas such as the role of the Audit Committee in managing a crisis, business continuity, financial reporting and implementing structures for effective cyber-security amongst others.

Statutory Audit Committee - Composition & Meetings Attendance (3 meetings)

S/N	Directors	ATTENDANCE			
		March 19	July 21	Oct 16	%
1	Mr. Olusegun Olusanya (Chairman)	√	√	√	100
2	Mr. Olakunle Alake	√	√	√	100
3	Ms. Bennedikter Molokwu	√	√	√	100
4	Prof. Konyinsola Ajayi, SAN	√	√	√	100
5	Hadjia Muheebat Dankaka	√	√	√	100
6	Mallam Dahiru Ado	√	√	√	100

New Composition for Audit Committee

One of the changes in the Companies and Allied Matters Act (CAMA) 2020 impacts the composition of the Statutory Audit Committee to wit the membership of the Committee is no longer an equal proportion of Shareholder representatives to Non-Executive Director members:

	Old CAMA (S. 359(2))	New CAMA (S.404(3))
Composition of the SAC	The audit committee referred to in subsection (3) of this section, shall consist of an equal number of directors and representatives of the shareholders of the company (subject to a maximum number of six members)	The audit committee referred to in subsection (2) shall consist of five members comprising of three members and two non-executive directors)

The current six (6) members of the SAC were appointed to the Committee at the last Annual General Meeting (AGM) of the Company based on extant laws at the time, and their tenure will expire at the AGM to consider the 2020FY Audited Financial Statement. The Board will therefore be presenting only two (2) Non-Executive Directors to the General Meeting as members of the Statutory Audit Committee.

Remuneration of Directors

The Board ensures that the Company remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term. Only Non-Executive Directors are paid Annual Fees as well as Sitting Allowances for attendance at Board and Committee meetings, they are however not entitled to be paid performance-based compensation. The schedule of Annual Fees and Sitting Allowances payable to Non-Executive Directors for the year ended December 31, 2020 is as follows:

CORPORATE GOVERNANCE REPORT *Cont'd*

FOR THE YEAR ENDED DECEMBER 31, 2020

S/N	ANNUAL FEES	₦
1	Non-Executive Directors	4,000,000
2	Independent Non-Executive Directors	4,000,000

S/N	SITTING ALLOWANCES	₦
1	Board of Director's Meetings (for NEDs)	400,000
2	Board Committee Meetings (for NEDs)	300,000

Statement on Compliance with the Securities & Exchange Commission's Code of Corporate Governance for Public Companies, 2011 & Nigerian Code of Corporate Governance 2018

The Directors are responsible for ensuring compliance with the extant Codes of Corporate Governance. The Board has reviewed both the Nigerian Code of Corporate Governance 2018 and the Securities & Exchange Commissions' Code of Corporate Governance for Public Companies 2011 and is satisfied that the Company has achieved significant improvement in its compliance with their provisions.

Dangote Sugar Refinery is a good corporate citizen and strives to comply with its regulatory obligations. Although it is undoubtedly committed to regulatory compliance, it inadvertently omitted to complete a transaction at the National Agency for Food & Drugs Administration & Control (NAFDAC) and an Administrative Fine of Two Million and Five Hundred Thousand Naira (N2.5m) was imposed on the Company on October 27, 2020. The Company has since put in place additional controls and improved practices to forestall a reoccurrence of such omission.

During the period, the Company's Status on the Corporate Governance Rating System (CGRS) of the Nigerian Stock Exchange (NSE) was upgraded to the CGRS Rated Badge. The Board will continue to closely monitor the Company's compliance with best governance practices with a view to improving its governance practices.

Complaint Management Policy

Dangote Sugar Refinery Plc. has a Complaint Management Policy to address complaintsarising out of the issues under the Investment and Securities Act (ISA) 2007, the Rules and Regulations of the Securities & Exchange Commission made pursuant to the ISA and other extant guidelines.

The Policy is to promote and facilitate increased investor confidence in the Company through the prompt and efficient management of complaints. The Policy is available in the Investor Portal of the Company's website.

By Order of the Board

TEMITOPE HASSAN,
Company Secretary/Legal Adviser
FRC/2017/NBA/00000016669
3rd Floor, Greenview Development Nigeria Ltd
Building Terminal "E" NPA Complex, Apapa
Lagos, Nigeria

Lagos, February 24, 2021

BOARD OF DIRECTORS

DANGOTE SUGAR

Aliko Dangote, GCON
Chairman

Aliko Dangote is the Founder, President/Chief Executive of the Dangote Group, and Chairman, Board of Directors, Dangote Sugar Refinery Plc. The Dangote Group is the largest conglomerate in West Africa with presence in 17 African countries and subsidiaries that cut across cement production and sugar refining etc. the Group has also diversified into other sectors including agriculture and energy, and is building the largest refinery, petrochemical, and fertilizer complex in Africa. He has been conferred with several awards in recognition of his contributions to the socio–economic development and growth of the Nigerian economy, including his philanthropic acts across the globe. The Aliko Dangote Foundation is at the forefront of improving the health, nutrition, and education of Nigerians and Africans. He serves on various Boards, Foundations, Institutions and Committees across the African continent and world at large. In April 2014, TIME Magazine listed him among its 100 'Most Influential People in the World. He is passionate about lifting the most vulnerable out of poverty through economic empowerment. In 2017, he emerged among The Bloomberg 50, a new, yearly, multi-platform initiative that honors 50 icons and innovators who have changed the global business landscape in measurable ways. Aliko Dangote holds a Business Studies degree from Al-Azhar University Cairo, Egypt.

Alhaji Sani Dangote
Non-Executive Director

Alhaji Sani Dangote is the Group Vice President and a co-founder of the Dangote Group of Industries with Alhaji Aliko Dangote. He is an established business man with investments in key sectors of the economy including manufacturing, agriculture, banking and oil services. He sits on the Board of several other Companies including Dangote Cement, Dangote Agro Sacks, Dangote Refinery, Petrochemical and Fertiliser Company amongst others. Alhaji Sani is also the Chairman of Dansa Holdings, a subsidiary of the Dangote Group, with several Strategic Business Units in key sectors of the economy, which include Dansa Foods Limited, Borkir International Limited, Dansa Energy, Sagas Energy Limited, Bulk Pack Services Limited, Dansa Agro Allied Limited, Dangote Farms Limited etc. Alhaji Sani Dangote is a member of the Alumni of the Harvard Business School, USA. He is a pioneer member of Nigerian Agric-business Forum driving the Federal Government's Agricultural Transformation Agenda. In recognition of his sterling leadership qualities, he was recently appointed as the Consul-General of the Romanian Embassy in Nigeria. He is a member of several Chambers of Commerce, a Fellow of the Chartered Institute of Shipping of Nigeria, and the Vice President of the Dangote Foundation.

Mr. Ravindra Singhvi
Group Managing Director/CEO

Ravindra Singh Singhvi is the Group Managing Director/CEO of Dangote Sugar Refinery Plc. He was the Ag. Managing Director until his appointment as the Group Managing Director/CEO on the 30th of October 2020. Mr. Singhvi has over 40 years of proven experience in leadership positions in Manufacturing space of Sugar, Petrochemicals, Cement &Textiles in India. Mr. Singhvi is a Chartered Accountant with background in Company Secretaryship and General Management. He possesses a Bachelor's Degree in B. Com (Hons) and Law(I) from the University of Jodhpur, India. Prior to joining Dangote Sugar Refinery Plc, Mr. Singhvi was the Managing Director & CEO of NSL Sugar Limited, Hyderabad, India & Managing Director, EID Parry (I) Limited, Chennai, India, one of top three sugar producing companies in India.

Committee Membership
•Board Finance Committee

Olakunle Alake

Non-Executive Director

Mr. Olakunle Alake is the Group Managing Director of the Dangote Group. He holds a BSc in Civil Engineering from Obafemi Awolowo University, Ile–Ife Nigeria and is also a Fellow of the Institute of Chartered Accountants of Nigeria. He started his working career with PricewaterhouseCoopers, a firm of Chartered Accountants, in September 1984 in financial consultancy and development of strategic plans. Mr. Alake has extensive stints in strategic planning and financial control having served variously as Strategist and Financial Controller with indigenous companies of high repute spanning Banking, Audit Consultancy and Manufacturing. He also served as a Management Consultant and part of the team that turned around the fortunes of International Trust Bank Plc for a smooth take-over by the Dangote Group in August 1996. Mr. Alake joined the Dangote Group in 1997 as the Financial Controller and Head of Strategic Services. He was later charged with the responsibility of supervising the Finance and Accounts, Group Treasury, Import & Procurements Divisions of the Group as the Group Strategist/Executive Director. In January 2007, he was appointed the Chief Operating Officer of the Group with overall supervisory responsibility of the various Strategic Business Units, Human Resources & Administration, Information Systems and Strategic Planning & Control. Mr. Alake has been a critical driver in the growth and evolution of the Dangote Group from a pure regional trading entity to a large conglomerate in diverse industry sectors in fourteen African countries. With the Group's aspiration to grow to a market cap of $100 billion by 2023, Mr. Alake has successfully secured over $16billion for funding of various Group projects in multiple African countries. He currently sits on the Board of the Group Holding Company as well as all the subsidiary companies listed on the Nigerian Stock Exchange and manages multiple relationships with several agencies of States and Federal Government.

Committee Membership
- Board Finance Committee
- Board Governance Committee
- Board Risk Management & Assurance Committee
- Statutory Audit Committee

Ms. Bennedikter Molokwu DFIoD

Non-Executive Director

Ms. Bennedikter China Molokwu built her early career in Telecommunications and Financial Services. She holds a Master's degree in International and Comparative Law and being ardent in sharpening her knowledge and skills has Management and Leadership certificates from top institutions like Citibank, Columbia University, Harvard Business School, IMD, Wharton etc. She consistently contributes to the development of Corporate Governance in Nigeria specifically participating in the drafting of three Codes including the SEC Code of Corporate Governance (2011) and the Nigerian Code of Corporate Governance (2018). She had been a President of the Institute of Directors and is a Member of the Nigerian Bar Association, International Federation of Women Lawyers (FIDA). She had served in several capacities at the State and Federal government levels. Ms. Molokwu brings over forty years' experience to bear on a portfolio of multi-sectorial Boards and is active on the Board of Dangote Sugar Refinery Plc where she chairs the Governance Committee.

Committee Membership
- Board Governance Committee - Chairperson
- Board Finance Committee
- Board Risk Management & Assurance Committee
- Statutory Audit Committee

Ms. Maryam Bashir

Independent Director

Ms. Maryam Bashir is a strong achiever with broad experience in finance and investments with particular focus on strategy, business development and bottom-line enhancement. She holds a Bachelor of Science (B.Sc.) Degree in Business Administration from the Ahmadu Bello University, Zaria and an MBA from the University of Jos. She started her banking career in 1985 with the International Merchant Bank (IMB), working in various functions in Credit & Marketing and Operations divisions. In 1992, Ms. Bashir was a member of the leadership team of the investment company that developed the strategy and consummated the acquisition of United Bank for Africa (UBA), the 3rd largest bank in Nigeria at the time. She joined UBA and successively held positions in top management from Assistant General Manager to Executive Director over a period of 10 years. She was a Director at UBA Capital and Trust Limited, a fully-owned subsidiary of UBA Plc. Her 10 years work experience at UBA afforded her a unique opportunity to execute at the highest levels of strategy, deal-origination, business development and decision-making. In 2004, Ms. Bashir formed and presently manages (as the CEO) Creditcorp Limited, a consulting and advisory services firm, which provides consulting solutions in the areas of strategy and business development for clientele in the Financial Services Sector and multinationals. She has participated in National assignments including serving as a member of the Federal Government Steering Committee on Solid Minerals (2003–06) and member of the Federal Government Special Task Force on Corporate Governance and Controls in NNPC (2012). Ms. Bashir is an Independent Director of Dangote Sugar Refinery Plc and the chairperson of the Board Risk Management & Assurance Committee. She also serves on the Board of companies in the Manufacturing, Technology and Financial services sectors and a founding member of WIMBIZ, a non-profit organization.

Committee Membership
- Board Risk Management & Assurance Committee -Chairperson
- Board Finance Committee
- Board Governance Committee

BOARD OF DIRECTORS *Cont'd*

Prof. Konyinsola Ajayi
Non-Executive Director

Prof. Konyinsola Ajayi SAN, is the Managing Partner, Olaniwun Ajayi LP, one of Africa's leading and largest law firms. With over 40 years of being a trusted advisor and lawyer in the fields of Energy and Natural Resources, infrastructure & power, Banking & Capital Markets, project finance, Privatization as well as Litigation and Arbitration, he is highly regarded. He is a Member of the International Bar Association, the Nigerian Bar Association, and the Nigerian Economic Summit Group. He is Chairman, Nasarawa State Investment & Economic Council, and a member of the Capital Markets Master Plan Implementation Committee.

Committee Membership
- Board Governance Committee
- Board Risk Management & Assurance Committee
- Statutory Audit Committee

Mr. Uzoma Nwankwo
Non-Executive Director

Mr. Uzo Nwankwo holds a Bachelor of Engineering from University of Nigeria, Nsukka, a Master of Engineering from Michigan State University and MBA from University of Michigan, Ann Arbor. Mr. Nwankwo is an accomplished and outstanding financial executive, with over 40 years' experience across several sectors of the economy. In January 2020, he retired from Amni International Petroleum Development Company Limited as Executive Director/Chief Financial Officer after six (6) years of meritorious service, where he re-organized the Finance Department and raised over $1billion for the company's operations. Mr. Nwankwo began his career with Citibank-Citicorp in New York in 1987 as a Management Trainee and rose to become a Vice President in the asset based finance division of the bank structuring and executing multi-million transactions in the airline, computer and FMCG industries. In 1994 he returned to Nigeria to join Citibank Nigeria as Executive Director, Corporate Banking and was later transferred to Citibank Africa Division in 1997 as Africa Head of Structured and Asset Based Finance in Johannesburg. In 2000 he joined First Bank of Nigeria Plc as Executive Director, Risk and Management Control, and in joined the Dangote Group in 2002 as the Group Executive Director, Corporate Finance and Strategy. Mr. Nwankwo oversaw the unbundling of the Dangote Group business into operating subsidiaries and managed the subsequent listing of the Sugar Refinery, Dangote Cement,

Committee Membership
- Board Finance Committee – Chairman
- Board Governance Committee
- Board Risk Management & Assurance Committee

Alhaji Abdu Dantata
Independent Director

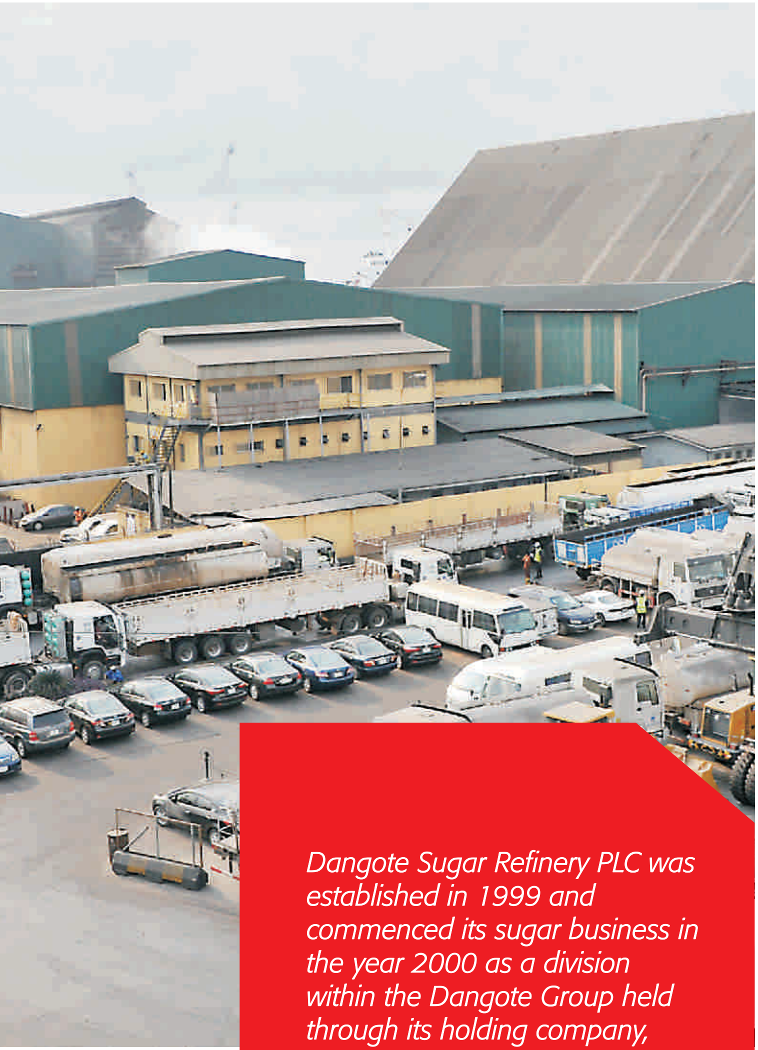
Alhaji Abdu Garba Dantata is a Non-Executive Director. He has attended various local and international trainings, including the famous Kellogg School of Management, United States of America. He had served as the Executive Director, Sales and Marketing at Dangote Group, with the responsibility for coordinating the sales and marketing of all the Groups' products. He is currently the Group Executive Director, in charge of Logistics. He is a Fellow of the Nigerian Institute of Shipping.

Committee Membership
•Board Finance Committee

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2020

In compliance with the Companies & Allied Matters Act, 2020, the Directors of Dangote Sugar Refinery PLC (DSR) are pleased to present to members of the Company, the Audited Financial Statements of the Company for the year ended 31 December 2020.



Dangote Sugar Refinery PLC was established in 1999 and commenced its sugar business in the year 2000 as a division within the Dangote Group held through its holding company, Dangote Industries Limited (DIL). Following a strategic decision of DIL to unbundle its various operations,

CORPORATE STRUCTURE AND BUSINESS

Dangote Sugar Refinery PLC was established in 1999 and commenced its sugar business in the year 2000 as a division within the Dangote Group held through its holding company, Dangote Industries Limited (DIL). Following a strategic decision of DIL to unbundle its various operations, DSR was incorporated as a public limited liability company in 2005. The restructuring was completed in January 2006, following the court sanction of the scheme of arrangement wherein all the assets, liabilities, and undertakings of the erstwhile sugar division of DIL were transferred to DSR.

The principal business activity of DSR is the refining of raw sugar to produce fortified and non-fortified granulated white sugar. It is also involved in the cultivation and milling of sugar cane to finished sugar from our Numan Operations.

The Company distributes refined white sugar to consumers and industrial customers in Nigeria and exports its products to other West African countries. DSR has its Headquarters in Lagos, Nigeria and has installed capacity of 1.44 million metric tons (MT) per annum with expansion plans in place.

SCHEME OF ARRANGEMENT BETWEEN SAVANNAH SUGAR COMPANY LIMITED (SSCL) AND DANGOTE SUGAR REFINERY PLC.

To enable DSR and SSCL operate under one unified entity for the purpose of achieving operational, administrative and governance efficiencies which is expected to lead to an increase in shareholder value and enhancement of efficiencies, the Companies sought and obtained the requisite Shareholders and regulatory approvals to consummate a Scheme of Arrangement. This was successfully completed on September 1, 2020.

BACKWARD INTEGRATION PROJECT (BIP)

The Company began its Backward Integration Project (BIP) with a 10-year sugar development plan, to produce 1.5 million MT per annum of sugar from locally grown sugarcane. The Project commenced with acquisition of large expanse of land in strategic locations such as Niger State, Taraba State, Adamawa State and Nasarawa State. To this end, four (4) BIP sugar companies; Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited, Nasarawa Sugar Company Limited and Dangote Niger Sugar Limited were incorporated.

Prior to the merger of DSR and SSCL, the Company had commenced rehabilitation and expansion of SSCL Sugar Factory at Numan towards increasing production capacity by 6,000 tons of cane per day (TCD). Sugarcane planting has also commenced in two other BIP locations. Regrettably, due to community dispute over the land acquired in Niger State, projected activities have not commenced in Niger State. This had been a stretched situation which had started accumulating negative returns. In view of this, the Board of Directors took a decisive decision to wind-up the BIP Company in Niger State. In December 2020, the winding-up proceedings for Dangote Niger Sugar Limited was completed.

SHAREHOLDING STRUCTURE

DSR was listed on the Nigerian Stock Exchange (NSE) in March 2007 following an initial public offering of its shares by way of an offer for sale in 2006. Following the merger, the Company currently has about 100,651 diverse Shareholders with a Shareholders' Fund in excess of N213bn.

The changes to DSR's authorised and issued share capital history since incorporation is summarized below:

Year	Authorised (N)		Issued & Fully Paid-up (N)		Consideration
Date	Increase	Cumulative	Increase	Cumulative	
2004	50,000,000	50,000,000	500,000	500,000	Cash
2006	-	50,000,000	49,500,000	50,000,000	Scheme Shares
2006	5,950,000,000	6,000,000,000	4,950,000,000	5,000,000,000	Bonus and Stock Split
2008	-	6,000,000,000	1,000,000,000	6,000,000,000	Bonus
2020	1,500,000,000	7,500,000,000	73,439,121	6,073,439,121	Scheme Shares

Analysis of Shareholding as at 31st December 2020

Following the successful completion of the scheme of arrangement, the authorised share capital of the Company was increased from N6,000,000,000 (Six Billion Naira) to N7,500,000,000 (Seven Billion, Five Hundred Million Naira) by the creation of 3,000,000,000 (Three Billion) new ordinary shares of 50 kobo each.

Range (Units)			No of Holders	Holders %	Units	Units %
1	—	10,000	85,703	85.15	181,611,631	1.50
10,001	—	50,000	11,404	11.33	235,007,699	1.93
50,001	—	500,000	3,119	3.10	389,083,865	3.20
500,001	—	1,000,000	159	0.16	117,633,289	0.97
1,000,001	—	10,000,000	219	0.22	615,557,229	5.07
10,000,001	—	50,000,000	36	0.04	735,310,274	6.05
50,000,001	—	100,000,000	4	0.00	285,007,688	2.35
100,000,001	—	500,000,000	5	0.00	812,125,271	6.69
500,000,001	—	12,146,878,241	2	0.00	8,775,541,295	72.25
			100,651	**100**	**12,146,878,241**	**100**

As at December 31, 2020, the 12,146,878,241 Ordinary Shares of N0.50 each in the issued Ordinary Share Capital of DSR are beneficially held as follows:

Shareholder	No. of Ordinary Shares Held	Percentage (%)
Dangote Industries Limited	8,122,446,281	66.87
Alhaji Aliko Dangote	653,095,014	5.38
Other Shareholders	3,371,336,946	27.75
TOTAL	**12,146,878,241**	**100.00**

**Except as stated above, no shareholder holds more than 5% of the issued share capital of the company*

OPERATING RESULTS

	Group 31-Dec-20 ₦'000	Group 31-Dec-19 ₦'000	Company 31-Dec-20 ₦'000	Company 31-Dec-19 ₦'000
Gross Profit	53,746,448	38,285,230	53,207,132	40,334,173
Profit before Income Tax	45,622,319	29,820,430	46,038,948	34,829,241
Taxation	(15,847,076)	(7,459,154)	(14,668,289)	(10,726,425)
Profit for the year	29,775,243	22,361,276	31,370,659	24,102,816
Non-controlling interest	10,665	(87,077)	-	-
Profit attributable to owners of the Parent Company	29,764,578	22,448,353	31,370,659	24,102,816

Dangote Sugar Refinery Plc's outlook for 2021 and beyond shows confidently, that the Company will continue operational existence for the foreseeable future as at the time when the Consolidated Financial Statements were approved. There is no known threat to the going concern status of the enterprise.

BOARD OF DIRECTORS

The following were Directors of the Company who served during the period under review:

S/N	Director	Role
1	Alhaji Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Group Managing Director/CEO
3	Alhaji Sani Dangote	Non-Executive Director
4	Mr. Olakunle Alake	Non-Executive Director
5	Ms. Maryam Bashir	Independent Non-Executive Director
6	Ms. Bennedikter Molokwu	Non-Executive Director
7	Prof. Konyinsola Ajayi (SAN)	Non-Executive Director
8	Mr. Uzoma Nwankwo	Non-Executive Director
9	Alhaji Abdu Dantata	Non-Executive Director

The Directors' biographical details appear on pages 111 to 113 of this report. At the last Annual General Meeting, the Company approved the appointment of Mr. Ravindra Singhvi as an Executive Director with effect from May 22, 2020. The appointment of Directors is governed by the Company's Articles of Association, the Board Appointment Policy and the Companies and Allied Matters Act, 2020.

Retirement of Directors

In accordance with the Company's Articles of Association, the Directors retiring by rotation are Ms. Bennedikter Molokwu, Alhaji Abdu Dantata and Mr. Uzoma Nwankwo, and being eligible, offer themselves for re-election.

No Director has a service contract not determinable within five years.

Directors' Fees

The Annual Fees for the Non-Executive Directors is proposed at N4million. Only Non-Executive Directors are entitled to Annual fees. A resolution will be proposed to approve the payment of these amounts for the 2020 and 2021 financial years.

Directors Code of Conduct & Ethics

The Company has a code of conduct and ethics for Director's business which sets out the standards that Directors are expected to adhere to while conducting their fiduciary duties.

Corporate Governance

The Board of Dangote Sugar Refinery Plc is committed to achieving sustainable long-term success and ensuring the implementation of best practice in corporate governance principles and implementation within the Company. This commitment plays an integral part in ensuring consistency and rigour in decision-making to ensure shareholders continue to receive maximized value from their investments.

The Company maintains leading position amongst its peers in the industry and is committed to conducting business in accordance with applicable laws and regulations in Nigeria, the requirements of The Nigeria Stock Exchange, the Securities & Exchange, (SEC) Code of Corporate Governance for Public Companies in Nigeria 2011, the Nigerian Code of Corporate Governance 2018 and in line with best governance practices.

FIXED ASSETS
Details of changes in fixed assets during the year are shown in Note 16 to the financial statements. In the opinion of Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS
In compliance with the provisions of Sections 377 and 378 of the Companies and Allied Matters Act 2020, the Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group and the profit or loss for that year.

In so doing they ensure that:

i. Adequate internal control procedures are instituted to safeguard the assets, prevent, and detect frauds and other irregularities.
ii. Proper accounting records are maintained.
iii. Applicable accounting standards are adhered to
iv. Suitable accounting policies are adopted and consistently applied
v. Judgments and estimates made are reasonable and prudent and;
vi. The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Statement of Affairs
In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date which would affect the financial statement as presented.

DIRECT & INDIRECT INTEREST OF DIRECTORS
The direct interest of Directors in the issued share capital of the Company as stated in the Register of Directors Shareholding and as notified by the Directors, in compliance with Sections 301 of the Companies and Allied Matters Act (CAMA) 2020 and the listing requirements of The Nigerian Stock Exchange is as follows:

S/N	Director	31ST DECEMBER 2020	31ST DECEMBER 2019
1	Alhaji Aliko Dangote (GCON)	653,095,014	653,095,014
2	Mr. Ravindra Singhvi	Nil	Nil
3	Alhaji Sani Dangote	Nil	Nil
4	Mr. Olakunle Alake	7,194,000	7,194,000
5	Ms. Maryam Bashir	Nil	Nil
6	Ms. Bennedikter Molokwu	1,483,400	1,483,400
7	Prof. Konyinsola Ajayi	Nil	Nil
8	Mr. Uzoma Nwankwo	384,692	384,692
9	Alhaji Abdu Dantata	1,044,000	1,044,000

Directors' Interest in Contracts
In compliance with Section 303 of CAMA, all contracts with related parties during the year were conducted at arm's length. Information relating to related party transactions are contained in Note 35 of the Financial Statements.

EMPLOYMENT & EMPLOYEE RELATIONSHIP
a. Employment and Employees
Dangote Sugar Refinery PLC had a total of 2,853 staff as at December 31, 2020. The Company reviews its employment policy in line with the needs of business, and remains an equal opportunities employer, with policies that prohibit discrimination against gender, race, religion, or disability to its existing and potential employees. The Company focuses on attracting and retaining outstanding talents, that will add value and ensure that all stipulated high-performance indices are met.

b. Health, Safety and Environment
The Company enforces strict health and safety rules and practices in the work environment and maintains a high standard of hygiene in all its premises with bespoke sanitation practices and regular fumigation exercises, which have been enhanced by the installation of pest and rodent control gadgets. Fire-fighting prevention and drills are carried out periodically, and fire-fighting equipment and alerts have been installed in the offices and plants. In addition, personal protective equipment (PPE) are provided for individual employees to enhance safety measures while at work.

In the early part of year 2020, the Company experienced slight disruption in its activities due to the outbreak of COVID-19 disease across nations of the world. To curb the spread of the disease, the Federal Government of Nigeria imposed a total lock down, with skeletal services exemptions granted to companies in the food manufacturing and health sectors. The Company was impacted during the lock down period as it affected the volume of Sugar produced. Given the persisting spread of the pandemic, the Company has continued to advise its staff on safety guidelines on COVID-19 protocols and travel advisory. The business continuity plan was activated during this period to ensure business continuity despite the adverse impact of the pandemic.

- Health, Safety and Environment workshops amongst others are organized for all employees with a broad focus on good housekeeping to ensure a safe working environment.
- The Company provides fully paid nutritionally balanced meals for staff in the canteen.
- The HSSE & HR Departments regularly updates staff on current issues as they relate to diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

c. Employee Training and Development

The Company places a premium on its human capital development for improved efficiency of the business and maintenance of a strategic manpower advantage over competition. During the year under review, the Company invested in the training and development of its workforce through in-house and external training programmes. Trainings were mostly held virtually due to the pandemic and the need for physical distancing. In addition to this, employees were updated with developments in the Company through its internal communication system.

d. Industrial/Employees Relations

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them and the various factors affecting the performance of the Company. This is achieved through Management's open-door policy and improved communication channels. The relationship between Management and the in-house employee Unions remains very cordial. Regular dialogue takes place at informal and formal levels, and the Unions help to foster employee motivation and welfare initiatives.

e. Employment of Physically Challenged Persons

Dangote Sugar Refinery PLC is an equal opportunity employer. The Company encourages physically challenged people to participate in and contribute to the society in all aspects of life. It provides equal opportunities for disabled persons, ensuring that there is no discrimination against them in respect of recruitment for employment, determination of salaries, promotion, and other benefits. The Company also considers of utmost importance, the welfare and rehabilitation of staff members who may unfortunately become disabled during the course of their duties, and ensures that in addition to compensation and rehabilitation by the Company, the Nigeria Social Insurance Trust Fund (NSITF) pays a fair, guaranteed and adequate compensation to employees in case of any injury, disease, disability or death arising out of, or in the course of employment Currently, there are thirteen (13) physically challenged employees in the Company.

f. Staff Welfare

The Company has retainership agreement with several private hospitals for its employees' health management. In addition, it provides subsidy to employees in respect of transportation, lunch, housing, and health care, and ensures that the working conditions are safe and suitable, and employees are provided with counselling, mentorship, and career guidance. Incentive schemes include bonuses, promotions, and salary/wage review.

g. Retirement Benefits

In line with the provisions of the Pension Reform Act of 2014, the Company operates the uniform contributory pension scheme for all employees, the scheme is funded by the employees and DSR's contributions of 10% each, of the employees' monthly basic, housing and transport allowances, and remitted monthly to the employee's choice Pension Fund Administrator.

DONATIONS & CHARITABLE GIFTS

Dangote Sugar Refinery PLC identifies with the causes and aspirations of its operational environment by supporting charitable and worthy causes in the areas of education, health, skills acquisition, poverty alleviation and sports amongst others.

The Company also supported the initiatives of the Coalition Against COVID-19(CACOVID) by providing food palliatives targeted to reach millions of Nigerians across the country. This went a long way to lessen the burden of the Federal and State Governments and cushion the effect of the COVID-19 pandemic across the nation.

REPORT OF THE DIRECTORS *Cont'd*
FOR THE YEAR ENDED DECEMBER 31, 2020

During the year under review, some of the beneficiaries of CSR activities of the Company are as follows:

S/N	BENEFICIARY	AMOUNT
1	Sponsorship of the 2020 Issues and Investors Clinic	200,000
2	Sponsorship of 2020 World Food Day Celebrations Secondary Schools Agric. Quiz Competition by Lagos State Ministry of Agriculture	1,371,700
3	Sponsorship of Nigeria's 60 Independence Anniversary World Guinness Record Sweet-6ixty Mosaic Cupcake Set Up	1,000,000
4	Sponsorship of Annual Military Widows Week	5,000,000
5	2020 Sustainability Week Celebration and Outreach	3,000,000
6	2020 CACOVID Donation	750,000,000
7	COVID-19 Palliative product (retail sugar) donation to various charities and outreaches	35,995,000
8	Apapa Community COVID-19 Prevention Awareness & Protocols Outreach	300,000
9	Renovation of Examination Hall and a Block of 3 Classrooms in GDSS Kola, Guyuk LGA	10,000,000
10	Construction of Examination Hall and Two Blocks of 3 Classrooms in GDSS Gyawana Lamurde LGA	22,000,000
11	Renovation of Examination Hall in Government Technical College, Numan, Numan LGA	5,000,000
12	Renovation of two hostels in GSSS shelleng, Shelleng LGA	10,000,000
13	Renovation of Examination hall and 4 blocks of 3 classrooms in GDSS Kiri, Shelleng LGA	11,396,000
14	Construction of Examination hall in GDSS Nzufel, Demsa LGA	5,000,000
15	Sponsorship of Gyawana youths football tournament	100,000
16	Renovation of Health Facilities at Tunga	35,375,000
17	Medical Services rendered over 4,000 members of DSR Numan host communities at the Clinic	14,442,000
	TOTAL	**910,179,700**

**No donation was made to any political party or religious organization.*

POST BALANCE SHEET EVENTS
There are no post Balance Sheet events that could have effect on the state of affairs of the Company as at December 31, 2020 which have not been adequately provided for or disclosed.

AUDITORS
The Auditors, Messrs. PricewaterhouseCoopers (PwC), having indicated their willingness to continue in office, will do so in accordance with Section 401(1) & (2) of the Companies & Allied Matters Act, 2020.
A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

BY ORDER OF THE BOARD

TEMITOPE HASSAN
COMPANY SECRETARY/LEGAL ADVISER
FRC/2017/NBA/00000016669

February 2021

DANGOTE SUGAR

DANGOTE SUGAR REFINERY PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

REPORT OF THE STATUTORY AUDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2020

To the Members of Dangote Sugar Refinery Plc,

In compliance with Section 404(7) of the Companies and Allied Matters Act 2020, we have:

a. reviewed the scope and planning of the audit requirements;

b. reviewed the external auditor's memorandum of recommendations on accounting policies and internal controls together with management responses; and

c. ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2020 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 December 2020 were adequate and the management's responses to the auditor's findings were satisfactory.

Mr. Olusegun Olusanya
Chairman, Audit Committee
FRC/2018/ICAN/00000018192

Dated this 24th day of February, 2021

Members of the Audit Committee are:

1 Mr. Olusegun Olusanya (Chairman)
2 Mr. Olakunle Alake
3 Ms. Bennedikter Molokwu
4 Prof. Konyinsola Ajayi, SAN
5 Hadjia Muheebat Dankaka
6 Mallam Dahiru Ado

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

The Companies and Allied Matters Act, 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group and Company at the end of the year and of their profit or loss. The responsibilities include ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Company and comply with the requirements of the Companies and Allied Matters Act;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other regularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

"The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and both the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act."

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and Company and of their profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Going Concern

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern for at least twelve months from the date of this statement.

The consolidated and separate financial statements of the Group and Company for the year ended December 31, 2020 were approved by the Directors on February 24, 2021.

Signed on behalf of the Board of Directors By:

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

Mr. Ravindra Singh Singhvi
Group Managing Director/CEO
FRC/2021/003/000000/22565

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

In compliance with Sections 405 of the Companies and Allied Matters Act (CAMA) 2020, we certify that we have reviewed the audited financial statements, and based on our knowledge:

i the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;"

ii the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements.

We are responsible for establishing and maintaining internal controls and we have:

iii designed internal controls to ensure that material information relating to company and its subsidiary is made known to us during the year ended 31 December 2020;

iv evaluated the effectiveness of the company's internal controls within 90 days prior to the date of the audited financial statements; and

v we certify that the company's internal controls are effective of that date.

We disclosed to the auditors and audit committee:

vi all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data; and has identified for the company's auditors, any material weaknesses in internal controls; and

vii Whether or not, there is any fraud that involves managment or other employees who have a significant role in company's internal control; and

We have indicated in the report whether or not, there were significant changes in internal controls or in other factors that significantly affected internal controls subsequent to the date of evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Mr. Ravindra Singh Singhvi
Group Managing Director/CEO
FRC/2021/003/000000/22565

Dated this 25th day of February, 2021

Mrs. Adebola Falade
Chief Finance Officer
FRC/2016/ICAN/00000015167

Dated this 25th day of February, 2021

pwc

Independent auditor's report

To the Members of Dangote Sugar Refinery Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dangote Sugar Refinery Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2020, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Dangote Sugar Refinery Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31December2020;
- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria pwc

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Valuation of biological assets (N4.5 billion) Biological assets comprise growing sugar cane held for harvesting purposes. In accordance with IAS 41 - Agriculture, they are valued at fair value less cost to sell. We focused on the valuation of the biological assets due to the materiality of the balance and the effect the fair value estimate has on results. Furthermore, the determination of the fair value estimates is complex and involves a significant amount of judgement. The directors have developed a model using the multi-period excess earnings method (MPEEM) under the income approach for the valuation of sugar cane. In order to generate a stream of cash flows to be used in this model, the directors calculate tonnage using information on hectares of farmland planted, the age of growing cane per hectare and the yield rate per hectare. The cane price is then applied on the tonnage and discounted to arrive at the fair value of the sugar cane. The cane price is based on the industry out-grower price. The directors exercise significant judgement in determining the yield rate per hectare, the discount rate, cost of sales, selling and distribution expenses, administrative expenses and contributory assets charges. This is considered a key audit matter in the consolidated and separate financial statements. See notes 2.20, 3 and 18 to the consolidated and separate financial statements.	We adopted a substantive approach to testing this balance by obtaining and performing audit procedures on the directors' valuation of the biological assets. We challenged the Group's model for calculating the fair value of biological assets by assessing the model against the criteria in IAS 41, Agriculture and IFRS 13 - Fair value measurement. We tested the farm information used in the valuation model (such as the yield rate per hectare, hectare of farmland planted and age of growing cane per hectare) by comparing with historical information from the farm and factory reports. Furthermore, we challenged information on yield rate by comparing it against our expectation based on relevant industry data available. We tested the tonnage used in the valuation model by applying the yield rate per hectare on the hectare of farmland planted. We checked the determination of cane price by comparing to the industry out-grower price for the year. We assessed the reasonableness of the discount rate used by comparing to the independent calculation done by our valuation experts. We assessed the reasonableness of costs of sales, selling and distribution expenses, administrative expenses and contributory assets charges by comparing to historical information and amounts determined based on current work standard. We tested the mathematical accuracy of the valuation model used by the directors and disclosures in the consolidated and separate financial statements for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises General Information, Report of the Directors, Corporate Governance Report, Report of the Audit Committee, Statement of Directors' Responsibilities, Statement of Corporate Responsibility for the Financial Statements, Statement of value added and Five Year Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Dangote Sugar Refinery Plc 2020 Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Dangote Sugar Refinery Plc 2020 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Edafe Erhie

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Edafe Erhie
FRC/ 2013/ICAN I 00000001143

1 March 2021

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note(s)	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Continuing operations					
Revenue	5	214,297,747	161,085,778	206,360,656	158,104,577
Cost of sales	6	(160,551,299)	(122,800,548)	(153,153,524)	(117,770,404)
Gross profit		**53,746,448**	**38,285,230**	**53,207,132**	**40,334,173**
Other income	11	906,929	606,263	815,299	50,440
Selling and distribution expenses	7	(676,938)	(813,797)	(667,056)	(810,067)
Administrative expenses	7	(9,010,569)	(7,815,370)	(7,517,640)	(5,970,768)
Impairment of investment in Niger Sugar	21.1	(99,000)	-	(99,000)	-
Impairment (losses)/gains on financial assets	23.3	(430,857)	(332,234)	581,855	776,313
Operating profit	**14**	**44,436,013**	**29,930,092**	**46,320,590**	**34,380,091**
Finance cost	10	(1,915,548)	(516,210)	(1,525,382)	(270,868)
Finance costs - net		(1,915,548)	(516,210)	(1,525,382)	(270,868)
Investment income	8	684,786	720,020	684,453	720,018
Fair value adjustment	9	2,417,067	(313,472)	559,287	-
Profit before tax		**45,622,319**	**29,820,430**	**46,038,948**	**34,829,241**
Taxation	12.1	(15,847,076)	(7,459,154)	(14,668,289)	(10,726,425)
Profit for the year		**29,775,243**	**22,361,276**	**31,370,659**	**24,102,816**
Profit attributable to:					
Owners of the parent		29,764,578	22,448,353	31,370,659	24,102,816
Non-controlling interest		10,665	(87,077)	-	-
		29,775,243	22,361,276	31,370,659	24,102,816
Total comprehensive income for the period		29,775,243	22,361,276	31,370,659	24,102,816
Total comprehensive income attributable to:					
Owners of the parent		29,764,578	22,448,353	31,370,659	24,102,816
Non-controlling interest		10,665	(87,077)	-	-
		29,775,243	22,361,276	31,370,659	24,102,816
Earnings per share					
Basic and diluted earnings per share (Naira)	15	2.45	1.87	2.58	2.01

The accompanying notes on pages 134 to 183 form an integral part of the consolidated and separate financial statements.

DANGOTE SUGAR

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	16	101,733,526	82,997,429	76,698,057	32,706,935
Intangible assets	17	-	-	-	
Investment in subsidiaries	21	-	-	297,000	3,610,923
Deposit for shares	21b	-	-	41,574,737	-
Deferred tax assets	13	-	10,440,450	-	-
Total non-current assets		**101,733,526**	**93,437,879**	**118,569,794**	**36,317,858**
Current assets					
Inventories	22	63,000,300	38,863,729	51,568,627	30,194,027
Biological assets	18	4,462,449	2,068,992	4,462,449	-
Trade and other receivables	23	63,060,342	33,779,378	39,371,894	107,014,317
Other assets	19	46,689	75,768	44,617	70,875
Asset held for sale	20	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	44,860,441	24,611,528	44,394,521	23,663,403
Total current assets		**176,298,863**	**100,268,037**	**140,710,750**	**161,811,264**
Total assets		**278,032,389**	**193,705,916**	**259,280,544**	**198,129,122**
Equity					
Attributable to owners of Parent company					
Share capital	25	6,073,439	6,000,000	6,073,439	6,000,000
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	112,328,413	96,258,578	112,908,939	105,762,418
		124,722,376	**108,579,102**	**125,302,902**	**118,082,942**
Non-controlling interest	27	(10,669)	(442,638)	-	**-**
		124,711,707	**108,136,464**	**125,302,902**	**118,082,942**
Liabilities					
Non-Current Liabilities					
Deferred tax liabilities	13	8,903,802	5,019,915	8,903,802	5,019,915
Lease liability	31.1	1,383,100	1,710,060	1,337,081	1,674,015
Borrowings	28	984,487	1,300,014	984,487	-
		11,271,389	**8,029,989**	**11,225,370**	**6,693,930**
Current Liabilities					
Current tax liabilities	12.3	1,554,840	11,116,521	1,554,841	11,084,421
Lease liability	31.1	1,050,534	612,100	1,043,658	606,622
Borrowings	28	194,651	45,212	194,651	-
Trade and other payables	30	135,518,094	63,223,853	116,227,957	59,304,650
Employee benefits	29	969,591	980,430	969,591	798,696
Other liabilities	31	2,761,583	1,561,347	2,761,574	1,557,861
Total current liabilities		**142,049,293**	**77,539,463**	**122,752,272**	**73,352,250**
Total liabilities		**153,320,682**	**85,569,452**	**133,977,642**	**80,046,180**
Total equity and liabilities		**278,032,389**	**193,705,916**	**259,280,544**	**198,129,122**

The consolidated and separate financial statements on pages 122 to 187, were approved by the board on February 24, 2021 and were signed on its behalf by:

Alh. Aliko Dangote, GCON	**Mr. Ravindra Singh Singhvi**	**Mrs. Adebola Falade**
Chairman	Group Managing Director/CEO	Chief Finance Officer
FRC/2013/IODN/00000001766	FRC/2021/003/000000/22565	FRC/2016/ICAN/00000015167

The accompanying notes on pages 134 to 183 form an integral part of the consolidated and separate financial statements.

DANGOTE SUGAR

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Company	Note	Share Capital	Share Premium	Retained Earnings	Total
		₦'000	₦'000	₦'000	₦'000
Balance as at 1 January 2019		**6,000,000**	**6,320,524**	**94,859,602**	**107,180,126**
Profit for the year		-	-	24,102,816	24,102,816
Total comprehensive income for the year		-	-	24,102,816	24,102,816
Transaction with owners:					
Dividend paid		-	-	(13,200,000)	(13,200,000)
Balance as at 31 December 2019		**6,000,000**	**6,320,524**	**105,762,418**	**118,082,942**
Profit for the year		-	-	31,370,659	31,370,659
Net difference arising from merger					
- changes in share capital*	25	73,439	-	(73,439)	-
net difference arising on merger	43			(10,950,699)	(10,950,699)
Total comprehensive income for the year		**73,439**	**-**	**20,346,521**	**20,419,960**
Transaction with owners:					
Dividend paid		**-**	**-**	**(13,200,000)**	**(13,200,000)**
Balance as at 31 December 2020		**6,073,439**	**6,320,524**	**112,908,939**	**125,302,902**

Group	Note	Share Capital	Share Premium	Retained Earnings	Attributable to owners of parent company	Non-controlling interest	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2019		**6,000,000**	**6,320,524**	**87,010,225**	**99,330,749**	**(355,561)**	**98,975,188**
Profit for the year		-	-	22,448,353	22,448,353	(87,077)	22,361,276
Total comprehensive income for the year		**-**	**-**	**22,448,353**	**22,448,353**	**(87,077)**	**22,361,276**
Transaction with owners:							
Dividend paid		-	-	(13,200,000)	(13,200,000)	-	(13,200,000)
Balance as at 31 December 2019		**6,000,000**	**6,320,524**	**96,258,578**	**108,579,102**	**(442,638)**	**108,136,464**
							-
Profit for the year		-	-	29,764,578	29,764,578	10,665	29,775,243
Total comprehensive income for the year		**-**	**-**	**29,764,578**	**29,764,578**	**10,665**	**29,775,243**
Transaction with owners:							
Share issued		73,439		(73,439)	-		-
Disposal of SSCL's non controlling interest	27	-	-	(421,304)	(421,304)	421,304	-
Dividend paid		-	-	(13,200,000)	(13,200,000)	-	(13,200,000)
Balance as at 31 December 2020		**6,073,439**	**6,320,524**	**112,328,413**	**124,722,376**	**(10,669)**	**124,711,707**

* Dangote Sugar Refinery Plc merged with Savannah Sugar Company Limited and the merger resulted in additional shares issued to the shareholders Savannah Sugar Company Limited. Refer to Note 43 for details.

The accompanying notes on pages 134 to 183 form an integral part of the consolidated and separate financial statements.

DANGOTE SUGAR

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note(s)	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Cash flows for operating activities					
Profit before taxation		**45,622,319**	**29,820,431**	**46,038,948**	**34,829,243**
Adjustments for non-cash income and					
Depreciation of property, plant and equipment	16	7,699,160	5,951,795	5,198,055	4,683,018
Amortisation of intangible assets	17	-	324	-	324
Impairment of financial assets	23.3	430,857	332,234	(581,855)	(776,313)
Impairment of Investment in Niger	21.1	-	-	99,000	-
Government grant	21b	(81,286)	-	(26,881)	-
Provision for gratuity	29	121,183	18,530	121,183	11,925
(Profit)/loss on sale of assets	11	(7,218)	68,634	(7,218)	68,634
Fixed asset impaired and written off	16	456,694	-	403,537	-
Interest income	8	(684,786)	(720,020)	(684,453)	(720,018)
Interest expense	10	340,050	454,450	208,962	209,108
Exchange loss	31.1	421,704	54,627	421,704	54,627
Fair value (gain)/loss on biological assets	9	(2,417,067)	313,472	(559,287)	-
Changes in working capital					
(Increase)/decrease in Inventory		(24,136,571)	(1,187,649)	(12,919,985)	1,305,627
Net (additon)/usage of biological assets		23,610	(541,777)	153,106	-
(Increase)/decrease in trade and other		(29,711,821)	1,633,778	(35,580,451)	(15,441,149)
(Increase)/decrease in other assets		29,079	313,347	26,258	316,633
Increase/(decrease) in other liabilities		1,200,236	41,736	1,168,539	89,025
Increase/(decrease) in trade payables		72,375,527	14,082,051	51,552,554	7,876,016
Cash generated from operations		**71,681,670**	**50,635,962**	**55,031,716**	**32,506,700**
Tax paid	12.3	(11,084,420)	(12,273,402)	(11,084,421)	(12,273,402)
Gratuity paid	29	(132,022)	(8,031)	(128,900)	(8,031)
Net cash generated from operating activities		**60,465,228**	**38,354,529**	**43,818,395**	**20,225,267**
Cash flows from investing activities					
Purchase of property, plant and equipment	16	(26,860,082)	(21,796,759)	(9,924,506)	(4,568,031)
Proceeds on disposal of property,plant and equipment		7,258	23,400	7,258	23,400
Interest received	8	684,786	720,020	684,453	**720,018**
Net cash used in investing activities		**(26,168,037)**	**(21,053,339)**	**(9,232,795)**	**(3,824,613)**
Cash flows from financing activities					
Dividends paid	26	(13,200,000)	(13,200,000)	(13,200,000)	(13,200,000)
Interest paid	28	(94,388)	(240,133)	(37,578)	-
Lease Liabilities paid	31.1	(506,516)	(706,292)	(488,234)	(705,059)
Repayment of borrowings	28	(247,374)	(125,529)	(128,671)	-
Net cash used in financing activities		**(14,048,278)**	**(14,271,954)**	**(13,854,483)**	**(13,905,059)**
Net increase in cash and cash equivalents		20,248,913	3,029,234	20,731,117	2,495,595
Cash and cash equivalents at beginning of year		24,611,528	21,582,294	23,663,403	21,167,809
Cash and cash equivalents at end of the year	24	**44,860,441**	**24,611,528**	**44,394,521**	**23,663,403**

The accompanying notes on pages 134 to 183 form an integral part of the consolidated and separate financial statements.

1 General information

Dangote Sugar Refinery Plc (the Company) was incorporated as a Public Limited Liability company on 4 January 2005, commenced operation on 1 January 2006 and became quoted on the Nigerian Stock Exchange in March 2007. Its current shareholding is 68% by Dangote Industries Limited and 32% by the Nigerian public.

The ultimate controlling party is Greenview International Corporation, Cayman Island.

The registered address of the Company is located at GDNL Administrative Building, Terminal E, Shed 20 NPA Apapa Wharf Complex, Apapa, Lagos.

The Audited consolidated financial statements of the Group for the Year ended 31 December 2020 comprise the Company and its subsidiaries

- Savannah Sugar Company Limited, Niger Sugar Company Limited, Taraba Sugar Company Limited, Adamawa Sugar Company Limited and Nasarawa Sugar Company Limited. With effect from 1st September 2020, Dangote Sugar Refinery consummated a scheme of merger with its former subsidiary Savannah Sugar Company Limited. Savannah Sugar Company Limited has so far been dissolved. In addition, on 26 August 2020, an extraordinary meeting was held by the board of directors to liquidate the affairs of Dangote Niger Sugar Limited. The company has been liquidated effective 26 August 2020.

1.1 The principal activity

The principal activity of the Group is the refining of raw sugar into edible sugar and the selling of refined sugar. The Group's products are sold through distributors across the country.

Going Concern status

The Group has consistently been making profits. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

1.3 Operating environment

Emerging markets such as Nigeria are subject to different risks than more developed markets, including economic, political and social, and legal legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general. The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigeria's economy, adversely affecting the Group's access to capital and cost of capital for the Group and more generally, its business, result of operation, financial condition and prospects.

1.4 Financial period

These financial statements cover the financial period from 1 January 2020 to 31 December 2020 with comparative for the year ended 31 December 2019.

2 Significant Accounting Policies

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

2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC) of IASB (together "IFRS") that are effective at 31 December 2018 and requirements of the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council (FRC) Act 2011 of Nigeria.

2.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis except for biological assets which is measured at fair value less cost to sell. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Naira unless otherwise stated.The principal accounting policies are set out below:

2.3 Consolidation of subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the Group statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal as appropriate.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

2.4 Revenue recognition

a) Accounting policy

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Group's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Group is the principal in all of its revenue arrangement since it is the primary obligor in all of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Sale of goods

Revenue is recognised when the control of the goods and service are transferred to the customer. This occurs when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the customers.

Revenue from sale of sugar and molasses is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is within one month. Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

The delivery service provided by the Group is a sales fulfilment activity and the income earned is recognised at the point in time when the goods are delivered to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Contract liability is recognised for consideration received for which the performance obligation has not been met.

Disaggregation of revenue from contract with customers

The Group recognises revenue from the transfer of goods at a point in time in the following product lines. The Group derives revenue from the sale of sugar, molasses and freight services.

	Freight services	Sale of sugar	Sale of molasses	Total
	₦'000	₦'000	₦'000	₦'000
Revenue from contract with customers	1,240,188	212,230,810	826,749	214,297,748

2.5 Interest income Recognition

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's to that assets's net carrying amount on initial recognition.

2.6 Pensions and Other post-employment benefits

The Group operates a defined contribution based retirement benefit scheme for its staff, in accordance with the amended Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee's relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense in statement of profit or loss when employees have rendered the service entitling them to the contributions.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted.

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates of 30% at the reporting sheet date. Education tax is calculated at 2% of the assessable profits in accordance with the Tertiary Education Tax Act.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Upon disposal of an associate that results in the Company losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company account for all amounts previously recognised in other income in relation to that associate on the assets or liabilities. Therefore , if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets and liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustments) when it loses significant influence over the associate.

When the company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interest in the associates that are not related to the Company.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies.

Deferred tax

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.8 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of comprehensive income.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and machinery	Straight line	15 -50 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
Tools and equipment	Straight line	4 years
Computer equipment	Straight line	3 years
Aircraft	Straight line	25 years
Bearer plants	Straight line	5 years

Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

2.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating-unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Employee benefits

A liability is recognised when an employee has rendered services for benefits to be paid in the future, and an expense when the entity consumes the economic benefit arising from the service provided by the employee.

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Long-term employee benefits (Defined contribution plan)

Employees are members of defined contribution plans. Obligations for contributions to defined contribution pensionplans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. The group makes provision for retirement benefits in accordance with the Pension Reform Act 2014. The employees contribute 8% of their gross salary (basic, housing and transport) while the Group contributes 10% on behalf of the employees to the same plan.

Long-term employee benefits (Defined benefit plan)

For defined benefit plans, the Group's contributions were based on the recommendations of independent actuaries and the liability measured using the projected unit credit method, up to the date of cessation of the scheme on 30 September, 2013.Under the plan, the employees were entitled to retirement benefits which vary according to length of service. Actuarial gains and losses were recognised in the income statement. These gains or losses were recognised over the expected average remaining working lives of the employees participating in the plans. Past-service costs were recognised as an expense on a straight-line basis over the average period until the benefits became vested. If the benefits vested immediately following the introduction of, or changes to, a defined benefit plan, the past-service cost was recognised immediately. At the date of discontinuation, qualified staff as at this date are to be paid their retirement benefit at the point of exit hence the recognition as a current liability as it is payable on demand.

2.11 Government grants

Government grants are recognised when there is reasonable assurance that:
the group will comply with the conditions attaching to them; and
the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. Grants related to income are presented as a credit in the profit or loss (separately).

2.12 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

– the contract involves the use of an identified asset
– this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
–the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
– the Group has the right to direct the use of the asset.

The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:- the Group has the right to operate the asset; or- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

"The Group primarily leases land and building (used as office space, outlets, warehouse and residential use). The lease terms are typically for fixed periods ranging from 2 years to 25 years but may have extension options. On renewal of a lease, the terms may be renegotiated. Contracts may contain both lease and non-lease components. The Group has elected to separate lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes."

Leases in which the Group is a lessee
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Leases in which the Group is a Lessor
"(i) Operating lease When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term. Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.(ii) Finance lease When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. "

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of standard costs adjusted for variances. Standard costs are periodically reviewed to approximate actual costs.

Goods in transit are valued at the invoice price. Cost of inventory includes purchase cost, conversion cost (materials, labour and overhead) and other costs incurred to bring inventory to its present location and condition. Finished goods, which include direct labour and factory overheads, are valued at standard cost adjusted at year-end on an actual cost basis.
Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation (when the time value of money is material).

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15 Financial instruments

a) Financial instruments accounting policy
IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments disclosures.

I) Classification and measurement

Financial assets
It is the Company's policy to initially recognise financial assets at fair value plus transaction

costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The business models applied to assess the classification of the financial assets held by the company are;

• Hold to collect: Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represents solely payments of principal and interest. Assets held under this business model are measured at amortised cost

• Fair value through other comprehensive income: Financial assets in this category are held to collect contractual cash flows and sell where there are advantageous opportunities. The cash flows represents solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.

• Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The financial assets of Dangote Sugar are held to collect contractual cashflows that are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest ((for interest bearing financial assets)

The Company's financial assets include trade and other receivables, cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective Interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities
Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and interest bearing loans and borrowings.

Impairment of financial assets
Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets measured at amortised cost or at fair value through other comprehensive income (FVOCI). The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied for trade receivables while the general approach is applied to staff loans, amounts due from related parties that are not trade related, balances with banks.

The simplified approach requires lifetime expected credit losses to be recognised on initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount outstanding at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria, inflation and exchange rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

Significant increase in credit risk and default definition

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised in profit or loss.

Financial liabilities

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated and separate financial statements are presented in Naira which is the Company's functional and presentation currency.

Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the transaction date and are not restated.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined and are not restated.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Segment information

An operating segment is a component of an entity

- that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

- where operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;

- for which discrete information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director of Dangote Sugar Refinery Plc

2.20 Biological assets

A biological asset is defined as a living animal or plant while biological transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in biological asset.

Recognition of assets

The Group recognises biological assets or agricultural produce when, and only when, all of the following conditions are met:

- the Group controls the asset as a result of past events;

- it is probable that future economic benefits associated with the asset will flow to the Group; and

- the fair value or cost of the asset can be measured reliably.

Biological asset consists of growing cane which are yet to be harvested as at year end, and these are measured at fair value less cost to sell.

The basis of fair value determination of growing canes have been included in Note 18.

2.21 Business combination under common control

Business combinations under common control occur when combining entities/businesses are ultimately controlled by the same party(ies) both before and after the business combination, and that control is not transitory. The Group applies the "predecessor method" of accounting for business combinations under common control because such transactions are outside the scope of the reporting standard on Business Combinations (IFRS 3).The assets and the liabilities of the acquiree are recorded at the predecessor carrying values from the financial statements of the highest entity that has common control for which financial statements are prepared. Therefore, no goodwill is recorded in the consolidated financial statements of the acquirer. Any difference arising between the acquirer's cost of investment and the acquiree's net assets is recorded directly in equity. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities. Comparative amounts are not restated but the transaction is accounted for prospectively, i.e., from the effective date of the transaction (transfer of control). Any expenses incurred as a result of the combination are written off immediately in the statement of profit or loss and other comprehensive income.

3 Critical judgements and sources of estimation uncertainty

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 32.

Sensitivity of estimates used in IFRS 9 ECL

Estimation uncertainty in measuring impairment loss

In establishing sensitivity to ECL estimates for trade receivables and related parties receivables, two variables (GDP growth rate and Inflation rate) were considered. The Company's receivables portfolio reflects greater responsiveness to both variables considered.

The table below shows information on the sensitivity of the carrying amounts of the Company's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Company's financial assets.

Trade receivables

a. Expected cash flow recoverable:

		GDP growth rate		
		-10%	Held constant	10%
		₦'000	₦'000	₦'000
Inflation Rate	-10%	781	485	242
	Held constant	296	-	(242)
	10%	(188)	(485)	(727)

Related parties receivables

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	₦'000	₦'000
Increase/decrease in probability of default		
10%	(227)	-
-10%	229	-

Loss Given Default (LGD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	₦'000	₦'000
Increase/decrease in loss given default		
10%	(234)	-
-10%	234	-

Staff Loans

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	₦'000	₦'000
Increase/decrease in probability of default		
10%	(1,250)	-
-10%	1,372	-

Loss Given Default (LGD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	₦'000	₦'000
Increase/decrease in loss given default		
10%	-	-
-10%	2,270	-

Forward looking indicators

Forecast Default Rate	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	₦'000	₦'000
Increase/decrease in forecast default rate		
10%	(152)	-
-10%	152	-

ii) Fair values of biological assets

"The directors have developed a model using the multi-period excess earnings method (MPEEM) under the income approach for the valuation of sugar cane. In order to generate a stream of cash flows to be used in this model, the directors calculate tonnage using information on hectares of farmland planted, the age of growing cane per hectare and the yield rate per hectare. The cane price is then applied on the tonnage and discounted to arrive at the fair value of the sugar cane. The cane price is based on the industry out-grower price. The directors exercise significant judgement in determining the yield rate per hectare, the discount rate, cost of sales, selling and distribution expenses, administrative expenses and contributory assets charges."

4. New Standards and Interpretations

i) Standards and interpretations effective and adopted in the current year

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

a) Definition of Material – amendments to IAS 1 and IAS 8;
b) Definition of a Business – amendments to IFRS 3;
c) Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7; and
d) Revised Conceptual Framework for Financial Reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5. Revenue

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Revenue from the sale of sugar - 50kg	206,444,363	153,354,955	198,824,291	150,626,795
Revenue from the sale of sugar - Retail	5,786,447	4,300,420	5,786,447	4,300,420
Revenue from the sale of molasses	826,749	543,611	509,730	290,570
Freight income	1,240,188	2,886,792	1,240,188	2,886,792
	214,297,747	**161,085,778**	**206,360,656**	**158,104,577**

5.1 Segment information

Segment information is presented in respect of the group's reportable segments. For management purpose, the Group is organised into business units by geographical areas in which the group operates and the locations that comprise such regions represent operating segments.

The Group has 4 reportable segments based on location of the principal operations as follows: Northern Nigeria, Western Nigeria, Eastern Nigeria and Lagos.

Segmental revenue and results

Revenue from external customers by region of operations is listed below.

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Nigeria:				
Lagos	104,983,951	54,566,281	104,983,951	54,566,281
North	79,110,458	59,319,216	71,173,367	56,338,014
West	20,365,318	38,338,744	20,365,318	38,338,744
East	9,838,020	8,861,537	9,838,020	8,861,537
	214,297,747	**161,085,778**	**206,360,656**	**158,104,577**

Group	Segment Revenue 31/12/2020 ₦'000	Segment Revenue 31/12/2019 ₦'000	Segment Cost of Sales 31/12/2020 ₦'000	Segment Cost of Sales 31/12/2019 ₦'000	Segment Gross Profit 31/12/2020 ₦'000	Segment Gross Profit 31/12/2019 ₦'000
Nigeria:						
Lagos	104,983,951	54,566,281	(77,915,347)	(40,645,838)	27,068,604	13,920,444
North	79,110,458	59,319,216	(60,220,111)	(46,995,726)	18,890,347	12,323,490
West	20,365,318	38,338,744	(15,114,413)	(28,558,119)	5,250,905	9,780,625
East	9,838,020	8,861,537	(7,301,428)	(6,600,866)	2,536,592	2,260,671
	214,297,747	**161,085,778**	**(160,551,299)**	**(122,800,548)**	**53,746,448**	**38,285,230**

Company	Segment Revenue 31/12/2020 ₦'000	Segment Revenue 31/12/2019 ₦'000	Segment Cost of Sales 31/12/2020 ₦'000	Segment Cost of Sales 31/12/2019 ₦'000	Segment Gross Profit 31/12/2020 ₦'000	Segment Gross Profit 31/12/2019 ₦'000
Nigeria:						
Lagos	104,983,951	54,566,281	(77,915,347)	(40,645,838)	27,068,604	13,920,444
North	71,173,367	56,338,014	(52,822,336)	(41,965,582)	18,351,031	14,372,432
West	20,365,318	38,338,744	(15,114,413)	(28,558,119)	5,250,905	9,780,625
East	9,838,020	8,861,537	(7,301,428)	(6,600,866)	2,536,592	2,260,671
	206,360,656	**158,104,577**	**(153,153,524)**	**(117,770,404)**	**53,207,132**	**40,334,173**

5.1.1 Segment assets and liabilities

The amount provided to the chief operating decision maker with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Investments in shares held by the Group and deferred tax assets are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects additionals to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided to the chief operating decision maker with respect to the total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the Group's treasury function.

The table below provides information on the segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the balance as at 31 December 2020;

	Total Segment Assets		Total Segment liabilities	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Group	₦'000	₦'000	₦'000	₦'000
Nigeria:				
Lagos	212,561,967	119,450,590	76,041,063	13,731,410
North	65,470,422	63,814,876	68,375,817	66,818,127
Sub-total	**278,032,389**	**183,265,465**	**144,416,880**	**80,549,537**
Unallocated deferred tax	-	10,440,450	8,903,802	5,019,915
Total	**278,032,389**	**193,705,915**	**153,320,682**	**85,569,452**

	Total Segment Assets		Total Segment liabilities	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	₦'000	₦'000	₦'000	₦'000
Company				
Nigeria:				
Lagos	185,184,851	198,129,122	50,015,268	80,046,180
North	74,095,693		83,962,374	-
Sub-total	**259,280,544**	**198,129,122**	**133,977,642**	**80,046,180**
Unallocated deferred tax	-	-		
Total	**259,280,544**	**198,129,122**	**133,977,642**	**80,046,180**

Included in the Lagos segment is asset held for sale of N868.6 million (2019: N868.6 million).

Information about major customers

There are two customers who buy industrial non-fortified sugar that represents more than 10% of total sales during the period. The customers are Nigerian Bottling Company Limited and Seven Up Bottling Company Limited operating from Lagos.

Large Corporate/Industrial Users

These are leading blue chip companies in Nigeria, and they include manufacturers of confectioneries and soft drinks. This group typically accounts for 35% of the Group's sales. They buy Non-Fortified sugar exclusively.

Distributors

The Group sells unfortified sugar mainly to pharmaceutical, food and beverage manufacturers, while Vitamin A-fortified sugar is sold to distributors who sell to small wholesalers, confectioners and other smaller value-adding enterprises who provide the distribution network to the Nigerian retail market. The Group sells a small amount of sugar directly to retail customers. Retail packaging comes in various sizes of 250g, 500g, and 1kg under the brand name "Dangote Sugar". Sales to distributors account for 65% of the Group's revenue.

The Group provides a delivery service to customers by transporting refined sugar to other destinations. Freight income represents revenue earned in this respect during the year. The associated cost of providing this service is included in Cost of sales.

6 Cost of sales

	GROUP	GROUP	COMPANY	COMPANY
Raw material	122,901,500	90,951,086	120,561,577	89,937,589
Direct labour cost	5,135,066	4,120,116	3,919,197	3,017,340
Direct overheads	19,356,255	16,708,133	17,995,188	14,958,354
Depreciation (note 16)	5,163,623	4,215,247	2,994,530	3,129,410
Freight expenses	7,994,855	6,805,966	7,683,032	6,727,711
	160,551,299	**122,800,548**	**153,153,524**	**117,770,404**

Included in freight expenses is the depeciation charge on the company's fleet of trucks . The amount so included is as stated below:

Depreciation charge on trucks	**2,040,353**	**1,363,664**	**1,886,253**	**1,363,664**

7 Administrative expenses

Management fees	962,324	782,211	962,324	782,211
Assessment rates and municipal charges	22,661	10,122	18,235	4,876
Auditors Fees and remuneration	68,026	63,200	54,221	46,200
Cleaning and fumigation	74,946	79,843	74,888	79,814
Legal, consulting and professional fees	393,500	1,339,253	372,300	1,307,545
Consumables	3,608	14,450	723	4,865
Depreciation (note 16)	495,183	372,881	317,273	189,940
Impairment (note 16)	471,115	-	417,958	-
Amortisation of intangible assets	-	325	-	325
Donations and scholarship	910,640	98,538	845,821	24,962
Employee costs (note 36)	3,186,538	2,678,682	2,451,171	1,851,942
Entertainment	164,708	132,934	164,034	132,635
Insurance	276,817	320,792	190,717	178,748
Bank charges	192,291	244,926	164,155	192,661
Rental expenses	5,650	39,398	5,650	39,398
Magazines, books, print and and periodicals	31,554	50,714	24,956	39,182
Utilities	150,137	149,858	56,914	24,621
Petrol and oil	34,512	25,244	18,994	14,969
Repairs and maintenance	146,686	170,467	140,669	83,300
Secretarial fees	175,835	65,346	175,835	65,346
Security expense	242,954	208,067	159,706	123,571
Staff welfare	193,401	198,786	166,892	179,947
Subscriptions	21,435	28,884	19,550	27,354
Telephone and fax	185,307	130,352	146,029	90,464
Training	41,341	35,817	38,567	12,599
Travel-local	526,975	237,743	501,807	163,231
Travel-overseas	32,425	336,537	28,251	310,061
	9,010,569	**7,815,370**	**7,517,640**	**5,970,768**

Included in the figure for donations for both Company and Group is an amount of N750,000,000 representing donation to CA-Covid to purchase foodstuffs and other relief materials for distribution during the reporting period.

No non-audit services were rendered by the external auditors in the year.

Selling and Distribution expenses

Selling and marketing expenses	676,938	813,797	667,056	810,067
	676,938	**813,797**	**667,056**	**810,067**

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
8 Investment income				
Interest income on bank deposits	684,786	720,020	684,453	720,018
	684,786	**720,020**	**684,453**	**720,018**

Interest is earned on bank deposits at an average rate of 2.4 % p.a. on short term (30days) bank deposits.

9	**Change in fair value of biological assets**				
	Fair value gain/(loss) on biological assets (Note 18)	2,417,067	(313,472)	559,287	-
		2,417,067	**(313,472)**	**559,287**	**-**
10	**Net finance expense**				
	Exchange loss arising on IFRS 16	-	54,627	-	54,627
	Exchange loss in the ordinary course of business	1,575,498	7,133	1,316,420	7,133
	Interest on lease payments (IFRS 16)	164,376	209,108	157,297	209,108
	Interest on bank loan	175,674	245,342	51,665	-
		1,915,548	**516,210**	**1,525,382**	**270,868**
11	**Other income**				
	Insurance claim income	9,419	6,743	8,432	6,743
	Sale of scrap	396,884	42,260	360,646	23,405
	ITF Refund	-	19,296	-	19,296
	Grant income	81,286	80,140	26,881	-
	Rental income	67,500	94,195	67,500	67,500
	Provision no longer required	344,271	310,250	344,271	-
	Profit/(loss)on sale of asset	7,218	(68,634)	7,218	(68,634)
	Miscellaneous income	351	122,013	351	2,130
		906,929	**606,263**	**815,299**	**50,440**

Provision no longer required relates to excess provision made for tax audit exercises which were closed during 2020 and no longer required.

12	**Taxation**				
12.1	**Major components of the tax expense**				
	Current Tax				
	Income tax based on profit for the year	515,812	10,231,015	515,812	10,231,015
	Education tax expense	1,006,928	785,492	975,396	785,492
		1,522,740	**11,016,507**	**1,491,208**	**11,016,507**
	Deferred tax				
	Deferred tax expense/(credit)	14,324,336	(3,557,353)	13,177,081	(290,082)
		15,847,076	**7,459,154**	**14,668,289**	**10,726,425**

The tax rates used in the above comparative figures are the corporate tax rate of 30% payable by corporate entities in Nigeria. Education tax rate is also payable at 2% of assessable profit

12.2 Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Accounting profit before tax	**45,622,319**	**29,820,430**	**46,038,948**	**34,829,241**
Income tax expense calculated at 30%	13,811,685	8,946,129	13,811,684	10,448,772
Education tax expense calculated at 2%	975,396	785,492	975,396	785,492
Impact from acquisition	1,178,786	-	-	-
Effect of investment allowance not recognised in accounting	-	(63,604)	-	(65,547)
Fair value gain on biological assets and agricultural products	-	94,042	-	-
Effects of disallowable non-temporary adjustments	-	693,653		582,232
Effect of income that is exempt from taxation	(889,498)	-	(889,498)	-
Effect of expenses that are not deductible in determining taxable profit	261,280	-	261,280	-
Effect of concessions (research and development and other allowances)	(23,800)	-	(23,800)	-
Effect of tax adjustments (minimum tax)	515,813	-	515,813	-
Effects of allowable non-temporary adjustments	-	(272,388)	-	(238,382)
Difference in tax rate	17,414	16,017	17,414	16,791
Deferred tax assets not recognised in current year	-	(642,823)	-	-
Deferred tax assets not previously recognised	-	(2,185,182)	-	(802,935)
DT not required	-	87,819	-	-
Income tax expense recognised in profit or loss	**15,847,076**	**7,459,154**	**14,668,288**	**10,726,425**

12.3 Current tax liabilities

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
At January 1	11,116,521	12,373,416	11,084,421	12,341,316
Acquired during the year	-	-	63,633	-
Charge for the year	1,522,740	11,016,507	1,491,208	11,016,507
Payment made during the year	(11,084,421)	(12,273,402)	(11,084,421)	(12,273,402)
Balance end of the year	**1,554,840**	**11,116,521**	**1,554,841**	**11,084,421**

13 Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2018: 30%). The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement.

Deferred tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Deferred tax assets				
Deferred tax assets are attributable to the following:				
Property plant and equipment @ 30%	-	2,123,113	-	-
Provisions	-	781,102	-	-
Utilised against Liability	-	-	-	
Unrelieved losses @ 30%	-	7,536,235	-	-
	-	**10,440,450**	**-**	**-**
Deferred tax liabilities				
Deferred tax liabilities are attributable to the following:				
Property plant and equipment @ 30%	(9,665,999)	(5,893,476)	(9,665,999)	(5,893,270)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)
Exchange difference @ 32%	-	-	-	(205)
Provisions	884,076	995,439	884,076	995,438
	(8,903,802)	**(5,019,915)**	**(8,903,802)**	**(5,019,915)**

Deferred income tax charged in profit or loss ("P/L) are attributable to the following items:

13.1 Deferred tax reconciliation

	Opening balance ₦'000	Acquired ₦'000	Credit to P/L ₦'000	Closing balance ₦'000
Group as at 31 December 2020				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(5,893,476)	2,198,395	(5,970,918)	(9,665,999)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Loss	-	6,927,539	(6,927,539)	-
Provisions	995,439	167,260	(278,624)	884,076
	(5,019,915)	**9,293,194**	**(13,177,081)**	**(8,903,802)**
Company as at 31 December 2020				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(5,893,476)	2,198,395	(5,970,918)	(9,665,999)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Loss	-	6,927,539	(6,927,539)	-
Provisions	995,439	167,260	(278,624)	884,076
	(5,019,915)	**9,293,194**	**(13,177,081)**	**(8,903,802)**

14 Operating profit

Profit for the year is arrived at after charging/(crediting):

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Depreciation of property, plant and equipment (note 16)	7,699,160	5,951,795	5,198,055	4,683,017
(Profit)/loss on sale of property, plant and equipment (note 11)	(7,218)	68,634	(7,218)	68,634
Amortisation of intangible assets (note 17)	-	325	-	325
Defined contribution plans (note 36)	254,532	52,591	302,270	47,928
Auditors remuneration	68,026	63,200	54,221	46,200

15 Earnings per share

Basic and diluted earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders by weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Profit for the year	29,764,578	22,448,353	31,370,659	24,102,816
Earnings used in the calculation of basic earnings per share from continuing operations	29,764,578	22,448,353	31,370,659	24,102,816
Weighted average number of ordinary shares for the purpose of basic earnings per share	12,146,878	12,000,000	12,146,878	12,000,000
Basic and diluted earnings per share from continuing operations (Naira)	2.45	1.87	2.58	2.01

16. Property, Plant and Equipment

Group	Bearer Plant ₦'000	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Furniture & Fittings ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Aircraft ₦'000	Tools & Equipment ₦'000	Capital Work in Progress ₦'000	Total ₦'000
COST:											
Balance, 1/1/2019	**4,071,150**	**5,555,996**	**17,052,494**	**30,503,329**	**338,787**	**19,379,186**	**230,977**	**899,828**	**7,070,059**	**12,496,801**	**97,598,607**
IFRS 16 transition adjustment	-	-	2,879,344	-	-	-	-	-	-	-	2,879,344
Additions during the year	1,535,440	107,748	114,045	109,106	44,309	3,514,186	36,627	-	418,395	16,025,942	21,905,798
Disposal	-	-	-	(216,675)	-	(221,912)	-	-	-	-	(438,587)
Reclassifications	-	-	25,837	1,576,512	-	-	-	-	143,183	(1,745,532)	-
Balance, 31/12/2019	**5,606,590**	**5,663,744**	**20,071,720**	**31,972,272**	**383,096**	**22,671,460**	**267,604**	**899,828**	**7,631,637**	**26,777,211**	**121,945,162**
Additions during the year	2,034,627	-	344,372	5,269,017	21,310	3,079,899	26,378	-	1,485,966	14,630,423	26,891,992
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)	-
Impaired	-	-	-	-	-	-	-	-	(62,576)	(408,538)	(471,114)
Disposal	-	-	-	-	-	(47,482)	-	-	-	-	(47,482)
Balance, 31/12/2020	**7,641,217**	**5,663,744**	**20,419,321**	**37,906,659**	**405,300**	**25,703,877**	**293,982**	**899,828**	**8,791,049**	**40,593,579**	**148,318,558**
DEPRECIATION:											
Balance, 1/1/2019	**1,843,675**	-	**2,698,421**	**13,551,049**	**272,525**	**10,257,651**	**189,243**	**182,924**	**4,347,003**	-	**33,342,492**
Charge for the year	913,247	32,220	688,464	1,633,542	4,437	1,565,459	28,109	35,993	**1,050,323**	-	5,951,795
Disposal	-	-	-	(131,033)	-	(215,520)	-	-	-	-	(346,554)
Balance, 31/12/2019	**2,756,922**	**32,220**	**3,386,885**	**15,053,558**	**276,962**	**11,607,590**	**217,351**	**218,917**	**5,397,326**	-	**38,947,733**
Charge for the year	1,976,814	34,025	868,252	2,161,567	20,137	1,366,403	30,618	35,993	1,205,349	-	7,699,160
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-	(14,421)
Disposal	-	-	-	-	-	(47,443)	-	-	-	-	(47,443)
Balance, 31/12/2020	**4,733,737**	**66,245**	**4,255,137**	**17,215,180**	**297,100**	**12,933,388**	**249,439**	**254,910**	**6,579,892**	-	**46,585,029**
NET BOOK VALUE:											
Balance, 31/12/2019	**2,849,668**	**5,631,524**	**16,684,835**	**16,918,714**	**106,134**	**11,063,870**	**50,252**	**680,911**	**2,234,310**	**26,777,211**	**82,997,429**
Balance, 31/12/2020	**2,907,480**	**5,597,499**	**16,164,184**	**20,691,479**	**108,200**	**12,770,488**	**44,542**	**644,918**	**2,211,157**	**40,593,579**	**101,733,526**

16. Property, Plant and Equipment

Company	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work in Progress	Total
COST:	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance, 1/1/2019	**-**	**575,494**	**7,984,487**	**22,274,979**	**133,724**	**10,815,832**	**185,323**	**899,828**	**3,605,422**	**5,977,032**	**52,452,120**
IFRS 16 transition adjustment	-	-	2,870,214	-	-	-	-	-	-	-	2,870,214
Additions during the year	-	107,748	-	72,919	44,309	2,825,995	29,692	-	362,592	1,205,398	4,648,653
Disposal	-	-	-	(216,675)	-	(221,912)	-	-	-	-	(438,587)
Reclassifications	-	-	25,837	1,576,512	-	-	-	-	143,183	(1,745,532)	-
Balance, 31/12/2019		**683,242**	**10,880,537**	**23,707,736**	**178,033**	**13,419,915**	**215,015**	**899,828**	**4,111,198**	**5,436,897**	**59,532,402**
Additions during the year	874,564	-	66,364	139,985	17,848	2,747,174	22,830	-	233,321	5,831,754	9,933,841
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)	-
Impaired	-	-	-	-	-	-	-	-	(9,419)	(408,538)	(417,957)
Disposal		-	-	-	-	(47,482)	-	-	-	-	(47,482)
Addition through merger at cost (notes 16b and 43)	6,766,653	4,375,749	6,089,793	11,235,244	208,733	8,372,698	47,867	-	2,918,835	13,853,811	53,869,384
Balance, 31/12/2020	**7,641,217**	**5,058,991**	**17,039,923**	**35,748,335**	**405,508**	**24,492,305**	**285,711**	**899,828**	**6,989,958**	**24,308,408**	**122,870,187**
DEPRECIATION:											
Balance, 1/1/2019	**-**	**-**	**1,461,796**	**11,487,949**	**100,296**	**7,816,515**	**151,178**	**182,924**	**1,288,343**	**-**	**22,489,003**
Charge for the year	-	32,220	741,051	1,611,113	18,284	1,419,109	23,198	35,993	802,050	-	4,683,017
Disposal	-	-	-	(131,033)	-	(215,520)	-	-	-	-	(346,553)
Balance, 31/12/2019	**-**	**32,220**	**2,202,847**	**12,968,030**	**118,580**	**9,020,104**	**174,376**	**218,917**	**2,090,393**	**-**	**26,825,467**
Charge for the year	465,686.28	34,025	786,401.98	1,667,576	31,669	1,223,658	26,247	35,993	926,799	-	5,198,055
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-	(14,421)
Disposal	-	-	-	-	-	(47,443)	-	-	-	-	(47,443)
Addition through merger (notes 16b and 43)	4,268,050	-	1,019,384	3,941,241	169,729	3,516,809	43,945	-	1,251,314	-	14,210,471
Balance, 31/12/2020	**4,733,737**	**66,245**	**4,008,633**	**18,576,900**	**319,978**	**13,719,965**	**246,038**	**254,910**	**4,245,722**	**-**	**46,172,130**
NET BOOK VALUE:											
Balance, 31/12/2019	**-**	**651,025**	**8,677,690**	**10,739,706**	**59,453**	**4,399,811**	**40,639**	**680,911**	**2,020,804**	**5,436,897**	**32,706,935**
Balance, 31/12/2020	**2,907,481**	**4,992,747**	**13,031,291**	**17,171,434**	**85,530**	**10,772,340**	**39,674**	**644,918**	**2,744,236**	**24,308,408**	**76,698,057**

The following Right-of Use assets have been included in the property, plant and equipment movement schedules above:

	GROUP Land	GROUP Building	COMPANY Land	COMPANY Building
COST:	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance as at 1/1/2020	107,748	2,948,428	107,748	2,870,214
Additions during the year	-	42,566	-	19,991
Balance, 31/12/2020	**107,748**	**2,990,994**	**107,748**	**2,890,205**
DEPRECIATION:				
Balance as at 1/1/2020	32,220	597,005	32,220	580,697
Depreciation charge for the year	34,025	605,342	34,025	582,919
Balance, 31/12/2020	**66,245**	**1,202,347**	**66,245**	**1,163,616**
NET BOOK VALUE:				
Balance, 31/12/2020	**41,503**	**1,788,647**	**41,503**	**1,726,589**

16b. Property, Plant and Equipment

Net asset of Savannah Sugar Company Ltd acquired is arrived at as follows:

Company	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Tools & Equipment	Capital Work in Progress	Total
COST:	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Asset acquired at revalued amount	6,766,653	4,375,749	9,839,625	15,504,053	409,310	8,372,698	47,867	2,914,513	13,853,811	62,084,280
Elimination of revaluation gains	-	-	(3,749,832)	(4,268,809)	(200,577)	-	-	4,322	-	(8,214,896)
Balance, 31/12/2020	**6,766,653**	**4,375,749**	**6,089,793**	**11,235,244**	**208,733**	**8,372,698**	**47,867**	**2,918,835**	**13,853,811**	**53,869,384**
DEPRECIATION:										
Depreciation acquired at revalued amount	4,268,050	-	1,318,174	4,269,251	325,869	3,516,809	43,945	1,251,314	-	14,993,412
Elimination of revaluation gains	-	-	(298,790)	(328,010)	(156,140)	-	-	-	-	(782,940)
Balance, 31/12/2020	**4,268,050**	**-**	**1,019,384**	**3,941,241**	**169,729**	**3,516,809**	**43,945**	**1,251,314**	**-**	**14,210,471**
NET BOOK VALUE:										
Aquired at 1/9/2020	**2,498,603**	**4,375,749**	**8,521,451**	**11,234,802**	**83,441**	**4,855,890**	**3,921**	**1,663,200**	**13,853,811**	**47,090,868**
Elimination of revaluation gains	**-**	**-**	**(3,451,041)**	**(3,940,799)**	**(44,437)**	**-**	**-**	**4,322**	**-**	**(7,431,955)**
Balance at 1/09/2020 (Note 43)	**2,498,603**	**4,375,749**	**5,070,409**	**7,294,003**	**39,004**	**4,855,890**	**3,921**	**1,667,522**	**13,853,811**	**39,658,912**

DANGOTE SUGAR

		GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
17	**Intangible assets**				
	Computer software :				
	Cost				
	At 1 January	379,590	379,590	379,590	289,390
	At 31 December	**379,590**	**379,590**	**379,590**	**289,390**
	Amortisation				
	At 1 January	379,590	379,266	289,390	289,066
	Acquired during theyear	-	-	90,200	-
	Charge for the year	-	324	-	324
	At 31 December	**379,590**	**379,590**	**379,590**	**289,390**
	Carrying amount at the end of the year	**-**	**-**	**-**	**-**
18	**Biological assets**				
	Carrying value at the beginning of the year	2,068,992	1,840,686	-	-
	Acquired during the year (note 43)	-	-	4,056,268	-
	Net (usage)/addtion	(23,610)	541,778	(153,106)	-
	Fair value adjustments	2,417,067	(313,472)	559,287	-
	Carrying amount at the end of the year	**4,462,449**	**2,068,992**	**4,462,449**	**-**
	Current	4,462,449	2,068,992	4,462,449	-
		4,462,449	**2,068,992**	**4,462,449**	**-**

Description of biological assets and activities

Biological assets comprise of growing cane. The growing cane represents biological assets which are expected to be harvested as agricultural produce, intended for production of sugar. The biological assets have been measured at fair value less cost to sell. As at 31 December 2020, the group has a total of 7,098.8 hectares of growing canes.

Basis for measurement of fair value

The Group adopted the multi-period excess earnings method (MPEEM) under the income approach to estimating the fair value of the Biological Assets. The MPEEM estimates the fair value of an asset based on the cash flows attributable to the asset after deducting the cash flows attributable to other assets (contributory assets). This approach is commonly used for sugarcane considering that land, plant and machinery and the bearer plant are accounted as PPE in line with IAS 16 and considered as contributory assets for the purpose of MPEEM valuation.

The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category. Growing cane were valued using the income approach.

Key assumptions and inputs	**31/12/2020**	**31/12/2019**	**31/12/2020**	**31/12/2019**
Industry out-grower price. (N per ton)	10,842	8,003	10,842	8,003
Average yield per hectare (tonnes)	86.2	63.1	86.2	63.1
Discount rate (%)	11.66%	9%	11.66%	9%

Changes in fair value of the biological asset are recognised in the statement of profit and loss.

Sensitivity to changes in key assumptions and inputs

Reasonably possible changes at the reporting date to one of the key assumptions, holding other assumptions constant, would have affected the biological assets valuation by the amount shown below.

		31/12/2020 ₦'000
Discount rate	12.66%	(8,067)
	10.66%	8,192
Industry out-grower price	N11,842	453,373
	N9,842	(453,246)

The Company currently does not have biological assets with restricted titles.

Financial risk management strategies for biological assets

The group is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The group has strong environmental policies and procedures in place to comply with environmental and other laws. The group is exposed to risks arising from fluctuations in the price and sales volume of sugar. The group closely monitors the market demand for sugar and makes relevant adjustments to price and production volumes.

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
19 Other assets				
Prepaid rent	-	3,810	-	-
Prepaid insurance	17,919	14,553	17,305	14,553
Prepaid housing allowances	19,122	14,017	19,122	14,017
Prepaid medicals	-	42,305	-	42,305
Others	9,648	1,083.33	8,190	-
	46,689	**75,768**	**44,617**	**70,875**
Current	46,689	75,768	44,617	70,875
	46,689	**75,768**	**44,617**	**70,875**
20 Asset held for sale	868,642	868,642	868,642	868,642

This represents land held for sale. There are several interested parties and the sale is expected to be completed before the end of December 2021.

21 Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company Name of Company	Held by	% interest	Carrying amount December 2020 N'000	Carrying amount December 2019 N'000
Savannah Sugar Company Limited	Dangote Sugar Refinery Plc	93	-	3,214,923
Dangote Taraba Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000
Dangote Adamawa Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000
Dangote Niger Sugar Limited	Dangote Sugar Refinery Plc	99	-	99,000
Nassarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
			297,000	3,610,923

DANGOTE SUGAR

21.1 Impairment of investment in subsidiary

	31/12/2020 ₦'000
Write-off of investment in Dangote Niger Sugar Limited	(99,000)

The completion of the scheme of merger between Dangote Sugar Refinery Plc (DSR) and Savannah Sugar Company Limited (SSCL) resulted in the cancellation of entire issued share capital of SSCL and the company dissolved without being wound up. In consideration, 146,878,241 ordinary shares of N0.50 each in the share capital of DSR were issued to the shareholders of SSCL except for DSR (the "Scheme Shareholders") for the 162,756,968 ordinary shares held in SSCL by the Scheme Shareholders. Effective September 1, 2020, all assets, liabilities and business undertakings, including real property and intellectual property rights of SSCL have been transferred to DSR and the financial result for "the Company" represents that of the merged entity. DSR also owns 99% shareholding in Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nassarawa Sugar Company Limited. Dangote Niger Sugar Limited, one of its subsidiaries filed for liquidation during the year. Therefore, the investment in the company has been deemed impaired as there were no assets against which to realise the investment.

There are no significant restrictions on the use of the subsidiary assets.

Dangote Sugar Refinery Plc provides financial support to Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nassarawa Sugar Company Limited in terms of payment of salaries and wages, purchase of assets and settlement of liabilities.

21b Deposit for shares

The Board of Directors of Dangote Sugar Refinery Plc (DSR) resolved that the total funding of its Backward Integrated Project entities (Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nassarawa Sugar Company Limited) shall be converted to deposit for shares or equity contribution in the books of both DSR and the respective entities and same shall thereafter be converted to equity in future.

Total funding to date

	₦'000
Nassarawa Sugar Company Limited	25,501,588
Dangote Adamawa Sugar Ltd	14,178,154
Dangote Taraba Sugar Ltd	1,894,995
	41,574,737

22 Inventories

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Raw materials	6,932,228	13,873,727	6,932,228	13,867,605
Raw material in transit	20,974,812	4,925,937	20,974,812	4,925,937
Work-in-process	640,548	205,716	640,548	205,714
Finished goods	4,621,124	2,220,936	4,621,124	742,752
Finished goods in transit	887,824	1,154,679	887,824	1,154,679
Production supplies	26,880,685	12,928,889	15,451,639	6,993,994
Chemicals and consumables	2,068,167	3,192,697	2,065,540	2,084,618
Packaging materials	338,988	361,148	338,988	218,728
	63,344,376	**38,863,729**	**51,912,703**	**30,194,027**
Allowance for obsolete inventory	(344,076)	-	(344,076)	-
	63,000,300	**38,863,729**	**51,568,627**	**30,194,027**
Movement in provision for obsolete inventory				
As at 1 January	-	-	-	-
Charge for the year	(344,076)	-	(344,076)	-
As at 31 December	**(344,076)**	-	**(344,076)**	-
Amount of inventory charged as expense in the year:	**(344,076)**	-	**(344,076)**	-

No inventory was pledged as security for any liability.

23 Trade and other receivables

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Trade receivables	6,936,006	10,148,995	6,936,006	9,952,761
Allowance for doubtful debts and impairments	(260,729)	(718,117)	(260,729)	(718,117)
	6,675,277	9,430,878	6,675,277	9,234,644
Staff loans and advances	124,836	150,042	108,422	99,259
Other financial assets	14,229,547	5,226,476	14,229,547	5,226,476
Advance payment to contractors	30,100,784	10,418,909	6,453,907	1,333,205
Insurance claim receivable	373,388	361,998	373,388	361,998
Allowance for impaired Insurance claim	(236,239)	-	(236,239)	-
Negotiable Duty Credit Certificates (Note 23.1)	805,683	805,683	805,683	805,683
Other receivables	1,256,586	2,002,614	1,256,586	2,002,614
Allowance for impaired other receivables	(228,829)	(56,592)	(228,829)	(56,592)
Allowance for impaired staff loans (Note 23.2)	(23,950)	(23,950)	(23,950)	(23,950)
Amount due from related parties (Note 35)	10,911,411	6,020,589	10,886,253	89,600,961
Allowance for impaired -related parties Trade(Note 23.2)	(373,541)	(179,863)	(373,541)	(179,863)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(554,610)	(377,406)	(554,610)	(1,390,118)
	63,060,342	**33,779,378**	**39,371,894**	**107,014,317**

Other financial asset is in respect of the deposit for open Letters of Credit with the banks.

Trade receivables disclosed above include amounts (see note 32 for aged analysis) that are past due more than 30 days as at the reporting date for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

23.1 Negotiable duty credit certificate

The Company has received certificates for N805.7 million termed as Negotiable Duty Credit Certificate (NDCC). The NDCC is an instrument of the government for settling of the EEG receivables. The NDCC is used for the payment of Import and Excise duties in lieu of cash. For more than one year, the Company and other industry players have not been able to use the certificates in settlement of customs duties.

Though, a significant component of the NDDC/EEG receivable have been outstanding for more than one year, no impairment charge has been recognised by the Company in the current year because they are regarded as sovereign debt since it is owed by the government. Moreover, the government has not communicated or indicated unwillingness to honour the obligations. On the contrary, the government has announced a resumption of the scheme in 2017. Thus, the outstanding balances are classified as current assets accordingly.

Company

	Impairment losses					
	Other Receivables	Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1/1/2019	-	646,964	56,527	2,361,995	22,875	3,088,361
Increase/(decrease) in allowance for credit losses for the year	-	71,153	123,336	(971,877)	1,075	(776,313)
Balance as at 31/12/2019	-	718,117	179,863	1,390,118	23,950	2,312,048
Net impact on retained earnings in current year	-	71,153	123,336	(971,877)	1,075	(776,313)
Balance as at 1/1/2020	-	718,117	179,863	1,390,118	23,950	2,312,048
Increase/(decrease) in allowance for credit losses for the year	236,239	(176,265)	193,678	(835,508)	-	(581,855)
Balance as at 31/12/2020	236,239	541,852	373,541	554,610	23,950	1,730,193
Net impact on retained earnings in current year	236,239	(176,265)	193,678	(835,508)		(581,855)

Group

	Impairment losses					
	Other Receivables	Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1/1/2019	-	646,964	56,528	240,736	22,875	967,103
Increase/(decrease) in allowance for credit losses for the period	-	71,153	123,336	136,670	1,075	332,234
Balance as at 31/12/2019	-	718,117	179,864	377,406	23,950	1,299,337
Net impact on retained earnings in current period	-	71,153	123,336	136,670	1,075	332,234
Balance as at 1/1/2020	-	718,117	179,864	377,406	23,950	1,299,337
Increase/(decrease) in allowance for credit losses for the period	236,239	(176,265)	193,678	177,204	-	430,857
Balance as at 31/12/2020	236,239	541,852	373,542	554,610	23,950	1,730,194
Net impact on retained earnings in current period	236,239	(176,265)	193,678	177,204	-	430,857

23.3 Provision for impairment (gain)/loss on financial assets

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Balance at the beginning of the year	1,299,337	967,103	2,312,048	3,088,361
Impairment (gain)/loss recognised in profit or loss	430,857	332,234	(581,855)	(776,313)
	1,730,194	1,299,337	1,730,193	2,312,048
Receivables written off as uncollectible	(281,123)	-	(281,123)	- -
Balance at the end of the year	1,449,071	1,299,337	1,449,070	2,312,048

24 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short term deposits with 30 days tenure.

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Cash in hand	3,599	3,642	2,150	1,666
Bank balances	21,319,842	20,644,886	20,855,371	19,698,737
Short term deposits	21,366,000	2,500,000	21,366,000	2,500,000
Nigerian Treasury bill	2,171,000	1,463,000	2,171,000	1,463,000
	44,860,441	**24,611,528**	**44,394,521**	**23,663,403**

25 Share capital and Premium

The balance in the share capital account was as follows:

Authorised:	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Balance at January 1, 2020 (12,000,000,000 Ordinary shares of N0.50 each)	6,000,000	6,000,000	6,000,000	6,000,000
Addition of 3,000,000,000 Ordinary shares of N0.5 each during during the year	1,500,000	-	1,500,000	-
Balance at December 31	**7,500,000**	**6,000,000**	**7,500,000**	**6,000,000**

Following the successful completion of the scheme of arrangement, the authorised share capital of the Company was increased from N6,000,000,000 (Six Billion Naira) to N7,500,000,000 (Seven Billion, Five Hundred Million Naira) by the creation of 3,000,000,000 (Three Billion) new ordinary shares of 50 kobo each.

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Allotted, called up issued and fully paid:				
Balance at January 1	6,000,000	6,000,000	6,000,000	6,000,000
Issue of 146,878,239 Ordinary shares of N0.5 each during the year (Note 43))	73,439	-	73,439	-
Balance at December 31	**6,073,439**	**6,000,000**	**6,073,439**	**6,000,000**
Share premium				
12,000,000,000 ordinary shares of N0.5 each issued at N0.5267	**6,320,524**	**6,320,524**	**6,320,524**	**6,320,524**

Share premium represents the excess of the shareholders' value over the nominal share capital at the point of the commencement of operations in January 2006.

26 Retained earnings

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Balance at January 1	96,258,578	87,010,225	105,762,418	94,859,602
Profit for the year	29,764,578	22,448,353	31,370,659	24,102,816
Disposal of SSCL's non controlling interest as at December 31, 2019	(436,574)	-	-	-
Disposal of SSCL's non controlling interest (January 1 to August 31)	15,270	-	-	-
Net liabilities of savannah transferred (Note 43)	-	-	(10,950,699)	-
Changes in share capital (Note 25)	(73,439)	-	(73,439)	-
Dividend pain during the year	(13,200,000)	(13,200,000)	(13,200,000)	(13,200,000)
Balance at December 31	**112,328,413**	**96,258,578**	**112,908,940**	**105,762,418**

Dividend recognised as distribution to owners is at N1.10 per every ordinary share held.

27 Non-controlling interest

Balance brought forward	(442,638)	(355,561)	-	-
Share of Profit/(loss) for the year	10,665	(87,077)	-	-
Disposal of SSCL's non controlling interest as at December 31, 2019	436,574	-	-	-
Disposal of SSCL's non controlling interest (January 1 to August 31)	(15,270)	-	-	-
Total	**(10,669)**	**(442,638)**	**-**	**-**

28 Borrowings

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Held at amortised cost				
Bank loan	1,179,138	1,345,226	1,179,138	-
	1,179,138	**1,345,226**	**1,179,138**	**-**
Non-current liabilities	984,487	1,300,014	984,487	-
Current liabilities	194,651	45,212	194,651	-
	1,179,138	**1,345,226**	**1,179,138**	**-**
Movement of borrowings				
Balance brought forward	1,345,226	1,470,755	-	-
Acquired	-	-	1,270,592	-
Accrued interest	175,674	240,133	74,795	-
Interest payment	(94,388)	(240,133)	(37,578)	-
Principal repayment	(247,374)	(125,529)	(128,671)	-
	1,179,138	**1,345,226**	**1,179,138**	**-**

In 2016, the Group received a 10-year loan of N2 Billion from Zenith Bank Plc, with two years moratorium on principal, at an interest of 9% per annum payable quarterly. It is secured on fixed and floating assets of Savannah Sugar Limited.

29 Employee benefits

Defined benefit plan

The Group operated a defined benefit plan for all qualifying employees up till 30 September 2013. Under the plan, the employees were entitled to retirement benefits which vary according to length of service. At the date of discontinuation, qualified staff as at this date are to be paid their retirement benefit at the point of exit hence the recognition as a current liability as it is payable on demand. The amounts stated in the financial statement as at 2013 are based on actuarial valuation carried out in 2013. For the purpose of comparison the present value of the defined benefit obligation, and the related current service cost and past service cost stated in the books up till 30 September 2013 was measured using the Project Unit Credit Method.

The most recent Actuarial Valuation was carried out in 2013 using the staff payroll of 30 September 2013.

Movement in gratuity

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Balance as at 1 January	980,430	969,931	798,696	794,802
Additional provision	121,183	18,530	121,183	11,925
Gratuity acquired from Savannah Sugar Ltd	-	-	178,612	-
Benefits paid from plan	(132,022)	(8,031)	(128,900)	(8,031)
	969,591	**980,430**	**969,591**	**798,696**

Below is the details of gratuity acquired from Savannah Sugar Ltd:	**31/12/2020 ₦'000**
Balance brought forward from January 1, 2020	181,734
Payments made up to August 31st, 2020	(3,122)
Amount acquired as at September 1, 2020	178,612

As at the date of the valuation, no fund has been set up from which payments can be disbursed. Dangote Sugar Refinery expects to settle its obligations out of its existing reserves. The contribution into the gratuity scheme was discontinued in 2013.

Defined contribution plan
The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees contribute 8% of their gross salary (basic, housing and transport) while the Group contributes 10% on behalf of the employees to the same plan.

30 Trade and other payables

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Trade payables	87,790,049	32,006,154	87,243,701	31,507,755
Dividend Payable	1,467,906	1,977,248	1,467,906	1,977,248
Accruals and sundry creditors	18,043,678	11,134,102	11,021,576	10,090,791
Other credit balances	19,133,945	7,706,158	7,426,522	6,858,112
Due to related parties (Note 35)	9,082,516	10,400,191	9,068,252	8,870,744
	135,518,094	**63,223,853**	**116,227,957**	**59,304,650**

31 Other Liabilities

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Advance payment for goods	2,761,583	1,561,347	2,761,574	1,557,861
31.1 Lease Liability	2,433,633	2,322,159	2,380,738	2,280,637

Lease liabilities

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Opening balance as at 1 January 2020	2,322,160	2,650,469	2,280,637	2,641,339
Additions	31,910	109,039	9,335	80,622
Interest expense	164,376	214,317	157,297	209,108
Exchange Difference	421,704	54,627	421,704	54,627
Payments made during the period	(506,516)	(706,292)	(488,234)	(705,059)
Closing balance as at 31 December 2020	**2,433,634**	**2,322,160**	**2,380,739**	**2,280,637**
Current	1,050,534	612,100	1,043,658	606,622
Non-current	1,383,100	1,710,060	1,337,081	1,674,015
	2,433,634	**2,322,160**	**2,380,739**	**2,280,637**

31.2 Amounts recognised in the statement of profit or loss

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Depreciation charge on right of use assets				
Land	34,025	32,220	34,025	32,220
Buildings	605,342	597,006	582,919	580,697
	639,367	629,226	616,944	612,917
Interest expense (included in finance cost)	164,376	214,316	157,297	209,108
Foreign exchange difference	421,704	54,627	421,704	54,627
Expense related to short term leases (included in administrative expenses)	25,868	103,144	25,868	101,686

31.3 Liquidity risk (maturity analysis of lease liabilities)

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Lease liability - Undiscounted cashflows				
0-3 months	381,705	96,350	381,705	90,839
3-12 months	711,265	673,898	711,265	673,065
1-2 years	711,265	694,430	711,265	649,319
Above 2 years	1,804,234	1,808,657	1,804,234	1,808,657

31.4 Leases where the Group is a lessor.

The Group has leased two of its buildings and a staff quarter to a related party and employees respectively. These are classified as operating leases.

Lease rental recognised in profit or loss as rental income in which the Group acts as a lessor is as shown below:

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Other income				
Rental income on operating lease (Note 11)	67,500	94,195	67,500	67,500

32 Risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is made up of equity comprising issued capital, share premium and retained earnings. The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group is not geared as at 31 December 2020 (see below).

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and noncurrent borrowings' as shown in the statement of financial position as at 30 June 2020) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the as at 30 June 2020 plus net debt.

The gearing ratio at 2020 and 2019 respectively were as follows:

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Total borrowings				
Borrowings (Note 28)	1,179,138	1,345,226	1,179,138	-
Less: Cash and cash equivalent (Note 24)	44,860,441	24,611,528	44,394,521	23,663,403
Net Cash	**43,681,303**	**23,266,302**	**43,215,383**	**23,663,403**
Total Equity	124,711,707	108,136,464	125,302,902	118,082,942
Gearing ratio	1%	1%	1%	0%

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk management

The Company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, our allocation of Letters of Credit on raw sugar and spares/chemicals are spread over dedicated banks. Therefore, the establishment of these Letters of Credit which are commitments by the banks provide security to our funds placed on deposit accounts. In other words our funds placed are substantially tied to our obligations on raw sugar and spares.

Group

At 31 December 2020	**Less than one year N'000**	**More than one year N'000**	**Total N'000**
Borrowings	194,651	984,487	1,179,138
Lease liability	1,050,534	1,383,100	2,433,634
Trade and other payables	114,916,243	-	114,916,243
	116,161,428	**2,367,587**	**118,529,015**
At 31 December 2019			
Borrowings	45,212	1,300,014	1,345,226
Lease liability	612,100	1,710,060	2,322,160
Trade and other payables	53,540,447	-	53,540,447
	54,197,759	**3,010,074**	**57,207,833**

Company

At 31 December 2020	**Less than one year**	**More than one year**	**Total**
	N'000	**N'000**	**N'000**
Borrowings	194,651	984,487.00	1,179,138.00
Lease liability	1,043,658	1,337,081	2,380,739.00
Trade and other payables	107,333,529	-	107,333,529
	108,571,838	**2,321,568**	**110,893,406**
At 31 December 2019			
Borrowings	-	-	-
Lease liability	606,622	1,674,015	2,280,637
Trade and other payables	50,469,290	-	50,469,290
	51,075,912	**1,674,015**	**52,749,927**

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its investing activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial institutions. The Group has a credit management committee that is responsible for carrying out preliminary credit checks, review and approval of bank guarantees to credit customers. A credit controller also monitors trade receivable balances and resolves credit related matters.
Before accepting any new customer to buy on credit, the customer must have purchased goods on cash basis for a minimum period of six months in order to test the financial capability of the customer. Based on good credit rating by the credit committee of the Company, the customer may be allowed to migrate to credit purchases after the presentation of an acceptable bank guarantee which must be valid for one year

Concentration of risk
32% of the trade receivables are due from a single customer whose credit history is good. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate and individual customers.

Deposits with banks and other financial institutions
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, lists of financial institutions that the Group deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

Maximum exposure to credit risks
The carrying value of the Group's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

Financial instrument	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Trade receivables	6,675,277	9,430,878	6,675,277	9,234,644
Other receivables	1,502,030	2,434,112	1,485,617	1,226,518
Deposit for open Letters of Credit with the banks.	14,229,547	5,226,476	14,229,547	5,226,476
Amount due from related party	9,983,259	5,463,320	9,958,102	88,030,980
Cash and cash equivalents	44,860,441	24,611,528	44,394,521	23,663,403
	77,250,554	**47,166,314**	**76,743,064**	**127,382,021**

Excluded from the other receivables balance shown above are the VAT, advance to vendors, Withholding tax receivable and NDCC receivables, these are not financial instruments.

Impairment of financial assets

Under IFRS 9, the Company is required to revise its previous impairment methodology under IAS 39 and adopt the new expected credit loss model for financial assets (See Note 2.13 for accounting policies on financial instruments). The company's financial assets that are subject to IFRS 9's new expected credit loss model are:

Trade receivables
Amount due from related parties
Staff loans and;
Cash and cash equivalent.

a)Trade receivables
The Company applies the IFRS 9 simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance (ECL) for all trade receivables. Trade receivables represent the amount receivable from third-party customers for the sale of goods. The expected credit loss rate for this receivable is determined using a provision matrix approach.

The provision matrix approach is based on the historical credit loss experience observed according to the behaviour of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables. The macroeconomic variables considered include inflation, gross domestic product (GDP) and exchange rate

The expected loss rates as at 31 December 2020 are as follows:

Age of trade receivables	**0-30 days** ₦'000	**31-60 days** ₦'000	**61-90 days** ₦'000	**91-365 days** ₦'000	**Over 365 days** ₦'000	**Total** ₦'000
Gross carrying amount	6,530,884	389,162	15,960	-	-	6,936,006
Default rate	4%	6%	8%	11%	100%	
Lifetime ECL	(235,995)	(23,416)	(1,318)	-	-	(260,729)
Total	**6,294,889**	**365,746**	**14,642**	**-**	**-**	**6,675,277**

The expected loss rates as at 31 December 2019 are as follows:

Age of trade receivables	**0-30 days** ₦'000	**31-60 days** ₦'000	**61-90 days** ₦'000	**91-365 days** ₦'000	**Over 365 days** ₦'000	**Total** ₦'000
Gross carrying amount	10,049,253	1,445,574	53,587	79,278	210,035	11,837,727
Default rate	3%	10%	19%	33%	100%	
Lifetime ECL	(326,104)	(145,587)	(9,953)	(26,438)	(210,035)	(718,117)
				-	-	
Total	**9,723,149**	**1,299,987**	**43,634**	**52,840**	**-**	**11,119,610**

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Collectability is probable.

b) Amounts due from related parties

Amounts due from related parties arises from both sales made to sister companies and expenses incurred on behalf of related parties that are expected to be reimbursed.

Amounts due from related parties that are related to trade have no significant financing component, therefore, the provision matrix approach has been applied in determining the expected credit loss on these receivables.

The general approach has been adopted for recognizing expected credit loss on amounts due from related parties that arise as a result of expense incurred on behalf of related parties that are expected to be reimbursed as they do not meet the criteria for applying the simplified approach.

I) Amounts due from related parties (trade related)

The provision matrix approach is based on the historical credit loss experience observed according to the behavior of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables. The macroeconomic variables considered include inflation, gross domestic product (GDP) and exchange rate

The expected loss rates as at 31 December 2020 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross carrying amount	4,129	21,385	26,845	434,435	322,183	808,977
Default rate	3%	10%	19%	33%	100%	
Lifetime ECL	(134)	(2,154)	(4,986)	(144,880)	(322,183)	(474,337)
Total	**3,995**	**19,231**	**21,859**	**289,555**	**-**	**334,640**

The expected loss rates as at 31 December 2019 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross carrying amount	10,471	525	300	246,691	97,145	355,133
Default rate	3%	10%	19%	33%	100%	
Lifetime ECL	(340)	(53)	(56)	(82,269)	(97,145)	(179,863)
Total	**10,131**	**472**	**244**	**164,422**	**-**	**175,270**

ii) Amounts due from related parties (non-trade related)

This requires a three-stage approach in recognising the expected loss allowance for amounts due from related parties. The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

December 31 2020

	Stage 1 12-month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000
Gross EAD*	54,773,086	-	-	54,773,086
Loss allowance as at 31 December 2020	(2,562,123)	-	-	(2,361,995)
Net EAD	**52,210,963**	**-**	**-**	**52,411,091**

December 31 2019

	Stage 1 12-month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000
Gross EAD*	30,518,482	-	-	30,518,482
Loss allowance as at 31 December 2020	(1,390,118)	-	-	(1,390,118)
Net EAD	**29,128,364**	**-**	**-**	**29,128,364**

The parameters used to determine impairment for amounts due from related parties that are not related to trade are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the Lifetime PD for stage 2 as the maximum contractual period over which the Company is exposed to credit risk arising from the receivables is less than 12 months.

	Amounts due from related parties (non-trade related)
Probability of Default (PD)	The rating of each related party receivable is used to determine the PD. All facilities except Dangote Cement have been assigned a B- rating with an associated year 1 PD of 0.64%. Dangote Cements rating of AA+ rating was mapped to Fitch's rating of B with an associated year 1 PD of 0.43%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined using the Moody's average corporate senior bond recovery rate of 37%.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default.
	The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, various macroeconomic variables such as GDP, Exchange rate, inflation rate, have been considered to determine how default rates should move over time. No significant relationship was identified.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2006 - 2016. 89% weight was assigned to best case, 2% for optimistic and 9% for downturn.

The Company considers both quantitative and qualitative indicators (staging criteria) in classifying its related party receivables into the relevant stages for impairment calculation.

Impairment of related party receivables are recognised in three stages based on certain criteria such as:

1. Days past due
2 Credit rating at origination
3 Current credit rating

ü Stage 1: This stage includes receivables at origination and receivables that do not have indications of a significant increase in credit risk.

ü Stage 2: This stage includes receivables that have been assessed to have a significant increase in credit risk using the above mentioned criteria and other qualitative indicators such as the increase in political risk concerns or other micro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance

ü Stage 3: This stage includes financial assets that have been assessed as being in default (e.g. receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

c) Staff loans

The company provides interest free loans to its employees. The Company applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for staff loans.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The ECL was calculated based on actual credit loss experience from 2014, which is the date the Company initially became a party to the contract. The following analysis provides further detail about the calculation of ECLs related to these assets. The Company considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty. See notes 4 and 23.2 for further details.

December 31 2020	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2020	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

December 31 2019	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2019	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

The parameters used to determine impairment for employee loan and advances are shown below.

Staff Loans

Probability of Default (PD)	The rating of each staff is used to determine the PD. All facilities except for expired facilities have been assigned a C rating with an associated year 1 PD of 3.35%. Expired staff loans has been assigned a rating of D with an associated year 1 PD of 100%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined as 100% for all staff loans.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default.
	The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, the staff attrition rate was used as a proxy for the default rate. The attrition rate was forecasted by growing the attrition rate for the last historical point with the average growth rate for the historical period.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2006 - 2016. 89% weight was assigned to best case, 2% for optimistic and 9% for downturn.

d) Cash and cash equivalents
The Company also assessed the cash and cash equivalents to determine their expected credit losses. Based on this assessment, they identified the expected losses on cash as at 1 January 2019 and 31 December 2019 to be insignificant, as the loss rate is deemed immaterial. Cash are assessed to be in stage 1.

"e) Deposit for Open Letters of Credit with the banks"
"The Company also assessed its deposits for open letters of credit with banks to determine their expected credit losses. Based on this assessment, they identified the expected losses on this financial asset as at 1 January 2020 and 31 December 2020 to be insignificant, as the loss rate is deemed immaterial. Deposit for open Letters of Credit with the banks are assessed to be in stage 1."

Cash at bank and short-term bank deposits
Counterparties with external credit rating (Fitch)****

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
B-	16,503,089	-	14,301,104	-
B	23,462,815	1,102,856	25,198,880	1,102,857
B+	-	-	-	-
BBB	-	5,363,222	-	5,363,221
A-	-	2,619,122	-	2,619,122
A	987,771	8,086,055	987,771	8,086,055
AAA	2,591,410	4,555,838	2,591,410	4,555,838
No rating	1,315,356	2,884,435	1,315,356	1,936,310
	44,860,441	**24,611,528**	**44,394,521**	**23,663,403**

****B+, B and B-: Highly speculative, indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

BBB: Good credit quality, denotes expectations of default risk are currently low, The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

A & A-: High credit quality, denotes expectations of low default risk, capacity for payment of financial commitments is considered strong, but may more vulnerable to adverse business or economic conditions than is the case for higher ratings.

AAA: Highest credit quality, denotes the lowest expectations of default risk, exceptionally strong capacity for payment of financial commitments.

Interest rate risk management
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fluctuations in interest rates on its borrowings. The Group pays fixed/floating rate interest on its borrowings. The company actively monitors interest rate exposures on its investment portfolio and borrowings so as to minimise the effect of interest rate fluctuations on the income statement. The risk on borrowings is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings. All loans, cash and cash equivalent are fixed interest based and therefore the company does not have any exposure to the risk of changes in market rates.

Interest rate sensitivity
The sensitivity analysis below have been determined based on the exposure to interest rates for related party loan at the prevailing market interest rate of 13.5% at the end of the reporting period. A 250 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. A 250 basis points reflects a N50 million impact on finance cost. A positive number below indicates an increase in profit or equity for a 250 basis points change in the finance cost. A negative number below indicates a decrease in profit or equity for a 250 basis points change in the finance cost.

Foreign Currency Risk Management
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is limited to foreign currency purchases of operating materials (e.g. finished equipment and other inventory items) and trade receivables that are denominated in foreign currencies. Foreign exchange exposure is monitored by the Group's treasury unit.

The Naira carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31/12/2020			31/12/2019		
	Euro (€)	GBP (£)	USD ($)	Euro (€)	GBP (£)	USD ($)
Company	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	-	-	1,851,871	-	-	46,864
Trade payables	(17,348,396)	(7,060,842)	(87,922,013)	-	-	(31,048,544)
Amount due from/(to) related parties	(161,988)	1,147,775	164,910	(93,323)	976,513	366,384
Net exposure	**(17,510,384)**	**(5,913,067)**	**(85,905,232)**	**(93,323)**	**976,513**	**(30,635,296)**
Group						
Cash and cash equivalents	-	-	2,065,211	-	-	46,864
Trade payables	(17,348,396)	(7,060,842)	(87,922,013)	-	-	(31,048,544)
Amount due from/(to) related parties	(161,988)	1,147,775	164,910	(93,323)	976,513	366,384
Net exposure	**(17,510,384)**	**(5,913,067)**	**(85,691,892)**	**(93,323)**	**976,513**	**(30,635,296)**

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	₦	₦	₦	₦
Euro (€)	461.09	392.88	546.42	375.75
GBP (£)	465.62	444.00	491.24	440.00
USD ($)	369.42	347.75	400.33	338.50

Sensitivity analysis on foreign currency

A fifteen percent (15%) strengthening of the Naira, against the Euro, Dollar and GBP at 31 December would have increased/(decreased) income statement and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period and has no impact on equity. The analysis assumes that all other variables, in particular interest rates, remain constant.

	(Decrease)/increase in income statement			
	GROUP	GROUP	COMPANY	COMPANY
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	N'000	N'000	N'000	N'000
Euro (€)	(2,626,558)	(7,775)	(2,626,558)	(7,775)
GBP (£)	(886,960)	106,968	(886,960)	106,968
USD ($)	(12,885,785)	(4,407,739)	(12,885,785)	(4,407,739)

A fifteen percent (15%) weakening of the Naira against the above currencies would have had the equal but opposite effect on the above currencies to the magnitude of the amounts shown above, on the basis that all other variables remain constant.

33 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below

	GROUP	GROUP	COMPANY	COMPANY
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	₦'000	₦'000	₦'000	₦'000
Assets				
Trade and other receivables	32,390,113	22,554,786	32,348,543	103,718,618
Cash and cash equivalents	44,860,441	24,611,528	44,394,521	23,663,403
	77,250,554	**47,166,314**	**76,743,064**	**127,382,021**

34 Financial liabilities by category

	GROUP	GROUP	COMPANY	COMPANY
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	₦'000	₦'000	₦'000	₦'000
Liabilities				
Borrowings	1,179,138	1,345,226	1,179,138	-
Lease liabilities	2,433,634	2,322,160	2,380,739	2,280,637
Trade and other payables	135,518,094	54,497,731	116,227,957	59,304,650
	139,130,866	**58,165,117**	**119,787,834**	**61,585,287**

35 Related Party Information

35.1 Related parties and Nature of relationship and transactions

Related parties	**Nature of relationship and transactions**
Dansa Foods Limited	An entity controlled by key management personnel of the Company that has trading relationship with the Company.
NASCON Allied Industries PLC	Fellow subsidiary from which the Company purchases raw salt as input in the production process
Bluestar services Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Bluestar Clearing Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Savannah Sugar Company Limited	Subsidiary- Backward integrated project
Taraba Sugar Company Limited	Subsidiary- Backward integrated project
Adamawa SugarCompany Limited	Subsidiary- Backward integrated project
Nassarawa Sugar Company Limited	Subsidiary- Backward integrated project
Niger Sugar project Limited	Subsidiary- Backward integrated project
Dangote Global Services Limited (UK)	Fellow subsidiary- Payment for foreign procurements
Dangote Oil and Gas Company Limited	Fellow subsidiary - Supply of AGO and LPFO
Dangote Industries Limited	Parent company that provides management support and receives 7.5% of total reimbursables as management fees
Dancom Technologies Limited	Fellow subsidiary - Supply of IT services
MHF Properties Limited	Fellow subsidiary - Property rentals.
Greenview Development Company Limited	Fellow subsidiary - Property rentals.
Kura Holdings Limited	Fellow subsidiary - Travel services
Aliko Dangote Foundation	Under common control- Incures expenses on each other's behalf
Dangote Sinotrucks west Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Agrosacks Nigeria Limited	Fellow subsidiary- Supplies empty for bagging of finished

DANGOTE SUGAR

35.2 Related party transactions and balances	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
i) Sales of goods and services				
Dangote Flour Mills PLC	-	599,267	-	599,267
Dangote Industries Limited	21,629	168,821	21,629	168,821
Dancom Technologies Limited	426	88,526	426	88,526
Dangote Pasta	-	4,520	-	4,520
NASCON Allied Industries PLC	271,630	13,824	271,630	13,824
Greenview Development Company Limited	91,736	67,964	91,736	67,964
Aliko Dangote Foundation	2,426,468	36,420	2,426,468	36,420
Dangote Cement PLC Ibeshe	76,396	921	76,396	921
	2,888,285	**980,263**	**2,888,285**	**980,263**
ii) Purchase of goods and services				
Dangote Cement PLC	1,999,847	3,647,822	1,999,847	3,647,822
Greenview Development Company Limited	2,127,367	3,317,856	2,127,367	3,317,856
Dangote Agrosacks Nigeria Limited	2,829,407	2,333,539	2,829,407	2,333,539
Dangote Flour Mills PLC	-	866,529	-	866,529
Kura Holdings Limited	18,415	72,757	18,415	72,757
Dangote Oil and Gas Company Limited	-	2,833,844	-	2,833,844
Dangote Cement PLC Ibeshe	-	111,644	-	111,644
Bluestar Shipping Services Limited	448,583	127,008	448,583	127,008
Dangote Global Services Limited (UK)	472,914	1,029,725	472,914	1,029,725
NASCON Allied Indsutries PLC	157,676	241,600	157,676	241,600
Dancom Technologies Limited	70,977	88,526	70,977	88,526
MHF Properties	1,612	11,244	1,612	11,244
Dangote Sinotrucks	4,516,896	2,331,000	4,516,896	2,331,000
Bluestar Clearing Limited	448,583	411,693	448,583	411,693
Dangote Industries Limited	747,966	1,139,593	747,966	1,139,593
	13,840,243	**18,564,380**	**13,840,243**	**18,564,380**
iii) Management fees				
Dangote Industries Limited	962,324	782,211	962,324	782,211
	962,324	**782,211**	**962,324**	**782,211**

iv) Amount owed by related parties

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Dangote Taraba Sugar Limited	-	-	-	1,855,079
Dangote Adamawa Sugar Limited	-	-	-	5,256,256
Nassarawa Sugar Company Limited	-	-	-	16,068,891
Savannah Sugar Company Limited	-	-	-	60,430,072
Dangote Global Services Limited (UK)	1,281,822	973,781	1,281,822	973,781
NASCON Allied Industries PLC	282,475	171,716	282,475	171,716
Dangote Sinotruck west Africa Limited	17,800	17,800	-	-
Greenview Development Nigeria Limited	2,516,022	1,537,512	2,516,022	1,537,512
Dangote Fertilizer Limited	1,107,193	1,119,485	1,107,193	1,119,485
Dancom Technologies Limited	25,291	8,844	25,291	-
AG Dangote Construction Limited	959,130	849,097	959,130	849,097
Bluestar Shipping line Limited	-	3,282	-	-
Aliko Dangote Foundation	505,767	-	505,767	-
Dangote Cement PLC	1,273,023	1,339,072	1,273,023	1,339,072
Dangote Industries Limited	2,942,888	-	2,935,530	-
Gross amount due from related parties (Note 23)	**10,911,411**	**6,020,589**	**10,886,253**	**89,600,961**
Allowance for impaired -related parties Trade(Note 23.2)	(373,541)	(179,863)	(373,541)	(179,863)
Allowance for impaired -related parties Non-Trade(N0te 23.2)	(377,406)	(377,406)	(554,610)	(1,390,118)
Net amount due from related parties	**10,160,464**	**5,463,320**	**9,958,102**	**88,030,980**

v) Amount owed to related parties

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Dangote Cement PLC	7,307,856	4,612,559	7,296,524	3,137,155
Greenview Development Nigeria Limited	-	693	-	-
Dangote Niger Sugar Limited	-	-	-	46,843
Dangote Agrosacks Limited	132,894	729,002	132,894	714,687
Dangote Oil and Gas Company Limited	11,258	322,646	11,258	322,646
Kura Holdings Limited	21,555	34,569	21,555	34,569
Bluestar Shipping line Limited	421,941	265,793	421,941	265,793
MHF Properties Limited	-	550	-	550
Dancom Technologies Limited	2,705	10,387	-	7,637
Dangote Nigeria Limited Clearing	693	14,569	693	14,569
Dangote Sinotruck west Africa Limited	1,069,275	3,274,887	1,069,048	3,274,887
Dangote Industries Limited	114,339	1,134,536	114,339	1,051,408
	9,082,516	**10,400,191**	**9,068,252**	**8,870,744**

35.3 Sales of goods to related parties were made at the Company's usual market price without any discount to reflect the quantity of goods sold to related parties. Purchases were made at market price and there was no discount on all purchases.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Dangote Industries Limited (DIL) in recognition of the requirement of transfer pricing regulations that all transactions between connected taxable persons shall be carried out in a manner that is consistent with arm's length principle has come up with basis of computing its management fees and royalty taking into cognizance certain principles.

Royalty payment shall be made in addition to management fees payable from 1 January 2015 at the rate of 0.5% of the total revenue.

35.4 Loans to and from related parties

There are no related party loans as at 31 December 2020.

35.5 Key Management Personnel

List of Directors of Dangote Sugar Refinery Plc

1	Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Board Member (Group Managing Director/CEO)
3	Alh. Sani Dangote	Board Member (Director)
4	Mr. Olakunle Alake	Board Member (Director)
5	Mr. Uzoma Nwankwo	Board Member (Director)
6	Ms. Bennedikter Molokwu	Board Member (Director)
7	Prof. Konyinsola Ajayi (SAN)	Board Member (Director)
8	Alh. Abdu Dantata	Board Member (Director)
9	Ms. Maryam Bashir	Board Member (Director)
	Mrs. Temitope Hassan	Company Secretary/Legal Adviser

List of key management staff

1	Mr. Ravindra Singhvi	Group Managing Director/CEO
2	Mrs. Adebola Falade	Chief Finance Officer
3	Mrs. Temitope Hassan	Company Secretary/Legal Adviser
4	Engr. Thiru Rajasekar	General Manager, Refinery
5	Mr.Babafemi Gbadewole	Chief Internal Auditor
6	Mr. Olashina Mateen	Ag. General Manager, Supply Chain
7	Mr. Saddiq Bello	General Manager, Sales and marketing
8	Mr. Hassan Salisu	Head, Human Resources and Admin
9	Mr. Fatay Olamilekan Jimoh	Head, Risk Management

35.6 Compensation to directors and other key management

	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Short-term employee benefits	490,506	145,582	490,506	137,257
	490,506	**145,582**	**490,506**	**137,257**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	COMPANY 31/12/2020 ₦'000	COMPANY 31/12/2019 ₦'000
Basic	2,367,298	1,818,305	1,927,903	1,117,362
Bonus	94,266	-	94,266	-
Medical claims	15	34,665	15	11,183
Leave allowance	176,089	128,257	147,460	576,777
Short term benefits	1,722,194	1,450,178	1,339,343	1,138,410
Other short term costs	547,992	641,945	211,148	126,842
Pension	226,950	18,833	198,801	18,833
Termination benefits	262	27,933	262	27,933
	5,135,066	**4,120,116**	**3,919,197**	**3,017,340**

Indirect employee costs	31/12/2020 ₦'000	31/12/2019 ₦'000	31/12/2020 ₦'000	31/12/2019 ₦'000
Basic	831,307	368,746	700,247	362,773
Bonus	62,518	76	62,518	76
Medical claims and allowance	9,974	138,648	3,291	70,004
NSITF and ITF levies	89,173	163,265	56,370	148,128
Short term benefits	1,292,978	684,152	892,559	483,832
Other short term costs	871,715	1,264,755	631,426	758,034
Pension	27,582	33,758	103,469	29,095
Termination benefits	1,291	25,282	1,291	-
	3,186,538	**2,678,682**	**2,451,171**	**1,851,942**

Total employee costs				
Direct employee cost	5,135,066	4,120,116	3,919,197	3,017,340
Indirect employee cost	3,186,538	2,678,682	2,451,171	1,851,942
	8,321,604	**6,798,798**	**6,370,368**	**4,869,282**

Average number of persons employed during the year was:

	31/12/2020 Number	31/12/2019 Number	31/12/2020 Number	31/12/2019 Number
Management	121	113	110	94
Senior Staff	547	525	533	354
Junior Staff	2,212	1849	2,212	1144
	2,880	**2,487**	**2,855**	**1,592**

The table below shows the number of employees (excluding Directors), whose earnings within the year, fell within the ranges shown below:

	GROUP 2020 Number	GROUP 2019 Number	COMPANY 2020 Number	COMPANY 2019 Number
₦200,000 - ₦600,000	675	533	675	533
₦600,001 - ₦700,000	56	21	56	21
₦700,001 - ₦800,000	6	-	6	-
₦800,001 - ₦900,000	7	50	7	7
₦900,001 - ₦1,000,000	18	184	18	12
₦1,000,001 - ₦2,000,000	1263	1048	1254	475
₦2,000,001 - ₦3,000,000	415	289	410	228
₦3,000,001 - ₦4,000,000	155	110	154	93
₦4,000,001 - ₦5,000,000	71	59	69	49
₦5,000,001 - ₦6,000,000	46	50	46	45
₦6,000,001 - ₦7,000,000	52	56	51	51
₦7,000,001 - ₦8,000,000	44	27	44	27
₦8,000,001 - ₦9,000,000	15	13	14	12
₦9,000,001 - ₦10,000,000	12	8	12	7
₦10,000,001 and above	45	39	39	32
	2,880	**2,487**	**2,855**	**1,592**

37 Directors' emoluments	**31/12/2020 ₦'000**	**31/12/2019 ₦'000**	**31/12/2020 ₦'000**	**31/12/2019 ₦'000**
Fees	33,000	33,000	33,000	33,000
Salaries	134,633	-	134,633	-
Others	129,342	149,659	129,342	149,659
	296,975	**182,659**	**296,975**	**182,659**
Emoluments of the highest paid Director	**134,633**	**-**	**134,633**	**-**

The number of Directors excluding the chairman with gross emoluments within the bands stated below were:

₦'000	**31/12/2020 Number**	**31/12/2019 Number**	**31/12/2020 Number**	**31/12/2019 Number**
0 - 19,000	8	7	8	7
32,000 and above	1	1	1	1
	9	**8**	**9**	**8**

38 Events after the reporting period

There were no events after the reporting period that could have had material effect on the financial statements of the Company as at 30 December 2020 that have not been taken into account in these financial statements.

39 Capital Commitment

As at 31 December 2020, there were no capital commitments in respect of the Lagos factory expansion (2019: Nil)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 December 2020 (2019: Nil)

41 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 31 December 2020
Share Price at end of reporting period:	₦17.60 (2019:₦13.60)

Shareholding structure/Free Float Status

	31 December 2020		31 December 2019	
Description	**Unit**	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	12,146,878,241	100%	12,000,000,000	100%
Substantial Shareholdings (5% and above):				
Dangote Industries limited	8,122,446,281	66.87%	8,122,446,281	67.69%
Aliko Dangote	653,095,014	5.38%	653,095,014	5.44%
Total Substantial Shareholdings	**8,775,541,295**	**72.25%**	**8,775,541,295**	**73.13%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest:				
Alhaji Sani Dangote	Nil		Nil	
Mr. Olakunle Alake (Direct)	7,194,000	0.06%	7,194,000	0.06%
Ms Benedicta Molokwu (Direct)	1,483,400	0.01%	1,483,400	0.01%
Alhaji Abdu Dantata (Direct)	1,044,400	0.01%	1,044,400	0.01%
Mr. Uzoma Nwankwo (Direct)	384,692	0.00%	384,692	0.00%
Dr. Konyinsola Ajayi (SAN)	-	-	-	-
Ms. Maryam Bashir	-	-	-	-
Mr. Ravindra Singhvi	-	-	-	-
Total Directors' Shareholdings	**10,106,492**	**0.08%**	**10,106,492**	**0.08%**
Free Float in Units and Percentage	**3,361,230,454**	**27.67%**	**3,214,352,233**	**26.79%**
Free Float in Value (₦)	**59,157,655,990**		**43,715,190,097**	

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 31 December 2020, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) Dangote Sugar Refinery Plc with a free float value of N43,715,190,096.80 as at 31 December 2019, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Dangote Sugar Refinery Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

DANGOTE SUGAR

43 Business combination under common control

On 1 September 2020, the assets, liabilities and business operations of Savannah Sugar Company Limited (subsidiary) were merged with those of Dangote Sugar Refinery Plc ("the Company") through a scheme of ordinary shares arrangement. The merger is categorised as business combination under common control as both entities are ultimately controlled by the same party, hence this falls outside the scope of IFRS 3 'Business Combination'. The Company has applied the predecessor method in accounting for the merger.

"No goodwill was recognised, instead, the predecessor carrying value of the net liabilities transferred were combined with the net assets of the Company. A total of 146,878,239 ordinary shares at 50k each in Dangote Sugar Refinery Plc were issued to the non-controlling shareholders of Savannah Sugar Company Limited. The cost of these issued shares was recognised in equity."

The Company incurred a total sum of N251,809,524.93 on merger related costs, consisting mainly of filing fees and professional services fees. These amounts have been reflected in the respective expense accounts in the statement of profit or loss and other comprehensive income.

The predecessor carrying values of the assets and liabilities of Savannah Sugar Company Limited on 1 September 2020 are as shown below:

	1 September 2020 ₦'000
Non current assets	
Property, plant and equipment	39,658,912
Deferred tax assets	9,293,194
	48,952,106
Current assets	
Inventories	8,454,616
Biological assets	4,056,268
Trade and other receivables	2,772,742
Cash and cash equivalents	487,472
	15,771,098
Total assets	**64,723,204**
Non current liabilities	
Long term borrowings	1,270,592
	1,270,592
Current liabilities	
Current income tax liabilities	63,633
Trade and other payables	5,420,763
Employee benefit liability	178,612
Other Liabilities	35,176
	5,698,184
Total liabilities	**6,968,775**
Net assets transferred (at book values)	57,754,428
Less:	
Cost of investment	(3,214,923)
Receivable from Savannah Sugar Company Limited	(65,490,204)
Net difference arising on merger	**(10,950,699)**

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ₦'000	2020 %	2019 ₦'000	2019 %
GROUP					
Value Added					
Revenue		214,297,747		161,085,778	
Bought - in materials and services		(154,291,204)		(119,361,559)	
Fair Value adjustment		2,417,067		(313,472)	
Other income		1,591,715		1,326,283	
		64,015,325	**100**	**42,737,030**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		8,321,604		6,798,798	
		8,321,604	**13**	**6,798,798**	**16**
To Pay Providers of Capital					
Finance costs		1,915,548		516,210	
		1,915,548	**3**	**516,210**	**1**
To Pay Government					
Income tax	12	1,522,740		11,016,507	
		1,522,740	**2**	**11,016,507**	**26**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		8,155,854		5,601,592	
Deferred tax	12	14,324,336		(3,557,353)	
		22,480,190	**35**	**2,044,239**	**5**
Value retained					
Retained profit		29,764,578		22,448,353	
Non-controlling interest		10,665		(87,077)	
		29,775,243	**47**	**22,361,276**	**52**
Total Value Distributed		**64,015,325**	**100**	**42,737,030**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and employees efforts.

"Value added" is the measure of wealth the Group has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the Group for the replacement of assets and the further development of operations.

STATEMENT OF VALUE ADDED *Cont'd*

FOR THE YEAR ENDED DECEMBER 31, 2020

DANGOTE SUGAR

		2020 ₦'000	2020 %	2019 ₦'000	2019 %
COMPANY					
Value Added					
Revenue		206,360,656		158,104,577	
Bought - in materials and services		(148,883,405)		(114,222,302)	
Fair Value adjustment		559,287		-	
Other income		1,499,752		770,458	
		59,536,290	**100**	**44,652,733**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		6,370,368		4,869,282	
		6,370,368	**11**	**4,869,282**	**11**
To Pay Providers of Capital					
Finance costs		1,525,382		270,868	
		1,525,382	**3**	**270,868**	**1**
To Pay Government					
Income tax	12	1,491,208		11,016,507	
		1,491,208	**3**	**11,016,507**	**25**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		5,601,592		4,683,342	
Deferred tax	12	13,177,081		(290,082)	
		18,778,673	**32**	**4,393,260**	**10**
Value retained					
Retained profit		31,370,659		24,102,816	
Non-controlling interest		-		-	
		31,370,659	**53**	**24,102,816**	**54**
Total Value Distributed		**59,536,290**	**100**	**44,652,733**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and employees efforts.

"Value added" is the measure of wealth the Group has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the Group for the replacement of assets and the further development of operations.

FIVE YEAR FINANCIAL SUMMARY

Group as at December 31, 2020	GROUP 31/12/2020 ₦'000	GROUP 31/12/2019 ₦'000	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	GROUP 31/12/2016 ₦'000
Assets					
Non-current assets	101,733,526	93,437,879	71,441,221	66,592,631	58,743,476
Current assets	175,430,221	99,399,395	102,806,764	127,623,171	112,561,335
Assets of disposal groups held for sale	868,642	868,642	868,642	864,647	864,647
Total assets	**278,032,389**	**193,705,916**	**175,116,627**	**195,080,449**	**172,169,458**
Liabilities					
Non-current liabilities	11,271,389	8,029,989	6,735,540	6,679,887	6,766,548
Current liabilities	142,049,293	77,539,463	69,405,899	95,664,927	99,250,880
Total liabilities	**153,320,682**	**85,569,452**	**76,141,439**	**102,344,814**	**106,017,428**
Equity					
Share capital and premium	12,393,963	12,320,524	12,320,524	12,320,524	12,320,524
Retained income	112,328,413	96,258,578	87,010,225	80,577,948	54,092,393
Non-controlling interest	(10,669)	(442,638)	(355,561)	(162,837)	(260,887)
Total equity	**124,711,707**	**108,136,464**	**98,975,188**	**92,735,635**	**66,152,030**
Total equity and liabilities	**278,032,389**	**193,705,916**	**175,116,627**	**195,080,449**	**172,169,458**
Profit and loss account					
Revenue	214,297,747	161,085,778	150,373,083	204,422,379	169,724,936
Profit before taxation	**45,622,319**	**29,820,430**	**34,601,057**	**53,598,868**	**19,614,434**
Profit for the year	**29,775,243**	**22,361,276**	**21,976,467**	**39,783,605**	**14,395,938**
Per share data (Naira)					
Earnings per share (Basic and diluted)	2.45	1.87	1.85	3.31	1.20
Net assets per share	10.27	9.01	8.25	5.51	5.51

"Earnings per share are based on profit after tax and the weighted number of issued and fully paid ordinary shares at the end of each financial year."

FIVE YEAR FINANCIAL SUMMARY *Cont'd*

Company as at December 31, 2020	GROUP 31/12/2020	GROUP 31/12/2019	GROUP 31/12/2018	GROUP 31/12/2017	GROUP 31/12/2016
Assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Non-current assets	118,569,794	36,317,858	33,585,972	38,815,554	32,819,554
Current assets	139,842,108	160,942,622	144,069,096	156,384,463	141,909,778
Assets of disposal groups held for sale	868,642	868,642	868,642	864,647	864,647
Total assets	**259,280,544**	**198,129,122**	**178,523,710**	**196,064,664**	**175,593,979**
Liabilities					
Non-current liabilities	11,225,370	6,693,930	5,309,997	5,212,819	5,299,480
Current liabilities	122,752,272	73,352,250	66,033,587	91,644,487	95,709,749
Total liabilities	**133,977,642**	**80,046,180**	**71,343,584**	**96,857,306**	**101,009,229**
Equity					
Share capital and premium	12,393,963	12,320,524	12320524	12320524	12320524
Retained income	112,908,939	105,762,418	94,859,602	86,886,834	62,264,226
Total equity	**125,302,902**	**118,082,942**	**107,180,126**	**99,207,358**	**74,584,750**
Total equity and liabilities	**259,280,544**	**198,129,122**	**178,523,710**	**196,064,664**	**175,593,979**
Profit and loss account					
Revenue	206,360,656	158,104,577	146,549,176	198,120,639	167,409,161
Profit before taxation	**46,038,948**	**34,829,241**	**38,455,530**	**54,882,983**	**20,759,524**
Profit for the year	**31,370,659**	**24,102,816**	**25,830,941**	**37,822,609**	**14,198,693**
Per share data (Naira)					
Earnings per share (Basic and diluted)	2.58	2.01	2.15	3.15	1.18
Net assets per share	10.32	9.84	8.93	6.22	6.22

"Earnings per share are based on profit after tax and the weighted number of issued and fully paid ordinary shares at the end of each financial year."

SHAREHOLDING & OTHER INFORMATION

SHARE CAPITALISATION HISTORY

Year	Authorized [₦000]		Authorised ['000]	Issued & Fully Paid Up [₦000]		Issued & Fully Paid up ['000]	Consideration
	Increase	Cumulative	No. of Shares	Increase	Cumulative	No. of Shares	
27-12-04	50,000	50,000	50,000	500	500	500	Cash
30-06-06	0	50,000	50,000	49,500	50,000	50,000	Scheme Shares
26-07-06	5,950,000	5,000,000	12,000,000	4,950,000	5,000,000	10,000,000	Bonus & Stock Split from N1.00 to 50k
27-03-08	0	5,000,000	12,000,000	1,000,000	6,000,000	12,000,000	Bonus

SHAREHOLDING INFORMATION

Your shareholding in Dangote Sugar Refinery Plc entitles you, as a part owner of the company, to certain rights including the right: -

- To attend, speak, vote at general meetings either in person or by proxy.
- To receive dividends when declared/approved on your ordinary shares.
- To receive certain company documents, e.g the annual reports and accounts/the Annual General Meeting documents where applicable each year.

If you do not have your name on the shareholder register because you hold your shares through a nominee, your nominee will receive any company documents sent to shareholders. Please arrange with your nominee if you wish to receive such documents, and to be able to attend and, on a poll, vote at general meetings.

Financial Reports
Any shareholder has the right to be furnished, on demand, free of charge, a copy of the company's financial statements. The annual report and financial statements is available for download on our website, www.dangotesugar.com.ng, or the Registrars' website www.veritasregistrars.com.

E-Report
To improve delivery of our Annual Report, a detachable Form has been inserted in the Annual Report, and hereby request Shareholders who wish to receive the Annual Report of the Company in an electronic format to complete and return the Form to the Registrars for further processing.

Share Certificates
Your Dangote Sugar Refinery Plc Share certificate is evidence of your shareholding in the company and should be kept in a safe place. If you hold your shares through a nominee account or through the Central Securities Clearing System (CSCS) you will not have a share certificate. The nominal or 'par' value of a Company's shares is shown on the share certificate. The current nominal value of Dangote Sugar Refinery Plc's one ordinary shares is 50k each.

Shareholder Queries
If you have any questions about your shareholding or share certificates, (including the replacement of lost certificates or the consolidation of several certificates into one); or if you require any other guidance (e.g. to notify a change of address or to give dividend instructions to a bank account), please contact our Registrars at: -

VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island,
Lagos

E-Dividend Mandate Registration
Shareholders are advised to register for direct payment of dividends to their bank accounts as the Securities and Exchange Commission (SEC) has directed Capital Market Registrars to stop the issuance of Dividend Warrants. Mandating your dividends is easy and has several advantages including the following:

- The dividend is credited into your account on payment date
- There is no danger of your dividend warrant being delayed in the post
- You do not have to wait for a dividend warrant to go through the bank clearing system
- This payment method is more secure than receiving a dividend warrant through the post

Please visit our website www.dangotesugar.com.ng to download your e-dividend mandate form.

Unclaimed Dividends and Share Certificates
Shareholders have been informed that some dividend warrants and share certificates have been returned to the

Registrars' office unclaimed because the addresses could not be traced. The unclaimed dividend list is published on the website, www.dangotesugar.com.ng, for the shareholders attention. Affected shareholders should please contact the Registrars at the address indicated above in respect of the share certificates, and unclaimed dividends.

CHANGES IN PERSONAL CIRCUMSTANCES

All shareholders should advise the Registrars in writing of any of the following: -

- Change of address
- Change of name
- Change in bank details if your dividends are mandated
- If a shareholder dies

SHAREHOLDER RELATIONS/CORPORATE CONTACTS

Registrars
VERITAS REGISTRARS LIMITED
PLOT 89A, AJOSE ADEOGUN STREET,
VICTORIA ISLAND,
LAGOS

Company Secretariat and Registered Office
Dangote Sugar Refinery Plc
3rd Floor, GDNL Building
Terminal E, Shed 20
NPA Wharf Port Complex
Apapa, Lagos
mydsr.shares@dangote.com
srefinery@dangote.com
InvestorrelationsDSR@dangote.com

CORPORATE COMMUNICATIONS CONTACT

Ngozi Ngene
+234 80714 90714
+234 81509 83259
dangotesugar@dangotesugar.com.ng
www.dangotesugar.com.ng

UNCLAIMED DIVIDEND POSITION AS AT DECEMBER 31, 2020

The Company has been declaring Dividend since it became a public Company in March 2007. Currently, the dividend account indicates that some dividend warrants have not been presented to the Bank for payment, while others were returned to the Registrar unclaimed, because the addresses have changed or could not be traced.

FINANCIAL YEAR	DIVIDEND NO.	FINAL/INTERIM	TOTAL DIVIDEND (N)	NET AMOUNT UNCLAIMED AS AT 31/12/2020
31/12/2006	1	FINAL	11,388,819,816.78	62,242.97
31/12/2007	2	INTERIM 1	3,433,139,219.03	69,796.41
31/12/2007	3	INTERIM 2	3,257,223,236.85	225,119.44
31/12/2007	4	INTERIM 3	3,192,370,844.23	173,635.35
31/12/2007	5	FINAL	5,000,000,000.00	88,741.01
31/12/2008	6	INTERIM	10,200,000,000.00	147,090.16
31/12/2008	7	FINAL	3,780,813,535.25	1,519,962.86
31/12/2009	8	FINAL	10,800,000,000.00	5,066,134.04
31/12/2010	9	FINAL	6,480,000,000.00	233,781.67
31/12/2011	10	FINAL	3,240,000,000.00	9,449,871.92
31/12/2012	11	FINAL	7,200,000,000.00	8,902,498.61
31/12/2013	12	FINAL	7,200,000,000.00	26,551,987.53
31/12/2014	13	FINAL	4,800,000,000.00	16,839,635.17
31/12/2015	14	FINAL	6,000,000,000.00	31,117,919.44
31/12/2016	15	FINAL	7,200,000,000.00	137,152,701.67
31/12/2017	16	INTERIM	6,000,000,000.00	18,298,321.55
31/12/2017	19	FINAL	15,000,000,000.00	519,364,094.31
31/12/2018	17	FINAL	13,200,000,000.00	543,300,151.75
31/12/2019	18	FINAL	13,200,000,000.00	502,139,618.89

All affected shareholders are requested to please update their details and fill the mandate for e-dividend payment in the annual report or the website www.dangotesugar.com.ng. you can also contact: -

THE REGISTRAR
VERITAS Registrars Limited
PLOT 89A, AJOSE ADEOGUN STREET
VICTORIA ISLAND
LAGOS.


Aerial view of (Terminal E) DSR Apapa

E-REPORTS

DANGOTE
SUGAR

I/we hereby request that we recieve the Annual Report of the Company in electronic format through:

E-mail address

Surname/Company's name

Other name

Address

Date

Shareholder’s Signature/Thumbprint

Affix
Current
Passport
(To be Stamped by Bankers)

Please write your name at the back of your passport photograph

VERITAS REGISTRARS
(formerly Zenith Registrars) RC: 510155

e-DIVIDEND MANDATE FORM

INSTRUCTION

Please complete all sections of this form to make it eligible for processing and return to the address below:

The Registrar
Veritas Registrars Limited
89, Ajose Adeogun Street
Victoria Island
Lagos.

I/We hereby request that henceforth, all my/our dividend payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number ____________________

Bank Name ____________________

Bank Account Number ____________________

Account Opening Date ____________________

SHAREHOLDER ACCOUNT INFORMATION

Surname/Company Name **First Name** **Other Names**

____

Address:

____

____

City ________ **State** ________ **Country** ________

Previous Address (if any)

____

CHN(if any)

____

Mobile Telephone 1 ________ **Mobile Telephone 2** ________

E-mail Address

____

Please note that **Only Clearing Banks** are acceptable

TICK	NAME OF COMPANY	SHAREHOLDER'S ACCOUNT No.
	DANGOTE SUGAR REFINERY PLC	
	FORTE OIL PLC	
	GUINNESS NIG. PLC	
	MAY & BAKER NIG. PLC	
	ZENITH BANK PLC	
	OSUN STATE BOND S1	
	OSUN STATE BOND S2	
	FLOUR MILLS BOND	

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

□ompan□ Seal□□n□orporation □o□ □□orporate Shareholder□

The Registrars
VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

NOTE

NOTE

PROXY FORM

DANGOTE SUGAR REFINERY PLC. RC: 613748

FIFTEENTH (15TH) ANNUAL GENERAL MEETING TO BE HELD AT THE EKO HOTEL & SUITES, VICTORIA ISLAND, LAGOS, ON THE 27TH DAY OF MAY, 2021, AT 11:00 A.M PROMPT.

I/WE*…………………………………...of ……………………………………………………………………..being Shareholder(s) of Dangote Sugar Refinery PLC hereby appoint (please see Note (ii) below for the list of nominated proxies) …………………………………... or failing him/her, the Chairman of the Meeting as my/our Proxy to act and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on the 27th day of May, 2021 and at any adjournment thereof.

DATED THIS ....DAY OF………………………….. 2021.

SHAREHOLDER'S SIGNATURE ……………………………………………………

	NO.	ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside	1. 1.	To receive the Financial Statements for the year ended December 31, 2020, the Reports of the Directors, Auditors and the Audit Committee thereon;		
	2.	To declare a dividend		
	3.	To re-elect the following retiring Directors • Ms. Bennedikter Molokwu • Alhaji Abdu Dantata • Mr. Uzoma Nwankwo		
	4.	To authorize the Directors to fix the remuneration of the Auditors		
	5.	To disclose the remuneration of Managers.		
	6.	To elect/re-elect members of the Audit Committee		
	NO.	**SPECIAL BUSINESS**	**FOR**	**AGAINST**
	7.	To fix the Remuneration of Directors.		
Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her/its discretion.				

This Proxy Form should NOT be completed and sent to the Registrar's office if the member will be attending the meeting.

NOTE

i. In view of the health and safety measures in place by the Government and the Health Authorities including restricting the number of persons at a gathering, this Proxy Form has been prepared to enable shareholders entitled to attend and vote at the Annual General Meeting exercise their right to vote despite not being physically present at the meeting.

ii. Members may appoint a Proxy of their choice from the following persons: (a) Alhaji Aliko Dangote (GCON), (b) Mr. Olakunle Alake, (c) Ms. Bennedikter Molokwu, (d) Mr. Ravindra Singhvi (e) Sir Sunny Nwosu, (f) Mr. Nornah Awoh, (g) Mrs. Bisi Bakare,(h) Dr. Farouk Umar (i) Hadjia Muheebat Dankaka (j) Mr. Patrick Ajudua (k) Chief Mathew Akinlade and (l) Mrs. Esther Augustine

iii. Please sign this Proxy Form and deposit it at the office of the Company's Registrars Veritas Registrars Limited, Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos or send to the Registrars by email to veritasregistrars@veritasregistrars.com not later than 48 hours before the time appointed for the Meeting.

iv. If the Shareholder is a Corporation, this form must be executed under its Common Seal or under the hand of some officers or an Attorney duly authorized.

v. The Proxy must produce the Admission Card sent with the Notice of the Meeting to gain entrance to the meeting.

vi. By virtue of the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004, any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties. However, in compliance with the Corporate Affairs Commission Guidelines for conduct of AGM by Proxy, the Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

Before posting this form, please tear off this part and retain it for admission to the Meeting.

ADMISSION CARD

*Please complete in BLOCK LETTERS

Account no.:	
Shareholder's Name:	
No. of Shares:	

Please admit…………………………………………………………….. to the 15th Annual General Meeting of Dangote Sugar Refinery PLC, to be held at **the Eko Hotel & Suites, Victoria Island, Lagos, on the 27th day of May, 2021 at 11:00am.**

Signature of Person Attending: …………………………

Proxy ( ) Shareholder ( ) [Please tick appropriate box]

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

The Shareholder or his /her/its proxy is required to produce this admission card in order to obtain entrance to the Annual General Meeting.

Please be advised that to enable a Proxy gain entrance to the Meeting, the Proxy Form should be duly completed and delivered to the office of the Registrars, **VERITAS REGISTRARS not later than 48 hours before the time fixed for the meeting.**

The Registrars
VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

DANGOTE SUGAR

HEAD OFFICE:

3rd Floor, GDNL Administrative Building, Terminal E Shed 20 NPA Wharf Complex, Apapa, Lagos
Tel:+ 234 8150983259
Email: Srefinery@dangote.com, dangotesugar@dangotesugar.com.ng
Website: www.dangotesugar.com.ng

FACTORY/REFINERY:

Shed 20, Apapa Wharf, Lagos

dangotesugarrefinery Dangote Sugar Refinery PLC @dangotesugar 08150983259