DANGOTE
SUGAR

ANNUAL REPORT
& ACCOUNTS 2021

Sugar for Nigeria

Our 2021 Annual Report combines our financial and sustainability performance into a coherent whole that explains the Company's ability to create and sustain value for shareholders.

We believe that sustainable value creation for all our stakeholders will be based on our ability to fully align the Dangote 7-Sustainability Pillars - Cultural, Environmental, Economic, Operational, Social, Institutional and Financial, which this report is structured around.

Contents

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.

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

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 2021 ₦'000	Group 2020 ₦'000	Company 2021 ₦'000	Company 2020 ₦'000
Turnover	276,054,781	214,297,747	276,054,781	206,360,656
Profit Before Taxation	34,021,212	45,622,318	34,629,037	46,038,948
Taxation	(11,968,921)	(15,847,076)	(11,968,921)	(14,668,289)
Profit After Taxation	22,052,291	29,775,242	22,660,116	31,370,659
Other Comprehensive Income		-		-
Dividend Paid	18,220,317	13,200,000	18,220,317	13,200,000
Share Capital	6,073,439	6,073,439	6,073,439	6,073,439
Shareholders' Fund Per 50 Kobo Share Data (Kobo)	1059	1,027	1,069	1,032
Earnings Per Share (kobo)	182	245	187	258

Proposed Dividend

The Directors recommend for the shareholders' approval at the Annual General Meeting, a dividend of N1.00 for every ordinary share of 50 kobo each held in the company; for the year ended December 31, 2021. If approved the total cash dividend payable for the year ended December 31, 2021, will be N12.147 billion.

BOARD OF DIRECTORS

Aliko Dangote, GCON	-	Chairman
Ravindra Singhvi	-	Group Managing Director/CEO
Alhaji 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

***Alhaji Sani Dangote passed away on November 14, 2021**

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 Plc.
- First City Monument Bank Plc.
- FSDH Merchant Bank
- GTBank Plc.
- Globus Bank Limited
- Greenwich Merchant Bank
- Jaiz Bank Plc.
- StanbicIBTC Bank Plc.
- Standard Charted Bank Nigeria Ltd
- Sterling Bank Plc
- UBA Plc.
- Union Bank Nigeria Plc
- Unity Bank Plc
- Rand Merchant Bank
- Wema Bank Plc
- Zenith Bank Plc.

CAPITAL MARKET INFORMATION

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

AUTHORISED/PAID UP SHARE CAPITAL
15,000,000,000 Ordinary Shares of 50k
12,146,878,241 ordinary shares of 50 kobo each

SHAREHOLDER INFORMATION

RC Number	613748
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

DSR 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.**
  Yola Gombe Road
  Near Numan, Adamawa State

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

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

NOTICE IS HEREBY GIVEN, that the 16th 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 Wednesday June 15, 2022 to transact the following businesses:

ORDINARY BUSINESS: ORDINARY RESOLUTION
1. To lay before the Meeting 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: BY ORDINARY RESOLUTION
7. To fix the remuneration of Directors.

SPECIAL BUSINESS: BY SPECIAL RESOLUTION
8. To consider and if thought fit, pass the following resolution in compliance with S.124 & S.868 of the Companies & Allied Matters Act 2020 (CAMA) and Regulation 13 of the Companies Regulations 2021 (as amended):

   (A) "That the Authorised Share Capital of the Company be and is hereby reduced from 15,000,000,000 (Fifteen Billion) Ordinary Shares of 50 Kobo each to 12,146,878,241 (Twelve Billion, One Hundred and Forty-Six Million, Eight Hundred and Seventy-Eight Thousand, Two Hundred and Forty-One) Ordinary Shares of 50 Kobo each by the cancellation of 2,853,121,759 (Two Billion, Eight-Hundred and Fifty-Three Million, One Hundred and Twenty-One Thousand, Seven Hundred and Fifty-Nine) un-issued Ordinary Shares of 50 Kobo each."

   (B) "That Clause 6 of the Company's Memorandum of Association be and is hereby amended by the adoption of a new clause, which reads as follows:

   "The Share Capital of the Company is N6,073,439,120.50 (Six Billion, Seventy-Three Million, Four Hundred and Thirty-Nine Thousand, One Hundred and Twenty Naira and Fifty Kobo) divided into 12,146,878,241 (Twelve Billion, One Hundred and Forty-Six Million, Eight Hundred and Seventy-Eight Thousand and Two Hundred and Forty-One) Ordinary Shares of 50 Kobo each"

9. To consider and if thought fit, pass the following resolutions in to amend the Company's Memorandum of Association as follows:

   (A) "That Clause 46 (Proxy) of the Company's Memorandum of Association be and is hereby amended as follows:

   "a member has the right to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the company".

   (B) "That Clause 67 of the Company's Memorandum of Association (Quorum/Proceedings of Directors) as follows be expunged, and subsequent Clauses of the Articles be re-numbered seriatim:

   "the general meeting may fix the quorum necessary for the transaction of the business of directors, and unless so fixed shall be two".

   C "That Clause 72(e) (Disqualification of Directors) of the Company's Memorandum of Association be and is hereby expunged and subsequent Clauses of the Articles be re-numbered seriatim:

   "A director shall vacate office if he attains the age of 70 (seventy) years".

10. "The Directors be and are hereby authorised to take all necessary steps to give effect to these resolutions in compliance with extant laws and regulations."

Dated this 10th day of May, 2022

BY ORDER OF THE BOARD

MRS. TEMITOPE HASSAN (FCIS)
COMPANY SECRETARY/LEGAL ADVISER
FRC/2017/NBA/00000016669
3RD FLOOR, GREENVIEW DEVELOPMENT NIG. LTD.
BUILDING, TERMINAL E,
NPA APAPA PORT COMPLEX,
APAPA LAGOS, NIGERIA

NOTES

1. COVID-19 Protocols
In view of the announcement of the Presidential Steering Committee on COVID-19 easing the restrictions placed on public gathering responsibly, Dangote Sugar Refinery PLC will conduct its 16th Annual General Meeting by Proxy only, as earlier announced and will put in place adequate safety measures.

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 Businesses.

3. 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.

4. 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) Sir Sunny Nwosu
(v) Mr. Nornah Awoh
(vi) Mrs. Bisi Bakare
(vii) Dr. Farouk Umar
(viii) Mrs. E. O. Obideyi
(ix) Mr. Patrick Ajudua
(x) Chief Matthew Akinlade

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 enquiry@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.

5. 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.

6. Closure of Register
The Register of Members will be closed on June 2, 2022 for the purpose of updating the Register of Members and for the Registrars to prepare for payment of Dividend.

7. Dividend
If approved, dividend will be payable at the rate of N1.00k per every 50Kobo Ordinary Share, to Shareholders whose names appear in the Register of Members as at the Qualification Date, June 1, 2022. Shareholders who have completed the E-dividend forms will receive a direct credit of their Dividend into their designated bank accounts within 24-48hours of the Meeting.

Shareholders are kindly requested to update their records and advise Veritas Registrars Limited of their updated information 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.

8. 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 for previous years will be circulated to Shareholders along with the Annual Report & Financial Statements and published on the Company's website at www.dangotesugar.com.ng

9. 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 Nigerian Code of Corporate Governance 2018 stipulates that members of the Audit Committee should have basic financial literacy and should be able to read and understand financial statements. Thus, a detailed Curriculum Vitae confirming the nominee's qualification should be submitted with each nomination.

10. 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 Prof. Konyinsola Ajayi (SAN), Ms. Maryam Bashir and Mr. Olakunle Alake, and being eligible, offer themselves for re-election.

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

11. Rights of Shareholders to Ask Questions
Shareholders reserve the right to ask questions at the AGM and may submit their questions in writing prior to the meeting; such questions should be submitted to the Company ahead of the AGM in line with Rule 19.12© of the Listing Rules of the Nigerian Exchange Limited. The questions may be submitted by electronic mail to DSRCompanySecretariat@dangote.com

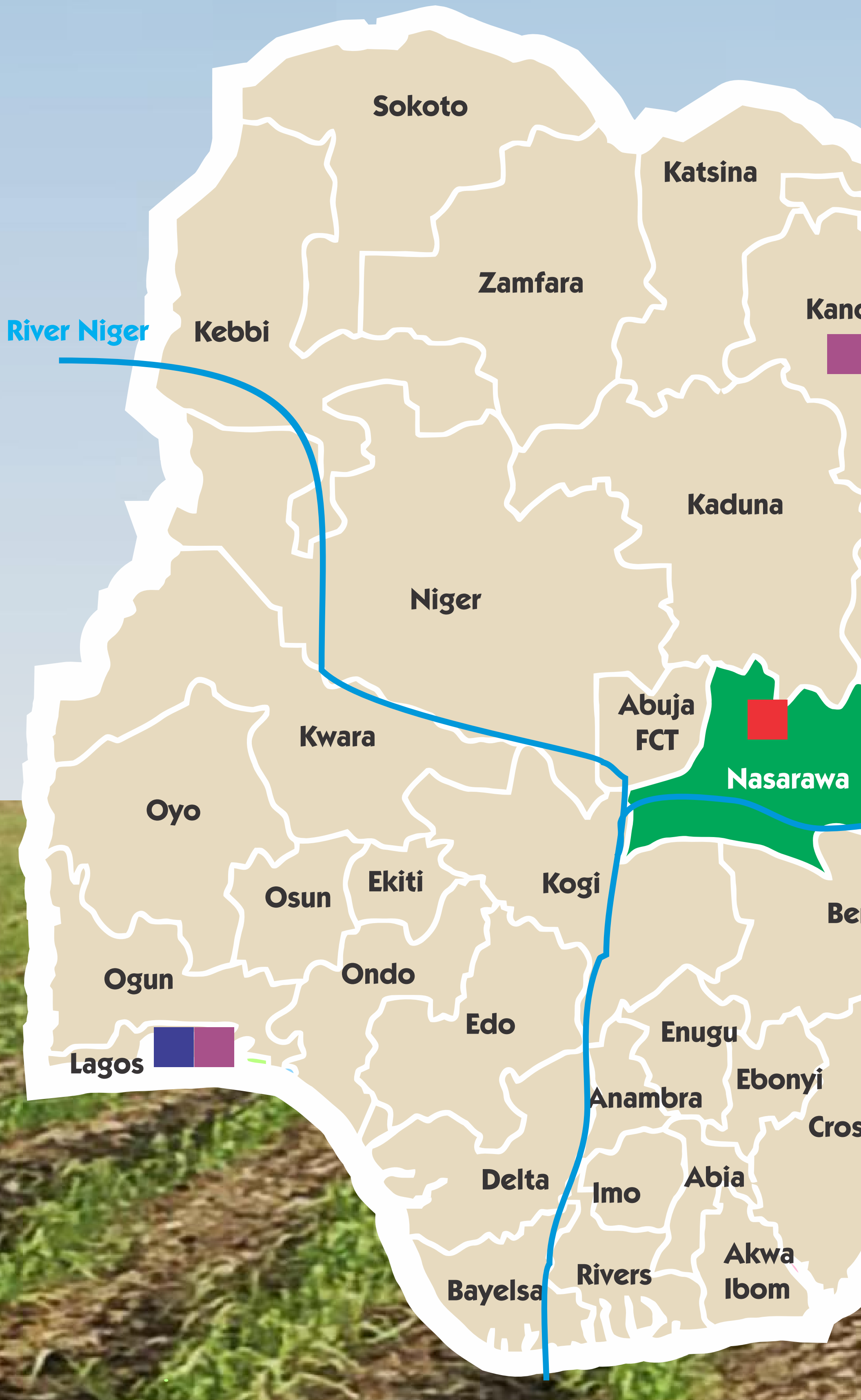
The Company's Annual Reports are available online for viewing and downloading from our website at www.dangotesugar.com.ng or the Registrars' website at www.veritasregistrars.com

Dangote Sugar Refinery Plc is the one of the largest sugar refineries in Sub – Saharan Africa with a 1.44million metric tonnes refining capacity at the same location; and a strategic Backward Integration Master Plan to produce 1.5million metric tonnes of refined granulated sugar from locally grown sugar across various sites in Nigeria.

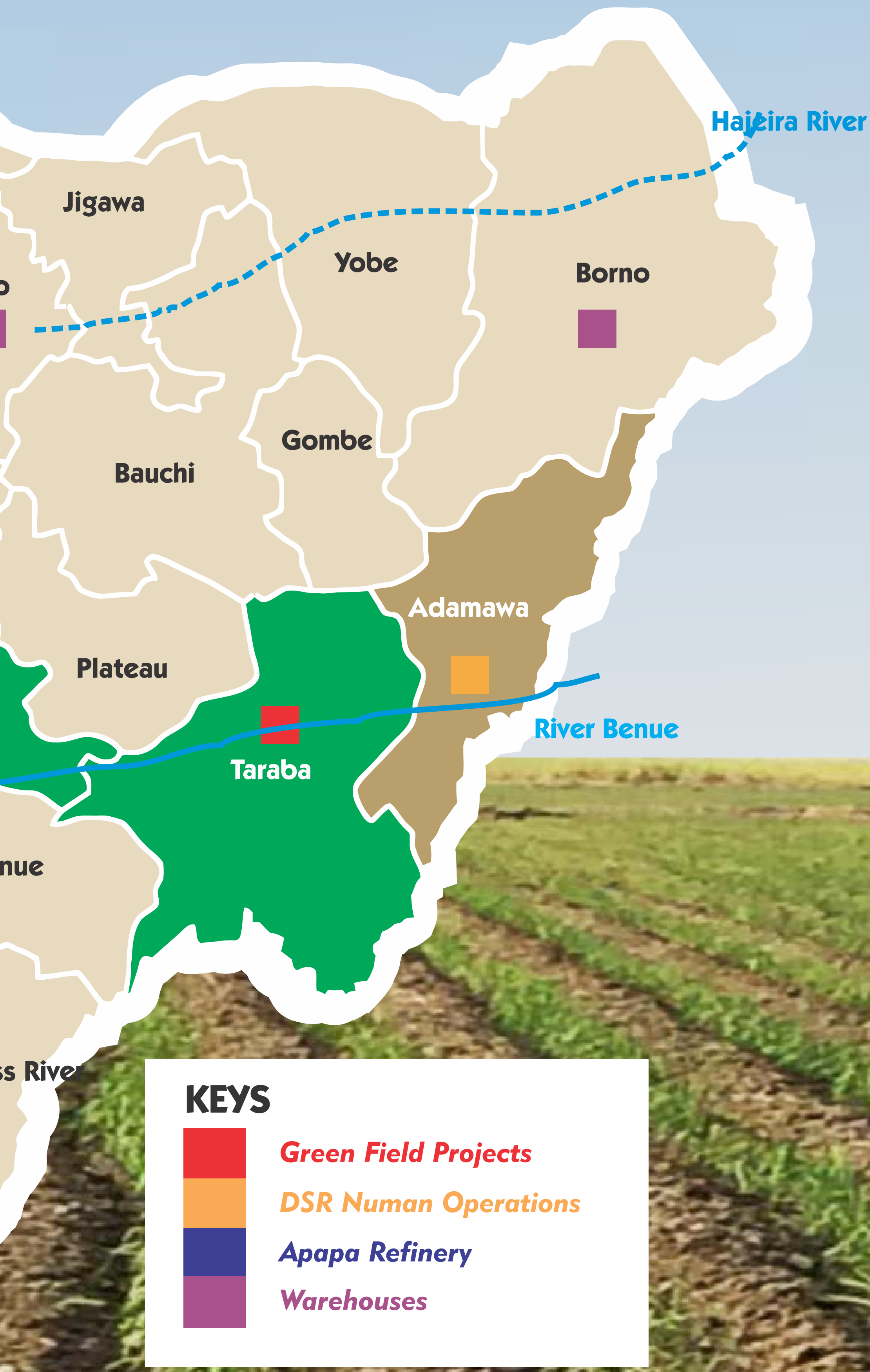
In this Annual Report we have combined our financial and sustainability performance reports into a coherent whole that explains the Company's ability to create and sustain value for all stakeholders.

We believe that sustainable value creation for all our stakeholders will be based on our ability to fully align the Dangote 7-Sustainability Pillars - Cultural, Environmental, Economic, Operational, Social, Institutional, and Financial, which this report has been structured around.

DANGOTE SUGAR REFINERY PLC NATIONWIDE



OPERATIONS


Hajeira River
Jigawa
Yobe
Borno
Gombe
Bauchi
Adamawa
Plateau
Taraba
River Benue
KEYS
Green Field Projects
DSR Numan Operations
Apapa Refinery
Warehouses

DSR Milestones & Key Dates

Dangote Sugar Refinery Plc is the Largest Sugar Refinery in sub-Saharan Africa and one of the largest in the world, with an installed sugar refining capacity of 1.44MT/PA at the same location. Dangote Sugar currently has three subsidiaries, Nasarawa Sugar Company Limited, Dangote Taraba Sugar Limited, and Dangote Adamawa Sugar Limited. Below are DSR Milestones and Key Dates in our History.

Year 2000

Dangote Sugar commenced business as the sugar division of Dangote Industries Limited.

Year 2001

Dangote Industries Limited commissioned its Apapa port based 600,000mt/pa capacity, sugar refining facility (the first sugar refinery in Nigeria), designed and built by Tate & Lyle, UK.

Year 2004

The Dangote Sugar Refinery capacity was increased to 1.44 million MT/Annum; thus, it became the largest sugar refinery in sub-Saharan Africa and one of the largest Sugar Refineries in the World.

Year 2006

- Dangote Industries Limited spun-off its sugar division via a scheme of arrangement that transferred all the assets, liabilities, and undertakings attributable to the sugar division of Dangote Industries Limited; to "the Company" Dangote Sugar Refinery Plc.
- Initial Public Offering by way of an Offer for Sale of 3,000,000,000 Ordinary Shares of 50 kobo each at N18.00 per Share

Year 2007

Dangote Sugar Refinery Plc. (DANSUG) was listed on the mainboard of the Nigerian Stock Exchange

Year 2009

DSR obtained NIS Quality Management System certification QMS, (ISO 9001:2008)

Year 2011

Dangote Sugar Retail packages in 1kg, 500 grams and 250 grams were introduced into the Nigerian market.

Year 2012

DSR Plc. acquired 95% stake in Savannah Sugar Company Limited (SSCL) to advance its Sugar Backward Integration initiative

Year 2013

- Evolved a 10-year sugar backward integration plan to produce 1.5-2.0Mt/PA refined sugar from locally grown sugar cane, and commenced Rehabilitation and expansion of Savannah Sugar Company Ltd
- Commenced implementation of pre-project activities including Site Selection, Suitability, Soil Assessment, Topography, Climate, Water and Irrigation potential at green field BIP sites

Year 2014

DSR obtained the Food Safety Management System certification: FSMS (ISO 22000:2005)

Year 2015

- Cultivation of the first set of seed cane for Greenfield backward integration projects.
- DSR obtained the Occupational Health and Safety Management System Certification: OHSMS (ISO 18001:2007)
- DSR obtained the Food Safety Systems Certification: (FSSC 22000).

Year 2016

Harvest of seed cane at Lau Project in Taraba State for propagation of the Backward Integration Projects

Year 2017

The MOU for acquisition of the 68,000ha of land for the Nasarawa Sugar Company Limited, a greenfield Project was signed with the Nasarawa State Government, at the NSDC Hqtrs in Abuja.

Year 2020

- DSR merged with Savannah Sugar Company Limited ("SSCL"), to become one entity. Savannah Sugar, Dangote Sugar Refinery Plc, Numan (DSR Numan Operations).
- Dangote Sugar Refinery won the SERAs 2020 Best Company in Poverty Eradication Award Year 2021.

Year 2021

Dangote Sugar Refinery won the SERAs 2020 Best Company in Promotion of Good Health & Well Being Award.

Dangote Sugar has a NEW LOOK

Same Great Quality!

DANGOTE
SUGAR

www.dangotesugar.com.ng facebook.com/dangotesugarrefinery

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The goal of Dangote Sugar Backward Integration Projects Master plan remains the achievement of 1.5million MT annually from locally grown sugarcane in support of the quest for sugar sufficiency in the country by the Federal Government of Nigeria.

Aliko Dangote, GCON
Chairman

Chairman's Statement

Distinguished Shareholders,

Fellow Directors, Representatives of the Regulatory agencies here present, Gentlemen of the Press, invited guests, Ladies and Gentlemen. On behalf of the members of the Board of Directors and Management, it is my pleasure to welcome you to the 16th Annual General Meeting of Dangote Sugar Refinery Plc.

I am happy to present to you the Annual Report and Financial Statements for the year ended December 31, 2021, and activities that impacted the business environment as well as overall business performance.

In the year 2021 the COVID – 19 pandemic continued to ravage the global economy, as businesses further grappled with economic challenges which led to low oil proceeds/revenues, limited cash flows, foreign exchange shortages, amongst others that characterised the pulse of the nation during the year under review. Concerted efforts were made by all and sundry in support with the government to alleviate the impact of the attendant recession caused by the global pandemic.

It is important to note that the decision by governments across the globe to ease the COVID-19 restrictions, despite the emergence of new waves from the discovery of several variants, towards implementing numerous reforms and policies tailored to lessen the inflationary trend, bolster economic recovery, and protect citizens from the harsh impacts, yielded positive results in the local economy.

As a result, by the end of the year under review, the National Bureau of Statistics reported that Nigeria's real Gross Domestic Product (GDP) recorded a year-on-year growth by 0.15% in the first quarter of 2021. A trend that continued through the year and by the end of 2021, Nigeria's GDP had grown by 3.98% in the fourth quarter. The report showed that the fourth-quarter growth accounted for the annual growth of 3.40% by the end of the year under review. This is the strongest growth since 2014, according to the National Bureau of Statistics. Recall that the Bureau by the end of 2020 had reported significant contraction in the Nigerian economy by 1.8%, its lowest rate since the early eighties.

Despite this situation the Board and Management were not deterred in the pursuit of sustainable growth for the Company and demonstrated resilience by continued implementation of its strategic objectives during the period.

OUR PERFORMANCE

The Company posted a Group turnover of N276 billion, being 29% increase over N214 billion in the comparative year. Profit Before Tax (PBT) of N34.021 billion, Profit After Tax of N22,052 billion. Group EBITDA decreased to N48.5billion with an EBITDA margin of 18%, a 35% decrease compared to 27% being (N58.03billion) for the same period in year 2020.

The Company's performance during the year under review is commendable amidst the challenges and the negative impact of COVID-19 pandemic on economic activities. We furthered the implementation of process optimisation, cost savings and product promotion strategies with the launch of our new brand identity and the pursuit of the Dangote Sugar Backward integration master plan.

The Board and Management will continue to implement strategic actions to sustain and surpass this performance while engaging with all stakeholders in the sector and our communities to ensure the realisation of the objectives of the Company.

DIVIDENDS

The Board of Directors in line with the policy to ensure delivery of returns to all stakeholders has recommended for the shareholders' approval at this Annual General Meeting, payment of a dividend of N1.00 for every ordinary share of 50 kobo each held in the company by members for the year under review. If approved, the dividend will be paid to shareholders in the register of members as at 1st June 2022 net Withholding Tax at the standard rate.

Shareholders that are yet to embrace E-dividend payment option are encouraged to fill the E-mandate form on page 214 of the annual report for update by the Registrars to ensure the prompt payment of their dividends.

DANGOTE SUGAR BACKWARD INTEGRATION PROJECTS

The goal of Dangote Sugar Backward Integration Projects Master plan remains the achievement of 1.5million MT annually from locally grown sugarcane in support of the quest for sugar sufficiency in the country by the Federal Government of Nigeria. This will be achieved in addition to the extended value chain benefits that will be derived from the projects including thousands of jobs that will be generated in the sector from these projects.

During the year under review, we continued in the implementation of this strategic initiative despite the spill-over impact of the COVID-19 pandemic on economic activities which continued to affect the project performance and timelines.

Efforts were made by all stakeholders to provide support that would help in cushioning these challenges during the period under review. Several teams from the supervising agencies and federal ministries took tours of our sugar backward integration sites, which helped them access and appreciate the volume of investments that have been made so far, the level of work done, progresses made and the challenges we are faced with in the project's development.

In spite of the challenges faced in the year 2021, Dangote Sugar Numan Operations rehabilitation and expansion efforts of the factory and field are advancing. The community issues that came up were effectively managed, and we have continued to advance so far without any major disruptions. Our Stakeholder Management teams across the Group are leading our corporate efforts and relationship between the Company and host communities remains cordial. As a result, the factory upgrade to 3,800TCD completed in 2020, is now being upgraded with an additional 6,000TCD, which is at an advanced stage. This will bring the total installed factory capacity at the Numan operations to 9,800TCD in readiness for processing of sugarcane from the sugar estate farms that are being newly developed.

At the Nasarawa Sugar Company Limited, Tunga, the civil works and agricultural development of the second phase continued during the year under review. This is in preparation for the commencement of the first phase of the 6000ha commercial planting by December 2022. It is important to note that the communities remain supportive of the project and till date over eight communities have been adequately resettled.

Unfortunately, the situation at the Lau/Tau project in Taraba State, remains the same. This has also been brought to the attention of the relevant government agencies and we are hoping that the State Government will resolve the lingering issues.

SUSTAINABILITY

In 2021, our commitment to building a sustainable business remained on track with the principles of good corporate governance. We imbibed best practices, environmental and impact management in the day-to-day running of our business– The Dangote Way.

One of our key developmental strategies as a business is to ensure that our presence is felt in the socio-economic growth of the communities where we operate. Therefore, the continued socio-economic development, well-being, health, and safety of all stakeholders is top priority. This has further strengthened our operations, business performance and broadened our employee's understanding of our corporate social responsibility goals in our communities.

Mindful of the three sustainability bottom lines: People, Planet & Profit, efforts were doubled towards ensuring that peace is achieved and sustained in our immediate communities. Our commitment to the fulfilment of the United Nations Sustainable Development Goals (SDGs) were not left out during the year. Our actions received a further boost with the inclusion of SDG 13 – Climate Action to the Dangote Sugar Priority SDGs and the SERAs recognition and winner of the Best Company in Promotion of Good Health & Wellbeing award, at The SERAS CSR Awards Africa 2021.

The team continues to make considerable efforts in collaborating with our multinational customers to ensure that our Sustainability goals with focus on our Strategic Priority Sustainable Development Goals 2, 4, 6, 8, 12 and 13 are driven across our operations, value-chain and communities for the achievement of our sustainable business goals.

In addition, we fully complied with international and national sustainability standards, principles and guidelines that are applicable to our business and reporting. This culminated in the development of our first sustainability report fully compliant with the Nigerian Exchange Group Sustainability Disclosure Guidelines (NGX-SDGs) and prepared in accordance with GRI Sustainability Reporting Standards having published a GRI referenced report in 2020. This will be furthered to enable us build and sustain our sustainability actions in the years ahead – The Dangote Way.

BOARD OF DIRECTORS

During the year under review there were no deliberate changes to the Board structure besides the unfortunate and painful loss of one of the Directors, Alhaji Sani Dangote on 14th November 2021. His immense contributions to the Board and growth of the company will be upheld and always remembered.

The Directors retiring by rotation being eligible will offer themselves for re-election during this Annual General Meeting.

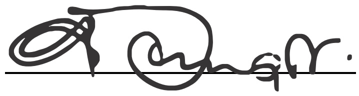
THE FUTURE

Distinguished shareholders, ladies, and gentlemen, I am quite impressed with last year's performance and happy to say that we will continue to work towards surmounting the challenges for an even better performance in the current year and beyond.

Our people remain our greatest resource, their ingenuity and commitment to the achievement of our goals and objectives remain the key to our success and together we will confront the days ahead. We are fully conscious of the enormous tasks and risks ahead but are confident that our strategies will continue to support our processes to optimize every situation and maximize the resultant opportunities to sustain our growth.

My sincere appreciation goes to my fellow Directors, Executive Management, Employees, and all stakeholders for staying the course with us, and we call on your continued support as we navigate the waters towards excellence. I assure you that we are committed to the achievement of the Sugar Backward Integration Project targets, which is the future of the industry in Nigeria. This will keep us on our sustained growth path, and we will continue to deliver and improve on our quality service while delivering value to all stakeholders.

Thank you



Aliko Dangote, GCON
Chairman

▪ Pivot irrigation @ Nasarawa Sugar, Tunga

Sugar refers to a sweet crystalline substance, which is prepared from 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.

Based on the product type, the global sugar market has been divided into white sugar, brown sugar, and liquid sugar. Among these, white sugar currently holds the largest market share. Sugar comes in different forms, segregated into granulated sugar, powdered sugar, and syrup sugar. Currently, granulated sugar exhibits a clear dominance in the market. Globally sugar is sourced through sugarcane and sugar beet, where sugarcane currently represents the largest segment.

Breakup by End-Use Sector:

- Food and Beverages
- Pharmaceutical and Personal Care
- Household

Based on end-use sector, the market finds varied end-use in food and beverages, pharmaceutical and personal Care and household. Currently, food and beverages holds the largest market share.

GLOBAL SUGAR TRENDS

The global sugar market reached a volume of 193.2 million tons in 2020. However, stimulus provided by central banks over the last 18 months has allowed soft commodities to rise in value, with a super-cycle resulting in an extended period for commodity prices to trend upwards.

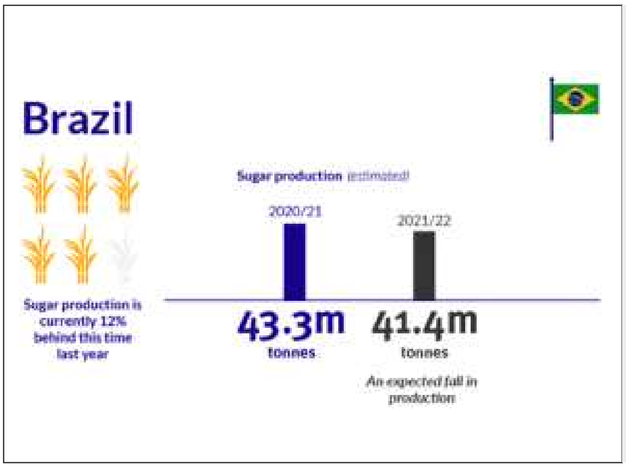
Consequently, the weak dollar coupled with tightness in supply chains is prompting fears of inflation. The prevalence of the COVID-19 pandemic has also led to the changing consumer inclination from conventional brick-and-mortar distribution channels towards online retail platforms for the purchase of sugar and sugar-based products. On the other side of the spectrum, vaccine programme progress and consumer demand are contributing towards the recovery of the global economy, despite the COVID-19 infections slowing Asian markets.

On global sugar production, northern hemisphere cane producing countries are at the tail end of their harvests while countries in the southern hemisphere are only just starting cane crushing. However, with beet planting well established in the northern hemisphere, global production for 2021/22 is predicted at 189 million tonnes, marking a potential increase of 4.7 million tonnes. This figure compares favourably with the highest ever global output produced on record, which was 201.9 million tonnes in 2017/18. At present, then, the worldwide sugar global deficit will reduce from 4.3 million tonnes in 20/21 to a potential surplus of 0.5 million tonnes in 21/22. Depending on the COVID-19 pandemic, global sugar consumption could rise to 185.0 million tonnes for 2021.

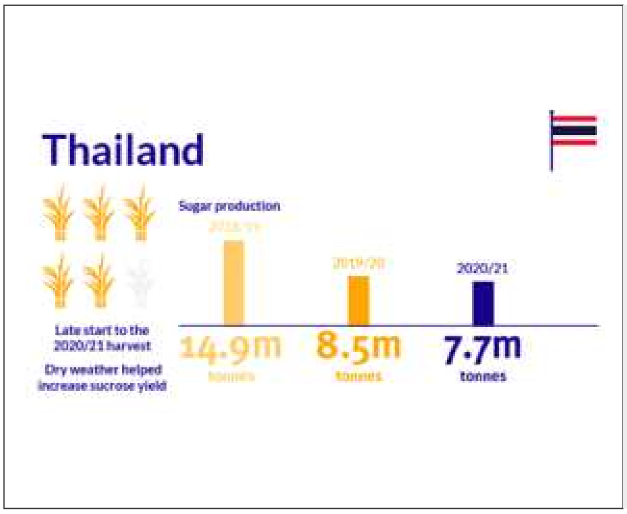
REGIONAL INSIGHTS

On a geographical front, Brazil enjoys a leading position in the global sugar market. The sugar industry represents a vital part of the Brazilian economy and accounts for a valuable share in the national GDP. Besides this, Central-South region of Brazil produces a major part of sugar due to favourable climatic conditions. Brazil is followed by India, United States, European Union, China and Thailand and others.

However, the year under review revealed Brazil's sugar production as set to decline due to continued dry weather, but potential increases from India and Thailand could offset this decline. Global beet sugar production for 21/22 is estimated to rise to 40.3 million tonnes, compared to 38.1 million tonnes in 20/21, with the EU and Russia as the sources of the predicted increases.

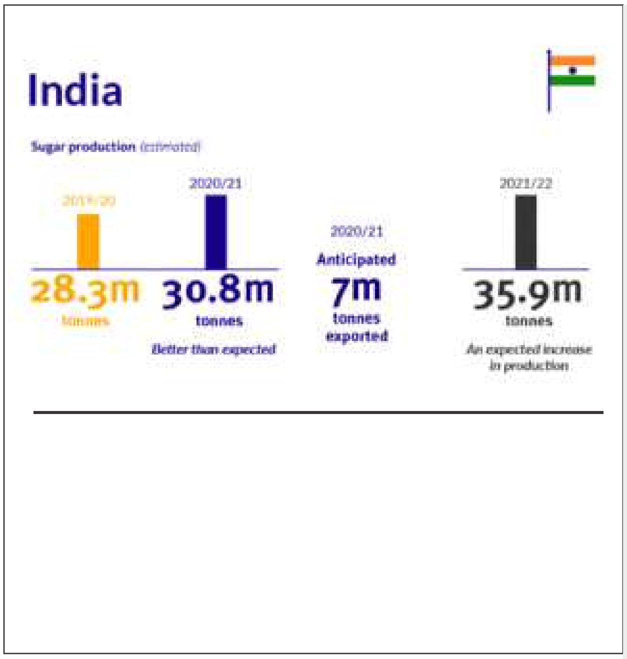


Nearly three months of the 2021/22 harvest have now been completed and the pace is picking up after a slow start. Sugar production is currently 12% behind this time last year with production expected to fall by 1.9 million tonnes, from 43.3 million tonnes in 20/21 to 41.4 million tonnes this year. The start of the harvest was much delayed due to a very dry summer, the worst dry spell in 91 years, resulting in both sugar and ethanol production being down. Cane quality is improving, though, due to an increase in soil moisture in the main cane producing regions. This should offset the lower cane availability. The ratio of sugar to ethanol is currently in favour of the latter. However, further pandemic restrictions would lead to a reduction in Brazil's fuel consumption, as experienced last year, which would alleviate any ethanol supply shortages. High sugar prices, combined with the weaker Real, are encouraging Brazilian producers to export onto the world market.



The late start to the 2020/21 harvest began in December to allow Thai cane more time to grow, with little carryover of the previous crop. Dry weather from the start of the campaign to March helped increase the sucrose yield. Final sugar output for 20/21 was 7.7 million tonnes, compared to 8.5 million tonnes in 19/20 and 14.9 million tonnes in 18/19.

Rainfall in May helped the 21/22 crop development, though the amount still fell below the five-year average. The cane price is currently more favourable than alternative crops such as cassava, but only 20% of cane is allowed to be burned before harvested compared to 50% in 19/20. This target is to reduce the nation's air pollution, but it will increase growers' costs for harvesting cane in a green state as, ultimately, green cane has a lower sugar yield than burnt cane.



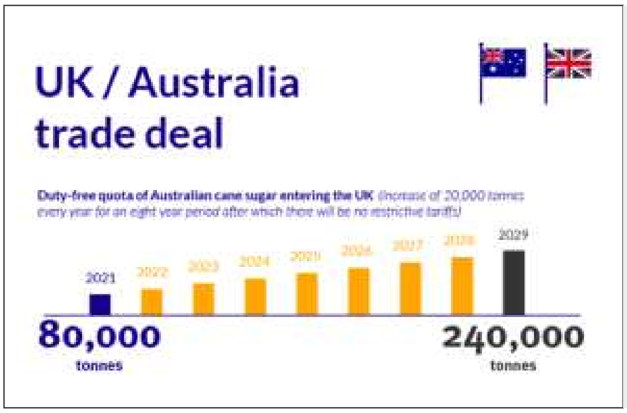
India set to exceed export objectives despite greater focus on ethanol

Most of India's 6 million tonne export programme has been contracted, though the low availability of containers has seen less Indian white sugar on the world market. Nevertheless, it is anticipated that India will export 7 million tonnes in 2020/21.

The end of the 20/21 harvest was better than expected, producing 30.8 million tonnes of sugar despite earlier concerns of red rot disease and waterlogging. The mills also enjoyed strong cane yields at the tail end of the harvest, but increased water content reduced sucrose yields. This, coupled with an ever-increasing focus on ethanol, saw sugar production lower than last year's initial estimates but still up on 19/20's production of 28.3 million tonnes.

Looking ahead to the 21/22 crop, reservoirs are full of water to irrigate the cane fields, with estimates for sugar production increasing to 35.9 million tonnes – a figure that also considers an increased 2 million tonnes assigned for ethanol production. However, India's struggle with the COVID pandemic brought about low sales of domestic sugar, with the closure of hotels and restaurants meaning the consumption of confectionery and beverages have also been hit hard. As a result, domestic sugar consumption was down 3% at 25.3 million tonnes, which has led to substantial stock availability. High global sugar prices will see more Indian sugar available on the world market.

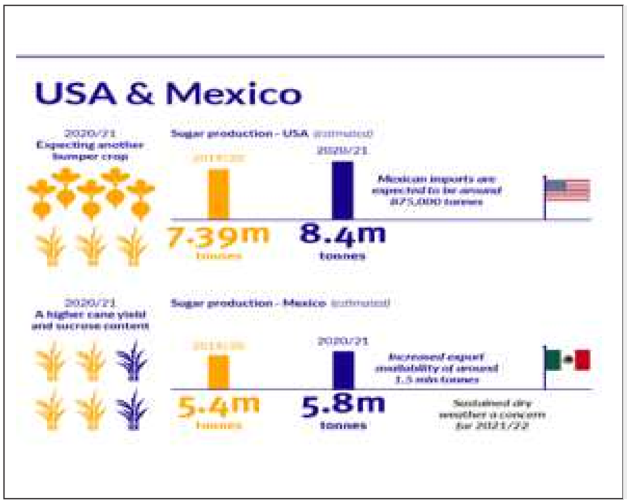
EUROPE



The UK and Australia have reached a free trade agreement that will see a duty-free quota of 80,000 tonnes of Australian cane sugar enter the UK in 2021. This amount will increase by 20,000 tonnes every year for an eight-year period, after which there will be no restrictive tariffs. Consequently, the National Farmers' Union (NFU) has said that British beet growers will not be able to compete with Australian cane sugar because Australian growers are allowed to use plant protection products that are banned for use in the UK.

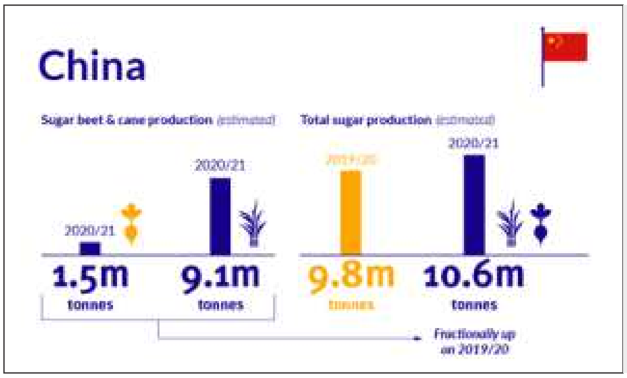
Weak domestic prices last year saw a reduced sown area for beet and, therefore, 2020/21 sugar production reduced to 5.2 million tonnes compared with 7.86 million tonnes in 19/20. Russia continues to export its beet sugar to reduce stocks and increase prices which should result in an increased acreage for next season as farmers have been encouraged to sow more beet. This was completed in June, with a 9% increase in acreage. Favourable weather has since helped the beet development due to much better soil moisture and no losses from late frosts or pest damage. Supply in Ukraine remains tight after the 20/21 campaign produced only 1.1 million tonnes of sugar, a result of poor yields and sucrose content. To put this into perspective, the sugar produced was less than the country's consumption. Cold and wet weather delayed beet sowing, but beet acreage is up 3% for the coming season

Russia and Ukraine's production struggles continue but could change next season



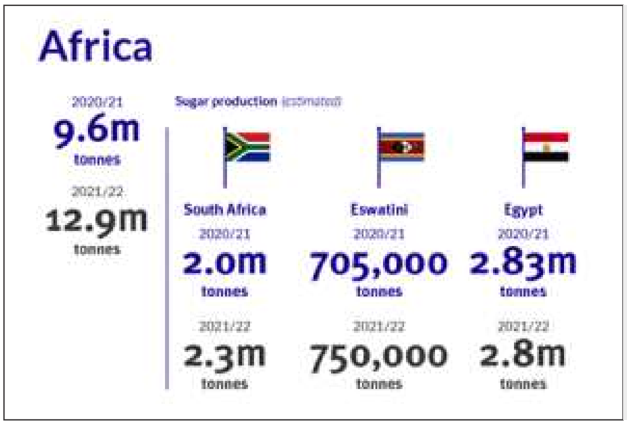
Cane sugar production for 2020/21, started last September 2020, reached 3.8 million tonnes. Weather over the summer months will now determine the beet and cane development before the 21/22 harvest, but it is expected to be another bumper crop, despite cold weather earlier in the year in Texas and Louisiana. US sugar production is estimated to rise slightly to 8.4 million tonnes, with high beet production offsetting lower cane yields. US stocks remain comfortable, so Mexican imports are expected to be around 875,000 tonnes.

The 20/21 Mexican cane harvest ended with an increase in sugar production expected to see the volume of 5.8 million tonnes produced, compared with 5.4 million tonnes in 19/20, as a result of higher cane yield and sucrose content. Precipitated by the pandemic, weak domestic sales will see increased export availability of around 1.5 million tonnes. Sustained dry weather is a concern for the 21/22 cane development.



China's sugar cane harvest has all but ended with 9.1 million tonnes of sugar produced in 2020/21. At the end of February, the beet sugar campaign produced 1.5 million tonnes of sugar, marking a new beet record, with total sugar production for 20/21 reaching 10.6 million tonnes. This was fractionally up in 19/20, though domestic sales were down. Increased mechanization contributed towards a doubling of beet production over the past six years. This may come to a halt in 21/22, though, as farmers are keen to switch to growing corn, which is currently giving them an income more than twice that of beet. The government, however, is offering financial incentives to promote the planting of cane. As a result, China is due to import an extra million tonnes in 20/21, rising to 5.3 million tonnes.

New beet sugar records in China due to increased mechanization, but the same cannot be said for cane



African sugar production for 2021/22 is expected to reach 12.9 million tonnes, compared with 9.6 million tonnes in 20/21. In South Africa, the introduction of improved cane varieties resulted in a higher cane crop and increased sucrose content. This means sugar production for 21/22 is expected to reach 2.3 million tonnes, compared with 2.0 million tonnes in 20/21. Improved irrigation across the Eswatini/Swaziland growing region will see a further increase in sugar production for 21/22, estimated at 750,000 tonnes. The world's largest sugar producing factory has just started at a cost of $1 billion in Egypt, which is a deficit market. The proprietor, Canal Sugar, aims to produce 1 million tonnes of sugar in 2022. Egypt produced 1.8 million tonnes of beet sugar and 1 million tonnes of cane sugar in 20/21 but consumes 3.3 million tonnes annually. The beet campaign takes place from April until June while the cane harvest occurs from December until June.

Source: ragus.co.uk


BELL

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. 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.

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

The refinery uses Talo-Phosphotation process for purification and Ion Exchange Resin for decolourisation and has a combined in-house steam turbines 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).

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 5.1 certified which includes ISO 22000:2018, ISO/TS22002-1:2009 and additional food safety requirements and OHSMS (ISO BS 18001:2007) certified. Our OHSAS BS 18001:2007 has been migrated to the latest standard, ISO 45001:2018; we are also ISO 9001:2015 certified and will soon be ISO 14001:2015 (EMS) certified. DSR is also SMETA ((Sedex Members Ethical Trade Audit) certified and active on SEDEX (Social, Ethical Data Exchange) platform. Arrangements is ongoing for the MANCAP

certification for Dangote Sugar Refinery Numan Operations.

Dangote Sugar Numan, Adamawa State

Dangote Sugar Numan (formerly Savannah Sugar Company Ltd), is a 32,000 hectares' brownfield Sugar Backward Integration Project, located in Numan, Adamawa State. Acquired in year 2012 as part of the DSR sugar backward integration strategy to support the National Sugar Development Master Plan with the achievement of the 1.5MMT/PA sugar production locally.

In September 2020 DSR and Savannah Sugar Company Limited ("SSCL"), was merged to become one entity, a scheme of arrangement in September 2020 DSR merged with SSSCL was dissolved without being wound.

Dangote Sugar Numan Operations has an installed production capacity of 50,000 tonnes of sugar per annum. The Sugar Estate is still undergoing rehabilitation and expansion to cultivate more of its land for a robust harvest. The existing factory has been revamped and its capacity increased from 3000TCD to 3,800TCD, which is being upgraded to 6000TCD; to bring the total factory capacity to 9,800TCD for the processing of the increased cane supply from the ongoing expansion project. The project will include the development of a robust out-growers scheme for the empowerment of farmers within the immediate communities.

The field expansion project will increase sugar production capacity to about 250,000 tonnes of sugar per annum, from approximately 25,000 hectares. Currently Dangote Sugar Refinery Numan is the only sugar backward integration project that produces sugar locally from its own grown sugarcane. DSR Numan produces over 22,080MT refined granulated Vitamin A fortified white sugar for consumption, from about 320,497MT of its own grown sugarcane on over 7,000 hectares sold in the local markets across the region. In addition, Dangote Sugar Numan generates about 6.4 megawatts of electric power from bagasse, used for its operations, in the sugar estate, and supplied to the immediate communities.

Dangote Sugar Numan operations employs over 8,000 staff (permanent, seasonal, and non-permanent workers); with over 650 farmers under the out growers' scheme. The target is to increase the out growers to over 5,000 as well as the continuous empowerment of persons in the immediate communities through various activities that arise from the company's operation in the community.

Dangote Sugar Numan Out Growers' Scheme

One of the Dangote Sugar Master Plan's key objectives is employment generation, empowerment, and enterprise drive in the communities wherein it operates and the country at large. Therefore, development of a robust out- grower scheme in the immediate communities where the Backward Integration Projects are operated is part of the socio economic and empowerment drive of Dangote Sugar. In doing this, we work closely with the Nigerian Sugar Development Council (NSDC), community leaders and the local farmers in the improvement of this cane grower development programmes to ensure equitable and increased participation of farmers within the communities, to boost their livelihood and ensure quality cane harvest during the crop season.

During the year under review, DSR Numan Out growers increased to 573 farmers, a 26.2% increase over the 454 out growers in 2020. The target is to increase the land for the scheme across the projects to over 7,000 hectares under the Dangote Sugar Outreach, Special Independent Sugarcane Out-grower's Development Programme (SIS OGDP) by year 2024.

The out-growers under the special scheme are provided with the support required to achieve a sustainable scheme that positively impacts the community and company, detailed below:

TYPE OF SUPPORT	DESCRIPTION
Recruitment	Out Growers groups, each with 20 farmers from the communities are recruited out of Dangote Sugar Numan 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 on 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 fertilisers 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 takeaway profit.
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.

SALES & DISTRIBUTION

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

Our product meets the need of our highly diversified consumer base making it the delight of all our customers. Our Sales & Marketing department consists of a large group of professionals from diverse backgrounds working together to deliver superior services to our teeming customers and stakeholders in line with our brand promise.

During the year under review, Dangote Sugar brand packaging was revamped to increase visibility, shelf presence and brand recognition amongst customers, the sales operations realigned to strengthen the regional teams to deliver its targets and provide efficient services to distributors and customers.

Expansion of our customer base was relentlessly pursued which gave rise to a 20% increase in our customers base across our Trade, Corporate and Retail Sales segments.

DISTRIBUTION

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

With over 700 trucks in our fleet operations, delivery routes are strategically scheduled to optimize utilisation and improve our delivery services to our customers nationwide. Our trucks are fitted with tracking devices and are tracked end to end as a tool in always monitoring the drivers.

With a professional team that has a over 15 years industry experience in Fleet Management and Logistics operations; the goal is to sustain our leadership position in the Nigerian sugar sector, by ensuring availability of our product through effective delivery schedules and timelines. Customers are also allowed self serve for those who indicate interest to handle their product deliveries by themselves.

With the challenge of Apapa gridlock almost behind us our maintenance and our turn around time losses are now being managed efficiently with the strategic location of maintenance workshop at Ogere, Ogun state to cater for all routine preventive maintenance, tyre maintenance and trailer welding operations timely.

SUPPLY CHAIN

Dangote sugar owns and operates the largest sugar refinery in sub-Saharan African located at Apapa Lagos, three sugar agricultural estates located at Numan Adamawa State, Tunga Nasarawa State and Lau/Tau in Taraba State. Due to the three agriculture projects Dangote Sugar has developed a robust out grower scheme to support indigenous farmers in its immediate communities aimed at the economic empowerment of citizens in line with our strategic United Nations priority strategic Sustainable Development Goal 8: Decent Work and Economic Growth.

Over the years, Dangote Sugar has introduced and continuously improved its cutting-edge practices in Supply Chain management with focus on gaining more market share locally, improved efficiency and sustained value creation within our operating environment. This has led to the full ownership of its product delivery system which has placed the business in a leading position in the sugar industry.

The Dangote Sugar supply chain process is structured for optimal transparency and value addition, with an equal opportunity bidding process which supports small businesses.

SUSTAINABLE SUPPLY CHAIN

Dangote Sugar Refinery Plc is deliberate in managing its operations to ensure impact is minimised and managed efficiently to support a sustainable Supply chain function. DSR operations optimizes raw materials and other resources required in our production process, sourced from various vendors with a conscious effort at ensuring product safety and environmental impact.

A sustainable agricultural supply chain is paramount to the future growth and success of our business as well as the prosperity of the more than 25,000 growers we partner with within our immediate communities. Within all our Backward Integration Projects communities, we engage with farmers and others in our supply chain for economic empowerment and improved quality output from the farm to finished sugar.

During the year under review, DSR sustained the Out-Growers Scheme and availed farmers seed cane, required chemicals and other farm implements for improved cane yield.

Vendor's verification exercises are carried out annually to ensure all local and international suppliers always conform to the acceptable best practices and DSR's processes and procedures. As at today we have discarded outdated supply chain practices, imbibed improved best practises utilising technology to innovatively produce sugar efficiently and responsibly.

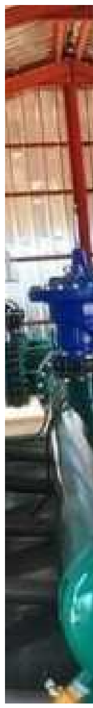
The Dangote Sugar Economic and Social Pillar is driven by sustainable economic growth through industrialization, and value creation for all our stakeholders. We ensure that our business activities and model strengthen national productivity, job creation, growth in household incomes as well as GDP growth and economic prosperity of the communities wherein we operate and the society at large.

The Dangote Sugar drive towards sugar production self-sufficiency in Nigeria is anchored on the Dangote Sugar Master Plan targeted at the production of 1.5 – 2.0 million metric tonnes of refined granulated edible sugar from locally grown sugarcane in 10 years. This plan is in support of the Federal Government's agenda to achieve sustainable sugar production in Nigeria, to end importation, save foreign exchange, generate employment amongst other benefits of the extended value chain in sugar production.

To achieve this, DSR has continued to make huge investments in land acquisition, machinery, human resources, and development of the immediate communities. However, due to the various challenges ranging from inability to take possession of the land acquired, community unrests, near total dependence on equipment importation and its delayed delivery, lack of qualified manpower in sugar production, impact of COVID – 19 pandemic which is still impacting economic activities affected delivery timelines for the projects. The Federal Government revised the timelines and Dangote Sugar is now charged with the production of 550,000 metric tonnes of locally produced sugar by 2024.

The project strategies were re-evaluated, and steps are now being taken to ensure that targets are met with focus on two of the projects sites, Nasarawa Sugar Company Limited, and DSR Numan Operations (formerly Savannah Sugar Company Ltd), acquired by DSR in 2012. In 2020 the company was merged with DSR Plc to become one entity following shareholders' approval without being wound.

The DSR Numan Estate is a 32,000 hectares sugar production estate which has considerable opportunity for expansion and its rehabilitation and expansion of the facilities and sugarcane estate is still ongoing, with the development of a robust out grower scheme for sugarcane farmers in the immediate communities.



NASARAWA SUGAR COMPANY LIMITED

During the year under review, development of the 68,000 hectares Sugar Backward Integration Greenfield Project, Nasarawa Sugar Company Limited, located in Tunga, at Awe Local Government Area of Nasarawa State, continued during the year under review.

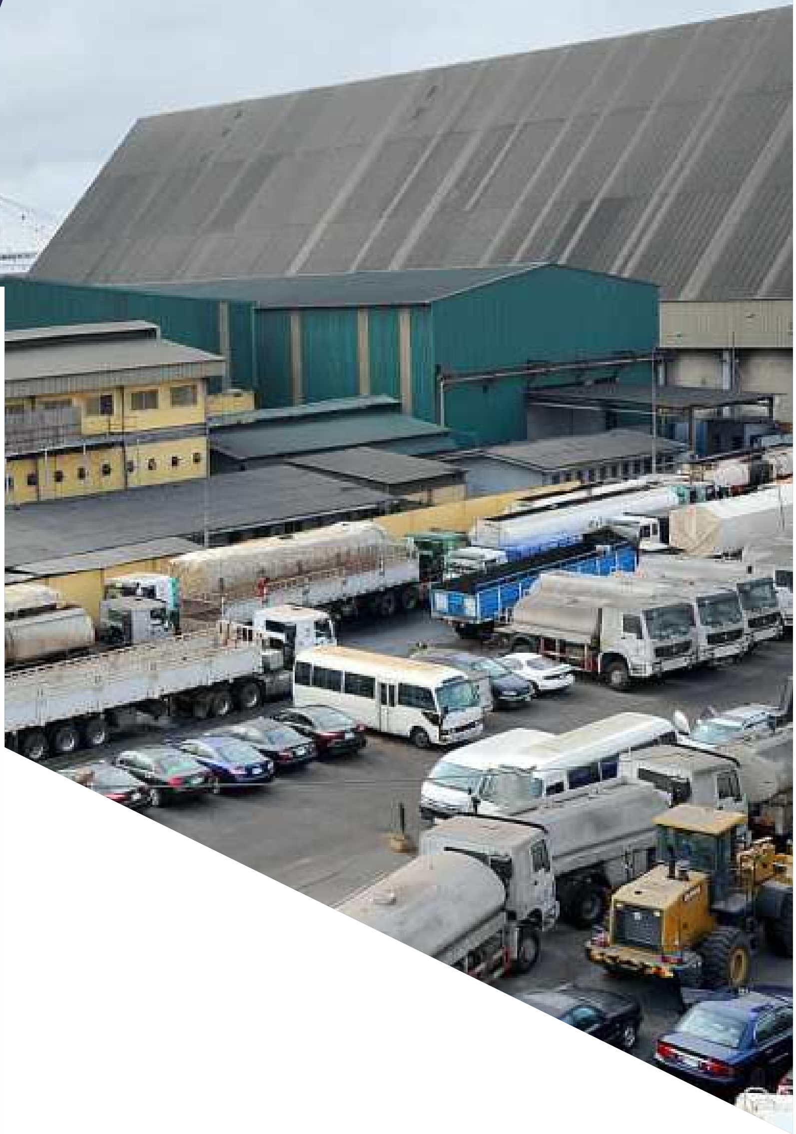
Despite the impact of the COVID – 19 pandemic lock down on economic activities which affected delivery of equipment required for the project development and scarcity of foreign exchange.

Concerted efforts are being deployed towards the infrastructure development of the project, and having completed irrigation works and planting of "B" nursery 600 HA, arrangements are underway to commence Bulk Water Supply canal earthworks. Barring any challenges phase 1 of the commercial planting planned of the 6000ha will commence in 2023 to produce 60,000 tons of seed cane in readiness for crushing. The soil is suitable for cane production with unlimited irrigation water supply from the Benue River, which will enable up to 22,000 hectares irrigated land.

The communities remained supportive of the project and about eight communities have been successfully resettled to date, with over N230 million spent on CSR projects within the communities.

On completion of the project the total land under harvest for full production will be 21,000 hectares, total cane production: 2,000,000 tons and total sugar production: 210,000 tons.

Group Managing Director/ Chief Executive Officer's Report



RAVINDRA SINGH SINGHVI
GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Distinguished Shareholders, once again we welcome you all to the 16th Annual General Meeting of Dangote Sugar Refinery Plc and present the performance report for the Company for the year ended 31st December 2021.

Against the backdrop of COVID-19, we continued implementation of our operational efficiencies, cost savings initiatives which saw to the sustenance of our leadership position in the market in the face of various challenges. Despite the gradual return to normalcy on economic activities the effects still lingered. Hopefully the measures taken by governments to revise the COVID-19 pandemic protocols and advisories towards returning to normalcy will continue as these challenges will be rested in no distant time.

During the year under review, we continued with the pursuit of our goals to create long term value for all stakeholders ranging from our employees, customers, communities, investors, shareholders, etc. Our strategy is to achieve sustainable growth over the long term with the efficient management of operations despite the challenges for increased shareholder value through sound and responsible business decisions that deliver steady growth in earnings and dividends.

In this annual report, details of our value creation and impact activities across the business are on pages 39 to 106 of the sustainability report segment of the annual report, and on the company website – dangotesugar.com.ng.

2021 PERFORMANCE

During the year under review, we posted a Group Turnover of N276 billion, against N214 billion recorded in 2020. Profit After Tax of N22 billion against N29billion recorded in 2020. A topline growth of 29% in revenue, 26% YOY decrease in PBT, and 27% decrease in PAT.

	2021	2020	% Change
Sales (MT)	771,321	731,701	5%
Production (MT)	811,962	743,858	9%
Revenue (Nbn)	276	214	29%
PBT (Nbn)	34	46	-26%
PAT (Nbn)	22	30	-27%

Despite the challenges that impacted our perfomance during the year ranging from the weak macro-economic fundamentals caused by the underlying, and continued impact of COVID-19 pandemic which saw to the steady rise in FX rate, inflation and rise in our cost of production, sales volume grew to 771,321 tonnes, production to 811,962 tonnes being 5% and 9% volume growth over the same period in 2020.

To achieve this performance, we continued implementation of strategic actions towards our commitment to improve our performance and generate value for all stakeholders.

During the year under review, we improved our brand visibility with the introduction of our brand-new product packaging, which enhanced our market position, supported with improved service delivery to our customers.

To this end, the Board of Directors is recommending for the approval of the shareholders at the Annual General Meeting a dividend of N1.00 each for every ordinary share of 50 kobo each held in the Company as at December 31st 2021.

THE BACKWARD INTEGRATION PROJECTS

We remained ahead of the pack in implementation of the National Sugar Backward Integration Development Master Plan.

During the year under review, achievement of the Dangote Sugar Master Plan remained paramount in our operations. Unfortunately, the situation at the Lau/Tau project is still the same, however, we continue to remain hopeful that the Taraba State Government will resolve the lingering issues with the communities, while we focus on the development of other brown and green field project sites.

Steady progress is now being made as we continue the rehabilitation and expansion project at Dangote Sugar, Numan, and development activities at the Nasarawa Sugar Company Limited, Tunga. The Board and Management remains resolute and committed to ensuring a sustainable future for our business with the Dangote Sugar Master Plan.

Implementation of the Sugar Projects initiatives continue at a high tempo despite the challenges we are faced with ranging from the inability to access the land acquired for the sugar projects, community unrests and the aftermath of the COVID-19 pandemic negative impact on economic activities. We however recorded some wins with the peaceful resolution of most issues with the communities and the continued positive engagement with the state and community stakeholders that are evident in the successes being recorded at the project sites.

At this point, I acknowledge the efforts and support of the Federal Ministry of Industry, Trade & Investment, the

National Sugar Development Council, and others towards the actualization of the National Sugar Development Master Plan.

SUSTAINABILITY & CSR

We remain firmly committed to operating under the highest standards of good Corporate Governance, mindful of our impact on the environment and immediate communities, living up to the standards as a responsible corporate citizen.

Dangote Sugar Refinery Plc 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. This we do "The Dangote Way".

With great pride and gladness, we achieved our first sustainability report fully compliant with the Nigerian Exchange Group Sustainability Disclosure Guidelines (NGX-SDGs) and prepared in accordance with GRI Sustainability Reporting Standards having published a GRI referenced report in the past, giving us a good opportunity to progress our disclosures on our environmental and social stewardship to our esteemed investors, shareholders and other stakeholders, annually.

During the year 2021, we successfully revamped our CSR strategy, with the improved engagement with our communities and stakeholders towards the achievement of a peaceful coexistence of the company and its immediate communities. Though a difficult and long process the efforts are yielding the anticipated results with several processes now in place to ensure it is sustained.

We continued to create value in our communities through job creation, economic empowerment of the locals through our supply chain, provision of scholarships, portable water, free health care amongst others. Our employees also volunteered their time, resources and carried out activities in all our host communities during the annual Dangote Sugar Charity Day and Sustainability Week.

The Dangote Sugar strategic priority SDGs received a boost with the inclusion of UN SDG 13 – Climate Action, which brought the SDGs to six in all. To boost this, we aligned our climate strategy to limiting of our environmental impacts and have set short, medium, and long-term climate targets with a focus on reducing greenhouse gas (GHG) emission, responsible water use, and paper usage amongst others. This is in addition to the sustained investment in our people, communities, process optimization while strengthening our supply chain with a robust outgrower scheme. It is important to mention that we were honoured with the Best Company in Promotion of Good Health & Wellbeing, at the 2021 Sustainability, Entrepreneurship and Responsibility Awards (SERAs) CSR Awards Africa.

GOVERNANCE & RISK MANAGEMENT

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, our Risk Management approach was further strengthened with the Internal Control function, responsible for implementing, directing, and overseeing the company's internal control processes. It reviews and appraises the soundness, effectiveness, and proper application of accounting and financial controls, compliance procedures and controls. We continued to maintain a risk-based internal control 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.

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 the daily operations. This has helped in more informed decision making and enhanced performance in our operations.

OUR HUMAN CAPITAL

During the year under review investment in our people was given utmost priority, which is crucial to our plan and achievement of our goals and objectives. We continued to attract and retain qualified and high calibre employee which is a testament of the Dangote Group's workplace culture. Amongst these talents is Oscar Mbeche, an experienced finance professional who joined the team as our new Group Chief Finance Officer in March 2022. We are pleased to have him on the team and his appointment supports our planned growth strategies as we continue to improve our business and implement the Dangote Sugar Backward Integration Project sugar production master plan.

The Health and Safety of employees remain our priority, with COVID-19 continuing to present itself through multiple variants, we have invested in supporting our people through several initiatives, and. We will continue to maintain all COVID-19 protocols and physical distancing to ensure a safe working environment for all staff.

Human capital development was also of high importance, which ensured continuous improvement, optimal performance, and increased output during the year under review. Attention was paid to strengthening key operational roles, development of identified skills gaps, with the right placements, training, and retraining, of employees supported with awareness campaigns on Sustainability, Health, Food Safety and COVID-19 safety habits awareness while instilling a culture for growth and self-development amongst the employees.

We continued to encourage skills acquisition across our operations under the sugar backward integration projects with our strategic goal to build and sustain a motivated workforce through manpower development and employee performance recognition awards introduced in the year under review.

FUTURE OUTLOOK

Finally, Ladies and Gentlemen, in anticipation of a more successful 2022, we are focused on building capacities, continuous positioning of our brand and products, while implementing our strategic initiatives and priorities for a sustainable future for the business.

I want to use this opportunity to thank all our people once again for their dedication and commitment during the unprecedented year in the face of the impact on the economy globally due to the COVID-19 pandemic. Their resilience, adaptation to inevitable changes and the various processes we evolved was key in the successful completion and our performance and delivery of value to our customers, shareholders, and all other stakeholders during the year under review.

My warm appreciation also goes to the Board of Director's for their immense contributions, support, and guidance all through the year.

Though the operating environment is expected to remain challenging for some time, we are however confident and will remain focused on delivering our strategic objectives. We are equipped with the right human resources, skill sets, process optimization, technology, and solutions to successfully deliver our goals, especially the medium to long-term strategies focused on the Backward Integration Projects.

We are working relentlessly towards the achievement of our Sugar for Nigeria Backward Integration Project Master Plan despite the knock-on impact on the project delivery timelines due to the COVID-19 pandemic. However, we remain confident that the Backward Integration Programme will deliver huge benefits and positive impacts on the country's economic landscape.

We thank our shareholders and customers for their continued support and the confidence they have in the Board and Management of Dangote Sugar Refinery Plc.

Thank you.

Ravindra Singh Singhvi
Group Managing Director/CEO
June 2022


DANGOTE SUGAR

Sustainability Report

Our Approach to Sustainability: 'The Dangote Way'

We are passionate about building a sustainable future for our organisation and key stakeholders. We bring this passion to life by harnessing innovative and sustainable business practices aimed at advancing economic, social and environmental wellbeing in the market where we operate. Our purpose is not just to be the clear leader in sugar manufacturing in Nigeria but also an outstanding organisation that delivers meaningful impact and value creation. As the world faces extraordinary challenges – from climate change to food insecurity and then the recent COVID-19 pandemic, we understand that delivering on our responsible business purpose is more critical than ever before.

DSR's sustainability approach is thus tactically aligned with the Dangote Group Sustainability Strategy, which is underpinned by the strategic 7 sustainability pillars that are designed to mainstream sustainability across our various departments and functions. Aptly termed "The Dangote Way", it epitomizes our commitment to doing business responsibly by engraining best practices into every aspect and segment of our value chain. The 7 Sustainability Pillars provide the appropriate framework for embedding and continuously strengthening our corporate values and strategic objectives.

'Sustainability Thinking' enables us to balance our economic, social and environmental priorities with our financial, operational and institutional goals; while also ensuring that our practices safeguard the well-being of the present and future generations. We place a high premium on maintaining our ethical values and respecting the local cultures in the market where we do business.

DANGOTE 7 SUSTAINABILITY PILLARS & THE TRIPLE BOTTOM-LINE

SN		Pillar Objective
1.	Financial	Achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the economies where we operate, by producing and selling high-quality products at affordable prices supported by excellent customer service.
2.	Institution	Build a world-class institution centred on corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency, effective internal controls, risk management and business continuity.
3.	Economic	Promote inclusive, sustainable economic growth, self-reliance, self-sufficiency, and industrialization across Nigeria; establishing efficient production facilities and developing resilient local economies in strategic locations and key markets where we play.
4.	Cultural	Embody our core values in the way we do business, including fostering respect for cultural diversity both in our internal and external relations. To achieve this, we actively encourage teamwork, empowerment, inclusion, equal opportunities, mutual respect, integrity and meritocracy in our organisation.
5.	Operational	Serve and satisfy our markets by working together with partners to deliver the best products and services to our valued customers and stakeholders through continuous product improvement, new business development, employing state-of-the-art technologies and systems to constantly optimize our product value and cost-efficiencies.
6.	Environmental	Create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimizing our performance in resource and energy efficiency, water management and emissions.
7.	Social	Create a learning environment and platform for our employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer, local entrepreneurial development, social investments and corporate social responsibility best practices.

At a glance

Financial

- N276.50 billion in revenue in 2021, up by 28.8%
- Gross profit of N50.21 billion and profit after tax of N22.05 billion

Institution

- Deployed ESG surveys to Employees, Investors, Communities and Supply chain partners
- Won 2021 SERAs Award for Best Company in Good Health & Wellbeing
- DSR Priority SDGs implementation roadmap on track

Economic

- Over 2,900 direct jobs
- N27.1 billion direct contributions to households (salaries, wages, and dividends)
- N41.1 billion indirect contributions to households (tax payment, local procurements, social/community investment spending)
- Economic Value Retained - Created and Distributed (EVC&D) is N22.881 billion

Cultural

- 2.6% increase in the workforce to 2,956 employees
- 60.8% of employees are 30 to 50 years
- 186 training programmes with 34,954 training hours
- 206 sustainability training hours
- 231 volunteering hours during sustainability week

Operational

- Production increased by 10.8%
- First-ever ESG Materiality Assessment Surveys deployed to our suppliers, contractors, vendors
- Maintained ISO 14001:2015, ISO 9001:2015, and ISO 45001:2018 certification
- DSR process is FSSC 22000 (Food Safety System Certification) certified

Environmental

- 5,545,085 GJ total energy consumption in 2021
- 74.11% Natural gas, 21.41% LPFO in the energy mix
- 100% environmental permits and licenses

Social

- N1.152 billion spent on social/community investment, 5.01% of 2021 PAT
- 4,017 persons benefitted from free healthcare services at Numan, Adamawa
- All employees attended training on anti - corruption
- Zero fatality in DSR Plant operations
- 22% Female Board representation

Our Reporting Practice

This Dangote Sugar Refinery Plc sustainability report covers our material social, environmental, economic, and governance issues for the reporting year, covering 1st January to 31st December 2021, in accordance with the GRI Sustainability Reporting Standards. It covers activities carried out in our headquarters in Lagos, Nigeria and other locations of our operations in Nigeria, including Numan, Adamawa State; and Tunga, Nasarawa State. This report also highlights our plan and ambition in our journey of building a sustainable Sugar Master Plan in Nigeria. It gives our stakeholders an insight into our performance in these areas in the year under review and the efforts and structures that we are putting in place to continually improve. This Sustainability Report is written as part of and complements our 2021 Annual Financial Report, which primarily covers our financial and economic performance to further our integrated and balanced scorecard reporting approach. Therefore, this Report is written in alignment with and structured along, our 7 Dangote Sustainability Pillars.

As part of the reporting process, we carried out extensive stakeholder engagement (involving employees, host communities, investors, and supply chain) activities and a materiality assessment survey to determine the major concerns of our key stakeholders. This was executed through an independent sustainability consultant (Translantic Development Limited) to show transparency. The outcome of this exercise and our economic, environmental, and social impact significantly influenced the material topics covered in this report. This report also serves as our annual communication on progress to the UN Global Compact (UNGC) as part of complying with the membership of our parent company (Dangote Industries Limited). It therefore adequately covers our progress in integrating its 10 sustainability principles into our business operations. This report also clearly discloses our SDGs contributions and the strides that we are taking in supporting the actualisation of the Global Goals. In the same vein, this report fulfils our requirements to the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs), as all key indicators are also fully captured.

We have cross-referenced and benchmarked our reporting against several other local and global sustainability standards, including the Securities & Exchange Commission (SEC) Code of Corporate Governance, and the Financial Reporting Council of Nigeria Code of Corporate Governance (NCCG); all of which provide guidance on best practices for driving a sustainable business. For accuracy, reliability, balance and completeness, the data represented in this report's economic, environmental, and social performance sections were collected using the 2021 GRI Sustainability Reporting Standards disclosures and principles and was presented for Content Index - Essentials Service with GRI Service mark obtained. To further validate and enhance this report's credibility, a limited external assurance was carried out by Deloitte & Touche Nigeria on some key indicators reported, using the ISAE 3000 Standards, in line with the non-financial reporting assurance principles.

This 2021 report is Dangote Sugar Refinery (DSR) Plc's first sustainability report in accordance with GRI Sustainability Reporting Standards having published a GRI referenced reports in the past two years.

2021 DSR MATERIALITY ASSESSMENT AND STAKEHOLDERS' SURVEY - EMPLOYEES, COMMUNITIES, INVESTORS AND SUPPLY CHAIN PARTNERS

Materiality Assessment

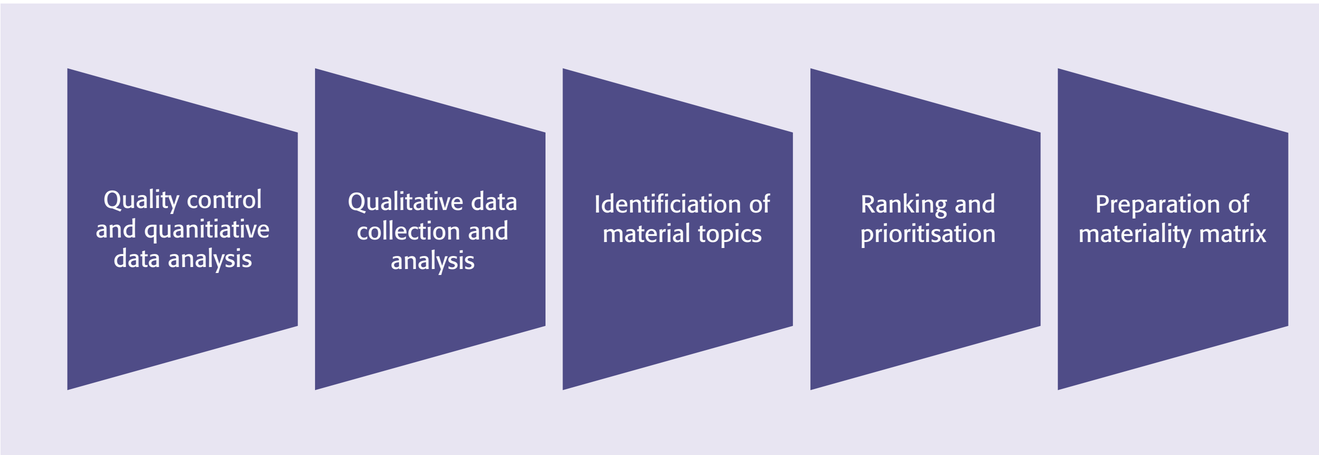
The purpose of the ESG survey analysis and materiality assessment is beyond annual sustainability reporting, rather it's a way to engage and inform our stakeholders on the various ESG performance and improvement during the year. ESG performance is crucial to business success and sustainability, and materiality assessment provides a strategic step towards understanding the ESG indicators pertinent to Dangote Sugar's operations. As a first step, materiality assessment helps to identify key sustainability indicators important to the company stakeholders. Secondly, it provides an understanding of Dangote Sugar Refinery's ESG performance from stakeholders' perspectives to inform our sustainability reporting.

Furtherance to this background and as part of our stakeholder engagement and sustainability reporting process, we conducted a materiality assessment is in line with meeting the requirements of the Nigerian Exchange Group Sustainability Disclosure Guidelines (NGX-SDGs) and international best practices, specifically, the GRI Sustainability Reporting Standards and other global/local/industry regulatory standards (such as SEC, NCCG, UNGC, CDP, UN SDGs, etc).

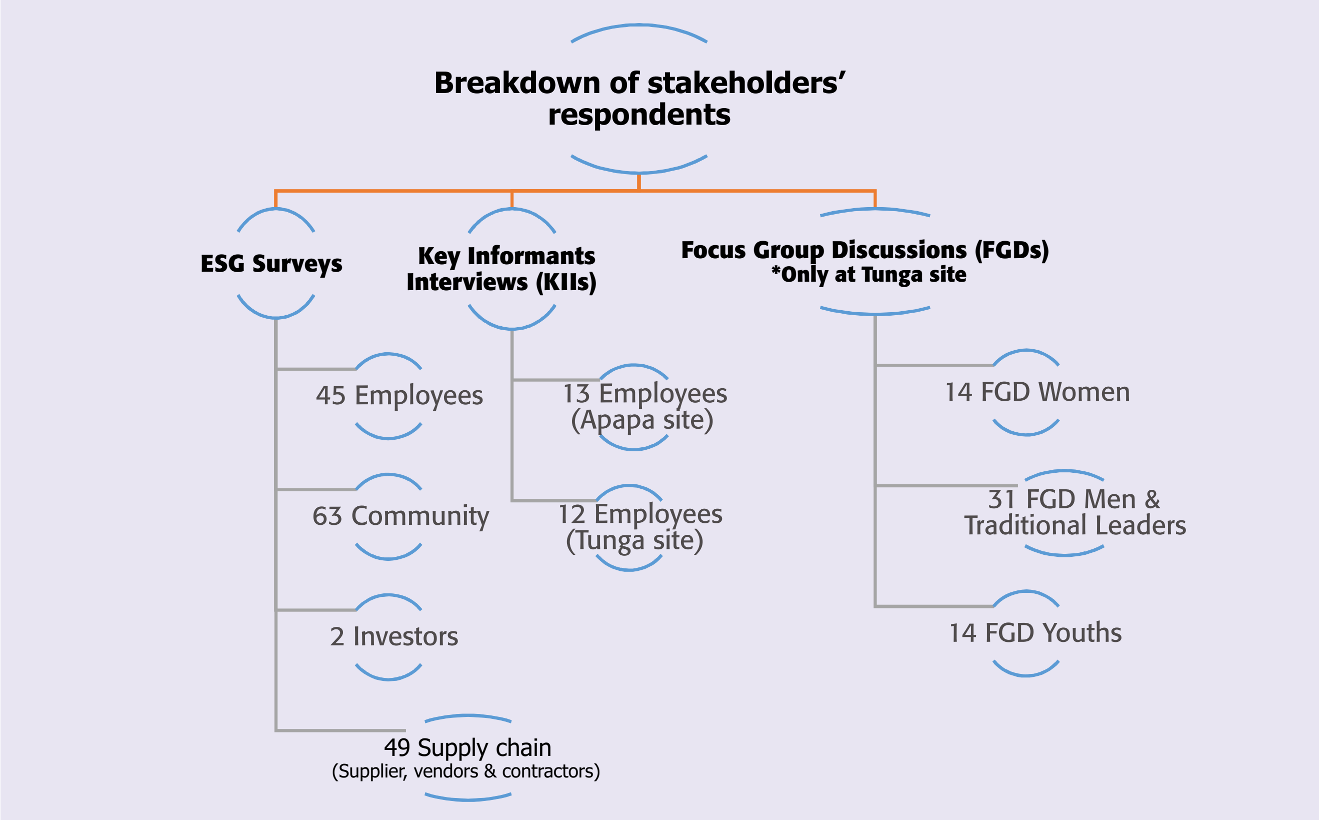
This was executed through an independent sustainability consultant, Translantic Development Limited. The consultant carried out an independent and expert assessment of material topics identified from our core stakeholder groups (Employees, Host Community, Investors, Supply Chain (Suppliers, Vendors and Contractors)) which we deployed surveys to between January and February 2022, in order to elicit response on our 2021 ESG performance and perception.

The 2021 Dangote Sugar Refinery stakeholders' surveys were deployed using an online, cloud-based solution that allowed our stakeholders to respond in real-time to the questionnaires from diverse locations across DSR operations and using electronic devices such as laptops, tabs, and cell phones. This allowed for electronic rather than face-to-face engagements, timely completion, guaranteed respondents' anonymity and confidentiality, and also eased the process of data collation and analysis. Field engagement, triangulation and validation of survey responses through Key Informant Interviews (KIIs) with employees at Apapa and Tunga sites and Focus Group Discussions (FGDs) with host communities at Tunga site were done.

The materiality assessment process used for the 2021 DSR materiality assessment, involves a seamless and systematic procedure involving five (5) stages as illustrated below:



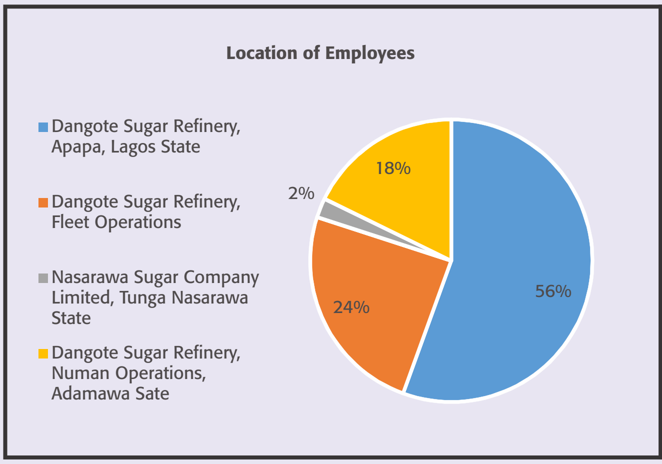
The ESG surveys, KIIs and FGDs, involved 243 stakeholders across four categories: employees, host communities, investors, and the supply chain.

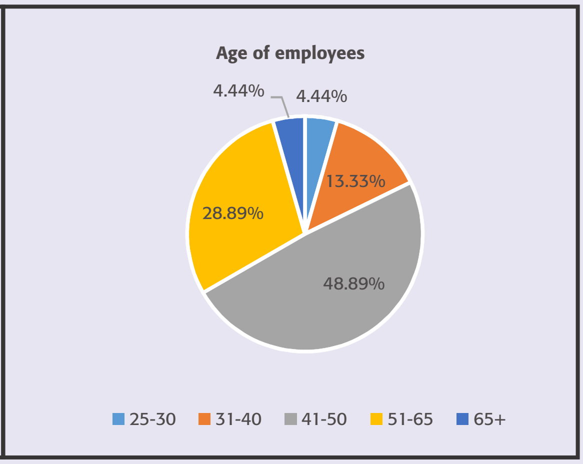


At the end of the ESG surveys, KIIs and FGDs (materiality assessment process), a total of 128 sustainability indicators were identified, grouped into 44 material topics, and then categorised into eight (8) broad areas: Company internal factors, Labour and working conditions, Sustainable Development Goals and sustainability initiatives, Environment, ESG Performance and sustainability reporting, Host community and society, Stakeholder engagement and relations, Supply chain processes. Materiality matrices were developed based on a consolidation of material topics that represented both importance and impacts across stakeholder groups.

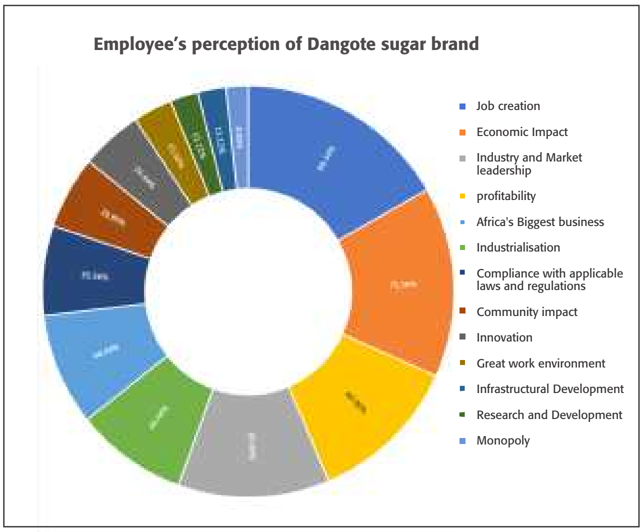
Employees' Survey

The ESG survey for employees was conducted across four (4) sites: Dangote Sugar Refinery, Apapa, Lagos State; Dangote Sugar Refinery, Fleet Operations; Nasarawa Sugar Company Limited, Tunga Nasarawa State; and Dangote Sugar Refinery, Numan Operations, Adamawa State. This was followed by a triangulation/validation exercise through Key Informant Interviews (KIIs) with employees at the Tunga and Apapa sites.

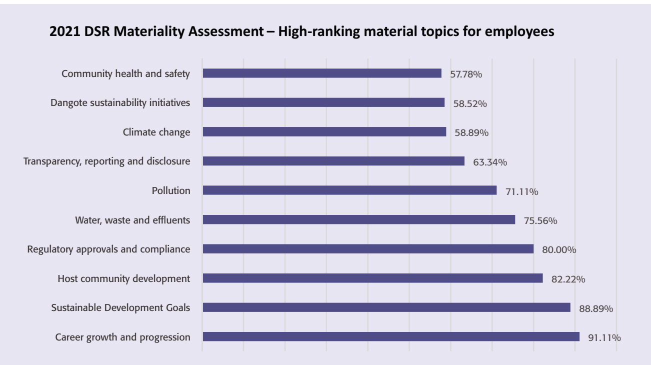




In terms of our employees' perception of the Dangote Sugar Refinery brand. most of the employees surveyed associated the company's brand with job creation (84.44%) and economic impact (75.56%). Most of the employees involved in the KIIs stated that the positive for them in terms of working with Dangote Sugar was the learning and knowledge expansion experience. However, they hoped that DSR would improve the remuneration structure and create opportunities for career growth in the company.



The areas highlighted by employees for improving productivity, employee satisfaction and retention include better compliance with labour and safety policies; effective management; employee engagement, communication, and transparency; employee inclusion; employees' shares scheme; flexibility in the workplace; promoting gender equality and provision of necessary work tools and equipment. The assessment of material topics from the employees' perspectives showed that a total of 36 topics were important to them. Below is the chart showing the high-ranking material topics for employees.



Host Communities Survey

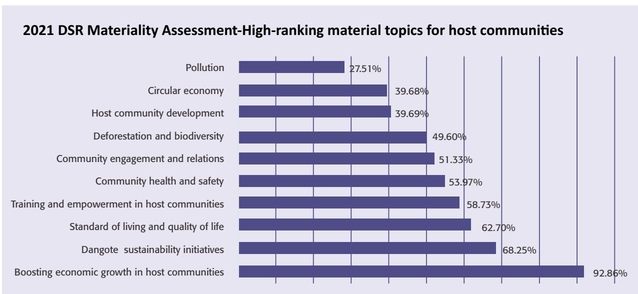
The ESG survey for host communities was conducted with participants from 17 host communities across the three (3) sites, with further triangulation exercise through FGDs at the primary host communities in Nasarawa State. The host communities in Nasarawa referred to as Chiefdoms, include Tunga, Awe, Azara, Wuse and Akiri. There was an under-representation of females across the host communities' respondents for the ESG survey, as 73.02% of the respondents were male. The communities in Nasarawa are headed by the paramount head, Emir of Awe; Baale of Oke-Oko for the Apapa site and His Royal Highness Hama Bachama in the Numan site.

Distribution of host communities' respondents across the Dangote Sugar sites

Dangote Sugar company/factory	Community	Frequency
Dangote Sugar Refinery, Apapa, Lagos State	Ayobo/Ipaja	1
	Apapa	1
Dangote Sugar Refinery, Numan Operations, Adamawa State	Demsa	1
	Kem	1
	Lamurde	2
	Numan	1
Nasarawa Sugar Company Limited, Tunga Nasarawa State	Awe	26
	Azara	1
	Baure	6
	Galadima Awe	1
	Gidan Vighe	1
	Kanje	2
	Kekura	1
	Madaki Awe	1
	Mahanga	1
	Tsohon Tunga	2
	Tunga	13

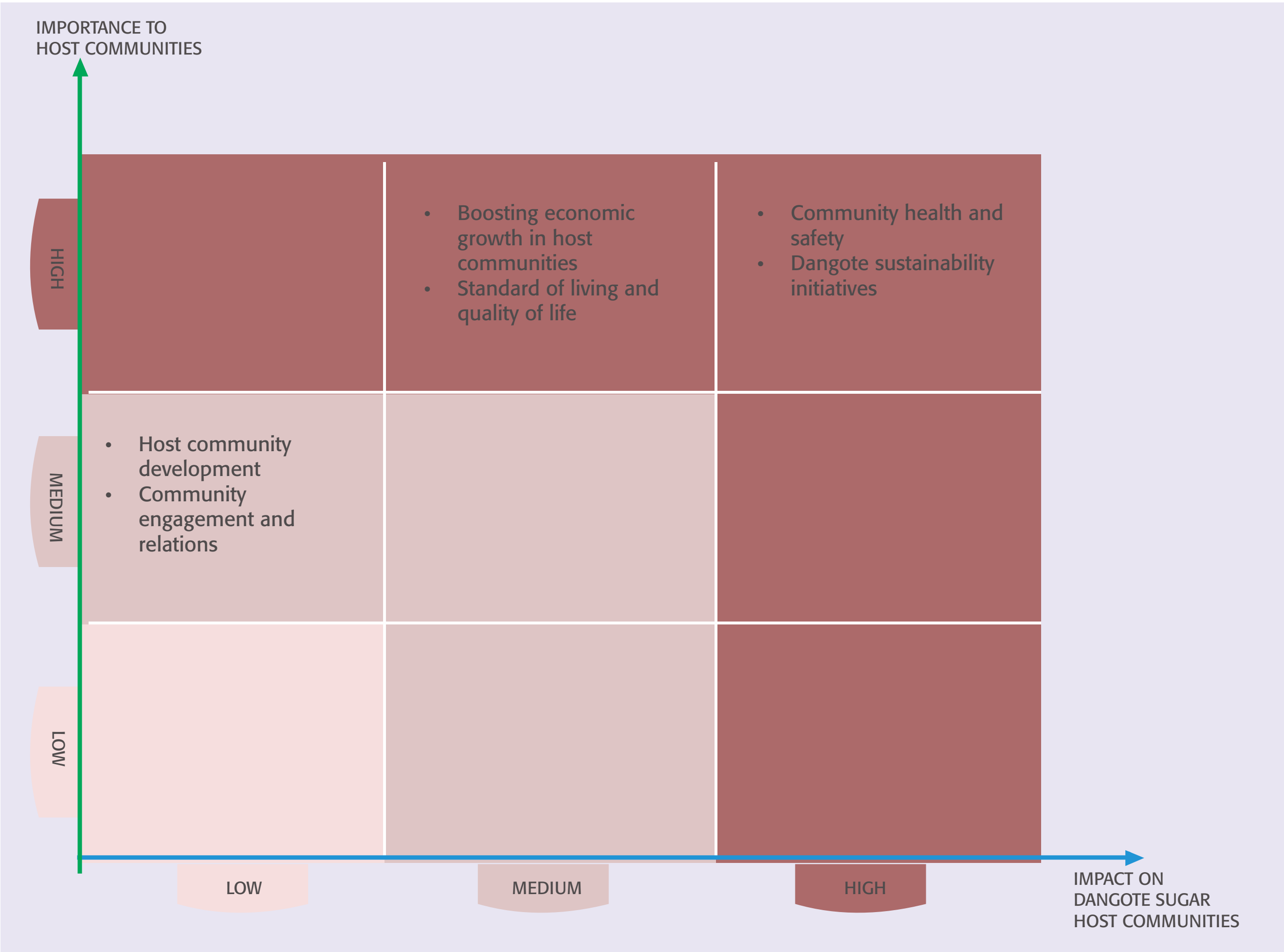
The host communities in Nasarawa stated that they are happy with DSR's presence in their community and the project promises a better future in terms of socio-economic growth and development in their communities. The host communities' perceptions of Dangote Sugar and the broader Dangote brand were associated with host community development/corporate social responsibility (CSR) initiatives. 96.83% of ESG survey respondents from host communities also associated Dangote Sugar's presence with increased employment opportunities.

A total of 14 material topics were identified from the host community perspective. However, the chart below shows the high-ranking material topics important to the host communities.



Boosting economic growth in host communities; community health and safety; Dangote sustainability initiatives; and standard of living and quality of life were considered critical to the host communities.

2021 DSR Materiality Assessment - Community Matrix



Supply Chain Partners (Suppliers, Vendors and Contractors) Survey

The core business areas of supply chain stakeholders who participated in the ESG survey comprised consultancy services in environmental, technical, electrical, and engineering, and supply of engineering equipment and PPE, production of staff wears, health and safety supplies, laboratory equipment, catering services and office consumables. These services were mainly provided to the Technical and Supply Chain departments. 24.49% of the supply chain respondents render their services across all the Dangote Sugar sites. The majority (40.82%) of the suppliers have provided services to Dangote Sugar between 3 to 5 years.

The supply chain stakeholders associated the Dangote brand with a positive economic impact (72.73%) and job creation (61.22%). They further indicated that the contract signing and payment processing at Dangote Sugar was mostly straightforward and timely (48.98%) and very flexible and easy (18.37%). 18.37% also thought the process was complicated and time-consuming. Invoice processing time for the majority of the suppliers, vendors and contractors typically takes 14-60 days. The most crucial incentive identified by suppliers is reducing payment processing time, with the others being getting increased patronage based on sustainability improvements; improving contract bidding processing time; and improving communication on status of payment invoice to vendor/contractor.

A total of 21 material topics were identified from the suppliers, vendors, and contractors' perspectives, seven (7) out of these were included in the materiality matrix. The low number of topics included in the matrix was because only seven (7) material topics important to the suppliers have corresponding impacts on Dangote Sugar operations.

From the materiality assessment, four (4) material topics critical from the suppliers, vendors and contractors' perspectives include corporate governance; ESG performance; supplier's ESG profile and transparency, reporting and disclosure.

Investors' Survey

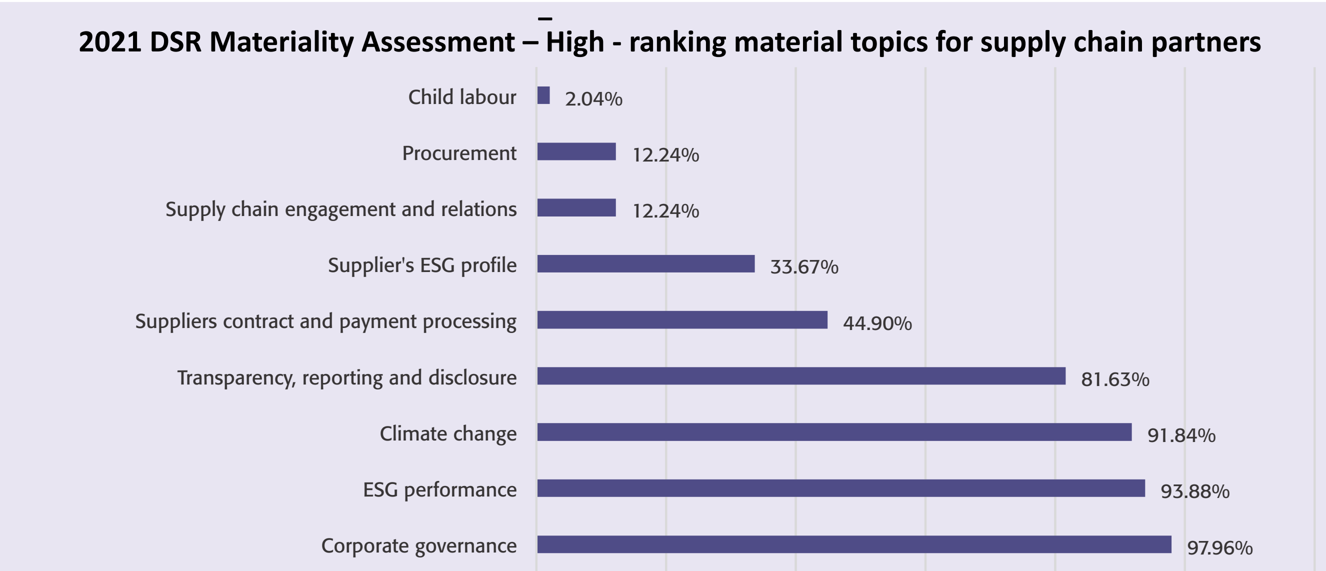
Only two (2) investors took part in the ESG survey; one was a prospective investor, and the other was an existing investor.

Details of investors				
Type of investor	Investment style	Location	Style of investment	Kind of investment
Institutional	Value	Nigeria	Growth	
Corporation	Value	Nigeria	Growth	Africa Fund

The governance domain of the ESG was most important to the two (2) investors when making their investment decisions. None of the investors has a formal valuation model; however, they both consider Dangote Sugar's engagement with them on ESG matters sufficient.

Dangote Sugar Refinery Plc 2021 Materiality Matrix

Material topics from our stakeholders informed the consolidated matrix for DSR's operations. The topics shown in the materiality matrix figure are indicators that have been identified as material by the key stakeholders surveyed for 2021 (investors, communities, employees, and supply chain partners). They also reflect indicators that DSR has identified as material to its business sustainability. In line with the GRI Sustainability Reporting Standards reporting requirements, the identified material topics significantly influence the issues that are disclosed in this report.



Dangote Sugar Refinery (DSR) Plc 2021 Materiality Matrix

Importance to stakeholders \ Impact on Dangote Sugar	LOW	MEDIUM	HIGH
HIGH	• Climate change	• ESG performance • Regulatory approvals and compliance	• Host community development • Transparency, reporting and disclosure
MEDIUM	• Community engagement relations • Energy • Water, waste and effluent	• Equality, diversity, and inclusion • Occupational health and safety • pollution • Social impact	• Corporate governance • Employee training • Supplier's ESG profile
LOW	• Procurement	• Child labour • Company's reputation and brand perception • Employee wellbing	• Employee engagement and relations

Furthermore, the list of material topics applicable to us as an organisation are carefully discussed and addressed throughout this sustainability report in addition to those identified through the 2021 materiality assessments as indicated in the matrix above. Our material topics for 2021 across the GRI Sustainability Reporting Standards include the following: Economic Performance, Market Presence, Indirect Economic Impacts, Procurement Practices, Anti-corruption, Anti-competitive Behaviour, Tax, Materials, Energy, Water and Effluents, Biodiversity, Emissions, Waste, Supplier Environmental Assessment, Employment, Labor/Management Relations, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor, Forced or Compulsory Labor, Security Practices, Rights of Indigenous Peoples, Local Communities, Supplier Social Assessment, Public Policy, Customer Health and Safety, Marketing and Labelling, and Customer Privacy.

Dangote Sugar Refinery (DSR) Strategic Priority SDGs

The SDGs are a set of 17 interlinked goals with 169 targets designed to be a blueprint for achieving a better and more sustainable future for all by 2030. While Dangote Industries Limited, Dangote Sugar Refinery (DSR) Plc parent company supports the actualization of all 17 Goals, we at DSR has however prioritized a few SDGs that directly align with our corporate objectives, line of business and sustainability agenda. This way, we hope to make more impactful contributions to the 2030 targets in our different markets.

We have ensured that these SDGs also contribute to the Africa Agenda 2063, Nigeria's National Development Plan (2021-2025) and Nigeria Sugar Master Plan. Thus, indicating our support for national and continental sustainable development. Furthermore, across our different operations, ESG function heads, Executive Management/Committee and dedicated Board Committees have the responsibility for managing and communicating climate-related issues to the company's Board of Directors, with specific recommendations for action, as may be required.

To monitor our progress in the implementation of the prioritized UN SDGs (Goal 2, 4, 6, 8, 12, 13), we developed an integration plan which was endorsed by Executive Management. The integration plan in the table below shows DSR's specific, actionable plans, targets, and realistic timeframes for achieving them and will ensure that achievements in all priority SDGs are documented and measured.

UN SDG & DSR Priority SDGs	SDG Agenda and Targets	Importance / Materiality to DSR	DSR progress in 2021 and 3years (2021 – 2023) targets through the priority SDGs
Goal 2: Zero Hunger	End hunger, achieve food security and improve nutrition and promote sustainable agriculture **Target 2.1** **Target 2.3** **Target 2.4**	• Fighting hunger is a strong business opportunity for sugar businesses. • Where purchasing power is low, hunger may also result in business failure. • Fighting hunger boosts productivity for food-related businesses.	• Support distressed communities to fight hunger as part of CSR initiatives, and in line with the outcome of community needs assessment. • Continuously innovate for business expansion, enhanced productivity, and creation of new job opportunities, thereby fighting poverty and hunger. • Source raw materials, goods and services locally, to boost commerce, entrepreneurship and household income. • Ensure food sufficiency in the line of product (SUGAR); effective market penetration and distribution to ensure constant availability • Support local content and prioritize the patronage of local vendors, to boost economic productivity and improve household income. • An effective out-growers management plan will help ensure fair trade and pricing for smallholder farmers, boost household income and fight hunger.

UN SDG & DSR Priority SDGs	SDG Agenda and Targets	Importance / Materiality to DSR	DSR progress in 2021 and 3years (2021 – 2023) targets through the priority SDGs
Goal 4: Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all **Target 4.4**	• Quality education, skills, capacity and entrepreneurship are important for self-development and economic empowerment, which increases the purchasing power of Dangote Sugar's potential customer base.	• In line with the outcome of community needs assessment, support the development of impactful educational projects in local communities as part of CSR initiatives • Support initiatives that promote girl child education and provide skills acquisition and capacity building opportunities for women and girls • Support youths to develop employability and entrepreneurial skills and competences that enhance human capital development & socioeconomic wellbeing • Support indigent students in host communities with scholarship funds • Partner with Dangote Academy to build technical, managerial and leadership skills in local communities.
Goal 6: Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all. **Target 6.3** **Target 6.4**	• Sugar production is water-intensive. • Synthetic pesticides, herbicides, fertilizer runoff and sedimentation contaminate water sources. • Land degradation, loss of biodiversity and water pollution are material sustainability issues in sugar harvesting	• Maintain environmentally friendly disposal of wastewater/effluents. • Develop effective water efficiency and consumption plan and ensure that water utilization in business operations does not result in communities' water stress. • Apply hygienic standards in production processes, across the entire value chain. Ensure the responsible use of water (recycling and reuse) and • create awareness amongst employees and communities on water efficiency and conservation. • Ensure non-pollution of waterways through effective water and effluent treatment before discharge, in conformity with applicable regulations. • Support local communities with boreholes and potable water as part of CSR initiatives, in line with the outcome of community needs assessment.
Goal 8: Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all **Target 8.2** **Target 8.4** **Target 8.5** **Target 8.7**	• Child labor practice during cultivation by small holder farmers is a material sustainability issue in an agricultural-based business. • Unfair payment of workers in sugarcane farms or supply chains. • Forced labour and modern slavery are common practices in agribusiness supply chains.	• Implement a Sustainable Supply Chain Management Plan that compels fair trade and pricing for out-growers in the scheme. • Administer and monitor compliance with Environmental, Social & Governance (ESG) Code of Conduct that clearly defines rules of engagement and acceptable norms of behaviour within the supply chain • Conduct structured annual human right audits to entrench equal pay for work of equal value; gender equity; forestall modern slavery; eliminate child or forced labour. • Continuously enhance health and safety practices across the value chain.

UN SDG & DSR Priority SDGs	SDG Agenda and Targets	Importance / Materiality to DSR	DSR progress in 2021 and 3years (2021 – 2023) targets through the priority SDGs
Goal 12: Responsible Consumption and Production	Ensure sustainable consumption and production patterns. **Target 12.2** **Target 12.3** **Target 12.5** **Target 12.6**	• Water consumption intensity, land degradation, and loss of biodiversity are material sustainability issues in sugar production. • Waste generation such as wastewater and residue in operations and supply chain. • Plastic waste generation from packaging materials	• Promote responsible use of natural resources, such as water. • Minimize overproduction through effective supply and demand planning. • Ensure Product Responsibility: best practices in sourcing and processing of raw materials, chemicals, packaging of products and waste management. • Ensure operational efficiency and health and safety best practices across the production chain.
Goal 13: Climate Action	Take urgent action to combat climate change and its impacts. **Target 13.2**	• Energy Consumption intensity in Sugar production, especially the use of gas and LPFO. • Running the boilers that power the refinery is the major energy consumption point. • Direct emission of greenhouse gases from sugar refining activities, and possible deforestation outcomes in DSR backward integration projects (Nasarawa Sugar, Tunga, and DSR Numan, Adamawa), etc., contribute to climate change.	• Support Climate Action; develop a CO2 reduction plan • Reduce environmental footprints in all operations • Develop a plan for gradually reducing the use of fossil fuels for refining operations, and explore the possibilities of introducing cleaner, alternative and renewable fuels in the energy mix • Integrate climate change mitigation considerations in key operational strategies and planning. • Improve energy efficiency to reduce the carbon intensity of the manufacturing process. This will also lower the production costs. • Develop a 5-year Pollution Reduction Plan (including Sugar Dust, sweet water, etc.). • Fully activate environmental impact assessment and management plan, and ensure compliance with all environmental laws/regulations.

The 2021 ESG survey and stakeholder engagement also elicited feedback on the sustainability culture within DSR and how the DSR operations align with the Sustainable Development Goals (SDGs). DSR priorities six (6) SDGs, SDGs 2, 4, 6, 8, 12, and 13. The survey showed that 88.89% of the employees involved in the ESG survey were aware of Dangote Sugar's six (6) priority SDGs.

CULTURAL PILLAR: Building a culture of workplace empowerment and inclusion

Cultural Standards

Our Cultural Pillar is the foundation upon which our organisational ethos is built. Through this pillar, we ensure that sustainability is embedded in our corporate culture. For us, it is an embodiment of ethical business, professionalism, brand loyalty, employee empowerment, mutual respect, inclusion, equal opportunities, and shared value.

We strive to ensure that every staff member across every hierarchy and every operational segment function in tandem with these guiding principles. We are committed to building a workplace that is inclusive and accommodates the culture of all stakeholders without bias, stereotyping, or discrimination. We encourage and reward teamwork, integrity, and meritocracy in our workplace.

Our People

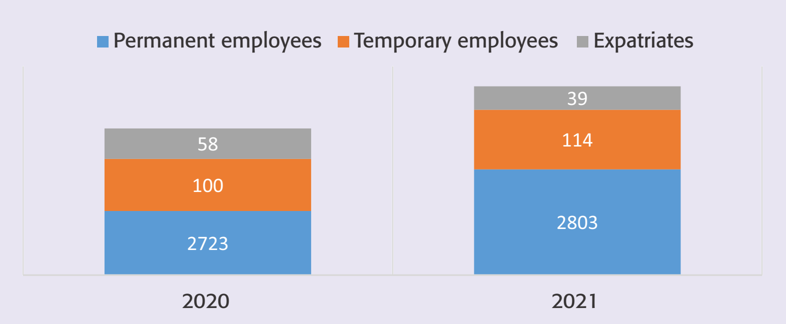
We pride ourselves not just on being an equal opportunity employer, but on striving to build the best place to work in the industry. As a result, our people stay in our employment for a long time and grow exciting careers. Our business success has been anchored on our values and the continued development of our manpower in line with the changing times, to enable us sustain employees' performance and meet or surpass their career aspirations.

The DSR Workforce

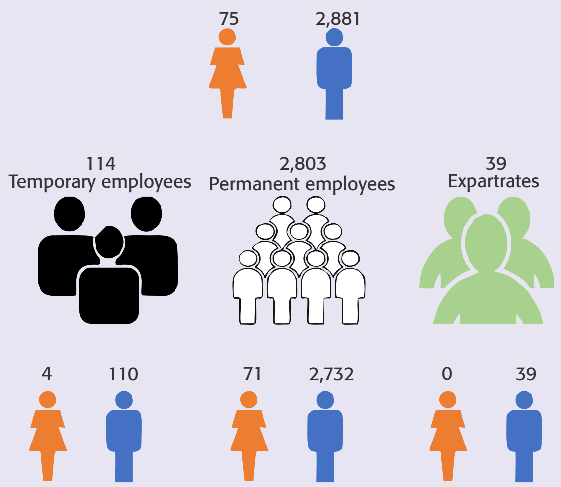
In 2021, we had a total of 2,956 employees, which represented a 2.6% increase from 2,881 in 2020. Total employees comprise 2,803 (95%) permanent employees, 114 (4%) temporary employees, and 39 (1%) expatriates. Out of these, only 75 (3%) are female while 2,881 (97%) are male. DSR is committed to improving gender diversity within the organisation and will make deliberate efforts to increase athe number of women in our workforce, especially in leadership positions.

Furthermore, in 2021, we had a total of 32 senior management staff and one (1) executive management. The age and gender distribution of senior and executive management is provided below:

TOTAL NUMBER OF EMPLOYEES PER YEAR



TOTAL NUMBER OF EMPLOYEES=2,956



The age categories of the total workforce are:

- ❖18 to 30 years: ❖40 employees (1.4%)
- ❖30 to 50 years: 1,800 employees ❖(60.8%)
- ❖>50 years: ❖1,116 employees (37.8%)

Our employee categorization by age and gender per location is shown below:

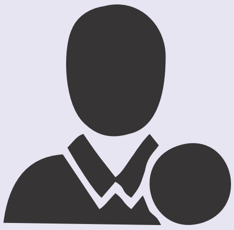
Location	Number of employees by employment contract, age and gender						
	Total Number of Employees						
	Women	Men	Women	Men	Women	Men	Total
	18-30 years		31-50 years		>50 years		
DSR Apapa	5	11	33	660	4	292	1,005
DSR Numan	3	18	25	580	3	469	1,098
DSR Fleet Operations	0	3	2	500	0	348	853
TOTAL	**8**	**32**	**60**	**1,740**	**7**	**1,109**	**2,956**
Location	Permanent Employees						
DSR Apapa	3	8	31	597	4	271	914
DSR Numan	3	18	25	579	3	440	1068
DSR Fleet Operations	0	3	2	487	0	329	821
TOTAL	**6**	**29**	**58**	**1663**	**7**	**1040**	**2803**
Location	Temporary Employees						
DSR Apapa	2	3	2	63	0	9	79
DSR Numan	0	0	0	1	0	2	3
DSR Fleet Operations	0	0	0	13	0	19	32
TOTAL	**2**	**3**	**2**	**77**	**0**	**30**	**114**
Location	Expatriates						
DSR Apapa	0	0	0	0	0	12	12
DSR Numan	0	0	0	0	0	27	27
DSR Fleet Operations	0	0	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**	**39**	**39**

Furthermore, in 2021, we had a total of 32 senior management staff and one (1) executive management. The age and gender distribution of senior and executive management is provided below:

Location	Number of Management Staff by Cadre, Age and Gender						
	Senior Management						
	Women	Men	Women	Men	Women	Men	Total
	18-30 years		31-50 years		>50 years		
DSR Apapa	0	0	0	7	2	23	32
DSR Numan	0	0	0	0	0	0	0
DSR Fleet Operations	0	0	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**3**	**13**	**32**
Location	Executive Management						
DSR Apapa	0	0	0	0	0	1	1
TOTAL	**0**	**0**	**0**	**0**	**0**	**1**	**1**

Employee Growth and Turnover

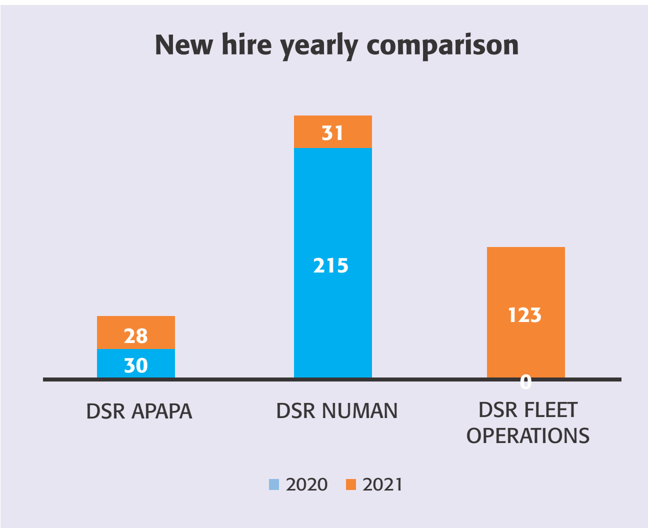
We have ensured continuous growth of our organisation. Details on employee growth and turnover are provided in the figure and table below. While we desire to retain and hold on to our talents, we understand the socio-economic factors in the country and we're constantly striving towards being a preferred employer in the sector.

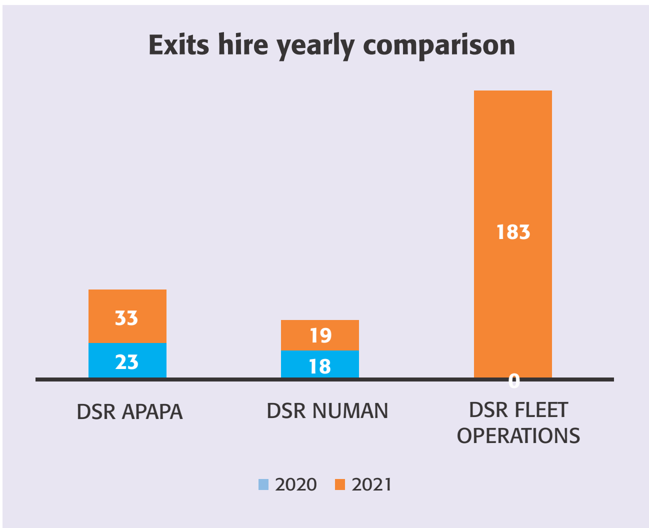


New hires
2020: 245
2021: 182

Exits
2020: 41
2021: 235

Location	Employee Growth and Turnover by Location			
	2021 New Hire	**% of Total**	**2021 Exits**	**% of Total**
DSR Apapa	28	15.38	33	14.04
DSR Numan	31	17.03	19	8.09
DSR Fleet Operations	123	67.58	183	77.87
TOTAL	**182**		**235**	





Labour Practices and Benefits

We continuously improve 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, and value creation for all key stakeholders while ensuring the continuous wellbeing of our employees. To encourage and keep our employees motivated, we provide them with monetary and non-monetary benefit packages as outlined below:

- ✓ Group Life Insurance
- ✓ Employee Spouse Group Life Insurance
- ✓ Workmen's Comprehensive Insurance
- ✓ Comprehensive Health Care
- ✓ Paid Annual Leave
- ✓ Parental Leave (Maternity Leave)
- ✓ Examination Leave

- ✓ Children Education Support Allowance
- ✓ Professional Body Subscriptions
- ✓ Long Service Awards
- ✓ Staff Marriage Cash Present
- ✓ Birthday Present
- ✓ Paid Mourning Leave
- ✓ Wedding Cash Gifts

All our employees are entitled to parental leave. Female employees are entitled to three months of paid maternity leave. Furthermore, employees engagement in DSR are mainly guided by and in compliance with the provisions of the Labour Act (1990), the Pension Reform Act (2014), the Factories Act (1987), the Employee's Compensation Act (2010), and the National Policy on Occupational Health and Safety (2020) amongst others, which also ensure compliance with these labour laws. There is also the Employee Handbook which provides guidance on acceptable conducts, norms of behaviour and rules of engagement within our workplace, to ensure conformity with the corporate culture that we are building - The Dangote Way. The Handbook aligns with the guidelines in the International Labour Organisation (ILO) standards and International Finance Corporation (IFC) Performance Standard (PS) 2 (Labour and Working Conditions) which we are committed to complying with as a socially responsible organisation.

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. Some key engagements carried out in 2021 are listed below:

- Staff Motivation and Long Service Award
- End of Year Gift to all employees
- Covid-19 awareness sessions
- Virtual Medical Consultation for all employees
- Mental Health Support for all employees
- Quarterly meetings with Labour/Worker representatives

Our labour conditions and adherence to compliance are driven by our robust human resources policies as listed below:

- Leave Policy
- Travel Policy
- Diversity and Inclusion Policy
- Harassment Policy
- Compensation and Benefits Policy
- Compensation and Benefit Policy for Staff on Expatriation
- Manpower Planning and Recruitment Policy
- Education and Training Policy

Learning and Development

As a business that is committed to empowering employees with the skills and competencies 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 employees' overall learning experience. Ultimately, we have a career review process to ensure that employees' activities are in line with their personal/developmental goals as well as our corporate strategic plan. Career reviews take place throughout the year for all employees, and we ensured that for 2021, all employees (100%) received regular career development and performance review. In 2021, DSR trained all 2,956 employees with a total participation number of 9,196 spending a total of 34,954 training hours which is an average of 11.8 hours per employee. The total participation number increased by 66% from 5,536 participants in 2020 to 9,196 participants in 2021 indicating our commitment to improving the capacity of our employees to compete with global skillsets. We conducted 186 training programmes where 110 (59.1%) were physical while 76 (40.9%) were virtual (online). A breakdown of the training participation numbers and average training hours per location is shown in the table below:

Location	Number of training programmes by mode of training delivery			Total number of employees	Total number of participants	Total training hours	Average training hours
	Physical	Virtual (Online)	Total				
DSR Apapa	38	41	79	1,005	1,666	10,856	10.8
DSR Numan	41	29	70	1,098	2,110	15,107	13.8
DSR Fleet Operations	31	6	37	859	5,420	8,991	10.5
TOTAL	**110**	**86**	**186**	**2,956**	**9,196**	**34,954**	**11.8**

Some of the key training programmes conducted include:

- ✓ Business Continuity Management Lead Auditor's and Implementers' Training
- ✓ Refresher Programme on Success Factors LMS
- ✓ Understanding Permit to Work Implementation
- ✓ Sustainability Governance, Principles and Reporting
- ✓ Demand Planning and Strategy Session
- ✓ Personal Effectiveness and Defensive Driving Skills
- ✓ Consumer Psychology and Buying Behaviour
- ✓ Fire Drill and Evacuation Techniques Training
- ✓ Improvement Training on Inventory and Procurement Management
- ✓ Good Manufacturing Practices
- ✓ Contemporary HR Issues and Challenges
- ✓ Team Building Workshop
- ✓ Advanced Excel Masterclass
- ✓ Critical Control Point Operational Programme
- ✓ HSE Training Sessions
- ✓ Workshop on Customer Profiling Techniques and Procedures
- ✓ Budget and Budgetary Controls
- ✓ Masterclass on Strategic Marketing and Sales
- ✓ Machinery and Equipment Maintenance
- ✓ First Aid Training and Certification
- ✓ Managing Social Media Risk
- ✓ SAP Modules
- ✓ Awareness Training on Covid-19: Living with the Virus
- ✓ Ethics and Work Environment (Bullying)
- ✓ Customer Appreciation and Management
- ✓ Navigating Uncertainties
- ✓ Forklift and Heavy Equipment Operators Programme
- ✓ Reskilling: Growth, People and Growing Economies

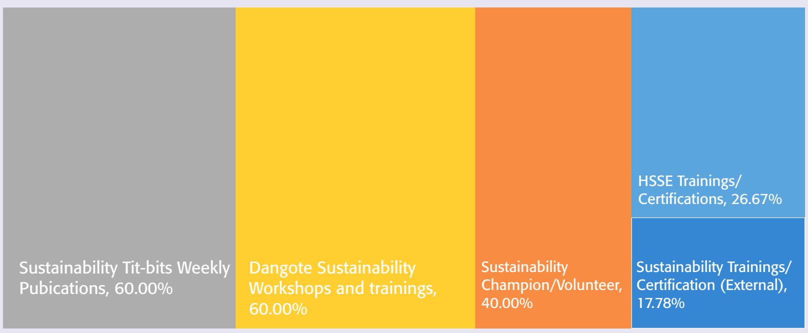
Sustainability Training

In 2021, 43 employees participated in six (6) training sessions recording a total of 206 training hours and an average of 4.8 hours per employee. The training programmes covered various topics on sustainability (as shown in the table below) and were held virtually (online).

S/N	2021 Sustainability Training Sessions	Categories of Employees Trained
1.	Stakeholder Engagement Standard	Senior Management
2.	Sustainability Week Training	Senior Management
3.	Capacity Building on Group Performance Standard	Senior Management
4.	GRI Sustainability Reporting Standards (With GRI Standards Certification Option)	Sustainability Leads & Champions involved in Sustainability Reporting
5.	Building a Sustainable Business Culture - the Fundamentals	Sustainability Leads, Champions, Volunteers and Key Function Owners
6.	Understanding Basic Sustainability Implementation Requirements: Monitoring, Measuring and Reporting ESG Impact	Sustainability Leads, and staff from Environment, Health & Safety, Social Performance/Community Relation, Human Resources, Risk Management, and Internal Audit departments in each location.

Our ESG employees survey and Key informant review revealed Dangote Sugar's commitment to sustainability education for employees. Most of the employees consider their engagement in sustainability to be very important (75.56%) or important (22.22%). However, only 46.67% volunteered for the 2021 Dangote sustainability week or World Environment Day. 60% of the employees reported that they obtained sustainability knowledge from Dangote sustainability workshops and training and Sustainability Tit-bits Weekly publication.

Sustainability Education Platform for DSR Employees



Employee volunteering: 2021 Sustainability Week

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

DSR employees alongside their counterparts in other Business Units within the Dangote Group participated in the 2021 Sustainability Week. The Sustainability Week is an annual event designed as an employee volunteering initiative to make a measurable impact in host communities and improve environmental, social, and economic wellbeing.

The 2021 Sustainability Week was themed: "Building a Sustainable Future – The Dangote Way." This was in tandem with the theme of the 76th Session of the UN General Assembly (UNGA 76), which was 'Building Resilience through hope to recover from COVID-19, rebuild sustainably, respond to the needs of the planet, respect the rights of people, and revitalise the United Nations'. The event was held at different times between September 27th and October 15th, 2021, and availed staff the opportunity to utilise their skills, talents, and intellectual resources to make positive contributions to the society.

In summary, 65 DSR employees and two (2) third-party individuals volunteered by utilising 231 volunteering hours on initiatives that benefitted 1,150 students, six (6) schools, and three (3) host communities. The number of volunteers increased by 55% from 42 in 2020 to 65 in 2021. Similarly, the number of volunteering hours increased by 38% from 167 in 2020 to 231 in 2021. This further reiterates our commitment to continuously support our local communities through the direct intervention of our employees.

Schools Outreach Campaign: In line with DSR Priority SDGs to support education and host communities, DSR volunteers in Apapa had an outreach campaign in three (3) secondary schools around the Apapa axis - Randle Senior Secondary School; Apapa Senior Secondary School; and Sacred Heart College. Similarly, DSR volunteers in Tunga, had the campaign at Government Secondary School Kekura. Activities executed during the outreach included lectures and coaching. This initiative specifically contributed towards Target 4.7 (Education for sustainable development and global citizenship) in SDG 4 (Quality Education).

Lecturing, coaching, presentation of gifts and interaction at Randle Senior Secondary School, Apapa and Government Secondary School, Kekura.

We distributed COVID-19 PPEs (250pcs of branded face masks, 250pcs of hand sanitisers) and Dangote Sugar products (15 bundles of Dangote Sugar) in Randle Senior Secondary School; Apapa Senior Secondary School; and Sacred Heart College. Also, we donated 50pcs of branded nose masks and 120 ml hand sanitisers to Government Secondary School Kekura. This initiative specifically contributed towards Target 3.3 (Prevent communicable diseases) in SDG 3 (Good health and wellbeing).

A 5-unit wash hand basin station was constructed and donated to Apapa Senior Secondary School. This initiative specifically contributed towards Target 6.2 (Sanitation for all) in SDG 6 (Clean Water and Sanitation).

Newly constructed wash hand basin station at Apapa Senior Secondary School

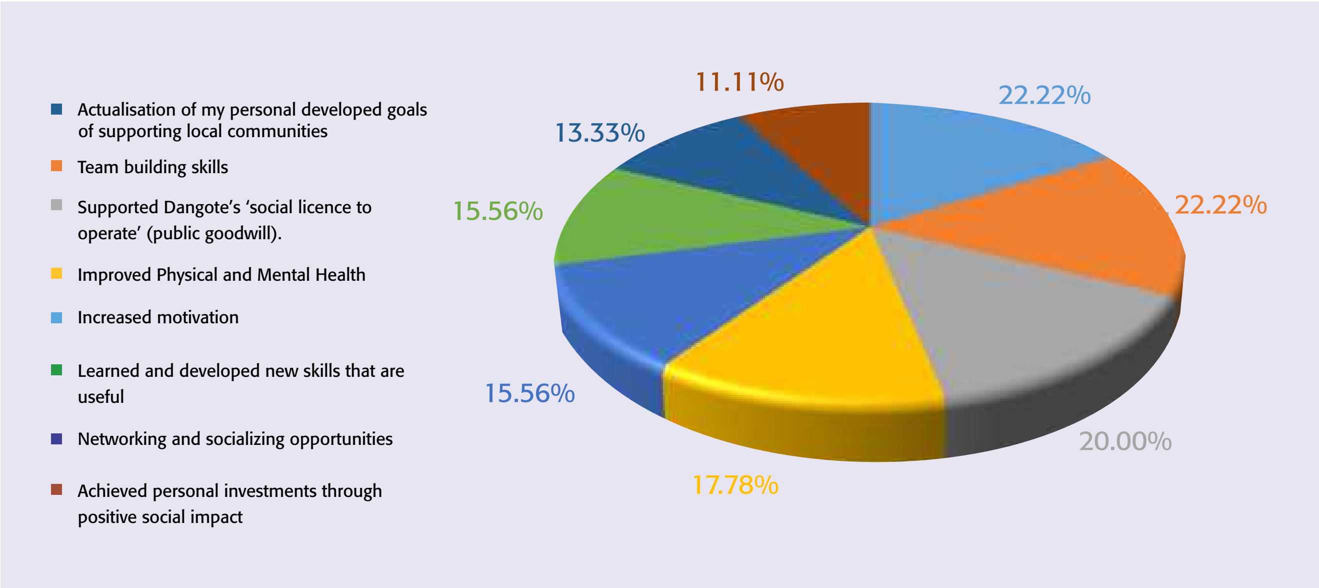
Tree planting: In a bid to beautify the environment and prevent soil erosion, DSR Numan volunteers visited four (4) locations around Gyawana, Lamurde LGA (Government Day Secondary School Kola Guyuk; Government Day Secondary School Gyawara; Shelleng; and Kiri Dam) to plant economic and shaded trees. This initiative specifically contributed towards Target 13.1 (Strengthen resilience and adaptive capacity to climate-related disasters) in SDG 13 (Climate Action).

2 ZERO HUNGER

DSR volunteers in Tunga distributed 30 bags of 50kg urea fertilizer to local farmers in the host communities to boost agricultural productivity. This initiative specifically contributed towards Target 2.3 (Double the productivity and income of small-scale food producers) in SDG 2 (Zero Hunger).

Distribution of urea fertilizer to local farmers by DSR Tunga volunteers

Employees who volunteered in Dangote Sugar Refinery sustainability week (46.67%) highlighted that their participation provided opportunities to enhance their team-building skills and led to the actualisation of their interest/commitment to supporting their local communities.



ECONOMIC PILLAR: Contributing to Nigeria's economic growth and development

In line with the principles behind our Economic Pillar, we strive to promote inclusive, sustainable economic growth, self-reliance, self-sufficiency, and industrialisation across Africa by establishing efficient production facilities and developing resilient local economies in strategic locations and key markets.

As part of our economic sustainability strategies, we ensure that we sustain business profitability and give a good return on investment to our esteemed shareholders. We endeavour to support industrialisation in all the economies where we operate and make a meaningful economic impact in our host country.

We also support job creation and household income through the different activities across our value chain. We deliberately prioritise the patronage of local labour, suppliers, vendors and contractors as our way of building local capacity and wealth. We ensure transparency in the taxes that we pay and other statutory payments that we make to governments and public institutions.

Creating Value: Our Contribution to Economic Development and Role in the Food Industry Landscape

In recent years, Nigeria has seen a persistent surge in inflation rates, reaching the highest levels in four years, amid skyrocketing food prices and poor purchasing power. In March 2021, inflation rose to 18.17% from 17.33% recorded in February 2021. This was the same month Nigeria exited the pandemic-induced recession which commenced in 2020. The recession exit meant an increase in household spending which had an impact on our revenue, however, the high inflation rate was a strain on the purchasing power of our customers. Consequently, as the country's GDP grew marginally every quarter, DSR's economic performance improved (our economic value created and distributed). However, the undulating inflation rates, restriction on foreign exchange, security challenges, and the country's debt affected consumers' purchasing power which challenged our revenue targets for some months. The agriculture and manufacturing sectors were severely hit by these negatives which impacted our local procurement targets and operating costs from importation. Nonetheless, we were able to achieve a 28.8% increase in revenue year-on-year which translated to an increase in economic value distributed as well in terms of taxes, procurements, wages, dividends, and operating costs.

Analysis from international and national experts have projected the Nigerian economy to grow by about 2.7% in 2022. Considering the manufacturing sector contributes about 13% to GDP and the agricultural sector 24%, we have positioned DSR to contribute to this GDP target in 2022 which in turn fosters our long-term objective of value creation and sustainable development of the country. DSR 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 sugarcane plantations covering more than 150,000 hectares of land across some sites in Nigeria. This step will move Dangote Sugar from port-based refining to fully integrated sugar production within Nigeria, thereby helping Nigeria to achieve self-sufficiency in sugar production, and create over 100,000 new employment opportunities. This goal will support the Federal Government of Nigeria's sugar self-sufficiency objectives in the Nigerian Sugar Master Plan (NSMP). The project will help maximise the extended value chain in sugar and ethanol production, power, animal feeds, among others. In 2021, we advanced the first phase of the Project by rehabilitating and expanding the integrated sugar estate at Numan, Adamawa State; and further investments in our out-growers scheme.

Contribution To Job Creation and Sustainable Livelihood

At DSR, building mutually beneficial relationships with our stakeholders and enabling economic prosperity in local communities is key to our economic and social sustainability pillars. We are impacting lives by the over 2,900 direct jobs that we have so far created, the multiplier effects of our operations on household income and the generation of indirect and induced jobs. Our suppliers, contractors, vendors, farmers, and distributors, as well as their value chains have their own employees, which make up part of our indirect and induced employment. In 2021, our business activities supported over 20,000 jobs (direct, indirect and induced); which was calculated using the Social Accounting Multiplier Matrix. Similarly, staff between 18 to 50 years constituted 1,840 (62.1%) of our total workforce, indicative of our commitment to supporting government efforts at combatting rising youth unemployment across the country.

Contribution To Household Income

The salaries, wages, and dividends that we pay are our direct contributions to household income which amounted to

N27.1 billion in 2021, an increase of 2.4% from N26.5 billion in 2020; while our taxes, local procurement, and social investments are our indirect contributions which amounted to N41.1 billion in 2021, a decrease of 13.2% from N47.4 billion in 2020.

Contribution to Household Income			
Parameters	2021	2020	2019
	₦'000 (Thousand Naira)		
Direct contributions			
Employee wages, salaries and benefits	8,943,973	8,321,604	6,798,798
Dividend paid to shareholders	18,220,317	13,200,000	13,200,000
Indirect contributions			
Tax payment	11,968,921	15,847,076	7,459,154
Local Procurements (All operations)	28,022,156	30,650,672	26,826,406
Social/Community Investments	1,151,789	910,640	98,538

Indirect Economic Impact

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 Out-growers' Scheme

Part of the 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, we started with 415 out-growers which we have almost doubled in 2021. Currently, we are increasing the land to over 8,000 hectares through an Outreach, Special Independent Sugarcane Out-growers' Development Programme (SIS OGDP) - which will see the number of farmers under the scheme increase to 5,500 by the year 2024.

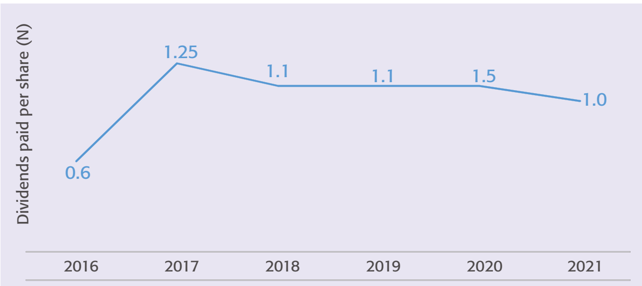
Economic Performance: Economic Value Created and Distributed (EVC&D)

At DSR, we continue to generate sustainable returns for our stakeholders. In 2021, we recorded higher sales volume year on year. Our gross revenue (economic value created) increased by 28.8% from N214.3 billion in 2020 to N276.1 billion in 2021, supported by our 2021 consumer activities and strengthened market penetration strategies. Similarly, our economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments) increased by 35.7% from N186.5 billion in 2020 to N253.2 billion in 2021.

Parameters	2021	2020	2019
	₦'000 (Thousand Naira)		
Economic Value Created (EVC): Revenue	**276,054,781**	**214,297,747**	**161,085,778**
Economic Value Distributed (EVD)			
Operating costs*	225,846,208	157,076,742	122,800,548
Employee wages, salaries and benefits	8,943,973	8,321,604	6,798,798
Payments to providers of capital	5,261,949	4,315,486	270,868
Tax Payment	11,968,921	15,847,076	7,459,154
Social/Community Investments	1,151,789	910,640	98,538
Total EVD	**253,172,840**	**186,471,548**	**137,427,906**
Economic Value Retained			
EVC – EVD	**22,881,941**	**27,826,199**	**23,657,872**

*Excluding administrative expenses

Dividend Payment History
DSR'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 (now Nigerian Exchange Group) in 2007, and we have consistently paid dividends over the years. We ensure that our shareholders get a good return on their investments. We pay dividends and communicate our financial performance to shareholders in line with regulatory requirements. For FY2021, we propose to pay N1.00 per share as dividend to our shareholders which amounts to a total of about N18.2 billion. The chart below shows our dividend payment history:



Responsible Tax Payments
DSR is committed to adhering to all regulatory requirements concerning the payment of taxes and other statutory returns. As required by law, we pay our taxes to the government on an annual basis. In 2021, our tax payments amounted to the sum of N11.969 billion which was a decrease of 24.5% from the 2020 tax payment of N15.847 billion. Other details about our 2021 tax returns can be found in relevant sections of this report.

SOCIAL PILLAR: Building social bridges across communities and markets

Our Social Pillar centres around how we manage our social impact on stakeholders and the larger society, and how we ensure that we give back to the communities where we operate. In our host communities, we strive to support socio-economic well-being through direct and indirect employment, skills transfer and capacity building, local entrepreneurial development, and patronage of local vendors and contractors.

We also invest in social amenities and projects that are beneficial to local communities and improve the overall human capital development index. We believe in supporting development in local economies and assisting governments in providing access to quality water, education, healthcare, and public infrastructure.

Community Investment

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 host 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. In 2021, we spent a total of N1.152 billion on community investment projects, representing about 5.22% of our 2021 profit after tax (PAT). This is a marked improvement from 2020 when we spent N0.911 billion which was 3.06% of 2020 PAT.

Year	Total community investment spending (₦'000; Thousand Naira)	Profit After Tax (PAT) (₦'000; Thousand Naira)	Percentage of PAT as Total Social investment spending [Per Year]
2019	98,538	22,361,276	**0.44%**
2020	910,640	29,775,243	**3.06%**
2021	**1,151,789**	**22,052,291**	**5.22%**

The key focus of our investments includes infrastructural development, job creation, healthcare, education, provision of potable water, women empowerment, etc as indicated in the table below

Spending Category	Cost of project (₦'000; Thousand Naira)	UN SDGs Alignment	Percentage of Total (For Each Spending Category)
COVID-19 Support & Donations	1,000,016.50	3, 11, 17	86.82
Health	25,795.00	3, 11, 17	2.24
People empowerment	200.00	1, 2, 8, 10, 11, 17	0.02
Infrastructure (electricity, road and drainage)	305.25	9, 10, 11	0.03
Education and scholarships	1,908.75	4, 8, 10, 11, 16	0.17
Community compensation	27,000.00	11, 16	2.34
Donations, support and grants to host communities	14,432.69	1, 11, 16, 17	1.25
Donations and grants to CSOs/NGOs and development bodies	80,130.83	17	6.96
Others	2,000.00	1, 2, 8, 16, 17	0.17
Total Expenditure	**1,151,789.02**		

Also, during the year under review, DSR did not make any political contribution or donations (financial and in-kind) directly or indirectly to any political organisation in all our operations.

◎ **Healthcare:**

- Our Dangote Sugar Numan onsite clinic at Adamawa State provides free healthcare services to seven host communities. In 2021, our DSR Numan clinic provided free medical services and medications to 4,017 persons from the immediate host communities costing us over N20 million.

◎ **Education and skills acquisition:**

- Sponsorship of 2021 Lagos State World Food Day Celebration (Quiz Competition for Secondary Schools).
- Library development support for a primary school in Lagos.
- Educational scholarship grant to schools in Tunga, Nasarawa.

◎ **Security:**

- Fundraising for security support of CACOVID Team.

◎ **Community infrastructure development and engagement:**

- Renovation of Bare Community traditional site, Adamawa.
- Donation of electrical poles for Kola Community, Guyuk LGA, Adamawa.
- Rehabilitation of boreholes in DSR Numan Host communities.
- Support of several community engagements in Adamawa and Nasarawa host communities.

8 DECENT WORK AND ECONOMIC GROWTH

Anti-Corruption and Whistleblowing

DSR is saddled with a responsibility to ensure a commitment to high ethical standards across all our operations. We have implemented policies and continue to build a culture that prohibits improper, unethical, or illegal activity and promote the performance of due diligence on our operations and partners. Our values are anchored in our Code of Conduct as well as in our Supplier Code of Conduct and underscored in binding policies.

DSR has zero-tolerance for bribery and corruption in any form. Our Anti-Bribery and Corruption Policy establishes our commitment to the highest standard of ethical conduct in all operations and business activities. We continuously communicate this to all our stakeholders, through training sessions and awareness discussions. In the 2021 reporting year, we recorded one case of corruption which was a fraudulent practice on road expenses paid to fleet drivers reported at DSR Apapa.

We have a whistleblowing policy that mandates that all identified cases of fraud and corruption be reported to the relevant authority without any fear of reprisals. Our whistleblowing policies are reviewed regularly and every employee is aware of the importance and the need to report misconduct and policy on the referral of corruption cases to the Police. To improve internal capacity, two (2) internal audit employees were trained on fraud risk management in 2021. Furthermore, we conducted anti-corruption training sessions across our plants and fleet operations as shown below:

LOCATION	Number of trainings on anti-corruption (or other initiatives taken to avert bribery and corruption)	Number of employees trained	Total number of training hours
DSR Apapa	12	**Entire staff**	**72**
DSR Numan	12		
DSR Fleet Operations	12		
TOTAL	**36**		

In 2021, we had 4 whistleblowing cases (3 from our DSR Apapa and 1 from DSR Numan), all of which have been resolved in line with our fair and anonymous whistleblowing process managed by a third-party consulting firm. The cases involved the request for gratification and payment to fictitious accounts etc. After adequate investigations by external parties, appropriate sanctions were issued through the HR disciplinary procedure.

Host Community Engagement and Grievance Management

The communities represent an important part of DSR's support system for operations. We depend on local communities for a conducive operating environment, materials, suppliers, employees, etc. It is therefore imperative that we ensure we continue to manage our relationships and empower our support systems. Through our on-field staff who act as community relations engagement organs, we obtain insights into the needs of our host communities which we strive to meet, as much as it is practicable. There were two grievance reports from the host communities on environmental pollution and employment opportunities to the communities in 2021 at DSR Numan. The grievances were promptly addressed and closeout.

3 GOOD HEALTH AND WELL-BEING

Health and Safety Performance

DSR 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 and safety risks that could result from our operations. We continuously seek innovative ways of improving our health and safety performance. Our HSSE programs were implemented in 2021 in line with the Group HSSE (GHSSE) Safety Management standards and ISO 45001 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, DSR builds a safety culture that is supported by Management and all levels of employees.

Our key safety strategy is underlined by the 15 Golden Rules, we also perform continuous follow-ups on improving awareness of the 15 Golden Rules. In 2021, we recorded improved compliance with the Golden Rules.

We amplify awareness of safe behaviours within our workforce through continuous HSE trainings and awareness sessions. In 2021, we conducted 77 training sessions (20 physical and 57 virtual) for 2,640 employees (compared to 1,019 in 2020) in total HSE training hours of 7,926. Some of the key initiatives we performed to advance safety in the workplace, plants and fleet are as shown below:

Workplace and Plant Initiatives	Fleet Initiatives
1. Root cause analysis for all critical incidents and high potential near misses. 2. Development of HSE systems and SOPs for critical safety processes: incident reporting, PTW, behavioural safety observation process, drug, weapons and alcohol management process, and improved incident investigation process 3. Structured Management Review of Incidents 4. Tracking, follow up and monthly review of all critical recommended actions from incident investigations. 5. Periodic sharing of HSE statistics with employees and management to show trend and justify corrective action plans. 6. Monthly full environmental monitoring in line with NESREA regulations	1. Visible and felt safety leadership through regular meetings and communications on safety by executive leadership. 2. Appointment of a dedicated Head of HSSE to Fleet Operations. 3. Application of positive and negative consequence management based on performance and compliance/non-compliance such as speed violation, harsh breaking, driving under the influence of substances etc. 4. Structured incident investigation process to determine the root cause of incidents. 5. Training of Fleet CPMS and CPOs on Incident reporting, response to incidents, and incident investigation 6. Training of Drivers on Defensive Driving/HSE 7. Installation of speed limiter and recalibration of speed limits on trucks 8. Training and Certification of our fleet drivers on RTSSS (Road Transport Systems Safety Scheme) by FRSC 9. Commenced the installation of in-cabin dual monitoring dashboard cameras on trucks to monitor truck activities and ensure accurate information for RCA in event of accidents 10. Intensification of daily safety pep talks for drivers and motor boys 11. Improvement in Pre-trip Inspections - acquisition of needed space for truck inspections 12. Structured Journey Management Plans 13. Drug and alcohol screening for drivers 14. Daily Fleet Safety Inspection on the Trucks

The summary of our HSE performance for plant operations over three years is shown below:

Type of incident		**2019**	**2020**	**2021**
Occupational Health and Safety (Plant Operations Only)	Total Number of Work Hours	1,874,560	1,958,336	1,946,232
	Total Number of Near Misses	4	5	10
	Total Number of First Aid Injuries	26	2	10
	Total Number of Medical Treatment	-	2	-
	Total Number of Lost Time Injuries (LTI)	3	6	5
	Total Number of Fatalities	1	-	-

Diversity, equal opportunity, and women representation in DSR

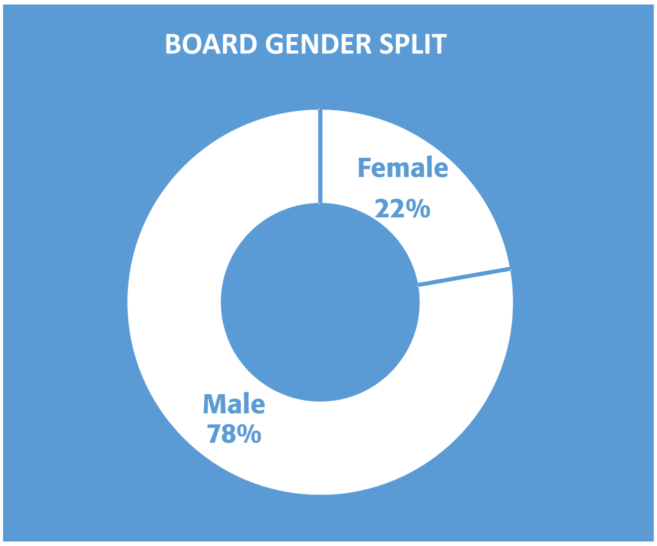
We are proud of our efforts at embedding inclusion and diversity across all levels of our business activities, including among our Board of Directors, executive management team as well as across our wider workforce. We promote an inclusive work environment that values the diversity of our employees. We are committed to equal opportunity and reject any form of discrimination or harassment based on gender, ethnic origin, nationality, social origin, religion, age, disability, or any other characteristics protected by applicable law.

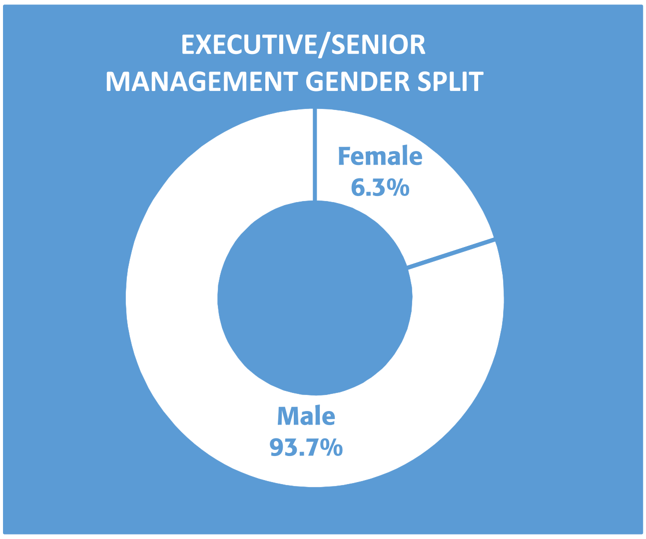
DSR considers with utmost importance the welfare and rehabilitation of staff members who may, unfortunately, become disabled during their duties and ensures that in addition to compensation and rehabilitation by the Company, the Nigeria Social Insurance Trust Fund (NSITF) pays a fair, guaranteed and adequate compensation to employees in case of any injury, disease, disability, or death arising out of, or in the course of employment. Currently, we have 13 employees with physical disabilities such as hearing and speech impairment, and mobility (limb) impairment in our workforce and we are looking to improve this number in 2022. Employee recruitments, compensations, training, promotions, and transfers at DSR are based on merit with emphasis on qualification, performance, skills, and experience.

Dangote Sugar is aware of the gender imbalance within the workforce 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. Our efforts at fostering the growth of women in our company are 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. In 2021, we had a total workforce of 2,956 with 3% (75 employees) representation by women. DSR is committed to improving gender diversity within the organisation and will make deliberate efforts to increase the number of women in our workforce, especially in leadership positions. We continue to work towards building women representation in our workforce as a function of our diversity commitments with a deliberate effort to reach a 10% mark by 2022.

Furthermore, our employees between the ages of 18-30 years represented 1% of our total workforce; 31-50 years represented 61%; while over 50 years represented 38%. We are making deliberate efforts to increase the youth employee number in 2022.

Setting the tone for diversity starts at the top as DSR fosters our culture of inclusion by having a healthy mix of experienced individuals on our Board and senior leadership teams. These individuals represent several geographic regions and come from diverse backgrounds covering age, gender, race, and nationalities. For 2021, our executive/senior management team consisted of 32 persons including 2 females and 30 males, representing 6.3% and 93.7%, respectively. In addition, our Board of Directors consisted of 2 females and 7 males, representing 22% and 78%, respectively. We will continue to promote gender diversity in our leadership positions. The average age of our Board is 62 years while that of the executive/senior management team is 52 years.





Non-discrimination

We do not condone any act of discrimination, harassment, bullying or abuse within our workforce and we strive to engage suppliers who subscribes to similar values in this regard. We emphasize the importance of treating individuals justly and in a non-discriminatory manner, in our recruitment activities, operations, and in all engagements with communities and other key stakeholders. In 2021, we recorded zero cases of discrimination in terms of employment, promotion, training, etc. within the workforce.

Freedom of Association and Collective Bargaining

We respect our employees' right to join or not to join a trade union or employee representation of their choice, free from threat or intimidation. We recognize and respect the right to collective bargaining in accordance with applicable local law. Employees who act as representatives are neither disadvantaged nor favoured in any way. We currently have 2,803 employees covered by collective bargaining agreements across our plants and fleet operations distributed as follows:

DSR Apapa: 914
DSR Numan: 1,068
DSR Fleet Operations: 821

Child Labour, Forced or Compulsory Labour

We do not condone child labour in any of our operations and within our supply chain. We consider child labour as a grievous offence because we understand the long-term negative effect on our society. We do not employ children to work in any of our operations and we do not engage suppliers and vendors that engage children as workers. We adhere to the UNGC principles on child labour and the International Labour Organisation's (ILO) Standards on child labour. In the same vein, we do not allow all forms of forced or compulsory labour resulting in servitude, bonded labour, or slavery, both in our operations and within our supply chain. We encourage our employees and stakeholders to report all suspected cases. In the year under review, we did not record any reported case of child labour, forced or compulsory labour. We will remain vigilant in our operations to ensure that this status is maintained.

Human Rights Assessment

In our workplaces and in the communities where we operate, we regard respect for human rights as fundamental to our business sustainability. We believe these rights are inherent for all human beings and we acknowledge that they are interrelated, interdependent, and indivisible. We conduct our business responsibly and fairly, with respects for the rights of all stakeholders. We are also focusing on building a culture of zero tolerance for human rights violations across our supply chain in line with the guiding principles of the UNGC, ILO and UN Guiding Principles on Business and Human Rights. We recognise that while governments have a duty to protect human rights, companies have a responsibility to respect human rights. We accept the responsibility we have for our employees and take seriously our responsibility to minimize the environmental impact of our business. Zero cases of human rights issues were recorded in 2021 across our operations while we hope to organise specific trainings/initiatives on human rights to maintain our zero record and avert possible human rights infringement in the future.

OPERATIONAL PILLAR: Modern, efficient factories producing the highest quality sugar.

Operational Standards

Our Operational Sustainability Pillar defines how we serve and satisfy our markets by working together with partners to deliver the best quality products and services to our valued customers. We also achieve this by leveraging continuous product improvement and innovation, new business development, and employment of state-of-the-art technologies to optimize cost-efficiencies and competitiveness.

For us, driving operational efficiency means maintaining the highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that exceeds our esteemed customers' expectations. We endeavour to maintain operational standards that align with global best practices in occupational health and safety, making our work environment and project sites safe for internal and external stakeholders.

To foster operational sustainability, we continuously invest in innovative technologies and processes that promote our goal of utilizing available production capital optimally and resourcefully. We are committed to adopting the circular economy business model to ensure operational and cost efficiency, resource consumption minimization, and environmental responsibility. We implement the policy of continuous improvement in our production processes and invest in state-of-the-art production facilities that minimize the negative ecological and social impacts that could result from our business operations.

As a responsible brand, our focus on operational sustainability demands that we maximise value from raw materials and local resources, and be mindful of occupational health and safety and our footprints in the physical environment.

Our Strategic Value Chain

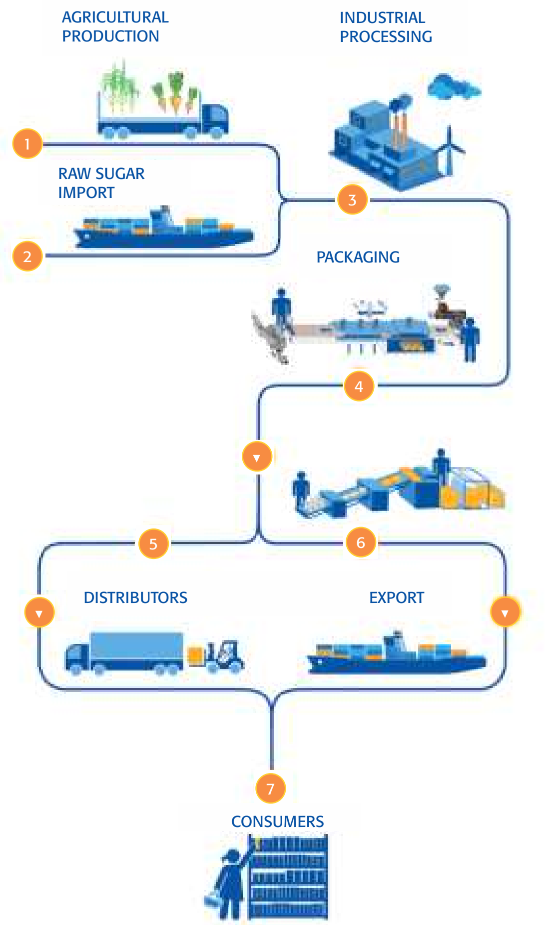
Dangote Sugar Refinery Plc ("Dangote Sugar" or "DSR") is a household name in the sugar refining sector of the Nigerian Food and Beverage Industry. Our sugar refining facility at Apapa is the largest in Sub-Saharan Africa, with 1.44MT per annum installed capacity. Our core competencies include:

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 50kg, 1kg, 500g 250g packages	Cultivation and milling of sugar cane to finished sugar from our sugar backward integration projects located at Numan in Adamawa state/	Development of Greenfield projects in line with our "Sugar for Nigeria Project" strategic plan

Our business provides key value-added support services for our customers including logistics, supply – chain management, credit and risk advice, sales, and merchandising. Our refining operations are supported by warehouses located strategically across the country and served by more than 700 trucks that take our finished products to the market. We have a world-class 1.44 million tonnes per annum facility located at Shed 20 NPA Apapa Wharf Complex, at Apapa, Lagos. The facility, commissioned in the year 2000, was the first sugar refinery built in Nigeria. The refinery is powered efficiently with gas and/or Low-Pour Fuel Oil (LPFO) with 16MW of in-house power generating capability. DSR Apapa produces 45 ICUMSA (International Commission for Uniform Methods of Sugar Analysis) Vitamin A Fortified refined granulated free-flowing crystal white sugar, packaged and distributed in 50kg, 1kg, 500g, 250g, and non-fortified granulated sugar in 50kg bags. Also, we have DSR Numan, a 32,000 hectares brownfield Sugar Backward Integration estate, located in Numan, Adamawa State, with an installed milling capacity of 50,000 tonnes per annum. The sugar currently produces over 22,080 tonnes refined granulated Vitamin A fortified white sugar for consumption, sold in the local markets across the region. The sugar is produced from about 320,497 tonnes of its own sugarcane, grown on more than 7,000 hectares of land in the sugar estate.

Furthermore, our facilities and production processes are operated in line with regulatory and international standards and can accommodate requests for special products and packaging from customers. DSR is QMS (ISO 9001:2015), , OHSMS (ISO 45001:2018) and FSSC 22000 Version 5.1 certified. We are also active on SEDEX (Social Ethical Data Exchange).

Our production value chain is shown in the figure below:



1. Sugar cane can be purchased from out growers or other local farmers
2. We import raw sugar.
3. Our industrial process involves the following steps
   - Storage, Pre-melting and melting, Talo-clarification, Filteration, Decolourisation and More filtration, Exaporation and crystallization, Centrifugation and drying, Blending, Screening, Fortification and finished goods storage
4. Packaging is done in 50kg, 1kg, 500grams and 250grams sizes for fortified sugar and 1000kg and 50kg bags for non-fortified sugar.
5. Local distribution through distributors, retailers, trade (50kg) customers, and corporate customers
6 Export in 2007, and still exploring export opportunities to other West African countries

Operational Efficiency

DSR prides itself on its production volumes and uses state of the art technology and manufacturing methods to ensure we meet our volume targets yearly. When we commissioned DSR Apapa in 2000, it had an initial refining capacity of 600,000 tonnes per annum. Now, the facility has been upgraded twice and can produce 1.44 million tonnes per annum, runs on natural gas or LPFO for power generation, and uses a Talo-clarification process for purification and ion exchange resin. We drive operational efficiency with the highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that exceeds our esteemed customers' expectations. The various products in our portfolio are designed to fulfil our customer's demands for quality and user-friendliness. All of these are done under very hygienic and clean-room conditions, complying with the highest global quality standards that are used in food production. Our production volume increased by 9.2% from 743,858 tonnes in 2020 to 811,962 tonnes in 2021.

Building a Sustainable Supply Chain

DSR is a vertically integrated company with full ownership of its product delivery system that has placed the business in a leading position in the sugar refining industry. The company has introduced cutting-edge practices to Supply Chain Management with a focus on gaining more market share locally and improved efficiency in addition to sustained value creation for our operating environment. Our operation is focused on sustainably optimizing the raw materials and other resources required in our production processes, which includes sourcing 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. As such, over 400 Out-growers (local farmers) were empowered in 2020 to improve the quality of their locally grown sugarcane over the years; and we have continue to increase this number as we implement the Sugar for Nigeria Project Plan and we seek to build a positive and cordial relationship in our immediate communities.

Across all stages in our supply chain, we are implementing processes and structures to embed sustainability and ensure we offer the best quality products. Some of the changes in our supply chain management include:

- Construction of new seaside warehouse to increase the holding capacity of our finished goods.
- Increased the tank capacity of Automotive Gas Oil (AGO) from 900,000 to 2.3 million litres to avoid stock out and low level of product.
- A procurement policy that guides both local and foreign procurement of goods which helps maintain a better inventory management system.
- The introduction of 18% of overseas value of purchase was done locally.

Procurement Practices

DSR's procurement process flow sets out the expectations for our suppliers. Our procurement flow process is shown below:

1. The procurement department receives approved Purchase Requisition from User Department through SAP.
2. The request is analysed by the buyer in charge of each category.
3. The Buyer sends out the Request for Quote (RFQ) to all the vendors in each category. The RFQ is sent to vendors registered on our ERP and categorised according to their competence.
4. The vendors submit their quotations based on our request before the deadline of submission.
5. The Quotations from the vendors are populated on a comparison table where various parameters such as Price, Delivery Time, and Payment Terms are analysed. This enables the Buyer to select the vendor with the best responsive quotes.
6. The comparison table is signed and approved by the HOP.
7. A Purchase Order (PO) is issued to the best responsive vendor.
8. Each Buyer expedites for delivery.
9. Item Delivered: The item delivered will be registered at the Security Unit, where it will be inspected by the User Department and certified.
10. Goods Received Note will be created for items accepted.
11. Follow up with payment.

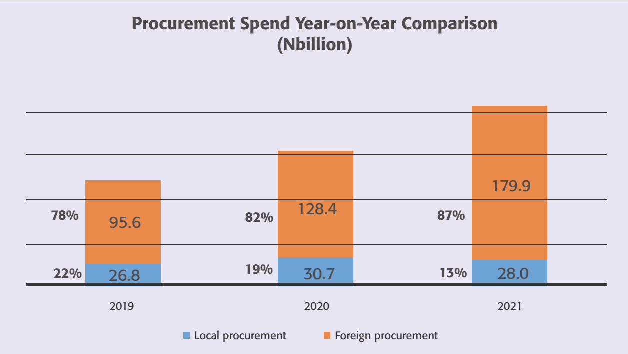
We have communicated these processes to our suppliers and continue to ensure they are in strict compliance with issues bordering on code of business conduct, human rights, labour rights, safety and occupational health, and the environment. Suppliers are managed and controlled in such a way that their products or activities will have minimal effect on the environment. Where required, Material Safety Data Sheets are requested from relevant contractors to confirm the environment conformance of such items before purchase. The extent of control and management depends on the scope of the Supplier's activities, nature of suppliers and significance of such operation to the environment and the duration of Supplier's work scope within the premises or supplies to the company. Suppliers' environmental assessment is done using the following screening criteria:

- Environmental Policy
- HSSE statistics
- Certificate of registration with the agency in connection with their area of specialization e.g. ISO 14001:2015, ISO 9001:2015, and ISO 45001:2018.
- Competence level

As we continue our sustainability journey, we will align to international standards on sustainable procurement ISO 20400:2017. The standard will help us in dictating clear guidelines on sustainable procurement such as risk management, transparency, human rights, and ethical practices.

Promoting Local Content in Our Procurement

The local suppliers that supply us are often the backbone of their local communities and play a significant role in driving the economic development of their communities. We recognize that buying from them contributes to our growth of the Nigerian economy, reduces inequality and increases the local purchasing power. In 2021, our procurement spends from local suppliers decreased to N28.0 billion, which is an 8.6% decrease from N30.65 billion in 2020. This was mainly caused by a reduction in the number of raw materials from farmers due to the impact of insecurity on their harvest. The year-on-year improvement in local procurement numbers is shown below:



Food Safety: Our Product Quality, Assurance and Customer Responsibility Strategy

Product responsibility underlines our intent to achieve excellence in our production process, it is evidence of our non-compromising approach to product quality and customer satisfaction. The DSR 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:

- To provide wholesome and nutritious sugar that supports healthy living.
- To achieve 100% compliance with all relevant customers', statutory and regulatory food safety requirements.
- To ensure that all relevant parties in the food production chain are aware of and comply with the company's food safety requirements.

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

Products

We refine Vitamin A fortified granulated white sugar packaged in 50kg, 1kg, 500grams and 250grams for direct consumption and as an addition to baked foods, sweetening of cereals, beverages etc. The non-fortified industrial sugar is packaged in 50kg bags. It is a specially processed sugar grade used by pharmaceuticals, food and beverage, other manufacturing companies etc., that helps them deliver quality products to their markets with the desired sweetness derived from Dangote Sugar. The product specification for our fortified sugar is shown below:

Raw Sugar Origin	Brazil
Specifications	Vitamin A Fortified Refined Granulated white Sugar
Polarization%	Not Less Than 99.9
Moisture % by wt	0.04% max
Granulation	Fine, 100% Soluble Dry and Free Flowing
Color	Sparking White less than ICUMSA 45
Odour and Taste	Odourless, Sweet Pure Taste
Packaging	50Kgnet, extended package sizes: 250g, 500g and 1kg. Durable Polyproylene bags lined with polyethylene

Product Quality Control

Dangote Sugar is produced to high-quality standards, using comprehensive quality management control systems to ensure the production of safe sugar and other products generated from the sugar production process. We are proactive when it comes to quality control, safety and adherence to standards and are very committed to the achievement of sustainable quality standards in all our processes. Our refinery is operated with quality management systems to ISO 9001 standards, as well as other quality control measures throughout our production processes. The technical competence of our quality control team oversees the continuous investment and improvements in our process technology. Every year, quality certification audits are conducted with validation audits by our multinational customers where necessary. The Quality Control team provides support for the sales department to achieve maximum customer satisfaction. They work together to develop and achieve product specifications in line with customers' requirements and processes, as well as complaints. Regular awareness sessions and checks on our quality standards are carried out amongst our quality control, purchasing, production and sales teams, as well as our suppliers to ensure our quality and food safety requirements are met at all times.

Product Information and Labelling

We provide clarity and transparency of our product make-up to empower our customers to make decisions, our packaging has all nutritional information clearly stated in complete adherence with relevant regulatory labelling formats. Based on regulatory requirements, we provide our customers with comprehensive information about our products and ensure that the fortification logo indicating that our sugar is fortified is strategically placed on the label as required by the National Agency for Food and Drug Administration and Control (NAFDAC). We follow all applicable laws and regulations regarding the promotion, marketing, labelling and sales of our products, including ensuring that our communication is clear and void of ambiguity, legible, truthful, accurate, balanced, fair, complete, and not misleading, and is consistent with regulatory approvals for our products. Thus, in 2021, we recorded no sanctions on marketing and communication practices.

Sales, Marketing and Promotional Activities

Our aim is to be the most customer-focused provider of refined sugar products in the market through our high product quality and supply reliability. We strive for the greatest possible services to our customers and offer high quality products through our established and customer-oriented distribution network. As part of our yearly activities, we document our customer care performance for each outgoing year using the customer care annual activities to create more awareness of our products and services, appreciate our internal and external customers and report achievement and strategies to meet our goal via the customer care platform. A summary of these have been highlighted in the table below:

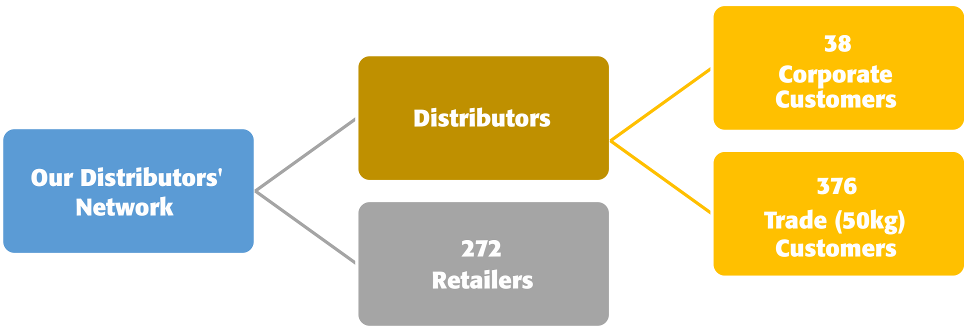
Activity	Brief description
2021 Customer Week	Customer Service Week is an annual event celebrated globally to raise awareness of customer service, appreciate customers for their loyalty and to appreciate the staff for the role they play in delivering service to boost morale and motivate them.
2021 Lagos International Trade Fair (LITF)	2021 (LITF) was held between November 5 and November 14 at Tafawa Balewa Square (TBS) Lagos. It is the biggest trade fair in Nigeria and in the West and Central Africa sub-region with over 200,000 visitors across the globe. The Dangote day was on the 10th of November 2021. Consumers were sampled throughout the fair, with different products, as well as sales of product items in general. It was a successful event as consumers applauded the brand for rewarding them with products and branded gift items.
Customer Satisfaction Survey	Customer satisfaction surveys aim to measure customer satisfaction in order to retain existing customers and attract new ones. The feedback on customers' insights, helps us to improve. The survey is conducted twice a year.

Our New Sugar packaging

In 2021, we unveiled an innovative sugar brand outlook, tagged 'New Look, Same Great Quality'. The ceremonies for the unveiling of the granulated white sugar were conducted at various customer engagement events held across Nigeria. As the market leader, the new product package is part of our efforts at giving the consumer a superior quality while also reiterating the Vitamin A fortification in our sugar.

Our Distribution Network – Distributors and Retailers

Through our vast network of trade distributors across the country, we reach consumers nationwide, and in the neighbouring countries in West Africa. With high volume capacity warehouses at strategic locations across Nigeria, we have optimized our supply chain opportunities by being close to our target markets with very fast and reliable delivery service. DSR's goal is to sustain and continuously grow its current market share 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. Our distribution network numbers are displayed below:



ENVIRONMENTAL PILLAR: Continuously improving on our environmental footprints.

Environmental Standards

Our Environmental Pillar defines our ways of entrenching environmental sustainability by identifying, measuring, and mitigating actual and potential negative ecological footprints in all our operations. Our goal is to improve our performance on energy efficiency, waste management, water consumption, greenhouse gas emissions and leverage the opportunities in environmental stewardship, such as the medium to long term cost efficiencies offered by the circular economy business model.

We seek to improve on our operational efficiencies and optimize our impact on the natural environment while also benefiting from cost reductions. We endeavour to leverage improved business practices and processes that support host communities' protection, preservation of air and water quality, and efficiency in the utilization of energy and natural resources.

We strive to adhere to sustainability principles that drive continual improvement, and we support efforts at addressing environmental challenges such as global warming and climate change.

We understand that there are sometimes negative environmental fallouts from our business operations, including CO_2 emissions, and so on. We remain committed to continually improving our environmental stewardship.

Environmental Performance

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. We proactively manage the various types of pollution from our operations. At the refinery, we have installed 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. In 2021, we continued to assess our environmental performance to determine the measures that are required for continuous improvement.

Energy Consumption

We strive to consistently improve our production processes to reduce our carbon footprint. Although our operations are run on natural gas and LPFO (Low Pour Fuel Oils) in the event of gas cut from the suppliers, the focus is on reducing our impact through continuous environmental monitoring and adoption of energy conservation initiatives on optimal/efficient use of the two boilers for production. As production increased from 2020 (743,858 tonnes) to 2021 (811,962 tonnes), energy consumption and energy intensity increased as well. Total energy consumption across all facilities increased by about 33% from 4,172,079 GJ in 2020 to 5,545,085 GJ in 2021. Similarly, energy intensity increased by about 9% from 5.79 GJ/ton in 2020 to 6.33 GJ/ton in 2021.

2020	2021
Total Energy Consumed: 4.2 million GJ	Total Energy Consumed: 5.5 million GJ
Energy Intensity: 5.79 GJ/ton	Energy Intensity: 6.33 GJ/ton

The year 2021 was the transition phase for the strategy of reducing our dependency on natural gas. Thus, our energy mix differed in 2020 and 2021. Although, the total energy generated from natural gas increased from 4,029,660 GJ in 2020 to 4,109,547 GJ in 2021, the percentage in the energy mix reduced from 96.6% in 2020 to 74.1% in 2021. This resulted in an increase in energy generated from LPFO and percentage in the energy mix from 106,892 GJ (2.6%) in 2020 to 1,187,179 GJ (21.4%) in 2021.

Energy Source	2020		2021	
	2020 Total Energy Consumption (GJ) Based on Source	Percentage	2021 Total Energy Consumption (GJ) Based on Source	Percentage
Natural Gas	4,029,660	96.59	4,109,547	74.11
Diesel	29,200	0.70	248,360	4.48
LPFO	106,892	2.56	1,187,179	21.41
Electricity	6,327	0.15	-	0.00
TOTAL	**4,172,079**		**5,545,086**	

GHG emissions

Energy generated from the use of fossil fuel (natural gas, diesel, and petrol) powered generators is reported as Scope 1 emissions. We did not source energy from the grid in 2021 so we do not have Scope 2 emissions. Our current estimation of GHG emissions was done using a direct conversion of fossil fuel type and energy generated. We have commenced processes to calculate emissions using the direct measurement from the machines so the more accurate/precise data can be used for: tracking machine efficiency and maintenance planning; GHG emissions reporting; and recording and reporting other fugitive emissions.

Nonetheless, as a way of monitoring our emissions, we engaged a certified environmental consultant to carry out quarterly compliance assessments on our environmental performance in line with Good International Industry Practices (GIIP). The compliance assessment report is jointly reviewed by recognised National and State environmental agencies. We recorded zero cases of non-compliance with emission limits in the year 2021. Our commitment to the environment is further enhanced by the absence of Ozone Depleting Substances (ODS) in our entire value chain. We neither import, export, nor produce ODS as a by-product of our operations.

In 2021, our total GHG emissions from production activities, resulting from captive power plants and energy generators, and fleet operations (Scope 1) was 322,485 tonnes of CO2 while the GHG Emission Intensity was 368 kgCO2/ton of product.

GHG Emission Intensity
=368kg CO_2/ton

Consistent with an increase in production volumes and energy consumption stated above, our total GHG emissions increased by about 45% from 222,017 tCO2 in 2020 to 322,485 tCO2 in 2021 while GHG emission intensity increased by about 22% from 300 kgCO2/ton of product in 2020 to 368 kgCO2/ton of product in 2021.

Water management

Water is a vital resource to our manufacturing process and supply chain. At DSR, our water source is 100% from groundwater via industrial boreholes. Thus, we continue to foster responsible water consumption and conservation in our operations, to save this natural resource for future availability and use given the dire impact of climate change on water availability. While the volume of water extracted and consumed has increased year on year, we have reduced the water intensity per ton of product. In 2021, the total volume of water consumed from all production facilities and fleet operations was 2,316,526 m3 while the water Intensity was 2,640 litres/ton of product. This represented a 0.6% increase in water consumed in 2020 (2,302,439 m3) and a 15.3% decrease in water intensity in 2020 (3,116 litres/ton of product). We have achieved this through aggressive water savings initiatives which mainly involves the recovery of regeneration water during production and maintenance of fully functional flow meters. Going into 2022, we have set a target of using not more than an average of 150,000 m3 of water/ month amounting to about 1,800,000 m3 of water for the year 2022.

Year	Total volume of water consumed (m^3)	Water intensity (litres/ton of product)
2021	2,316,526 ▲	2,640 ▼
2020	2,302,439	3,116

Waste Management

Based on our operations, DSR does not generate hazardous wastes. All wastes generated are non-hazardous wastes and in 2021, this was 478.83 tonnes indicating a reduction of 47.9% from 918.96 tonnes in 2020. Our waste management system complies with the applicable regulations of the State and National environmental protection agencies and ministries of environment (Federal Ministry of Environment - FMENV, Lagos State Ministry of Environment - LASMOE, National Environmental Standards and Regulations Enforcement Agency - NESREA, the Lagos State Environmental Protection Agency - LASEPA), and with international standards including the IFC PS 3 (Resource Efficiency and Pollution Prevention). In 2021, we did not record any case of regulatory infractions on waste management. We use a Lagos Waste Management Authority (LAWMA) accredited waste disposal vendor for handling the non-hazardous waste.

We recently commissioned an effluent treatment plant (ETP) to treat wastewater before discharge. However, before being sent to the ETP, the regeneration water is re-used multiple times. Treatment and discharge are done in line with regulations provided by LASEPA and NESREA. In 2021, we recorded an LPFO spill loss (about 300 litres within the DSR facility) which was contained using a spill containment kit and absorbents.

Biodiversity

Our production facilities are not built on or located adjacent to or within proximity of protected areas or high conservation value (HCV) areas. Furthermore, our wastewater does not have a significant impact on aquatic biodiversity where it is discharged. However, we are aware that our supply chain activities that involve the production of sugarcane may have a significant impact on biodiversity. Thus, we continuously engage our suppliers on responsible practices to reduce their biodiversity impact as well as seek partnerships to drive advocacy in biodiversity management using the IFC PS 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources.

Environmental Management and Compliance

Environmental management approach

Our approach to environmental management focuses on minimising the negative environmental impacts of our operations and preserving natural resources (water, sugarcane) for future generations. It addresses the impacts of our operations and the distribution and use of our products, promoting sustainability practices across the value chain. Management of environmental impacts and improvements occur through multiple, integrated approaches such as assessments, audits, compliance monitoring exercises, improving the efficiency of our production process, awareness campaigns, and Executive Management and Board level oversights. Some of our key environmental management measures are:

- ✓ Environmental Monitoring by the DSR team, Dangote Group HSSE team and the Nigeria Ports Authority (NPA) Environmental monitoring team.
- ✓ Drive towards ISO 14001:2015 Environmental Management System (EMS) Certification.
- ✓ Energy management savings initiatives on optimal/efficient use of the two boilers for production.
- ✓ Water savings initiatives which include recovery of regeneration water.
- ✓ Less emissions due to efficient use of gas to fire our boilers.
- ✓ Controlling the effluent treatment as we commission the ETP.
- ✓ Waste management through waste segregation and reduction in waste generation owing to process optimization.
- ✓ Reduction of refinery operation noise level within the acceptable 85dB at 1.0m, by installing silencers.

Environmental compliance

DSR remains committed to understanding, accepting, respecting, and complying with the environmental laws within every community we operate. In 2021, we had no environmental compliance fines, penalties, or sanctions in any of our production facilities. Furthermore, we strive to ensure our permits and licenses are regularly renewed to avoid sanctions. In 2021, of the five (5) permits and licenses required for all production facilities, we were able to obtain all 5 (100%). General permits required for DSR include LAWMA Special Dump Permit (Non-Hazardous Solid Waste), Chemical Import Permit, Raw Sugar Import Permit, Non-fortified Sugar Licence, Fortified and Non-fortified Sugar New Design Licence, and Retail Sugar Package Extension Permit. To ensure continuous compliance and mitigate negative environmental impact, we are investing in new technologies or strategies such as:

- ✓ Full environmental monitoring
- ✓ Commissioning of the Effluent Treatment Plant (ETP).
- ✓ Implementation of the ISO 14001:2015 EMS.
- ✓ Construction of bund wall around molasses tanks.
- ✓ 25% increase of demineralized water throughput across the demineralised water plant.
- ✓ Reduction of regenerant chemicals in the demineralised water plant by 50%.
- ✓ Reduction of effluent water in the demineralised water plant by 50%.

Supplier environmental assessment

We understand that during the growing of sugarcane and production of molasses, other resources we require, our suppliers' operations will have a significant impact on the environment. In 2021, we recognized this and have engaged the suppliers accordingly through an ESG survey. We have set a target in the long-term to assess major current and new suppliers on the environmental impact of their operations as well as measures put in place to mitigate negative risks.

Precautionary approach

As a subsidiary of Dangote Industries Limited, a participating member of the United Nations Global Compact (UNGC), DSR understands the use of a Precautionary Principle in our operations. We are committed to investing in innovative technologies, providing adequate responses, and putting in place effective methods for dealing with risks and uncertainties in environmental management within our operations. Some of these include conducting internal and external environmental audits, environmental compliance monitoring exercises, and environmental assessments. We also understand the responsibility of carrying out the required actions to prevent serious and irreversible environmental damage as we carry out our operations, even before such harms can be scientifically demonstrated or economically assessed. As a result, we are developing and implementing the ISO 14001:2015 EMS that identifies, assesses, and manages the environmental impacts and risks associated with our operations.

Understanding and managing our carbon footprint

DSR 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 our operational efficiency as a way of optimising our impact on the natural environment. We understand that CO_2 is the major GHG that contributes to global warming and climate change. We have put in place strategies to reduce our carbon footprint as much as practicable towards a net-zero carbon emission. Some key initiatives include:

- ✓ Promoting the use of Natural Gas instead of LPFO
- ✓ Control of air/fuel ratio on boilers
- ✓ Tree planting carried out at schools and communities around DSR Numan – 80 trees were planted
- ✓ Monthly air quality monitoring at DSR Apapa and quarterly monitoring at DSR Numan
- ✓ Annual air quality audit at all plants.

In more detail, the control of air/fuel ratio on boilers involved optimizing boiler efficiencies using oxygen analysers which resulted in a reduction in natural gas consumption and subsequently emissions. This initiative included the purchase of two new oxygen analysers for better combustion efficiency.

Nonetheless, we will continue to include climate change mitigation, adaption, and resilience as one of many important lenses through which we assess business decisions. We have begun this exercise by putting 2021 as a baseline and we have identified key risks and opportunities as seen below:

Physical risks

- ✓ Significant changes to weather patterns within our supply chain markets could negatively impact supply of raw materials and costs, which will lead to increase in production costs.

Transition risks

- ✓ Future government policies to address climate change or GHG emissions could restrict ours and suppliers' operations
- ✓ Cost of transition to lower emissions technology within production and fleet operations
- ✓ Changes in consumer behaviour for sugar and sugar-based products.
- ✓ Increased cost of natural resources (other raw materials)

Opportunities

- ✓ Reducing carbon emissions from production and fleet operations
- ✓ Encouraging our suppliers to practice climate-smart agriculture.

INSTITUTIONAL PILLAR: Building a global brand that is driven by governance excellence

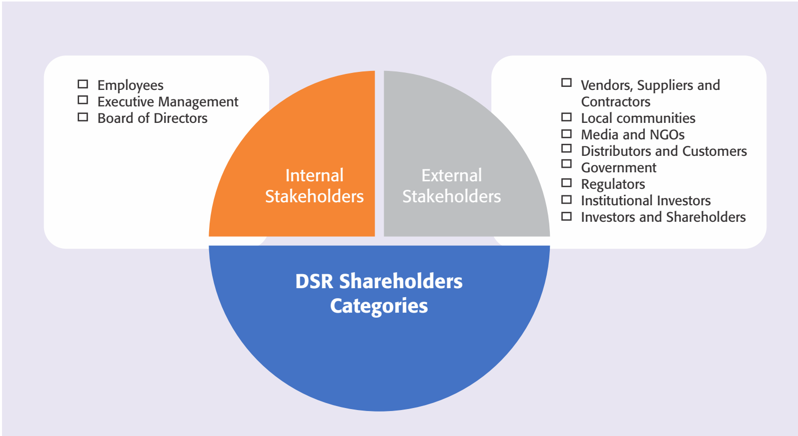
Institutional Standards

Our Institutional Pillar supports our drive to build a world-class institution centred around good corporate governance, proactive risk management and sustainability principles that promote legal and regulatory compliance, transparency, integrity, business continuity and purpose-driven leadership.

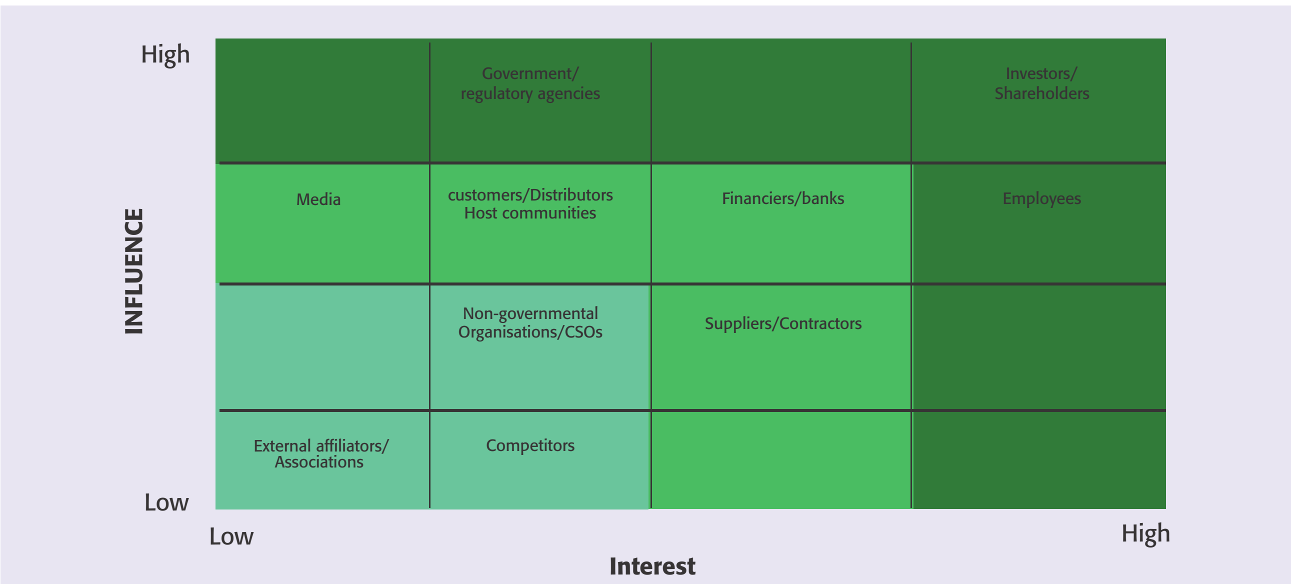
In line with the Company adoption of the 7 Dangote Sustainability Pillars, (institutional, social, economic, operational, environmental, financial and cultural sustainability), DSR is mainstreaming sustainability by ensuring that every aspect and function integrates the sustainable business model. We endeavour to drive our sustainability goals and objectives from the Board and top management, to ensure enterprise-wide buy-in and ownership.

Stakeholder 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. DSR's key stakeholder categories are indicated below:



Our corporate responsibility is to ensure that they are meaningfully engaged and to build mutually beneficial relationships with them. Our 2021 stakeholder mapping and influence level are shown below:



We have developed multiple channels of engagement with our diverse stakeholder base, including town hall meetings, annual general meetings, management retreats, and other formal and informal parley sessions as shown in the table below:

Stakeholder	Engagement Method	Frequency	Key Topics Raised
Employees	Meetings in small groups, one-on-one engagement, notice board, emails, newsletters, sustainability reporting, surveys, awards, recognition, etc.	required	Career growth and development, compensation and benefits, sustainability performance and reporting, equal opportunities for all employees, skills/ knowledge development, health and safety, etc.
Suppliers and contractors	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	Emails, letters, visits/one-on-one engagements, meetings, customer service week	required	Meeting targets, value creation, ensuring production continuity, Credit line, distributors' award initiatives.
Host communities	One-on-one engagements, town hall meetings, interest groups' communications, surveys	required	Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure and skill acquisition.
Government/Regulatory agencies	Official letters/emails, periodic assessments, compliance filing and reporting, annual financial report, sustainability report	required	Formal notices, applications, policies and regulations, compliance, tax
Social Media	Press releases, media parley, sustainability report, annual financial report, conferences.	required	Governance restructuring, Advertisement, public service announcements, social and environmental impacts

Stakeholder	Engagement Method	Frequency	Key Topics Raised
Financiers/Banks	Annual financial report, sustainability report, meetings	required	Investments opportunities, loan financing, credit negotiations, interest rates
Labour Unions	Meetings, emails, letters, sustainability report, courtesy Visits	regular	Labour laws and regulations, productivity, employees' rights & obligations, safe working conditions, compensations, and benefits.
External Affiliations/ Associations	Letters, meetings, sustainability report, workshops, other forums.	biannually, annually	Membership subscriptions, partnerships, policy reviews
Investors/Shareholders	Annual General Meetings, investors relations forum, quarterly and annual financial report, sustainability report, newsletters	Continuous	Quality of leadership, business strategy, financial performance, dividends, corporate governance, board composition, external reporting, ESG compliance.
Non-Governmental Organisations/CSOs	Annual financial report, sustainability report, meetings, partnerships, courtesy Visits	required	Community development, environmental impacts, social initiatives, partnership for sustainable development

Culture Based on Ethics and Integrity

DSR has an unwavering commitment to high ethical standards of integrity, honesty, transparency and accountability, equity, fairness, inclusiveness, and respect for all individuals. We understand that these are critical for our collective, long-term success and business sustainability. We endeavour to maintain high standards of professionalism and excellence, guided by policies and standards that align with global best practices and corporate governance. We have a Code of Conduct that applies to all employees across our operations, as well as authorised representatives and all persons acting on our behalf. We ensure that these policies' provisions are communicated using diverse channels, such as our intranet, face-to-face meetings, posters, emails, internal publications, and across digital networks. We foster accountability and transparency in all our dealings with stakeholders. We also endeavour to provide our employees with the resources that they require to drive compliance with regulatory obligations and proactive risk management.

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, endeavour to comply with all applicable laws and regulations in our areas of operations. Nonetheless, we shall strive to ensure compliance with several ESG Principles, Guidelines and Regulations within the country we operate. Some of these are provided in the table below:

ESG Related Principles, Guidelines and Regulations
United Nations Global Compact (UNGC)
The United Nation's Sustainable Development Goals
GRI Sustainability Reporting Standards
The Nigerian Exchange Group's (NGX) Sustainability Disclosure Guidelines
SEC - Securities & Exchange Commission (Code of Corporate Governance)
NCCG - Nigerian Code of Corporate Governance
National Environmental Standards and Regulations Enforcement Agency (NESREA)
Federal & States Ministry of Environment
Federal & States Ministry of Agriculture and Rural Development
Federal & States Ministry of Labour and Productivity
Federal & States Environmental Protection Agencies (e.g., LASEPA)
Federal Road Safety Corps (FRSC)
Host Local Government Areas
Industrial Training Fund (ITF)
National Agency for Food and Drug Administration and Control (NAFDAC)
Standards Organisation of Nigeria (SON)
Manufacturers Association of Nigeria (MAN)
Nigerian Port Authority (NPA)
Global Food Safety Initiative (GFSI)
Nigerian Sugar Master Plan (NSMP) - Nigerian Sugar Development Council (NSDC)

DSR also adheres strictly with our internal policies on governance matters (such as Anti-Bribery & Corruption Policy, Board Appointment Policy, Board Code of Conduct Policy, Board Succession Policy, Conflict of Interest Related Party Transactions Policy, Dividend Policy, Executive Management Succession Planning Policy, Board Training Policy, and Insider Trading Policy) showing our compliance to SEC Code of Corporate Governance & NGX Sustainability Disclosure Guidelines.

SEC Code of Corporate Governance

Association and Membership

DSR is a member of the Manufacturing Association of Nigeria (MAN) and continues to leverage its partnerships to communicate the value of state-of-the-art operation efficiency and sustainability operationalization within the sugar manufacturing sector/industry. We also indirectly subscribe to the UNGC and World Economic Forum (WEF), as committed to by our parent company, Dangote Industries Limited.

ESG Awards and Recognitions

In 2021, DSR emerged winner of the Sustainability, Entrepreneurship and Responsibility Awards (SERAs) 2021 Africa Award for Best Company in Good Health & Wellbeing.

The award was given in recognition of DSR's outstanding performance in the production and sustenance of high-quality Vitamin A fortified refined granulated white sugar over the years.

Risk Management

The Board and Management of Dangote Sugar Refinery Plc understand and appreciate the importance of sound risk management in every aspect of our business and for all our stakeholders. For our customers, it provides the security of knowing that all our products and services are developed and executed after detailed assessments; for our shareholders, it is key to protecting and enhancing the value of their investment. At Dangote Sugar Refinery, our Risk Management Framework does not seek to eliminate all risks but rather to identify, understand and manage them within acceptable limits in order to support the creation of long term value.

Our Approach to Managing Risk

In line with the Dangote Group's risk management framework, at Dangote Sugar Refinery, we have adopted a robust process that provides sufficient information, capability, and tools to manage our key risks. Qualitative and quantitative tools deployed to manage this process effectively include the conduct of risk assessments in the various risk categories, 'Key Risk Indicator Monitoring and Loss Incident Reporting are deployed to manage the process effectively. These processes are supplemented with ad-hoc, on-site assessments or incident assessments when unexpected high risks are envisaged or occur.
To this end, the following key processes have been deployed to identify, quantify, manage and monitor the risk exposures.

Risk Identification: At Dangote Sugar Refinery, we believe that effective risk management starts with everyone. To ensure greater efficiency, risk identification has been embedded in our business process planning, change procedures and, development of new product lines or attempting to take on new markets. Risk identification is inherently an on-going process. To aid proper risk classification, all risks must be assigned into one of the following four risk types:

Risk Type	Definition
Business Continuity	The potential for serious incidents to affect critical operations of Dangote Sugar Refinery and thus cause loss of business and/or reputational damage.
Operational Risk	The potential for risks arising from the failure of people, processes, or technology or the impact of external events.
Financial Risk	The potential losses arising from financial risks such as counterparty defaults, adverse market price movements, liquidity (funding) issues and taxation issues.
Business and Strategic Risk	Business and Strategic RiskThe potential for damage to the franchise and loss of earnings resulting from stakeholders taking a negative view on Dangote Sugar Refinery.

Risk Analysis: Once a risk has been identified, appropriate analysis must be undertaken and relevant stakeholders notified. What constitutes appropriate analysis will vary by risk type and policies, and these should be in place to specify the form the analysis should take. For instance, for credit risk, financial analysis of the counterparty (customer receiving credit, bank providing guarantee, owner of company, etc.), analysis of the structure of the transaction, and likely movements in exposure would be required to assess the risk.

Risk Evaluation: Once risks have been Identified and analyzed, they must be evaluated to determine the degree of impact i.e. evaluated in view of their potential severity and likelihood of occurrence using a standardized approach. Management information systems are in place to allow the risk information to be used by those managing risk and business on a day-to-day basis and also, at a suitably aggregated level, for senior management to understand and challenge process owners. Management information presented to senior management enables the identification of concentrations and related activities that occur across our plants

Risk Treatment: Upon evaluation of the risks, controls are implemented to ensure that these risks remain within our risk appetite. Controls usually take the form of limits on exposure or to riskier types of business activities.

Risk Monitoring: At Dangote Sugar Refinery, to aid the effective monitoring of our exposures, we have developed a number of models alongside other quantitative monitoring tools, such as Key Risk Indicators (KRIs). These are monitored alongside related losses to ensure that implemented controls are providing effective mitigation of the identified risk.

Risk Reporting: The responsibilities of the Risk Management Department with respect to risk measurement and reporting are to provide independent risk measurement and reporting to aid transparency and the ability of the Executive Management and Board to perform its duties. These responsibilities include:

Collating, consolidating, analysing and evaluating risk-related data from Plants and Support Units;

- Supplying financial data and related operational business information for regulatory, external, and internal reporting;
- Implementing:
  - o Risk calculation and allocation methodologies for financial risks and
  - o Other risk measurement methodologies for operational risks.

Supplying a risk-specific reporting and tracking tool to also support the Risk Management processes.

The Dangote Sugar Refinery Accountability Matrix
Our approach to ensuring effective risk management accountability is a commonly used methodology for managing risk – "The 3 Lines of Defense". The objective of the three lines of defense is to ensure that an independent system of checks and balances is in place to minimize unexpected losses (financial or otherwise). This is achieved by clearly defining roles and responsibilities for the management of risk between the Executive Management, Risk Management and Internal Control functions, with each of these working together but ultimately operating independently from each other.

Our Focus in 2021
At Dangote Sugar Refinery, the satisfaction of our customers is integral to achieving our business objectives – so risk management is a necessary and intrinsic part of how we carry out business. We accept the risks we can manage and in some situations, our threats/exposures provide us a competitive advantage, whilst we seek to mitigate or avoid other risks. Ensuring that we have a robust risk management system is vital to our continued business development and achievement of our objectives.

The Board

- Set and approve overall risk management framework
- regular review of Dangote Sugar's key Exposures and approves mitigating action plans
- Provision of strategic direction of the business and determining the risk appetite
- Assessment the effectiveness of three above via the audit

Senior Management

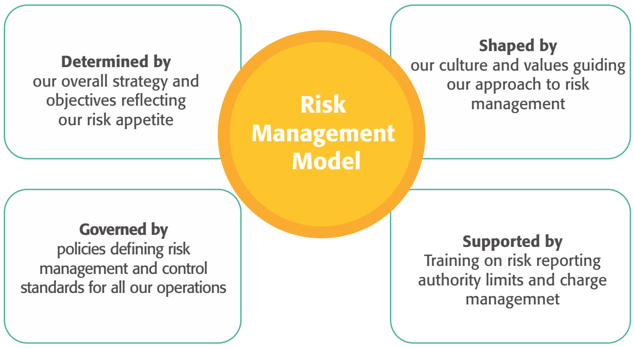
- Provide oversight and assurance of the enterprise Risk management framework
- determine mitigating action plans to manage identified risks
- Allocated the risk appetite limits to respective departments.
- Regularly monitors the adequacy of the risk mitigation plans.

Business Units	Internal control	Risk management	Internal control
1st Line of Defence	2nd Line of Defence	3rd Line of Defence	3rd Line of Defence
identify and manage risk exposures at the job function level	Define internal control policies	Develops and promotes Enterprise RISK management framework to ensure effective management of risk	Provides independence assurance of the effectiveness of the Group's risk management and internal control framework

We review our principal risks regularly, because we work in a dynamic and competitive environment, where new risks constantly arise and previously identified low risk exposures may crystalize in significant financial losses. The Board of Dangote Sugar Refinery needs reasonable assurance that our risk management and reporting systems remain sound. To this end, we have developed a range of policies guiding our activities and those of our stakeholders. These controls were designed to ensure we strike a balance between cost and effectiveness.

In 2021, we focused on a practical approach to managing our exposures from our inbound supply to our distribution to our customers, whilst constantly improving the quality of feedback. Our key focus areas for the year included but were not limited to the following:

- Strengthening our response to fire risks both at factory and farm locations.
- Increasing the level of preparation for crisis management at all our locations; and
- Review of various facets of the logistics arm of the business culminating in better driving practices of Dangote Sugar Refinery drivers.



PRINCIPAL RISKS AND THEIR MANAGEMENT

As the economic recovery picks up speed, third-party risk management is more important than ever before. Faced with supply chain disruption, cyber threats and growing inflationary pressure, businesses are assessing their operational resilience and reviewing their dependence. However, despite the challenges in the business environment, we are committed to increasing our capacity – in terms of production, service delivery, distribution network, and also seeking new ways to improve value offering.

In addition to our business risk which include foreign exchange, interest rates and liquidity risks, we have outlined eight principal risks that could have an impact on Dangote Sugar Refinery and have taken measures to mitigate each one.

S/N	Risks	Risk Description	Potential Impact	Mitigation Plan
1.	Possible Devaluation of The Naira	Inability of the Central Bank of Nigeria to continually defend the Naira against the USD	Devaluation would negatively impact profitability and asset quality.	• Maintain all loans in local currency • Exploring further increasing FX revenue.
2.	Political Risk Exposures	Political instability resulting from upcoming elections, activities of insurgents in the North East and Niger Delta regions	Possible disruption of delivery activities within the identified region	• Regular review of Business Interruption and GIT Cover • Regular review of distribution routes
3.	Poor Market Growth	New businesses and proposed expansion do not hold their growth prospect or develop as predicted.	Negative impact on revenues, cash flows and profitability sustainability	• Ensure a regular opportunity and portfolio financial review to monitor investment and cash allocation across our businesses • Target market leadership where we play • Focus on industries where reach is strong.
4.	Loss of Market Share	Change in the business dynamic, whereby a competitor's product may lead to loss of competitive advantage.	• Negative impact on revenues, cash flows and profitability sustainability. • Inefficient distribution of physical, personnel and financial resources.	• Leverage on customer feedback, balancing short-term improvements with longer-term solutions. • Promoting agility, benchmarking and quick market responses

S/N	Risks	Risk Description	Potential Impact	Mitigation Plan
5.	Decline in Product Quality & Service Delivery	Technical requirements becoming more complex, and demanding with increase in customer base and preferred specifications.	• Potential reputational damage • Loss of market share.	• Continuous review and stress testing of our refining process • Continuous customer engagement to ensure feedback is acknowledged and addressed.
6.	Inability to Retain Best Talent	Inability to retain and motivate the best people with the right skills, at all levels of the organization due to activities of competition.	• Inability to attract, develop and retain highly qualified management and suitably skilled employees, particularly to address our expansion initiatives. • Shortage of appropriately skilled manpower.	• We have established a robust training, development, performance management and reward programmes to retain, develop and motivate our people. • Development of Succession plan for senior management positions.
	Health & Safety Risk	Exposures resulting from unsafe acts both within and outside the premises	• Increased insurance premiums • Increased legal risk exposure	• Dangote Sugar Refinery has instituted policies, procedures and standards in place to ensure compliance with legal obligations and industry standards. • All Management meetings feature Health & Safety updates • Health & Safety Performance indicators have been included for both production and non-production related roles

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.

Internal Audit Function Wheel

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 whistleblower is maintained and not disclosed without his/her formal consent. Furthermore, if the whistleblower raises a concern in good faith, he or she will not be held liable, should the whistleblower be proven to be incorrect thereafter.

To maintain the integrity of the Whistle-blowing process, a consultant was engaged in 2016 to receive whistleblower 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.

FINANCIAL PILLAR: Delivering strong and sustainable returns

Our Financial Pillar Achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the economies where we operate, by producing and selling high- quality products at affordable prices, supported by excellent customer service.

MRS. ADEBOLA FALADE
CHIEF FINANCE OFFICER

We are committed to driving our financial performance to ensure optimal return on investments.

The Financial Sustainability Pillar focuses on achieving sustainable financial health through our business model that delivers strong returns to our shareholders and creates value for our stakeholders. Embedding sustainability within our business operations across the 7-Pillars, serves to lower the business risk profile, strengthens our brand, and affords us access to funding when required.

We are committed to driving our financial performance evidenced by a strong balance sheet as we produce and deliver high quality Vitamin A fortified and non - fortified sugar to our valued customers and target markets, at fair and affordable prices.

In line with our commitment to the Nigeria Sugar Master Plan, we remain committed and continue to invest in our Backward Integration Projects (BIP) already established in Adamawa and Nasarawa states. Our pursuit of BIP is also one of the business's foreign currency risk mitigation actions. Furthermore, investing in our Out-grower Scheme provides a sustainable approach to sourcing high quality raw materials for the Backward Integration Projects (i.e. sugar cane), through a well defined partnership with farmers in our host communities.

Cost saving initiatives within our operations remain a key focus and these include energy cost reduction through the use of Bagasse (a bye-product of the Sugar cane crushing process) to generate power to run the factory.

Responsible tax payment

Prompt assessment and payment of the relevant taxes across the value chain of our business remains a key element of our commitment as a responsible corporate citizen. We ensure that we are abreast of all relevant tax laws thus facilitating compliance and are mindful that transparently remitting our taxes dues and levies to the relevant government agencies, contributes towards attaining SDG 11(Sustainable Cities and Communities). Tax payments for the period under review are detailed in the annual financial report section of this document.

Sales volume increased by 10.4% from 13.96 million bags to 15.4 million bags of refined sugar, driven by higher sales in the Western as well as the Northern regions.

Revenue increase by 29% from N214.3 billion to N276.6 billion driven by higher sales volumes in all the regions.

In general, manufacturing costs increased as a result of higher sales volumes in all the regions moving from N157 billion to N225.9 billion due to general inflation and foreign exchange impacts on USD denominated expenditure on raw materials and spare parts. Consequently, the total group manufacturing costs increased by 43.8%.

Total Administration and Selling expenses increased by 19.1% from N9 billion to N11.5 billion.

Interest income increased by 107.2% as interest earning from bank deposits also increased. The increase in interest expenses by 21% is as a result of increase in finance costs on Letters of Credit.

Group earnings before interest, tax, depreciation and ammortisation (EBITDA) for the year declined by 16.1% to N47.9 billion whilst the profit after tax (PAT) reduced from N29.8 billion to N22 billion, reflecting inflationary pressure and the rising USD denominated finance costs.

Capital expenditure relates to various assets procured in Lagos to generate sales while the Northern component comprises various capital work in progress currently ongoing at the Company's backward integrated project sites at Adamawa, and Nasarawa state.

Financial Highlights
Summary

Year ended Volume sold	31st December 2021 000 bags	31st December 2020 000 bags
Lagos	7,075	7,121
North	6,323	5,353
West	1,416	1,382
East	613	665
Total volume sold	**15,426**	**14,521**

Volume increase by 10.4% from 13.96 million bags to 15.4 million bags driven by higher sales in the Western as well as the Northern regions

Revenue	N'm	N'm
Lagos	126,605	104,875
North	113,153	79,251
West	25,331	20,344
East	10,966	9,828
Total revenue	**276,055**	**214,298**

Revenue increase by 29% from N214.3 billion to N276.6 billion driven by higher volumes in all the regions.

	N'm	N'm
Total assets	359,506	278,032
	359,506	278,032

Manufacturing and operating costs

	N'm	N'm
Raw material	183,374	119,427
Direct labour cost	5,363	5,135
Direct overheads	20,780	19,356
Depreciation	5,427	5,164
Freight expenses	10,902	7,995
Total manufacturing costs	**225,846**	**157,077**

"In general, manufacturing costs increased as a result of higher volumes in all the regions moving from N157 billion to N225.9 billion also due to general inflation and foreign exchange impacts on USD denominated expenses majorly on raw sugar and spares imported.

Consequently, the total group manufacturing costs increased by 43.8%"

Year ended	31st December 2021	31st December 2020
Administration and Selling expenses	N'm	N'm
Administration expenses	10,631	9,011
Selling expenses	906	677
Administration and Selling expenses	**11,537**	**9,688**

Total Administration and Selling expenses increased by 19.1% from N9 billion to N11.5 billion.

Year ended	31st December 2021	31st December 2020
Interest and similar income/expenses	N'm	N'm
Interest income	1,419	685
Exchange gain/(Loss)	(1,992)	(1,575)
Interest expense	(4,638)	(3,815)
Net finance income/(cost)	**(5,211)**	**(4,705)**

"Interest income increased by 107.2% mainly due to increased interest earnings on deposit placements and interest earning cash balances.

The increase in interest expenses by 21% is as a result of increase cost of borrowings."

Profitability

Year ended	31st December 2021	31st December 2020
	N'm	N'm
EBITDA	48,504	58,027
Depreciation, ammortisation and impairment	9,272	7,699
Operating profit	**57,776**	**65,726**

Group EBITDA (N'm)	48,504	58,027
EBITDA margin (%)	18%	27%
Operating profit (N'm)	39,019.58	47,910.57
Profit before tax (N'm)	34,021.21	45,622.32
Profit after tax (N'm)	22,052.29	29,775.24
EPS(Kobo)	**182**	**245**

The Groups profit reduced from N29.8 billion to N22 billion majorly as a result of the biting inflation and the cost of USD denominated finance costs.

	31st December 2021	31st December 2020
EBITDA by operating region	N'm	N'm
Lagos	22,245	28,398
North	19,881	21,459
West	4,451	5,509
East	1,927	2,661
Total EBITDA	**48,504**	**58,027**

Group earnings before interest, tax, depreciation and ammortisation (EBITDA) for the year declined by 16.1% to N47.9 billion as a result of the rising inflation and cost of USD denominated finance costs.

Year ended	31st December 2021	31st December 2020
	N'm	N'm
Taxation	(11,969)	(15,847)
Tax (Charge)/Credit	(11,969)	(15,847)

Year ended	31st December 2021 N'm	31st December 2020 N'm
Financial position		
Property,Plant and Equipment	144,678	101,734
Other non-current assets	-	
Intangible assets	-	
Total non-current assets	**144,678**	**101,734**
Current assets	111,818	131,438
Cash and bank balances	103,010	44,860
Total assets	**359,506**	**278,032**
Non current liabilities	12,331	11,271
Current liabilities	218,543	142,049
Total Liabilities	**230,875**	**153,321**
Equity	**128,631**	**124,712**

Year ended	**31st December 2021**	**31st December 2020**
Capital expenditure by region	**N'm**	**N'm**
Lagos	212,241	212,562
North	147,265	65,470
Capital expenditure	**359,506**	**278,032**

Capital expenditure was mainly comprised of various assets engaged in Lagos to generate sales while the Northern component comprises various capital work in progress currently ongoing at the Company's backward integrated project sites at Adamawa, Nasarawa and Taraba.

Recommended dividend
The Board of Directors have recommended a dividend of N1 per share for approval at the Annual General Meeting.

Going Concern
The Directors continue to apply the Going Concern principle in the preparation of the Financial Statements. After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Group's Going Concern capabilities.

The Directors believe that the current working capital is sufficient for the operations and the Group generate cashflows to fund its operations and those of its backward integration projects.

Falade

Mrs. Adebola Falade
Chief Finance Officer

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INDEPENDENT ASSURANCE STATEMENT

by Deloitte Nigeria to Dangote Sugar Refinery on selected sustainability information.

Scope of work

We have provided independent limited assurance, in accordance with the International Standard for Assurance Engagements ("ISAE") 3000 (Revised), on selected sustainability information ("subject matter"), for the financial year ended 31 December 2021. The subject matter is reported in the 2021 Dangote Sugar Refinery (DSR) Annual and Sustainability Report. The list of selected sustainability information.

Basis of our work and level of assurance

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We obtained statements, evidence and explanations that we considered necessary in order to provide us with sufficient and concrete information on which to conclude in respect of the selected sustainability information.

Independence, Competence and Quality Control

Deloitte is highly committed to maintaining a comprehensive quality control system including established policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

To conduct this assurance effectively, we deployed a multi-disciplinary team consisting of environmental, social, governance, economic, and assurance specialists with extensive experience in sustainability reporting and assurance, to obtain appropriate and sufficient evidence with the aim of minimising the risk of material misstatements of Selected Sustainability Assertions in the report.

Our team performed the engagement in accordance with Deloitte's independence policies, which cover all of the requirements of the International Federation of Accountants (IFAC) Code of Ethics. We obtained all vital statements, evidences and explanations that we considered necessary to provide us with sufficient and concrete information on which to conclude in respect of the Selected Sustainability Assertions.

Limitations

This is a limited assurance engagement, hence, is less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance obtained in a reasonable assurance engagement and therefore, we do not therefore express a reasonable assurance conclusion.

We have not performed any work on data reported for the reporting periods, nor have we performed work in respect of future projections and targets. We have not conducted any work outside of the agreed scope in the reporting period, and therefore restrict our opinion to the Selected Sustainability Assertions as contained herein.

While we acknowledge that this report will be published on the DSR website, the maintenance and integrity of that website is the responsibility of DSR. The work that we carried out does not involve consideration of the maintenance and integrity of that website and, accordingly, we accept no responsibility for any changes that may have occurred to this report, since they were initially presented on the website.

Responsibilities of parties

DSR is responsible for the preparation of the sustainability information and statements contained within the 2021 DSR Annual and Sustainability Report. It is responsible for selecting appropriate KPIs with which to describe the entity's performance, and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to independently express conclusions on the subject matter as defined within the scope of work above to DSR in accordance with our letter of engagement. Our work has been undertaken so that we may notify DSR of those matters we are required to inform them of in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DSR for our work, for this report, or for the conclusions we have formed.

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Selected Sustainability Information

7 Sustainability Pillars	Selected Sustainability Information *(as documented in the 2021 Sustainability Report)*	Criteria	Page Number
Institutional	We carried out extensive stakeholder engagement (involving employees, host communities, investors, and supply chain) activities and a materiality assessment survey to determine the major concerns of our key stakeholders.	GRI 2-16 GRI 2-29 GRI 3-3	44
	DSR's Anti-Bribery and Corruption Policy establishes our commitment to the highest standard of ethical conduct in all operations and business activities.	GRI 205-1 GRI 205-2 GRI 205-3	75
	To monitor our progress in the implementation of the prioritized UN SDGs (Goal 2, 3, 6, 12, 13), we developed an integration plan which was endorsed by Executive Management.	GRI 413-1 GRI 413-2	51
	We have a whistleblowing policy that mandates that all identified cases of fraud and corruption be reported to the relevant authority without any fear of reprisals.	GRI 2-23 GRI 205-1 GRI 205-2 GRI 205-3	75
	DSR is QMS (ISO 9001:2015) and FSSC 22000 Version 5.1 certified. We are also active on SEDEX (Social Ethical Data Exchange).	GRI 403-8 GRI 2-24	83
	The DSR Food Safety Policy ensures that its operations in the production of refined granulated white sugar meet regulatory and consumer food safety requirements.	GRI 2-23	85
	In 2021, we had 4 whistleblowing cases (3 from our DSR Apapa and 1 from DSR Numan), all of which have been resolved in line with our fair and anonymous whistleblowing process managed by a third-party Big 4 consulting firm.	GRI 2-26	76
	In 2021, we recorded no sanctions on marketing and communication practices.	GRI 307-1 GRI 419-1	86
	There were two grievances received from the host communities on environmental pollution and employment opportunities to the communities in 2021 at DSR Numan.	GRI 413-1	76
	In 2021, we unveiled an innovative sugar brand outlook, tagged 'New Look, Same Great Quality'.	GR1 417-1	87
	In 2021, DSR emerged winner of the Sustainability, Entrepreneurship and Responsibility Awards (SERAs) 2021 Africa Award for Best Company in Good Health & Wellbeing.	GRI 417-2 GRI 417-3	98
	We have developed multiple channels of engagement with our diverse stakeholder base, including town hall meetings, annual general meetings, management retreats, and other formal and informal parley sessions as shown in the table below.	GRI 416-1 GRI 416-2	95
	We carried out extensive stakeholder engagement (involving employees, host communities, investors, and supply chain) activities and a materiality assessment survey to determine the major concerns of our key stakeholders.	GRI 2-16 GRI 2-29 GRI 3-3	44
Cultural	In 2021, we had a total of 2,956 employees, which represented a 2.6% increase from 2,881 in 2020.	GRI 2-7 GRI 2-8 GRI 405-1	55
	Total employees comprise 2,803 (95%) permanent employees, 114 (4%) temporary employees, and 39 (1%) expatriates. Out of these, only 75 (3%) are female while 2,881 (97%) are male.	GRI 2-7 GRI 2-8 GRI 405-1	55
	The age categories of the total workforce are: 18 to 30 years: 40 employees (1.4%), 30 to 50 years - 1,800 employees (60.8%), >50 years - 1,116 employees (37.8%).	GRI 2-7	55
	New hires in 2021 :182,2020: 245 Exits in 2021: 235 ,2020:41	GRI 401-1	57
	Board of Directors consisted of 2 females and 7 males, representing 22% and 78%, respectively	GRI 2-9	79
	In 2021, we had a total workforce of 2,956 with 3% (75 employees) representation by women.	GRI 2-7 GRI 405-1	78

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7 Sustainability Pillars	Selected Sustainability Information *(as documented in the 2021 Sustainability Report)*	Criteria	Page Number
	We currently have 2,803 employees covered by collective bargaining agreements across our plants and fleet operations distributed as follows.	GRI 2-8	80
	These individuals represent several geographic regions and come from diverse backgrounds covering age, gender, race, and nationalities. For 2021, our executive/senior management team consisted of 32 persons including 2 females and 30 males, representing 6.3% and 93.7%, respectively.	GRI 2-7	79
	Staff between 18 to 50 years constituted 1,840 (62.1%) of our total workforce, indicative of our commitment to supporting government efforts at combatting rising youth unemployment across the country.	GR1 401-1	69
	The average age of our Board is 62 years while that of the executive/senior management team is 52 years.	GRI 2-9	79
	Currently, we have 13 employees with physical disabilities such as hearing and speech impairment, and mobility (limb) impairment in our workforce and we are looking to improve this number in 2022.	GRI 405	78
	In 2021, DSR trained all 2,956 employees with a total participation number of 9,196 spending a total of 34,954 training hours which is an average of 11.8 hours per employee.	GRI 401-4 GRI 2-24	60
	We conducted 186 training programmes where 110 (59.1%) were physical while 76 (40.9%) were virtual (online).	GRI 2-24	60
	In 2021, 43 employees participated in six (6) training sessions recording a total of 206 training hours and an average of 4.8 hours per employee.	GRI 2-24	62
	In 2021, we conducted 77 training sessions (20 physical and 57 virtual) for 2,640 employees (compared to 1,019 in 2020) in total HSE training hours of 7,926.	GRI 2-24 GRI 403-1 GRI 403-2 GR1 403-2	77
Operational	In DSR plant operations: Total number of work hours 2021: 1,946,232, Total number of near misses:10, Total number of first aid injuries:10, Total number of medical treatments:0, Total number of lost time injuries: 5, Total number of fatalities:0.	GRI 403-1 GRI 403-9	78
	In 2021, we recorded zero cases of discrimination in terms of employment, promotion, training, etc. within the workforce.	GRI 406 GRI 2-27	80
	In the year under review, we did not record any reported case of child labour, forced or compulsory labour.	GRI 408-1 GRI 409 GRI 2-27	80
	Zero cases of human rights issues were recorded in 2021 across our operations while we hope to organise specific trainings/initiatives on human rights to maintain our zero record and avert possible human rights infringement in the future.	GRI 2-27	80
	In 2021, our procurement spends from local suppliers decreased to N28.0 billion, which is an 8.6% decrease from N30.65 billion in 2020.	GRI 204-1	84-85
Social	In 2021, we spent a total of N1.152 billion on community investment projects, representing about 5.22% of our 2021 profit after tax (PAT).	GRI 413-1 GRI 413-2	73
	In summary, 65 DSR employees and two (2) third-party individuals volunteered by utilising 231 volunteering hours on initiatives that benefitted 1,150 students, six (6) schools, and three (3) host communities.	GRI 413-1	63
	The number of volunteers increased by 55% from 42 in 2020 to 65 in 2021. Similarly, the number of volunteering hours increased by 38% from 167 in 2020 to 231 in 2021	GRI 413-1	63
Environmental	Total energy consumption across all facilities increased by about 33% from 4,172,079 GJ in 2020 to 5,545,085 GJ in 2021. Similarly, energy intensity increased by about 9% from 5.79 GJ/ton in 2020 to 6.33 GJ/ton in 2021.	GRI 302-1	89
	In 2021, our total GHG emissions from production activities, resulting from captive power plants and energy generators, and fleet operations (Scope 1) was	GRI 305-1 GRI 305-2	90

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7 Sustainability Pillars	Selected Sustainability Information *(as documented in the 2021 Sustainability Report)*	Criteria	Page Number
	322,485 tonnes of CO2 while the GHG Emission Intensity was 368 kgCO2/ton of product.	GRI 305-4	
	DSR water source is 100% from groundwater via industrial boreholes.	GRI 303-5	90
	In 2021, the total volume of water consumed from all production facilities and fleet operations was 2,316,526 m3.	GRI 303-5 GRI 303-1 GRI 303-2	90
	All wastes generated are non-hazardous wastes and in 2021, this was 478.83 tonnes indicating a reduction of 47.9% from 918.96 tonnes in 2020.	GRI 306	90
	In 2021, we had no environmental compliance fines, penalties, or sanctions in any of our production facilities.	GRI 307-1	91
	We recorded zero cases of non-compliance with emission limits in the year 2021.	GRI 2-27	90
	In 2021, of the five (5) permits and licenses required for all production facilities, we were able to obtain all 5 (100%).	GRI 2-27	91
	We engaged a certified environmental consultant to carry out quarterly compliance assessments on our environmental performance in line with Good International Industry Practices (GIIP).	GRI 2-27	90
Economic	The salaries, wages, and dividends that we pay are our direct contributions to household income which amounted to N27.1 billion in 2021.	GRI 201-1	69-70
	While our taxes, local procurement, and social investments are our indirect contributions which amounted to N41.1 billion in 2021.	GRI 203-1 GRI 203-2 GRI 207-1 GRI 207-2	70

Conclusion

Limited assurance conclusion: Based on the assurance work performed we have concluded that for the indicators described in the scope of our work, nothing has come to our attention that causes us to believe that the indicators have not been prepared, in all material respects, in accordance with fairly stated, accurate, and complete and has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Deloitte & Touche

Deloitte Nigeria

April 2022

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI CONTENT INDEX ESSENTIALS SERVICE 2022

Statement of use	Dangote Sugar Refinery (DSR) Plc has reported in accordance with the GRI Standards for the period 1st January 2021 to 31st December 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
		GENERAL STANDARDS				
GRI 2: General Disclosures 2021	2-1	Organizational details				5-6, 8-9, 13-14
	2-2	Entities included in the organization's sustainability reporting				44
	2-3	Reporting period, frequency and contact point				5-6, 8-9, 13-14, 44
	2-4	Restatements of information				No Restatements
	2-5	External assurance			4.3: Format of Report	108-111
	2-6	Activities, value chain and other business relationships				5-6, 8-9, 13-14
	2-7	Employees	Goal 8			21-34
	2-8	Workers who are not employees	Goal 8			21-34
	2-9	Governance structure and composition			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-10	Nomination and selection of the highest governance body			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-11	Chair of the highest governance body			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-12	Role of the highest governance body in overseeing the management of impacts			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-13	Delegation of responsibility for managing impacts			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-14	Role of the highest governance body in sustainability reporting			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-15	Conflicts of interest				8-9, 13-14, 122-127, 119-143, 96-97
	2-16	Communication of critical concerns				8-9, 13-14, 122-127, 119-143, 96-97
	2-17	Collective knowledge of the highest governance body			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-18	Evaluation of the performance of the highest governance body			Principles 1 and 2: Governance	8-9, 13-14, 122-127, 119-143
	2-19	Remuneration policies				8-9, 13-14, 122-127, 119-143, 96-97
	2-20	Process to determine remuneration				8-9, 13-14, 122-127, 119-143, 96-97
	2-21	Annual total compensation ratio	Goal 10			119-143
	2-22	Statement on sustainable development strategy				17-20, 12, 15, 35-38, 119-143
	2-23	Policy commitments				119-143
	2-24	Embedding policy commitments			Principle 3: Governance	119-143
	2-25	Processes to remediate negative impacts		Principle 7: Environment	Principles 8 and 9: Social and Environment	43-50, 93-98, 119-143
	2-26	Mechanisms for seeking advice and raising concerns				43-50, 93-98, 119-143
	2-27	Compliance with laws and regulations	Goal 16			44, 93-98
	2-28	Membership associations	Goal 17			98
	2-29	Approach to stakeholder engagement				43-50, 93-98
	2-30	Collective bargaining agreements	Goals 8 and 10	Principle 3: Labour		80
GRI 3: Material Topics 2021	3-1	Process to determine material topics				43-50, 93-98
	3-2	List of material topics				49-50
		ECONOMIC STANDARDS				
Economic Performance						

GRI Content Index Continued

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 3: Material Topics 2021	3-3	Management of material topics				68-71
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Goals 8 and 9			68-71
	201-2	Financial implications and other risks and opportunities due to climate change	Goal 13			68-71
	201-3	Defined benefit plan obligations and other retirement plans				68-71
	201-4	Financial assistance received from government				68-71
Market Presence						
GRI 3: Material Topics 2021	3-3	Management of material topics				Not Applicable
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Goals 1, 5 and 8			Not Applicable
	202-2	Proportion of senior management hired from the local community	Goal 8			Not Applicable
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics				68-71
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 5, 9, and 11			68-71
	203-2	Significant indirect economic impacts	Goals 1, 3, and 8			68-71
Procurement Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics				68-71, 84-85
GRI 204: Procurement **Practices 2016**	204-1	204-1 Proportion of spending on local suppliers	Goal 8			68-71, 84-85
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics				75-76, 99-103
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	75-76, 99-103
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	75-76, 99-103
	205-3	Confirmed incidents of corruption and actions taken	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	75-76, 99-103
Anti-competitive Behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics				75-76, 119-143
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Goal 16		Principles 3 and 4: Economic	75-76, 119-143
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics				7, 68-71
GRI 207: Tax 2019	207-1	Approach to tax	Goals 1, 10 and 17			7, 68-71
	207-2	Tax governance, control, and risk management	Goals 1, 10 and 17		Principles 1 and 2: Governance	7, 68-71
	207-3	Stakeholder engagement and management of concerns related to tax	Goals 1, 10 and 17			7, 68-71
	207-4	Country-by-country reporting	Goals 1, 10 and 17			7, 68-71
ENVIRONMENTAL STANDARDS						
Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics				82-84
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goals 8 and 12			82-84
	301-2	Recycled input materials used	Goals 8 and 12	Principle 8: Environment	Principles 3 and 9: Economic and Environment	82-84
	301-3	Reclaimed products and their packaging materials	Goals 8 and 12			Not Applicable
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics				88-92
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	302-2	Energy consumption outside of the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	302-3	Energy intensity	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	88-92

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	302-4	Reduction of energy consumption	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	302-5	Reductions in energy requirements of products and services	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	88-92
Water and Effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics				88-92
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Goals 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	303-2	Management of water discharge-related impacts	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	303-3	Water withdrawal	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	303-4	Water discharge	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	303-5	Water consumption	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	88-92
Biodiversity						
GRI 3: Material Topics 2021	3-3	Management of material topics				91, Not Applicable
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Not Applicable
	304-2	Significant impacts of activities, products and services on biodiversity	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	91
	304-3	Habitats protected or restored	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Not Applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Not Applicable
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics				88-92
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	305-2	Energy indirect (Scope 2) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	305-3	Other indirect (Scope 3) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	305-4	GHG emissions intensity	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	305-5	Reduction of GHG emissions	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	305-6	Emissions of ozone-depleting substances (ODS)	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Goals 3, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics				88-92
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Goals 3, 6, 12 and 14	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	306-2	Management of significant waste-related impacts	Goals 3, 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	306-3	Waste generated	Goals 3, 6, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	306-4	Waste diverted from disposal	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	88-92
	306-5	Waste directed to disposal	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	88-92
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics				83-84, 91-92
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		Principle 7: Environment	Principles 3 and 9: Economic and Environment	83-84, 91-92
	308-2	Negative environmental impacts in the supply chain and actions taken				83-84, 91-92
			SOCIAL STANDARDS			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics				57-59
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Goals 5, 8 and 10	Principles 4, 5 and 6: Labour	Principle 5: Social	57-59

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Goals 3, 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	57-59
	401-3	Parental Leave	Goals 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	57-59
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3	Management of material topics				57-59
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Goal 8		Principle 5: Social	57-59
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				76-78
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	76-78
	403-2	Hazard identification, risk assessment, and incident investigation	Goal 8	Principle 6: Labour	Principle 5: Social	76-78
	403-3	Occupational health services	Goal 8	Principle 6: Labour	Principle 5: Social	76-78
	403-4	Worker participation, consultation, and communication on occupational health and safety	Goals 8 and 16	Principle 6: Labour	Principle 5: Social	76-78
	403-5	Worker training on occupational health and safety	Goal 8	Principle 6: Labour	Principle 5: Social	76-78
	403-6	Promotion of worker health	Goal 3	Principle 6: Labour	Principle 5: Social	76-78
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Goal 8	Principle 6: Labour	Principle 5: Social	76-78
	403-8	Workers covered by an occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	76-78
	403-9	Work-related injuries	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	76-78
	403-10	Work-related ill health	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	76-78
Training and Education						
GRI 3: Material Topics 2021	3-3	Management of material topics				60-62
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Goals 4, 5, 8 and 10	Principle 6: Labour	Principle 6: Social	60-62
	404-2	Programs for upgrading employee skills and transition assistance programs	Goal 8	Principle 6: Labour	Principle 6: Social	60-62
	404-3	Percentage of employees receiving regular performance and career development reviews	Goals 8 and 10	Principle 6: Labour	Principle 6: Social	60-62
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics				78-79
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Goals 5 and 8	Principle 6: Labour	Principles 5 and 6: Social	78-79
	405-2	Ratio of basic salary and remuneration of women to men	Goals 5, 8 and 10	Principle 6: Labour	Principles 5 and 6: Social	78-79
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics				80
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Goals 5 and 8	Principle 6: Labour	Principle 6: Social	80
Freedom of Association and Collective Bargaining						
GRI 3: Material Topics 2021	3-3	Management of material topics				80
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Goal 8	Principle 3: Labour		80
Child Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics				80
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Goals 8 and 16	Principle 5: Labour	Principle 5: Social	80
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics				80
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Goal 8	Principle 4: Labour	Principle 5: Social	80

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
Security Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics				80
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Goal 16	Principles 1 and 2: Human rights	Principle 7: Social	80
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3	Management of material topics				76, 80
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Goal 2			76, 80
Local Communities						
GRI 3: Material Topics 2021	3-3	Management of material topics				45-50, 63-67, 73-75
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs			Principle 8: Social	45-50, 63-67, 73-75
	413-2	Operations with significant actual and potential negative impacts on local communities	Goals 1 and 2		Principle 8: Social	45-50, 63-67, 73-75
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics				83-84, 91-92
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Goals 5, 8 and 16	Principles 1 and 2: Human rights	Principles 3 and 7: Economic and Social	83-84, 91-92
	414-2	Negative social impacts in the supply chain and actions taken	Goals 5, 8 and 16	Principles 1 and 2: Human rights	Principles 3 and 7: Economic and Social	83-84, 91-92
Public Policy						
GRI 3: Material Topics 2021	3-3	Management of material topics				No contribution, 74
GRI 415: Public Policy 2016	415-1	Political contributions	Goal 16			No contribution, 74
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				76-78, 85-86
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories			Principles 3 and 4: Economic	76-78, 85-86
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Goal 16		Principles 3 and 4: Economic	76-78, 85-86
Marketing and Labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics				86-87
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	Goal 12			86-87
	417-2	Incidents of non-compliance concerning product and service information and labelling	Goal 16			86-87
	417-3	Incidents of non-compliance concerning marketing communications	Goal 16			86-87
Customer Privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics				86-87
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Goal 16			86-87

Corporate Governance

ALIKO DANGOTE, GCON
CHAIRMAN

Aliko Dangote is the Chairman of the Board of Directors, Dangote Sugar Refinery Plc. He is the founder and President/Chief Executive of Dangote Industries Limited, the largest conglomerate in West Africa, with presence in 17 African countries and subsidiaries that cut across cement production, sugar refining etc. A graduate of Business Studies from Al-Azhar University in Cairo, Egypt, he started business in 1978 trading in commodities, before he ventured into full-scale manufacturing. He has been conferred several Honorary Doctorate degrees from various prestigious Universities, including Coventry University in the United Kingdom (2016), University of Ibadan in Nigeria (2016), and Ahmadu Bello University (2019). He is well known for his philanthropic engagements in local and international initiatives via the Aliko Dangote Foundation; committed to improving healthcare, education, and social wellbeing. In addition, he seats on the Board of notable international bodies involved in global economic growth, sustainable development, and healthcare initiatives. These include the JP Morgan International Council, the Clinton Health Access Initiative, the McKinsey Advisory Council, the International Business Council of the World Economic Forum, the Harvard Advisory Council, amongst others. The Nigerian Government conferred on him the Grand Commander of the Niger (GCON), the first person outside government functionaries to bag this honour.

RAVINDRA SINGH SINGHVI
GROUP MANAGING DIRECTOR/CEO

Ravindra Singh Singhvi is the Group Managing Director/CEO of Dangote Sugar Refinery Plc. 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

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 industries and sectors across 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

MS. BENNEDIKTER MOLOKWU DFIOD
NON-EXECUTIVE DIRECTOR

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

MS. MARYAM BASHIR
INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Mariam Bashir is an Independent Non-Executive Director of Dangote Sugar Refinery Plc and the Chairperson of the Board Risk Management & Assurance Committee. She started her career in 1985 with the International Merchant Bank (IMB), working in various functions in Credit & Marketing and Operations divisions. A Financial Consultant, with over 30 years experience in finance and investments with particular focus on strategy, business development and bottom-line enhancement in FMCG, Hi-Tech, Banking & Finance. Ms. Bashir is a graduate of Business Administration from the prestigious Ahmadu Bello University, Zaria, holds an MBA from the University of Jos. She was a member of the team that consummated the acquisition of United Bank for Africa (UBA), in 1992, the 3rd largest bank in Nigeria at the time. She held positions in top management in UBA and became an Executive Director. Ms. Bashir was a Director at UBA Capital and Trust Limited, a fully owned subsidiary of UBA Plc, and have participated in several national assignments. She serves on the Board of companies in the Manufacturing, Technology and Financial services sectors of Nigeria. Ms. Bashir is also a founding member of WIMBIZ, a non-profit organization.

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

PROF. KONYINSOLA AJAYI, SAN
NON-EXECUTIVE DIRECTOR

Prof. Konyinsola Ajayi is a leading Senior Advocate of Nigeria and the erstwhile Managing Partner of the law firm, Olaniwun Ajayi LP, one of Africa's leading and largest Law Firms. Prof. Ajayi is a trusted Advisor and Lawyer in the fields of Energy & Natural Resources, Infrastructure & Power, Banking & Capital Markets, Privatization, Project Finance, Litigation and Arbitration. He is a highly regarded member of the International Bar Association, the Nigerian Bar Association, and the Nigerian Economic Summit Group. He is the Chairman, Nasarawa State Investment & Economic Council, and Chairman, the Capital Markets Master Plan Implementation Committee.

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

MR. UZOMA NWANKWO
NON-EXECUTIVE DIRECTOR

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 $1 billion 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
- Statutory Audit Committee

ALHAJI ABDU DANTATA
NON-EXECUTIVE 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.

- Board Finance Committee
- Board Risk Management & Assurance Committee

RAVINDRA SINGH SINGHVI
GROUP MANAGING DIRECTOR/CEO

Ravindra Singh Singhvi is the Group Managing Director/CEO of Dangote Sugar Refinery Plc. 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 Secretaryship 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.

Oscar Mbeche is the Group Chief Finance Officer of Dangote Sugar Refinery Plc. An astute Finance Executive, Accountant, Internal Auditor and Management Consultant, with over 30 years work experience, spanning FMCG, Hi-Tech, Accounting and Auditing, Oil & Gas, Banking & Finance. Oscar is a proven executive with laudable achievements in Governance, Integrated Risk Management, Compliance, Internal Audit, IT, Process Optimization, and Business Development. He trained with PWC and Deloitte and went on to develop a successful career working in 7 industry sectors with private and publicly listed companies, that includes internationally known brand names like Unilever, UDV-Diageo, HSBC, Royal Bank of Scotland, Take Two Interactive, and Petroplus. His international experience includes having worked or managed projects in 25 EMEA countries including Nigeria, Switzerland, and the United Kingdom. He was formally the Group CFO for Philia Group (Geneva, Dubai, and Singapore) and was responsible for the Group's Finance Department with operations in eleven countries. He brings to Dangote Sugar Refinery Plc, his wealth of experience in all aspects of Financial Management, Governance, Fund Raising, Corporate Finance, Trade Finance, international Taxation and Financial Reporting. He is a qualified chartered accountant, and holds an MBA from the University of Oxford, United Kingdom.

OSCAR MBECHE
GROUP CHIEF FINANCIAL OFFICER

THIRU RAJASEKAR
GM REFINERY

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 conceptualisation of new engineering concepts and 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.

Chinnaya Sylvian is the Chief Executive, Dangote Sugar Refinery Plc Numan operations. Chinnaya holds a B.Tech degree in Sugar Engineering, Diploma in Chemical Engineering and Certificate in Sugar Analysis from the University of Mauritius. Chinnaya was a lecturer for engineers in cane sugar manufacture. With over 30 years work experience in the FMCG sector, and management of sugar projects in East and West Africa. He worked for 17 years in four different African countries, 10 years in Cameroun where he managed two sugar farms: Cameroun Societe Sucriere du Cameroun (SOSUCAM 1 & 2) Cameroun; where he was responsible for increasing profitability of the company, as well as raising and developing the local personnel to achieve sustainable manpower in the company. Until his appointment as the Chief Executive of Dangote Sugar Refinery, Numan Operations, Chinnaya was the Factory Manager at Transmara Sugar Company Ltd, in Kenya, East Africa, for 5 years. He is a member of the International Society of Sugarcane Technologists.

CHINNAYA SYLVIAN
CHIEF EXECUTIVE DSR NUMAN

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. Adebola 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. In addition, Adebola 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).

Temitope Hassan is a multi-disciplined Lawyer. She holds a Bachelor's degree in Insurance from the University of Lagos, Bachelor's degree in Laws from the London South Bank University, U.K, and a Masters degree in Business Administration from the Obafemi Awolowo University, Ile-Ife. She joined Dangote Sugar Refinery Plc in January 2020 as the Company Secretary/Legal Adviser from UBA Pensions Custodian Limited where she was the Company Secretary/Legal Adviser. She was previously the Head of the Company Secretariat of Skye Bank Plc (now Polaris Bank Limited). 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, Pension Administration, Regulatory Compliance and Corporate Services. She has attended several courses overseas and within Nigeria. She is a certified Trainer and an Accredited Mentor of the National Mentoring Pilot Project, UK and a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria.

TEMITOPE HASSAN (MRS)
COMPANY SECRETARY/
LEGAL ADVISER

HASSAN SALISU
GM HUMAN RESOURCES/ADMIN

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 , NITAD and Fellow of the Institute of Management Consultants of Nigeria.

Bello Alkali Saddiq is the Head, Sales & Marketing of Dangote Sugar Refinery Plc. He holds a Master's degree in Marketing, A postgraduate diploma in management from the Bayero University, Kano, and 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, out of which 18 years was in the FMCG sector; sales and project management positions across Multinational companies, where he also facilitated various change programmes. Bello was the pioneer project manager of Unilever Trade Resource Administration. He is a fellow of the National Institute of Marketing of Nigeria and a Fellow of the Institute of Professional Managers and Administration of Nigeria.

BELLO SADDIQ
GM SALES & MARKETING

ITORO UNNAM
HEAD HSSE/SUSTAINABILITY

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 sector 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).

Femi Gbadewole is the Head of Internal Audit, 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).

BABAFEMI GBADEWOLE
HEAD INTERNAL AUDIT

AYOKUNLE USHIE
HEAD RISK MANAGEMENT

Ayokunle was a Corporate Finance and Risk Management practitioner with a number of local and international banks. He joined the Dangote Group Risk Management Department in 2016 and subsequently Nascon Allied Industries in 2018 and most recently Dangote Sugar Refinery Plc in 2021. Ayokunle has a Bachelor's Degree in Geography from the University of Ilorin and a Master's in Business Administration from the University of Nicosia, Cyprus. He is a member of the Institute of Operational Risk (IOR) and an Alumni of the Risk Certification Program of the Global Association of Risk Professionals (GARP). Ayokunle's core experiences are within data mapping, risk modeling (Operational, Credit and Market), estimated loss projections and engineering risk surveys.

Engr. Salisu Hassan Isah is the Ag. Head, Fleet/Logistics 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 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). He is also a Fellow of the International Logistics Organisation and Nigeria Institution of Agricultural Engineers.

SALISU ISAH
AG. HEAD FLEET/
LOGISTICS OPERATIONS

NGOZI NGENE
HEAD CORPORATE AFFAIRS

Ngozi Ifesinachi Ngene is the Head Corporate Affairs of Dangote Sugar Refinery Plc. With over 27 years multi-industry experience in the public and private sectors in Nigeria that spans Corporate Communications, Image and Media Relations Management, Sales & Marketing, Journalism, Events Management; in addition to Company Secretariat, Stakeholder Engagement, and Sustainability/Social Performance Management functions. Ngozi holds a Master's degree 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. She is a member of the Nigerian Institute of Public Relations and Chartered Institute of Public Relations, London.

Adesola Mufutau Ogunnaike 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.

ADESOLA OGUNNAIKE
HEAD SUPPLY CHAIN

ADEREMI ADEPOJU
HEAD QUALITY ASSURANCE

Aderemi Adepoju is the Head Quality Assurance of Dangote Sugar Refinery Plc, with over 24 years work experience in Quality Assurance and Control. He was the Special Analysis Chemist before his appointment as the Head Quality Control. Prior to joining Dangote Sugar Refinery Plc Aderemi was a Shift Laboratory Analyst, at Oregun Cocoa Mills Ltd, Oregun Ikeja Lagos. Aderemi holds a Higher national Diploma (HND) in Biochemistry from Yaba College of Technology, Yaba Lagos; a BSc in Accounting from Olabisi Onabanjo University Ago-Iwoye; and a Certified Cane Sugar Refiner from Nicholls State University, Thibodaux Louisiana, USA. He is a member of Institute of Public Analyst of Nigeria, a Lead Auditor in ISO 9001:2015, ISO 17025:2017, FSSC 22000 and ISO 22301.

Godfrey Ojo is the Head, Internal Control of Dangote Sugar Refinery Plc. Godfrey has over 16 years' work experience in the Banking, Consultancy, Utilities, and Power sector. Prior to his appointment as Head, Internal Control in September 2021, he was the Head Internal Audit and Control at Transcorp Power Limited, he was the Fraud Risk Manager at Port Harcourt Electricity Distribution Plc in Rivers State. Godfrey has also held various positions in Access Bank and First Bank of Nigeria Plc. He holds a Master of Science Degree in Financial Engineering from WorldQuant University, New Orleans, Louisiana USA; a BSc in Accounting from Bayero University, Kano-Nigeria, and has attended various training programmes in Governance, Risk and Control (G R C) in Nigeria. He is an Associate of the Institute of Chartered Accountants of Nigerian (ICAN), the Chartered Institute of Bankers of Nigeria (CIBN) and the Chartered Institute of Taxation of Nigeria (CITN). Godfrey is also a registered member of the Global Association of Risk Professionals (GARP), New Jersey USA.

GODFREY OJO
HEAD INTERNAL CONTROL

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 31st December, 2021.

1 **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 through its holding company, Dangote Industries Limited (DIL). Following a strategic restructuring within the Dangote Group, DIL decentralized its various operations into Business Units. Consequently, DSR was incorporated as a public limited liability company in 2005 and its 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. The Company distributes refined white sugar to consumers and industrial customers in Nigeria. DSR has its Headquarters in Lagos, Nigeria and has an installed capacity of 1.44 million metric tons (MT) per annum with expansion plans in place.

2 **Backward Integration Project (BIP)**

In alignment with the Federal Government of Nigeria policy guidelines, DSR continues to focus on its Backward Integration Project (BIP) by deploying and reviewing project strategies from time to time. The 10-year sugar development plan to produce 1.5 million MT Sugar per annum from locally grown sugarcane remains a germane roadmap to attainment of the Company's objectives. Currently, the company is channeling resources towards ongoing BIP in Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited and Nasarawa Sugar Company Limited.

3 **Shareholding Structure**

DSR was listed on the Nigerian Stock Exchange (now the Nigeria Exchange Group Plc) in March 2007 following an initial public offering of its shares in 2006. Pursuant to obtaining requisite shareholders and regulatory approvals, on September 1, 2020, DSR completed a Scheme of Arrangement, which successfully effected the merger of DSR and its former subsidiary Savannah Sugar Company Limited. In view of the merger, the Company now has about 101,348. Shareholders with a Shareholders' Fund in excess of N128.6 billion.

Below is a summary of the authorised and issued share capital history of the Company since incorporation:

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 2021

The Authorised Share Capital of the Company as at December 2021 was N7,500,000,000.00 (Seven Billion, Five Hundred Million Naira). The range of issued share capital is as follows:

Range (Units)			No of Holders	Holders %	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, 2021, the 12,146,878,241Ordinary 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.*

4 Operating Results

The Group and Company's results for the year ended December 31, 2021 are set out on page 26. The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Gross Profit	50,208,573	57,221,005	50,208,573	56,681,689
Profit before Income Tax	34,021,212	45,622,318	34,629,037	46,038,948
Taxation	(11,968,921)	(15,847,076)	(11,968,921)	(14,668,289)
Profit for the year	22,052,291	29,775,242	22,660,116	31,370,659
Non-controlling interest	(6,078)	10,665	-	-
Profit attributable to owners of the Parent Company	22,058,369	29,764,577	22,660,116	31,370,659

As at the date of approval of the Consolidated Financial Statements of the Company, Dangote Sugar Refinery PLC's outlook for 2022 and beyond shows there is no going concern threat to the enterprise.

Management is confident that the Company will continue operational existence for more years to come.

5 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. Bennedikter Molokwu	Non-Executive Director
6	Prof. Konyinsola Ajayi (SAN)	Non-Executive Director
7	Mr. Uzoma Nwankwo	Non-Executive Director
8	Alhaji Abdu Dantata	Non-Executive Director
9	Ms. Maryam Bashir	Independent Non-Executive Director

**Alhaji Sani Dangote passed away on November 14, 2021*

The Directors' biographical details appear on pages 119 & 121 of this report. As at the last Annual General Meeting, there was no new appointment on the Board of the Company. The Company's Articles of Association, the Board Appointment Policy, the Companies and Allied Matters Act, 2020 and any applicable extant Code and Regulation govern the appointment of Directors of this Company.

Death of a Director

We regret to report the passing away of Alhaji Sani Dangote, which sad event occurred on Sunday, November 14, 2021 after a protracted illness. May his gentle soul continue to rest in peace. The material disclosure was published on the Issuer's Portal of the Nigerian Exchange Limited.

Retirement of Directors

In accordance with the Company's Articles of Association, the Directors retiring by rotation are Prof. Konyinsola Ajayi (SAN), Ms. Maryam Bashir and Mr. Olakunle Alake, 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 2022 Financial Year.

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.

6. Dividend

The Directors recommend the payment of a dividend of N1.00 per share from the profit for the year ended 31st December, 2021 on the issued share capital of 12,146,878,241 ordinary shares of 50k each. If the proposed dividend of N1.00 is approved by the shareholders, it will be subject to deduction of withholding tax at the applicable rate.

7. Corporate Governance

The Board of Directors is committed to continually ensure sustainable long-term success and implementation of corporate governance best practices within the Company. Through its oversight functions, the Board is committed to delivering value to all stakeholders in the Company whilst also driving initiative to actualise the Company's sustainability goals.

As a deliberate act, the Company puts forward pragmatic efforts towards ensuring compliance with applicable laws and regulations in Nigeria such as but not limited to the Listing Rules of the Nigerian Exchange Limited, the Securities & Exchange Commission, Code of Corporate Governance for Public Companies in Nigeria 2011, the Nigerian Code of Corporate Governance 2018 and any other applicable corporate governance rules promulgated from time to time.

8. 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.

9. 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.

10. Direct and 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 Nigerian Exchange Ltd is as follows:

S/N	DIRECTOR	31ST DECEMBER 2021		31ST DECEMBER 2020	
		Direct	Indirect	Direct	Indirect
1.	Alhaji Aliko Dangote (GCON)	653,095,014	Nil	653,095,014	Nil
2.	Mr. Ravindra Singhvi	Nil	Nil	Nil	Nil
3.	Alhaji Sani Dangote (Deceased)	Nil	Nil	Nil	Nil
4.	Mr. Olakunle Alake	7,194,000	Nil	7,194,000	Nil
5.	Ms. Bennedikter Molokwu	1,483,400	Nil	1,483,400	Nil
6.	Prof. Koyinsola Ajayi, SAN	Nil	Nil	Nil	Nil
7.	Mr. Uzoma Nwankwo	384,692	Nil	384,692	Nil
8.	Mr. Abdu Dantata	1,044,000	Nil	1,044,000	Nil
9.	Ms. Maryam Bashir	Nil	Nil	Nil	Nil

11. 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.

12. Employment and Employee Relationship

a. Employment and Employees

Dangote Sugar Refinery PLC had a total of 2,830 staff as at December 31, 2021. 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. It maintains a high standard of hygiene in all its premises by upholding excellent sanitation practices and the 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, while fire-fighting equipment and alerts have been installed in the offices and plants. In addition, personal protective equipment (PPE) are provided for individual employee to enhance safety measures while at work.

Health, Safety and Environment workshops and other health awareness programs are organized for all employees from time to time to engender a safety culture on an ongoing basis.

The Company operates Canteen facilities where fully paid nutritionally balanced meals are provided for staff. Following the incident of COVID-19 pandemic, the Company consistently maintained a COVID-19 communication line giving regular updates to staff on current issues relating to the pandemic as well as other diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

Through constant awareness from the Company, more employees have embraced the COVID-19 vaccine and have presented themselves for vaccination.

c. Employee Training and Development

The Company remains consistent in its value proposition on human capital development for improved efficiency whilst maintaining 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. Like many others, the Company explored virtually conducted trainings due to the pandemic in compliance with social distancing protocols.

d. Industrial/Employees Relations

The Company places premium on ensuring effective channels of communication with its employees by keeping them informed on matters affecting them and the performance of the Company. To this end, Management maintains an open-door policy whilst also ensuring accurate and timely dissemination of information through all available communication channels within the Company. 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 Disabled Persons

Dangote Sugar Refinery PLC is an equal opportunity employer. It appreciates the fact that physically challenged people can participate in, and contribute to society in all aspects of life. It provides equal opportunities for disabled persons, ensuring that there is no discrimination against them on 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 nineteen (19) physically challenged employees in the Company with disabilities such as hearing and speech impairment, and mobility (limb) impairment.

f. Staff Welfare

The Company has retainership agreement with several private hospitals for its employees' health management. It also provides subsidy to employees in respect of transportation, lunch, housing and health care. Incentive schemes include awards, bonuses, promotions and salary/wage review. During the period, the best staff in each Department were given awards of recognition.

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.

13. Donations and Charitable Gifts

At Dangote Sugar Refinery PLC, we believe our impact in the communities we operate in is as important as our products and the services we render. We are therefore committed to being thoughtful stewards of environment and caring corporate citizen in the communities where we live and work. Consequently, in line with our sustainability goals we are passionate about our support for charitable and worthy causes in the areas of education, health, skills acquisition, poverty alleviation and sports amongst others. During the year under review, the beneficiaries of our CSR were as follows:

S/N	BENEFICIARY	AMOUNT N'000
1	Donation to Nigerian Bar Association, Kano Branch for 2021 Annual Law Week	200,000
2	Maritime Workers Union of Nigeria support for 2021 May Day Celebration	400,000
3	Library Development Support for Paradise Nursery and Primary School, Lagos	300,000
4	Sponsorship of Investiture of 17th President of Institute of Directors	1,000,000
5	Sponsorship of 2021 Lagos State World Food Day Celebration (Quiz Competition for Secondary Schools)	700,000
6	Fund raising for Security Support of CA-COVID Team	1,000,000,000
7	Support for International Federation of Female Lawyer's Conference	250,000
8	Sponsorship of Government Girls School, Dala - Kano - 60th Anniversary Celebration	20,000,000
9	Support for the hosting of Conference of Vice Chancellors of Nigeria	58,480,833
10	Donation of COVID-19 Signage for Wash Hand Basin to Apapa Senior Secondary School	16,500
11	Educational Scholarship Grant, Apapa	570,000
12	Donation of Laptops to Randle High School, Apapa.	376,250
13	Burial Assistance to Hama Batta	200,000
14	Renovation of Bare Community traditional Site, Adamawa.	600,000
15	Sponsorship for Kwete, Homto, Manjauli and Guyuk Annual Festivals in the Numan host communities	1,900,000
16	Donation of electrical poles for Kola Community, Guyuk LGA, Adamawa.	31,000
17	Seasonal Gift Baskets to Traditional Rulers	190,300
18	Support for Annual Stakeholders Engagement and Community Townhall Meetings at Numan	6,100,000
19	Support for Bare Community Land Development , Adamawa.	300,000
20	Donation and Refurbishment of generators for the paramount rulers in the Bachama Kingdom.	5,756,394
21	Support for Murum Mbula of Mbula Community Coronation Ceremony - Adamawa.	1,300,000
22	Medical Outreach and treatments in DSR Numan Host Communities.	25,462,894
23	Support for Bare Community Student Union Association	150,000
24	Support for Nunguraba Youths Summit, Guyuk LGA	200,000
25	Donation towards key Stakeholders Engagement and Community Development for Gyawana community	27,000,000
26	Rehabilitation of Boreholes in the DSR Numan Host communities	305,250
	TOTAL	**1,151,789,421**

*No donation was made to any political party or organization

14. 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, 2021 which have not been adequately provided for or disclosed.

15. Auditors

The Auditors, Messrs. PricewaterhouseCoopers (PwC), having indicated their willingness to continue in office, will do so in accordance with Section 401 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
3rd Floor, Greenview Development Nigeria Ltd Building
Terminal "E" NPA Complex, Apapa
Lagos, Nigeria

Dated February 28, 2022

Board Structure & Composition

The Board of Directors of the Company was composed of the following members during the 2021 Financial Year:

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

*Alhaji Sani Dangote sadly passed away on November 15, 2021

Board Characteristics & Skill Sets

Changes in the Structure & Composition of Board

The Board exercises leadership, enterprise, integrity and judgment in its oversight and control of the Company. No member has unfettered powers of decision making and there is no cross-membership on the Board of competing companies.

The Board is moving closer to a gender balance with 25% of the members being female; no member of the Board has attained 70years of age.

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

- Prof. Konyinsola Ajayi was admitted to the Board Finance Committee on July 28, 2021.
- Alhaji Dantata was admitted to the Board Risk Management & Assurance Committee on July 28, 2021.
- We regret to report that Alhaji Sani Dangote passed away on November 15, 2021 in the United Stated of America after a protracted illness.

Board of Directors

The Roles & Responsibilities of the Board

The Board is the highest governing body in the Company with oversight of the strategic goals of the Company. The Board considers the long-term and short-term strategies of the Company and monitors the implementation by Management.

The primary responsibilities of the Board are the performance, oversight of affairs and direction of the Company. It is responsible for defining the Company's strategic goals and deploying the relevant personnel for the attainment of these goals. In addition, 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.

The Board defines the vision, goals, objectives and strategic priorities of the Company, monitors the integrity of financial and internal control policies and management information systems. It presents the audited financial statements to the Shareholders and ensures the accuracy and efficiency of the accounting and financial management.

CHAIRMAN
Aliko Dangote (GCON)

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 and enhancing shareholder value.

GROUP MANAGING DIRECTOR/CEO
Ravindra Singhvi

The Group Managing Director/CEO is the Head of Management and is responsible for the day-to-day operations of the Company. He has a broad understanding of the Company's business and delegates duties to Management and Management Committees to ensure the achievement of the Company's goals and strategic objectives.

COMPANY SECRETARY/LEGAL ADVISER
Temitope Hassan (FCIS)

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.

The Role of the INED, NED & ED

INDEPENDENT NON-EXECUTIVE DIRECTOR (INED)	NON-EXECUTIVE DIRECTOR (NED)	EXECUTIVE DIRECTORS (ED)
The Independent Non-Executive 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 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	Executive Directors support the Chief Executive Officer in the operations and management of the Company Executive Directors have a broad understanding of the Company's business in addition to having the requisite skills, knowledge, experience and qualification required for their specific roles and responsibilities

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 and Board Appointment Policies which is through a formal, transparent and rigorous process.

New members to the Board 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.

Induction of New Board Members

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. Newly appointed Directors are also provided with a library of useful reports, policies, and relevant extant laws and regulations amongst others to help them in their new roles.

Continuing Education for Directors

The Board of Directors participated in a training titled Repositioning the Board for a Strategic Role in a Turbulent Environment' facilitated by the Lagos Business School (LBS) on August 24th and 25th, 2021. The focus areas of the training were Market Insights, Key Business Risks, Economic Outlook and the Board, Effective Leadership, Organizational Culture & Succession Planning in Uncertain Times, and the Key Governance Changes in the Companies & Allied Matters Act 2020. Directors gave good feedback on the Training.

DCSL Corporate Services Limited partnering with Hawkamah Institute for Corporate Governance, Dubai UAE invited Board members to join the Institute's global virtual conference themed "ESG, Disruption and Investment" which was held on September 27th and 28th 2021.

The key take-aways from the Conference were guidance to the Board in the areas of Board Process, Risk Management, Employee Welfare, Collaboration Between Board & Management, Industry Advocacy, Digitalization, Board Diversity and Seamless Governance Framework.

The importance of the key take-aways from the Hawkamah Conference were noted as best governance practice for a dynamic Board.

The Annual General Meeting of the Company

The Annual General Meeting (AGM) to consider the Annual Report and the Financial Statements for the year ended December 31, 2020 was held on May 27, 2021 at the Eko Hotel and Suites, Victoria Island, Lagos.

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.

The Company by announcement 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 while 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.

To ensure a robust selection of Proxies, twelve (12) persons were approved as Proxies for Shareholders of the Company and were empowered to vote on behalf of Shareholders subject to their consent. The list of designated Proxies was communicated to the Shareholders in the Notice of the Meeting.

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 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 Annual General Meeting in line with the guidelines on holding of General Meetings of public companies using proxies.

Shareholder's Rights & Investor Relations

General Meetings are important platforms for the Board to engage shareholders to facilitate greater understanding of the Company's business, governance and performance. However, given the COVID-19 pandemic, the platform for the engagement was limited to the electronic platform at the Company's AGM held on May 27, 2021, while some representatives of shareholders (Proxies) attended the AGM on behalf of other members.

The AGM was conducted in the best manner possible taking cognizance of the restrictions by the pandemic. Shareholders were encouraged to send their comments and questions to the Company Secretary ahead of the AGM, and responses were provided to every question received. Although not all the Directors were physically present at the Meeting, the Chairman of the Statutory Audit Committee was present, and another member of the Committee, Hadjia Muheebat Dankaka was a Proxy, representing several members and casting their vote as instructed.

The AGM was conducted in an open manner and sufficient time was allocated to shareholders present as they participated fully and contributed effectively at the Meeting. The venue of the Meeting was accessible to shareholders, and the Notice of Meeting was published on April 26, 2021, more than 21 days before the Meeting. Copies of the Annual Reports, Audited Financial Statements and all other information pertaining to the resolutions to be voted upon; including voting or proxy instructions and relevant papers were dispatched to shareholders along with the Notice of Meeting. All relevant information about the Meeting and the Audited Financial Statements were also hoisted on the Company's website.

The Board ensured that dealings of the Company with Shareholder Associations are transparent and in the best interest of the Company and that all shareholders are treated fairly and equitably, and adequate information is provided to shareholders to facilitate their investment decisions.

Update on Industry Advocacy - Inauguration of the Securities Issuers

The GMD/CEO, Mr. Ravindra Singhvi was invited to join an Advisory Committee made up of CEOs of select public companies and the Principal Officers of the Nigeria Employers' Consultative Association (NECA). A meeting of the Committee was held in September 2021 with the Board of the Securities & Exchanges Commission (SEC) to consider how they could work together towards developing a more robust capital market.

The issues deliberated upon at the meeting were the mandatory filing of Q4 Accounts, disclosure of penalties, the timeline for compliance with Sections 60 to 63 of the Investment & Securities Act (ISA), liaison with other Regulators and the holding of Annual General Meetings of public companies electronically. Other issues discussions which could increase market activities were the challenges faced by Issuers which included foreign exchange risk, regulator issues, access to capital and unstable policies amongst others.

We are pleased that the SEC has reverted to the previous financial statement filing regime such that public companies which wished to dispense with the requirement to file their Q4 Accounts may do so if they commit to filing their audited financial statement for the year within 60days of their year-end. We are also pleased that the SEC has granted public companies an extension till December 31, 2023 for compliance with the implementation of Sections 60 to 63 of the ISA.

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 mandate dividend) 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.

Retirement of the Engagement Partner, PricewaterhouseCoopers (PwC)

Mr. Edafe Erhie retired as the Engagement Partner upon the conclusion of the audit of the Company's Financial Statements for the year ended December 31, 2021. His retirement after 5 years as Audit Partner is in compliance S.20.5 of the Nigerian Code of Corporate Governance 2018, to preserve independence.

The Board has the assurance that the in-coming Engagement Partner has the requisite, skills and experience for the role. Mr. Erhie is wished every success in his future endeavours.

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.

- The Company's 'Closed Periods' are triggered in compliance with the Rules of the Nigerian Exchange Limited.
- 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 at its quarterly meetings reviews the whistle-blowing reports and procedure in line with the approved Whistle-Blowing Policy.

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.

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.

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.

In line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), the Company elected to conduct its Annual Board Evaluation and Corporate Governance Evaluation for the year ended December 2021 internally. This was conducted by the Company Secretariat Team using a platform via online questionnaires for anonymously obtaining the opinion of Directors on the performance of the Board, its Committees, a peer assessment, and the Company's Corporate Governance practices. The assessment was conducted in line with the extant Codes of Corporate Governance.

Explanatory Notes on Proposed Changes to the Company's Memorandum & Articles of Association

The Board of Directors wishes to propose four (4) Special Resolutions to amend the Company's Memorandum and Articles of Association (MEMART) to comply with changes in the Companies & Allied Matters Act 2020 (CAMA) and for best governance practices as follows:

a. Clause 6 – Share Capital

The Company currently has 2,853,121,759 un-issued Ordinary Shares of 50 Kobo each which it is constrained to propose for cancellation in compliance with S.124 & S.868 of CAMA and Regulation 13 of the Companies Regulations 2021 (as amended). Consequently, Clause 6 of the MEMART is proposed to be amended to reflect the Company's Share capital as follows:

"The Share Capital of the Company is N6,073,439,120.50 (Six Billion, Seventy-Three Million, Four Hundred and Thirty-Nine Thousand, One Hundred and Twenty Naira and Fifty Kobo) divided into 12,146,878,241 (Twelve Billion, One Hundred and Forty-Six Million, Eight Hundred and Seventy-Eight Thousand and Two Hundred and Forty-One) Ordinary Shares of 50 Kobo each".

b. Clause 46 – Proxy

The Articles of the Company currently requires Proxies to be Members of the Company. An amendment to Clause 46 is sought to comply with S. 242(4) of CAMA which does not require a Proxy to be a Member of the Company. The following amendment is sought:

"a member has the right to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the company".

c. Clause 67 - Quorum/Proceedings of Directors

The Articles provide that "the general meeting may fix the quorum necessary for the transaction of the business of directors, and unless so fixed shall be two". The Board has recommended that Clause 67 should be expunged in line with S.290(1) CAMA which requires that the quorum for the transaction of the business of directors should be one-third to the nearest number where the number of directors are more than six.

d. Clause 72(e) - Disqualification of Directors

Currently, the Articles of the Company makes the attainment of the age of 70 (seventy) years a disqualification for directors. The Board wishes to amend this Clause in line with S.282 of CAMA which only requires a disclosure of the attainment of the age of 70 years to Members at the General Meeting mandatory, and not a ground for disqualification. The Board proposes that the Clause 72(e) should be expunged.

COVID-19 Strategies at Dangote Sugar Refinery Plc

The effect of the year of the COVID-19 pandemic was felt in 2021; it had a 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.

The Dangote Group launched a multi-faceted approach to manage the COVID-19 pandemic. Some of the strategies adopted during the year were assistance with obtaining COVID-19 vaccinations, the issuance of travel advisory, COVID-19 testing, aftercare program which caters for members of staff who tested positive to COVID-19, awareness campaigns and the use of infrared thermometers at all access points, provision of hand sanitizers, hand washing facilities, and the mandatory use of facemasks.

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.

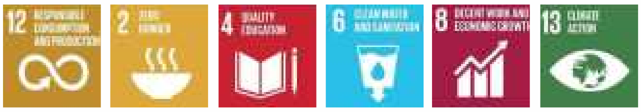
Our supply chain remained operational throughout the year, even after the onset of the Omicron variant of the virus. We continued to produce and deliver safe and wholesome Sugar brands as we monitored the COVID-19 pandemic and its impact, and complied with regulatory directives.

Our Approach to Sustainability - Environmental, Social & Governance (ESG)

The Company launched a 3-year Sustainability Implementation & Performance Enhancement Roadmap for 2021-2023. The baseline year (2020) was for setting up building blocks for the Company's sustainability vision while the Year 1 (2021) was 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.

The Company recently added SDG 13 (Climate Action) to the list of Sustainable Development Goals (SDGs) it had adopted. This brings to six (6) the total number of Goals it intends to accomplish.



The Company is currently on track in its 3-year Sustainability Implementation & Performance Enhancement Roadmap. Steps have been taken to develop the Company's 2021 Sustainability Report based on identified material indicators – recognize the data to be collected, efficiently collect it, and properly report it in Global Reporting Initiative (GRI) standards in order to be GRI certified. To do this, a GRI certification is required for the Sustainability Reporting and an external Consultant has been engaged to assist the Company in its preparations for the certification. The certification would be completed before the end of March 2022.

Board Meetings

The Board of Directors held five (5) meetings during the period. 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 Board's notification and/or approval. 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.

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

During the period, the Board reviewed and approved thirty (30) Manuals/Standard Operating Procedures (SOPs), the Board Remuneration Policy and the Claw-Back Policy for Executive Directors and Senior Executives. At the commencement of the year, Board Members attested to their compliance with the various governance codes and policies and updated the Company Secretariat with information on changes to their shareholding and membership of other Boards.

1 Board of Directors Meetings Attendance (5 meetings)

S/N	DIRECTORS	ATTENDANCE					
		Feb 24	April 28	July 28	Oct 27	Dec 17	%
1	Alhaji Aliko Dangote, GCON (Chairman)	√	√	√	√	√	100
2	Alhaji Sani Dangote	√	*	*	*	*	*
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	√	√	√	√	√	100
8	Mr. Uzoma Nwankwo	√	√	√	√	√	100
9	Mr. Ravindra Singhvi	√	√	√	√	√	100

**Alhaji Sani Dangote passed away on November 15, 2021*

BOARD COMMITTEES

The Committees of the Board as at December 31, 2021 were as follows:

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

Ms. Bennedikter Molokwu
Non – Executive Director
Chairman, Board Governance Committee

Board Governance Committee (BGC)

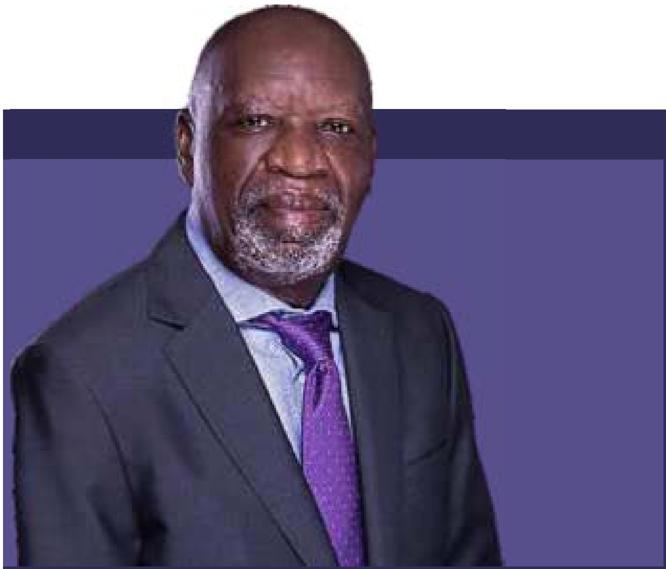
The primary purpose of the Board Governance Committee is to exercise oversight on all governance matters and to ensure that the procedures for appointments to the Board are formal and transparent.

During the period, the Committee carried out its role and duties including the review of the Board and Committees composition, governance policies and practices, and oversight of the human resources strategy amongst others. At each meeting of the Committee, the Company's compliance with governance codes and best practices was reviewed. The main functions of the Committee are as follows:

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

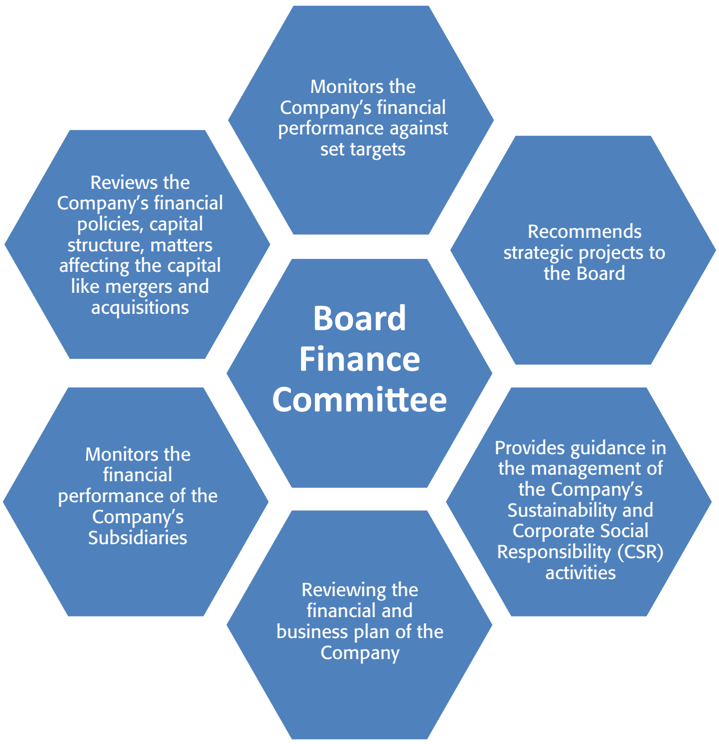
2 Board Governance Committee Composition & Meeting Attendance (4 Meetings)

S/N	DIRECTORS	ATTENDANCE				
		Feb 16	April 1	July 15	Oct 18	%
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	√	√	√	√	100



Mr. Uzoma Nwankwo
Non – Executive Director
Chairman, Board Finance Committee

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. During the year, the Committee extensively reviewed the Backward Integration Projects and the on-going expansions projects and monitored the Capital Expenditure Budget to ensure efficient deployment of resources. The Committee's major terms of reference include the following:



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

3 Board Finance Committee Composition & Meeting Attendance (5 Meetings)

S/N	Directors	Attendance					
		Feb 17	April 20	July 26	Oct 25	Dec 14	%
1	Mr. Uzoma Nwankwo (Chairman)	√	√	√	√	√	100
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
7	Prof. Konyinsola Ajayi (SAN)	*	*	*	√	√	100

**Prof. Ajayi was admitted to the Committee on July 28, 2021*

Ms. Maryam Bashir
Independent Non-Executive Director

Chairman, Board Risk Management and Assurance Committee

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.

During the period, the Committee reviewed the recommendations of the external Consultant, Messrs. Deloitte on the quality assurance review of the Internal Audit and Internal Control functions and monitored the implementation of the key recommendations. It requested Management to conduct special reviews where required and considered the legal risks faced in the Company's day-to-day operations.

The Committee also reviewed thirty (30) Manuals/Standard Operating Procedures (SOPs) and recommended them to the Board for approval. Its major terms of reference include the following:

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

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

S/N	Directors	Attendance				
		Feb 18	April 21	July 26	Oct 25	%
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	*	√	√	√	75
6	Alhaji Abdu Dantata	*	*	*	√	100

**Alhaji Abdu Dantata was admitted to the Committee on July 28, 2021*

Mr. Olusegun Olusanya
Chairman, Statutory Audit Committee

Statutory Audit Committee (SAC)
The Statutory Audit Committee was established in accordance with the provisions of the Companies & Allied Matters Act 2000 (CAMA) and its functions are as prescribed under Section 404(7) 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 two (2) Non-Executive Directors and three (3) Ordinary Shareholders elected at the Company's Annual General Meeting in line with CAMA. The Chairman of the Committee is an Ordinary Shareholder.

In line with S.11.4.8 of the Nigerian Code of Corporate Governance 2018, the Statutory Audit Committee invited the External Auditors and the Head of Internal Audit for discussions (without the presence of Management), to facilitate an exchange of views and concerns that may not be appropriate for open discussion. The exchange was useful for the Committee's oversight role.

In furtherance of our continuous capacity enhancement for the Statutory Audit Committee, it participated in a Risk Management & Audit Workshop facilitated by H. Pierson & Associates Limited on November 23rd and 24th, 2021. Members of the Board also attended the Training. The key highlights of the workshop were Internal Audit Challenges, Identifying and Setting Controls to Mitigate Inherent Business Risks, The Relevance of Cyber Security Risks for Financial & Non-Financial Auditing and Board Evaluation and Board Effectiveness.

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

Statutory Audit Committee - Composition & Meetings Attendance (4 meetings)

S/N	Members	Attendance				
		Feb 18	April 23	July 27	Oct 26	%
1	Mr. Olusegun Olusanya (Chairman)	√	√	√	√	100
2	Hadjia Muheebat Dankaka	√	√	√	√	100
3	Mallam Dahiru Ado	√	√	√	√	100
4	Prof. Konyinsola Ajayi, SAN	√	√	*	*	100
5	Ms. Bennedikter Molokwu	√	√	*	*	100
6	Mr. Olakunle Alake	√	√	*	*	100
7	Mr. Uzoma Nwankwo	*	*	√	√	100
8	Ms. Maryam Bashir	*	*	√	√	100

**Prof. Ajayi, Ms. Molokwu and Mr. Alake retired from the Committee on May 27, 2021; and Ms. Bashir and Mr. Nwankwo were appointed as the Non-Executive Directors representatives on the 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, 2021 is as follows:

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

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

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 Plc. is a good corporate citizen and strives to comply with its regulatory obligations. It is not surprising that the Company emerged winner of the SERAS CSR Awards Africa 2021 Best Company in Good Health & Wellbeing'.

The Board will continue to closely monitor the Company's compliance with best governance practices with a view to improving its governance practices.

There were no regulatory sanction, fines or penalties on the Company during the period.

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 28, 2022

Financial Statements

Report of the Audit Committee for the Year Ended December 31, 2021

To the Members of Dangote Sugar Refinery Plc,

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020, we have reviewed the consolidated and separate Financial Statements of Dangote Sugar Refinery PLC for the year ended 31st December, 2021 and hereby state as follows:

a We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2020;

b We deliberated with the external Auditors, who confirmed that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with Management's responses on the Auditors' Memorandum of recommendations, and with the effectiveness of the Company's system of accounting and internal control;

c The accounting and reporting policies of the Company for the year ended 31st December, 2021 are in accordance with legal requirements and agreed ethical practices, and the scope and planning of both the external and internal audits were adequate in our opinion;

d In our opinion, the scope and planning of the audit for the year ended 31st December, 2021 were adequate, and the Management Responses to the Auditors ' findings were satisfactory.

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

Dated this 25th day of February, 2022

Members of the Audit Committee are:

1 Mr. Olusegun Olusanya – Chairman/Shareholder
2 Mallam Dahiru Ado - Shareholder
3 Hadjia Muheebat Dankaka (OON) - Shareholder
4 Ms Maryam Bashir – Independent Non-Executive Director
5 Mr. Uzoma Nwankwo – Non-Executive Director

"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, 2021 were approved by the Directors on February 28, 2022.

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

"In compliance with Sections 405 of the Companies and Allied Matters Act (CAMA) 2020, we certify that:

a) 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.

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

i) designed internal controls to ensure that material information relating to the company and its subsidiary is made known to us during the year ended 31 December 2021;

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

iii) we certify that the company's internal controls are effective at of that date.

c) We disclosed to the auditors and audit committee:

i) that there are no 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

ii) that there are no fraud that involves management or other employees who have a significant role in company's internal control; and

d) That there are no 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 28th day of February, 2022

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

Dated this 28th day of February, 2022

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 2021, and of their consolidated and separate financial performance and their consolidated a nd 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 31 December 2021;
- the consolidated and separate statements of financial position as at 31 December 2021;
- 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

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 (N4.7 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. 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 2.18, 3 and 17 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 reviewed 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 data from the farm and factory reports. Furthermore, we assessed 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, sell ing 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. We assessed the reasonableness of 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 2021 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 2021 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, misrep resentations, 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 eff ectiveness 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 separa te 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 suficient 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.

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

1 March 2022

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

Consolidated and separate statements of profit or loss and other comprehensive income

	Note(s)	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Continuing operations					
Revenue	5	276,054,781	214,297,747	276,054,781	206,360,656
Cost of sales	6	(225,846,208)	(157,076,742)	(225,846,208)	(149,678,967)
Gross profit		50,208,573	57,221,005	50,208,573	56,681,689
Other income	11	333,142	906,929	332,142	815,299
Selling and distribution expenses	7	(906,496)	(676,938)	(906,496)	(667,056)
Administrative expenses	7	(10,630,962)	(9,010,569)	(9,970,729)	(7,517,640)
Impairment of investment in Niger Sugar	20.1	-	(99,000)	-	(99,000)
Impairment (losses)/gains on financial assets	23.3	15,323	(430,857)	15,323	581,855
Operating profit	14	39,019,580	47,910,570	39,678,813	49,795,147
Finance income	8	1,419,193	684,786	1,419,191	684,453
Finance cost	10	(6,629,734)	(5,390,105)	(6,681,140)	(4,999,939)
Finance costs - net		(5,210,541)	(4,705,319)	(5,261,949)	(4,315,486)
Change in fair value of biological assets	9	212,173	2,417,067	212,173	559,287
		-	-		
Profit before tax		34,021,212	45,622,318	34,629,037	46,038,948
Taxation	12.1	(11,968,921)	(15,847,076)	(11,968,921)	(14,668,289)
Profit for the year		**22,052,291**	**29,775,242**	**22,660,116**	**31,370,659**
Profit attributable to:					
Owners of the parent		22,058,369	29,764,577	22,660,116	31,370,659
Non-controlling interest		(6,078)	10,665	-	-
		22,052,291	29,775,242	22,660,116	31,370,659
Total comprehensive income for the period		22,052,291	29,775,242	22,660,116	31,370,659
Total comprehensive income attributable to:					
Owners of the parent		22,058,369	29,764,577	22,660,116	31,370,659
Non-controlling interest		(6,078)	10,665	-	-
		22,052,291	**29,775,242**	**22,660,116**	**31,370,659**
Earnings per share					
Basic and diluted earnings per share (Naira)	15	1.82	2.45	1.87	2.58

The accompanying notes on pages 159 to 199 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of financial position as at December 31, 2021

	Note	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Assets					
Non-current assets					
Property, plant and equipment	16	144,678,056	101,733,526	83,829,184	76,698,057
Investment in subsidiaries	20		-	297,000	297,000
Deposit for shares	21		-	57,084,152	41,574,737
Total non-current assets		**144,678,056**	**101,733,526**	**141,210,336**	**118,569,794**
Current assets					
Inventories	22	55,999,543	63,000,300	54,153,133	51,568,627
Biological assets	17	4,655,554	4,462,449	4,655,554	4,462,449
Trade and other receivables	23	50,155,533	63,060,342	46,302,270	39,371,894
Other assets	18	138,633	46,689	137,151	44,617
Asset held for sale	19	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	103,009,804	44,860,441	102,055,783	44,394,521
Total current assets		**214,827,709**	**176,298,863**	**208,172,533**	**140,710,750**
Total assets		**359,505,765**	**278,032,389**	**349,382,869**	**259,280,544**
Equity					
Attributable to owners of Parent company					
Share capital	25	6,073,439	6,073,439	6,073,439	6,073,439
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	116,253,934	112,328,413	117,436,206	112,908,937
		128,647,897	**124,722,376**	**129,830,169**	**125,302,900**
Non-controlling interest	27	(16,747)	(10,669)	-	-
		128,631,150	**124,711,707**	**129,830,169**	**125,302,900**
Liabilities					
Non-Current Liabilities					
Deferred tax liabilities	13	10,431,964	8,903,802	10,431,964	8,903,802
Lease liability	31.1	1,134,857	1,383,100	1,134,857	1,337,081
Borrowings	28	764,448	984,487	764,448	984,487
		12,331,269	**11,271,389**	**12,331,269**	**11,225,370**
Current Liabilities					
Current tax liabilities	12.3	10,449,071	1,554,841	10,449,071	1,554,841
Lease liability	31.1	1,220,023	1,050,534	1,171,582	1,043,658
Borrowings	28	220,039	194,651	220,039	194,651
Trade and other payables	30	201,382,133	135,518,093	190,108,668	116,227,957
Employee benefits	29	766,265	969,591	766,265	969,591
Other liabilities	31	4,505,815	2,761,583	4,505,806	2,761,576
Total current liabilities		**218,543,346**	**142,049,293**	**207,221,431**	**122,752,274**
Total liabilities		**230,874,615**	**153,320,682**	**219,552,700**	**133,977,644**
Total equity and liabilities		**359,505,765**	**278,032,389**	**349,382,869**	**259,280,544**

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

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

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

The accompanying notes on pages 159 to 199 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of changes in equity

Company	Note	Share Capital	Share Premium	Retained Earnings	Total
		N'000	N'000	N'000	N'000
Balance as at 1 January 2020		**6,000,000**	**6,320,524**	**105,762,418**	**118,082,942**
- changes in share capital	25	73,439	-	(73,439)	-
- net difference arising on merger	43			(10,950,701)	(10,950,701)
Profit for the year		-	-	31,370,659	31,370,659
Total comprehensive income for the year		**6,073,439**	**6,320,524**	**126,108,937**	**138,502,900**
Transaction with owners:					
Dividend paid		-	-	(13,200,000)	(13,200,000)
Balance as at 31 December 2020		**6,073,439**	**6,320,524**	**112,908,937**	**125,302,900**
Profit for the year		-	-	22,660,116	22,660,116
Adjustment to the net difference arising on merger	26	-	-	87,469	87,469
		6,073,439	**6,320,524**	**135,656,523**	**148,050,486**
Transaction with owners:					
Dividend paid		-	-	(18,220,317)	(18,220,317)
Balance as at 31 December 2021		**6,073,439**	**6,320,524**	**117,436,206**	**129,830,169**

Group	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 2020	**6,000,000**	**6,320,524**	**96,258,578**	**108,579,102**	**(442,638)**	**108,136,464**
Profit for the year	-	-	29,764,577	29,764,577	10,665	29,775,242
Total comprehensive income for the year	-	-	**29,764,577**	**29,764,577**	**10,665**	**29,775,242**
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**	**112,328,414**	**124,722,377**	**(10,669)**	**124,711,708**
Profit for the year	-	-	22,058,369	22,058,369	(6,078)	22,052,291
Adjustment to the net difference arising on merger 26	-	-	87,469	87,469	-	87,469
Total comprehensive income for the year	-	-	**22,145,838**	**22,145,838**	**(6,078)**	**22,139,760**
Transaction with owners:						
Dividend paid	**-**	**-**	**(18,220,317)**	**(18,220,317)**	**-**	**(18,220,317)**
Balance as at 31 December 2021	**6,073,439**	**6,320,524**	**116,253,935**	**128,647,898**	**(16,747)**	**128,631,151**

The accompanying notes on pages 159 to 199 form an integral part of the consolidated and separate financial statements.

	Note(s)	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Cash flows for operating activities					
Profit before taxation		**34,021,212**	**45,622,318**	**34,629,037**	**46,038,948**
Adjustments for non-cash income and					
Depreciation of property, plant and equipment	16	9,271,973	7,699,160	8,624,547	5,198,055
Impairment of financial assets	23.3	(15,323)	430,857	(15,323)	(581,855)
Impairment of Investment in Niger	20.1	-	-	-	99,000
Government grant	11	(75,403)	(81,286)	(75,403)	(26,881)
Provision and release of gratuity	29	(1,118)	121,183	(1,118)	121,183
(Profit)/loss on sale of assets	11	16,162	(7,218)	16,162	(7,218)
Property, plant and equipment impaired and written off	16	14,175	456,694	14,175	403,537
Interest income	8	-	(684,786)	-	(684,453)
Interest expense	10	320,809	340,049	317,082	208,962
Exchange loss	31.1	211,741	421,704	211,741	421,704
Fair value gain on biological assets	9	(212,173)	(2,417,067)	(212,173)	(559,287)
Changes in working capital					
(Increase)/decrease in Inventory		7,000,757	(24,136,571)	(2,584,506)	(12,919,985)
Net usage of biological assets		19,068	23,610	19,068	153,106
(Increase)/decrease in trade and other receivables		12,920,132	(29,711,821)	(6,915,053)	(35,580,451)
(Increase)/decrease in other assets		(91,944)	29,079	(92,534)	26,258
Increase/(decrease) in other liabilities		1,655,895	935,082	1,655,893	903,385
Increase/(decrease) in trade payables		65,939,443	72,375,527	73,956,114	51,552,554
Cash generated from operations		**130,995,406**	**71,416,514**	**109,547,708**	**54,766,562**
Tax paid	12.3	(1,546,529)	(11,084,421)	(1,546,529)	(11,084,421)
Gratuity paid	29	(202,208)	(132,022)	(202,208)	(128,900)
Net cash generated from operating activities		**129,246,669**	**60,200,071**	**107,798,971**	**43,553,241**
Cash flows from investing activities					
Purchase of property, plant and equipment		(51,347,183)	(26,860,078)	(14,889,515)	(9,924,506)
Proceeds on disposal of property, plant and equipment	11.1	55,646	7,258	55,646	7,258
Interest received	8		684,786	-	684,453
Net cash used in investing activities		**(51,291,536)**	**(26,168,034)**	**(14,833,869)**	**(9,232,795)**
Cash flows from financing activities					
Dividends paid	26	(18,220,317)	(13,200,000)	(18,220,317)	(13,200,000)
Unclaimed dividend received		88,337	265,154	88,337	265,154
Deposit for shares				(15,509,415)	-
Interest paid	28	(64,906)	(94,388)	(64,906)	(37,578)
Lease Liabilities paid - Interest	31.1	(182,969)	(164,374)	(179,242)	(157,297)
Lease Liabilities paid - Principal	31.1	(1,158,330)	(342,142)	(1,150,712)	(330,937)
Repayment of borrowings	28	(267,584)	(247,374)	(267,584)	(128,671)
Net cash used in financing activities		**(19,805,770)**	**(13,783,124)**	**(35,303,840)**	**(13,589,329)**
Net increase in cash and cash equivalents		58,149,363	20,248,913	57,661,262	20,731,117
Cash and cash equivalents at beginning of year		44,860,441	24,611,528	44,394,521	23,663,403
Cash and cash equivalents at end of the year	24	**103,009,804**	**44,860,441**	**102,055,783**	**44,394,521**

The accompanying notes on pages 159 to 199 form an integral part of the consolidated and separate financial statements.

1 General information

Dangote Sugar Refinery Plc (the Company) (DSR) 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 67% by Dangote Industries Limited and 33% 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 consolidated financial statements of the Group for the year ended 31 December 2021 comprise the Company and its subsidiaries - Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nasarawa Sugar Company Limited.

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.

1.2 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 2021 to 31 December 2021 with comparative for the year ended 31 December 2020.

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 (IFRS IC) of IASB (together "IFRS") that are effective at 31 December 2021 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.

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

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 asset's net carrying amount on initial recognition.

2.6 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 2.5% 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.

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 basis 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.

2.7 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 of an assets starts when the asset is available for use. 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.

2.8 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.

2.8.1 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 pension

plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.9 Government grants

Government grants are recognised when there is reasonable assurance that:

i) the group will comply with the conditions attaching to them; and

ii) 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).

2.10 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. "

2.11 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.

2.12 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.

2.13 Financial instruments

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.

2.14 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.

2.15 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.

2.16 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.

Interest 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.

2.17 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

2.18 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 17.

2.19 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) Significant estimates

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:

The table below demonstrates the sensitivity to a 20% change in the expected cash flows from trade receivables, with all other variables held constant:

		GDP growth rate		
		-10%	Held constant	10%
		N'000	**N'000**	**N'000**
Inflation Rate	-10%	987	601	310
	Held constant	394	0	(394)
	10%	(299)	(601)	(954)

Related parties receivables

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2021 **N'000**
Increase/decrease in probability of default	
10%	(301)
-10%	301

Loss Given Default (LGD)	Effect on profit before tax 2021 **N'000**
Increase/decrease in loss given default	
10%	(385)
-10%	385

Staff Loans

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2021 **N'000**
Increase/decrease in probability of default	
10%	(2,261)
-10%	2,450

Loss Given Default (LGD)	Effect on profit before tax 2021 **N'000**
Increase/decrease in loss given default	
10%	-
-10%	2,880

Forward looking indicators

Forecast Default Rate	Effect on profit before tax 2021 **N'000**
Increase/decrease in forecast default rate	
10%	(152)
-10%	152

ii) Critical judgements

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. See note 17."

4 New Standards and Interpretations

i) Standards and interpretations effective and adopted in the current year

There are no new standards applicable to annual reporting period commencing 1 January 2021 which are expected to have a material impact on the group:

ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Revenue from the sale of sugar - 50kg	269,058,884	206,444,363	269,058,884	198,824,291
Revenue from the sale of sugar - Retail	4,753,693	5,786,447	4,753,693	5,786,447
Revenue from the sale of molasses	1,190,464	826,749	1,190,464	509,730
Freight income	1,051,740	1,240,188	1,051,740	1,240,188
	276,054,781	**214,297,747**	**276,054,781**	**206,360,656**

All revenue is earned at a point in time.

5.1.1 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Nigeria:				
Lagos	126,605,319	104,874,684	126,605,319	104,983,951
North	113,152,624	79,251,161	113,152,624	71,173,367
West	25,330,695	20,344,122	25,330,695	20,365,318
East	10,966,143	9,827,780	10,966,143	9,838,020
	276,054,781	**214,297,747**	**276,054,781**	**206,360,656**

Group	**Segment Revenue** 31/12/2021 N'000	**Segment Revenue** 31/12/2020 N'000	**Segment Cost of Sales** 31/12/2021 N'000	**Segment Cost of Sales** 31/12/2020 N'000	**Segment Gross Profit** 31/12/2021 N'000	**Segment Gross Profit** 31/12/2020 N'000
Nigeria:						
Lagos	126,605,319	104,874,684	(98,885,081)	(75,097,276)	27,720,238	29,777,408
North	113,152,624	79,251,161	(96,110,175)	(59,374,758)	17,042,449	19,876,403
West	25,330,695	20,344,122	(20,627,319)	(15,241,762)	4,703,376	5,102,360
East	10,966,143	9,827,780	(10,223,633)	(7,362,947)	742,510	2,464,833
	276,054,781	**214,297,747**	**(225,846,208)**	**(157,076,742)**	**50,208,573**	**57,221,005**

Company	**Segment Revenue** 31/12/2021 N'000	**Segment Revenue** 31/12/2020 N'000	**Segment Cost of Sales** 31/12/2021 N'000	**Segment Cost of Sales** 31/12/2020 N'000	**Segment Gross Profit** 31/12/2021 N'000	**Segment Gross Profit** 31/12/2020 N'000
Nigeria:						
Lagos	126,605,319	104,983,951	(98,885,082)	(74,440,790)	27,720,237	30,543,161
North	113,152,624	71,173,367	(96,110,175)	(52,822,336)	17,042,449	18,351,031
West	25,330,695	20,365,318	(20,627,319)	(15,114,413)	4,703,377	5,250,905
East	10,966,143	9,838,020	(10,223,633)	(7,301,428)	742,510	2,536,592
	276,054,781	**206,360,656**	**(225,846,208)**	**(149,678,967)**	**50,208,573**	**56,681,689**

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 taxes are not considered to be segment assets and are not allocated to segments

.

Capital expenditure reflects addition 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 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 2021;

	Total Segment Assets		**Total Segment liabilities**	
	31/12/2021 N'000	**31/12/2020 N'000**	**31/12/2021 N'000**	**31/12/2020 N'000**
Group				
Nigeria:				
Lagos	212,241,053	212,561,967	111,674,586	76,041,063
North	147,264,712	65,470,422	108,768,065	68,375,817
Sub-total	**359,505,765**	**278,032,389**	**220,442,651**	**144,416,880**
Unallocated deferred tax	-	-	10,431,964	8,903,802
Total	**359,505,765**	**278,032,389**	**230,874,615**	**153,320,682**

	Total Segment Assets		**Total Segment liabilities**	
	31/12/2021 N'000	**31/12/2020 N'000**	**31/12/2021 N'000**	**31/12/2020 N'000**
Company				
Nigeria:				
Lagos	270,346,657	185,184,851	122,832,540	50,015,270
North	79,036,212	74,095,693	96,720,160	83,962,374
Sub-total	349,382,869	259,280,544	219,552,700	133,977,644
Unallocated deferred tax	-	-	-	-
Total	**349,382,869**	**259,280,544**	**219,552,700**	**133,977,644**

Included in the Lagos segment is asset held for sale of N868.6 million (2020: N868.6 million).

Information about major customers

The company has one customer whose sales make up 16% of total revenue. Total revenue from the customer within the year is N45.5 bilion and revenue from the customer is included in the Lagos region.

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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Raw material	183,373,949	119,426,942	183,373,949	117,087,019
Direct labour cost	5,362,783	5,135,066	5,362,783	3,919,197
Direct overheads	20,780,392	19,356,255	20,780,392	17,995,188
Depreciation	5,426,798	5,163,623	5,426,798	2,994,530
Freight expenses	10,902,285	7,994,855	10,902,285	7,683,032
	225,846,208	**157,076,742**	**225,846,208**	**149,678,967**

Included in freight expenses is the depreciation charge on the company's fleet of trucks . The amount so included is as stated below:

Depreciation charge on trucks	2,583,744	2,040,353	2,583,744	1,886,253

7 **Administrative expenses**				
Management fees	1,014,259	962,324	1,014,259	962,324
Assessment rates and municipal charges	37,194	22,661	37,194	18,235
Auditors Fees and remuneration	76,000	68,026	69,750	54,221
Cleaning and fumigation	94,713	74,946	94,713	74,888
Legal, consulting and professional fees	175,482	393,500	175,482	372,300
Consumables	8,726	3,608	8,726	723
Depreciation	1,261,431	495,183	614,004	317,273
Impairment (note 16)	7,313	471,115	7,313	417,958
Donations and scholarship	1,161,541	910,640	1,161,541	845,821
Employee costs (note 36)	3,581,191	3,186,538	3,581,191	2,451,171
Entertainment	2,509	164,708	2,509	164,034
Insurance	407,437	276,817	407,437	190,717
Bank charges	155,454	192,291	148,900	164,155
Rental expenses	-	5,650	-	5,650
Magazines, books, print and and periodicals	32,455	31,554	32,455	24,956
Utilities	175,731	150,137	175,731	56,914
Petrol and oil	51,637	34,512	51,637	18,994
Repairs and maintenance	337,919	146,686	337,919	140,669
Secretarial fees	241,854	175,835	241,854	175,835
Security expense	391,680	242,954	391,680	159,706
Staff welfare	412,865	193,401	412,865	166,892
Subscriptions	16,576	21,435	16,576	19,550
Sustainability Expenses	2,698	-	2,698	-
Telephone and fax	204,040	185,307	204,040	146,029
Training	28,751	41,341	28,751	38,567
Travel-local	683,114	526,975	683,114	501,807
Travel-overseas	68,391	32,425	68,391	28,251
	10,630,962	**9,010,569**	**9,970,729**	**7,517,640**

No non-audit services were rendered by the external auditors in the year.

Selling and Distribution expenses

Selling and marketing expenses	906,496	676,938	906,496	667,056
	906,496	**676,938**	**906,496**	**667,056**

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
8. Investment income				
Interest income on bank deposits	1,419,193	684,786	1,419,191	684,453
	1,419,193	**684,786**	**1,419,191**	**684,453**

Interest is earned on bank deposits at an average rate of 3.5 % p.a. on short term (30days) bank deposits.

9. Change in fair value of biological assets				
Fair value gain/(loss) on biological assets (Note 17)	212,173	2,417,067	212,173	559,287
	212,173	**2,417,067**	**212,173**	**559,287**

10 Net finance expense

Exchange loss in the ordinary course of business	1,992,231	1,575,498	2,047,363	1,316,420
Finance cost on Letter of Credit	4,316,694	3,474,558	4,316,694	3,474,558
Interest on lease payments	182,969	164,374	179,242	157,297
Interest on bank loan	137,840	175,675	137,840	51,665
	6,629,734	**5,390,105**	**6,681,140**	**4,999,939**

In the account of year ended December 31, 2020, Finance cost on Letters of credit of N3,474,558,000 was included in cost of sales for the Company (Group: N3,474,588,000). These have now been separated and included as finance cost.

11. Other income

Insurance claim income	35,597	9,419	35,597	8,432
Sale of scrap	46,570	396,884	46,570	360,646
Grant income	75,403	81,286	75,403	26,881
Rental income	188,011	67,500	188,011	67,500
Provision no longer required	3,555	344,271	2,555	344,271
(Loss)/Profit on sale of asset	(16,162)	7,218	(16,162)	7,218
Miscellaneous income	169	351	169	351
	333,142	**906,929**	**332,142**	**815,299**

Loss/(profit) on sale of asset is arrived at as below:

	Apapa N'000	Numan N'000	Total N'000
Cost of assets disposed	(69,441)	(689,547)	(758,988)
Accum dep of assets disposed	69,441	617,739	687,180
Net book value disposed	-	(71,808)	(71,808)
Sales proceed received in consideration	5,867	49,779	55,646
(Loss)/Profit on sale of asset	**5,867**	**(22,029)**	**(16,162)**

12. Taxation

12.1 Major components of the tax expense

Current Tax				
Income tax based on profit for the year	9,340,367	515,812	9,340,367	515,812
Education tax expense	1,098,660	1,006,928	1,098,660	975,396
Police trust fund	1,731	-	1,731	-
	10,440,759	**1,522,740**	**10,440,759**	**1,491,208**
Deferred tax		-		
Deferred tax expense/(credit) recognised in the current period	846,748	14,324,336	846,748	13,177,081
Adjustments recognised in the current period in relation to the deferred tax of prior periods	681,414	-	681,414	-
	11,968,921	**15,847,076**	**11,968,921**	**14,668,289**

The tax rates used in the above comparative figures are the corporate tax rate of (2021: 30%) payable by corporate entities in Nigeria. Education tax rate is also payable at 2.5% of assessable profit.(2020: 2% of assessable profit) while Police trust fund is 0.005% of the net profit of the companies operating business in Nigeria

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		GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
12.2	Reconciliation of the tax expense Reconciliation between accounting profit and tax expense				
	Accounting profit before tax	34,021,212	45,622,318	34,629,037	46,038,948
	Income tax expense calculated at 30%	10,388,711	13,811,685	10,388,711	13,811,685
	Education tax expense calculated at 2.5% (2020: 2%)	1,098,660	975,395	1,098,660	975,395
	Impact from acquisition	-	1,178,786	-	-
	Effect of income that is exempt from taxation	(439,367)	(889,498)	(439,367)	(889,498)
	Effect of expenses that are not deductible in determining taxable profit	323,461	261,280	323,461	261,280
	Effect of Tax Incentives	(41,954)	(23,800)	(41,954)	(23,800)
	Effect of tax adjustments (minimum tax, deferred tax)	1,731	515,813	1,731	515,813
	Adjustments recognised in the current period in relation to the deferred tax of prior periods	681,414	–	681,414	–
	Difference in tax rate	(43,737)	17,414	(43,737)	17,414
	Income tax expense recognised in profit or loss	**11,968,921**	**15,847,075**	**11,968,921**	**14,668,289**

Current tax liabilities

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
At January 1	1,554,841	11,116,521	1,554,841	11,084,421
Acquired during the year	–	–	–	63,633
Charge for the year	10,440,759	1,522,741	10,440,759	1,491,208
Payment made during the year	(1,546,529)	(11,084,421)	(1,546,529)	(11,084,421)
Balance end of the year	**10,449,071**	**1,554,841**	**10,449,071**	**1,554,841**

Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2020: 30%). The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement

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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

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12.3 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

Property plant and equipment @ 30%	(11,913,613)	(9,665,999)	(11,913,613)	(9,665,999)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)
Fair value adjustment	(68,956)	–	(68,956)	–
Exchange difference @ 32%	802,447	–	802,447	–
Provisions	870,036	884,076	870,036	884,076
	(10,431,964)	**(8,903,802)**	**(10,431,964)**	**(8,903,802)**

Deferred income tax charged in profit or loss ("P/L) are attributable to the following items:

13.1 Deferred tax reconciliation

	Opening balance N'000	Movement recognised in the year-SPL N'000	Movement recognised in the equity N'000	Closing balance N'000
Group as at 31 December 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(9,665,999)	(2,247,614)	–	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	–	–	(121,878)
Exchange rate	–	802,447	–	802,447
Fair value adjustment	–	(68,956)	–	(68,956)
Provisions	884,076	(14,040)	–	870,036
	(8,903,801)	**(1,528,163)**	–	**(10,431,964)**

	Opening balance N'000	Movement recognised in the year-SPL N'000	Movement recognised in the equity N'000	Closing balance N'000
Company as at 31 December 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(9,665,999)	(2,247,614)	–	(11,913,613)
Property, plant and equipment @ 10%	(121,878)		–	(121,878)
Exchange rate	–	802,447	–	802,447
Fair value adjustment	–	(68,956)	–	(68,956)
Provisions	884,076	(14,040)	–	870,036
	(8,903,801)	**(1,528,163)**	–	**(10,431,964)**

14 Operating profit

Profit for the year is arrived at after charging/(crediting):

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Depreciation of property, plant and equipment (note 16)	9,271,973	7,699,160	8,624,547	5,198,055
(Profit)/loss on sale of property, plant and equipment (note 11)	16,162	(7,218)	16,162	(7,218)
Defined contribution plans (note 36)	286,302	254,532	395,345	302,270
Auditors remuneration	76,000	68,026	69,750	54,221

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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Profit for the year	22,058,369	29,764,577	22,660,116	31,370,659
Earnings used in the calculation of basic earnings per share from continuing operations	**22,058,369**	**29,764,577**	**22,660,116**	**31,370,659**
Weighted average number of ordinary shares for the purpose of basic earnings per share	**12,146,878**	**12,146,878**	**12,146,878**	**12,146,878**
Basic and diluted earnings per share from continuing operations (Naira)	1.82	2.45	1.87	2.58

16. Property, Plant and Equipment

Group	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance, 1/1/2020	**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**	**121,945,161**
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)	(471,115)
Disposal	-	-	-	-		(47,482)	-	-	-	-	(47,482)
Balance, 31/12/2020	**7,641,217**	**5,663,744**	**20,419,321**	**37,906,658**	**405,300**	**25,703,878**	**293,982**	**899,828**	**8,791,048**	**40,593,579**	**148,318,557**
Additions during the year	3,475		915,686	4,535,237	16,212	603,498	64,008	-	293,676	45,783,225	52,215,018
Prior year addition recognised		87,469									87,469
Reclassifications	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
write off	-	-	-	-		(4,240)	-	-	-	(10,014)	(14,254)
Impaired	-	-	-	-		(9,000)	-	-	-	-	(9,000)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	**9,516,973**	**5,751,213**	**21,992,422**	**43,476,697**	**408,146**	**30,125,392**	**361,395**	**899,828**	**9,141,898**	**78,164,836**	**199,838,801**
DEPRECIATION:											
Balance, 1/1/2020	**2,756,922**	**32,220.00**	**3,386,885**	**15,053,558**	**276,962**	**11,607,590**	**217,351**	**218,917**	**5,397,326**	**-**	**38,947,734**
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**	**-**	**46,585,030**
Charge for the year	1,770,568	-	1,137,632	1,576,770	41,546	3,493,692	37,291	35,993	1,178,481	-	9,271,973
Written off	-	-	-	5,155		(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-		(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	**(687,180)**
Balance, 31/12/2021	**6,504,305**	**66,245**	**5,392,770**	**18,702,941**	**324,937**	**15,898,333**	**285,255**	**290,904**	**7,695,054**	**-**	**55,160,743**
NET BOOK VALUE:											
Balance, 31/12/2020	**2,907,481**	**5,597,499**	**16,164,184**	**20,691,478**	**108,200**	**12,770,490**	**44,542**	**644,918**	**2,211,156**	**40,593,579**	**101,733,527**
Balance, 31/12/2021	**3,012,668**	**5,684,968**	**16,599,653**	**24,773,756**	**83,209**	**14,227,058**	**76,140**	**608,924**	**1,446,844**	**78,164,836**	**144,678,056**

Notes to the Consolidated and Separate Financial Statements Continued

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:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Balance, 1/1/2020		683,242	10,880,537	23,707,736	178,033	13,419,915	215,015	899,828	4,111,198	5,436,897	59,532,401
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**
Additions during the year	3,475		879,771	235,463	16,212	238,806	58,399	-	269,422	14,052,639	15,754,187
Prior year addition recognised		87,469									87,469
Reclassifications	1,872,281		657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
write off					-	(4,240)	-	-	-	(10,014)	(14,254)
Impaired					-	(9,000)	-	-	-	-	(9,000)
Disposal				(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	**9,516,973**	**5,146,460**	**18,577,109**	**37,018,599**	**408,354**	**28,549,127**	**347,515**	**899,828**	**7,316,555**	**30,149,078**	**137,929,600**
DEPRECIATION:											
Balance, 1/1/2020		**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	34,025	786,402	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**
Charge for the year	1,770,568		1,078,816	1,376,030	41,493	3,148,616	33,742	35,993	1,139,288	-	8,624,547
Written off/(back)				5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired					-	(1,688)	-	-	-	-	(1,688)
Reclassification				34,032	144	(32,000)	-	-	(2,176)	-	(0)
Disposal				(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	**6,504,305**	**66,245**	**5,087,448**	**19,863,922**	**347,763**	**16,339,834**	**278,305**	**290,904**	**5,321,691**	**-**	**54,100,417**
NET BOOK VALUE:					-		-		-	-	
Balance, 31/12/2020	**2,907,481**	**4,992,749**	**13,031,291**	**17,171,434**	**85,530**	**10,772,340**	**39,673**	**644,918**	**2,744,236**	**24,308,408**	**76,698,057**
Balance, 31/12/2021	**3,012,669**	**5,080,216**	**13,489,660**	**17,154,678**	**60,591**	**12,209,293**	**69,211**	**608,925**	**1,994,864**	**30,149,078**	**83,829,184**

16. Property, Plant and Equipment (continued)

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:				
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**
Additions during the year	121,117	746,718	121,117	743,554
Balance, 31/12/2021	**228,865**	**3,737,712**	**228,865**	**3,633,759**
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**
Depreciation charge for the year	72,643	731,844	72,643	703,319
Balance, 31/12/2021	**138,888 -**	**1,934,191**	**138,888**	**1,866,935**
NET BOOK VALUE:				
Balance, 31/12/2020	**41,503**	**1,788,647**	**41,503**	**1,726,589**
Balance, 31/12/2021	**89,977 -**	**1,803,520**	**89,977**	**1,766,824**

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:	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'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:										
Acquired 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**

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Biological assets				
Carrying value at the beginning of the year	4,462,449	2,068,992	4,462,449	-
Acquired during the year (note 43)	-	-	-	4,056,268
Net (usage)/addition	(19,068)	(23,610)	(19,068)	(153,106)
Fair value adjustments	212,173	2,417,067	212,173	559,287
Carrying amount at the end of the year	**4,655,554**	**4,462,449**	**4,655,554**	**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 2021, the group has a total of 7,349.9 hectares (2020: 7,098.8 hectares) of growing sugar 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	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Industry out-grower price. (N per ton)	12,502	10,842	12,502	10,842
Average yield per hectare (tonnes)	86	86	86	86
Discount rate (%)	16%	12%	16%	12%

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.

	31/12/2021 N'000
Industry out-grower price	
impact of change	**N'000**
-10%	(515,314)
+10%	515,314
Average yield per hectare (tonnes)	
impact of change	**N'000**
-10%	(504,511)
+10%	491,805
Discount rate	
impact of change	**N'000**
-10%	17,636
+10%	(17,246)

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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
18	Other assets				
	Prepaid insurance	63,737	17,919	63,631	17,305
	Prepaid housing allowances	19,068	19,122	19,068	19,122
	Prepaid medicals	48,515	-	48,515	-
	Others	7,313	9,648	5,938	8,190
		138,633	**46,689**	**137,151**	**44,617**
19	Asset held for sale	868,642	868,642	868,642	868,642

"The asset is a large expanse of land at Plot 23 Division 9, W110 Road, Kolai'a Local Government, Tipaza Province, Algeria. It is currently covered with light green vegetations, with delineating boundaries/paths partly marked with wire-mesh fitted to steel poles. The immediate neighbourhood features both industrial and agricultural uses and notable landmarks in the vicinity of the property include SPA Société Des Tabacs Algero-Emirate (STAEM) and Zone Industrielle Mazafran. Based on land survey plan, the site extends to c.6 Hectares 22 Yards 29 Centiyard.

Management is actively pursuing the sale of the land, have engaged Messrs Knight Frank to handle this . The property valuation pursuant to the sale, has also been effected by Knight Frank.

The outright sales of the property is expected to be completed with a year."

19 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 2021 N'000	Carrying amount December 2020 N'000
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
Nasarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
			297,000	**297,000**

20.1 Impairment of investment in subsidiary

	31/12/2021 N'000	31/12/2020 N'000
Write-off of investment in Dangote Niger Sugar Limited	–	(99,000)

DSR also owns 99% shareholding in Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nasarawa Sugar Company Limited. Dangote Niger Sugar Limited, one of its subsidiaries filed for liquidation within 2020 fiscal 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 Nasarawa Sugar Company Limited in terms of payment of salaries and wages, purchase of assets and settlement of liabilities.

21 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 Nasarawa 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	31/12/2021 N'000	31/12/2020 N'000
Nasarawa Sugar Company Limited	32,017,218	25,501,588
Dangote Adamawa Sugar Ltd	23,171,501	14,178,154
Dangote Taraba Sugar Ltd	1,895,434	1,894,995
	57,084,152	**41,574,737**

22 Inventories

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Raw materials	10,009,094	6,932,228	10,009,094	6,932,228
Raw material in transit	6,308	20,974,812	6,308	20,974,812
Work-in-process	1,664,963	640,548	1,664,963	640,548
Finished goods	18,644,956	4,621,124	18,644,956	4,621,124
Finished goods in transit	482,224	887,824	482,224	887,824
Production supplies	21,776,102	26,880,685	19,931,898	15,451,639
Chemicals and consumables	3,492,458	2,068,167	3,490,252	2,065,540
Packaging materials	267,514	338,988	267,514	338,988
	56,343,619	**63,344,376**	**54,497,209**	**51,912,703**
Allowance for obsolete inventory	(344,076)	(344,076)	(344,076)	(344,076)
	55,999,543	**63,000,300**	**54,153,133**	**51,568,627**
Movement in provision for obsolete inventory				
As at 1 January	(344,076)	-	(344,076)	-
Charge for the year	-	(344,076)	-	(344,076)
As at 31 December	**(344,076)**	**(344,076)**	**(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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Trade receivables	14,261,870	6,936,006	14,261,870	6,936,006
Allowance for doubtful debts and impairments	(469,939)	(260,729)	(469,939)	(260,729)
	13,791,931	6,675,277	13,791,931	6,675,277
Staff loans and advances	130,919	124,836	127,143	108,422
Other financial assets	21,314,383	14,229,547	20,141,687	14,229,547
Advance payment to contractors	8,143,889	30,100,784	5,468,628	6,453,907
Insurance claim receivable	373,388	373,388	373,388	373,388
Allowance for impaired Insurance claim	(373,388)	(236,239)	(373,388)	(236,239)
Negotiable Duty Credit Certificates (Note 23.1)	707,085	805,683	707,085	805,683
Other receivables	1,614,800	1,256,586	1,613,269	1,256,586
Allowance for impaired other receivables	(95,885)	(228,829)	(95,885)	(228,829)
Allowance for impaired staff loans (Note 23.2)	(23,950)	(23,950)	(23,950)	(23,950)
Amount due from related parties (Note 35)	5,138,831	10,911,411	5,138,831	10,886,253
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(373,541)	(389,301)	(373,541)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(554,610)	(177,168)	(554,610)
	50,155,533	**63,060,342**	**46,302,270**	**39,371,894**

Other financial asset is in respect of the deposit for open Letters of Credit with the banks.
Included in the advance payment to contractors for 2021 fiscal year is N761,559,173.17 made to related parties for Company (Group: N777,526,172.89)

23.1 Negotiable duty credit certificate

The Company has received certificates for N707 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. The recently issued Government promissory notes that relates to the last tranches of export carried out by the company are being converted to cash based on the maturity dates indicated on the instruments. However, the old NDCC which ought to be utilized for payment of import and exercise duty in lieu of cash is yet to be enjoyed just like other players within the industry

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.

23.2Allowance for impairment of financial assets

Company	Other Receivables	Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
		Impairment losses				
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2020	-	718,117	179,863	1,390,118	23,950	2,312,048
Receivables written off as uncollectible	-	(281,123)	-	-	-	(281,123)
Increase/(decrease) in allowance for credit losses for the year	236,239	(176,265)	193,678	(835,508)	-	(581,856)
Balance as at 31/12/2020	236,239	260,729	373,541	554,610	23,950	1,449,069
Net impact on retained earnings in current year	236,239	(176,265)	193,678	(835,508)	-	(581,856)
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,069
Increase/(decrease) in allowance for credit losses for the year	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current year	137,149	209,210	15,760	(377,442)	-	(15,323)

Group	Other Receivables	Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
		Impairment losses				
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2020	-	718,117	179,863	377,406	23,950	1,299,336
Increase/(decrease) in allowance for credit losses for the period	236,239	(176,265)	193,678	177,204	-	430,857
Receivables written off as uncollectible	-	(281,123)	-	-	-	(281,123)
Balance as at 31/12/2020	236,239	260,729	373,541	554,610	23,950	1,449,070
Net impact on retained earnings in current period	236,239	(176,265)	193,678	177,204	-	430,857
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,070
Increase/(decrease) in allowance for credit losses for the period	137,149	209,210	15,760	(377,442)		(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current period	137,149	209,210	15,760	(377,442)	-	(15,323)

Provision for impairment (gain)/loss on financial assets	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Balance at the beginning of the year	1,449,071	1,299,337	1,449,070	2,312,048
Impairment (gain)/loss recognised in profit or loss	(15,323)	430,857	(15,323)	(581,855)
	1,433,748	1,730,194	1,433,746	1,730,193
Receivables written off as uncollectible	-	(281,123)	-	(281,123)
Balance at the end of the year	1,433,748	1,449,071	1,433,746	1,449,070

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term deposits and treasury bills with a 90 day tenure. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows

:

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Cash in hand	5,400	3,599	2,400	2,150
Bank balances	21,329,257	21,319,842	20,378,236	20,855,371
Short term deposits	79,335,147	21,366,000	79,335,147	21,366,000
Nigerian Treasury bill	2,340,000	2,171,000	2,340,000	2,171,000
	103,009,804	**44,860,441**	**102,055,783**	**44,394,521**

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Authorised:				
Balance at January 1 (12,000,000,000 Ordinary shares of N0.50 each)	7,500,000	6,000,000	7,500,000	6,000,000
Addition of 3,000,000,000 Ordinary shares of N0.5 each during the year	1,500,000	1,500,000	1,500,000	1,500,000
Balance at December 31	**7,500,000**	**7,500,000**	**7,500,000**	**7,500,000**

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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Allotted, called up issued and fully paid:				
Balance at January 1	6,073,439	6,000,000	6,073,439	6,000,000
Issue of 146,878,239 Ordinary shares of N0.5 each during the year (Note 39)	-	73,439	-	73,439
Balance at December 31	**6,073,439**	**6,073,439**	**6,073,439**	**6,073,439**
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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Balance at January 1	112,328,413	96,258,578	112,908,938	105,762,418
Adjusment to net difference arising on merger	87,469	–	87,469	-
Profit for the year	22,058,369	29,764,578	22,660,116	31,370,659
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 difference arising on merger (Note 43)	-	-	-	(10,950,701)
Changes in share capital (Note 25)	-	(73,439)	-	(73,439)
Dividend paid during the year	(18,220,317)	(13,200,000)	(18,220,317)	(13,200,000)
Balance at December 31	**116,253,934**	**112,328,413**	**117,436,206**	**112,908,938**

Adjustment to the net difference arising on the merger relates to the recognition of land (Plot 246, Cadastral Zone) at Abuja as per Asset valuation report by Diya Fatimilehin & Co. The asset was earlier omitted from the books. This amount has been passed directly to equity to adjust for the merger number for prior period.

Dividend recognised as distribution to owners in year 2020 is at N1.10 per every ordinary share held.

27 Non-controlling interest

Balance brought forward	(10,669)	(442,638)	-	-
Share of Profit/(loss) for the year	(6,078)	10,665	-	-
Disposal of SSCL's non controlling interest as at December 31, 2019	-	436,574.01	-	-
Disposal of SSCL's non controlling interest (January 1 to August 31)	-	(15,270)	-	-
Total	**(16,747)**	**(10,669)**	**-**	**-**

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Borrowings				
Held at amortised cost				
Bank loan	984,487	1,179,138	984,487	1,179,138
	984,487	**1,179,138**	**984,487**	**1,179,138**
Non-current liabilities	764,448	984,487	764,448	984,487
Current liabilities	220,039	194,651	220,039	194,651
	984,487	**1,179,138**	**984,487**	**1,179,138**
Movement of bank Loans				
Balance brought forward	1,179,138	1,345,226	1,179,138	–
Acquired	–		–	1,270,592
Accrued interest	137,840	175,674	137,840	74,795
Interest payment on bank loans	(64,906)	(94,388)	(64,906)	(37,578)
Principal repayment	(267,584)	(247,374)	(267,584)	(128,671)
	984,487	**1,179,138**	**984,486**	**1,179,138**

In 2016, the Group received a 10-year agric loan of N2 Billion from Zenith Bank Plc, towards the expansion of its agricultural activities with two years moratorium on principal, at an interest of 9% per annum payable quarterly. However in Q2 2020 the interest was reduced to 5% as part of COVID 19 palliative. It is secured on fixed and floating assets of Dangote Sugar Refinery, Numan.

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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Balance as at 1 January	969,591	980,430	969,591	798,696
Additional provision	1,437	121,183	1,437	121,183
Gratuity acquired from Savannah Sugar Ltd	-			178,612
Released provision (Benefit paid previously)	(2,555)		(2,555)	-
Benefits paid from plan	(202,208)	(132,022)	(202,208)	(128,900)
	766,265	**969,591**	**766,265**	**969,591**

Below is the details of gratuity acquired from Savannah Sugar Ltd:	**31/12/2020 N'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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Trade payables	11,845,970	5,139,570	4,618,972	4,593,222
Letters of Credit	154,412,777	93,881,933	151,587,769	82,650,480
Dividend Payable	1,556,243	1,467,906	1,556,243	1,467,906
Accruals and sundry creditors	18,900,029	18,043,677	18,681,322	11,021,576
Other credit balances	3,281,357	7,902,493	2,993,695	7,426,522
Due to related parties (Note 35)	11,385,757	9,082,515	10,670,667	9,068,251
	201,382,133	**135,518,093**	**190,108,668**	**116,227,957**

In the account of year ended December 31, 2020, Letters of credit of N82,650,480,200 was included in trade payables for the Company (Group: N93,881,932,587). These have now been separated.

31 Other Liabilities	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Advance payment for goods (contract liabilities)	4,505,815	2,761,583	4,505,806	2,761,576
31.1 *Lease Liability*	2,354,881	2,433,633	2,306,439	2,380,738

Lease liabilities

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Opening balance as at 1 January	2,433,632	2,322,160	2,380,739	2,280,637
Additions	867,835	31,910	864,672	9,335
Interest expense	182,969	164,374	179,242	157,297
Exchange Difference	211,741	421,704	211,741	421,704
Payments made during the period	(1,341,299)	(506,516)	(1,329,954)	(488,234)
Closing balance as at 31 December	**2,354,878**	**2,433,632**	**2,306,439**	**2,380,739**
Current	1,220,023	1,050,534	1,171,582	1,043,658
Non-current	1,134,857	1,383,100	1,134,857	1,337,081
	2,354,880	**2,433,634**	**2,306,439**	**2,380,739**

31.1.1 Amounts recognised in the statement of profit or loss

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Depreciation charge on right of use assets				
Land	72,643	34,025	72,643	34,025
Buildings	731,844	605,342	703,319	582,919
	804,487	**639,367**	**775,962**	**616,944**
Interest expense (included in finance cost)	182,969	164,376	179,242	157,297
Foreign exchange difference	211,741	421,704	211,741	421,704
Expense related to short term leases (included in administrative expenses)	20,486	25,868	20,486	25,868

31.1.2 Liquidity risk (maturity analysis of lease liabilities)

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Lease liability - Undiscounted cashflows				
0-3 months	460,882	381,705	460,882	381,705
3-12 months	914,698	711,265	904,020	711,265
1-2 years	943,396	711,265	943,396	711,265
	2,318,976	**1,804,234**	**2,308,299**	**1,804,234**

31.1.3 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Other income				
Rental income on operating lease (Note 11)	188,011	67,500	188,011	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 oncern 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 2021 (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 31 December 2021) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the as at 31 December 2021 plus net debt.

The gearing ratio at 2021 and 2020 respectively were as follows:

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Total borrowings				
Borrowings (Note 28)	984,487	1,179,138	984,487	1,179,138
Less: Cash and cash equivalent (Note 24)	103,009,804	44,860,441	102,055,783	44,394,521
Net Cash	102,025,317	43,681,304	101,071,296	43,215,383
Total Equity	128,631,150	132,323,299	129,830,169	132,864,201
Gearing ratio	Nil	Nil	Nil	Nil

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.

32 Risk management

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 2021	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	220,039	764,448	984,487
Letters of Credit	154,412,777		154,412,777
Lease liability	1,220,023	1,134,857	2,354,880
Trade and other payables	46,969,356		46,969,356
	202,822,195	**1,899,305**	**204,721,500**
At 31 December 2020			
Borrowings	194,651	984,487	1,179,138
Letters of Credit	93,881,933		93,881,933
Lease liability	1,050,534	1,383,100	2,433,634
Trade and other payables	41,636,160		41,636,160
	136,763,278	**2,367,587**	**139,130,865**

Company

At 31 December 2021	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	220,039	764,448.00	984,487
Letters of Credit	151,587,769	-	151,587,769
Lease liability	1,171,582	1,134,857	2,306,439.00
Trade and other payables	38,520,899	-	38,520,899
	191,500,289	**1,899,305**	**193,399,594**
At 31 December 2020			
Borrowings	194,651	984,487	1,179,138
Letters of Credit	82,650,480	-	82,650,480
Lease liability	1,043,658	1,337,081	2,380,739
Trade and other payables	33,577,477	-	33,577,477
	117,466,266	**2,321,568**	**119,787,834**

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

16% 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Trade receivables	13,791,931	6,675,277	13,791,931	6,675,277
Other receivables	1,999,271	1,502,030	1,993,965	1,485,617
Deposit for open Letters of Credit with the banks.	21,314,383	14,229,547	20,141,687	14,229,547
Amount due from related party	4,572,362	9,983,259	4,572,362	9,958,102
Cash and cash equivalents	103,009,804	44,860,441	102,055,783	44,394,521
	144,687,751	**77,250,554**	**142,555,728**	**76,743,064**

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

The company's financial assets that are subject to IFRS 9 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 2021 are as follows:

Age of trade receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	13,581,919	486,313	46,644	-	146,994	14,261,870
Default rate	2%	6%	11%	15%	100%	
Lifetime ECL	(289,137)	(28,695)	(5,113)	-	(146,994)	(469,939)
Total	**13,292,782**	**457,618**	**41,531**	**-**	**-**	**13,791,931**

The expected loss rates as at 31 December 2020 are as follows:

Age of trade receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'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**

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 2021 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	7,993	-	6,150	75,368	315,095	404,606
Default rate	52%	58%	59%	88%	100%	
Lifetime ECL	(4,178)	-	(3,615)	(66,413)	(315,095)	(389,301)
Total	**3,815**	**-**	**2,535**	**8,955**	**-**	**15,305**

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
	N'000	N'000	N'000	N'000	N'000	N'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**

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 2021

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD*	4,734,225	-	-	4,734,225
Loss allowance as at 31 December 2021	(177,168)	-	-	(177,168)
Net EAD	**4,557,057**	**-**	**-**	**4,557,057**

December 31 2020

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD*	10,077,276	-	-	10,077,276
Loss allowance as at 31 December 2020	(2,562,123)	-	-	(2,562,123)
Net EAD	**7,515,153**	**-**	**-**	**7,515,153**

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.
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

Stage 1: This stage includes receivables at origination and receivables that do not have indications of a significant increase in credit risk.

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.

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 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 3 and 23.2 for further details.

December 31 2021	**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 2021		(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

December 31 2020	**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 2020	-	(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 2010 - 2020. 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 as at 31 December 2020 and 31 December 2021 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 31 December 2020 and 31 December 2021 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
B-	48,638,898	16,503,089	48,270,750	14,301,104
B	52,686,893	23,462,815	52,104,163	25,198,880
B+	-	-	-	-
BBB	462,362	-	462,362	-
A-	-	-	-	-
A	987,268	987,771	987,268	987,771
AAA	228,840	2,591,410	228,840	2,591,410
No rating	5,543	1,315,356	2,400	1,315,356
	103,009,804	**44,860,441**	**102,055,783**	**44,394,521**

****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 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.

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:

	31/12/2021			31/12/2020		
Company	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**
Cash and cash equivalents	-	-	48,098	-	-	1,851,871
Letters of Credit	(662,050)	(950,393)	(129,833,639)	462,392	460,055	67,196,596
Trade payables	(94,381)	(319,063)	(1,224,702)	(17,348,396)	(7,060,842)	(87,922,013)
Amount due from/(to) related parties	(292,997)	(716,611)	122,064	(161,988)	1,147,775	164,910
Net exposure	**(1,049,428)**	**(1,986,067)**	**(130,888,179)**	**(17,047,992)**	**(5,453,012)**	**(18,708,635)**
Group						
Cash and cash equivalents	-	-	48,098	-	-	2,065,211
Letters of Credit	(662,120)	(953,446)	(132,655,524)	462,392	460,055	78,428,049
Trade payables	(117,922)	(423,858)	(25,505,977)	(17,348,396)	(7,060,842)	(87,922,013)
Amount due from/(to) related parties	(292,997)	(716,611)	122,064	(161,988)	1,147,775	164,910
Net exposure	**(1,073,039)**	**(2,093,915)**	**(157,991,338)**	**(17,047,992)**	**(5,453,012)**	**(7,263,843)**

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	
	31/12/2021 N	**31/12/2020 N**	**31/12/2021 N**	**31/12/2020 N**
Euro (€)	506.97	461.09	467.51	546.42
GBP (£)	523.83	465.62	556.42	491.24
USD ($)	417.67	369.42	435.00	400.33

Sensitivity analysis on foreign currency

	(Decrease)/increase in income statement			
	GROUP 31/12/2021 N'000	**GROUP 31/12/2020 N'000**	**COMPANY 31/12/2021 N'000**	**COMPANY 31/12/2020 N'000**
Euro (€)	(157,414)	(2,626,558)	(157,414)	(2,626,558)
GBP (£)	(297,910)	(886,960)	(297,910)	(886,960)
USD ($)	(19,633,227)	(12,885,785)	(19,633,227)	(12,885,785)

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.

Financial risk management strategies for biological assets
The group is exposed to risks arising from environmental and climatic changes.The group's has a wide variety of canes which allows a high degree of mitigation against adverse climatic conditions such as disease outbreaks. The group has strong environmental policies and procedures in place to comply with environmental and other laws.

33 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Assets				
Trade and other receivables	41,677,947	32,390,113	40,499,945	32,348,543
Cash and cash equivalents	103,009,804	44,860,441	102,055,783	44,394,521
	144,687,751	**77,250,554**	**142,555,728**	**76,743,064**

34 Financial liabilities by category

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Liabilities				
Borrowings	984,487	1,179,138	984,487	984,487
Lease liabilities	2,354,880	2,433,634	2,306,439	2,380,739
Trade and other payables	201,382,133	54,497,731	190,108,668	116,227,957
	204,721,500	**58,110,503**	**193,399,594**	**119,593,183**

35 Related party information

35.1 Related parties and Nature of relationship and transactions

Related parties	Nature of relationship and transactions
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
Dangote Taraba Sugar Ltd	Subsidiary- Backward integrated project
Dangote Adamawa Sugar Ltd	Subsidiary- Backward integrated project
Nasarawa Sugar Company Limited	Subsidiary- Backward integrated project
Dangote Global Services Limited	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 Sinotruks west Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Packaging Limited	Fellow subsidiary- Supplies empty for bagging of finished

35.2 Related party transactions and balances

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
i) Sales of goods and services				
Dangote Rice	700	-	700	-
Dangote Industries Limited	23,304	21,629	23,304	21,629
Dancom Technologies Limited	-	426	-	426
Dangote Packaging Nigeria Limited	700	-	700	-
NASCON Allied Industries Plc	244,667	271,630	244,667	271,630
Greenview Development Company Limited	100,122	91,736	100,122	91,736
Aliko Dangote Foundation	82,200	2,426,468	82,200	2,426,468
Dangote Cement Plc, Ibeshe	72,774	76,396	72,774	76,396
	524,466	**2,888,285**	**524,466**	**2,888,285**
ii) Purchase of goods and services				
Dangote Cement Plc	5,829,807	1,999,847	5,829,807	1,999,847
Greenview Development Company Limited	5,365,226	2,127,367	5,365,226	2,127,367
Dangote Packaging Nigeria Limited	3,954,525	2,829,407	3,954,525	2,829,407
Kura Holdings Limited	24,340	18,415	24,340	18,415
Bluestar Shipping Services Limited	580,225	448,583	580,225	448,583
Dangote Global Services Limited	515,176	472,914	515,176	472,914
NASCON Allied Industries Plc	279,134	157,676	279,134	157,676
Dancom Technologies Limited	130,554	70,977	130,554	70,977
MHF Properties Limited	1,116	1,612	1,116	1,612
Dangote Sinotruks	261	4,516,896	261	4,516,896
Bluestar Clearing Limited	-	448,583	-	448,583
Dangote Industries Limited	4,038,434	747,966	4,038,434	747,966
	20,718,797	**13,840,243**	**20,718,797**	**13,840,243**
iii) Management fees				
Dangote Industries Limited	1,014,259	962,324	1,014,259	962,324
	1,014,259	**962,324**	**1,014,259**	**962,324**

iv) Amount owed by related parties	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Dangote Global Services Limited	1,097,948	1,281,822	1,097,948	1,281,822
NASCON Allied Industries Plc	152,465	282,475	152,465	282,475
Dangote Sinotruk West Africa Limited	-	17,800	-	-
Greenview Development Nigeria Limited	288,603	2,516,022	288,603	2,516,022
Dangote Oil and Gas Company Limited	181,081	-	181,081	-
Dangote Fertiliser Limited	1,107,193	1,107,193	1,107,193	1,107,193
Dancom Technologies Limited	-	25,291	-	25,291
AG Dangote Construction Company Limited	959,130	959,130	959,130	959,130
Aliko Dangote Foundation	81,667	505,767	81,667	505,767
Dangote Cement Plc	1,270,744	1,273,023	1,270,744	1,273,023
Dangote Industries Limited	-	2,942,888	-	2,935,530
Gross amount due from related parties (Note 23)	**5,138,831**	**10,911,411**	**5,138,831**	**10,886,253**
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(373,541)	(389,301)	(373,541)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(377,406)	(177,168)	(554,610)
Net amount due from related parties	**4,572,362**	**10,160,464**	**4,572,362**	**9,958,102**

v) Amount owed to related parties

Dangote Cement Plc	7,116,217	7,307,856	6,749,076	7,296,524
Dangote Packaging Nigeria Limited	602,842	132,894	602,842	132,894
Dangote Oil and Gas Company Limited	-	11,258	-	11,258
Kura Holdings Limited	30,325	21,555	30,325	21,555
Bluestar Shipping line Limited	1,119,791	421,941	774,547	421,941
Dancom Technologies Limited	17,263	2,705	14,558	-
Dangote Nigeria Limited Clearing	693	693	693	693
Dangote Sinotruk West Africa Limited	176,360	1,069,275	176,360	1,069,048
Dangote Industries Limited	2,322,266	114,339	2,322,266	114,339
	11,385,757	**9,082,515**	**10,670,667**	**9,068,251**

The balance on lease liabilities due to related parties include the following:

vi) Lease Liability

Greenview Development Nigeria Limited	1,917,628	2,309,526	1,917,628	2,309,526
MHF Properties Limited	19,557	-	19,557	-

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.

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 are made in addition to management fees and is payable 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 2021.

35.5 Key Management Personnel

List of Directors of Dangote Sugar Refinery Plc

1	Alh. Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Board Member (Group Managing Director/CEO)
3	Alh. Sani Dangote (Deceased on 14/11/2021)	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	Dr. Konyinsola Ajayi (SAN)	Board Member (Director)
8	Alh. Abdu Dantata	Board Member (Director)
9	Ms. Maryam Bashir	Board Member (Director)

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. Adesola Ogunaike	Head, Supply Chain
7	Mr. Saddiq Bello	General Manager, Sales and marketing
8	Mr. Hassan Salisu	General Manager, Human Resources and Admin.
9	Mr. Ayokunle Ushie	Head, Risk Management
10	Mr. Chinnaya Sylvian	Chief Executive Numan

35.6 Compensation to key management staff

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Short-term employee benefits	452,330	490,506	452,330	490,506
	452,330	**490,506**	**452,330**	**490,506**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Basic	2,791,767	2,367,298	2,791,767	1,927,903
Bonus	-	94,266	-	94,266
Medical claims	24,268	15	24,268	15
Leave allowance	235,048	176,089	235,048	147,460
Short term benefits	1,781,206	1,722,194	1,237,557	1,339,343
Other short term costs	275,097	547,992	818,746	211,148
Pension	255,398	226,950	255,398	198,801
Termination benefits	-	262	-	262
	5,362,782	**5,135,066**	**5,362,783**	**3,919,197**

Indirect employee costs	31/12/2021 N'000	31/12/2020 N'000	31/12/2021 N'000	31/12/2020 N'000
Basic	964,755	831,307	962,694	700,247
Bonus	-	62,518	-	62,518
Medical claims and allowance	10,042	9,974	10,042	3,291
NSITF and ITF levies	104,290	89,173	104,290	56,370
Short term benefits	1,874,293	1,292,978	1,742,607	892,559
Other short term costs	596,908	871,715	621,611	631,426
Pension	30,904	27,582	139,947	103,469
Termination benefits	-	1,291	-	1,291
	3,581,191	**3,186,538**	**3,581,191**	**2,451,171**

Total employee costs				
Direct employee cost	5,362,782	5,135,066	5,362,783	3,919,197
Indirect employee cost	3,581,191	3,186,538	3,581,191	2,451,171
	8,943,973	**8,321,604**	**8,943,974**	**6,370,368**

Average number of persons employed during the year was:

	31/12/2021 Number	31/12/2020 Number	31/12/2021 Number	31/12/2020 Number
Management	129	121	115	110
Senior Staff	585	547	570	533
Junior Staff	2,116	2212	2,104	2212
	2,830	**2,880**	**2,789**	**2,855**

The table below shows the number of employees (excluding Directors) whose earnings within the year, fell within the ranges shown below:

	GROUP 2021 Number	GROUP 2020 Number	COMPANY 2021 Number	COMPANY 2020 Number
N200,000 - N600,000	589	675	589	675
N600,001 - N700,000	68	56	68	56
N700,001 - N800,000	7	6	7	6
N800,001 - N900,000	14	7	5	7
N900,001 - N1,000,000	10	18	8	18
N1,000,001 - N2,000,000	1,248	1263	1,240	1254
N2,000,001 - N3,000,000	389	415	385	410
N3,000,001 - N4,000,000	175	155	171	154
N4,000,001 - N5,000,000	64	71	63	69
N5,000,001 - N6,000,000	79	46	78	46
N6,000,001 - N7,000,000	62	52	62	51
N7,000,001 - N8,000,000	50	44	49	44
N8,000,001 - N9,000,000	17	15	17	14
N9,000,001 - N10,000,000	8	12	8	12
N10,000,001 and above	50	45	39	39
	2,830	**2,880**	**2,789**	**2,855**

37 Directors' emoluments

	31/12/2021 N'000	31/12/2020 N'000	31/12/2021 N'000	31/12/2020 N'000
Fees	16,000	33,000	16,000	33,000
Salaries	289,710	134,633	289,710	134,633
Others	199,426	129,342	199,426	129,342
	505,136	**296,975**	**505,136**	**296,975**
Emoluments of the highest paid Director	289,710	134,633	289,710	134,633

The number of Directors excluding the chairman with gross emoluments within the bands stated below were:

N'000	31/12/2021 Number	31/12/2020 Number	31/12/2021 Number	31/12/2020 Number
0 - 19,000	-	8	8	8
32,000 and above	-	1	1	1
		9	**9**	**9**

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 31 December 2021 that have not been taken into account in these financial statements.

39 Capital Commitment

As at 31 December 2021, there were no capital commitments in respect of the Lagos factory expansion (2020: Nil)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 December 2021 (2020: Nil)

41 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 31 December 2021
Share Price at end of reporting period:	N17.40 (2021:N17.60)

Shareholding structure/Free Float Status

Description	31 December 2021		31 December 2020	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	12,146,878,241	100%	12,146,878,241	100%
Substantial Shareholdings (5% and above):				
Dangote Industries limited	8,122,446,281	66.87%	8,122,446,281	66.87%
Dangote Aliko	653,095,014	5.38%	653,095,014	5.38%
Total Substantial Shareholdings	**8,775,541,295**	**72.25%**	**8,775,541,295**	**72.25%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest:				
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%
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%**	**3,361,230,454**	**27.67%**
Free Float in Value (N)	**58,485,409,900**		**59,157,655,990**	

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 31 December 2021, 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 N59,157,655,990.40 as at 31 December 2020, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

42 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.

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:

	Savannah Sugar Company Limited 1 September 2020 N'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 liabilities transferred (at book values)	57,754,428
Less:	
Cost of investment	(2,256,100)
Pre-acquisition profit	(958,823)
Receivable from Savannah Sugar Company Limited	(65,490,206)
Net difference arising on merger	(10,950,701)

	Note	2021 N'000	2021 %	2020 N'000	2020 %
GROUP					
Value Added					
Revenue		276,054,781		214,297,747	
Bought - in materials and services		(219,999,145)		(150,347,955)	
Fair Value adjustment		212,173		2,417,067	
Other income		333,142		906,929	
		56,600,951	**100**	**67,273,788**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		8,943,973		8,321,604	
		8,943,973	**16**	**8,321,604**	**12**
To Pay Providers of Capital					
Finance costs		5,210,541		4,705,319	
		5,210,541	**9**	**4,705,319**	**7**
To Pay Government					
Income tax	12	10,440,759		1,522,740	
		10,440,759	**18**	**1,522,740**	**2**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		9,271,973		8,624,547	
Deferred tax	12	681,414		14,324,336	
		9,953,387	**18**	**22,948,883**	**34**
Value retained					
Retained profit		22,058,369		29,764,577	
Non-controlling interest		(6,078)		10,665	
		22,052,291	**39**	**29,775,242**	**44**
Total Value Distributed		**56,600,951**	**100**	**67,273,788**	**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.

	Note	2021 N'000	2021 %	2020 N'000	2020 %
COMPANY					
Value Added					
Revenue		276,054,781		206,360,656	
Bought - in materials and services		(219,986,337)		(145,408,848)	
Fair Value adjustment		212,173		559,287	
Other income		332,142		815,299	
		56,612,759	**100**	**62,326,394**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		8,943,974		6,370,368	
		8,943,974	**16**	**6,370,368**	**10**
To Pay Providers of Capital					
Finance costs		5,261,949		4,315,486	
		5,261,949	**9**	**4,315,486**	**7**
To Pay Government					
Income tax	12	10,440,759		1,491,208	
		10,440,759	**18**	**1,491,208**	**2**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		8,624,547		5,601,592	
Deferred tax	12	681,414		13,177,081	
		9,305,961	**16**	**18,778,673**	**30**
Value retained					
Retained profit		22,660,116		31,370,659	
Non-controlling interest		-			-
		22,660,116	**40**	**31,370,659**	**50**
Total Value Distributed		**56,612,759**	**100**	**62,326,394**	**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.

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/12/2019 N'000	GROUP 31/12/2018 N'000	GROUP 31/12/2017 N'000
Group as at December 31, 2021					
Assets					
Non-current assets	144,678,056	101,733,526	93,437,879	71,441,221	66,592,631
Current assets	213,959,067	175,430,221	99,399,395	102,806,764	127,623,171
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	864,647
Total assets	**359,505,765**	**278,032,389**	**193,705,916**	**175,116,627**	**195,080,449**
Liabilities					
Non-current liabilities	12,331,269	11,271,389	8,029,989	6,735,540	6,679,887
Current liabilities	218,543,346	142,049,293	77,539,463	69,405,899	95,664,927
Total liabilities	**230,874,615**	**153,320,682**	**85,569,452**	**76,141,439**	**102,344,814**
Equity					
Share capital and premium	12,393,963	12,320,524	12,320,524	12,320,524	12,320,524
Retained income	116,253,934	112,328,413	96,258,578	87,010,225	80,577,948
Non-controlling interest	(16,747)	(10,669)	(442,638)	(355,561)	(162,837)
Total equity	**128,631,150**	**124,638,268**	**108,136,464**	**98,975,188**	**92,735,635**
Total equity and liabilities	**359,505,765**	**277,958,950**	**193,705,916**	**175,116,627**	**195,080,449**
Profit and loss account					
Revenue	276,054,781	214,297,747	161,085,778	150,373,083	204,422,379
Profit before taxation	**34,021,212**	**45,622,318**	**29,820,430**	**34,601,057**	**53,598,868**
Profit for the year	**22,052,291**	**29,775,242**	**22,361,276**	**21,976,467**	**39,783,605**
Per share data (Naira)					
Earnings per share (Basic and diluted)	1.82	2.45	1.87	1.85	3.31
Net assets per share	10.59	10.27	9.01	8.25	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.

	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/12/2019 N'000	COMPANY 31/12/2018 N'000	COMPANY 31/12/2017 N'000
Company as at December 31, 2021					
Assets					
Non-current assets	141,210,336	118,569,794	36,317,858	33,585,972	38,815,554
Current assets	207,303,891	139,842,108	160,942,622	144,069,096	156,384,463
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	864,647
Total assets	**349,382,869**	**259,280,544**	**198,129,122**	**178,523,710**	**196,064,664**
Liabilities					
Non-current liabilities	12,331,269	11,225,370	6,693,930	5,309,997	5,212,819
Current liabilities	207,221,431	122,752,274	73,352,250	66,033,587	91,644,487
Total liabilities	**219,552,700**	**133,977,644**	**80,046,180**	**71,343,584**	**96,857,306**
Equity					
Share capital and premium	12,393,963	12,320,524	12320524	12320524	12320524
Retained income	117,436,206	112,908,937	105,762,418	94,859,602	86,886,834
Total equity	**129,830,169**	**125,229,461**	**118,082,942**	**107,180,126**	**99,207,358**
Total equity and liabilities	**349,382,869**	**259,207,105**	**198,129,122**	**178,523,710**	**196,064,664**
Profit and loss account					
Revenue	276,054,781	206,360,656	158,104,577	146,549,176	198,120,639
Profit before taxation	**34,629,037**	**46,038,948**	**34,829,241**	**38,455,530**	**54,882,983**
Profit for the year	**22,660,116**	**31,370,659**	**24,102,816**	**25,830,941**	**37,822,609**
Per share data (Naira)					
Earnings per share (Basic and diluted)	1.87	2.58	2.01	2.15	3.15
Net assets per share	10.69	10.32	9.84	8.93	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.


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Shareholding & Other Information

Share Capitalisation History

Year	Authorized [N'000]		Authorise d ['000]	Issued & Fully Paid Up [N'000]		Issued &Fully Pd ['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

Range (Units)	No of Holders	Holders %	Units	Units %
1-10,000	85,703	85.12	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**

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 all 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 Secretary 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
ngozi.ngene@dangote.com
dangotesugar@dangotesugar.com.ng
www.dangotesugar.com.ng

Unclaimed dividend position as at 31 December 2021

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
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	17	FINAL	15,000,000,000.00	519,364,094.31
31/12/2018	18	FINAL	13,200,000,000.00	543,300,151.75
31/12/2019	19	FINAL	13,200,000,000.00	502,139,618.89
31/12/2020	20	FINAL	18,220,000,000.00	299,729,259.69

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.

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

The Registrars
VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

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

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	

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

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incorporation No. of Corporate Shareholder

The Registrars
VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

SIXTEENTH (16TH) ANNUAL GENERAL MEETING TO BE HELD AT THE EKO HOTEL & SUITES, VICTORIA ISLAND, LAGOS, ON THE 15TH OF JUNE, 2022, 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 16th Annual General Meeting of the Company to be held on the 15th June, 2022 and at any adjournment thereof.

DATED THIS ………….DAY OF………………………….. 2022.

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.	To lay before the Meeting the Financial Statements for the year ended December 31, 2021, the Reports of the Directors, Auditors and the Audit Committee thereon;		
	2.	To declare a Dividend		
	3.	To re-elect the following retiring Directors 1. Ms. Maryam Bashir 2. Prof. Konyinsola Ajayi (SAN) 3. Mr. Olakunle Alake		
	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.		
	8.	To consider and if thought fit, pass the following resolution in compliance with S.124 & S.868 of the Companies & Allied Matters Act 2020 (CAMA) and Regulation 13 of the Companies Regulations 2021 (as amended)		
	8a.	*"That the Authorised Share Capital of the Company be and is hereby reduced from 15,000,000,000 (Fifteen Billion) Ordinary Shares of 50 Kobo each to 12,146,878,241 (Twelve Billion, One Hundred and Forty-Six Million, Eight Hundred and Seventy-Eight Thousand, Two Hundred and Forty-One) Ordinary Shares of 50 Kobo each by the cancellation of 2,853,121,759 (Two Billion, Eight-Hundred and Fifty-Three Million, One Hundred and Twenty-One Thousand, Seven Hundred and Fifty-Nine) un-issued Ordinary Shares of 50 Kobo each."*		
	8b.	*"That Clause 6 of the Company's Memorandum of Association be and is hereby amended by the adoption of a new clause, which reads as follows:* *"The Share Capital of the Company is N6,073,439,120.50 (Six Billion, Seventy-Three Million, Four Hundred and Thirty-Nine Thousand, One Hundred and Twenty Naira and Fifty Kobo) divided into 12,146,878,241 (Twelve Billion, One Hundred and Forty-Six Million, Eight Hundred and Seventy-Eight Thousand and Two Hundred and Forty-One) Ordinary Shares of 50 Kobo each"*		
	9.	To consider and if thought fit, pass the following resolution in to amend the Company's Memorandum of Association as follows:		
	9a.	"That Clause 46 (Proxy) of the Company's Memorandum of Association be and is hereby amended as follows: "a member has the right to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the company".		
	9b.	*"That Clause 67 of the Company's Memorandum of Association (Quorum/Proceedings of Directors) as follows be expunged, and subsequent Clauses of the Articles be re-numbered seriatim:* *"the general meeting may fix the quorum necessary for the transaction of the business of directors, and unless so fixed shall be two".*		
	9c.	*"That Clause 72(e) (Disqualification of Directors) of the Company's Memorandum of Association be and is hereby expunged and subsequent Clauses of the Articles be re-numbered seriatim:* *"A director shall vacate office if he attains the age of 70 (seventy) years".*		
	10.	*"The Directors be and are hereby authorized to take all necessary steps to give effect to these resolutions in compliance with extant laws and regulations."*		

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 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 current health and safety measures in place by the Government and the Health Authorities responsibly easing the COVID-19 restrictions, 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) Sir Sunny Nwosu, (e) Mr. Nornah Awoh, (f) Mrs. Bisi Bakare, (g) Dr. Farouk Umar (h) Mrs. E. O. Obideyi (i) Mr. Patrick Ajudua and; (j) Chief Matthew Akinlade.

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 sent to the Registrars by email to enquiry@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 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

I, Mr./Mrs./Miss

****Please complete in BLOCK LETTERS***

ACCOUNT NO.:
SHAREHOLDER'S NAME:
No. OF SHARES:

Please admit……………………………………………………….. to the 16th Annual General Meeting of Dangote Sugar Refinery PLC, to be held at the Eko Hotel & Suites, Victoria Island, Lagos, on the 15th June, 2022 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 7064768860; 7039588474
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