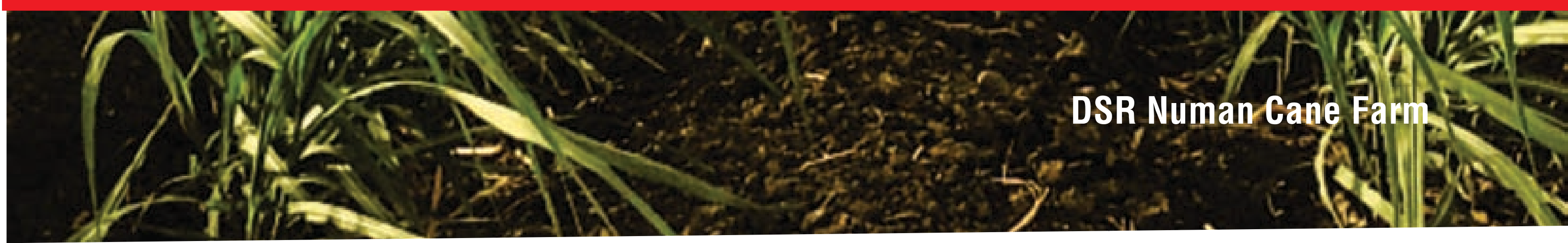
Dangote Sugar Refinery Plc

Annual Report 2022

SUGAR FOR NIGERIA

DANGOTE SUGAR



DSR Numan Cane Farm

As one of the largest sugar refineries in sub Sahara Africa, we strive to meet the needs of customers in all our markets and operational environment.

We believe that a thriving business is evidenced by its sustainable value creation and positive impact within its communities. Dangote Sugar is based on the full alignment of our operations to the 7 (seven) Dangote Sustainability Pillars – Instructional, Financial, Social, Economic, Operational, Cultural and Environment, which this 2022 Annual Report is structured around.

The Annual Report combines our financial and sustainability performance into a whole that explains Dangote Sugar's ability to create and sustain value for shareholders during the year under review and beyond.

The Dangote Sugar Refinery Plc, Sugar for Nigeria Project Master Plan goal is to become a global force in sugar production, working within Nigeria's National Sugar Master Plan to end importation and produce 1.5-2.0 MMT/PA of refined sugar annually from locally grown sugarcane. The target will help Nigeria achieve sugar sufficiency and support export to neighbouring countries.

CONTENTS

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

OUR VALUES	OUR DESIRED OUTCOME
• Customer Service • Entrepreneurship • Excellence • Leadership	To consolidate our leadership position locally and become a leading integrated sugar company in Africa, with world class standards.

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 2022 ₦'000	Group 2021 ₦'000	Company 2022 ₦'000	Company 2021 ₦'000
Turnover	403,245,988	276,054,781	403,245,988	276,054,781
Profit Before Taxation	82,302,820	34,021,212	81,907,076	34,629,037
Taxation	(27,560,686)	(11,968,921)	(27,560,686)	(11,968,921)
Profit After Taxation	54,742,134	22,052,291	54,346,390	22,660,116
Dividend Paid	12,146,874	18,220,317	12,146,874	18,220,317
Share Capital	6,073,439	6,073,439	6,073,439	6,073,439
Shareholders' Fund Per 50 Kobo Share Data (Kobo)	1,410	1,059	1,416	1,069
Earnings Per Share (kobo)	451	182	447	187

Proposed Dividend
The Board of Directors has recommended for the shareholders' consideration and approval a dividend of N1.50 kobo for every ordinary share of 50 kobo each held in the company; for the year ended December 31, 2022, at this Annual General Meeting. If approved, the total cash dividend payable to shareholders for the year ended December 31, 2022, will be N18.22 billion.

Directors, Officers, and Professional Advisers

BOARD OF DIRECTORS

Aliko Dangote, GCON	-	Chairman
Ravindra Singhvi	-	Group Managing Director/CEO
Mr. Olakunle Alake	-	Non-Executive Director
Alhaji Abdu Dantata	-	Non-Executive Director
Ms. Bennedikter Molokwu	-	Non-Executive Director
Prof. Konyinsola Ajayi, SAN	-	Non-Executive Director
Mr. Uzoma Nwankwo	-	Non-Executive Director
Ms. Maryam Bashir	-	Independent Non-Executive Director

COMPANY SECRETARY/LEGAL ADVISER
Temitope Hassan (Mrs.)

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

BANKERS
Access Bank Plc.
Coronation Merchant Bank
Ecobank Nigeria Plc.
Fidelity Bank Plc.
First Bank of Nigeria Plc.
First City Monument Bank Plc.
FSDH-FIRST Security Discount House
GTBank Plc
Globus Bank Limited
Greenwich Merchant Bank
Jaiz Bank Plc
Rand Merchant Bank
StanbicIBTC Bank Plc.
Standard Chartered Bank Limited
Sterling Bank Plc
UBA Plc.
Union Bank Nigeria Plc
Unity Bank Plc
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
12,146,878,241 Ordinary Shares of 50k each
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

INVESTOR RELATIONS
Babajide Eniade
InvestorRelationsdsr@dangote.com

CORPORATE COMMUNICATIONS CONTACT
Ngozi Ngene
+234 8150983259
srefinery@dangote.com
sugar@dangote.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN, that the 17th 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 Friday, April 14, 2023 to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the Meeting the Audited Financial Statements for the year ended December 31, 2022, the Reports of the Directors, Auditors and Statutory Audit Committee thereon.
2. To Declare a Dividend.
3. To Appoint/Re-elect Directors.
4. To Authorise the Directors of the Company to Fix the Remuneration of the Auditors.
5. To Disclose the Remuneration of Managers.
6. To Elect/Re-elect Members of the Statutory Audit Committee.

SPECIAL BUSINESS

7. To Fix the Remuneration of Directors.

Dated this 15th day of March, 2023

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. Closure of Register

The Register of Members will be closed on March 27, 2023 for the purpose of updating the Register of Members and for the Registrars to prepare for payment of dividend.

2. Dividend

If approved, dividend will be payable at the rate of N1.50k per every 50Kobo Ordinary Share, to Shareholders whose names appear in the Register of Members as at the Qualification Date, March 24, 2023. Shareholders who have completed the E-dividend forms will receive a direct credit of their Dividend into their designated bank accounts within 24 hours 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.

3. 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 sugar.dangote.com

4. 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.

5. Appointment /Re-election of Directors

5.1 To ratify the appointment of Mrs. Yabawa Lawan Wabi (mni), appointed by the Board as a Director (Independent Non-Executive Director) since the last General Meeting of the Company.

5.2 To re-elect the following Directors - Alhaji Aliko Dangote (GCON), Mr. Uzoma Nwankwo and Alhaji Abdu Dantata retiring by rotation and being eligible, offer themselves for re-election pursuant to Article 62(b) & (c) of the Company's

Articles of Association.

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

6. 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 sugar.dangote.com or the Registrars' website at veritasregistrars.com.

7. 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 by completing the detachable Proxy Forms in the Annual Report. The duly executed Proxy Form should be stamped and 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.

8. 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 sugar.dangote.com at least 48hours before the meeting.

DANGOTE SUGAR IN BRIEF

Dangote Sugar Refinery Plc has a long successful history as a key player and contributor to the development and growth of the Nigeria Sugar Sector, and the Food and Beverage industry. Dangote Sugar owns and operates 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 sugar production Backward Integration Master Plan to produce 1.5 – 2.0 million metric tonnes of refined granulated sugar from locally grown sugar across various sites in Nigeria.

Listed on the Nigerian Stock Exchange since March 2007 with over 100,000 shareholders, Dangote Sugar is an industry leader with core competences in: -

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

PRODUCTS

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, while plans are on ground to add 100g to the retail offerings for the fortified sugar and in 50kg bags for the non-fortified, sold under the brand name "Dangote Sugar".

Guaranteed Sweetness

Chairman's Statement

ALIKO DANGOTE, GCON
Chairman

The Company recorded a commendable performance, a Group turnover of N403billion, a 46% increase over N276billion recorded during the same period in the comparative year. Profit Before Tax (PBT) of N82 billion Profit After Tax of N55billion.

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 great pleasure to welcome you to the 17th Annual General Meeting of Dangote Sugar Refinery Plc, and to present to you the Annual Report and Financial Statements for the year ended December 31, 2022.

OPERATING ENVIRONMENT

In year 2022, the global economy was characterised by high inflation and aggressive monetary tightening in many economies. The war in Ukraine continued unabated, causing disruptions especially in the supply of gas for industrial and household use. The crisis also exacerbated the refugee situation as millions of Ukrainians sought safety in other European countries.

Production downturns in the world's two largest economies, the United States and China, led to contraction in global output in the second quarter of 2022. Consumer spending in the US was below expectations. A world economy already weakened by the pandemic was hit by several shocks. A higher-than-expected inflation worldwide, especially in the United States and major European economies triggered tighter financial conditions.

Fortunately, there were more relaxations of the COVID – 19 protocols with the resultant opening of many more countries. The easing was expected to drive economic recovery and strengthen the linkages that were disrupted at the height of the pandemic. Despite this reopening, the global economy is struggling to overcome the challenges posed by inflation, low output, and currency depreciations in many developing countries.

On the domestic scene, the operating environment was indeed very difficult. Vital components and materials essential in the manufacturing sector recorded astronomical price increases between the first and concluding months of the year. Automotive Gas Oil (Diesel) price fluctuated widely within the year and affected activities within the economy. According to the National Bureau of Statistics (NBS), the average retail price of Automotive Gas Oil (Diesel) was N288.09 per litre in January 2022 and closed the year at N817.86 per litre. This wide price gap, coupled with the product's unavailability worsened the operating environment. The year was further marked by low oil proceeds/revenues, limited cash flows, foreign exchange shortages, which resulted in the Naira losing value against major currencies and led to the implementation of new monetary policies by the Central Bank of Nigeria (CBN). The NBS maintained that Nigeria's Gross Domestic Product (GDP) grew by 2.25 per cent on a year-on-year basis in Q3 2022 but declined from 3.54 percent in Q2 to 2.25% in Q3 2022. The Q3 2022 growth rate decreased by 1.78% points from the 4.03% growth rate recorded in Q3 2021 and decreased by 1.29% points relative to 3.54% in Q2 2022.

The CBN's new policy on currency (Naira) redesign commenced mid-December 2022. According to the apex bank the redesign was to deal with the overarching concerns with the management of the current series of banknotes, as well as currency in circulation — particularly those outside the banking system in Nigeria. It stated that one of these challenges primarily include: significant hoarding of banknotes by members of the public, with statistics showing that over 80% of the currency in circulation is outside the vaults of commercial banks. It listed other challenges as the worsening shortage of clean and fit banknotes with attendant negative perception of the CBN and increased risk to financial stability; including the increasing ease and risk of counterfeiting, evidenced by several security reports.

The security situation was not left out with the incessant kidnappings, and killings by unknown gunmen within the year. These acts promoted an atmosphere of fear and insecurity which hampered business activities across the country. Furthermore, flooding occurred across several states of the federation. Many businesses were impacted while thousands of farmlands were submerged by the flood.

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

OUR PERFORMANCE

Despite the very challenging operating environment which we faced during the year under review, the Company recorded a commendable performance. The Company recorded a Group turnover of N403 billion, a 46% increase over N276 billion recorded during the same period in the comparative year. Profit before Tax (PBT) of N82 billion, Profit after Tax of N55 billion. Group EBITDA increased to N95.5 billion and an EBITDA margin of 24 %, a 35% increase in margin when compared to 18% margin being (N48.5 billion) in year 2021. The group EBITDA in Naira value increased by 97% over that of 2021. This performance was achieved following the pragmatic approach management adopted during the year under review. Focus was on continued cost and process optimization, improved efficiencies in every area of our operations and service delivery to our customers.

The Board and Management will continue to implement strategic actions to sustain the performance with the support of all stakeholders.

DIVIDENDS

The Board is pleased to recommend for the shareholders' approval at this Annual General Meeting, payment of a total dividend of N18.22 billion, being N1.50 kobo dividend for every ordinary share of 50 kobo each, held in the company as of December 31st 2022. If approved the dividend will be paid to the shareholders in the register of members at the close of business on 24th March, 2023, net withholding tax at the standard rate.

Shareholders are encouraged to embrace the E-dividend payment to ensure the prompt payment of dividends when due. The E-mandate form is on page 211 of the annual report for update and submission to the Registrars to enable us phase out unclaimed dividends era.

SUSTAINABLE GROWTH & DEVELOPMENT

Our commitment to the development and building of a sustainable business as well as the socio-economic growth of the communities within which we operate – with focus on impact management, governance and ethics over the years, remained on track. We however put in renewed efforts to improving the environmental and social aspects of our ESG during the year under review – The Dangote Way.

This includes the development and implementation of our Sustainability and Social Impact Management with a review of our Stakeholder Engagement process, the Health, Safety and Environment management policies, procedures,our control system and a drive for the development of a sustainability data management system for the business.

Guided by the three sustainability bottom lines: People, Planet & Profit, efforts were geared towards sustaining the peaceful environment we have attained in our immediate communities, with an all inclusive approach. Our vision is to create sustainable value by making substantial positive impact through job creation, youth development, quality education & skills acquisition, food security, healthcare, and wellbeing amongst other developmental activities to support empowerment and socio-economic development within our communities.

Our commitment to the fulfilment of the United Nations Sustainable Development Goals (SDGs) received a boost with the concerted efforts we made in the pursuit of Food Security in the country through the provision of high quality and nutritious Vitamin A fortified product, as well as the continued development of the Sugar Backward Integration projects towards the achievement of sugar sufficiency for Nigeria. This led to the 2022 SERAs recognition award of Dangote Sugar as winner of the Best Company Award in Food Security. This, amongst many other notable awards,were conferred on the company during the year under review.

We remain fully aligned and have continued to comply with international and national sustainability and governance standards, principles and guidelines that are applicable to our business and reporting requirements, as we continue to build expertise in this area over and above the protocols, we have committed to our sustainability pillars and actions as we go forward **– The Dangote Way.**

THE SUGAR BACKWARD INTEGRATION PROJECTS

Implementation of the Dangote Sugar Development Master Plan continued during the year under review, with the rehabilitation and upgrade of the Dangote Sugar Refinery, Numan Operations facilities and land development, as well as the development of the Nasarawa Sugar Company Limited, the greenfield sugar project, and Tunga in Nasarawa State. Unfortunately, the status of the Dangote Taraba Limited, at Lau/Tau Taraba State remains the same.

Concerted efforts were made during the year to rise above the various challenges that came about due to the COVID – 19 lockdown which affected project timelines considerably and continued to generally impact economic activities due to its spill-over effect, which also led to the lack of forex to finance most of the project deliverables. We however continued to surge ahead supported by the various stakeholders in the industry and government parastatals, with the resolve to ensure that the goals of the Nigeria Sugar Development Master Plan are achieved.

During the year under review, the first phase of the Sugar Master Plan implementation period came to an end and the Federal Government approved the second phase over the next 10 years. This extension came on the back of the review of the first phase by the National Sugar Development Council and other government parastatals with cognizance of the challenges and several circumstances that were unforeseen which riddled the first phase of the programme.

The Board and Management were however, focused on the achievement of the goals of this strategic initiative. Despite the numerous challenges we were faced with, considerable progress was recorded in the project development. The Dangote Sugar Refinery Numan Operations rehabilitation and expansion projects are advancing progressively. Some members of the Board of Directors and I took a tour of the DSR Numan Operation for an onsite and spot review of the ongoing activities at the project. We were pleased with what we saw and will continue to provide the much-needed guidance towards the realization of the goals of this value enhancing capital project through proper planning and tracking of the project deliverables till its successful completion.

The visit also afforded us the opportunity to meet with the key community stakeholders and I can assure you that the best is yet to come from this engagement. Our focus remains the creation of sustainable value for all stakeholders through an inclusive approach to growth and development, with continuous engagement with all parties to enable us to make positive impact, support poverty eradication and food security, infrastructure development, empowerment for members of the immediate communities and the society at large – The Dangote Way.

Progress at the Nasarawa Sugar Company Limited, Tunga, was affected by the overall economic situation, especially the impact on Foreign Exchange availability which led to continued delays with the production and delivery of equipment required for the Project development. The civil works and agricultural development continued with final design of the Bulk Water Supply being completed, amongst other infrastructural development at the site. All tendering processes are progressing, and we are hopeful that more development will be achieved at the site during the year.

BOARD OF DIRECTORS

During the year under review, there were no changes in the composition of the Board of Directors, and the Directors retiring by rotation, being eligible will offer themselves for re-election during this Annual General Meeting. We are however, pleased to announce the appointment of Mrs. Yabawa Lawan Wabi (mni) as an Independent Non-Executive Director to the Board of the Company. Her appointment was approved by the Board at its Meeting on February 28, 2023, subject to the shareholders ratification at this meeting.

I warmly welcome Mrs. Wabi to the Board and I know that she will bring her vast experience to bear on the Board in her service to the company.

THE FUTURE

Dear Shareholders, Ladies and Gentlemen, manpower development and empowerment of our Human Resources remain key to our existence as a business. Our teams are constantly trained and empowered to fit our business model, which attests to the numerous awards we were honoured with in the year under review. These awards attest to the fact that our teams are blended with our goals and objectives for the business and have brought same to bear in their deliverables and in the way we do business. Our focus remains the establishment of a culture of exceptional performance with a view to attract and retain the best talents in our employment, as a preferred employer and responsible corporate citizen.

The challenges ahead are daunting no doubt, but our experiences of the past few years have strengthened our resolve to succeed and taught us that with our strategies and focus, we will not only maximize every opportunity but will sustain our performance and deliver on our business goals and objectives.

The support and contributions by the members of the Board have been quite tremendous and they underpin our sustained growth. I express my sincere appreciation to every member of the Dangote Sugar family for believing in this journey. Their ability to stay the course is very instrumental to the successes we have recorded over these years, and I call for their continued support as we advance in the days ahead. I reiterate once again that we are focused on our collective goals and will ensure the delivery of not only the Sugar Backward Integration Project targets, but sustainable value to all stakeholders.

Thank you once again, and may God bless us all.

Aliko Dangote, GCON
Chairman

MILESTONES & KEY DATES IN OUR HISTORY

2000

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

2001

REFINERY COMMISSIONING
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

2004

REFINERY CAPACITY INCREASE
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.

2006

DANGOTE SUGAR REFINERY
Dangote Industries Limited spunoff 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

2007

NIGERIA STOCK EXCHANGE
Dangote Sugar Refinery Plc . (DAN SUG) was listed on the main board of the Nigerian Stock Exchange.

2009

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

2011

PRODUCT LAUNCH
Dangote Sugar Retail packages in 1kg, 500 grams and 250 grams was introduced into the Nigerian market

2012

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

2013

BACKWARD INTEGRATION PLAN
- ☑ 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 as assessment, topography, climate, water and irrigation potential at green field BIP sites

2014

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

2015

CERTIFICATION
- ☑ 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: (FSSC22000).

2016

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

MILESTONES & KEY DATES IN OUR HISTORY Cont'd

2017

EXPANSION
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.

2020

MERGER
DSR merged with Savannah Sugar Company Limited ("SSCL"), to become one entity. Dangote Sugar Refinery Plc,

2022

AWARD
Nigeria Ports Authority Platinum Merit Award for excellent performance in HSE compliance in the process industry.

2022

BADGE
Coca – Cola Plc's Supplier LoCT GHG Scope 1 and 2 footprint Badges

SERAs AWARDS

2020 SERAs
Best Company in Promotion of Good Health & Wellbeing

2021 SERAs
Best Company in Poverty Eradication

2022 SERAs
Best Company in Food Security

CGRS RATED

CGRS
Better For Business
RATED

THE GLOBAL SUGAR MARKET

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 micro organisms. 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.

Sugar Industry Drivers:

- As compared to its sugar substitutes, sugar is more economical and easily available It is consumed across all socio-economic age groups and is easily obtainable across the globe in a variety of retails formats viz. convenience stores, departmental stores, supermarkets hypermarkets, etc.

- The global food and beverage industry is relatively immune to any downturns caused by economic fluctuations. As a result, the sector has witnessed a constant growth over the past few years. Currently, the food and beverage sector is a major driver of sugar consumption and is expected to create a positive impact on the sugar industry. Moreover, the market growth is anticipated to continue in the long term.

- Sugar finds numerous applications in the pharmaceutical and skincare industry. In the pharmaceutical sector, it is included in the preparation of antibiotics and cough syrups, on the other hand, in the skincare sector, sugar is used in the manufacturing of scrubs owing to its exfoliating properties.

- Although the sugar market remains saturated in developed economies, such as North America and Western Europe, it is showing a promising growth in the emerging regions. Driven by rising disposable incomes, urbanisation and changing food habits, the demand for sugar-based products in developing markets, such as India, China and Middle East, is showing a strong growth.

- Majority of the global sugar production comes from sugarcane, whereas, remaining from sugar beet. Raw materials for sugar are available across the globe with nearly all tropical and subtropical regions accounting for their cultivation.

Key Market Segmentation:

IMARC Group provides an analysis of the key trends in each sub-segment of the global sugar market report, along with forecasts at the global and regional level from 2023-2028. Our report has categorized the market based on product type, form, end-use sector and source. Breakup by Product Type:

- White Sugar
- Brown Sugar
- Liquid Sugar

Breakup by Form:

- Granulated Sugar
- Powdered Sugar
- Syrup Sugar

Based on form, the market is divided into granulated sugar, powdered sugar and syrup sugar.

Breakup by End-Use Sector:

- Food and Beverages
- Pharma and Personal Care
- Household

On the basis of end-use sector, the market finds varied end-use in food and beverages, pharma and personal Care and household. Currently, Food and Beverages holds the largest market share.

Breakup by Source:

- Sugarcane
- Sugar Beet

Based on source, sugarcane accounts for the majority of the market share.

Regional Insights:

- Brazil
- India
- United States
- European Union
- China
- Thailand
- Africa
- Others

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.

As worldwide beet sugar production falls, cane sugar production rises

World market supply continues to remain tight with reduced stocks in the main importing countries as prices continue to trade around 18 c/lb (cents per pound), similar to the price at the start of the year. The backdrop behind these firm prices is due to the estimated below average crop in the European Union and UK, continued crop failures in Brazil and the likelihood of reduced Indian exports in 2022/23, as inflation around the world is increasing local prices with the potential for a reduced demand in the sugar market.

Global sugar production for 21/22 reached 183.5 million tonnes with global consumption rising to 186 million tonnes from 181.3 million tonnes in 20/21 as the global economy recovered from the COVID-19 pandemic. For 22/23, it is estimated that a reduction in global beet sugar production will hit close to 38.6 million tonnes and an increase in global cane production to 153 million tonnes resulting in total global sugar production reaching 191 million tonnes.

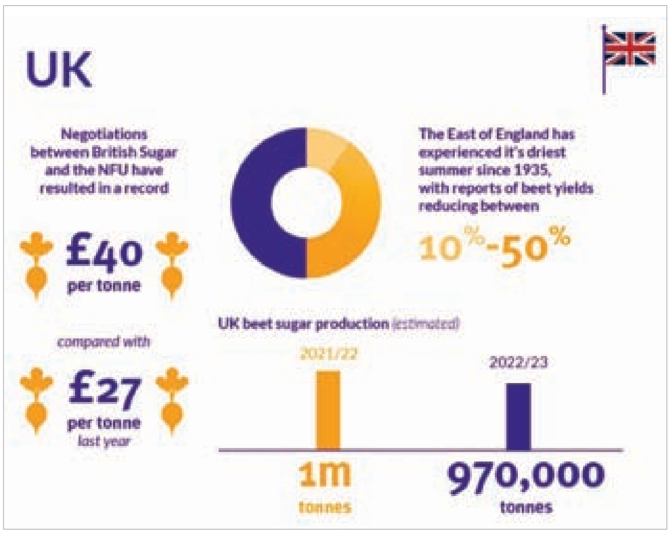
The world market will return to a surplus of 1.7 million tonnes, compared to a deficit of 1.5 million tonnes in 21/22. Looking ahead, current global weather patterns and the fallout from the ongoing war in Ukraine indicate a large supply deficit in 23/24.

Extreme weather conditions and an unreliable energy supply take their toll on European sugar stocks

The development of the beet crop began well, due to early sowing followed by rains in April. Good weather throughout the summer months increased the sucrose yield, but the beet crop has suffered from the continuous heat wave and drought in late summer. Rains in September have enabled root development for those beets that remain in the ground, but this will lead to a reduced sugar content in the beets.

As a result of the expected reduced yields in the two largest producing countries – France and Germany – coupled with the uncertainty of gas supplies from Russia this winter (most beet refineries are reliant on gas for energy which will cause some refineries to operate at lower capacity), European refiners have brought forward their beet campaigns a week earlier than normal.

The earlier harvest will result in lower yields, but this is preferable to leaving beets in the fields during the winter, due to potential factory closures. European Union beet sugar production for the 2022/23 campaign is likely to reduce by 1.3 million tonnes to 15.7 million tonnes, compared to 17 million tonnes in 21/22.



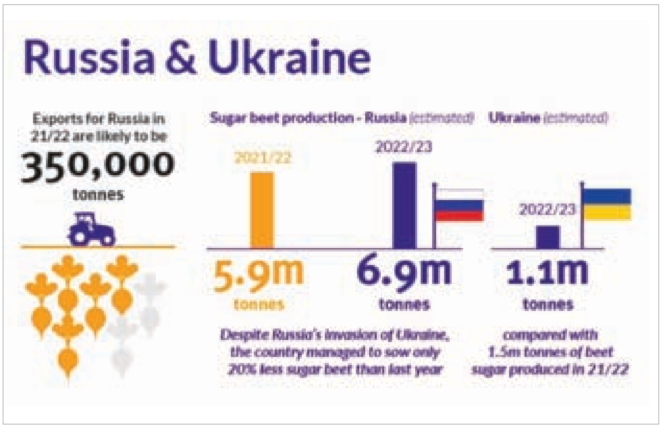
The worst droughts on record hit British beet yields

The East of England, where the majority of UK sugar beet is grown, has experienced its driest summer since 1935, with reports of beet yields reducing by 10% to as much as 50%. British Sugar started half its 2022/23 campaign early, on 19

September, and the remaining half will start later in October.

This differently timed programme is because of the reduced regional rainfall, so the beets will be left in the ground to allow for September rains to hopefully improve the yield. We estimate that British Sugar will produce 970,000 tonnes from the 22/23 campaign, which compares with 1 million tonnes in 21/22. Negotiations between British Sugar and the National Farmers Union has resulted in a record GBP £40 per tonne for beet, compared with £27 per tonne last year.

The fast-rising costs of production and better returns from other crops, such as wheat, does not bode well for the 2023 beet plantings. The 80,000 tonnes of duty-free quota sugar from Australia have yet to enter the UK in 2022, with most of Australia's 3.5 million tonnes of exported sugar going to the closer markets in Asia. Brazil, part of the TRQ (Tariff-rate quota), became the UK's largest raw sugar supplier with 256,000 tonnes in 2021, compared to 90,000 tonnes in 2020.



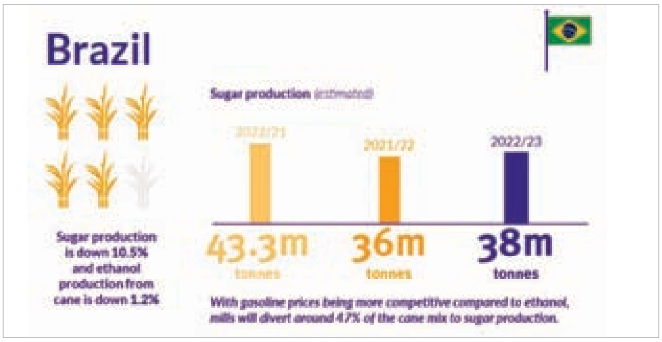
Ukraine's beet production only down 20% amid Russian invasion

Rains in July and August improved the beet yields in Russia and Ukraine, which are considerably higher compared to last year. The beet area sown increased by 4% this year. We therefore estimate that Russia will produce 6.9 million tonnes of beet sugar in 2022/23, compared with 5.9 million tonnes in 21/22. The ban on Russian exports to EAEU countries has now lifted, which will provide a much-needed market.

With Cuba's export to China likely to be curtailed in 22/23, Russia may also benefit from this market. Exports for 21/22 are likely to be in the region of 350,000 tonnes, which compares with 440,000 tonnes in 20/21 and 1.5 million tonnes in 19/20 with the preference on protecting the domestic market.

Despite Russia's invasion earlier in the year, Ukraine managed to sow only 20% less sugar beet than last year. Three percent of the area under beet has been affected by the Russian invasion and occupation. Beet sugar output for the 22/23 campaign is somewhat uncertain. It has been reported that 10 out of the 32 Ukrainian refineries will not be operational due to the war with Russia, the resulting gas supplies and extremely high prices.

Despite this, we estimate that Ukraine may produce 1.1 million tonnes of beet sugar because of the large area sown. This will be enough sugar to cover domestic demand and compares with 1.5 million tonnes of beet sugar produced in 21/22.

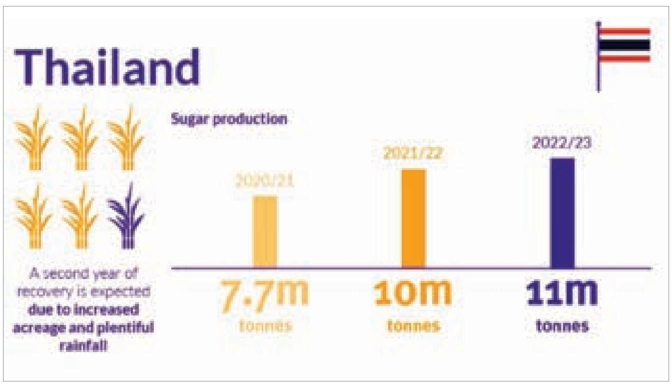


Brazilian sugar industry remains in debt, but production is growing

Brazilian exports of the 2022/23 harvest are down on last year due to a slow start to this year's campaign, which began on 1 April. Drier than expected weather on the back of cane damage from last year delayed the cane development. Compared to this time last year the cane sugar production is down 10.5% and ethanol production from cane down 1.2%.

Better yields are expected in the second half of this year's harvest with an estimated increase in sugar production of around 3% compared to 21/22. Although sugar and ethanol prices remain firm, the production costs are increasing, which will eat into the high margins that the millers benefitted from last year.

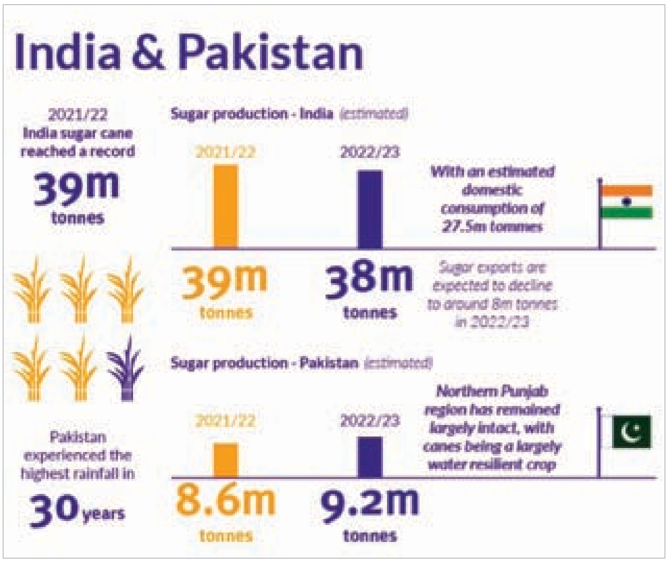
The industry is still in debt from its expansion during 2000 to 2010 and this may well be a problem if inflation continues to rise. With gasoline prices being more competitive compared to ethanol, mills will divert around 47% of the cane mix to sugar production. The mills are expected to continue crushing the 22/23 cane crop well into December. Total sugar



production for 22/23 is estimated at 38 million tonnes, compared to 36 million tonnes in 21/22 and 43.3 million tonnes produced in 20/21.

Fertiliser price rise brings weeds to sugar fields but Thai sugar production continues to rise

Improved rainfall throughout 2021 helped Thai cane sugar production reach 10 million tonnes in 2021/22, compared to 7.7 million tonnes in 20/21. A second year of recovery is expected for 22/23 with an estimated 11 million tonnes of sugar being produced on the back of increased acreage and plentiful rainfall. Prices increases in fertilisers has lowered their use amongst farmers which is resulting in a higher level of weeds in the fields.



Pakistan sugar production remains strong despite devastating floods

Rainfall in all of India and Pakistan's major sugar cane producing regions has been plentiful with reservoirs full, which will encourage farmers to plant more cane for the 2023/24 season. The amount of sugar produced in India for in 21/22 reached a record 39 million tonnes. For 22/23 there will likely be a small decrease to around 38 million tonnes, but more than sufficient for supplying the estimated domestic consumption of 27.5 million tonnes.

Sugar exports are expected to decline to around 8 million tonnes in 22/23 compared to a record high 11.2 million tonnes in 21/22, with ethanol production diverting around 4.5 million tonnes of sugar. Mills will also want to hold carry-over stocks as a contingency against adverse weather patterns, potential agricultural production increases and local price increases.

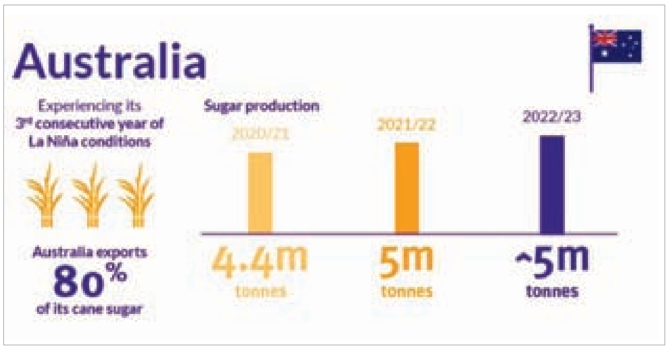
In neighbouring Pakistan, the highest rainfall for 30 years has seen extreme flooding damage to cotton and rice crops. The northern Punjab, the largest sugar cane growing region has remained largely intact, with the canes being a fairly water resilient crop. Cane sugar production for 22/23 is estimated to be 9.2 million tonnes compared to 8.6 million tonnes in 21/22.

Egypt's sugarcane expansion boosts Africa's overall sugar production

Africa's sugar production for 2022/23 is estimated to rise to 12.4 million tonnes following Egypt's continued expansion of its sugar beet programme. Africa's second largest sugar producer began its 21/22 sugar cane harvest in December and finished it in June, with total sugar production for 21/22 estimated at 2 million tonnes.

The continent's largest producer, South Africa, experienced disruption to cane sugar production following cyclones Ana and Eloise and higher than usual rainfall. Despite this, the country is estimated to produce 2.2 million tonnes for 21/22 following a poor crop in 2021.

Swaziland/Eswatini is expected to slightly increase production to 700,000 tonnes for 22/23 due to increased area under cane and continued improved irrigation. Mauritius has experienced excessive rainfall and a lack of sunshine with estimated output for its cane speciality sugar reducing to 250,000 tonnes for the 22/23 crop.



Next year's crop yield predicted to rise despite a reduction in area used to farm sugarcane in Australia

Australia is experiencing a third consecutive year of La Niña conditions due to the warming of temperatures in the western Pacific Ocean. Spring has seen higher rates of rainfall, with flooding in Queensland (which produces 95% of Australia's sugar) and New South Wales, and further rain is forecast.

This is affecting the cane quality and the rate of cane harvesting, which started at the end of May. The early forecast is for an improved crop in 2022/23, higher than the 5 million tonnes of sugar produced in 21/22. With record cane prices, farmers will be encouraged to harvest as much cane as possible, with crushing continuing all the way through to December 2022.

This is a positive position after alternative crops and continued urbanisation in recent years have taken over many of the fields previously used for cane. Australia exports 80% of its cane sugar and remains among the top five exporters of raw sugar onto the global market.

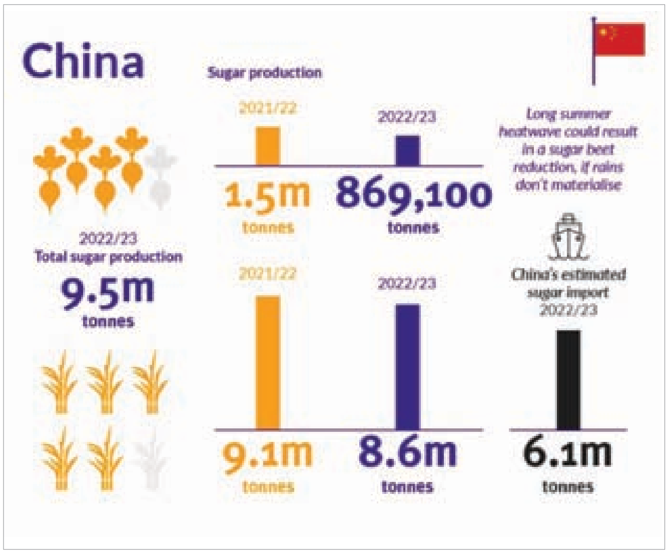
Decline of US sugar beet production balanced by increase in sugarcane

The sugar beet campaign for 2022/23 has just started and is seen as decreasing slightly to around 4 million tonnes due to cold and wet weather delaying sowing the beets resulting in smaller sucrose recovery from the sliced beets. Cane sugar production in Louisiana and Florida will increase in 22/23, offsetting the slight decline in Texas.

Hurricane Ian skirted north of the major sugarcane region in Florida, but heavy rainfall has delayed the start of the harvest which was due to begin on 1 October. Total cane sugar production for 22/23 is estimated at 3.6 million tonnes. In total the United States is set to produce 7.6 million tonnes of sugar in 21/22, compared to 9.2 million tonnes in 20/21. A slight increase to 8 million tonnes is forecast for 22/23.

The US will produce enough home-grown sugar for around 70% of domestic consumption with Mexican and global imports of around 3.5 million tonnes meeting the remaining shortfall.

The Mexican cane harvest finished in July with sugar production up at 6.3 million tonnes compared to 5.7 million tonnes in 20/21. The area under cane was up by 2% with yields increasing 4.5%. This helped fulfil a 5% increase in domestic demand, whilst exporting 550,000 tonnes onto the world market and 1.3 million tonnes to the United States. The good rainfall currently being experienced will help the cane development of the 23/24 crop.



A bigger population and economy see sugar imports rise in China

A deal with 16 least developed countries (LDCs) will see zero tariff sugar entering the country from the beginning of September. With the increasing population and economic growth, China is likely to import 6.1 million tonnes of sugar in 2022/23 mainly for the food and beverage industries. China's cane harvest ended in July; this may ease some of the pressure the sugar beet industry is facing with farmers switching to growing corn due to better pricing returns.

China also experienced a long summer heatwave with drought reducing water availability, which poses a serious threat to many of the crop harvests. If the rains do not materialise, it is unlikely that China's beet sugar production will reach the 1.5 million tonnes produced in 21/22 – the current estimate is 869,100 tonnes. Cane sugar production ended at 8.6 million tonnes for 22/23, down from 9.1 million tonnes in 21/22. Total sugar production for 2022/23 will likely reach 9.5 million tonnes, compared to 10.6 million tonnes produced in 21/22.

In conclusion, the chaos that COVID-19 brought to the global sugar market, and the extreme weather and political unrest that compounded it have impacted supply and prices in a way that affects everyone in the food and beverage industry.

01.

Operations Review

Operations

Dangote Sugar Refinery Plc is the largest sugar refinery in Nigeria with a 1.44 million metric tonnes refining capacity at the same location at Apapa Wharf Complex, Lagos, and one of the largest sugar refineries in sub–Saharan Africa.

Annually the company imports about 0.84 million tonnes raw sugar and cultivates about 640,000 tonnes of cane with which it produces about 58,000 tons of sugar at the Dangote Sugar Refinery Apapa and DSR Numan Operations, Numan in Adamawa State, from its own grown sugar cane, and sold nationwide.

Dangote Sugar controls more than 60% of the local market share with its Vitamin A Fortified and non-fortified refined granulated free flowing crystal white sugar production, packaged and distributed in 1000kg, 50kg bags, 1kg, 500g and 250g; sold under the brand name “Dangote Sugar” sold to consumers and industrial markets nationwide.

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

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

The Company’s Food Safety Policy is supported by measurable objectives that are monitored, maintained, and continually reviewed with the following objectives: -

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

As Nigeria’s largest sugar producer, Dangote Sugar Refinery Plc has developed and is implementing a “Sugar for Nigeria Project”, a Sugar Backward Integration Projects Development Master Plan to produce 1.5 to 2.0 million metric tonnes of sugar per annum from locally grown sugarcane on approximately 200,000 hectares of various sites across Nigeria. The sugar for Nigeria project will see Dangote Sugar Refinery Plc become a leading integrated sugar company in Africa, with world class standards thereby enabling Nigeria to be very sufficient in its sugar requirements.

The aim is to produce sugar and other products from the value chain from its own grown cane and independent local

farmers called the “Outgrowers” under a robust Outgrower scheme developed to support the operations and empower the farmers in our immediate communities. Dangote Sugar owns and operates its Sugar Backward Integration Projects sites at Dangote Sugar Numan Operations, a brownfield sugar production estate at Numan, Adamawa State, Dangote Adamawa Limited a new sugar development project, in Numan Adamawa State, Nasarawa Sugar Company Limited, Tunga Nasarawa State Nigeria, a greenfield sugar production project and Dangote Taraba Limited, Lau/Tau project in Tabara State, also a greenfield sugar production project.

Dangote Sugar Refinery Plc currently employs over 12,000 personnel, while its backward integration project will generate over 75,000 direct and indirect employment opportunities.

SUGAR FOR NIGERIA PROJECT

Dangote Sugar operations are powered by policies and procedures that are aimed at the attainment of sustainable economic growth through industrialization, empowerment, value creation for all stakeholders and positive impact within our communities and the country at large. This is attested to by the Dangote Group Sustainability Pillars which our operations have been aligned to ensure that these policies drive our day to day operations and output.

Our Institutional, Economic, Environmental and Social Pillars ensure that our business activities and model strengthen national productivity, increase job creation and household incomes as well as GDP growth and economic prosperity of the communities we operate and the society at large.

This is mirrored in the Dangote Sugar Master Plan, a drive towards the attainment of self-sufficiency in sugar production in Nigeria in line with the Federal Government's agenda to achieve sustainable local sugar production, to end importation, save foreign exchange, generate employment amongst other benefits of the extended value chain in sugar production.

Our target is to produce 1.5 – 2.0 million metric tonnes of refined granulated edible sugar from locally grown sugarcane across various locations in Nigeria. To achieve this, DSR has made huge investments in land acquisition, machinery, land development, human resources, and community development amongst others over the past 10 years.

Year 2022 marked the end of the first phase of implementation of the National Sugar Master Plan (NSMP). The National Sugar Development Council carried out a review of the ending period and taking cognisance of the various challenges that impacted delivery of the targets during the period ranging from inability to take possession of the land

acquired, community unrests, near total dependence on equipment importation, delayed delivery, lack of qualified manpower in sugar production, lingering impact of COVID – 19 pandemic lockdowns on the economic landscape which is still affecting activities; and approval for implementation of the second phase for another 10 years given by the Federal Government.

In addition, the timelines and target sugar production volumes were revised, and Dangote Sugar charged with the production of an initial 550,000 metric tonnes out of its planned 1.5 – 2.0 metric tonnes of refined sugar annually. We have re-evaluated our strategies with the continuous evaluation of the project target outcomes with focus on the

Nasarawa Sugar Company Limited, a greenfield site in Tunga and DSR Numan Operations in Nasarawa and Adamawa States, and concentered efforts being made to ensure delivery of the projects targets.

Dangote Sugar Refinery Numan, Adamawa State

The Dangote Sugar Refinery, Numan Operations is a 32,000 hectares sugar production estate with an installed production capacity of 50,000 tonnes of sugar per annum and considerable opportunity for expansion. Acquired in year 2012 as part of the Dangote Sugar Backward Integration strategy to support the National Sugar Development Master Plan with the achievement of the 1.5 – 2.0 MMT/PA sugar production locally.

Rehabilitation of its facilities and expansion of the fields is still ongoing. The factory capacity upgraded to 3800TCD from 3,000TCD, is now in the process of being upgraded to 6000TCD. This will bring the total installed factory capacity to 9,800TCD for the processing of the increased cane supply from the ongoing expansion project.

In addition, the DSR Numan operation now has a state-of-the-art Soil and Cane analysis laboratory with modern equipment, Digital Weather Station and a fully developed large green seedling yard to support the field and farm operations.

During the year under review DSR Numan produced over 21,726 mt refined granulated Vitamin A fortified white sugar for consumption, from about 346,343 mt of its own grown sugarcane on over 6,300 hectares sold in the local markets across the region.

Dangote Sugar Refinery Numan generates about 6.4 megawatts of electric power using bio-renewable cane fibre residue post the extraction process called bagasse. The power generated is primarily used within the sugar manufacturing process to power milling, refining, and packaging processes, provide electricity for the estate and supplied to the immediate communities.

We currently employ over 8,000 staff (permanent, seasonal, and non- permanent), with over 600 farmers under the out growers' scheme. The target is to ensure the creation of sustainable livelihood for persons in the immediate communities through various activities that arise from the company's operations. This includes development of a robust out grower scheme for farmers in the communities where the Backward Integration Projects are located.

The Out growers was increased to 655 farmers in 2022 and have mapped out about 659 Ha of its land to out growers' local farmers and 127 ha from the Bare community land. Currently we are working closely with the Nigerian Sugar Development Council (NSDC) and the local farmers through our established cane grower development programmes, to improve farmers participation and increase to 2000ha by the 2023/24 cropping season, through the Outreach, Special Independent Sugarcane Out grower's development Programme.

First pilot surface drip irrigation (SDI) project of a total area of 35Ha, has been allocated to Out growers to reach the purpose of increasing their revenue per hectare through better cane yield. This new SDI practice will be extended to other fields to boost up profitability.

The out-growers 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/Farm Development	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.

TYPE OF SUPPORT	DESCRIPTION
Recognition & Awards	A performance award to celebrate outstanding outgrowers was introduced as a tool to encourage participation and improved performance. In 2022, six (6) outgrowers were recognised with a female farmer emerging the best outgrower farmer for the 2021/22 crop season.
Achievements	• It has become be a major source of employment and revenue generation for the farming communities. • It has helped improve the cordial relationship between the company and local communities. • Augment cane supply to the factory mill. • It helps to reduce the poverty level of the populace.

Nasarawa Sugar Company Limited

In 2022, 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 visibly with all the trappings of an industrial concern. Though the Covid-19 lockdowns were no longer there; the overall economic atmosphere was challenged with its impact especially on Foreign Exchange availability which led to the continued delay with the delivery of equipment required for the Project.

However, the infrastructure development is ongoing with the final design of the Bulk Water Supply being finalized, in addition to the B Nursery pump station and irrigation works that has been completed. The Bulk Water Supply tender process is in progress, and we are hopeful that the Bulk Water Supply canal earthworks will commence before the second quarter of 2023.

Fortunately, the pump station built one meter higher, was not affected by the devastating flood levels witnessed in the state and its environs during the year under review. The flood affected the communities, and the whole area became in-accessible which impacted our activities over time. Despite

these challenges, one of our key achievements at the project remains planting of the 600 Ha "B Nursery" in readiness for the commercial planting of the 6000ha as planned.

Efforts are ongoing to ensure the project timelines are met against all odds. Our target for the project remains production of 2,000,000 tons cane, from 21,000 hectares of land and 210,000 tons of refined sugar on completion. The project will be irrigated from the Benue River up to 22,000 hectares of land.

The atmosphere remains positive with the support and cooperation of the communities and various stakeholders due to their belief in the prospects of the Project. All changes to the factory site and Bulk Water Supply design due to unforeseen developments as the project progresses were peacefully negotiated with the affected communities during the year under review.

Our CSR and Social Impact activities continued in the six (6) immediate communities - TUNGA, AWE, AZARA, WUSE, AKIRI and RIBI, with boreholes, constant water supplies, road construction, support for education in addition to the existing scholarship scheme for secondary schools and tertiary institutions amongst others.

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.

With 100% of our Dangote Sugar manufactured and sold locally in domestic markets direct to our trade and industrial customers, we pride ourselves as a major supplier of sugar across Nigeria. Our sugar brand packaged in wide range of pack sizes – 1000kg, 50kg, 1kg, 500grams and 250grams is backed by our assured and trusted quality supported by our supply reliability to delivery quantities while meeting the diverse needs of our teeming customers.

During the year under review, Dangote Sugar brand packaging revamp process was completed with the change of the retail packages to increase visibility, shelf presence and brand recognition amongst customers, and patronage for increased volume sales.

This is supported by our team's deep understanding of the route to market, operations planning, improved supply delivery process, across both consumer and industrial segments of our business. 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.

We take pride in the successful achievement of 95% of our target sales, being a 9% increase over the previous year. This was achieved through the continued expansion of our customer base which was relentlessly pursued despite the obvious challenges across our Trade, Corporate and Retail Sales segments in the marketplace.

Our focus is to continue to maximize growth opportunities through innovation to surpass challenges, embrace new ideas to continuously improve our processes, service delivery, customer satisfaction in alignment with the corporate vision and strategic intent.

With over 700 trucks in our fleet operations, and warehouses strategically located near our key markets nationwide, deliveries are made to customers timely. Our trucks are fitted with tracking devices for end to end tracking as a tool in always monitoring the drivers, while our professional team with industry experience in Fleet Management and Logistics

operations ensure deliveries are strategically scheduled to optimize utilisation and improve our services to our customers nationwide.

Customers are also allowed self-serve for those who indicate interest to handle their product deliveries by themselves. With the challenge of Apapa gridlock well behind us our maintenance and our turnaround 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.

During the year under review, mini trucks were introduced to improve deliveries in the South West markets where the 45 tons trucks have difficult access and to serve the small holder customers in the region.

SUPPLY CHAIN

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.

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

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.

Sustainable Supply Chain

A sustainable agricultural supply chain is paramount to the future growth and success of our business. Partnering with local farmers, transporters, contractors, and other small, medium, and micro-sized enterprises in the supply chain brings about multiplied socio-economic benefits to the communities in which we operate.

Dangote Sugar owns and operates one of the largest sugar refineries in sub-Saharan African located at Apapa Lagos, and three sugar agricultural estates located at Numan Adamawa State, Tunga Nasarawa State and Lau/Tau in Taraba State.

Creating value from local agricultural resources provides the opportunity for multiple stakeholder's involvement and share in the beneficial outcomes of a commercially orientated environment by the immediate communities. Due to the three agriculture projects, Dangote Sugar has developed a robust outgrower scheme to support indigenous farmers in its immediate communities aimed at the economic empowerment of citizens in line with our strategic United Nations Sustainable Development Goal 8: Decent Work and Economic Growth, one of our priority strategic SDGs.

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

This is in addition to several training programmes under the DSR Skills and Knowledge Transfer Scheme through which the Outgrowers are trained to support the farmers in their performance as a major contributor to economic growth.

As at today we have discarded outdated supply chain practices, imbibed improved best practises utilising technology to innovatively to produce sugar efficiently and responsibly.

Group Managing Director/ Chief Executive Officer's

Report for the Year Ended December 31, 2022

RAVINDRA SINGH SINGHVI

GROUP MANAGING DIRECTOR/CEO

Dear Shareholders, Distinguished Directors, Ladies and Gentlemen. It is with utmost pleasure, that I welcome you to the 17th Annual General Meeting of Dangote Sugar Refinery Plc, and present the performance report for the period ended 31st December 2022.

2022 was a remarkable one especially for the global economy, and the myriad of challenges that the world continues to face even today, including the political tensions, liquidity squeeze, lack of forex exchange, inflation and the attendant impact despite the return to normalcy with the removal for the COVID-19 restrictions.

Despite the volatile environment, we continued implementation of our strategies towards implementation of the DSR Sugar Master Plan, optimizing costs and efficiencies to create long term and sustainable value for all stakeholders.

As part of our goals in 2022, sustainability was at the core of our strategy, which cuts across the way we run our business. Over the past years, we introduced a series of initiatives and sustainablility related actions such as schools quiz competition, our tree planting campaign, empowerment and scholarship schemes, as well as staff volunteerism. This reaffirms our commitment to build thriving communities in areas where we operate.

Details of our value creation and impact activities across the business during the year under review are on pages 41 to 113 of the sustainability report segment of the 2022 annual report and accounts on the company website – sugar.dangote.com.

"As part of our goals in 2022, sustainability was at the core of our strategy, which cuts across the way we run our business."

2022 Financial Performance

The Group's performance for the year 2022 was impacted by the contracted economic activities that impacted businesses during the year under review, occasioned by the extended impact of the COVID - 19 pandemic on the global economy. To achieve this performance, we continued implementation of strategic actions towards our commitment to improve our performance and generate value for all stakeholders.

Group Turnover of N403 billion, against N276 billion recorded in 2021. Profit After Tax of N55 billion recorded against N22 billion recorded in 2021. This represents a top line growth of 46% in revenue, 142 % YOY increase in PBT, and 148 % increase in PAT. Sales volume grew to 851,537 tonnes, production to 806,093 tonnes being 10% and -1% volume growth over the same period in 2021.

	2022	2021	% Change
Sales (MT)	851,537	771,321	+10
Production (MT)	806,093	811,962	-1
Revenue (Nbn)	403	276	+46
PBT (Nbn)	82	34	+142
PAT (Nbn)	55	22	+148

Taking into account the Group performance, the Board of Directors has recommended for the shareholders' approval at this Annual General Meeting a dividend of N1.50 each for every ordinary share of 50 kobo each held in the Company as at December 31st 2022.

THE BACKWARD INTEGRATION PROJECTS

Implementation of the Sugar Projects initiatives continued at a high tempo despite the challenges, already mentioned above. However, we sustained our wins with the continued existence of peaceful environment with the communities and the continued positive engagement with the state and community stakeholders evidenced in their continued support of the DSR Backward Integrations Project.

The situation of the Lau/Tau project is still the same, and we are hopeful that the Taraba State Government will resolve the community issues, focus on the development, rehabilitation and upgrade of our facilities at the Dangote Sugar Refinery, Numan Operations and the Nasarawa Sugar Company Limited, Tunga.

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.

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

Dangote Sugar's sustainability approach remains one of inclusivity which entails engaging and partnering with key stakeholders towards the achievement of our business goals and strategic objectives. This yielded very good results with the peaceful and cordial relationship achieved all year round with our host communities, which impacted the company's operations positively and various stakeholders **– THE DANGOTE WAY.**

Several programmes and activities which incorporates the DSR United Nations Priority Strategic SDGs were introduced and implemented all through the year in collaboration with the all stakeholders during the year under review. We continued with investments and provision of basic needs for the upliftment of the plight of the members our immediate communities; with provision of portable water, electricity,

road maintenance, furniture for schools, infrastructural development, free education, food and relief materials, healthcare, outgrower, scholarships, and empowerment schemes.

As part of our CSR initiatives with continued investment in the socio-economic development of our immediate communities, the Outgrower farmers were supported with formal and informal skills transfer training and mentoring programmes to grow their sugarcane farming skills for increased cane output, as we continued in the pursuit of the goals of our Dangote Sugar, Sugar for Nigeria Master Plan. This led to the recognition we received for the third consecutive year by the SERAs Africa as the Best Company in Food Security at the 2022 Sustainability, Entrepreneurship and Responsibility Awards (SERAs) CSR Awards Africa.
This award and the others that were honoured with during the

year under review attests to the commitment of the Board, Management and Staff towards the achievement of the company's goals and objectives. Our employee volunteers were also on hand with their skills, time and resources which were deployed within our host communities during the year with various outreaches like the annual Dangote Sugar Charity Day and Sustainability Week. During the 2022 sustainability week, Dangote Sugar strategic priority SDGs received a boost with the inclusion of UN SDG 13 – Climate Action, which saw to the planting of over 2,000 trees across our operational location. To this end, we continued with the implementation of our environmental impact management strategy with a focus on reducing greenhouse gas (GHG) emission, responsible water use, and paper usage amongst others.

GOVERNANCE & RISK MANAGEMENT
Dangote Sugar Refinery Plc's approach to Governance and Risk Management are in accordance with the highest standards of good Corporate Governance. We are mindful of our impact on the environment and immediate communities.

The Board of Directors remains on top of Dangote Sugar's enterprise risk management and implementation of the business continuity strategies. The Board Governance, Risk & Assurance and Finance Committees are responsible for reviewing the adequacy of the internal control processes, risk framework, policies and processes deployed in running the day to day operations of the business. This has led to the continuous operation of DSR efficiency over the years and a confirmation that corporate governance is key 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.

During the year under review all employees are on boarded to the culture of governance and compliance culture through training programmes and awareness sessions held periodically with focus on the principles and standards of our operation practises, policies and its requirements. This is also extended to all our vendors and contractors to ensure that good governance and accountability underpins our daily operations.

Our approach to Risk Management remains holistic with an annual risk assessment carried out across our operations to identify internal and external or emerging risks as well as opportunities presented by these risks. These risks are mapped to the Company's Strategic Risk Footprint and assigned to function owners who are tasked with ensuring the plans and actions are adequately in place to mitigate the risks. The risks mitigation plans are also reviewed on a monthly basis by heads of function and quarterly at the Risk Management & Assurance Committee meeting. By embedding effective controls in the Company's operational processes, a strong risk management culture, a robust control environment, the company was able to ensure continuity while delivering value to all stakeholders.
.
The underlying objective of our risk management and governance practice is to counterbalance the interests of investors, consumers, producers, the environment, employees, communities, government, and all stakeholders, while safeguarding its sustainability.

OUR HUMAN CAPITAL
Our employees remain our most valuable asset and we continued to invest in their development with training, and right placement to strengthen succession and deepened understanding of the organization goals, processes, and overall wellbeing. Several sessions were organized with focus on mental health, HBP, Diabetes, healthy lifestyles, a safe work environment etc in addition to professional support and counselling as the need arises.

We continued to attract and retain qualified and high calibre employees to fill skills gaps, while instilling a culture for growth and self-development amongst the employees, which is a testament of the Dangote Group's workplace culture. This has contributed to continuous improvement, optimal performance, and increased output during the year under review. Skills transfer and acquisition scheme was also pursued across our operations with focus at the backward integration projects with a strategic goal to build a skilled sugar production workforce to support and sustain the operations.

Recognition and awards for outstanding performance was not left out during the year under review, this was sustained through our employee motivation and recognition awards, that were hosted quarterly across our operations.

FUTURE OUTLOOK

Ladies and Gentlemen, though 2023 opened with the uncertainties and continued impact of the global economic situation, and the peculiar challenges of an election year locally. We are also faced with the impact of the new policies introduced by the Federal Government, impacting not just our markets but the populace. We however remain optimistic that the efforts will be worth the sacrifice. We will continue to build on our strengths and successes to ensure that our performance is sustained and surpassed, despite these challenges.

We will continue to position our brand strategically, optimise our processes and cost efficiency and implementation of our strategic initiatives – the Sugar for Nigeria Backward Integration Project Master Plan. This is been pursued with rigour, and the realisation of the targets will ensure the growth of Dangote Sugar into an integrated sugar production business and a sustainable future for the business.

At this point I express my sincere appreciation to all our stakeholders, especially members of the Board of Directors for their substantial contributions, the strong leadership and guidance it provided are invaluable and key to the continued growth amidst the challenging conditions we faced during the year. My most profound gratitude goes to our partners and valued customers who kept faith with us as we weathered the storms. The Management and staff, remain our best assets in the business, your dedication during the year under review despite the obvious difficulties in the environment is most appreciated.

Dear Shareholders, we thank you for your continued vote of confidence in the Board and Management of Dangote Sugar Refinery Plc, and look forward with renewed confidence.

Thank you.

Ravindra Singhvi
Group Managing Director/CEO


DANGOTE
SUGAR

02.

Sustainability Report

"The Dangote Way"

Our Approach to Sustainability

We are passionate about building a sustainable future for our organization and key stakeholders. We bring this passion to life by harnessing innovative and sustainable business practices aimed at advancing economic, social and environmental well being 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 organization that delivers meaningful impact and value creation. As the world faces extraordinary challenges - from climate change to food insecurity, we understand that delivering on our responsible business purpose is more critical than ever before.

Dangote Sugar Refinery Plc's sustainability approach is thus tactically aligned with the Dangote Industries Limited's 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 high premium on maintaining our ethical values and respecting the local cultures in the markets where we do business.

Our purpose is not just to be the clear leader in sugar manufacturing in Nigeria but also an outstanding organization that delivers meaningful impact and value creation

DANGOTE 7 SUSTAINABILITY PILLARS & THE TRIPLE BOTTOM-LINE

SN		Pillar Objective
1.	**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.
2.	**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.
3.	**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.
4.	**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.
5.	**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.
6.	**Institutional**	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.
7.	**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.

OUR REPORTING PRACTICE

This Dangote Sugar Refinery (DSR) Sustainability Report, which is in accordance with the GRI Sustainability Reporting Standards, addresses our significant social, environmental, economic, and governance issues for the reporting year, which runs from January 1 to December 31, 2022. The Report covers activities carried out in our headquarters in Apapa, Lagos, Nigeria, and other locations such as our Backward Integration Projects (BIP) in Numan, Adamawa State; Tunga, Nasarawa State; Lau/Tau Project, Taraba State; Adamawa State; and Fleet operations, all in Nigeria. It provides our stakeholders with information about how we performed in these areas during the year under review as well as the strategies and processes we are using to make ongoing improvements. To advance our integrated and balanced scorecard reporting approach, this Sustainability Report is included in and supplements our 2022 Annual Financial Report, which primarily covers our financial and economic performance. As a result, the writing and organisation of this report follows the seven (7) Dangote Sustainability Pillars.

To ascertain the core concerns of our key stakeholders, we conducted comprehensive stakeholder engagement activities (involving employees, host communities, and supply chain) and a materiality assessment survey as part of the reporting process. To demonstrate transparency, this was carried out by a third-party sustainability expert (Dupht Consult Limited). The results of this exercise and our effects on the economy, the environment, and society determined the material topics covered in this Report.

Following our parent company's (Dangote Industries Limited) membership requirements, this Report also acts as our yearly progress report to the United Nations Global Compact (UNGC). Thus, it appropriately summarizes our accomplishments in incorporating the UNGC's ten (10) sustainability principles into our business practices. Similarly, the Report satisfies our standards for the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs) because all essential indicators are likewise completely documented. Furthermore, this Report also explains our contributions to the United Nations Sustainable Development Goals (UN-SDGs) and the steps we are taking to help achieve the Goals.

We have cross-referenced and benchmarked our Report against the Securities and Exchange Commission (SEC) Code of Corporate Governance and the Financial Reporting Council of Nigeria Code of Corporate Governance (NCCG). The data for developing this Report was gathered in accordance with the 2021 GRI Sustainability Reporting Standards. The Report was presented for the GRI Content Index - Essentials Service to assess the correct application and reference of the GRI Standards. The Report was awarded the GRI Service Mark after the assessment exercise.

Building on the milestone of last year, this 2022 report is Dangote Sugar Refinery Plc's second sustainability report in accordance with GRI Sustainability Reporting Standards.

2022 DSR MATERIALITY ASSESSMENT AND STAKEHOLDERS' SURVEY - EMPLOYEES, COMMUNITIES AND SUPPLY CHAIN PARTNERS

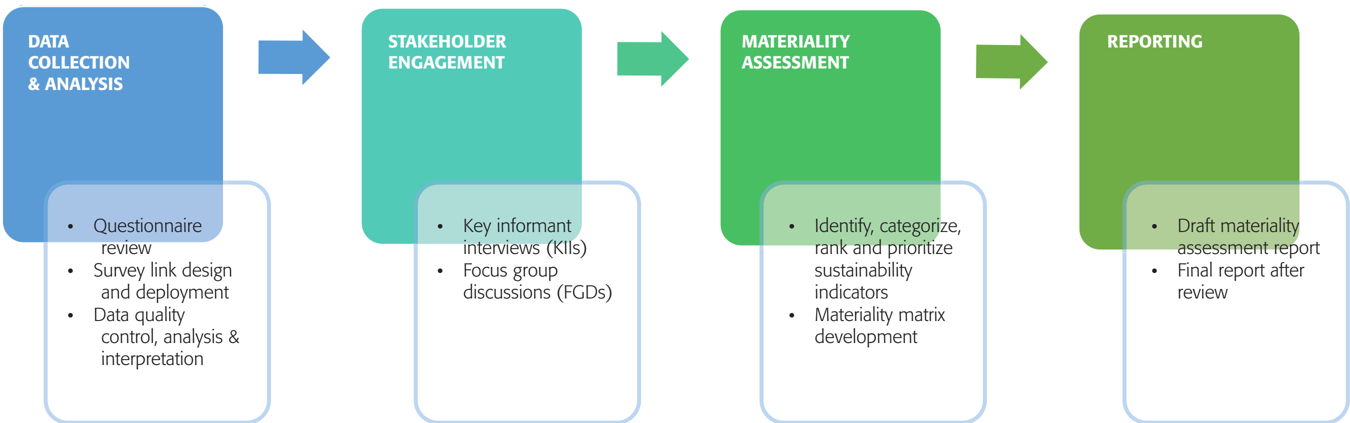
Materiality assessment is the process of determining the sustainability/ESG issues that are both most important to the long-term success of any business and most important to its diverse internal and external stakeholders. This assessment gives an idea of where the greatest risks/opportunities are to the business and the welfare of its key stakeholders so the business can leverage the outcomes as tools for measuring the efficacy and maturity of their input on sustainability/ESG in general.

In light of the foregoing, we engaged Dupht Consults Limited (DCL), an independent sustainability consultant, to execute the 2022 stakeholders' survey analysis and materiality assessment to form part of our 2022 sustainability report and provide key insights into the organisation's material sustainability issues for overall business practises and sustainability performance improvement.

This practice complies with the requirements of relevant global, local, and industry-specific sustainability framework and regulatory standards such as GRI Sustainability Reporting Standards in particular, the United Nations Sustainable Development Goals (UNSDGs), United Nations Global Compact (UNGC), Nigerian Exchange Group Sustainability Disclosure Guidelines (NGX-SDGs), Financial Reporting Council of Nigeria Code of Corporate Governance (FRC NCCG), amongst others.

Materiality Assessment Process

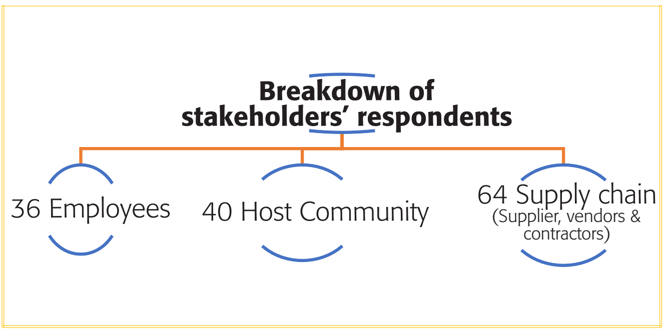
The 2022 DSR materiality assessment was executed via a robust, seamless, and systematic approach with four (4) broad staged-process and specific actions as summarized below.



The survey questionnaires were digitally designed and deployed using an online, cloud-based solution that allowed stakeholders (employees, host communities, and supply chain partners) to respond in real-time from diverse locations across DSR operations and globally by clicking on a survey link or scanning a QR code. The online model allowed responses to be provided 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 ease of data collation and analysis.

At the end of the survey deadline, the portal closed, and the raw data file was retrieved from the online, cloud-based solution used to deploy the surveys and subjected to data quality control, quantitative analysis, and interpretation. The datasets were further transformed after analysis for easy visualization using different charts for a better understanding of the analysis.

The overall materiality assessment process then concludes with material topics and sustainability indicators identification, categorization, ranking and prioritization, materiality matrices development, and reporting.



Employees' survey

The 2022 employees' survey was conducted across five (5) DSR operations - DSR Apapa, DSR Numan, DSR Nasarawa, DSR Adamawa and DSR Fleet Operations. Of the 36 respondents, 8 (22%) were female and 28 (78%) were male.

Majority of the respondents (31%) have been in the service of DSR for 3-5 years, while 28%, 19%, 11% and 6% each have been employed for 10-20 years, 0-2 years, 9-10 years, 6-8 years and above 20 years respectively.

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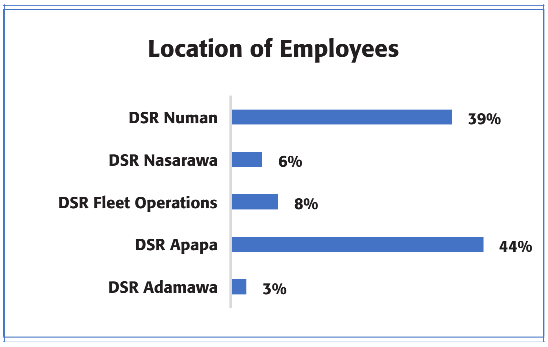
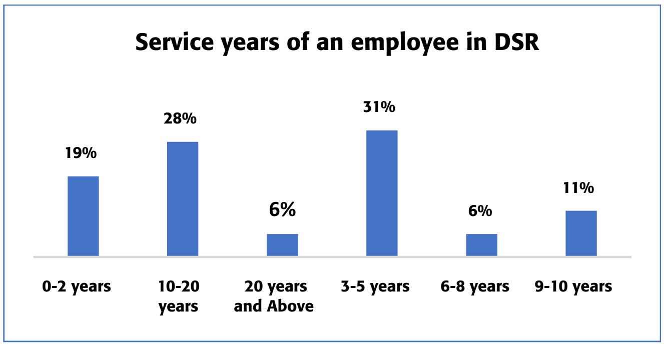
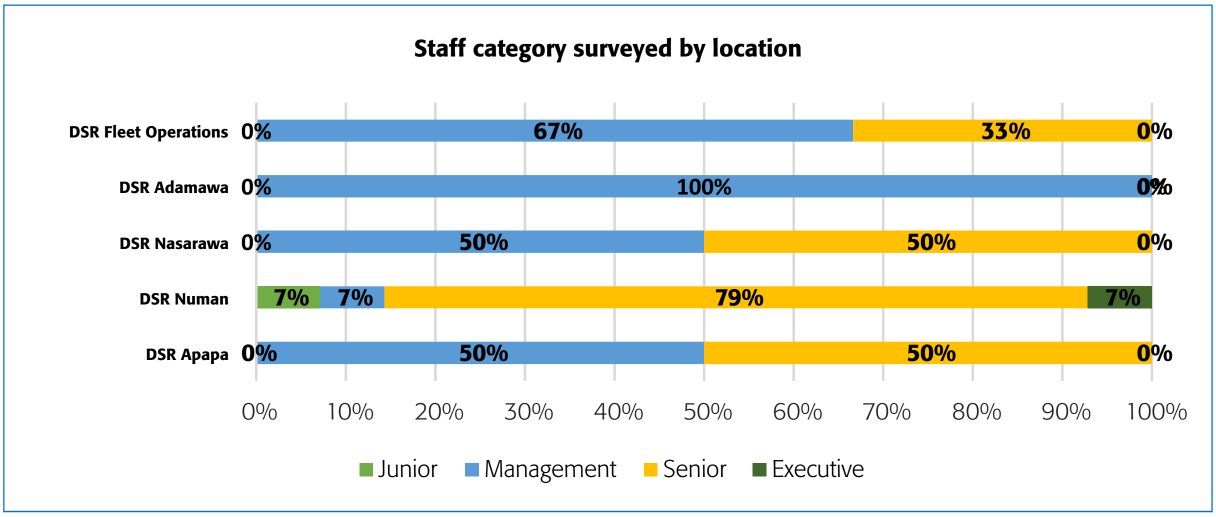
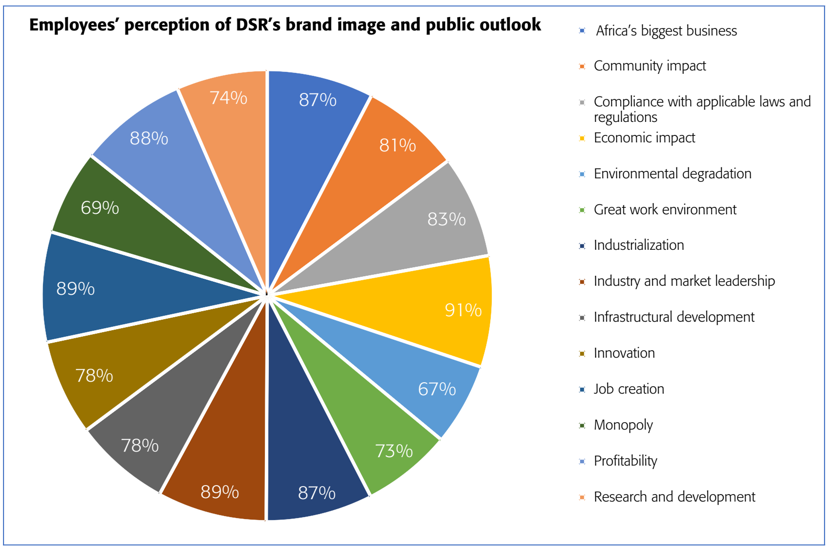




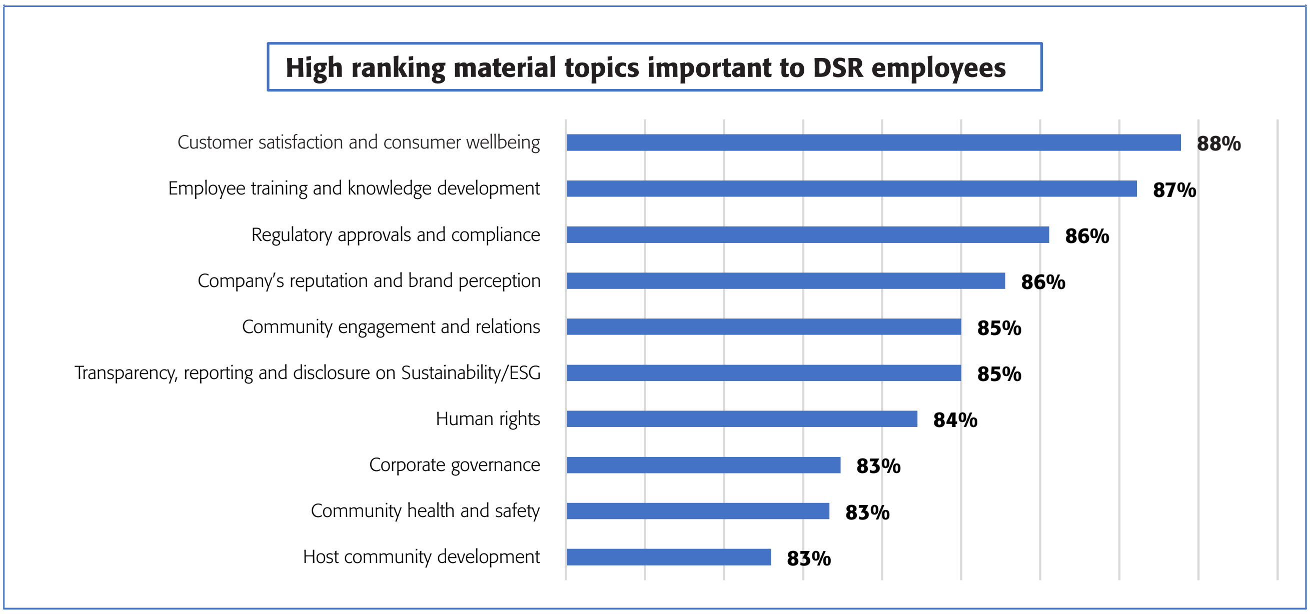


In terms of DSR's brand image perception and public outlook, the employees' top three (3) attributions to the company's brand are economic impact (91%), job creation (89%), and industry and market leadership (89%) while the least attribution is environmental degradation (69%).



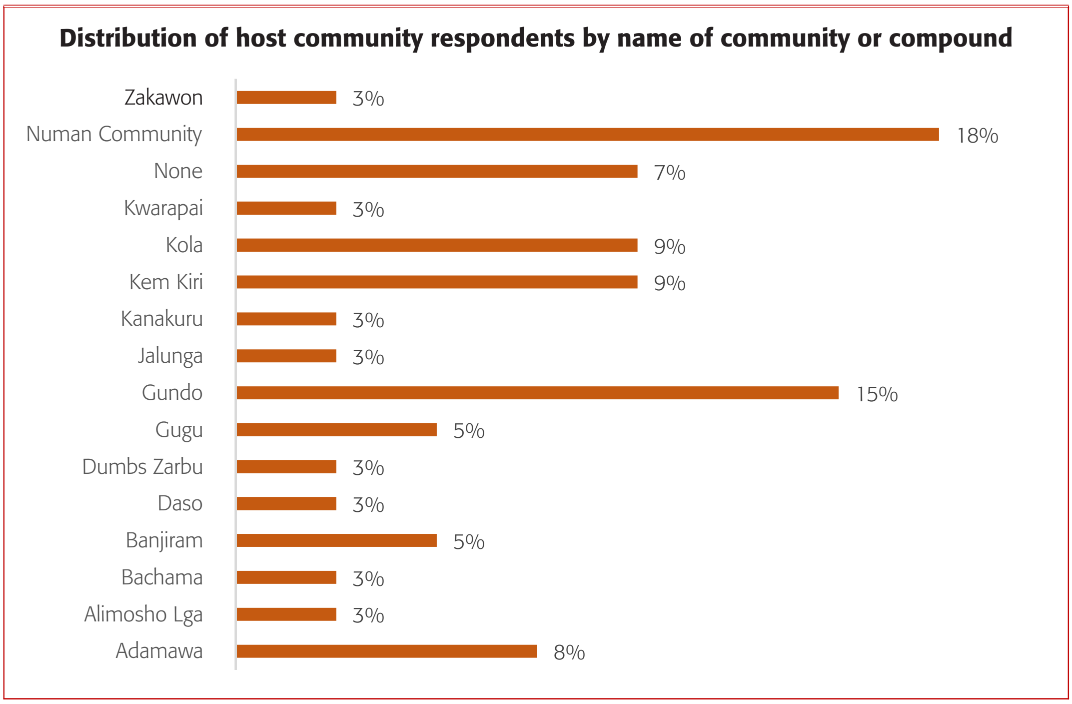
Also, majority of the employees ranked compliance with legal and regulatory standards (89%), compliance with environmental standards (87%), financial performance (87%), CSR/host community development (85%) and community engagement (84%) as the issues or factors vital to the future and sustainability of the DSR brand.

A total of 27 material topics were identified from the employees' perspectives. Below is the chart showing the top ten high-ranking material topics that are important to employees. Of all the material topics in the employee materiality matrix, 12 material topics were most critical (High rank) to employees in terms of impacts on DSR operations, while 15 material topics were moderately critical (Medium rank).



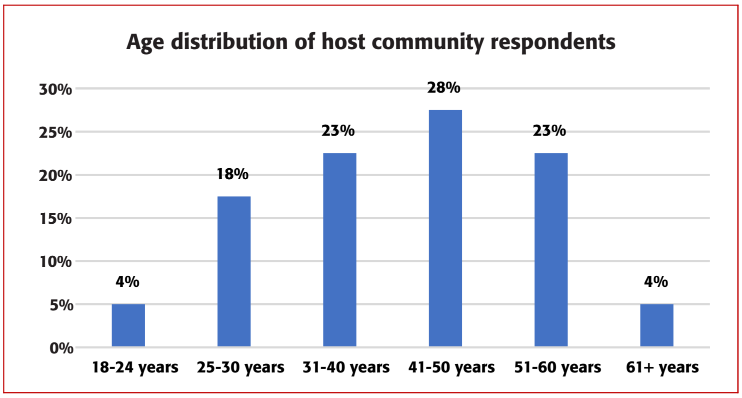
Communities survey

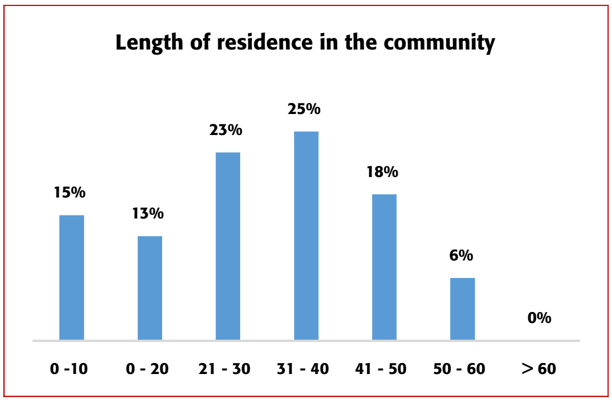
The host community survey was conducted on 40 respondents from the diverse local communities of DSR Numan (35, 88%), DSR Adamawa (4, 10%) and DSR Apapa (1, 3%). Numan Community (18%) and Gundo (15%) accounts for majority of the respondents. The official titles of the community leaders differs e.g. "Village Head", "District Head" and "Community Head".



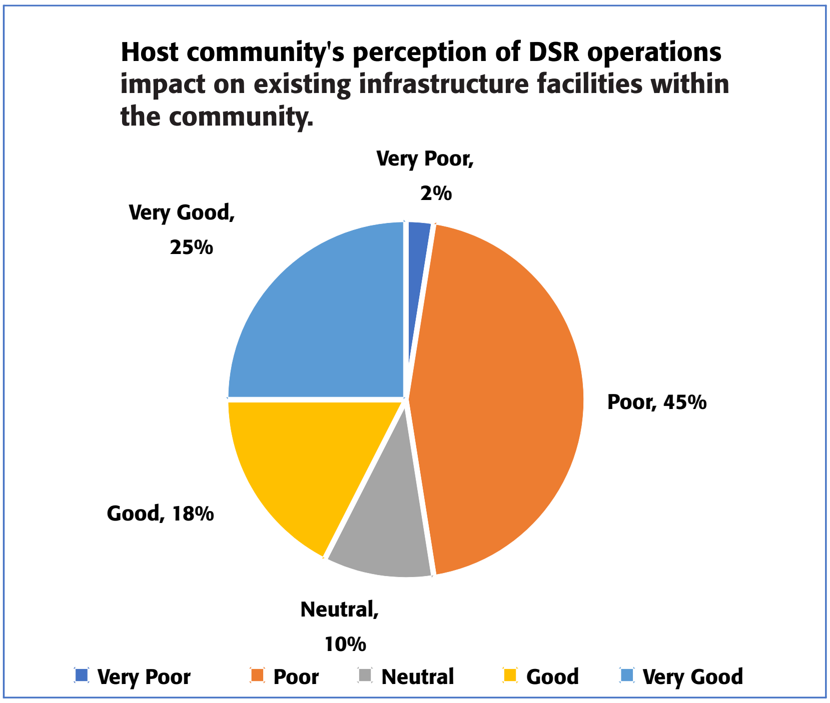
Of the 40 respondents, 15 (37%) were female and 25 (63%) male, with a mixture of married (73%), single (25%) and divorced (3%) as their marital status. Twenty nine (73%) practice Christianity religion while 10 (25%) practice Islam and 1 (3%) none. Twenty-one (53%) of the host community respondents have 0-5 dependents; 28% are aged 41-50 years old; and 23% each are aged 31-40 years and 51-60 years.

A larger portion of the respondents live farther from the DSR site and they indicated that they have lived between 21-30 years (23%) and 31-40 years (25%) in the community (35%). The host communities are ethnically diverse, with Longuda, Hausa, Kanakuru, Bwazza, Waja and Fulani being the major ethnic groups/tribes





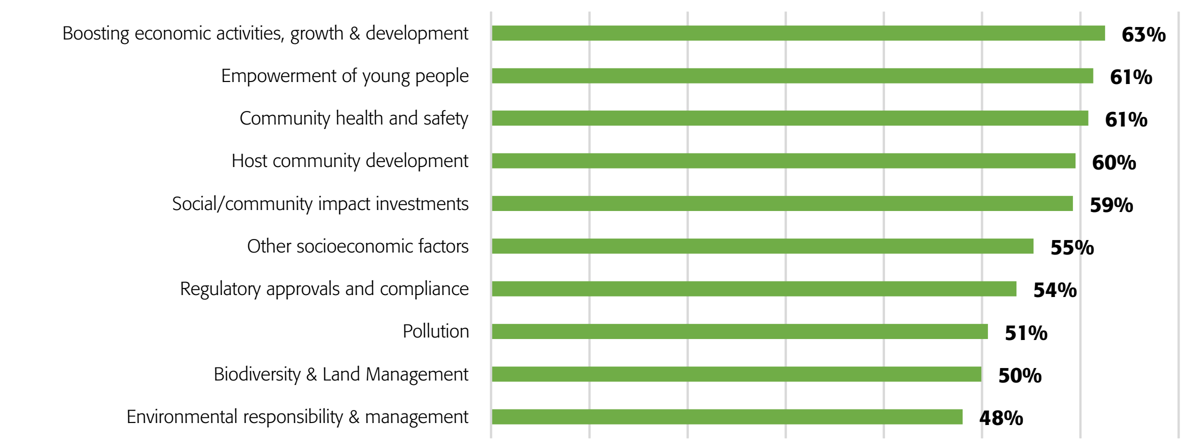
The respondents from DSR's host communities (in the Numan, Adamawa & Apapa operations) during the survey rated "poor" (30%), "good" (30%) and "neutral or indifferent" (25%) when asked about the impacts of DSR operations on their community in terms of social amenities and overall development since commencement. Also, some believed DSR has done "poor" (45%) and others "very good" (25%) in terms of DSR's operations impact on existing infrastructure facilities such as roads, healthcare, schools, etc. within the community as shown in the chart below.



However, majority of the respondents gave DSR a "good" rating (33%) when asked to assess how DSR's operations have affected the quality of life in the community. They also rated DSR "neutral or indifferent" (35%) on positively affecting the cost of living, while rating "good" (40%) regarding positive impact on standard of living in their community.

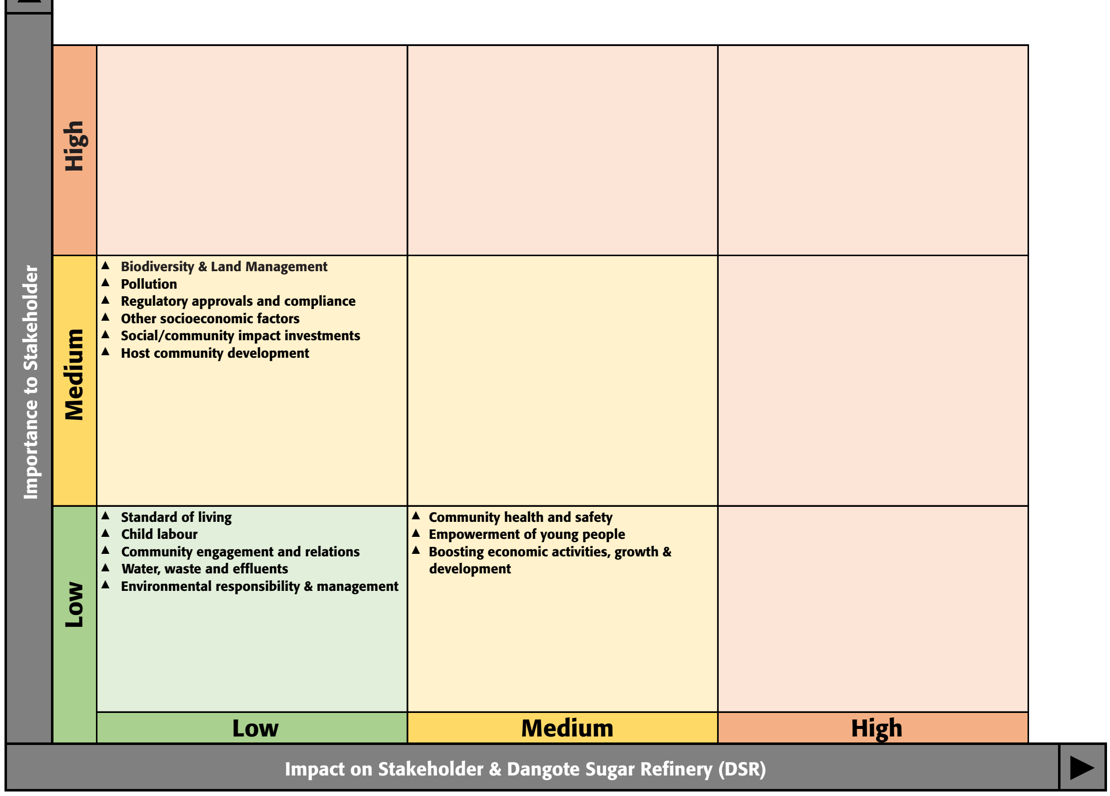
A total of 14 material topics were identified from the host community's perspectives. The top ten high-ranking material topics that are important to the host community are shown in the chart below.

High ranking material topics important to DSR Host Communities



None of the material topics in the host community materiality matrix were most critical. Nine (9) of the 14 material topics were moderately critical (Medium rank) to the host community while the remaining five (5) were least critical (Low rank) to the host community in terms of impacts on themselves and DSR operations.

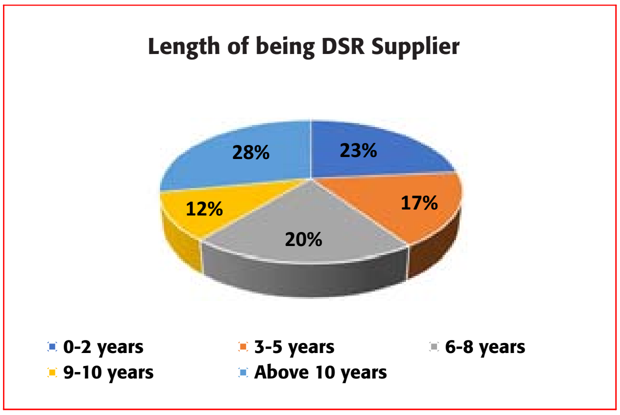
2022 Dangote Sugar Refinery (DSR) Materiality Assessment - Host Community Matrix

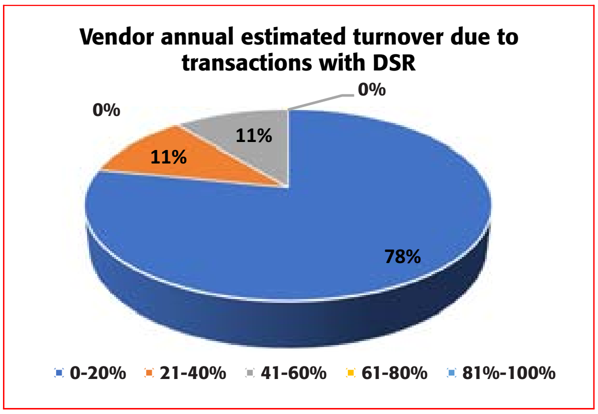


Supply chain partners survey

The core business areas of supply chain stakeholders who participated in the survey comprised engineering, construction, maintenance, consultancy services in environmental, technical, supply of engineering equipment, corporate branding, and general procurement.

Some of the surveyed suppliers have been providing services to DSR for above 10 years (28%), 0-2 years (23%) and 6-8 years (20%). The annual turnover of suppliers, vendors, and contractors ranges from N100,000 to over N10,000,000 with over 78% of the suppliers surveyed relying on DSR for up to 20% of their business turnover.

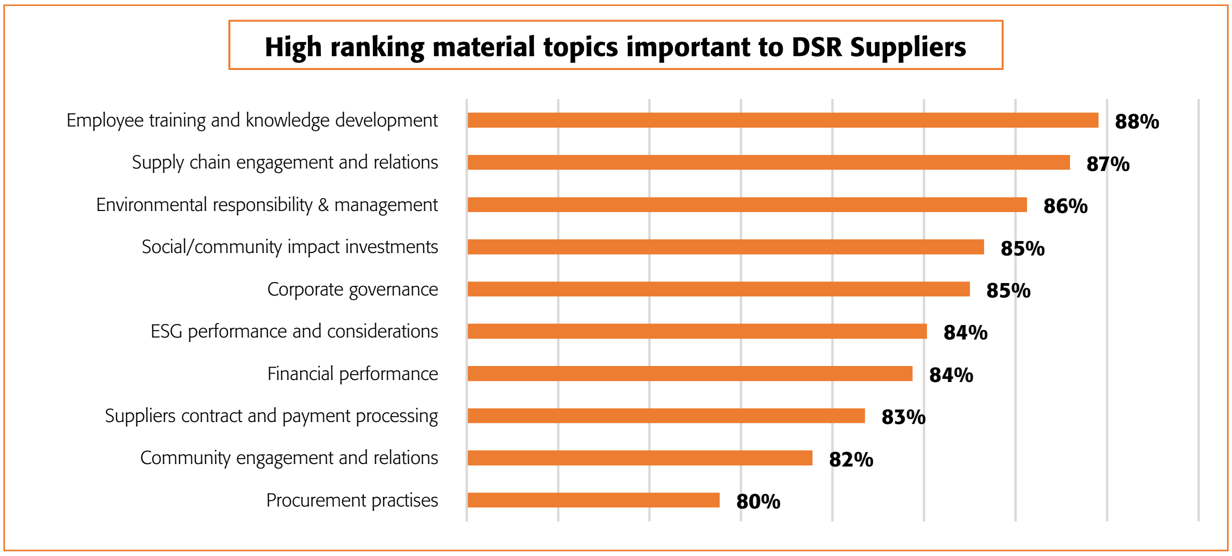




The suppliers, vendors, and contractors respondents indicated that on matters of contract signing and payment processing at DSR, it is "straightforward and timely" (42%). while others said they are "neutral/indifferent" (22%). Invoice processing time for the majority of the suppliers, vendors, and contractors typically takes 14-30 days (42%) and 31-60 days (41%)

The perception of the suppliers, vendors or contractors on the issues/factors that could impact the DSR's brand indicated that the top three (3) factors are research and development (91%), positive economic impact (90%) and market leader (88%).

The suppliers, vendors and contractors that make up DSR's supply chain network, as surveyed, identified a total of 20 material topics from their perspectives. The top ten high-ranking material topics that are important to suppliers are shown in below.



Of all the material topics in the suppliers' materiality matrix, nine (9) material topics were the most critical to the suppliers in terms of impacts on their business vis-a-viz relationship with DSR operations, as follows: Employee training and knowledge development; Supply chain engagement and relations; Environmental responsibility & management; Social/community impact investments; Corporate governance; ESG performance and considerations; Financial performance; Suppliers' contracts and payment processing; and Community engagement and relations.

DSR's 2022 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 2022 (Employees, Host Communities, and Supply Chain partners). They also reflect indicators that DSR has identified as being 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.

At the end of the materiality matrix consolidation, a total of 36 material topics were identified, two (2) material topics were least critical (Low rank), 26 material topics were moderately critical (Medium rank) while eight (8) material topics were most critical (High rank) to all DSR stakeholder groups surveyed in 2022 as part of the materiality assessment.

2022 Dangote Sugar Refinery (DSR) Plc Materiality Matrix (Consolidated)

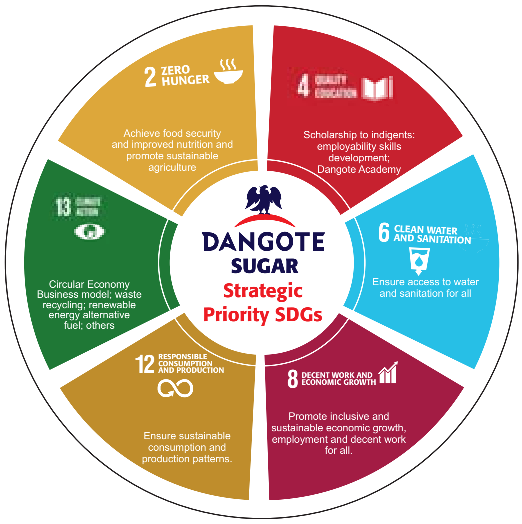
Importance to Stakeholder	Impact on DSR: Low	Impact on DSR: Medium	Impact on DSR: High
High	Suppliers contract and payment processing Financial performance ESG performance and considerations Corporate governance Transparency, reporting and disclosure on Sustainability/ESG		
Medium	Other socioeconomic factors	Regulatory approvals and compliance Community engagement and relations Empowerment of young people Host community development Environmental responsibility & management Community health and safety Anti-corruption policies and practices Circular economy Social/community impact investments Occupational health and safety Diversity, inclusion and equity Company's reputation and brand perception Executive pay and shareholders' dividends Career growth and progression Climate change, Emissions and Energy Employee engagement and relations Employee wellbeing and satisfaction Human rights Business strategy Employee compensation and benefits Procurement practises	
Low	Standard of living Child labour	Boosting economic activities, growth & development Biodiversity & Land Management Water, waste and effluents Pollution	Supply chain engagement and relations Employee training and knowledge development Customer satisfaction and consumer wellbeing

Furthermore, the list of material topics applicable to us as an organisation was carefully discussed and addressed throughout this sustainability report in addition to those identified through the 2022 materiality assessments as indicated in the matrix above. Our material topics for 2022 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, Labour/Management Relations, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labour, Forced or Compulsory Labour, Security Practices, Rights of Indigenous Peoples, Local Communities, Supplier Social Assessment, Public Policy, Customer Health and Safety, Marketing and Labelling, and Customer Privacy.

DSR STRATEGIC PRIORITY SDGS

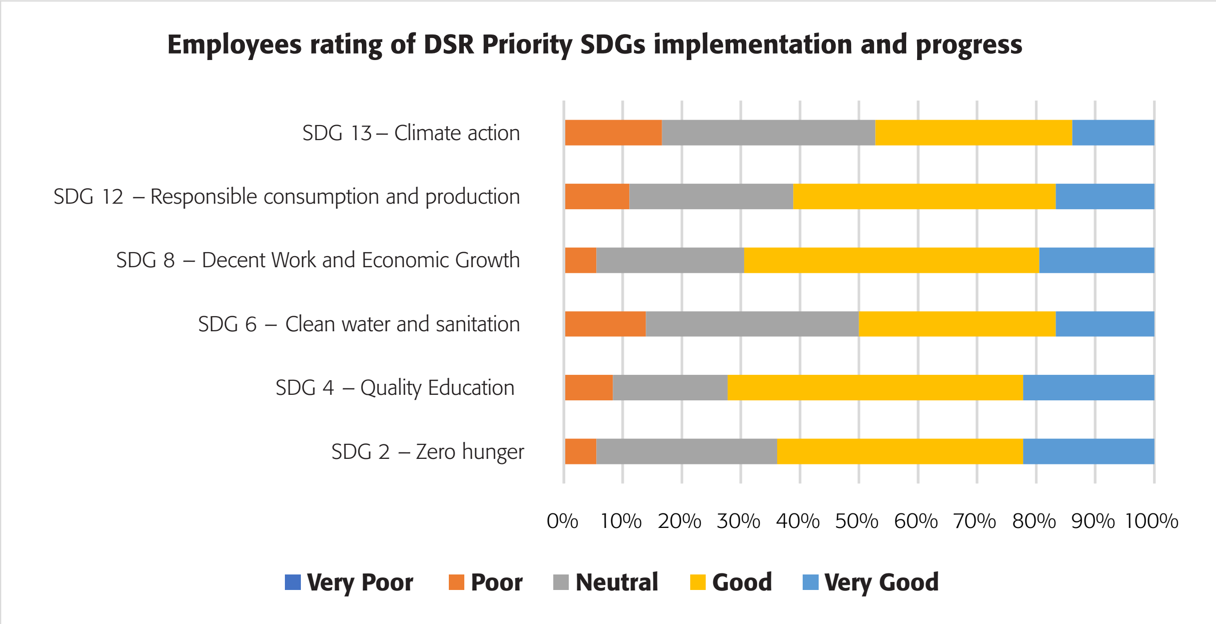
The SDGs are a set of 169 targets and 17 interconnected goals that serve as a road map for attaining a better and more sustainable future for everybody by 2030. While the parent company of DSR, Dangote Industries Limited supports the achievement of all 17 SDGs, DSR has prioritized some SDGs that closely match its corporate goals, line of business, and sustainability agenda. By doing this, we intend to significantly advance the 2030 targets in each of our markets. We have made sure that these SDGs also support Nigeria's National Development Plan and Africa Agenda 2063. (2021-2025) demonstrating our support for sustainable development at the national and continental levels. Additionally, throughout all our activities, the Executive Management team and the Board Committee tasked with overseeing and managing climate-related issues communicates to the company's Board of Directors along with all necessary recommendations for action.

To monitor our progress in the implementation of the prioritized SDGs (Goals 2, 4, 6, 8, 12, and 13), we developed an integration plan which was endorsed by the 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 clearly documented and measured.

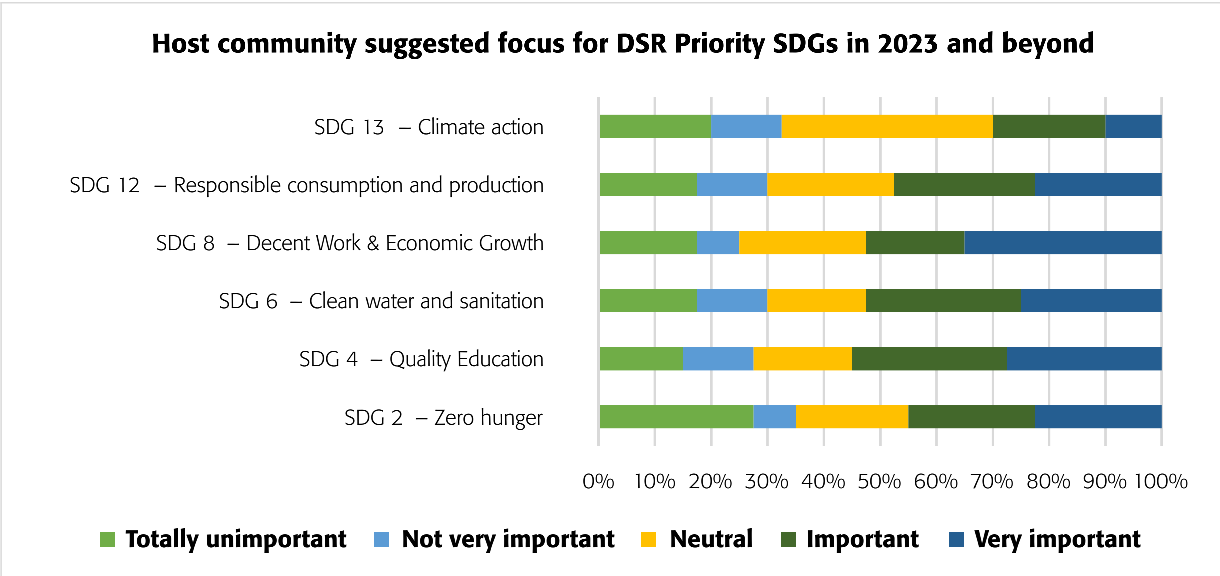


The Employees and the Host communities' surveys and engagements elicited feedback on the views of these stakeholders on the implementation, progress and impact of DSR Priority UN SDGs on them.

Most of the employees think DSR has implemented and made progress through the "good" rating majority of the respondents gave SDG 2 – Zero hunger (42%), SDG 4 – Quality Education (50%), SDG 8 – Decent Work and Economic Growth (50%), and SDG 12 – Responsible consumption and production (44%), compared to SDG 6 – Clean water and sanitation (36%) and SDG 13 – Climate action (36%) where majority rated "neutral" based on their knowledge of activities and initiatives executed under each of the DSR priority SDGs.



While majority of the employees' respondents think DSR should focus more on all the priority UN SDGs, majority of the host community respondents think DSR should focus more on SDG 4 (28% of respondents), SDG 8 (35% of respondents) as it is rated "very important" while SDG 6 (28%) and SDG 12 (25%) were rated "important" as possible focus areas for 2023 and beyond.



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	**Target 2.1:** End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round. **Target 2.3:** Double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists, and fishers. **Target 2.4:** Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.	• Fighting hunger is a strong business opportunity for sugar businesses. • Fighting hunger boosts productivity for food related businesses.	• Dangote Sugar is fortified with Vitamin A which adds nourishment and as well bridge the gap of Vitamin A deficiency in consumers. • The out-growers scheme is in place avails local farmers with income to provide food for their households. • We have a target of employing 75,000 persons to work in the BIPs. • Currently, we have a staff strength of over 12,000 workers. The full capacity of 75,000 workers is our target for 2030. • We have also reached out to the Aliko Dangote Foundation (ADF) for the provision of soft loans to women in the host communities.
Goal 4: Quality Education	• **Target 4.4:** Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	• 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.	• We have embarked on a number of educational programmes to entrench agriculture and food security in young people as well built schools in our host communities. These are programmes include: • -Lagos State World Food Day (Schools Agric Quiz Competition). • -Home Economics (Baking) programme for students of Federal college of education Technical Staff school Akoka Lagos). • -DSR Numan Secondary Schools Quiz and Football Competitions • We sponsored and promoted skills acquisition for women and young people in our host communities.

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 6: Clean Water and Sanitation	• **Target 6.3:** Improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. • **Target 6.4:** Substantially increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	• 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.	• We have sank several boreholes producing clean potable water for our host communities. • We have set targets to reduce water consumption in the refinery to 180,000MT/month. This target has progressively reduced over the years. • There is an Effluent Treatment Plant (ETP) to ensure that only treated effluent that meets regulatory standards is released in the environment. • A monthly and quarterly environmental monitoring by an accredited environmental consultant is in place. • Conscious effort is made to ensure that chemicals, insecticides, and pesticides in use are environmentally friendly.
Goal 8: Decent Work and Economic Growth	• **Target 8.2:** Achieve higher levels of economic productivity through technological upgrading and innovation, including through a focus on high value added. • **Target 8.4:** Improve resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation. • **Target 8.5:** Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	• Child labour 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 chain. • Forced labour and modern slavery are common practice in agribusiness' supply chains.	• DSR does not engage underage workers and currently have a Policy against Child Labour. There exist a Child Labour Abolition and Prevention at the Group level, which DSR complies with. • Remunerations and benefits are structured to remain highly competitive with the industry circles to attack skilled workforce

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	• **Target 12.2:** Achieve the sustainable management and efficient use of natural resources. • **Target 12.3:** Reduce food losses along production and supply chains, including post-harvest losses. • **Target 12.5:** Substantially reduce waste generation through prevention, reduction, recycling, and reuse. • **Target 12.6:** Adopt sustainable practices and integrate sustainability information into the reporting cycle.	• Water consumption intensity, land degradation, and loss of biodiversity are material sustainability issues in sugar production. • Waste generation such as waste water and residue in operations and supply chain. • Plastic waste generation from packaging materials	• Clear and achievable targets are set for reduction of waste generation. LAWMA accredited waste management agents are engaged for waste collection, recycling and disposal at approved sites. DSR independently audits the waste vendor to ensure cradle-to-grave stewardship
Goal 13: Climate Action	• **Target 13.2:** Integrate climate change measures into policies, strategies, and planning	• 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 CO2 reduction plan. • Reduce environmental footprints in all operations. • Develop a plan for gradually reducing the use of fossil fuels. • 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. • Monthly emissions tracking has been commenced to monitor GHG and overall carbon footprint.

CULTURAL PILLAR:
Building a culture of workplace empowerment and inclusion

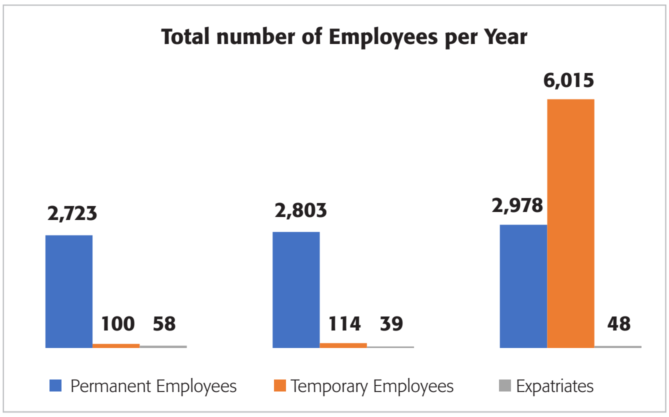
Cultural Standards
Our Cultural Pillar is the foundation upon which our organisational ethos is built. Through this pillar, we ensure that sustainability is embedded in our corporate culture. For us, it is an embodiment of ethical business, professionalism, brand loyalty, employee empowerment, mutual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

We strive to ensure that every staff member across every hierarchy and every operational segment function work 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.

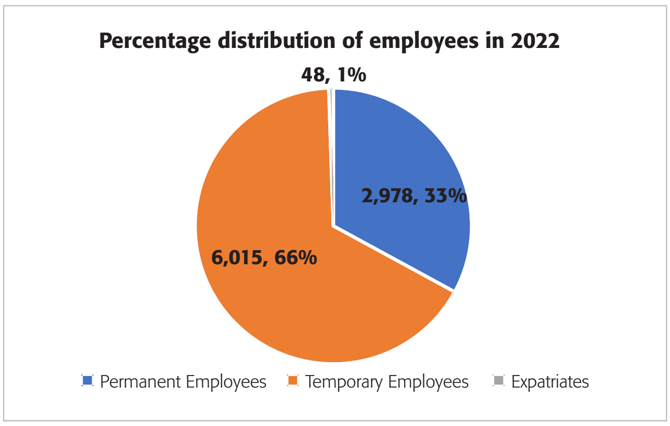
We encourage and reward teamwork, integrity, and meritocracy in our workplace.

Our People
Being an equal opportunity employer is something we take great pleasure in, but we also strive hard to provide the greatest workplace in our sector. As a result, our employees work with us for a considerable amount of time and have rewarding careers. Our company's success has been based on our beliefs and the ongoing development of our workforce in alignment with global changes, which has allowed us to maintain employee performance and meet or exceed their career goals.

The DSR Workforce
In 2022, the number of employees increased from 2,956 in 2021 to 9,041, a 206% increase. This is because the 2021 crop/production season started in January 2022, which reduced the number of temporary workers who are included in the staff strength, and the 2022 crop/production season started earlier in November 2022, which increased the total number of staff and temporary workers.

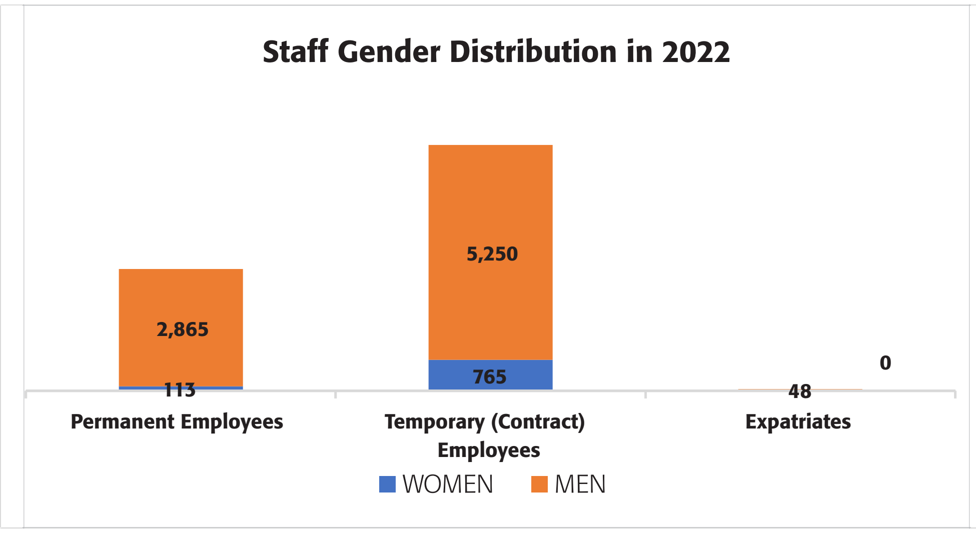


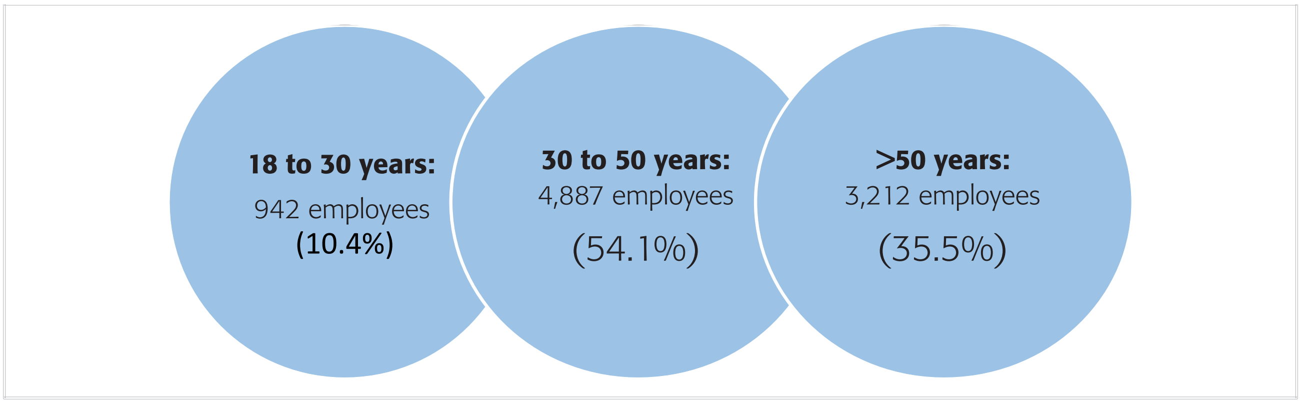
Total employees comprise 2,978 (32.9%) permanent employees, 6,015 (66.5%) temporary employees, and 48 (0.5%) expatriates for 2022.



CULTURAL PILLAR:

Out of the total number of employees, only 878 (9.7%) as compared to the previous year of 75 (3%) are female while 8,163 (90.3%) as compared to previous year of 2,881 (97%) are male. 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.





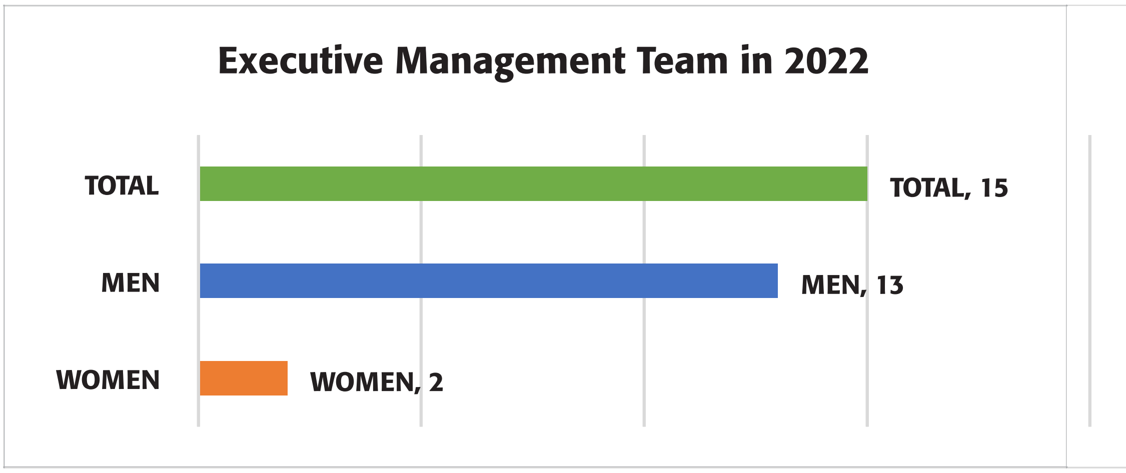
LOCATION	Permanent Employees					
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
	18-30 YEARS OLD		31-50 YEARS OLD		OVER 50 YEARS OLD	
DSR Apapa	4	25	45	576	5	238
DSR Numan	6	60	37	665	4	436
DSR Fleet Operations	1	57	11	691	-	117
TOTAL	**11**	**142**	**93**	**1,932**	**9**	**791**
Temporary (Contract) Employees						
DSR Apapa	-	-	-	-	-	5
DSR Numan	234	546	368	2,470	157	2,206
DSR Fleet Operations	1	8	5	13	-	2
TOTAL	**235**	**554**	**373**	**2,483**	**157**	**2,213**
Expatriates						
DSR Apapa	-	-	-	6	-	12
DSR Numan	-	-	-	-	-	30
DSR Fleet Operations	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**6**	**-**	**42**

Furthermore, in 2022, we had a total of 205 senior management staff. The age and gender distribution of senior is provided below:

LOCATION	Number of Management Staff by Cadre, Age and Gender					
	Senior Management					
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
	18-30 YEARS OLD		31-50 YEARS OLD		OVER 50 YEARS OLD	
DSR Apapa	-	-	2	10	2	26
DSR Numan	-	-	-	3	-	9
DSR Fleet Operations	1	7	9	94		42
TOTAL	**1**	**7**	**11**	**107**	**2**	**77**

Our executive management's composition strives to have an appropriate balance of diversity to ensure robust governance, keen commercial decision-making, and strong technical inputs. The executive management staff is diverse in terms of age, gender, ethnicity, tenure, educational background, skills, experience, and knowledge, providing a fertile environment for good discussion, debate, input and challenge, and thoughtful outcomes.

The composition of the executive management team in 2022 is 15 staff (13 men and two women) from the previous year. The age categories of the executive management staff show five (5) employees (33%) are between the ages of 31 to 50 years and ten (10) employees (67%) are over 50 years in age. The average age of DSR executive management team is 53 years.



Employee Growth and Turnover

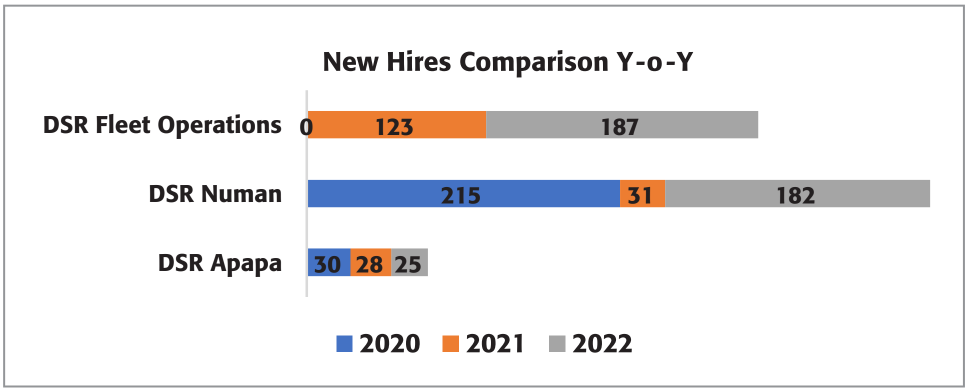
The table and figure below give information on staff growth and attrition. While we want to keep and develop our personnel, we also recognize the socioeconomic realities of the nation and work hard to remain the preferred employer in the food and Beverage industry.

2022 New Hire: 394

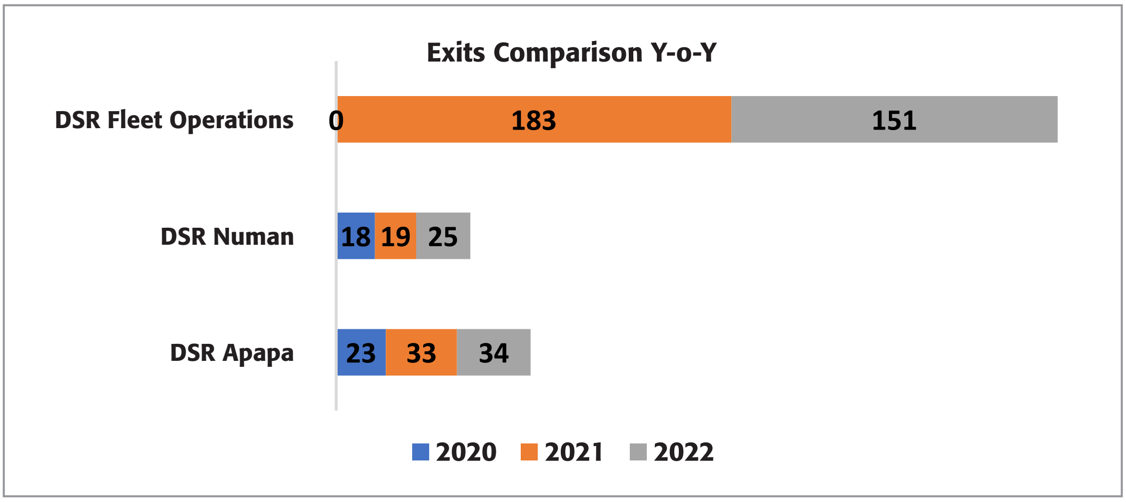
2022 Exits: 210

Overall, DSR recorded 394 new hires in 2022 and 210 staff exits from all locations, representing a 53.8% increase in new hires from 182 in 2021 and an 11.9% drop in staff departures from 235 in 2021.

LOCATION	Employee Growth and Turnover by Location			
	2022 New Hire	% of Total	2022 Exits	% of Total
DSR Apapa	25	6.35	34	16.2
DSR Numan	182	46.19	25	11.9
DSR Fleet Operations	187	47.46	151	71.9
TOTAL	**394**	**100**	**210**	**100**



The DSR Fleet Operations had the most staff departures with 151 (71.9% of all departures), while the DSR Numan had the fewest (25, 11.9% of all departures), although overall employee retention has improved from 2021 (with a 11.9% drop in departures).



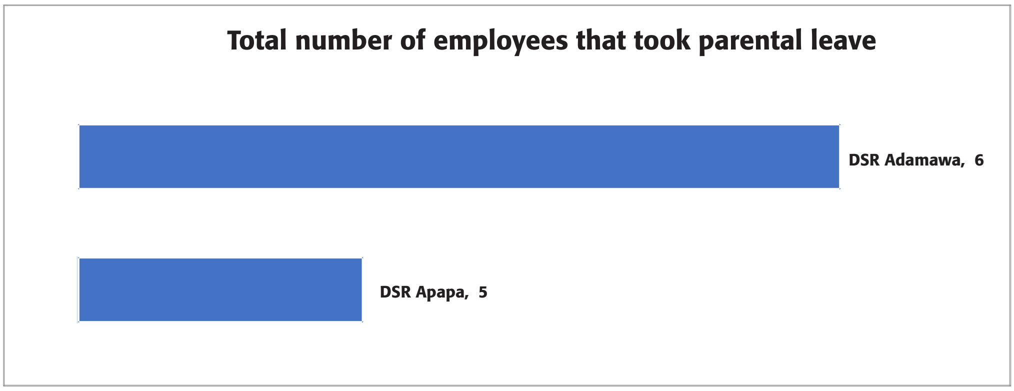
Labour Practices and Benefits

We continually improve our systems for hiring, training, and engaging employees, process improvement and recognizing achievements, developing leaders and succession planning, and identifying the most vital jobs that individuals are most equipped to fill. They are crucial for continuing our expansion, realizing our objectives, increasing shareholder returns, maximizing stakeholders value for all parties concerned, and ensuring the continuous welfare of our employees, all while ensuring our development and success. These are just a few benefits that DSR employees receive:

Group Life Insurance	Employee Spouse Group Life Insurance	Workmen's Comprehensive Insurance	
Paid Annual Leave	Parental Leave (Maternity Leave)	Examination Leave	Comprehensive Health Care
Birthday Present	Children Education Support Allowance	Long Service Awards	Professional Body Subscriptions
Paid Mourning Leave		Wedding Cash Gifts	

At DSR, our employees have a right to parental leave. The company provides paid maternity leave for 90 days to female employees, as well as paid time off to work six (6) hours each day for an additional 90 days. In 2022, five (5) female employees benefited from this in DSR Apapa and another six (6) employees at the DSR Adamawa location.

CULTURAL PILLAR:



Additionally, employee engagement in DSR is primarily governed by and in compliance with the provisions of the Labour Act (1990), the Pension Reform Act (2004), the Factories Act (1987), the Employee's Compensation Act (2010), the National Policy on Occupational Health and Safety (2020), among others. We adhere to the mandatory contributory pension scheme based on Nigeria Pension Reform Act (2014) and contribute 10% of the employee's salary, while the employee contributes 8% to their pension account. Also, our organization has a retirement age of 65 years. With management approval, a contract may be provided to such an individual subsequently. Before a certain age, retirement may also be voluntary.

To ensure compliance with the corporate culture we are creating—The Dangote Way—the employee handbook also gives guidelines on acceptable conducts, standards of behaviour, and rules of participation within our workplace.

The International Labour Organization (ILO) standards and the International Financial Corporation (IFC) Performance Standard (PS) 2 (Labour and Working Conditions), which we are committed to adhering to as a socially responsible organization, are both aligned with the instructions in the Handbook.

To promote extremely friendly workplace interactions, a variety of methods are employed to encourage employee involvement. These channels include one-on-one meetings, departmental town halls, quarterly and yearly management addresses, and staff engagements with their line managers and supervisors on issues that are particularly important to them.

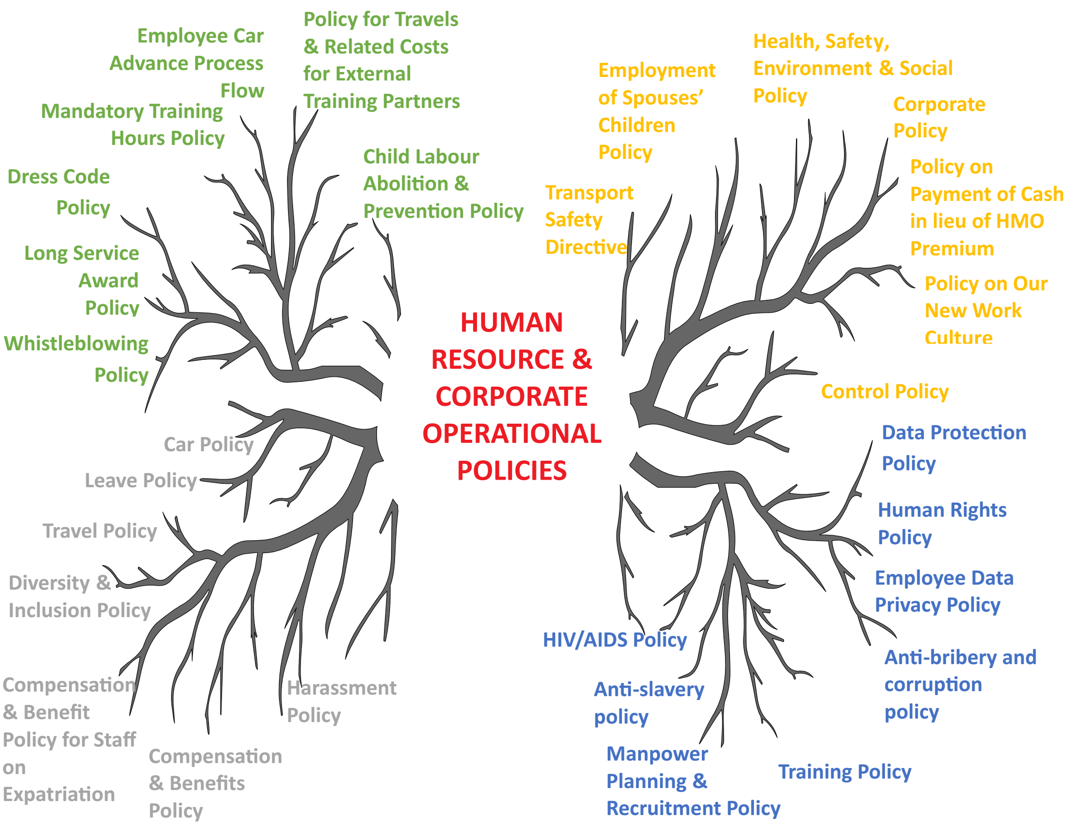
The following is a summary of some significant engagements that took place in 2022:

2022 significant employee engagements

- Long Service Award (via HR)
- End of Year Gift to all employees (via HR)
- Annual medical check-up exercise for all staff
- Staff Long Service Award
- Workplace Learning Activities
- Sustainability week
- Quarterly Motivational Award
- Charity Work

CULTURAL PILLAR:

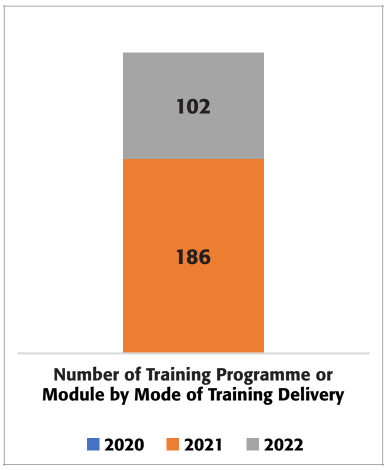
Our effective human resources policies, which are detailed below, serve as the foundation for our working conditions and adherence to compliance.



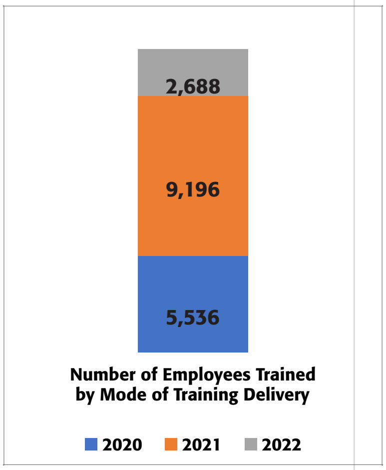
Learning and Development

Our company has started several learning and development programs in an effort to provide workers with the knowledge and abilities they need to continue performing their jobs well. Also, we are refining the current systems and procedures for human resources, and we have created fresh technologies to enhance the entire learning environment for employees. Ultimately, we have a career evaluation process to make sure that workers' actions are in keeping with both their own personal and professional growth goals and our overall company strategy plan. Career reviews take place throughout the year for all employees, and we ensured that for 2022, all employees received regular career development and performance reviews.

In 2022, 2,268 employees were trained in DSR and this amounts to a total of 18,724 training hours which is an average of 6.9 hours per employee. We conducted 102 training programmes and the trainings were in the mode of physical, virtual (Self-paced and Tutored) and different conferences.

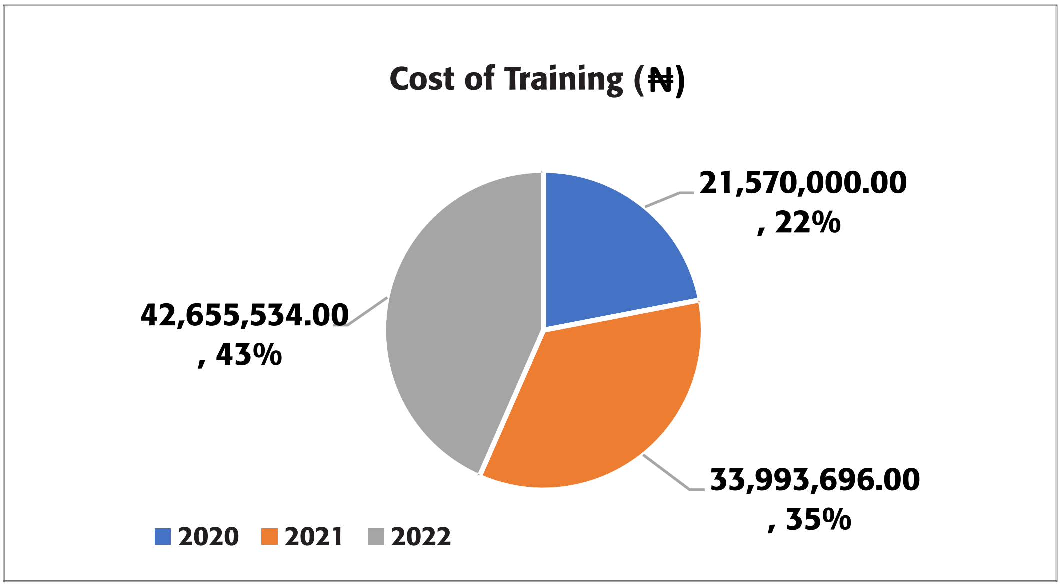


Number of Training Programme or Module by Mode of Training Delivery



Number of Employees Trained by Mode of Training Delivery

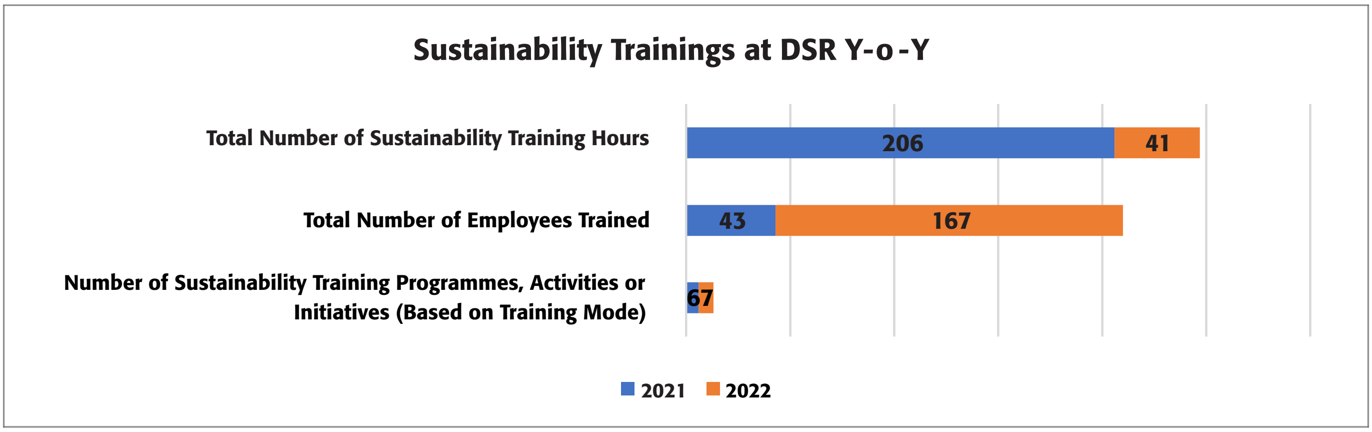
Number of Training Hours Provided to Employees



Our overall learning catalogue in 2022 covered a total of 102 different unique training titles, with sessions focused around SAP modules utilization, Equipment maintenance, Health & Safety, Critical Control Point (CCP) & Operational Prerequisite Programme (OPRP), Good Manufacturing Practice, Risk management, Fundamental Human Rights of an Employee, Ethics and Culture, Bribery and Corruption, Salesforce Effectiveness, International Organisation for Standardisation (ISO) 45001: 2018 Occupational Health and Safety, Project Management Professional (PMP), International Ship and Ports Security (ISPS), amongst others.

Sustainability Training

In 2022, seven (7) sustainability training sessions were attended by 167 workers, a remarkable increase of 288.4% from 43 (2021), clocking a total of 41 training hours at an average of 0.2 hours per person and costing a total of N423,000.

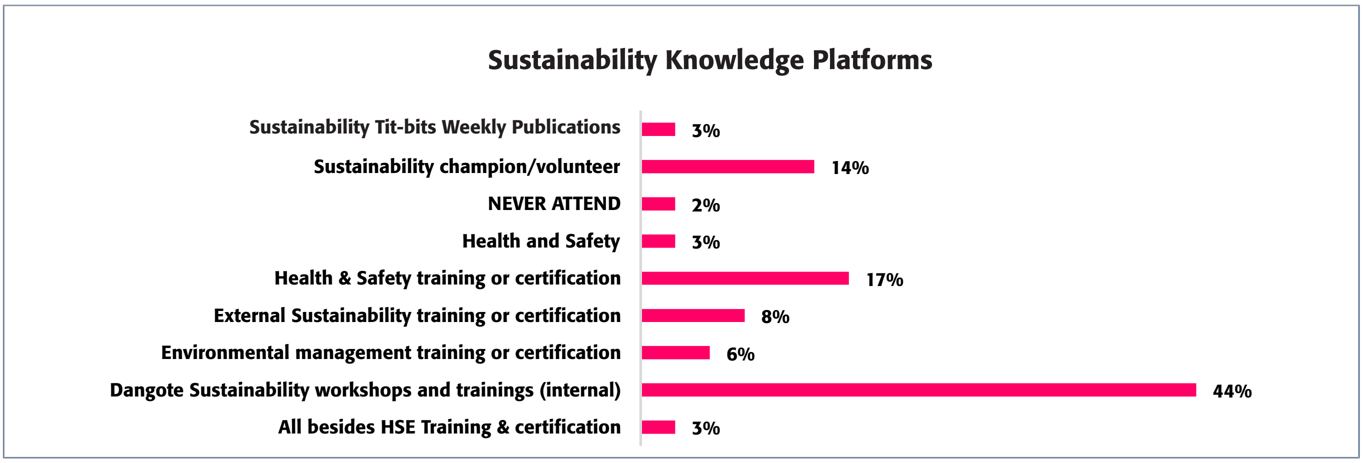


The table below lists the topics covered in the virtual training sessions, which were all linked to sustainability.

S/N	2022 Sustainability Training Sessions	Categories of Employees Trained
1	Building a Sustainable Business Culture	Management and Supervisors
2	Speed of Trust	Management
3	Good Manufacturing Practice	Process Team, Engineering, HSSE, QA, Supply Chain
4	Climate, Circularity, and the Future of Sustainability: Bridging the SDG Gap through Impact Investment	Sustainability Leads
5	Supplier LoCT: Scope 1 GHG Footprinting Tracking	Sustainability Leads, Supply Chain, Agric, HSSE
6	Supplier LoCT: Scope 2 GHG Footprinting Tracking	Sustainability Leads, Supply Chain, Agric, HSSE
7	Carbon Footprint Reduction	Management

CULTURAL PILLAR:

Our employees survey revealed Dangote Sugar's commitment to sustainability education for employees. As a result, employees said their interest and engagement in sustainability were through the enhancement of their sustainability knowledge through various platforms, especially via workshops/trainings and volunteering in DSR sustainability week.



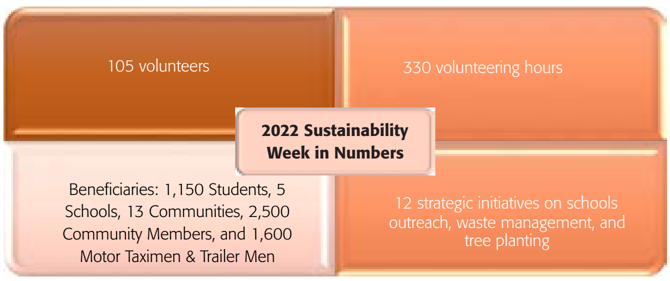
Employee volunteering: supporting our local communities - 2022 Sustainability Week

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 2022 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.

One hundred and five (105) DSR employees volunteered by utilising 330 volunteering hours on initiatives that benefitted 1,150 students, five (5) schools, thirteen (13) communities/villages, 2,500 community members, and 1,600 motor taximen & trailer men. The number of volunteers increased by 63% from 65 in 2021 to 105 in 2022. Similarly, the number of volunteering hours increased by 43% from 231 in 2021 to 330 in 2022. This further reiterates our commitment to continuously support our local communities through the direct intervention of our employees. From the feedback gathered, only a few of the respondents (25%) from DSR's host community at Numan, Adamawa and Apapa during the survey indicated that they are unaware of DSR Sustainability Week initiative, which is driven by employee volunteers. Also, 60% said there was "no" sustainability week initiative happened in the community while 23% said they are "not sure" and could not acknowledge these initiatives as they thought it was a routine CSR initiative, thus majority (53%) could not assess the impacts and benefits gained from the sustainability week initiatives thereby giving DSR an average score of 1.9 out of 10.

We received this feedback as the need to improve the awareness of our external sustainability initiatives to host communities. Going forward, it will be an inclusive stakeholder engagement process from when initiatives are being conceptualised to the point of implementation as well as monitoring and evaluation. A concept note for each initiative will be developed which will include the roles and responsibilities of all stakeholders and the engagement /communication plan.

A few of the respondents mentioned that they benefitted from some activities/initiatives during the 2021 DSR Sustainability Week in their communities with majority (67%) saying they did not benefit at all.



CULTURAL PILLAR:

DSR Sustainability Week activities/initiatives benefitted by host communities	Percentage of respondents
None	67%
I have no knowledge of such	3%
Employment	5%
Farm Cutting/Work	5%
Planting of trees	5%
Renovation of school	5%
Security	5%
Scholarship	5%
Grand Total	**100%**

Source: DSR 2022 Stakeholders Survey

Economic Pillar

Contributing to Nigeria's economic growth and development

Economic Standards

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 good return on investment to our esteemed shareholders. We endeavour to support industrialisation in all the economies where we operate and make 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.

Sustaining Value: Our Functions in the Food Manufacturing Landscape and Involvement in Economic Progress

With the incidence of the war between Russia and Ukraine at the beginning of 2022, Nigeria was not spared in the significant rise in the cost of raw materials, energy, transportation, and intermediate products globally. Fuel price, cost of transportation, flight costs, food inflation is some of the issues that contributed to the decline in the already falling purchasing power of the average Nigerians. We would recall that Nigeria's inflation rate dropped to 15.6% in January 2022 and food inflation to 17.13% from 17.37% recorded in December 2021. It does not come as a surprise that the inflation rate increased to about 21.47% in November 2022. Despite all these global setbacks, we were able to pull off a significant increase of 46.1% in revenue year-on-year. This has reflected in a rise in the economic value dispersed in terms of taxes, purchases, wages, dividends, and operational costs. We also recorded a 169.06% increase in our local procurement expenses year-on-year from N26.8 billion in 2021 to N72.2 billion in 2022 despite the fluctuating inflation rates, restrictions on liveable foreign exchange, security issues, and the nation's debt.

Experts from abroad and at home have predicted that the Nigerian economy will expand majorly by robust commodities trade and dynamic consumer goods and services which will amount to about 3% in 2022. Our long-term goal of value creation and sustainable growth in Nigeria by working to get Nigeria on the World Sugar Production Map is supported by the fact that DSR is in a position to contribute this GDP target in 2023 given that the manufacturing sector contributes about 13% of GDP and the agricultural sector makes up about 24% of GDP. The Dangote Sugar Backward Integration Projects, which aims to produce 1.5 million metric tonnes of refined sugar annually from sugarcane plantations spanning more than 150,000 hectares of land in various parts of Nigeria will enable this.

ECONOMIC PILLAR:

DSR will move from port-based refining to being a fully integrated sugar production entity in Nigeria. This audacious step will help the nation become self-sufficient with respect to sugar and creating over 100,000 new job opportunities while at it. This goal will also contribute to the sugar self-sufficiency ambitions in the Nigerian Sugar Master Plan (NSMP). The project will help maximize the extended value chain in a variety of industries, including the production of sugar, ethanol, power, and animal feeds. We made headway on the Project's first phase in 2021 by restoring and enlarging the integrated sugar estate at Numan and adding to our out-growers program.

Contribution to Job Creation and Sustainable Income

At DSR, our economic and social sustainability pillars are built upon on fostering partnerships with our stakeholders that benefit all parties involved and promoting economic success in local communities. For the reporting year, we recorded a 206% surge (from about 2,900 to over 9,000) in the number of direct jobs. This, in addition to the multiplier impacts of our operations on household income, and the creation of indirect and induced jobs have collectively improved our impact on the lives of people. Our indirect and induced employment includes workers who are employed by our vendors, contractors, farmers, distributors, and their value chains. Our business operations supported more than 60,000 jobs in 2022 (direct, indirect, and induced), according to a Social Accounting Multiplier Matrix calculation. Furthermore, employees between the ages of 18 and 50 made up 2,178 (73.13%) of our entire workforce, demonstrating our dedication to aiding in efforts by the government to tackle the rising rate of youth unemployment in the nation.

Contribution to Household Income

Our direct household income contributions—salaries, wages, and dividends—amounted to N22.9 billion in 2022, down 15.5% from N27.1 billion in 2021. Our indirect household income contributions—taxes, local purchases, and social investments—totaled about N100.1 billion in 2022, up 59% from N41.1 billion in 2021.

Contribution to Household Income			
Parameters	2022	2021	2020
	N'000 (Thousand Naira)		
Direct Contributions			
Employee wages, salaries, and benefits	10,737,667	8,943,973	8,321,604
Dividend paid to shareholders	12,146,874	18,220,317	13,200,000
Indirect contributions			
Tax Expense	27,560,686	11,968,921	15,847,076
Local Procurements (All operations)	72,180,300	28,022,156	30,650672
Social/Community Investments	324,928	1,151,789	910,640

Indirect Economic Impact

DSR offers sustainable investments, infrastructure, and empowerment programs to assist local communities in thriving. We offer infrastructure in the host towns, such as power, water, and other socioeconomic conveniences. We promote diversity and local content in our market of operation by supporting neighbourhood businesses and obtaining high-quality production inputs from underserved communities nearby. This has aided in solidifying the bonds that already exist between DSR and its surrounding communities.

The Out-growers' Scheme

The creation of a strong out-grower program for farmers in the communities where the Backward Integration Projects are located is a component of the Sugar Master Plan's employment generating, empowerment, and entrepreneurship push. We collaborate closely with the Nigerian Sugar Development Council (NSDC) and the local farmers to enhance the Cane Grower Development Programmmes now in place in order to increase participation, produce a higher-quality crop, and raise farmers' income. We began with 415 out-growers to assure the success of this effort, and by 2021, that number had nearly doubled. Via the Special Independent Sugarcane Out-growers' Development Programme (SIS OGDP), we are currently expanding the land to over 8,000 hectares. By the year 2024, 5,500 more farmers will be participating in the programme.

ECONOMIC PILLAR:

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

For our stakeholders, we at DSR continue to prioritize ensuring that we deliver sustainable returns. Year-on-year, our sales volume increased with the help of our 2022 consumer-centric activities and improved market penetration programs. Our gross revenue (economic value created) increased by 46.00% from N276.1 billion in 2021 to N403.25 billion in 2022. Also, the distribution of our economic value (operation costs, employee compensation and benefits, payments to capital providers, payments to government by country, and community initiatives) increased by 39.7% from N253.2 billion in 2021 to N353.8 billion in 2022.

	Direct, Indirect and induced economic value generated and distributed		
Year	**2022**	**2021**	**2020**
	N'000 (Thousand Naira)		
Economic Value Created (EVC)	**403,245,988**	**276,054,781**	**214,297,747**
Revenue	403,245,988	276,054,781	214,297,747
Economic Value Distributed (EVD)	**359,703,526**	**254,540,626**	**187,546,167**
Operating costs**	311,282,950	225,846,208	157,076,742
Employee wages, salaries and benefits	10,737,667	8,943,974	8,321,604
Payments to providers of capital	9,802,295	6,629,734	5,390,105
Tax expenses	27,560,686	11,968,921	15,847,076
Social/Community Investments	324,928	1,151,789	910,640
Economic Value Retained (EVC - EVD)	**43,537,462**	**21,514,155**	**16,751,580**
**Excluding administrative expensive			

Dividend Payment History

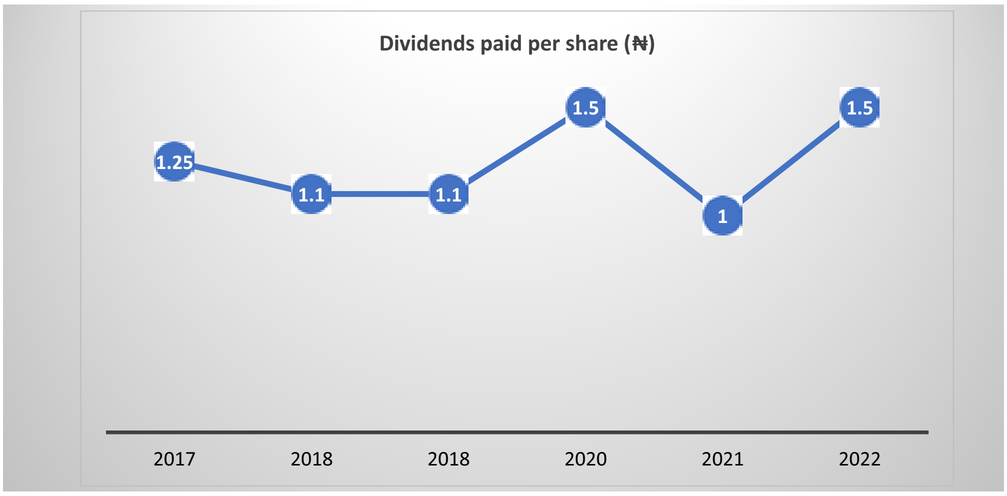
DSR's dividend policy maintains appropriate levels of dividend pay out to shareholders while reflecting the Company's earnings and cash flow. Since our 2007 debut on the Nigerian Stock Exchange (now part of the Nigerian Exchange Group), we have maintained a history of dividend payments, and we have done so continuously. We make sure that the investments of our shareholders provide a healthy return. In accordance with legal requirements, we distribute dividends and update shareholders on our financial performance. We plan to provide N1.50 per share, or approximately N18.22 billion, to our stockholders as a dividend for FY2022. The graph below displays our history of dividend payments:

Responsible Tax Payments

DSR is devoted to abiding by all legal specifications pertaining to tax payment and other statutory returns. We pay our taxes to the government annually as required by law. Our tax payments in 2022 totaled N27.56 billion, an increase of 130.2% over the tax payment in 2021 of N11.97 billion. The pertinent portions of this report contain further information concerning our 2022 tax returns.

Anti-competitive behaviour, anti-trust, and monopoly practices

In 2022, DSR didn't incur any financial costs from associated litigations, fines/penalties due to anti-competitive behaviour, anti-trust, and monopoly practices. DSR remain a responsible business contributing it quota to national development as an industry leader and trailblazer.



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.

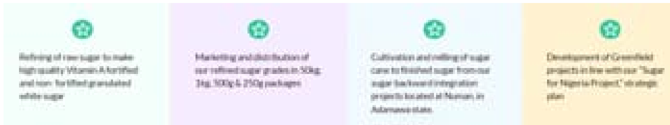
For us, driving operational efficiency means maintaining the highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that exceeds our esteemed customers' expectations. We endeavour to maintain 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 on the physical environment.

Our Strategic Value Chain

In the Nigerian food and beverage industry's sugar refining sector, DSR is a well-known brand. Our Apapa sugar refinery, with an installed capacity of 1.44 MT per year, is the biggest in Sub-Saharan Africa. Our key competencies are as follows:

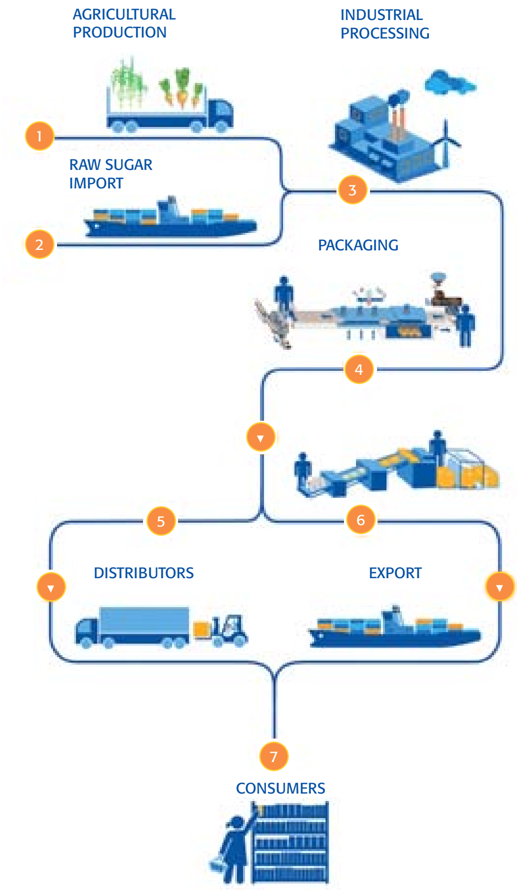


Our company offers our customers a range of essential value-added support services, such as logistics, supply-chain management, credit, and risk advising, sales, and merchandising. More than 500 trucks transport our finished products to the market while being backed by strategically placed warehouses all around the nation. We have a plant with a capacity of 1.44 million tonnes per year in the Shed 20 NPA Apapa Wharf Complex in Apapa Wharf, Lagos. The facility, which was put into operation in 2000, was Nigeria's first sugar refinery. The refinery has 16 MW of internal power generation capacity and is effectively powered by gas and/or Low-Pour Fuel Oil (LPFO). DSR Apapa manufactures 45 ICUMSA (International Commission for Uniform Methods of Sugar Analysis) Vitamin A Fortified refined granulated free flowing crystal white sugar, which is packaged and sold in 50kg, 1kg, 500g, and 250g bags as well as 50kg bags of non-fortified granulated sugar. Also, we have DSR Numan, a 32,000 hectare brownfield sugar backward integration estate in Numan, Adamawa State.

It currently produces more than 22,080 tonnes of refined, granulated white sugar for consumption from about 320,497 tonnes of its own grown sugarcane from more than 7,000 hectares, exceeding its installed milling capacity of 50,000 tonnes annually. This sugar is sold in the local markets throughout the area. Furthermore, we can fulfill customer requests for unique products and packaging because our facilities and production methods are run in accordance with legal requirements and international standards. DSR has obtained certifications for its QMS (ISO 9001:2008), FSMS (ISO 22000:2005), OHSMS (ISO 18001:2007), and FSSC 22000.

OPERATIONAL PILLAR:

The following diagram depicts the value chain for our production:



1. Raw sugar can be purchased from our out growers or other local farmers
2. We import raw sugar from Brazil
3. Our industrial process involves the following steps
   a) Storage
   b) Pre-melting and melting
   d) Filtration
   e) Decolourization and More filtration
   f) Evaporation and crystallization
   g) Centrifugation and drying
   h) Blending
   I) Screening
   j) Fortification and finished goods storage
4. Packaging is done in 50kg, 1kg, 500grams and 250grams sizes for fortified sugar 1000kg and 50kg bags for non-fortified sugar
5. local distribution through distributors, retailers, trade(50kg) customers and corporate customers
6. Export t other West African countries
7. Our customers enjoy our products

Our Material Utilization Landscape
As much as possible, we strive to increase the use of recyclables in our production process especially during packaging. For production, we used 846,449 tons of renewable raw materials externally sourced while for packaging we used 15,685,531 50kg internally-sourced recyclable bags. During the production process, we utilised 1,880 m3 of water of which 95% (1,786 m3) was recycled water and 1,790,903 tons of steam of which 59% (1,062,005 tons) was recycled.

Operational Efficiency
DSR takes great pleasure in its production volumes and employs cutting-edge technology and manufacturing techniques to guarantee that we consistently meet our volume goals. DSR Apapa has a starting annual refining capacity of 600,000 tonnes when we first put it into service in 2000. The plant now generates 1.44 million tonnes of product annually, using LPFO for power generation, a talo-clarification process for purification, and an ion exchange resin for decolorization. The highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that surpasses the expectations of our respected clients are what we use to drive operational efficiency. The numerous products in our inventory are created to meet the quality and usability requirements of our customers. All these activities are carried out in extremely hygienic and clean environments while adhering to the highest levels of international quality standards for food production. From 811,962 tonnes in 2021 to 806,093 tonnes in 2022, our output volume decreased by 1% mainly due to socioeconomic challenges (inflation and insecurity) in the country.

Building a Sustainable Supply Chain
Due to our vertical integration and complete ownership of our product delivery system, we have established ourself as a market leader in the sugar refining sector. To increase local market share, improve efficiency, and sustainably add value to our operational environment, the company has used cutting-edge approaches in supply chain management. Our operation is focused on sustainably optimizing the raw materials and other resources required in our production processes, which includes sourcing of our raw and packaging materials from various vendors and ensuring that the safety of our product is foremost and critical in everything we do. We are supporting local content and are contributing to the local economies of the places where we operate. As such, we are currently mentoring two (2) vendors (SMEs) on supply chain sustainability.

Given the recent DSR's internal processes aimed at embedding sustainability obligations and practises into their procurement and supply chain procedures, majority of the suppliers, vendors, and contractors' respondents (84%) during the materiality survey agreed that every major business transaction/contract should be guided by a Code of Conduct on ESG best practices. Also, 97% agreed that ethics and integrity consideration is vital in selecting supply chain partners in today's global and regulated business environment. They (91%) also agree that adopting the best environmental, social and corporate governance practices would help them build a strong, viable, regulatory compliant and respected business enterprise.

91% of the respondents affirmed that they do not engage the services of young children (under 18 years) in the execution of projects/contracts with DSR in any way or form, while 8% said they indulge in such practise which is a contravention to the company's child and forced/compulsory labour policy, and 2% said they weren't sure.

Finally, about 64% of respondents agreed that companies should report at least annually on their ESG performance as a way of encouraging continuous improvement in ESG practices while 28% said "maybe" with 8% saying it is not necessary.

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 quotation based on our request before the deadline of submission.
5. The Quotation 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 security unit, where it will be inspected by the User Department and certified OKAY. If the item is OKAY, the receiving store receives the item into store, if the item is not OKAY, It will be rejected.
10. GRN will be created for items accepted.
11. Follow up with payment.

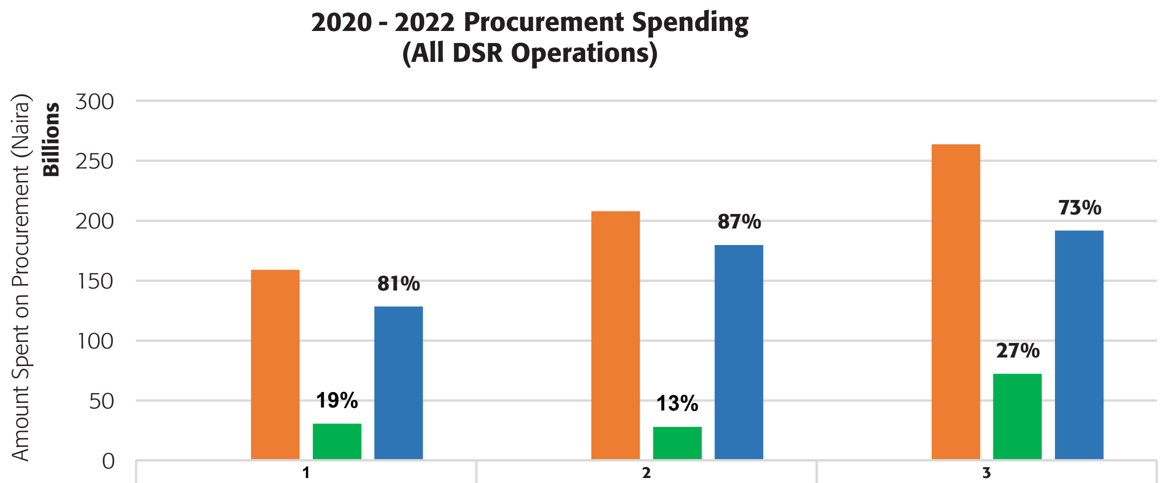
We have communicated these processes to our suppliers and continue to ensure they are in strict compliance with issues bordering on code of business conduct, human rights, labour rights, safety and occupational health, and the environment. Suppliers are managed and controlled in such a way that their 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 agency in connection with their area of specialization e.g. ISO 140001:2015, ISO 9001:2015, and ISO 450001:2018.
- Competence level

As we continue our sustainability journey, we will explore alignment 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 businesses that provide us with goods and services frequently serve as the lynchpin of their respective communities' economies. We understand that doing business with them helps the Nigerian economy expand, reduces inequality, and boosts local purchasing power. Our expenditure on purchases from local vendors increased by 27% to N72.2 billion in 2022, from N28.0 billion in 2021. The following chart illustrates the increase in local procurement numbers year over year:



Procurement Per Year	2020	2021	2022
Total ('000; Thousand Naira)	159,011,087	207,889,523	263,957,534
Local ('000; Thousand Naira)	30,650,672	28,022,156	72,180,300
Imported ('000; Thousand Naira)	128,360,415	179,867,367	191,777,234

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

Product responsibility demonstrates our commitment to excellence in our production process and demonstrates our unwavering focus on product quality and client happiness. The DSR Food Safety Policy makes sure that the company's activities for producing refined granulated white sugar adhere to legal and consumer food safety criteria. We employ the best food-grade production facilities in hygienic settings, and we keep effective lines of communication open with stakeholders regarding food safety issues. The following goals guide the monitoring, evaluation, and measurement of compliance with the Company's Food Safety Policy:

- 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 requirement.

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 integrates with other management systems that the company has already achieved as part of a strategic initiative to meet the voluminous needs of its customers, maintain its leadership position in the food and beverage industry, and comply with generally accepted practices and standards.

As part of our campaigns & initiatives deployed during the year to boost product quality control, quality assurance and food safety, DSR food safety Internal auditors were re-trained. DSR migrated from FSSC 22000 version 5.0 to the latest FSSC 22000 version 5.1 requirements and was certified by SGS.

Products

We refine granulated white sugar that has been fortified with vitamin A and is packaged in quantities of 50kg, 1kg, 500g, and 250g for direct consumption as well as an addition to baked goods, cereal sweetening, beverages, etc. Industrial sugar that is not fortified comes in sacks of 1000 kg and 50 kg. Pharmaceuticals, food and beverage companies, other industrial firms, etc. use this specifically processed sugar grade to assist them offer high-quality products to their markets with the desired sweetness generated from Dangote Sugar. The following is the product information for our fortified sugar:

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	Sarkling White, less than ICUMSA 45
Odour and Taste	Odourless, Sweet Pure Taste
Packaging	50Kg net, extended package sizes: 250g, 500g and 1kg. Durable polyproylene bags lined with polyethylene.

OPERATIONAL PILLAR:

Product Quality Control

In order to ensure the production of safe sugar and other goods derived from the sugar manufacturing process, Dangote Sugar is produced to high quality standards utilizing extensive quality management control systems. We are proactive when it comes to safety, upholding standards, and quality control, and we are strongly devoted to achieving sustainable quality standards throughout every step of our process. In addition to various quality control procedures used throughout our production processes, our refinery is run with quality management systems that must at least meet ISO 9000 requirements. Our quality control team's technical proficiency oversees ongoing investments in and advancements to our process technologies. Annual quality certification audits are performed, and where necessary, our global clients conduct validation audits. To maximize client satisfaction, the quality control team supports the sales department.

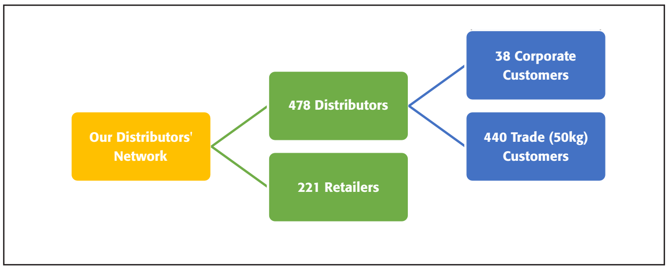
They collaborate to create and fulfil product requirements in accordance with requests, processes, and complaints from customers. To ensure that our quality and food safety criteria are always met, regular awareness sessions and audits of our quality standards are conducted among our quality control, purchasing, production, and sales departments, as well as our suppliers.

Product Information and Labelling

To enable our consumers to make informed decisions, we give clarity and transparency about the ingredients in our products. All nutritional information is clearly displayed on our packaging in strict compliance with all applicable regulatory labelling formats. We ensure that the fortification logo, indicating that our sugar is fortified, is strategically placed in the label as required by the National Agency for Food and Drug Administration and Control (NAFDAC). Regarding the promotion, marketing, labelling, and sales of our products, we abide by all applicable rules and regulations. We also make sure that our communication is accurate, true, accurate, balanced, fair, thorough, and does not contain any misleading information. As a result, we did not receive any penalties for marketing and communication practices in 2022.

Sales, Marketing, and Promotional Activities

Considering that our goal is to be the most dependable and high-quality supplier of refined sugar products on the market, we want to be as close to our clients as possible. This is achieved through our well-established and client-focused distribution network, which provides customers with specialized products anywhere in the world.



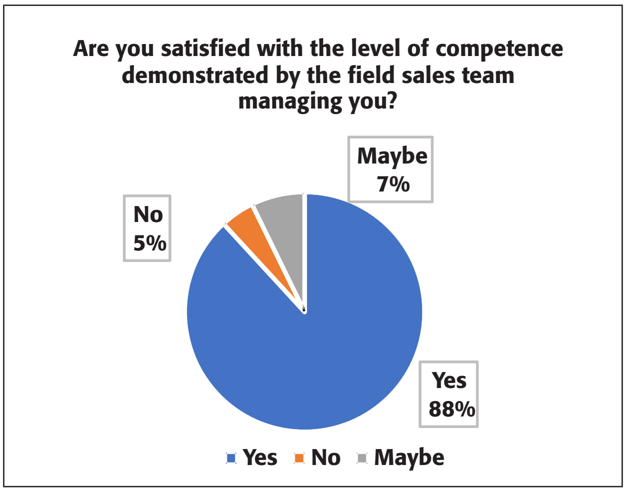
Furthermore, we use the customer care annual activities to increase awareness of our products and services, show appreciation for our internal and external customers, and report achievement and strategy to meet our goal via the customer care platform. We use this information to document our customer care performance for each previous year. In the table below, a summary of these have been highlighted:

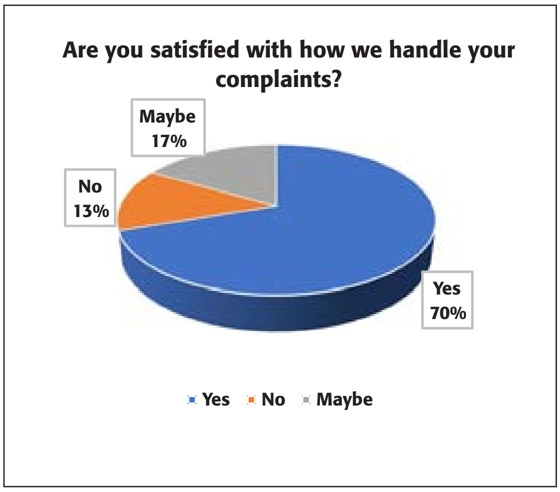
Activity	Brief description
2022 Customer Service Week **November 16th, 2022 - Virtual**	Customer Service Week is an annual event celebrated globally to raise awareness of customer service and appreciate customers for their loyalty. We also appreciate staff for the role they play in delivering customer care service.
Supplier's Forum	Virtual Engagement of all Suppliers via Microsoft teams for 2 hours, discussing food safety and improved operational efficiency.
Customer Satisfaction Survey	Customer satisfaction survey aim to measure customer satisfaction in order retain customers and attract new ones. The feedback on customers' insights, helps us to improve. The survey is conducted twice a year.

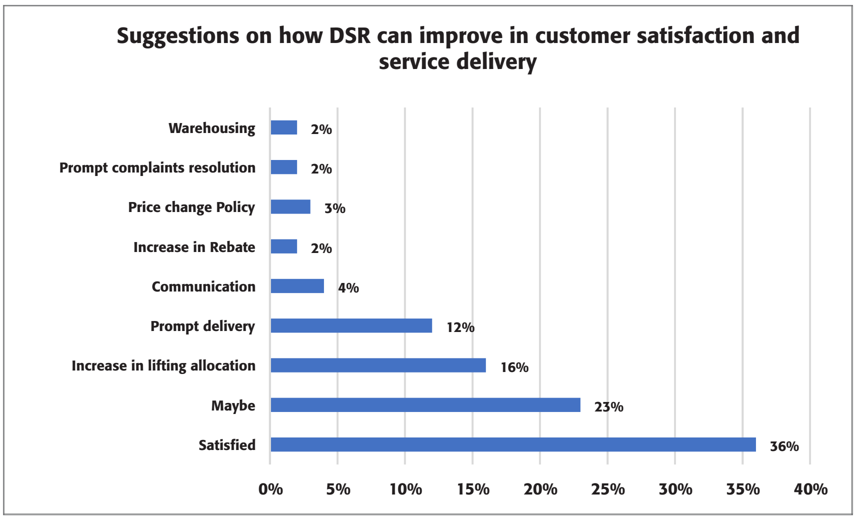
2022 Customer Satisfaction Survey Feedback

To keep current customers and draw in new ones, we execute an annual customer satisfaction survey which helps us gauge how satisfied our customers are. The findings from the annual customer survey help us do better.

In 2022, 426 customers were engaged, 243 questionnaires deployed with 66% (161) response rate. A summary of the feedback received are spotlighted below:







All complaints were resolved with adequate corrective actions and preventive actions identified to minimised the chances of a recurrence

SOCIAL PILLAR:

Building social bridges across communities and markets

Social Standards

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.

As our management approach, 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 and Social Investments

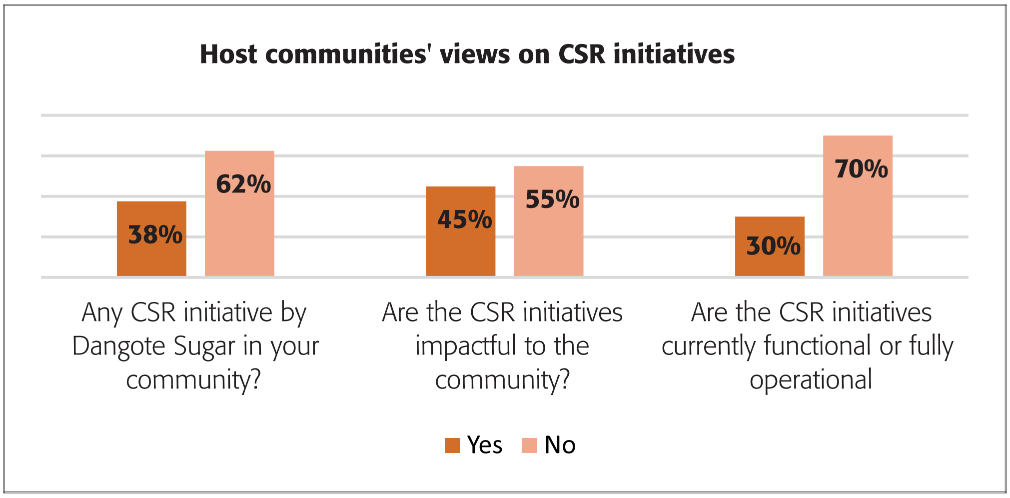
Beyond our staff, we invest significant resources in promoting the growth of human capital in our host communities. We learn about the needs of our host communities, which we try to satisfy as much as is practical, through our on-field team, which serves as community relations engagement organs. We strive to have a significant impact on the social and economic lives of those in our community by making investments that offer both long-term rewards and business sustainability. This includes promoting community service among our staff members and assisting with projects that have observable and long-lasting effects. In 2022, we spent over N0.324 billion on community investment projects, representing about 0.59% of our 2022 profit after tax (PAT). This is a marked reduction from 2021 where we spent N1.152 billion which was 5.10% of 2021 PAT.

Year	Total community investment spending (N'000)	Profit After Tax (PAT) (N'000; Thousand Naira)	Percentage of PAT as Total Social investment spending [Per Year]
2020	910,640	29,775,243	3.06%
2021	1,151,789	22,052,291	5.22%
2022	324,928	54,742,134	0.59%

Our investment key focus was on local entrepreneurial development, donations and support to our host communities, education and scholarships, provision of portable water amongst others as shown in the table below.

Spending Category	Cost of project (N'000; Thousand Naira)	UN SDGs Alignment	Percentage of Total (For Each Spending Category)
Water/Sanitation	8,178	3,6	2.52
Economic/SME development	100,000	1,2,8,9	30.78
Education and scholarships	28,438	4,8,10,11,16	8.75
sports	12,184	3,11	3.75
Donations, support and grants to host communities	129,128	1,11,16,17	39.74
Donations and grants to government	20,200	11,16,17	6.22
Donations and grants to CSOs/NGOs and development bodies	23,000	17	7.08
Others	3,800	1,2,8,16,17	1.17
Total Expenditure	**324,928**	-	-

Minority (38%) of the host community respondents during the survey affirmed the contribution of DSR to the community's development via the execution of CSR initiatives. A few (45%) opined that the CSR initiatives were impactful to the community and only 30% claimed they are currently functional or fully operational.



SOCIAL PILLAR:

Anti-corruption, Grievance Mechanism and Whistleblowing

At DSR, we do not tolerate any form of bribery and corruption, and we are committed to complying with applicable anti-bribery and anti-corruption laws in all our operations as we pride ourselves on high ethical standards of doing business. Our implemented policy on this topic is well known to all our stakeholders as we make no compromise to build a very strong institution that pays zero-tolerance to corruption and illegal activities. We continuously communicate this to all our stakeholders through trainings, webinars, and awareness programmes. In 2022, we had 142 of our employees trained on anti-bribery and anti-corruption related programmes in our Apapa site. We also recorded no cases of bribery and corruption within our value chain.

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 retaliation.

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.

We have a whistle blowing policy that mandates all identified cases of fraud and corruption be reported to the relevant authority without fear of reprisals. Our whistle blowing policy is reviewed regularly and every employee is aware of the importance of and the need to report misconduct in any form or against any person irrespective of hierarchy. In the reporting year, we had no whistle blowing case reported through any of our channels or other channels.

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 organization in all our operations.

Host Community Engagement

We acknowledge our host communities as an important part of our operations as we depend on them for a conducive operating environment, resources, employees, suppliers, information, etc. It is therefore important to manage our relationships and support/empower our communities. In the reporting year of 2022, we had a total of 209 community stakeholder engagement activities.

The outcome of this engagement resulted in the completion of 18 community projects, two (2) at Apapa, twelve (12) at Numan and four (4) with our fleet operations. We recorded 12 cases of community grievances, three (3) cases of land access at Numan and nine (9) compensation cases with our fleet operations. The cases were properly addressed and successfully closed out. Also, we lost zero hours to social incidents even though there were four (4) cases on social incidents and disruption which was amicably resolved to avoid escalation.

Health and Safety

The health and safety of employees is the bedrock of any successful business, that is why at DSR we develop and implement a robust occupational health and safety management system which aligns with national and international safety standards. A safe work environment is an obligation, and we strive to ensure that all employees are in the best possible physical and mental health to carry out their duties. Our approach to Health and safety has advanced beyond a mechanistic and systems-driven framework to a focus on entrenching a culture of safety that promotes ownership, empowerment, and safety leadership, driving positive behavioral changes in compliance to our HSSE Management System as embodied in the 15 Golden Rules. Every DSR employee, Contractor, and Service Provider in contact with DSR operations must strictly adhere to these HSSE expectations to maintain and promote incident-free and healthy working environment.

The table below shows some of the key initiatives implemented to advance safety in the workplace, plants, and our fleet operations.

Dangote Sugar Refinery (DSR) - Site Operations)	Dangote Sugar Refinery (DSR) - Fleet/Transport Operations
1. Conducted training on various safety topics. 2. Root cause analysis for all critical incidents and high potential near misses 3. Management review of incidents conducted. 4. Sharing of learning's amongst Group. 5. Development of HSE systems and Standard Operating Procedure (SOPs) for critical Safety Processes: Incident Reporting, PTW, Behavioral Safety Observation Process, Drug, Weapons and Alcohol Management Process, Improved Incident Investigation Process. 6. Structured Management Review of Incidents. 7. Tracking, follow up and Monthly review of all critical recommended actions from incident investigations. 8. Periodic sharing of HSE statistics with employees and management to show trends and justify corrective action plans. 9. Promotion of participation in Sustainability initiatives - tit-bit sharing, weekly quizzes, etc.	1. Visible and felt safety leadership and increasing the sphere of influence across the organization through regular meetings and communications on safety by executive leadership. 2. Appointment of a dedicated Head of HSSE to Fleet Operations to directly manage HSE operations. 3. Application of positive and negative consequence management based on performance and compliance/noncompliance such as speed violation, harsh breaking, driving under the influence of substances etc. 4. Structured incident investigation process to determine root cause of incidents as well as SMART recommendations to prevent recurrence. This included the use of specific Terms of Reference for each incident investigation, and sharing of lessons learned 5. Training of Fleet CPMS and CPOs on Incident reporting, response to incidents, and incident investigation 6. Installation of speed limiter and recalibration of speed limits on trucks to control speed 7. Engagement of vendors to install in-can dually monitoring cameras on trucks to monitor truck activities and ensure accurate information for RCA in event of accidents 8. Intensification of Pep talks for drivers and motor boys 9. Structure Journey management Plans 10. Improvement in Pre-trip Inspections - acquisition of needed space for truck inspections

About 3,486 hours were spent on H&S training for 2,346 employees compared to last year where 2,640 employees were trained.

S/N	Specific & Targeted Health and Safety Awareness in 2022	Categories of Employees Trained
1	Chemical Handling	HSE Staff, Chemical Storemen, Supply Chain
2	NEBOSH IGC	HSE Officers
3	Incident/Accident Investigation Techniques and Report Writing	Supervisors, HSE Team
4	Risk Assessment Programme	Supervisors, HSE Team
5	ISO 14000: EMS Lead Auditors' Training and Certification	HSE Team QA, Internal Auditors
6	Emergency Response	ERT, Fire Team
7	Spill Prevention, Control, and Countermeasure Technique	HSE, Supply Chain, Factory staff
8	Effective Tool Handling	Engineering Team

S/N	List of Health and Safety Training in 2022 (Key Modules)	Categories of Employees Trained
1	Hazard Awareness	All Factory workers
2	Industrial House-Keeping	All Factory workers
3	Good Manufacturing Practice	HSE, Process, Engineering
4	Behavioural Safety Observation Process	All personnel
5	Health and Safety in the Workplace	All Workers

Unfortunately, in the reporting year of 2022, we recorded a fatality case in our Numan site as a staff of the electrical unit was electrocuted while attempting to remove cables from a cable tray. This event has been investigated and a corrective action plan has been implemented to avoid any possible failure in the future. We regret this event as we always intend to work towards having zero fatality in our operations. Summary of our occupational health and safety performance for plant operations over the past three years is provided below:

Summary of health and safety performance (2020-2022)	DSR Site Operation				
Types of incidents	2020	2021	2022	Percentage Increase (+) or Decrease (-) [2021 vs 2022]	
Total Number of Work Hours	1,958,336	15,779,616	15,944,019	1%	↑
Total Number of Near Misses	5	33	30	-9%	↓
Total Number of First Aid Injuries	2	20	16	-20%	↓
Total Number of Medical Treatment	2	9	6	-33%	↓
Total Number of Lost Time Injuries (LTI)	6	11	2	-82%	↓
Total Number of Fatalities**	-	1	1	-	↔

** Unfortunately, the fatality was a staff of the electrical unit (Numan) who was electrocuted while attempting to remove cables from a cable tray at height. The IP lost balance while pulling one of the cables and held onto the cable tray with his left hand. His right hand accidentally made contact with an exposed live 220vac lighting junction box and received an electric shock.

Promoting Diversity, Equal Opportunity, and Women Empowerment in DSR

We take pride in our efforts to integrate diversity and inclusion into all facets of our business operations, including those of our board of directors, executive management team, and larger staff. We advocate for an inclusive workplace that respects the diversity of our workers. We support equal opportunity and abhor any types of harassment or discrimination based on gender, ethnic origin, nationality, social origin, religion, age, handicap, or any other traits that are legally protected.

DSR considers with 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, we have 15 employees with physical disabilities such as partial stroke, amputated legs, hands, and hip dysfunction across our operations. This was an increase from 13 in 2021, and we plan to increase this number further in 2023. Employee recruitments, compensations, trainings, 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 is further enabled by the Dangote Women Network which acts as a support platform for women in the entire Dangote Group. Additionally, in our supply chain the women distributors play a crucial role in ensuring that our products are available wherever they are needed.

Setting the tone for diversity starts at the top, 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 2022, our senior management team consisted of 205 persons including 14 females and 191 males, representing 7% and 93%, respectively. In addition, our Board of Directors consisted of 2 females and 13 males, representing 13% and 87%, respectively. We will continue to promote gender diversity in our leadership positions. The average age of our Board is 53 years while that of the senior management team is 47 years.

Non-discrimination

We do not condole 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 2022, we recorded zero cases of discrimination in terms of employment, promotion, training, etc. within the workforce and supply chain.

Freedom of Association and Collective Bargaining

It is a fundamental right for our employees to have freedom of association and collective bargaining. We recognize and respect the rights which our employees have under local laws to join a trade union or have employee representative of their choice, including, where applicable, the right of employees to collective bargaining. At DSR, our employees are free from any threat or any form of intimidation and neither are they subjected to any detriment because of their involvement in legitimate trade union activities. In the reporting year, 2,110 (1,208 DSR Numan and 902 in DSR Apapa) of our employees were covered under collective bargaining agreements.

Child Labour and Forced or Compulsory Labour

We do not condone child labour in any of our operations and within our supply chain. We consider the use of 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 reject 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 and Indigenous People's Rights

At DSR, we respect human rights and are committed to the principles set out by the UNGC and other international organisations such as:

- the Universal Declaration of Human Rights
- the International Labour Organisation's Declaration on the Four Fundamental Principles and Rights at Work
- the OECD Guidelines for Multinational Enterprises
- the UN Guiding Principles on Business and Human Rights
- the UN-SDGs

In our workplace and host communities, we regard human rights as a fundamental aspect of us conducting a sustainable business. We recorded zero cases of human rights and indigenous people rights violations across our operations in 2022. We hope to organize specific training sessions and introduce initiatives on human rights infringements to maintain our zero records of the reporting year and previous years and avert any possible human rights infringements in the future.

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 sugar dusts, CO2 emissions, and so on. We remain committed to continually improving our environmental stewardship.

Environmental Performance
Following the signing of our parent firm, Dangote Industries Limited, to the UN Global Compact (UNGC), we have remained dedicated to upholding its three environmental principles. We have continually expressed our stewardship towards the environment by making sure our environmental impacts are well known and managed following the best available techniques without entailing excessive costs. We proactively manage the several kinds of pollutants that our operations generate. To reduce noise pollution at the refinery, we put silencers in the boiler plant. In all of our operations, we also try to keep the amount of soot, wastewater, and deforestation to a minimum. To recover minerals and water from the effluent from the process house, we have a brine recovery system in place. In order to identify the steps needed for ongoing improvement in 2022, we continued to evaluate our environmental performance.

Energy Consumption
Year-on-year, reducing our carbon footprint has remained a priority. This has been the driving force behind the efforts we continually put into enhancing our production techniques. We have been able to do this through ongoing environmental monitoring and the adoption of steps to save energy. One of them is making sure that, even though our activities are run on natural gas and LPFO (Low Pour Fuel Oils) if the gas supply from the suppliers is shut off, the best and most efficient of the two boilers is employed for output. There was a drop in production from 811,962 tonnes (2021) to 784,277 tonnes (2022). There was a 55% increase in energy consumed year-on-year (8,594,880 GJ in 2022 from 5,545,085 GJ in 2021) across all our locations. This is followed by a 60.47% increase in energy intensity year-on-year (10.96 GJ/tonne in 2022 from 6.83 GJ/tonne in 2021) across same locations.

Year	Total Production (Tonnes of product)	Total Energy Consumption (GJ) Across all Locations	% +/- [Year-on-Year]	Energy Intensity (GJ/tonne)	% +/- [Year-on-Year]
2020	720,798	4,172, 079	-	5.61	-
2021	811,962	5,545,085	32.91%	6.83	21.75
2022	784,277	8,594,880	55.00%	10.96	60.47

The strategy to lessen our reliance on natural gas entered its transition phase in 2021. As a result, our energy mix has continued to vary since then. Natural gas accounted for 87.85% of the total energy consumption based on source. There was also an increase in the quantity (84%) of natural gas used in 2022 (7,550,513 GJ) year-on-year. For diesel, asides from it accounting for 8.94% of the total energy consumption based on source, a sharp increase amounting to 209% in 2022 (767,965 GJ) year-on-year was recorded. We did not record any electricity use in 2021 however in 2022, energy from electricity took up 0.73% with 63,071 GJ. The share of LPFO in the energy mix reduced by 82% year-on-year from 1,187,178 GJ to 213,330 GJ.

Energy Source	2022 Total Energy Consumption (GJ) Based on Source	Percentage %	2021 Total Energy Consumption (GJ) Based on Source	Percentage %	% +/-[year-on-year]
Natural gas	7,550,513	87.85%	4,109,547	74.11%	84
Diesel	767,965	8.94%	248,360	4.48%	209
Electricity	63,071	0.73%	-	-	-
LFPO	213,331	2.48%	1,187,178	21.41%	-82
Total	**8,594,880**	**100**	**5,545,085**	**100**	

GHG emissions

Our most recent estimate of GHG emissions was created by directly converting the kind of fossil fuel and energy produced. In order to track machine efficiency and schedule maintenance, to report GHG emissions, and to record and report other fugitive emissions, we have started processes to compute emissions using the direct measurement from the machines. We also deployed oxygen analysers to consolidate the optimization of the efficiency of our boilers with two new oxygen analysers costing 4 million Naira each. Scope 1 emissions are those produced by the use of fossil fuel-powered generators (natural gas, diesel, and gasoline). In 2022, there was a 94.61% increase (627,574 tons CO2) in our Scope 1 emissions year-on-year. Unlike 2021, we did use the national grid to get 0.73% of our energy, resulting a total of 27,419 tons CO2 for Scope 2 emissions.

Year	Total Direct CO2 Emissions (Tons CO2) [Scope 1]	% +/[Year-on-Year]	Total Indirect CO2 Emissions (Tons CO2) [Scope 2]	% +/[Year-on-Year]
2020	222,017	-	-	-
2021	322,485	45.25%	-	-
2022	627,574	94.61%	27,419	-

Nonetheless, to track our emissions, we hired an accredited environmental consultant to conduct quarterly compliance reviews of our environmental performance in accordance with good international industry practices (GIIP). Our emissions tracking was extended to cover fugitive emissions and refrigerants. We ensure that our air-conditioning systems are run on ozone depleting substances (ODS). Environmental agencies from recognized national and state jurisdictions collaboratively analysed the compliance assessment report. In 2022, we found no instances of violation of the emission restrictions. The lack of ozone depleting substances (ODS) throughout our whole value chain strengthens our commitment to the environment. We do not import, export, or generate ODS as a by-product of our business.

In 2022, we produced 627,574 tonnes of CO2 in total, with a GHG Emission Intensity of 800.19 kgCO2/ton of product, indicating a 117.69% increase year-on-year from the values recorded in 2021. These emissions came from manufacturing activities, captive power plants and energy generators, and fleet operations (Scope 1). Across our Apapa and Numan facilities, we recorded a total annual average of 304 mg/Nm3 for NOx, 4,776 mg/Nm3 for SOx, and 82 mg/Nm3 for particulate matter. The increase in the GHG emission intensity is consistent with the 55% year-on-year increase in the total energy consumed during the reporting cycle.

ENVIRONMENTAL PILLAR:

Year	Total Direct CO_2 Emission (Tonnes CO_2) [Scope 1]	Total Production (Tonnes of product)	GHG Emissions Intensity (kg CO_2/tonne of product)	% +/- [Year-on-
2020	222,017	743,858	300	-
2021	322,485	811,962	368	22.66%
2022	627,574	784,277	800.19	117.44%

Sustaining Our Relationship with Water

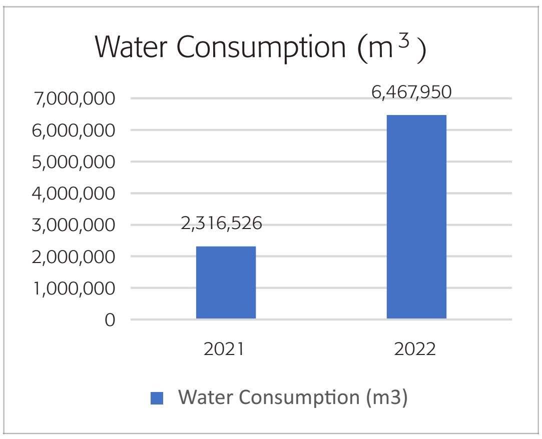
Our supply chain and manufacturing process both depend heavily on water. At DSR, we only use groundwater that is extracted from our industrial boreholes. We use water in our production, cleaning and housekeeping activities, cooling towers, steam generation, and irrigation of our cane field. We also understand that our interactions with water will come with water-related impacts which we make provisions to address appropriately. The construction of irrigation canals and oxidation ponds are used to control flooding and surface run-offs. In addition to these, we have an effluent treatment plant (ETP) for the treatment of effluent and water to minimize the incidences of water-borne diseases. It is ensured that only treated effluent is released back into the environment.

In order to preserve this natural resource for usage and availability in the future, given the devastating effects of a changing climate on access to water, we have continued to promote responsible water consumption and conservation in our activities. All production facilities and fleet operations used 6,467,950 m3 of water in 2022, with the DSR Apapa accounting for 36% of the total water consumption and the DSR Numan accounting for the remaining 64%. The 179.21% increase in water consumption recorded for 2022 is because of the DSR Numan facility water consumption being reported for the first time. We recorded a water intensity of 8,247 litres/ton of product. As with continual improvement, efforts will be made to identify the actions or inactions responsible for this sharp increase recorded across our facilities.

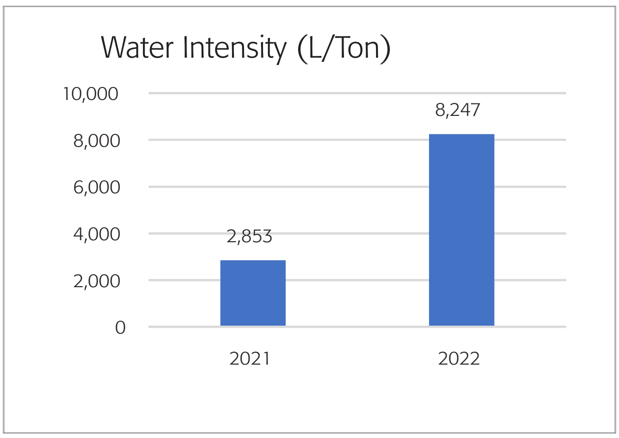
The Apapa facility recorded a 0.3% drop in water consumption year-on-year. We accomplished this by severe water conservation measures, which primarily entail the recovery of regeneration water during the manufacture and maintenance of fully functional flow meters. For our Apapa facility, we succeeded in not exceeding the 200,000 m3 target with an average of 192,444 m3 monthly. DSR supplies potable water to local communities. There is an effluent analysis and monitoring carried out by a National Environmental Standards and Regulations Enforcement Agency (NESREA)-accredited environmental consultant monthly and quarterly. This has helped us meet regulatory standards for most of the parameters monitored and we'll continue to work towards ensuring all parameters are compliant.

Location	2021 Total Water Consumption (m^3) [All sources]	2022 Total Water Consumption (m^3) [All sources]	Percentage of Total for each location
DSR Apapa		2,309,323	36
DSR Numan		4,158,627	64
Total Water Consumption (m^3) [All sources]	2,316,526	6,467,950	100

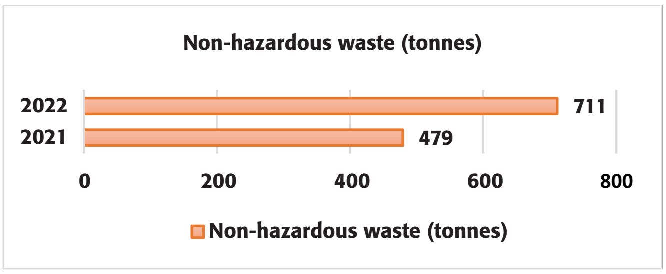
179.21% Increase Year-on-Year



189.07% Increase Year-on-Year



Implementing an efficient Waste Management System
As part of our commitment to environmental responsibility, we have familiarized ourselves with the applicable waste management regulations that cover our operations. The kinds of wastes generated by our operations have been categorized as non-hazardous for which we employ the services of waste disposal vendors accredited by the Lagos State Waste Management Authority. The type of waste determines what method will be deployed for disposal. In 2022, a total of 711 tonnes of wastes were generated up from 479 tonnes in 2021 indicating a 48.4% increase year-on-year. On significant spills, we recorded a spill of approximately 100 litres of LPFO during inter-tank transfers and another spill amounting to approximately 12,000 litres of molasses because of mechanical failures.



We were able activate our contingency management plans to contain both situations swiftly with minimal impact on the environment. We continue to ensure that that our approach to waste, management is in tandem with the requirements of The Federal Ministry of the Environment (FMENV), the Lagos State Ministry of the Environment (LASMOE), the National Environmental Standards and Regulations Enforcement Agency (NESREA), and the Lagos State Environmental Protection Agency (LASEPA), as well as international standards like the International Finance Corporation (IFC) Performance Standard (PS) 3 are all met by our waste management system (Resource Efficiency and Pollution Prevention). We successfully ran a production year free from any non-compliance with the waste management regulations in 2022.

For effluents, we use our effluent treatment plant (ETP) to treat wastewater before discharge. However, before being sent to the ETP, the regenerated water is re-used multiple times. Treatment and discharge are done in line with regulations provided by LASEPA and NESREA.

Biodiversity Assessment and Optimizing our Interaction
Our Apapa production facility is not situated on, next to, or adjacent to high conservation value (HCV) or protected areas. Likewise, the marine biodiversity where our effluent is released is not significantly impacted. Nonetheless, we are aware that the production of sugarcane as part of our supply chain may have a substantial impact on biodiversity. It is on this premise and more attention is being given to our facility at Numan where we have discovered that apart from the potential for contamination surface water with effluent, there is a chance for the destruction of flora and fauna because of developing the cane field. In order to reduce our suppliers' impact on biodiversity, we constantly encourage them to integrate responsible business practices. We also actively seek out partnerships to advance biodiversity management advocacy using the IFC PS 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources. Our facility in Apapa is located on a fully terrestrial land that is leased, and strictly for production activities. The Numan facility on the other hand is for extractive and production activities, fully and located on a terrestrial environment.

Approach to Environmental Management
At the core of our approach to environmental management is the minimization of the detrimental effects associated with our operations on the environment and the protection of natural resources (such as water and sugarcane) for future generations. We continue to see to it that it addresses the effects of our business activities, as well as the usage and distribution of our products, while advancing sustainable business practices all throughout the value chain. Several integrated strategies are used to manage environmental impacts and improvements, including evaluations, audits, compliance monitoring exercises, increasing the effectiveness of our production process, awareness raising campaigns, and executive management and board level oversight. We have maintained our most important environmental management strategies which are:

- Environmental Compliance Monitoring by the team at DSR, Dangote Group HSSE team and the Nigeria Ports Authority (NPA) Environmental Monitoring team.
- Working towards ISO 14001:2015 Environmental Management System (EMS) Certification.
- Energy management savings initiatives on optimal/efficient use of the two boilers for production.
- Water saving initiatives which include recovery of regeneration water.
- Emissions monitoring and control aided by the optimization of our boilers.
- Monitoring and control of effluents with our ETP
- Process optimization leading to more efficient waste management.
- Management of noise pollution from refinery activities with the help of silencers and insulation.

ENVIRONMENTAL PILLAR:

Environmental Compliance

DSR remains dedicated to comprehending, accepting, upholding, and abiding by the environmental regulations in each place where we conduct business. We had no fines, penalties, or sanctions for environmental compliance in any of our industrial plants in 2022. In order to avoid penalties, we also work to guarantee that our licenses and permissions are renewed on a regular basis. We were successful in obtaining all five (100%) of the five permits and licenses needed for all production facilities in 2022. In addition to the LAWMA Special Dump Permit (Non-hazardous waste) acquired in 2022, the general licenses needed for DSR are the Chemical Import License, Raw Sugar Import License, Non-fortified Sugar License, Fortified and Non-fortified Sugar New Design License, and Retail Sugar Package Extension License. In 2021, we invested in certain new technological improvements and action plans which we have continued to optimize to best of our ability. They include:

- Full environmental monitoring
- Continuous optimization 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%.
- Eliminate effluent water or RO plant- sent to refinery cooling tower
- Emissions tracking

Precautionary Approach

DSR recognizes the application of the precautionary principle in our business practices as a subsidiary of Dangote Industries Limited, a participant member of the UNGC. In order to effectively manage risks and uncertainties associated with environmental management within our operations, we are committed to investing in cutting-edge technologies, providing functional and sustainable solutions. Conducting environmental audits both internally and externally, monitoring environmental compliance, and performing environmental assessments are a few of these. We are aware of our obligation to take the necessary precautions to avoid substantial and irreparable environmental harm while we conduct our business, even before such harms may be conclusively proven or evaluated economically. We commenced air emissions tracking in 2022. We are also on the path to implementing the ISO 14001:2015 EMS that recognizes, evaluates, and manages the environmental risks and impacts linked to our operations. Air emissions tracking commenced in 2022.

Understanding and Managing Our Carbon Footprint

DSR makes an effort to uphold sustainability ideals that will address regional and local environmental issues and lessen the harmful effects of climate change. To minimize our influence on the environment, we work to increase operating efficiency. We are aware that CO2 is the main GHG responsible for causing climate change and global warming. In an effort to achieve net-zero carbon emissions, we have put initiatives in place to reduce our carbon footprint as much as is practical. Among the important initiatives are:

- Installing silencers on our boilers
- Ensuring the use of natural instead of LFPO
- Controlling air/fuel ratio on boilers
- Planting 700 trees in schools and communities around DSR Numan and DSR Nasarawa, and 34 trees at the DSR Apapa Plant bringing the total number of trees planted to1,434 during the 2022 Sustainability week.
- Monthly air quality monitoring at DSR Apapa and quarterly monitoring at DSR Numan
- Annual air quality audit at all plants.

We used 2021 as a baseline and having identified the following risk and opportunities, we will keep making climate change mitigation, adaptation, and resilience one of many significant lenses through which we evaluate business choices.

Transition Risks

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

Physical Risks

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

Opportunities

- Limiting the emissions from the fleet division.
- Conversion of the newer trucks from being AGO powered to gas-powered.

INSTITUTIONAL PILLAR:

Building a global brand that is driven by governance excellence

Institutional Standards

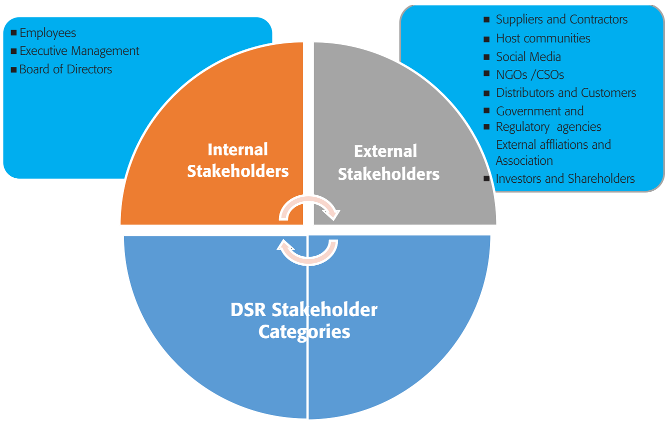
Our Institutional Pillar supports our drive to build a world- class institution centred around good corporate governance, proactive risk management and sustainability principles that promote legal and regulatory compliance, transparency, integrity, business continuity and purpose-driven leadership.

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.

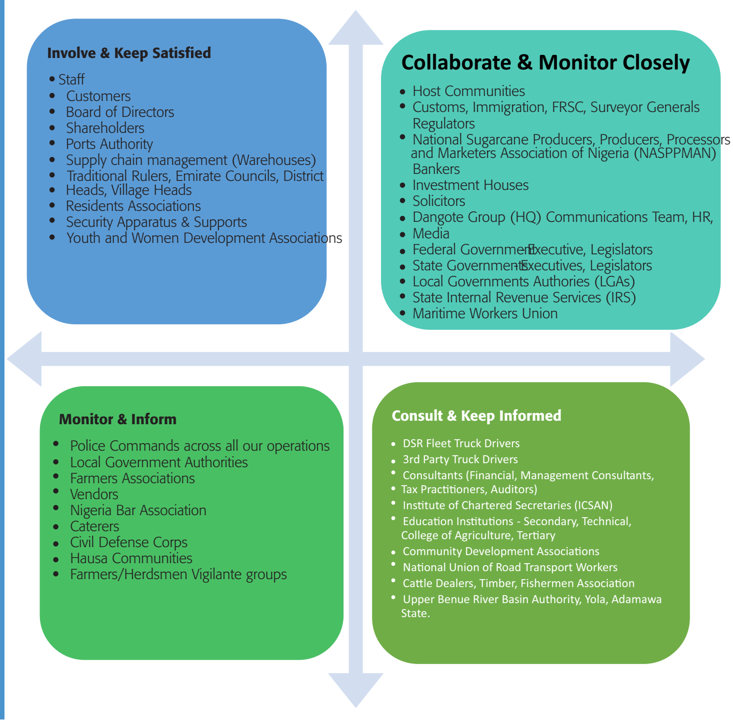
We endeavour to drive our sustainability goals and objectives from the Board and top management, to ensure enterprise-wide buy-in and ownership.

Stakeholder Engagement

Our stakeholders are entities that are impacted by or impact our business directly or indirectly. So, taking into account their interests and concerns is crucial while making company decisions.



It is part of our business obligation to make sure they are actively involved and to develop partnerships with them that will be advantageous to both parties. The stakeholder mapping and influence level for 2022 are displayed below:



Influence \ Interest	Low	Medium	High
High	Host Communities	Investors & Shareholders	Government & Regulatory Agencies
Medium	Competitors, Employees	Media	Customers & Distributors
Low	External Affiliations & Associations, Suppliers & Contractors	Financial Institutions, NGOs/CSOs	

As stated in the table below, we have created a variety of platforms via which we may interact with our varied stakeholder base, such as town hall meetings, annual general meetings, management retreats, and other formal and informal sessions:

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, HSE site meetings. etc.	Monthly, Quarterly, and as required	• Career growth and development, compensation and benefits, Sustainability performance and reporting, • Equal opportunities for all employees, skills/ knowledge development, health and safety, etc. • Other thematic topics include DSR values, corporate goals and objectives; sustainability targets and expected outcomes; strategic Initiative & BIP; DSR Priority SDGs; • Employee volunteerism initiative; brand consistency & compliance; corporate communications & other policies
Suppliers and contractors	Emails, letters, meetings, one-on-one engagements, engagement by proxy via the Procurement Department.	Regular and as required	• Requirements, products and service quality, workers' security, pricing, invoices and payments, aftersales support, and efficiency; brand consistency & compliance.
Host communities	One-on-one engagements, town hall meetings, Community engagement exercise, interest groups' communications, surveys, empowerment programs	Weekly and as required	• Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers.

INSTITUTIONAL PILLAR:

Stakeholder	Engagement Method	Frequency	Key Topics Raised
			• Impacts on existing infrastructure and skill acquisition, community needs & projects, empowerment scheme, outgrowers schemes, sports, infrastructure development & management, security of life & property
Government/Regulatory agencies	Official letters/emails, periodic assessments, compliance filing and reporting, annual financial report, sustainability report	As required	• Formal notices, applications, policies and regulations, compliance, interventions and applications, etc.
Social Media	Press releases, media parley, sustainability report, annual financial report, conferences, notifications, seasonal messages, product information, corporate event	Weekly, Monthly, Quarterly, and as required	• Governance restructuring, Advertisement, public service announcements, social and environmental impacts. • Company's strategic initiatives, new package design, product usage, seasonal greetings, corporate updates.
Financiers/Banks	Annual financial report, sustainability report, meetings	As required	• Investments opportunities, loan financing, credit negotiations, interest rates
Labour Unions	Meetings, emails, letters, sustainability report, courtesy Visits	As required	• Labour laws and regulations, productivity, employees' rights & obligations, safe working conditions, compensations, and benefits.
External Affiliations/ Associations	Letters, meetings, sustainability report, workshops, other forums.	Monthly, biannually, annually and as required	• 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 and updates, financial performance, dividends, corporate governance, • Board composition, external reporting, ESG compliance, company performance

INSTITUTIONAL PILLAR:

Stakeholder	Engagement Method	Frequency	Key Topics Raised
Non-Governmental Organisations/CSOs	Annual financial report, sustainability report, meetings, partnerships, courtesy Visits	As required	• Community development, environmental impacts, social initiatives, partnership for sustainable development and goals

DSR Stakeholder Management Initiative in 2022

In accordance with the adopted SDGs, there are specific yearly objectives and targets as well as KPIs for sustainability performance which are monitored daily, and management is informed weekly and monthly on the progress. The establishment of new initiatives, approach strategies, present goals and objectives, and knowledge obtained are all implemented. Engaging stakeholders through surveys and evaluations is one of the ways that may be used to disclose material needs, which are then given the proper priority and have appropriate measures performed to meet those demands, the company has procedures in place for identifying, prioritizing, and addressing material requirements through stakeholder interactions. In collaboration with the local community, programs and interventions are put into action to address identified consequences and their participation meets a demand for work and strengthens their sense of ownership of the sustainability projects.

Among the interventions DSR engaged in 2022 are those that provide basic necessities like drinkable water, boreholes, schools and learning facilities, flood control initiatives, effluent treatment facilities, roads, and infrastructure, providing people with job possibilities, using local suppliers of some raw materials and services, and supporting local companies, providing social amenities to local communities, empowering locals through financial assistance for local companies and schools, and educating them about economic growth. support for health improvement activities including those to combat malaria and the backward integration outgrowers programmes that promote skill development and economic circularity.

Culture Based on Ethics and Integrity

DSR is steadfast in its commitment to upholding the highest moral principles, including honesty, openness, responsibility, equity, and respect for all people. We recognize their importance for our group's long-term performance and the viability of our company. By following guidelines and standards that are in line with international best practices and corporate governance, we strive to uphold high levels of professionalism and quality. 'We have a code of conduct that is applicable to all of the personnel working for us throughout all of our businesses, as well as to our authorized representatives and anybody else representing us. We take care to explain the terms of our rules using a variety of mediums, including our intranet, in-person meetings, posters, emails, internal publications, and via digital networks. We promote openness and accountability in all of our interactions with stakeholders. We also make an effort to provide our workers the tools they need to promote regulatory compliance and proactive risk management.

ESG Compliance

As an ethical company, we are conscious that our business activities cannot be conducted at the expense of our stakeholders' and society's overall social and environmental health. Hence, we make an effort to abide by all applicable rules and regulations in the places where we operate. We at DSR had no penalties or non-compliance incidents during the year under review. Nonetheless, we will work to guarantee adherence to a number of ESG Principles, Guidelines, and Nigerian laws in which we operate.

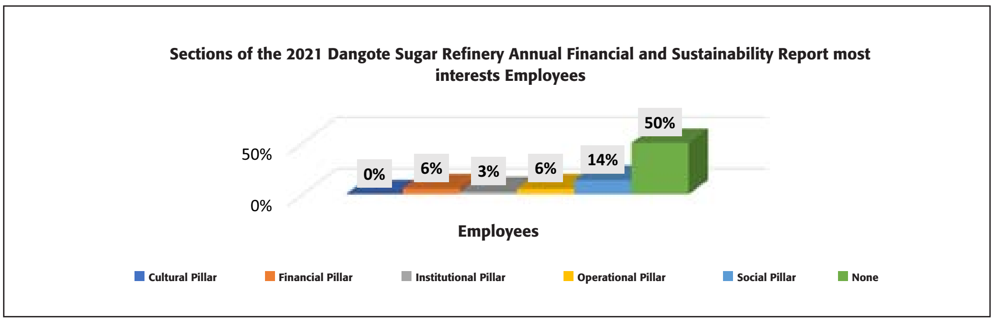
INSTITUTIONAL PILLAR:

The table below lists a few of these:

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.

From the DSR Employee survey, half (50%) of the employee respondents said they read the 2021 DSR Annual Financial and Sustainability Report; selected Social Pillar (14%) and Environmental Pillar (14%) as the top two (2) sections they are most interested in while reading the report. Also, 61% of employee respondents said they are aware Dangote Industries Limited (DIL) (DSR's parent company) is a member of the United Nations Global Compact (UNGC) and that the company aligns with the UNGC Ten Principles.



Association and Membership

DSR continues to use its alliances and membership in the Manufacturers Association of Nigeria (MAN) to promote modern operational efficiency and operationalization of sustainability in the sugar manufacturing sector/industry. We also indirectly support the UNGC and the World Economic Forum (WEF), as pledged by our parent firm, Dangote Industries Limited.

List of Associations Joined in 2022

1. United Nations Global Compact (UNGC)
2. World Economic Forum (WEF)
3. Manufacturers Association of Nigeria (MAN)

ESG Awards and Recognitions

In the Sustainability, Enterprise, and Responsibility Awards (SERAS) 2022 Africa Award, DSR emerged "Best Company in Food Security" for 2022. The award was conferred in recognition of DSR's exceptional performance throughout the years in the manufacture and maintenance of high-quality refined granulated white sugar enhanced with vitamin A, and development of its Sugar Backward Integration Projects Master Plan.

Sugar for Nigeria

The Board and Management of Dangote Sugar Refinery Plc (DSR) understand that effective risk management supports the delivery of our strategic objectives and the sustainable growth of our business. We regularly face business uncertainties, and it is through a structured approach to risk management that we can proactively respond to, mitigate and manage these risks and embrace opportunities as they arise. Despite ongoing challenges, such as the significant increase in energy costs, global inflationary trends and international supply chain disruptions, our performance continues to highlight the resilience of our people, our business model and our proven track record of delivery through uncertainty.

The Board is ultimately responsible for the management of risk and for setting the Group's risk appetite. The Board regularly reviews the principal and emerging risks facing Dangote Sugar Refinery Plc, and a robust risk management governance framework is in place which enables DSR to effectively prioritize and manage risks to within our risk appetite levels.

Our Approach to Managing Risk

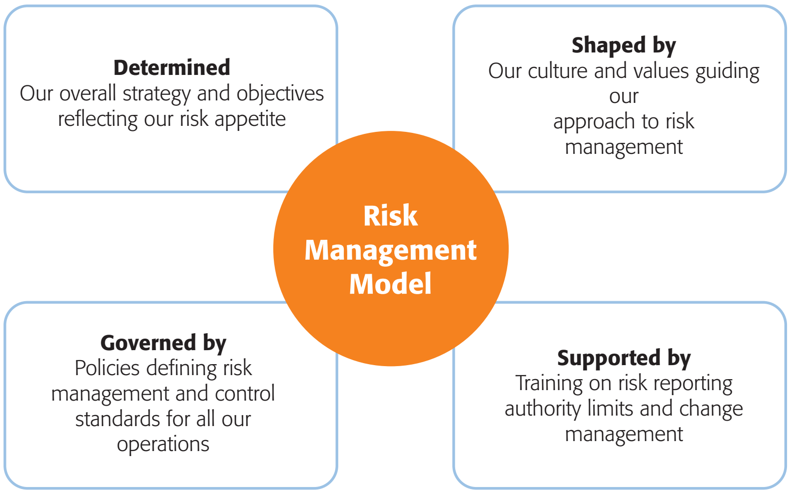
In line with the Dangote Group's risk management framework, at DSR, we have adopted a robust process that provides sufficient information, capability and tools to manage our key risks. Qualitative and quantitative tools deployed to manage this process effectively include the conduct of Risk and Control Self-Assessments, 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 developed to identify, quantify, manage and monitor the risk exposures.

Risk Identification: 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 DSR 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.

Risk Type	Definition
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	The potential for damage to the franchise and loss of earnings resulting from stakeholders taking a negative view on DSR.



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 DSR, 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:
  - ➢ Risk calculation and allocation methodologies for financial risks and
  - ➢ Other risk measurement methodologies for operational risks.
- Supplying a risk-specific reporting and tracking tool to also support the Risk Management processes.

The Board

- Set and approve overall risk management framework.
- Regular review of key exposures and approves mitigating action plans.
- Provision of strategic direction of the business and determining the risk appetite.
- Assessing the effectiveness of three above via the audit function.

Senior Management

- Provide oversight and assurance of the Enterprise Risk Management Framework.
- Determine mitigating action plans to manage identified risks.
- Allocating the risk appetite limits to respective departments.
- Regularly monitors the adequacy of the risk mitigation plans.

Business Units	Internal Control	Risk Management	Internal Audit
1st Line of Defence	2nd Line of Defence	2nd Line of Defence	3rd Line of Defence
Identify and manage risk exposure at the job function level	Identify and manage risk exposure at the job function level	Develop and promotes Enterprise Risk Management framework to ensure effective management risk	Provide independence assurance of the effectiveness of the Group's risk management and internal control framework

The DSR 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.

Risk Appetite

At DSR all decisions must balance risk and reward to ensure all activities are economically profitable after due consideration of risk. DSR's risk appetite is always considered when making such decisions. Our Board has responsibility for determining the level of risk that will be taken. The Board determines the overall strategic direction for the business and, as part of this process, determines the Group's risk appetite. The risk appetite of the organisation defines the level of risk we are willing to take as a business for the different risk types, whilst considering varying levels of financial and non-financial stress factors. Risk appetite is key for our decision-making process, including business planning, operations, new product reviews and approvals alongside business change initiatives. The year under review saw the Risk Management function commence the process of quantification of the risk appetite statement hinged on converting DSR's qualitative risk appetite statement to a series of metrics hence translating specific value drivers into a series of limits and tolerance levels for different levels of impact classification ranging from Insignificant to Catastrophic.

Risk Management Initiatives for the Year

At DSR, the entrenchment of Risk Management has enabled strategic planning and decision-making alongside the achievement of set corporate objectives. Nonetheless, it is still considered to be at a Mature stage rather than the Advanced stage required for an organization of our size. This is because the Risk Management process still employs manual processes for collation and consolidation of data and related information.

The mature stage attests to an entrenched risk aware culture, good governance, ownership and accountability for risk identification and control, and proper deployment and utilization of risk management tools in managing existing and emerging risk exposures as well timely risk remediation. To ensure we have an Advanced Risk Maturity profile with consistent implementation and interpretation of our Enterprise Risk Management framework, policies, principles, and procedures, the Governance, Risk & Compliance module of SAP is being configured for use.

With the implementation of the SAP GRC, we would not only progress to an Advanced level of risk maturity but also ensure the automation and consistent application of all Risk Management processes across the Group. This tool would enable the standardization of our risk management processes in relation to risk identification, assessment, monitoring and reporting functions. This would also ensure predictive risk trends are generated from organic risk loss data and key risk indicators.

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.	Production Shutdown	Risk of production shutdown considering Plant age arising from non-availability of spares due to lack of FX for Spares procurement	Loss of market share and brand confidence from possible low production output	• Working closely with the in-country regulator of the financial services sector for the sourcing of FX to fund import requirements. • Constant engagement with Commercial Banks to fund import requirements through LC from their FX allocation
3.	Political Risk Exposures	Political instability resulting from post-election resolutions, activities of insurgents in the North East and Niger Delta regions	Possible disruption of production and distribution of finished goods	• Regular review of Business Interruption and GIT Cover • Regular review of distribution routes • On-going work on "Dangote Sugar Refinery Business Continuity and Crisis Management Systems"
4.	Macro-Economic Risks	Possibility that the Nigerian economy would fall back into recession	Renewed downturn would have negative effects on disposable income of consumers	• Continuous review of costs to ensure the ability to absorb market fluctuations.
5.	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 ad cash allocation across our businesses • Target market leadership where we play • Focus on industries where reach is strong.
6.	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
7.	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.

S/N	Risks	Risk Description	Potential Impact	Mitigation Plan
8.	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 act ivities 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.
9.	Health & Safety Risk	Exposures resulting from unsafe acts both within and outside the premises.	Increased insurance premiums Increased legal risk exposure	• 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 CONTROL AND OPERATING PROCEDURES
DSR internal control system relies on a solid foundation of autonomy and collaboration within the Group's teams, encouraging the alignment of goals, resources and the mechanisms deployed. It is based on the clear identification of goals and responsibilities, a human resources policy ensuring that resources and skill levels are sufficient, and that information systems and tools are adapted to each team and/or business unit. Although business units are responsible for implementing the relevant strategies to achieve these objectives, however, the monitoring of the internal control system and risk management is centralized at the corporate office.

The key parties involved in DSR internal control system are as follows:
The Board of Directors: Primarily define the policies governing the Company's business activities and ensure their application. It strives to examine the accounting and financial documents and to determine the risks in relation with the Company's internal controls. It ensures the efficiency of the mechanisms and procedures applied as part of the internal controls. To this end, it has access to all documents and reports required to perform this task. Each director may independently require additional information from the GMD, who is always available to provide relevant information and explanations to the Board of Directors.

The Group Managing Director/Chief Executive Officer (GMD/CEO): Defines and directs the Group's strategy. He is responsible for establishing the procedures and mechanisms employed to ensure both the functioning and monitoring of the internal control system. He takes charge of the internal control system, more specifically as part of his duties as Chief Executive Officer with the Board of Directors and the assistance of the Internal Control department, the internal and external auditors.

Executive Management: In collaboration with senior management are collectively involved in setting the key accounting, finance, legal, tax, IT, and human resources policies, and supporting the business units with their implementation. Specific visits are made to the business units to carry out audits and training and to make recommendations so as to ensure that the internal control system is sufficient.

Control Activities
In addition to the risk management system, the Group has many control processes at all levels of the Company. Functional departments at head office play a critical role by ensuring that business unit's initiatives comply with Group guidelines, and by providing support for risk management, especially when local teams lack sufficient expertise. The centralized organization of these support functions enables consistent dissemination of the major policies and goals of the senior management:

The financial control unit monitors the Company's performance, using operational monitoring based on monthly reports from all Group business units. It also coordinates meetings between senior management and the operational and finance departments at which the various reporting indicators are reviewed, the differences between actual performance and budget forecasts are analyzed, and the interim and annual budgets can be fine-tuned on the basis of actual figures and the market outlook as received from business units and other operational teams. The financial controllers monitor the whole financial reporting cycle and constantly query subsidiaries on their performance levels, earnings, and business activity.

The management accounts unit draws up the Group's monthly consolidated accounts, centralizing all advice on their preparation and analysis. It publishes the accounting procedures applicable within the Group, particularly via the Group's accounting policies manual. It ensures compliance with applicable standards and regulations to provide a true picture of the Group's business activities and position.

The treasury unit arranges foreign-exchange contracts and coordinates cash flow management at corporate and business unit levels, by overseeing the dissemination of cash pooling solutions and cash flow forecasting. It checks the suitability and smooth interaction of exchange-rate and liquidity risk management policies, as well as the publication of financial information, and also manages off-balance sheet commitments (bank guarantees relating to purchase financing or L/Cs, comfort letters, share price guarantees, deposits, etc.). It centralizes and verifies the authorizations granted to a limited number of employees, who are exclusively authorized by senior management to handle certain financial transactions – subject to predefined thresholds and authorization procedures – and helps implement tools to ensure effective control (dual signature procedure, secure payment mechanisms, frequently updated authorization and signature system, controlled IT access, etc.).

The Legal departments, which are specialized in company law, contract law, litigation, and intellectual property, assist and advise the group and business units on legal matters (acquisitions, contracts, leases, stock market regulations, corporate governance, etc.). They coordinate joint studies or those of interest for the Group and support local entities on legislative issues so as to control risks in the various fields.

The tax department assists and advises the Group and business units within the companies with the analysis of the tax aspects of their projects and transactions. In coordination with the various internal departments, it ensures the Group's tax security by organizing risk prevention, identification, and management. It implements the Group's transfer price policy and ensures that this is applied correctly.

The information systems department is involved in selecting the Group's IT solutions and ensures their technical and functional compatibility. One of its principal aims is integrating those solutions and it oversees changes to the ERP applications (SAP and other Applications) deployed in all the business units. It also regularly monitors IT projects and ensures that they are in line with the requirements identified by the functional teams and the budgets approved by management. The IT security unit is responsible for ensuring and organizing the protection of the company's information system as concerns the security of the various applications, server architecture, the premises, etc.

DSR Internal Control System

The DSR internal control system is an ongoing process supported with a monthly process for monitoring key controls across the business units and key processes. A monthly control compliance test is performed and reported by the internal control department. This is in addition to the test of the internal control environment performed by internal audit during its review of key processes and that of the statutory auditors during their review and annual certification of the company's financial statements. Furthermore, the responses to internal control questionnaires and the risk and control self-assessment questionnaires serve as a basis for picking up useful signals of the group's control environment. Their goal is both to contribute to establishing and updating procedures and, above all, to help managers to pinpoint the fundamental issues regarding the effectiveness of the processes and controls in question.

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, governance 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 in 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 dynamic methodology would be employed in the management of the company risk profile.

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 retaliation.

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

Financial Standards
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.

Oscar Mbeche
Group Chief Finance Officer

Sales volume grew by 10% complimented by higher prices, which contributed to revenue growth in 2022 by 46% from N276.1 billion to N403.2 billion.

Revenue Growth

The company recorded another impressive year of financial performance and achieved growth over 2021 financial performance. Sales volume grew by 10% complimented by higher prices, contributed to revenue growth in 2022 by 46% from N276.1 billion to N403.2 billion. The company continued to grow its supply chain footprint in Nigeria complimented by excellent customer care that sustained customer loyalty to sustain the revenue growth. The company's primary focus remains adding value to its customers with high quality sugar.

Impact of further Naira Devaluation

The company remains heavily dependent on imports of raw materials, spare parts, and critical chemicals to sustain its sugar production. This also possess a major risk to the company because of continued scarcity of foreign exchange to procure imports. The year 2022 witnessed further devaluation of the Naira against the USD and major currencies. The escalating costs of procuring foreign exchange have increased the conversion costs for the company, due to dependance on imported critical materials and refined fossil fuels. Production volume decreased by 1% in 2022 compared to 2021, but the cost of production rose by 38%. Consequently, to sustain operations, sales price increases have been applied when deemed necessary during the year. This has been influenced by the prevailing global macroeconomic factors affecting Nigeria and consequently DSR's operations.

Focus on Nigeria Sugar Master Plan and BIP Performance

DSR's continued to support the development of the Nigerian Sugar Master Plan, DSR's backward integration (BIP) Numan operations saw the highest volumes of sugar processed since the inception of the company, increasing by 64 % over 2021 volume. However, significant impediments still need to be overcome, principally, the challenges of securing funds to import capital assets to support BIP development plans, poor infrastructure, for example, the bad conditions of the road networks presents logistical challenges which drive up supply chain costs, the increased timelines it takes to secure CBN approvals for LCs required to import critical spares and chemicals contribute to additional processing costs and delays that could otherwise be avoidable. These negatively impact the pace at which DSR can achieve further financial and performance efficiencies in the BIP operations.

Strong Governance Framework

The company maintains a strong internal control environment and continued to increase the usage of its SAP ERP systems to automate critical processes and improve internal controls, that contribute to financial reporting and operational efficiency. In 2022, the company started the implementation of ICFR (Internal Controls Over Financial Reporting) governance project, in order to comply with the directives of the SEC, Investments and Securities Act, 2007 the Sections 60 to 63, for all listed companies in Nigeria which are required to implement relevant internal controls over financial reporting and Auditors are required to review the same and issue a statement on the existence, adequacy and effectiveness, by December 31, 2023. The successful completion of the ICFR project in DSR is a top governance priority for Management in 2023.

Excellent Relationships with Banking and Financing Partners

Our financing and banking partners have played a commendable critical role of supporting DSR's financing needs and securing customers' collections. We purposely apply all available legal means to mitigate against costs increases, inflationary effects, to complement DSR's financial performance, by investing excess cash to earn interest. Interest income in 2022 rose by 349.5% over 2021 income.

However, finance costs in 2022 rose by 47.9% over 2021 costs. DSR reduced the low gearing it maintains by lowering debt to equity ratio to 0.31% from 0.59% in 2021.

Profitability and Cashflow

The company improved its Operating Profit by 111% from N39.02 billion in 2021 to N82.4 billion, due to revenue growth and improved costs control. However, there is increasing pressure on DSR's cashflow and working capital emanating from the delays CBN takes to deliver foreign exchange required to defray existing FX denominated Payables, despite being Naira cash collaterised. The IFRS and FRCN regulations requires that FX denominated liabilities are translated at existing official CBN rates but disallow the booking of any provisions to proactively anticipate future FX costs as a result of CBN delays which will result in higher costs than existing CBN rates. These will negatively impact cashflows when the obligations are eventually settled. This increased post-neg bank charges in 2022 and is expected to further escalate in the foreseeable future.

Being the market leader in the industry sector, with 55% market share, DSR will continue to strive for continuous improvements in all areas of its business. Our team and I remain cautiously confident about the company's future financial performance, and is ready to face the prospects 2023 presents.

Below are the 2022 financial performance summary highlights.

FINANCIAL HIGHLIGHTS

Sales Volume

Year ended	**31st December 2022**	**31st December 2021**
Volume sold	**000 bags**	**000 bags**
Lagos	7,315	7,075
North	7,559	6,323
West	1,464	1,416
East	709	613
Total volume sold	**17,047**	**15,427**

Volume increased by 10.5% from 15.43 million bags to 17.05 million bags driven by higher sales in the Northern region

Revenue

Revenue	**N'm**	**N'm**
Lagos	173,040	126,605
North	178,812	113,153
West	34,623	25,331
East	16,771	10,966
Total revenue	**403,246**	**276,055**

Revenue increase by 46.1% from N276 billion to N403 billion driven by higher volume and price increase.

Manufacturing and Operating costs

	N'm	**N'm**
Raw material	256,327	183,374
Direct labour cost	6,657	5,363
Direct overheads	26,354	20,780
Depreciation	5,465	5,427
Freight expenses	16,480	10,902
Total manufacturing costs	**311,283**	**225,846**

In general, manufacturing costs increased because of higher volume moving from N225.8 billion to N311.3 billion and 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 37.8%

Administration and Selling Expenses

Year ended	**31st December 2022**	**31st December 2021**
Administration and selling expenses	**N'm**	**N'm**
Administration expenses	10,310	10,631
Selling expenses	741	906
Total Administration and Selling expenses	**11,051**	**11,537**

Total Administration and Selling expenses decreased by 4.2% from N11.5 billion to N11.1 billion due to costs optimization and supply chain efficiency.

Finance Income and Finance Costs

Year ended	31st December 2022 N'm	31st December 2021 N'm
Interest and similar income/expenses		
Interest income	6,379	1,419
Exchange loss	(1,889)	(1,992)
Finance cost on Letter of Credit	(7,670)	(4,317)
Interest on lease payments	(114)	(183)
Interest on bank loan	(129)	(138)
Net finance income/(cost)	**(3,423)**	**(5,211)**

Interest income increased by 349.5% mainly due to increased interest earnings on deposit placements.

The increase in finance cost on letter of credit by 78% is due to the longer time it takes to defray LC obligation because of FX scarcity in the financial market.

PROFITABILITY

EBITDA by operating region	31st December 2022 N'm	31st December 2021 N'm
Lagos	40,962	22,245
North	42,329	19,881
West	8,196	4,451
East	3,970	1,927
Total EBITDA	**95,457**	**48,504**

Group earnings before interest, tax, depreciation, and amortization (EBITDA) for the year increased by 96.8% to N95.5 billion because of increased net sales revenue and gross margin.

Year ended	31st December 2022 N'm	31st December 2021 N'm
Group EBITDA	95,457	48,504
Depreciation, amortization, and impairment	(9,732)	(9,272)
EBIT	**85,725**	**39,232**

EBITDA margin (%)	24%	18%
Operating profit (N'm)	82,410	39,020
Profit before tax (N'm)*	82,303	34,021
Profit after tax (N'm)	54,742	22,052
EPS(Kobo)	**451**	**182**
*Profit before tax is inclusive of change in fair value of biological asset	3,315	212

The Groups profit after tax increased from N22 billion to N55 billion majorly because of increased net sales revenue and gross margin.

Taxation

Year ended	31st December 2022 N'm	31st December 2021 N'm
Taxation	(27,561)	(11,969)
Tax (charge)/credit	**(27,561)**	**(11,969)**

Taxation comprises corporate income tax, tertiary education fund, police trust fund levy, and deferred tax.

FINANCIAL POSITION

Year ended	31st December 2022 N'm	31st December 2021 N'm
Property, Plant and Equipment	157,762	144,678
Total Non-Current Assets	**157,762**	**144,678**
Current assets (excluding cash)	159,814	111,818
Cash and bank balances	174,858	103,010
Total Current Assets	**334,672**	**214,828**
Total Assets	**492,434**	**359,506**
Non-current liabilities	13,770	12,331
Current liabilities	307,438	218,544
Total Liabilities	**321,208**	**230,875**
Equity	**171,226**	**128,631**
Total Equity and Liabilities	**492,434**	**359,506**

Capital Expenditure

Year ended	31st December 2022	31st December 2021
Capital expenditure by region	**N'm**	**N'm**
Lagos	333,318	212,241
North	159,117	147,265
Capital Expenditure	**492,435**	**359,506**

Capital expenditure comprised of assets procured to sustain and develop the Apapa sugar refinery operations in Lagos for production of refined sugar for sales; while the Northern capex comprised of assets procured for the expansion of the existing BIP operations in Numan, and capital works to sustain the development of BIP green field sites in Nasarawa State.

Recommended Dividend

The Board of Directors have recommended a dividend of N1.50 per share for approval at the Annual General Meeting.

Going Concern

The Management 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.

Working Capital

The current working capital is sufficient for the Company's operations and the Directors continue to closely monitor the operations of the company to ensure that sound Working Capital strategies are applied by Management to generate cashflows to fund the Company's operations; and avail funds needed to support the ongoing development of BIP projects.

Oscar Mbeche
Group Chief Finance Officer

GRI CONTENT INDEX

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.

CONTENT INDEX ESSENTIALS SERVICE

2023

Statement of use	Dangote Sugar Refinery (DSR) Plc has reported in accordance with the GRI Standards for the period 1st January 2022 to 31st December 2022.
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				7-8, 42, 113-134
	2-2	Entities included in the organization's sustainability reporting				7-8, 42
	2-3	Reporting period, frequency and contact point				7-8, 42
	2-4	Restatements of information				No Restatements
	2-5	External assurance			4.3: Format of Report	Not available
	2-6	Activities, value chain and other business relationships				7-8, 42
	2-7	Employees	Goal 8			55-57
	2-8	Workers who are not employees	Goal 8			55-57
	2-9	Governance structure and composition			Principles 1 and 2: Governance	55-57, 113-134
	2-10	Nomination and selection of the highest governance body			Principles 1 and 2: Governance	113-134
	2-11	Chair of the highest governance body			Principles 1 and 2: Governance	113-134
	2-12	Role of the highest governance body in overseeing the management of impacts			Principles 1 and 2: Governance	113-134
	2-13	Delegation of responsibility for managing impacts			Principles 1 and 2: Governance	113-134
	2-14	Role of the highest governance body in sustainability reporting			Principles 1 and 2: Governance	113-134

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	2-15	Conflicts of interest				113 -134
	2-16	Communication of critical concerns				58 -60, 84 -87, 113 -134
	2-17	Collective knowledge of the highest governance body			Principles 1 and 2: Governance	113 -134
	2-18	Evaluation of the performance of the highest governance body			Principles 1 and 2: Governance	113 -134
	2-19	Remuneration policies				113 -134
	2-20	Process to determine remuneration				113 -134
	2-21	Annual total compensation ratio	Goal 10			113 -134
	2-22	Statement on sustainable development strategy				14 -17, 34 -37,
	2-23	Policy commitments				58 -60, 87-88
	2-24	Embedding policy commitments			Principle 3: Governance	58 -60, 87-88
	2-25	Processes to remediate negative impacts		Principle 7: Environment	Principles 8 and 9: Social and Environment	58 -60, 84 -87
	2-26	Mechanisms for seeking advice and raising concerns				58 -60, 84 -87-88
	2-27	Compliance with laws and regulations	Goal 16			82 -83, 87-88
	2-28	Membership associations	Goal 17			89
	2-29	Approach to stakeholder engagement				43 -50, 84 -87
	2-30	Collective bargaining agreements	Goals 8 and 10	Principle 3: Labour		Not available
GRI 3: Material Topics 2021	3-1	Process to determine material topics				43 -50, 84 -87
	3-2	List of material topics				49-50
			ECONOMIC STANDARDS			
Economic Performance						
GRI 3: Material Topics 2021	3-3	Management of material topics				58 -60, 66
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Goals 8 and 9			66
	201-2	Financial implications and other risks and opportunities due to climate change	Goal 13			66
	201-3	Defined benefit plan obligations and other retirement plans				58 -60, 66
	201-4	Financial assistance received from government				66
Market Presence						

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				Not Applicable, 55-57
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, 55-57
	202 -2	Proportion of senior management hired from the local community	Goal 8			Not Applicable, 55-57
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics				64-65
GRI 203: Indirect Economic Impacts 2016	203 -1	Infrastructure investments and services supported	Goal 5, 9, and 11			64-65
	203 -2	Significant indirect economic impacts	Goals 1, 3, and 8			64-65
Procurement Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics				69-70
GRI 204: Procurement Practices 2016	204 -1	204-1 Proportion of spending on local suppliers	Goal 8			69-70
Anti - corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics				75
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
	205 -2	Communication and training about anti - corruption policies and procedures	Goal 16	Principle 10: Anti - corruption	Principles 1 and 2: Governance	75
	205 -3	Confirmed incidents of corruption and actions taken	Goal 16	Principle 10: Anti - corruption	Principles 1 and 2: Governance	75
Anti -competitive Behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics				66
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	66
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics				66
GRI 207: Tax 2019	207-1	Approach to tax	Goals 1, 10 and 17			66
	207-2	Tax governance, control, and risk management	Goals 1, 10 and 17		Principles 1 and 2: Governance	66
	207-3	Stakeholder engagement and management of concerns related to tax	Goals 1, 10 and 17			66
	207-4	Country -by-country reporting	Goals 1, 10 and 17			66
ENVIRONMENTAL STANDARDS						

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics				68
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goals 8 and 12			68
	301-2	Recycled input materials used	Goals 8 and 12	Principle 8: Environment	Principles 3 and 9: Economic and Environment	68
	301-3	Reclaimed products and their packaging materials	Goals 8 and 12			Not Applicable, 68
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics				79-80
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	79-80
	302-2	Energy consumption outside of the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	79-80
	302-3	Energy intensity	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	79-80
	302-4	Reduction of energy consumption	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	68
	302-5	Reductions in energy requirements of products and services	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	68
Water and Effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics				81
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	81
	303-2	Management of water discharge -related impacts	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	81
	303-3	Water withdrawal	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	81
	303-4	Water discharge	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	81
	303-5	Water consumption	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	81
Biodiversity						
GRI 3: Material Topics 2021	3-3	Management of material topics				82
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	82

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	304-2	Significant impacts of activities, products and services on biodiversity	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	82
	304-3	Habitats protected or restored	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	82
	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	82
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics				80-83
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	80-81
	305-2	Energy indirect (Scope 2) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	80-81
	305-3	Other indirect (Scope 3) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	80-81
	305-4	GHG emissions intensity	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	80-81
	305-5	Reduction of GHG emissions	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	80-83
	305-6	Emissions of ozone -depleting substances (ODS)	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	80-81
	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	80-81
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics				82
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	82
	306-2	Management of significant waste - related impacts	Goals 3, 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment	82
	306-3	Waste generated	Goals 3, 6, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	82
	306-4	Waste diverted from disposal	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	82
	306-5	Waste directed to disposal	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	82
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics				68-69

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
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	68-69
	308-2	Negative environmental impacts in the supply chain and actions taken				68-69
SOCIAL STANDARDS						
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics				57-58
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	57-58
	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	57-58
	401-3	Parental Leave	Goals 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	57-58
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3	Management of material topics				57-58
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Goal 8		Principle 5: Social	57-58
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				75-77
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	75-77
	403-2	Hazard identification, risk assessment, and incident investigation	Goal 8	Principle 6: Labour	Principle 5: Social	75-77
	403-3	Occupational health services	Goal 8	Principle 6: Labour	Principle 5: Social	75-77
	403-4	Worker participation, consultation, and communication on occupational health and safety	Goals 8 and 16	Principle 6: Labour	Principle 5: Social	75-77
	403-5	Worker training on occupational health and safety	Goal 8	Principle 6: Labour	Principle 5: Social	75-77
	403-6	Promotion of worker health	Goal 3	Principle 6: Labour	Principle 5: Social	75-77

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Goal 8	Principle 6: Labour	Principle 5: Social	75-77
	403-8	Workers covered by an occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	75-77
	403-9	Work -related injuries	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	75-77
	403-10	Work -related ill health	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	75-77
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				77-78
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	77-78
	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	77-78
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics				78
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Goals 5 and 8	Principle 6: Labour	Principle 6: Social	78
Freedom of Association and Collective Bargaining						
GRI 3: Material Topics 2021	3-3	Management of material topics				78
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		78
Child Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics				78
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	78
Forced or Compulsory Labor						

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				78
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	78
Security Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics				78
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	78
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3	Management of material topics				78
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Goal 2			78
Local Communities						
GRI 3: Material Topics 2021	3-3	Management of material topics				62-63, 73-75
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs			Principle 8: Social	62-63, 73-75
	413-2	Operations with significant actual and potential negative impacts on local communities	Goals 1 and 2		Principle 8: Social	73-75
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics				68-69
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	68-69
	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	68-69
Public Policy						
GRI 3: Material Topics 2021	3-3	Management of material topics				No contribution, 75
GRI 415: Public Policy 2016	415-1	Political contributions	Goal 16			No contribution, 75
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				70-71
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	70-71

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	416-2	Incidents of non -compliance concerning the health and safety impacts of products and services	Goal 16		Principles 3 and 4: Economic	70-71
Marketing and Labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics				71-72
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	Goal 12			71-72
	417-2	Incidents of non -compliance concerning product and service information and labelling	Goal 16			71-72
	417-3	Incidents of non -compliance concerning marketing communications	Goal 16			71-72
Customer Privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics				71-72
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Goal 16			71-72

2022 SUSTAINABILITY WEEK CELEBRATION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03.

Corporate Governance

The Board of Directors.

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. He has over 42 years of proven experience of leadership positions in Manufacturing and Processes Industry, Sugar, Petrochemicals, Cement, Textiles 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. He has extensive stints in the diversified industries and has been successful in turning around several companies financially and operationally. Mr. Singhvi has been holding senior level positions in large and diversified groups rising to the position of Chief Financial Officer, Head of Operations, Executive Director/Managing Director in reputed companies in India. Prior to joining Dangote Sugar Refinery Plc, Mr. Singhvi was the Managing Director & CEO of NSL Sugar Limited, Hyderabad, India. Before NSL Sugar, he was the Managing Director, EID Parry (1) Limited, Chennai, India, one of the top three sugar producing companies and the oldest listed company of India. During his stint as the Managing Director in EID Parry Limited, the company bagged first prize in Corporate Governance awarded by the Confederation of India Industry, a Premier Industry Association in collaboration with the Ministry of Corporate Affairs, Government of India. He has also been instrumental in completing Power Purchase Agreement of 2,500 megawatts with the Government of Karnataka (India) on behalf of the Sugar Industries of Karnataka which changed the fortunes of the industry. Mr. Singhvi is focused on strategy, business development, improving the company's top and bottom lines.

Committee Membership
Board Finance Committee

The Board of Directors.

MR OLAKUNLE ALAKE
NON – EXECUTIVE DIRECTOR

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

COMMITTEE MEMBERSHIP

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

MS. BENNEDIKTER MOLOKWU DFIOD
NON-EXECUTIVE DIRECTOR

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

COMMITTEE MEMBERSHIP

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

MS. MARYAM BASHIR
INDEPENDENT NON-EXECUTIVE DIRECTOR

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

COMMITTEE MEMBERSHIP

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

The Board of Directors

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 $1billion for the company's operations. Mr. Nwankwo began his career with Citibank-Citicorp in New York in 1987 as a Management Trainee and rose to become a Vice President in the asset-based finance division of the bank structuring and executing multi-million transactions in the airline, computer and FMCG industries. In 1994 he returned to Nigeria to join Citibank Nigeria as Executive Director, Corporate Banking and was later transferred to Citibank Africa Division in 1997 as Africa Head of Structured and Asset Based Finance in Johannesburg. In 2000 he joined First Bank of Nigeria Plc as Executive Director, Risk and Management Control, and in joined the Dangote Group in 2002 as the Group Executive Director, Corporate Finance and Strategy. Mr. Nwankwo oversaw the unbundling of the Dangote Group business into operating subsidiaries and managed the subsequent listing of the Sugar Refinery, Dangote Cement.

COMMITTEE MEMBERSHIP
- Board Finance Committee – Chairman
- Board Governance Committee
- Board Risk Management & Assurance Committee

ALHAJI ABDU DANTATA
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.

COMMITTEE MEMBERSHIP
- Board Finance Committee

PROF. KONYINSOLA AJAYI SAN
NON-EXECUTIVE DIRECTOR

Prof. Konyinsola Ajayi, SAN 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 Chairman, Nasarawa State Investment & Economic Council, and Chairman, Capital Markets Master Plan Implementation Committee.

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

Meet the Team.

RAVINDRA SINGHVI

GROUP MANAGING DIRECTOR/CEO

OSCAR MBECHE

GROUP CHIEF FINANCE OFFICER

MARIYA ALIKO DANGOTE

DIRECTOR STRATEGY/BIP SPECIAL SUPPORT

CHINNAYA SYLVIAN

CHIEF EXECUTIVE DSR NUMAN

Ravindra Singh Singhvi is the Group Managing Director/CEO of Dangote Sugar Refinery Plc. He has over 42 years of proven experience of leadership positions in Manufacturing and Processes Industry, Sugar, Petrochemicals, Cement, Textiles 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. He has extensive stints in the diversified industries and has been successful in turning around several companies financially and operationally. Mr. Singhvi has been holding senior level positions in large and diversified groups rising to the position of Chief Financial Officer, Head of Operations, Executive Director/Managing Director in reputed companies in India. Prior to joining Dangote Sugar Refinery Plc, Mr. Singhvi was the Managing Director & CEO of NSL Sugar Limited, Hyderabad, India. Before NSL Sugar, he was the Managing Director, EID Parry (1) Limited, Chennai, India, one of the top three sugar producing companies and the oldest listed company of India. During his stint as the Managing Director in EID Parry Limited, the company bagged first prize in Corporate Governance awarded by the Confederation of India Industry, a Premier Industry Association in collaboration with the Ministry of Corporate Affairs, Government of India. He has also been instrumental in completing Power Purchase Agreement of 2,500 megawatts with the Government of Karnataka (India) on behalf of the Sugar Industries of Karnataka which changed the fortunes of the industry. Mr. Singhvi is focused on strategy, business development, improving the company's top and bottom lines.

Oscar Mbeche is the Group Chief Finance Officer of Dangote Sugar Refinery Plc. An astute Finance Executive who is also experienced in Business Development and Organizational Management, with over 30 years work experience, spanning industry sectors of FMCG, Oil & Gas, Hi-Tech, Banking & Finance, Accounting, Auditing, and NGO. Oscar is a proven executive with laudable achievements in Financial Reporting, 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, Kenya, Switzerland, the UK, France, Germany, Singapore, Australia, India, China and Hong Kong. He was formally, the Group CFO for Philia Group based in Geneva, Dubai, and Singapore; and prior to that he has been Finance Director, Compliance Director, CRO, Internal Audit Director, and CIO for other international companies he worked for in Europe and Asia. Oscar brings to Dangote Sugar Refinery Plc, his wealth of experience in all aspects of Financial Management including Fund Raising, Corporate Finance, Trade Finance, and international Taxation. He is a qualified chartered accountant, and holds an MBA from the University of Oxford, United Kingdom.

Mariya Aliko Dangote is the Director Strategy/BIP Support of Dangote Sugar Refinery Plc. With several years' experience in Risk Management and Business Strategy. Mariya holds a Bachelor Degree in Law from the Bayero University, Kano, and a Master Degree in Business Administration from the Coventry University, United Kingdom. She was a Group Strategy Lead, Dangote Industries Limited a position she held until her redeployment to Dangote Sugar Refinery Plc in 2019. Mariya also serves on the Board of Dangote - Peugeot Automobiles Nigeria Limited (DPAN), Dangote Cement Limited, and Al–Ummah Development Foundation amongst others. She has attended many local and international professional training programmes on Leadership, Business Development and Law.

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.

Meet the Team.

HASSAN SALISU

GM HUMAN RESOURCES AND ADMIN

Hassan Salisu is the General Manager Human Resources & Administration, Dangote Sugar Refinery Plc. He has several years of work experience in Financial Services and Manufacturing. Mr. Salisu holds a BSc. in Business Administration from Ahmadu Bello University, Zaria and MSc in Technology and Development from Olabisi Onabanjo University, Ago- Iwoye in Ogun State. He was GM, Corporate Services at the Bank of Industry (with responsibilities for Human Resources, Administration, Finance & Treasury, and Information Technology) and later 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 Dangote Academy and Group Lead, Learning & Development, a position he held until his redeployment 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.

TEMITOPE HASSAN (MRS)

COMPANY SECRETARY/LEGAL ADVISER

Temitope is a multi-disciplined Lawyer. She holds a Bachelor degree in Law from the London South Bank University, U.K, a Bachelor degree in Insurance from the University of Lagos, Akoka and a Master degree in Business Administration from the Obafemi Awolowo University, Ile-Ife. She joined Dangote Sugar Refinery Plc in January 2020 as the Company Secretary/Legal Adviser from UBA Pensions Custodian Limited where she was also the Company Secretary/Legal Adviser and 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 Legal Advisory & Drafting, Company Secretariat Practice, Dispute Resolution, Corporate Governance Advisory, Investor Relations, Regulatory Compliance and Corporate Services. She has attended several courses overseas and within Nigeria. She has advised Boards on Governance over the years and has been involved in major transactions such as Mergers and Acquisitions, Schemes of Arrangement and Company Restructures. 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.

BELLO SADIQ

HEAD SALES & MARKETING

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 29 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.

CHRIS OKOH

AG. HEAD REFINERY OPERATIONS

Chris Okoh is the Acting Head, Refinery Operations of Dangote Sugar Refinery Plc. He has over 30years work experience in the Fast Moving Consumer Goods sector of the manufacturing industry in Nigeria. He joined Dangote Sugar Refinery Plc, as the pioneer Lab Chemist in 1999, and has held various positions in Dangote Sugar including Chief Chemist, Head, Quality Assurance & Process Control, and Process Manager, a position he held until his elevation as Ag. Head, Refinery Operations in July 2022. Prior to joining Dangote Sugar Refinery Plc, Chris has worked in Nigerian Breweries Plc as a Technological Analyst. He holds a Master's degree in Chemistry from the University of Ibadan, and a Bachelor of Science degree in Biochemistry of the University of Benin. He is a member of the Institute of Public Analysts of Nigeria and an Associate member, International Society of Sugar Cane Technologists and have attended several local and international courses in cane sugar manufacture and processing.

Meet the Team.

ITORO UNAAM

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).

BABAFEMI GBADEWOLE

CHIEF INTERNAL AUDITOR

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).

AYOKUNLE USHIE

HEAD RISK MANAGEMENT

Ayokunle was a Corporate Finance and Risk Management practitioner with several 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.

NGOZI NGENE

HEAD CORPORATE AFFAIRS

Ngozi Ifesinachi Ngene is the Head Corporate Affairs of Dangote Sugar Refinery Plc. With over 28 years multi-industry experience in 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 the public and private sectors of the manufacturing and oil & gas industry in Nigeria. Ngozi holds a Master's degree in Public Administration and Post Graduate Diploma Business Administration from the Nnamdi Azikiwe University, Awka, Anambra State. She has a Higher National Diploma in Mass Communication from the Federal Polytechnic, Oko, in Anambra State, and has attended various Local and international Training and Conferences on Reputation Management, Corporate & Strategic Communications, Stakeholders Engagement & Social Impact Management, Leadership and Sustainability. Ngozi is a member of the Nigerian Institute of Public Relations and Chartered Institute of Public Relations, London.

Meet the Team.

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 EMS ISO 14001:2015, ISO 9001:2015, ISO 17025:2017, FSSC 22000 and ISO 22301.

GODFREY OJO

HEAD INTERNAL CONTROL

Godfrey Ojo is the Head, Internal Control of Dangote Sugar Refinery Plc with the responsibility of leading the implementation of the company's internal control framework and optimizing the company' internal processes and procedures. He is an accomplished professional with extensive experience spanning the Banking, Consultancy, Public Utilities, Power, and Manufacturing Sectors of the Nigerian Economy. Prior to his appointment as Head, Internal Control in September 2021, he was the Head Internal Audit and Control at Transcorp Power Limited and Transafam Power Plc where he played significant roles in strengthening the companies control environment. He was also the pioneer Fraud Risk Manager at Port Harcourt Electricity Distribution Plc where he laid the foundation and built the structure to combat fraud and significantly reduce financial losses resulting from fraud and fraudulent activities. Godfrey has also held various entry and mid-level management positions in Intercontinental Bank and First Bank of Nigeria Plc respectively. 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 member of the Global Association of Risk Professionals (GARP), New Jersey USA.

GANIYU OLUWAKEMI BAKARE

HEAD SUPPLY CHAIN

Ganiyu Oluwakemi Bakare is the Head Supply Chain of Dangote Sugar Refinery Plc, with over 25 years work experience in various sectors of the economy in Audit & Tax Consultancy, Food and Beverage, Secured Telecom Hardware and Plastic and Recycling Manufacturing industries. Prior to his appointment as Head of Supply Chain DSR in November 2022, Ganiyu has held various positions in Papilon Plastics Company Limited PPCL Sango Otta, Ogun State, Altech West Africa Limited, Ilupeju Lagos, Namitech (Altech) West Africa Limited, Ilupeju Lagos, Consolidated Breweries Plc a member of Heineken Inc., and Audit Senior at Layo Sipe & Co.- An Audit and Tax Consultancy Firm.
Mr. Bakare holds a Master Business Administration in Management (MBA) from University of Calabar and a Higher National Diploma in Accountancy, from The Federal Polytechnic, Idah, Kogi State. A graduate of Lagos Business School-Specializing in Logistics and Supply Chain Management and London Corporate Training School UK specializing in Procurement, Contract and Negotiations. He is a Chartered member of The Chartered Institute of Logistics and Transportation UK (CILT), Certified Practitioner in Procurement and Logistics (CPPL) of The Institute of Professional Financial Managers - London, Member Chartered Institute of Supply Chain Management MCISM, and The Certified Institute of Warehousing and Materials Management MCIWM

OLUSEGUN IDOWU

HEAD FLEET OPERATIONS

Olusegun Idowu is the Head, Fleet Operations, Dangote Sugar Refinery Plc. Segun has over 21 years' work experience in Logistics and Fleet Management in the FMCG sector, Manufacturing and Oil and gas Industry in Nigeria. Prior to his appointment as Head DSR Fleet Operations in November 2022, he worked as Customer Services Manager, Transport Operations and later Technical Services Manager at MDS Logistics (UACN PLC), Head of Transport & Deport Operations in Lafarge Plc and Head of Operations Support in ARDOVA PLC. Segun holds a Post graduate degree in Financial Management from University of Ado-Ekiti; a B.Engr. in Mechanical Engineering from the University of Ilorin and has attended various Local and international Training and Conferences on Logistics, Transport and Fleet Management. He is a Member Nigerian Society of Engineers (MNSE), Nigerian Institute of Mechanical Engineers (NIMECH) and Council for the Regulation of Engineering in Nigeria. He is also a Member Chartered Institute of Logistics and Transport, UK (CILT).

BOARD STRUCTURE & COMPOSITION

The Board of Directors of the Company was composed of the following eight (8) members during the 2022 Financial Year:

Aliko Dangote, GCON
Chairman

Mr. Ravindra Singhvi
Group Managing Director/CEO

Mr. Olakunle Alake
Non-Executive Director

Ms. Bennedikter Molokwu
Non-Executive Director

Prof. Konyinsola Ajayi, SAN
Non-Executive Director

Mr. Uzoma Nwankwo
Non-Executive Director

Alhaji Abdu Dantata
Non-Executive Director

Ms. Maryam Bashir
Independent
Non-Executive Director

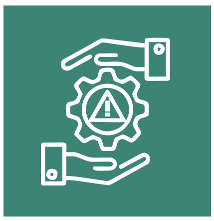
BOARD CHARACTERISTICS & SKILL SETS

Strategy

Industry & Knowledge

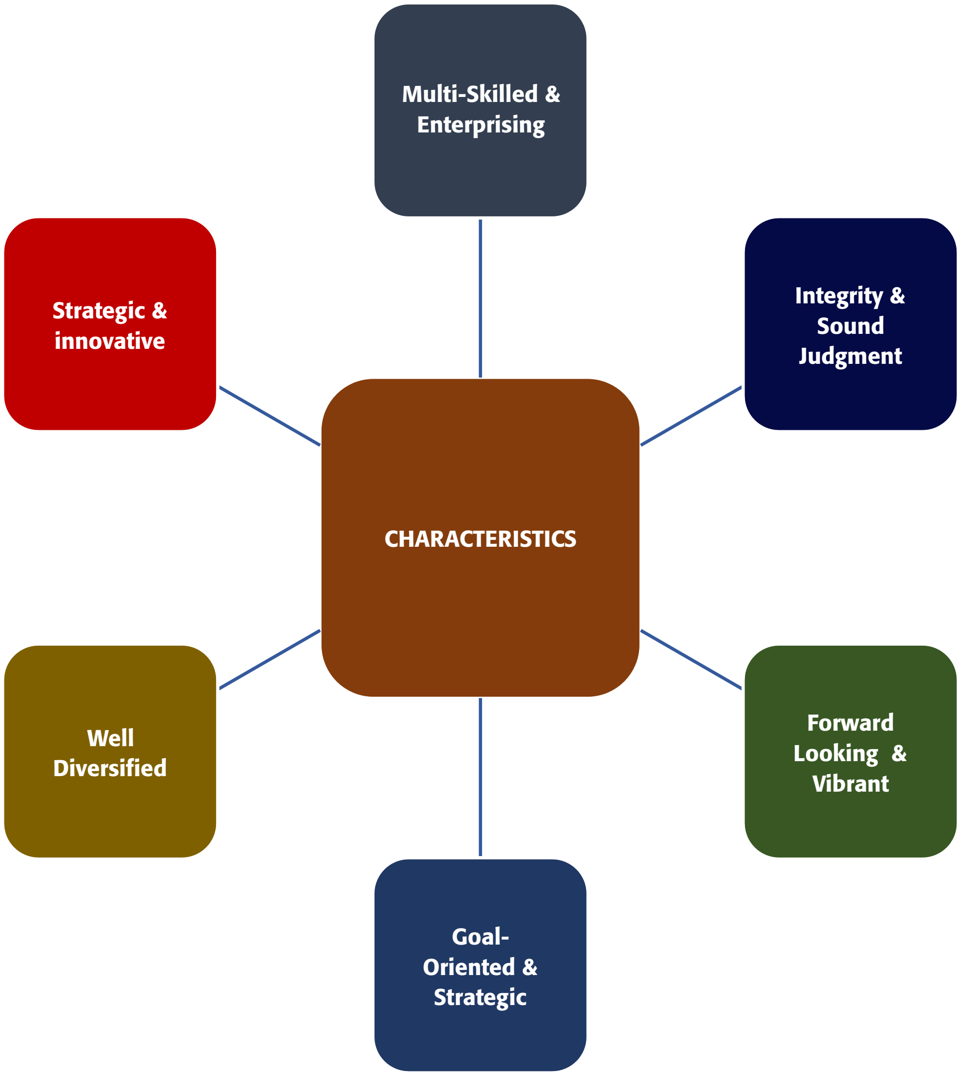
Leadership

Accounting & Finance



Risk Management

Legal, Regulatory & Governance



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. There were no changes to the composition and structure of the Board during the period.

Appointment of an Independent Non-Executive Director

The Board of Directors of Dangote Sugar Refinery Plc. is pleased to announce the appointment of Mrs. Yabawa Lawan Wabi (mni) as an Independent Non-Executive Director on the Board of the Company. Her appointment was approved by the Board at its Meeting held on February 28, 2023.

Mrs. Wabi is versatile and well accomplished with deep knowledge and experience in the Nigerian Public Sector. She has served as Permanent Secretary in various Ministries, as Director of Finance and Accounts at the Ministry of Works & Housing, Borno State, and as Accountant General of Borno State. She also served with distinction as Minister of Finance of the Federation from 2010 – 2011.

Mrs. Wabi is a graduate of the Ahmadu Bello University, Zaria and a Fellow of the Association of National Accountants of Nigeria. She is a Member of the Infrastructure Concession Regulatory Commission and Non-Executive Director of the Board of several companies including Unity Bank Plc., Veritas Kapital Assurance and Veritas Healthcare Ltd. She is also a member of several Professional Bodies and Associations.

The Board of Dangote Sugar Refinery Plc. warmly welcomes Mrs. Wabi, and has no doubt that she would bring with her the rich experience she has garnered in Finance, and a high degree of objectivity to the Board for sustaining stakeholder trust and confidence.

Mrs. Wabi's appointment as Independent Non-Executive Director takes effect on March 1, 2023 and is subject to the ratification of the Members of the Company at its Annual General Meeting scheduled to be held on April 14, 2023.

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.

THE ROLES OF THE OFFICERS OF THE BOARD

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
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 NED, INED & ED

INDEPENDENT NON-EXECUTIVE DIRECTOR (INED)	NON-EXECUTIVE DIRECTOR (NED)	EXECUTIVE DIRECTOR (ED)
• The Independent Director provides objective and independent advice and guidance to the Board on various issues, and ensures that the interests of all stakeholders, including those of minority shareholders, are well considered in decisions taken by the Board.	• The Non-Executive Directors 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 board 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 held two (2) Retreat during the period. The Board Retreats were useful for addressing issues that arise outside of a normal Board meeting, and provided opportunities for discussion, creative thinking and strategic planning. Special resources such as surveys, guest experts and evaluations were available including a talk on the very crucial and relevant topic – "Engaging the Board on ESG' by the Global CEO of Global Reporting Initiatives, Mr. Eelco Van de Enden. Furthermore, Strategy Sessions were held during the Retreats and training on "Strategic Thinking' and Health Talks.

The Retreats also provided time to assess the Board's performance and set Governance and Sustainability goals and generally boosted the Board's engagements.

Board Oversight of the Backward Integration Projects
Board Members visited the BIPs in Numan during the period as part of the Board's oversight for the Backward Integration Projects (BIPs). It thereafter approved an up-scaling of its social intervention programs around host communities in Adamawa and Nasarawa States with 32,000 hectares and 78,000 hectares respectively where its BIPs are located.

To improve the BIP performance, the Company made its Sugarcane Outgrower Schemes Program more robust by providing more land, seeds, fertilizer and other inputs to host community farmers as strategy to meet the target set out by the National Sugar Development Masterplan.

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, 2021 was held on June 15, 2022 at the Eko Hotel and Suites, Victoria Island, Lagos. Attendance at the Meeting was by Proxy only.

To ensure a robust selection of Proxies, ten (10) 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 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.

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.
At the AGM, ten (10) items were proposed - 6 Ordinary and 4 Special Businesses including changes to the Memorandum and Articles of the Company and 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) unissued Ordinary Shares of 50 kobo each, in compliance with Section 124 and Section 868 of the Companies and Allied Matters Act, 2020 and Regulation 13 of the Companies Regulations 2021 (as amended). Consequently, the Authorized Share Capital of the Company is 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.

Explanatory notes were provided to Shareholders for their understanding of the Special resolutions proposed.

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 June 15, 2022, 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 the other Shareholder members of the Committee were present.

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 May 11, 2022 in two (2) leading newspapers 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 and published on the issuers' Portal of the NGX.

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 facilitate their investment decisions.

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.

Update on Compliance with Internal Control over Financial Reporting (S.60-63 of the Investment & Securities Act (ISA)

The Directors and Reporting Officers are required to implement relevant internal controls over financial reporting, and Auditors are required to review the same and issue a statement on the existence, adequacy and effectiveness or otherwise.

The Securities & Exchange Commission (SEC) requires the implementation of the Framework to be completed and public companies to be compliant by December 31, 2023. To this end, a Framework has been developed to assist the Directors and reporting Officers with their responsibilities.

The implementation is currently being done as group with the other entities in the Dangote Industries Limited Group. An independent Consultant, Messrs. Deloitte has been engaged as the Project Implementation Partners to help to equip the relevant Officers with the practical understanding of Internal Control over Financial Reporting (ICFR) based on the implementation guidelines of the Securities & Exchange Commission (SEC) to ensure a systematic onboarding by August 2023 well ahead of the compliance timelines of the SEC.

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.

Commitment to Reducing Gender Gaps

Dangote Sugar Refinery Plc, as part of the Dangote Group joined the Nigeria2Equal Gender Program implemented by the International Finance Corporation (IFC), the private sector arm of the World Bank, in partnership with The Nigerian Exchange Limited (NGX). The Program is the first multi-stakeholder country project focused on reducing gender gaps across leadership, employment, and entrepreneurship in the Nigerian private sector companies.

The Company is committed to the following initiatives in collaboration with the Dangote Group:

- To Promote Women's Leadership & Employment – providing support childcare for working parents, promoting respectful workplaces free of bullying and all forms of harassment, and provide training on leadership skills.
- To Promote Women's Entrepreneurship - Supporting the education of the girl-child and girl-child entrepreneurship. Scholarships were given during the period, and academic and sporting competitions were supported.
- Championship & Advocacy - Identify and participate in initiatives to promote gender equality.

The Company demonstrates and supports gender equality through its gender non-discrimination policies. To promote gender parity or equality in the workplace, the Company demonstrates gender equity in its actions, recruitment and selection processes, training and development, promotion and compensation policy. It has a zero tolerance to all forms of sexual harassment in the workplace, as well as appropriate and well laid out mechanisms for victims of sexual harassment to seek justice.

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 as well as a review of its Corporate Governance practices annually. 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 engaged an independent Consultant, Messrs. DCSL Corporate Services Limited to conduct the Board and Corporate Governance Evaluation for the year ended December 31, 2022. A Report on the Evaluation is published in this Annual Report and presented to Shareholders.

Tenure of the Independent Non-Executive Director
By January 31, 2023, Ms. Maryam Bashir would have completed her tenure as Independent Non-Executive Director on the Board having served for nine (9) years on the Board. She would thereafter continue on the Board in the capacity of Non-Executive Director, given that she would no longer be independent in line with the provisions Nigerian Code of Corporate Governance 2018.

Our Approach to Sustainability
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) that 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. With the services of a Sustainability Consultant, the 2021 Sustainability Report was completed to GRI standard. GRI Content Index signifying GRI certification was obtained in 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.

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. During the period, the Board held two (2) Strategy Sessions to assists it in defining its direction and establish realistic goals and objectives.

BOARD OF DIRECTORS MEETINGS ATTENDANCE (5 MEETINGS)

S/N	DIRECTOR	ATTENDANCE Feb 28	April 27	July 27	Oct 26	Dec 9	%
1.	**Alhaji Aliko Dangote, GCON (Chairman)**	√	√	√	√	√	100
2.	**Mr. Olakunle Alake**	√	√	√	√	√	100
3.	**Alhaji Abdu Dantata**	√	√	√	√	√	100
4.	**Ms. Bennedikter Molokwu**	√	√	√	√	√	100
5.	**Ms. Maryam Bashir**	√	√	√	√	√	100
6.	**Prof. Konyinsola Ajayi, SAN**	√	√	√	√	√	100
7.	**Mr. Uzoma Nwankwo**	√	√	√	√	√	100
8.	**Mr. Ravindra Singhvi**	√	√	√	√	√	100

BOARD COMMITTEES

The Committees of the Board as at December 31, 2022 were as follows:

- Board Governance Committee
- Board Finance Committee
- Board Risk Management & Assurance 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 oversight of governance matters, policies and practices, and oversight of the human resources strategy amongst others. The Committee engaged the services of an external Consultant to conduct the Board and Corporate governance Evaluation, it reviewed the Company's Organogram and Succession Plan for critical office holders 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:

- Ensures that a Succession Plan/Policy exist for critical roles on the Board, Senior Executives of the Company and its subsidiary companies Executive Management
- Reviews the structure, size and composition of the Board annually, and makes recommendations on proposed changes
- Advises the Board on staff welfare matters in accordance with relevant laws and regulations

Ensures that periodic evaluation of the Board and the Company's corporate governance

Ensures that the Company has a formal programme for the induction and training

Establishes an effective system for monitoring compliance with the various corporate governance codes and practices

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

BOARD GOVERNANCE COMMITTEE COMPOSITION & MEETING ATTENDANCE (4 MEETINGS)

S/N	DIRECTORS	ATTENDANCE				
		Feb 11	April 21	July 19	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

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:

Reviews the Company's financial policies, capital structure, matters affecting the capital.

Monitors the Company's financial performance against set targets

Recommends strategic projects to the Board

Monitors the financial performance of the Company's Subsidiaries

Reviews the financial and business plan of the Company

Provides guidance in the management of the Company's Sustainability and Corporate Social Responsibility (CSR) activities

The structure and composition of the committee and the meeting attendance is as follows

BOARD FINANCE COMMITTEE COMPOSITION & MEETING ATTENDANCE (6 MEETINGS)

S/N	DIRECTORS	ATTENDANCE						
		Feb 22	April 20	July 21	Oct 21	Nov 25	Dec 10	%
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**	√	-	√	√	√	√	83

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 Risk Management, Internal Audit and Legal Risk Reports and monitored the implementation of the key recommendations of the external assessment of the Internal Audit and Internal Control functions. It requested Management to conduct special reviews where required.

The Committee's major terms of reference include the following:

- Review of the effectiveness of the Risk Management framework and ensuring that appropriate controls are in place to address identified risks
- Review the effectiveness of the Internal Audit and Internal Control and assess the qualifications and independence of the external auditors
- Ensure the preparation, completeness, accuracy of financial statements and proper disclosure of financial information
- Review significant accounting and reporting issues, proposed adjustments and areas of judgment
- Review of the Company's compliance with applicable laws and regulatory requirements
- Review the Company's IT data governance framework & legal risks

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

BOARD RISK MANAGEMENT & ASSURANCE COMMITTEE - COMPOSITION & MEETINGS (4 MEETINGS)

S/N	DIRECTORS	ATTENDANCE				
		Feb 22	April 21	July 22	Oct 21	%
1.	**Ms. Maryam Bashir (Chairman)**	√	√	√	√	100
2.	**Mr. Uzoma Nwankwo**	√	√	√	√	100
3.	**Ms. Bennedikter Molokwu**	√	√	√	√	100
4.	**Mr. Olakunle Alake**	√	√	√	√	100
5.	**Prof. Konyinsola Ajayi, SAN**	√	√	√	√	100
6.	**Alhaji Abdu Dantata**	√	-	√	√	75

STATUTORY AUDIT COMMITTEE (SAC)

The Statutory Audit Committee was established in accordance with the provisions of the Companies & Allied Matters Act 2020 (CAMA) and its functions are as prescribed under Section 404(7) of the Act. The Statutory Audit Committee has responsibility for the following:

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

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

6. 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 November 2022, the Statutory Audit Committee in furtherance of continuous capacity enhancement, it participated in a training by the Lagos Business School (LBS) on the responsibilities of the Audit Committee which features relevant and interesting topics such as Key Financial Issues for Audit Committees, Global Issues and New Trends Impacting Audit - Digitization, I.T & Fraud Audit, The Role of the Audit Committee in Preventing Financial Reporting and Corporate Governance failures and Business Continuity & Crisis Management.

The structure and Committee composition and the meeting attendance is as follows:

STATUTORY AUDIT COMMITTEE - COMPOSITION & MEETINGS ATTENDANCE (4 MEETINGS)

S/N	DIRECTORS	ATTENDANCE				
		Feb 25	April 22	July 22	Oct 24	%
1.	Mr. Olusegun Olusanya (Chairman)	√	√	-	√	75
2.	Hadjia Muheebat Dankaka	√	-	√	√	75
3.	Mallam Dahiru Ado	√	√	√	√	100
4.	Mr. Uzoma Nwankwo	√	√	√	√	100
5.	Ms. Maryam Bashir	√	√	√	√	100

Remuneration of Directors

The Board ensures that the Company remunerates fairly, responsibly, and transparently in line with its Remuneration Policy. 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 any performance-based compensation. The schedule of Annual Fees and Sitting Allowances payable to Non-Executive Directors for the year ended December 31, 2022 is as follows:

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

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

In recognition of its continuous innovation for business expansion, enhanced productivity, and creation of new job opportunities, thereby fighting poverty and hunger and various interventions in charitable causes, Dangote Sugar Refinery Plc emerged the Best Company in 'Food Security', at the 16th Edition of the Sustainability Enterprise & Responsibility Awards, "SERAS CSR Awards Africa 2022", held in Lagos on 4th December 2022.

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

During the period, there were no regulatory sanctions, fines or penalties on the Company.

BY ORDER OF THE BOARD

TEMITOPE HASSAN, FRC/2017/NBA/00000016669
COMPANY SECRETARY/LEGAL ADVISER
3rd Floor, Greenview Development Nigeria Ltd Building
Terminal "E" NPA Complex, Apapa
Lagos, Nigeria

Lagos, 28 February 2023

REPORT OF THE DIRECTORS OF DANGOTE SUGAR REFINERY PLC FOR THE YEAR ENDED DECEMBER 31, 2022

In compliance with the Companies & Allied Matters Act, 2020, the Directors of Dangote Sugar Refinery PLC (DSR or The Company) are pleased to present this Report on the affairs of the Company and the Audited Financial Statements for the financial year ended 31st December, 2022.

1. Corporate Structure and Business History

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

DSR was listed on the Nigerian Stock Exchange (now the Nigerian 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. The Company has approximately 101,350 Shareholders with a Shareholders' Fund of almost N130 Billion.

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.

The Company is significantly scaling up its investment in the sugar sub-sector in line with the requirement of the Nigeria Sugar Master Plan (NSMP) and is making massive investments in Adamawa State through the expansion of its sugar refining capacity from 3,000 Tonnes of cane per day (TCD) to 6,000 TCD, and 9,800 TCD and to 15,000 TCD. Furthermore, the Company has concluded plans to increase its sugar plantation from the current land area under cane production of about 8,700 hectares in 2022 to about 24,200 hectares within the next 7 years thus committing over $700 (USD) million to its investment in the Backward Integration Programme to enable the Company to put in place the needed infrastructure for the eventual commencement of full-scale production.

Furthermore, the ongoing upgrading of Dangote Sugar Refinery, Numan is expected to generate 32 megawatts of electricity from installation of new turbines and 2-high pressure boiler of 90 tonnes of stem per hour when completed.

The benefits of the upgrading prospects of energy security improvement from ethanol derived from sugarcane, contribute to the reduction of greenhouse gas emissions as well as strengthen the capacity of sugar production to 9,800 metric tonnes per day.

3. Share Capital Structure Since Incorporation

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

		Authorised	(N) Issued and fully paid (N)		Consideration	(N)	
Date	**Increase**	**Cumulative**	**Increase**	**Cumulative**		**Cancelled**	**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	7,5000,000,000	73,439,121	6,073,439,121	Scheme Shares		
2022					-	1,426,560,869	6,073,439,121

At the 16th Annual General Meeting held on June 15, 2022, Members of the Company by a Special Resolution cancelled the unissued share capital of the Company in compliance with Section 124 and Section 868 of CAMA and Regulation 13 of the Companies Regulations 2021 (as amended).

Consequently, the Authorised Share Capital of the Company which stood at 15,000,000,000 (Fifteen Billion) Ordinary Shares of 50 Kobo each was reduced 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) Ordinary Shares of 50 Kobo each, The Memorandum and Articles of Association was amended accordingly.

4. Analysis of Shareholding

Range			No. of Holders	Holders %	Holders Cum	Units	Units%	Units Cum.
1	–	1,000	33,264	32.80%	33,264	17,632,007	0.15%	17,632,007
1,001	–	5,000	42,959	42.36%	76,223	92,406,001	0.76%	110,038,008
5,001	–	10,000	10,064	9.92%	86,287	71,204,508	0.59%	181,242,516
10,001	–	50,000	11,453	11.29%	97,740	237,208,855	1.95%	418,451,371
50,001	–	100,000	1,819	1.79%	99,559	126,014,317	1.04%	544,465,688
100,001	–	500,000	1,451	1.43%	101,010	286,705,907	2.36%	831,171,595
500,001	–	1,000,000	152	0.15%	101,162	114,887,735	0.95%	946,059,330
1,000,001	–	5,000,000	170	0.17%	101,332	347,609,464	2.86%	1,293,668,794
5,000,001	–	10,000,000	26	0.03%	101,358	186,132,484	1.53%	1,479,801,278
10,000,001	–	50,000,000	39	0.04%	101,397	862,059,466	7.10%	2,341,860,744
50,000,001	–	100,000,000	4	0.00%	101,401	314,529,043	2.59%	2,656,389,787
100,000,001	–	1,000,000,000	5	0.00%	101,406	1,368,042,173	11.26%	4,024,431,960
1,000,000,001	–	12,146,878,241	1	0.00%	101,407	8,122,446,281	66.87%	12,146,878,241
Grand Total			101,407	100.00%		12,146,878,241	100.00%	

As at December 31, 2022, the 12,146,878,241 Ordinary Shares of N0.50 each in the issued Ordinary Share Capital of DSR were 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

5. Operating Results

The Group and Company's Results for the year ended December 31, 2022 are set out on page 152 of this Report. Out of the profit for the year, the Directors are recommending the payment of a total dividend of N18.22billion to the Shareholders whose names appear on the register of members at the qualification date.

The summarized results are presented below:

	Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
Gross Profit	91,963,038	50,208,573	91,963,038	50,208,573
Profit before Income Tax	82,302,820	34,021,212	81,907,076	34,629,037
Taxation	(27,560,686)	(11,968,921)	(27,560,686)	(11,968,921)
Profit for the year	54,742,134	22,052,291	54,346,390	22,660,116
Non-controlling interest	3,957	(6,078)	-	-
Profit attributable to owners of the Parent Company	54,738,177	22,058,369	54,346,390	22,660,116

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.

6. Dividend
The Directors recommend the payment of a dividend of N1.50k per ordinary share of 50kobo from the profit for the year ended 31st December, 2022 to the Shareholders on the Register of Members at the qualification date. The proposed dividend is subject to the approval of Members at the General Meeting, and to withholding tax at the applicable rate.

7. Board of Directors
The following persons served as the Directors of the Company during the period under review:

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

The Directors' biographical details appear on pages 114 to 116 of this Report.

8. Appointment of Directors
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.

9. Retirement of Directors
No Director retired from the Company during the year under review and no Director's service contract is not determinable within five years. In accordance with Article the Company's Articles of Association, the Directors retiring by rotation are Alhaji Aliko Dangote (GCON), Mr. Uzoma Nwankwo and Alhaji Abdu Dantata, and being eligible, hereby offer themselves for re-election.

10. Directors' Fees
The Directors were paid a total of N16,000,000.00 (Sixteen Million Naira) as Directors fees. The Annual Fees for the Non-Executive Directors is proposed at N4million per Director. Only Non-Executive Directors are entitled to Annual fees. A resolution will be proposed to approve the payment of these amounts for the 2023 financial year.

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

12. 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.

The Company is very intentional at 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 Corporate Governance Guidelines 2020, the Nigeria Code of Corporate Governance 2018 and any other applicable corporate governance rules promulgated from time to time.

13. 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.

14. 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 the year.

In so doing the Directors 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.

15. 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 statements as presented.

16. 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 the Nigerian Exchange Limited is as follows:

S/N	DIRECTOR	31ST DECEMBER 2022		31ST DECEMBER 2021	
		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.	Mr. Olakunle Alake	7,194,000	Nil	7,194,000	Nil
4.	Ms. Bennedikter Molokwu	1,483,400	Nil	1,483,400	Nil
5.	Prof. Koyinsola Ajayi, SAN	Nil	Nil	Nil	Nil
6.	Mr. Uzoma Nwankwo	384,692	Nil	384,692	Nil
7.	Mr. Abdu Dantata	1,044,000	Nil	1,044,000	Nil
8.	Ms. Maryam Bashir	Nil	Nil	Nil	Nil

17. 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.

18. Employment and Employee Relationship

a. Employment and Employees

Dangote Sugar Refinery PLC had a total of 3,003 staff as at December 31, 2022. 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 regular fumigation exercises, which have been enhanced by the installation of pest and rodent control gadgets. Fire 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. The Company maintained a communication line giving regular updates to staff on current health issues relating to diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

c. Employee Training and Development

The Company 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 trainings.

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 with 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 Challenged Persons

Dangote Sugar Refinery PLC is an equal opportunity employer. It acknowledges that physically challenged people can participate in, and contribute to the society in all aspects of life. It provides equal opportunities for disabled persons, ensuring that there is no discrimination against them 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 15 physically challenged employees in the Company with disabilities such as speech impairment and mobility (limb) impairment.

f. Staff Welfare

The Company has retainership agreement with several private hospitals for its employees' health management. The Company 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 and on a quarterly basis, 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 the Company's contribution of 10% each of the employees' monthly basic, housing and transport allowances, and remitted monthly to the employee's choice Pension Fund Administrator.

19. Donations & 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 committed to being thoughtful stewards of the environment and empathetic corporate citizen in the communities where we operate. 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
1.	Donation of 12 units of writing boards to Methodist Nursery & Primary School, Apapa	377,000.00
2.	Support for presentation of the theatrical production: Truth in Clay project	5,000,000.00
3.	Support to Center for Destitute Empowerment International for Purchase of Property	3,000,000.00
4.	The David Adeleke Foundation 2022 Fundraiser for the less privileged	15,000,000.00
5.	Donation to Kano Association of Bakers Competition	250,000.00
6.	2022 Annual Federal College of Education (TECH) Home Economics Workshop sponsorship	200,000.00
7.	Sponsorship of 2022 Lagos State Min. of Agric World Food Day Celebration (Secondary Schools Quiz Competition)	1,470,254.10
8.	Support to Shareholders Association	100,000.00
9.	Support for Construction of Street Gate at Israel Adebanjo Str.	260,000.00
10.	Sponsorship of Lagos & Nigeria Representatives to World School Games – Dubai 2023	10,000,000.00
11.	Donation of relief materials and medical supplies to flood victims in host communities	100,000,000.00
12	Donation to NPA 2022 End of year/award presentation ceremony	200,000.00
13	Ramadan baskets and materials donations to community stakeholders	11,000,000.00
14	Renovation of Govt. Day Secondary School Exam Hall in Dilli Community	7,588,065.00
15	Rehabilitation of Kem Primary School, Numan	7,327,200.00
16	Drilling of Borehole in Army Command Secondary School, Numan	3,695,000.00
17	Drilling of 4 nos Hand Boreholes in Opalo, Hoki, Zekun & Mbemun in Lamurde LGA	4,482,750.00
18	Burial Support for the Efemi Bachama of Bachama Kingdom	1,000,000.00
19	Support for Annual cultural and wrestling festivals in host communities.	4,700,000.00
20	DSR Numan Secondary Schools Secondary Quiz competition	1,500,000.00
21	DSR Numan Secondary Schools Football Tournament	2,183,900.00
22	2022 Stakeholder's Engagement Forum	3,190,000.00
23	Renovation Dangote Sugar Primary School, DSR Numan	9,976,300.00
24	Donation for survey and community development projects and activities	100,000,000.00
25	Refurbishment of royal quarters within DSR Numan 4 Host Communities	32,427,662.81
		324,928,131.91

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

20. 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, 2022 which have not been adequately provided for or disclosed.

21. Auditors

The Auditors, Messrs. PricewaterhouseCoopers (PwC), having indicated their willingness to continue in office, 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, 2023

DCSL Corporate Services Limited

235 Ikorodu Road
Ilupeju
P. O. Box 965, Marina
Lagos, Nigeria
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info@ dcsl.com.ng
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RC NO. 352393

Abuja Office:
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Plot 1002, 1st Avenue, Off
Shehu Shagari Way,
Central Business District
By Abia House and
Federal High Court Abuja

22nd February 2023

REPORT OF THE EXTERNAL CONSULTANTS ON THE BOARD AND CORPORATE GOVERNANCE EVALUATION OF DANGOTE SUGAR REFINERY PLC FOR THE YEAR ENDED DECEMBER 31, 2022

DCSL Corporate Services Limited (DCSL) was engaged by Dangote Sugar Refinery Plc ("Dangote Sugar") to carry out a Board and Corporate Governance evaluation for the year-ended December 31, 2022 in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Corporate Governance Guidelines (SCCG) and the Companies and Allied Matters Act 2020 (CAMA), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above-mentioned Codes and regulations as well as global Best Practices and considered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure.

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes and regulations to guarantee sustainability. Upon the conclusion of the corporate governance audit and the performance evaluation of the Board, we confirm that the Board and Company substantially complied with the provisions of the applicable Codes and regulations.

Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

DANGOTE
SUGAR

04.

Financial Statements

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022 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, 2022 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, 2022 were adequate, and the Management Responses to the Auditors ' findings were satisfactory.

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

Dated this 28th Day of February, 2023

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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 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, 2022 were approved by the Directors on February 28, 2023.

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 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 company and its subsidiary is made known to us during the year ended 31 December 2022;

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 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;

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, 2023

Mr. Oscar Mbeche
Group Chief Finance Officer
FRC*
* "Waiver granted by FRCN"

Dated this 28th day of February, 2023

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 2022, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

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

- the consolidated and separate statements of profit or loss for the year ended 31 December 2022;
- the consolidated and separate statements of financial position as at 31 December 2022;
- 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 (N6.9 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.	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.
The directors have developed a model using the multi-period excess earnings method (MPEEM) under the income approach for the valuation of growing 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 sugar cane per hectare and the yield rate per hectare.	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.
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.	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.
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.	We assessed the reasonableness of costs of sales, selling and distribution expenses, administrative expenses and contributory assets charges by comparing to historical information and amounts determined based on current work standard.
This is considered a key audit matter in the consolidated and separate financial statements.	We tested the mathematical accuracy of the valuation model used by the directors.
See notes 2.18, 3 and 17 to the consolidated and separate financial statements.	We assessed the reasonableness of disclosures in the consolidated and separate financial statements.

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 2022 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 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

Engagement Partner: Yinka Yusuf
FRC/2013/ICAN/00000005161

2 March 2023

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS

	Note(s)	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Continuing operations					
Revenue	5	403,245,988	276,054,781	403,245,988	276,054,781
Cost of sales	7	(311,282,950)	(225,846,208)	(311,282,950)	(225,846,208)
Gross profit		**91,963,038**	**50,208,573**	**91,963,038**	**50,208,573**
Other income	11	1,435,482	333,142	533,276	332,142
Selling and distribution expenses	8	(741,408)	(906,496)	(741,408)	(906,496)
Administrative expenses	8	(10,310,342)	(10,630,962)	(9,357,639)	(9,970,729)
Impairment gains on financial assets	23.3	63,537	15,323	63,537	15,323
Operating profit	**14**	**82,410,307**	**39,019,580**	**82,460,804**	**39,678,813**
Finance income	9	6,379,475	1,419,193	6,379,475	1,419,191
Finance cost	10	(9,802,295)	(6,629,734)	(10,248,536)	(6,681,140)
Finance costs - net		**(3,422,820)** -	**(5,210,541)** -	**(3,869,061)**	**(5,261,949)**
Change in fair value of biological assets	17	3,315,333	212,173	3,315,333	212,173
Profit before tax		**82,302,820**	**34,021,212**	**81,907,076**	**34,629,037**
Taxation	12.1	(27,560,686)	(11,968,921)	(27,560,686)	(11,968,921)
Profit for the year		**54,742,134**	**22,052,291**	**54,346,390**	**22,660,116**
Profit attributable to:					
Owners of the parent		54,738,177	22,058,369	54,346,390	22,660,116
Non-controlling interest		3,957	(6,078)	-	-
		54,742,134	**22,052,291**	**54,346,390**	**22,660,116**
Earnings per share					
Basic and diluted earnings per share (Naira)	15	4.51	1.82	4.47	1.87

The accompanying notes on pages 156 to 202 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	Note(s)	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Assets					
Non-current assets					
Property, plant and equipment	16	157,761,632	144,678,056	93,696,015	83,829,184
Investment in subsidiaries	20	-	-	297,000	297,000
Deposit for shares	21	-	-	64,025,068	57,084,152
Total non-current assets		**157,761,632**	**144,678,056**	**158,018,083**	**141,210,336**
Current assets					
Inventory	22	44,264,068	55,999,543	43,387,050	54,153,133
Biological assets	17	6,942,660	4,655,554	6,942,660	4,655,554
Trade and other receivables	23	107,434,891	50,155,533	106,797,356	46,302,270
Other assets	18	304,179	138,633	297,929	137,151
Asset held for sale	19	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	174,858,294	103,009,804	174,658,116	102,055,783
Total current assets		**334,672,734**	**214,827,709**	**332,951,753**	**208,172,533**
Total assets		**492,434,366**	**359,505,765**	**490,969,836**	**349,382,869**
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	158,845,237	116,253,934	159,635,722	117,436,206
		171,239,200	**128,647,897**	**172,029,685**	**129,830,169**
Non-controlling interest	27	(12,790)	(16,747)	-	-
		171,226,410	**128,631,150**	**172,029,685**	**129,830,169**
Non-Current Liabilities					
Deferred tax liabilities	13	13,238,074	10,431,964	13,238,074	10,431,964
Lease liability	31.1	-	1,134,857	-	1,134,857
Borrowings	28	531,563	764,448	531,563	764,448
		13,769,637	**12,331,269**	**13,769,637**	**12,331,269**
Current liabilities					
Current tax liabilities	12.3	25,542,640	10,449,071	25,542,640	10,449,071
Lease liability	31.1	981,142	1,220,023	933,022	1,171,582
Borrowings	28	243,719	220,039	243,719	220,039
Trade and other payables	30	273,746,758	201,382,133	271,527,073	190,108,668
Employee benefits	29	762,567	766,265	762,567	766,265
Other liabilities	31	6,161,493	4,505,815	6,161,493	4,505,806
Total current liabilities		**307,438,319**	**218,543,346**	**305,170,514**	**207,221,431**
Total liabilities		**321,207,956**	**230,874,615**	**318,940,151**	**219,552,700**
Total equity and liabilities		**492,434,366**	**359,505,765**	**490,969,836**	**349,382,869**

The consolidated and separate financial statements on pages 152 to 202, and other national disclosures on pages 203 to 206 were approved by the board of directors on February 28, 2023 and were signed on its behalf by:

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

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

Mr. Oscar Mbeche
Group Chief Finance Officer
FRC*
* "Waiver granted by FRCN"

The accompanying notes on pages 156 to 202 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 2021		**6,073,439**	**6,320,524**	**112,908,938**	**125,302,901**
Profit for the year		-	-	22,660,116	22,660,116
Adjustment to the net difference arising on merger	26	-	-	87,469	87,469
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**
Profit for the year		-	-	54,346,390	54,346,390
Transaction with owners:					
Dividend paid		-	-	(12,146,874)	(12,146,874)
Balance as at 31 December 2022		**6,073,439**	**6,320,524**	**159,635,722**	**172,029,685**

Group	Note	Share Capital	Share Premium	Retained Earnings	Attributable to owners of parent company	Non-controlling interest	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2021		**6,073,439**	**6,320,524**	**112,328,413**	**124,722,376**	**(10,669)**	**124,711,707**
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
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**	**116,253,934**	**128,647,897**	**(16,747)**	**128,631,150**
						-	-
Profit for the year		-	-	54,738,177	54,738,177	3,957	54,742,134
Transaction with owners:							
Dividend paid		-	-	(12,146,874)	(12,146,874)	-	(12,146,874)
Balance as at 31 December 2022		**6,073,439**	**6,320,524**	**158,845,237**	**171,239,200**	**(12,790)**	**171,226,410**

The accompanying notes on pages 156 to 202 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	Note(s)	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Cash flows for operating activities					
Profit before taxation		**82,302,820**	**34,021,212**	**81,907,076**	**34,629,037**
Adjustments for non-cash income and expenses:					
Depreciation of property, plant and equipment	16	9,731,508	9,271,973	8,814,028	8,624,547
Impairment of financial assets	23.3	(63,537)	(15,323)	(63,537)	(15,323)
Government grant	11	(65,109)	(75,403)	(65,109)	(75,403)
Release of gratuity	29	-	(2,555)	-	(2,555)
Loss/(Profit) on sale of assets	11	(174,602)	16,162	(174,602)	16,162
PPE Cost written off less depreciation written off	16	-	6,862	-	6,862
PPE Cost impaired less depreciation impaired	16	-	7,313	-	7,313
Interest income	9	(6,379,475)	(1,419,193)	(6,379,475)	(1,419,191)
Interest expense (lease payments and bank loan)	10	242,444	320,809	241,700	317,082
Exchange loss	31.1	-	211,741	-	211,741
Fair value gain on biological assets	17	(3,315,333)	(212,173)	(3,315,333)	(212,173)
Changes in working capital					
(Decrease)/Increase in Inventory		11,735,475	7,000,757	10,766,083	(2,584,506)
Net usage of biological assets		1,028,227	19,068	1,028,227	19,068
(Increase)/decrease in trade and other receivables		(57,215,821)	12,920,132	(60,431,549)	(6,915,053)
Increase in other assets		(165,546)	(91,944)	(160,778)	(92,534)
Increase in other liabilities		1,655,678	1,744,232	1,655,687	1,744,230
Increase in trade payables		75,734,978	65,851,106	84,788,758	73,867,775
Cash generated from operations		**115,051,707**	**129,574,776**	**118,611,176**	**108,127,079**
Finance cost paid		-	-	-	-
Tax paid	12.3	(9,661,007)	(1,546,529)	(9,661,007)	(1,546,529)
Gratuity paid	29	(3,698)	(202,208)	(3,698)	(202,208)
Net cash generated from operating activities		**105,387,002**	**127,826,039**	**108,946,471**	**106,378,342**
Cash flows from investing activities					
Purchase of property, plant and equipment	16.1	(26,151,896)	(51,347,183)	(22,037,671)	(14,889,515)
Proceeds on disposal of property, plant and equipment	11.1	203,162	55,646	203,162	55,646
Interest received	9	6,379,475	1,419,193	6,379,475	1,419,191
Net cash used in investing activities		**(19,569,259)**	**(49,872,344)**	**(15,455,034)**	**(13,414,678)**
Cash flows from financing activities					
Dividends paid	26	(12,146,874)	(18,220,317)	(12,146,874)	(18,220,317)
Refund of gratuity	29	-	1,437	-	1,437
Unclaimed dividend received	24.1	39,269	88,337	39,269	88,337
Deposit for shares	21	-	-	(6,940,916)	(15,509,415)
Interest paid	28	(63,783)	(64,906)	(63,783)	(64,906)
Lease Liabilities paid - Interest	31.1	(113,552)	(182,969)	(112,808)	(179,242)
Lease Liabilities paid - Principal	31.1.0	(1,409,999)	(1,158,330)	(1,389,678)	(1,150,712)
Repayment of borrowings	28	(274,314)	(267,584)	(274,314)	(267,584)
Net cash used in financing activities		**(13,969,253)**	**(19,804,332)**	**(20,889,104)**	**(35,302,402)**
Net increase in cash and cash equivalents		71,848,490	58,149,363	72,602,333	57,661,262
Cash and cash equivalents at beginning of year		103,009,804	44,860,441	102,055,783	44,394,521
Cash and cash equivalents at end of the year	24	**174,858,294**	**103,009,804**	**174,658,116**	**102,055,783**

The accompanying notes on pages 156 to 202 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 2022 comprise the Company and its subsidiaries - Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited 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 year from 1 January 2022 to 31 December 2022 with comparative for the year ended 31 December 2021.

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 2022 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 under the historical cost convention, as modified by financial assets and liabilities which are measured at fair value and biological assets which are 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 from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss is attributed to the owners of the Company and to the non-controlling interests. Total profit for the year 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

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.

Freight Income
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 Group 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 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 statement of profit or loss 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

Deferred tax (continued)

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 Group 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 Group will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

iii Derecognition of PPE

A gain or loss on disposal is recognised as the difference between the disposal proceeds and the carrying amount of the asset at the date of disposal. This gain or loss is included in the statement of profit or loss – the disposal proceeds should not be recognised as revenue.

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	6 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 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 attached 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 contact 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 Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 Group'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 Group's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Group 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 Group are;

- Hold to collect: Financial assets in this category are held by the Group 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 the Group 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 Group'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 Group are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The Group'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 Group's receivables. This involves determining the expected loss rates using a provision matrix that is based on the 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 Group 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 Group 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 Group'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 Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group 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 Group 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 Group 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 Group'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.

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.

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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 32.

Sensitivity of estimates used in IFRS 9 ECL

Estimation uncertainty in measuring impairment loss

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

The table below shows information on the sensitivity of the carrying amounts of the Company's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Company's financial assets.

Trade receivables

a. Expected cash flow recoverable:

		GDP growth rate		
		-10%	Held constant	10%
		N'000	**N'000**	**N'000**
Inflation Rate	-10%	1,792	4,228	6,663
	Held constant	(2,435)	-	2,435
	10%	(6,663)	(4,228)	(1,792)

Related parties receivables

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2022
	N'000
Increase/decrease in probability of default	
10%	(19,362)
-10%	19,465

Loss Given Default (LGD)	Effect on profit before tax 2022
	N'000
Increase/decrease in loss given default	
10%	(28,254)
-10%	26,742

Staff Loans

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2022
	N'000
Increase/decrease in probability of default	
10%	(2,261)
-10%	2,450

	Effect on profit before tax 2022
Loss Given Default (LGD)	**N'000**
Increase/decrease in loss given default	
10%	–
-10%	2,880

Forward looking indicators

Forecast Default Rate	Effect on profit before tax 2022
	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 amendments

a) New standards and amendments – applicable 1 January 2022

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

Title	Key requirements	Effective date
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The amendments does not have any significant impact on the Group's financial statements.	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and nterpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The amendments does not have any significant impact on the Group's financial statement	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The amendments does not have any significant impact on the Group's financial statements.	1 January 2022

4. New Standards and amendments (continued)

Title	Key requirements	Effective date
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis. These improvements do not have significant impact on the Group's financial statements.	1 January 2022

(b) New Standards and Interpretations not yet adopted

The following Standards and Interpretations had been issued but were not mandatory for annual repository period ended December 2022.

Title	Key requirements	Effective date
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life surers.There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17.	1 January 2023 (deferred from 1 January 2021)

(b) New Standards and Interpretations not yet adopted (continued)

Title	Key requirements	Effective date
	It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis..	
Classification of Liabilities as Current or Non-current Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. ** Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024.	1 January 2023 (deferred from 1 January 2021)
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	"The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. "	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. "	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented.	1 January 2023

(b) New Standards and Interpretations not yet adopted (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

Title	Key requirements	Effective date
	In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments..	
Sale or contribution of assets between an investor and its associate or joint Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and JointVentures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	n/a **

These standards and amendments are not expected to have material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

5. Revenue

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Revenue from the sale of sugar - 50kg	390,985,952	269,058,884	390,985,952	269,058,884
Revenue from the sale of sugar - Retail	7,886,641	4,753,693	7,886,641	4,753,693
Revenue from the sale of molasses	2,147,585	1,190,464	2,147,585	1,190,464
Freight income	2,225,810	1,051,740	2,225,810	1,051,740
	403,245,988	**276,054,781**	**403,245,988**	**276,054,781**

All revenue is earned at a point in time.

6. 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.

6.1 Segmental revenue and results

Revenue from external customers by region of operations is listed below.

	Group and Company 31/12/2022 N'000	Group and Company 31/12/2021 N'000
Nigeria:		
Lagos	173,039,994	126,605,319
North	178,811,926	113,152,624
West	34,622,781	25,330,695
East	16,771,287	10,966,143
	403,245,988	**276,054,781**

Group and Company	Segment Revenue 31/12/2022 N'000	Segment Revenue 31/12/2021 N'000	Segment Cost of Sales 31/12/2022 N'000	Segment Cost of Sales 31/12/2021 N'000	Segment Gross Profit 31/12/2022 N'000	Segment Gross Profit 31/12/2021 N'000
Nigeria:						
Lagos	173,039,994	126,605,319	(127,068,080)	(98,885,081)	45,971,913	27,720,238
North	178,811,926	113,152,624	(143,417,598)	(96,110,175)	35,394,328	17,042,449
West	34,622,781	25,330,695	(27,132,946)	(20,627,319)	7,489,835	4,703,376
East	16,771,287	10,966,143	(13,664,326)	(10,223,633)	3,106,962	742,510
	403,245,988	**276,054,781**	**(311,282,950)**	**(225,846,208)**	**91,963,038**	**50,208,573**

6.2 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 2022.

	Total Segment Assets		Total Segment liabilities	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	N'000	N'000	N'000	N'000
Group				
Nigeria:				
Lagos	333,317,516	212,241,053	191,500,745	111,674,585
North	159,116,850	147,264,712	116,469,137	108,768,065
Sub-total	**492,434,366**	**359,505,765**	**307,969,882**	**220,442,650**
Unallocated deferred tax	-	-	13,238,074	10,431,964
Total	**492,434,366**	**359,505,765**	**321,207,956**	**230,874,614**

	Total Segment Assets		Total Segment liabilities	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	N'000	N'000	N'000	N'000
Company				
Nigeria:				
Lagos	398,375,875	270,346,657	192,237,042	112,400,576
North	92,593,961	79,036,212	113,465,035	96,720,160
Sub-total	**490,969,836**	**349,382,869**	**305,702,077**	**209,120,736**
Unallocated deferred tax	-	-	13,238,074	10,431,964
Total	**490,969,836**	**349,382,869**	**318,940,151**	**219,552,700**

Included in the Lagos segment is asset held for sale of N868.6 million (2021: 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 N68.96 billion 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 70% 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.

	GROUP	GROUP	COMPANY	COMPANY
7 Cost of sales	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
	N'000	**N'000**	**N'000**	**N'000**
Raw material	256,326,637	183,373,949	256,326,637	183,373,949
Direct labour cost	6,656,813	5,362,783	6,656,813	5,362,783
Direct overheads	26,353,968	20,780,392	26,353,968	20,780,392
Depreciation	5,465,238	5,426,798	5,465,238	5,426,798
Freight expenses	16,480,294	10,902,286	16,480,294	10,902,286
	311,282,950	**225,846,208**	**311,282,950**	**225,846,208**

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	2,829,306	2,583,744	2,829,306	2,583,745

8 Administrative expenses

Management fees	958,431	1,014,259	958,431	1,014,259
Assessment rates and municipal charges	26,110	37,194	26,110	37,194
Auditors fees and remuneration	85,000	76,000	78,283	69,750
Cleaning and fumigation	74,651	94,713	74,651	94,713
Legal, consulting and professional fees	206,789	175,482	205,817	175,482
Consumables	12,253	8,726	12,253	8,726
Depreciation	1,436,964	1,261,431	519,484	614,004
Impairment* (note 16)	-	7,313	-	7,313
Donations	324,928	1,151,789	324,928	1,151,789
Scholarship and sponsorships	16,692	9,752	16,692	9,751
Employee costs (note 36)	4,080,854	3,581,191	4,080,854	3,581,191
Entertainment	8,408	2,509	8,408	2,509
Insurance	385,867	407,437	385,867	407,437
Bank charges	263,062	155,454	260,879	148,900
Magazines, books, print and periodicals	29,611	32,455	29,611	32,455
Utilities	235,643	175,731	235,643	175,731
Petrol and oil	53,935	51,637	53,935	51,637
Repairs and maintenance	373,457	337,919	348,106	337,919
Secretarial fees	39,717	241,854	39,717	241,854
Security expense	457,469	391,680	457,469	391,680
Staff welfare	44,794	412,865	44,794	412,865
Subscriptions	16,334	16,576	16,334	16,576
Sustainability Expenses	19,366	2,698	19,366	2,698
Telephone and fax	191,615	204,040	191,615	204,040
Training	60,599	28,751	60,599	28,751
Travel-local	769,600	683,114	769,600	683,114
Travel-overseas	138,193	68,392	138,193	68,391
	10,310,342	**10,630,962**	**9,357,639**	**9,970,729**

*Impairment in prior year 2021 of N7,313,000 is net of cost impaired of N9,000,000 and depreciation impaired of N1,687,000 per note 16.

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

Selling and Distribution expenses	741,408	906,496	741,408	906,496
Selling and marketing expenses	**741,408**	**906,496**	**741,408**	**906,496**

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
9 Finance income				
Interest income on bank deposits	6,379,475	1,419,193	6,379,475	1,419,191
	6,379,475	**1,419,193**	**6,379,475**	**1,419,191**

Interest is earned on bank deposits at an average rate of 5.9 % p.a. on short term (30days) bank deposits. (2021: 3.5% p.a.)

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
10 Finance cost				
Exchange loss in the ordinary course of business net of exchange gain	1,889,423	1,992,231	2,336,430	2,047,363
Finance cost on letter of credit	7,670,428	4,316,694	7,670,406	4,316,695
Interest on lease payments	113,552	182,969	112,808	179,242
Interest on bank loan	128,892	137,840	128,892	137,840
	9,802,295	**6,629,734**	**10,248,536**	**6,681,140**
11 Other income				
Insurance claim income	39,577	35,597	39,577	35,597
Sale of scrap	16,590	46,570	16,590	46,570
Grant income	65,109	75,403	65,109	75,403
Rental income	193,455	188,011	193,455	188,011
Provision no longer required	197,011	3,555	1,943	2,555
inventory adjustment variance	707,138	-	-	-
Profit/(Loss) on sale of asset (Note 11.1)	174,602	(16,162)	174,602	(16,162)
Miscellaneous income	42,000	168	42,000	168
	1,435,482	**333,142**	**533,276**	**332,142**

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Cost of assets disposed	(854,563)	(758,988)	(854,563)	(758,988)
Accumulated depreciation of assets disposed	826,003	687,180	826,003	687,180
Net book value disposed	**(28,560)**	**(71,808)**	**(28,560)**	**(71,808)**
Sales proceed received in consideration	203,162	55,646	203,162	55,646
Profit/(Loss) on sale of assets	**174,602**	**(16,162)**	**174,602**	**(16,162)**

12 Taxation

12.1 Major components of the tax expense

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Current Tax				
Income tax based on profit for the year	22,587,806	9,340,367	22,587,806	9,340,367
Education tax expense	2,162,675	1,098,661	2,162,675	1,098,661
Police trust fund	4,095	1,731	4,095	1,731
	24,754,576	**10,440,759**	**24,754,576**	**10,440,759**
Deferred tax expense				
Deferred tax expense recognised in the current year	1,832,478	846,748	1,832,478	846,748
Adjustments recognised in the current period in relation to the deferred tax of prior periods	973,632	681,414	973,632	681,414
	27,560,686	**11,968,921**	**27,560,686**	**11,968,921**

The tax rates used in the above comparative figures are the corporate tax rate of 30% (2021: 30%) payable by corporate entities in Nigeria.

Education tax rate is also payable at 2.5% of assessable profit (2021: 2.5% of assessable profit) while Police trust fund is 0.005% (2021: 0.005%) of the net profit of the companies operating business in Nigeria.

12.2 Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Accounting profit before tax	82,302,820	34,021,212	81,907,076	34,629,037
Income tax expense calculated at 30% of PBT	24,572,124	10,388,711	24,572,124	10,388,711
Tertiary education tax expense calculated at 2.5% of assessable profits	2,162,675	1,098,661	2,162,675	1,098,661
Effect of income that is exempt from taxation	(450,746)	(439,367)	(450,746)	(439,367)
Effect of investment allowance	(59,506)	-	(59,506)	-
Effect of expenses that are not deductible in determining taxable profit	292,468	323,462	292,468	323,462
Effect of Tax incentives	-	(41,954)	-	(41,954)
Effect of tax adjustments (minimum tax, deferred tax)	-	-	-	-
Effect of tax adjustments (police trust fund levy)	4,095	1,731	4,095	1,731
Adjustments recognised in the current period in relation to the deferred tax of prior periods	973,632	681,414	973,632	681,414
Adjustment recognised due to difference in tax rate	65,944	(43,737)	65,944	(43,737)
Income tax expense recognised in profit or loss	**27,560,686**	**11,968,921**	**27,560,686**	**11,968,921**

12.3 Current tax liabilities

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
At January 1	10,449,071	1,554,841	10,449,071	1,554,841
Charge for the year	24,754,576	10,440,759	24,754,576	10,440,759
Payment made during the year	(9,661,007)	(1,546,529)	(9,661,007)	(1,546,529)
Balance end of the year	**25,542,640**	**10,449,071**	**25,542,640**	**10,449,071**

13 Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2021: 30%). The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement.

Deferred tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Deferred tax liabilities				
Deferred tax liabilities are attributable to the following:				
Property plant and equipment @ 30%	(12,866,209)	(11,913,613)	(12,866,209)	(11,913,613)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)
Provisions	827,496	870,036	827,496	870,036
Exchange difference @ 32%	-	802,447	-	802,447
Fair value adjustment	(1,077,483)	(68,956)	(1,077,483)	(68,956)
	(13,238,074)	**(10,431,964)**	**(13,238,074)**	**(10,431,964)**

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

13.1 Deferred tax reconciliation

	Opening balance	Movement recognised in the year-SPL	Movement recognised in the equity	Closing balance
	N'000	N'000	N'000	N'000
Company and Group as at 31 December 2022				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(11,913,613)	(952,596)	-	(12,866,209)
Property, plant and equipment @ 10%	(121,879)	-	-	(121,879)
Provisions	870,036	(42,540)	-	827,496
Exchange difference	802,447	(802,447)		-
Fair value adjustment	(68,955)	(1,008,527)	-	(1,077,482)
	(10,431,964)	**(2,806,110)**	**-**	**(13,238,074)**
Company and 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%	(121,879)	-	-	(121,879)
Exchange rate	-	802,447		802,447
Fair value adjustment	-	(68,955)	-	(68,955)
Provisions	884,076	(14,040)	-	870,036
	(8,903,802)	**(1,528,162)**	**-**	**(10,431,964)**

14 Operating profit

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

	GROUP 31/12/2022	GROUP 31/12/2021	COMPANY 31/12/2022	COMPANY 31/12/2021
	N'000	N'000	N'000	N'000
Depreciation of property, plant and equipment (note 16)	9,731,508	9,271,973	8,814,028	8,624,547
(Profit)/loss on sale of property, plant and equipment (note 11)	(174,602)	16,162	(174,602)	16,162
Defined contribution plans (note 36)	449,219	286,302	449,219	395,345
Auditors remuneration	85,000	76,000	78,283	69,750

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 31/12/2022	GROUP 31/12/2021	COMPANY 31/12/2022	COMPANY 31/12/2021
	N'000	N'000	N'000	N'000
Profit for the year	54,738,177	22,058,369	54,346,390	22,660,116
Earnings used in the calculation of basic earnings per share from continuing operations	**54,738,177**	**22,058,369**	**54,346,390**	**22,660,116**
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)	4.51	1.82	4.47	1.87

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, 1/1/2021	**7,641,217**	**5,663,744**	**20,419,321**	**37,906,657**	**405,300**	**25,703,879**	**293,982**	**899,828**	**8,791,048**	**40,593,579**	**148,318,555**
Additions during the year	3,475	-	915,686	4,535,237	16,212	603,499	64,008	-	293,676	45,783,226	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)	-
Written 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**	**43,476,696**	**408,146**	**30,125,392**	**361,395**	**899,828**	**9,141,898**	**78,164,837**	**199,838,800**
Addition	-	-	2,754,697	3,235,504	29,830	5,184,585	73,010	-	133,322	14,777,209	26,188,157
Reclassifications	5,262,059	-	502,281	673,611	2,724	15,248	1,498	-	57,682	(6,515,103)	-
Adjustment (Note 16.2)	-	-	-		-	-	-	-	-	(3,353,987)	(3,353,987)
Disposal	-	-	-		-	(854,563)	-	-	-	-	(854,563)
Balance, 31/12/2022	**14,779,032**	**5,751,213**	**25,249,400**	**47,385,811**	**440,700**	**34,470,662**	**435,903**	**899,828**	**9,332,902**	**83,072,956**	**221,818,407**
DEPRECIATION:											
Balance, 1/1/2021	**4,733,737**	**66,245**	**4,255,138**	**17,215,180**	**297,100**	**12,933,389**	**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/(back)	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-		-	(1,687)	-	-	-	-	(1,687)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,984)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	**6,504,305**	**66,245**	**5,392,770**	**18,702,941**	**324,938**	**15,898,333**	**285,255**	**290,903**	**7,695,054**	-	**55,160,734**
Charge for the year	1,633,389	24,514	1,246,379	1,703,154	58,518	3,939,928	46,162	35,993	1,043,471	-	9,731,508
Written off	-	-	-	-	-	(9,474)	-	-	-	-	(9,474)
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 31/12/2022	**8,137,694**	**90,759**	**6,639,149**	**20,406,095**	**383,456**	**19,002,784**	**331,417**	**326,896**	**8,738,525**	**-**	**64,056,775**
NET BOOK VALUE:											
Balance, 31/12/2021	**3,012,668**	**5,684,968**	**16,599,652**	**24,773,755**	**83,208**	**14,227,059**	**76,140**	**608,925**	**1,446,844**	**78,164,837**	**144,678,056**
Balance, 31/12/2022	**6,641,338**	**5,660,454**	**18,610,251**	**26,979,716**	**57,244**	**15,467,878**	**104,486**	**572,932**	**594,377**	**83,072,956**	**157,761,632**

The depreciation expenses have been charged as follows:

	N'000
Depreciation charge per Cost of sales	5,465,238
Depreciation charge per Freight expenses	2,829,306
Depreciation charge per Administrative expenses	1,436,964
	9,731,508

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, 1/1/2021	**7,641,217**	**5,058,991**	**17,039,923**	**35,748,335**	**405,508**	**24,492,307**	**285,711**	**899,828**	**6,989,959**	**24,308,408**	**122,870,187**
Additions during the year	3,475	-	879,771	235,463	16,212	238,805	58,399	-	269,422	14,052,639	15,754,186
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)	-
Written 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**	**37,018,600**	**408,354**	**28,549,127**	**347,515**	**899,828**	**7,316,555**	**30,149,079**	**137,929,600**
Additions during the year	-	-	81,338	1,118,915	29,830	4,943,352	72,344	-	133,322	15,674,832	22,053,932
Reclassifications	5,262,059	-	502,281	673,611	2,724	15,248	1,498	-	57,682	(6,515,103)	-
Adjustment (Note 16.2)	-	-	-	-	-	-	-	-	-	(3,353,987)	(3,353,987)
Disposal	-	-	-	-	-	(854,563)	-	-	-	-	(854,563)
Balance, 31/12/2022	**14,779,032**	**5,146,460**	**19,160,728**	**38,811,126**	**440,908**	**32,653,164**	**421,357**	**899,828**	**7,507,559**	**35,954,821**	**155,774,983**
DEPRECIATION:											
Balance, 1/1/2021	**4,733,737**	**66,245**	**4,008,631**	**18,576,901**	**319,978**	**13,719,965**	**246,038**	**254,911**	**4,245,722**	**-**	**46,172,128**
Charge for the year	1,770,568	-	1,078,817	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	-	-	-	-	-	(1,687)	-	-	-	-	(1,687)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,984)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	**6,504,305**	**66,245**	**5,087,448**	**19,863,922**	**347,763**	**16,339,833**	**278,305**	**290,904**	**5,321,691**	**-**	**54,100,416**
Charge for the year	1,633,389	-	1,135,579	1,362,400	31,702	3,543,486	42,445	35,993	1,029,034	-	8,814,028
Written off	-	-	-	-	-	(9,473)	-	-	-	-	(9,473)
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 31/12/2022	**8,137,694**	**66,245**	**6,223,027**	**21,226,322**	**379,465**	**19,047,843**	**320,750**	**326,897**	**6,350,725**	**-**	**62,078,968**
NET BOOK VALUE:			-	-	-	-	-	-	-	-	
Balance, 31/12/2021	**3,012,668**	**5,080,215**	**13,489,661**	**17,154,678**	**60,591**	**12,209,294**	**69,210**	**608,924**	**1,994,864**	**30,149,079**	**83,829,184**
Balance, 31/12/2022	**6,641,338**	**5,080,215**	**12,937,701**	**17,584,804**	**61,443**	**13,605,321**	**100,607**	**572,931**	**1,156,834**	**35,954,821**	**93,696,015**

The depreciation expenses have been charged as follows:

	N'000
Depreciation charge per Cost of sales	5,465,238
Depreciation charge per Freight expenses	2,829,306
Depreciation charge per Administrative expenses	519,484
	8,814,028

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
	Purchase of PPE per schedule and cashflow				
16.1	Purchase of PPE per schedule (note 16)	26,188,157	52,215,018	22,053,932	15,754,186
	Addition to lease liabilities (note 31.1)	(36,261)	(867,835)	(16,261)	(864,671)
	Purchase of PPE per cashflow statement	**26,151,896**	**51,347,183**	**22,037,671**	**14,889,515**

16.2 Property plant and equipment adjustment represents correction journals used to correct already existing entries in the Capital work in progress as a result of Vendors reconciliations. The other entries from the Capital work in progress adjustments are in the Vendors Accounts

16.3 The following Right-of Use assets have been included in the property, plant and equipment

	GROUP Land	GROUP Building	COMPANY Land	COMPANY Building
COST:				
Balance as at 1/1/2021	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
Additions during the year	-	36,261	-	16,261
Balance, 31/12/2022	**228,865**	**3,773,973**	**228,865**	**3,650,020**
DEPRECIATION:				
Balance as at 1/1/2021	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**
Depreciation charge for the year	40,183	828,974	40,183	769,488
Balance, 31/12/2022	**179,071**	**2,763,165**	**179,071**	**2,636,423**
NET BOOK VALUE:				
Balance, 31/12/2021	**89,977**	**1,803,521**	**89,977**	**1,766,824**
Balance, 31/12/2022	**49,794**	**1,010,808**	**49,794**	**1,013,597**

17 Biological assets

Carrying value at the beginning of the year	4,655,554	4,462,449	4,655,554	4,462,449
Net (usage)/addition	(1,028,227)	(19,068)	(1,028,227)	(19,068)
Fair value adjustments	3,315,333	212,173	3,315,333	212,173
Carrying amount at the end of the year	**6,942,660**	**4,655,554**	**6,942,660**	**4,655,554**

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 Dec 2022, the group has a total of 8,092 hectares of growing canes.

Basis for measurement of fair value

The Group adopted the multi-period excess earnings method (MPEEM) under the income approach to estimating the fair value of the Biological Assets. The MPEEM estimates the fair value of an asset based on the cash flows attributable to the asset after deducting the cash flows attributable to other assets (contributory assets). This approach is commonly used for sugarcane considering that land, plant and machinery and the bearer plant are accounted as PPE in line with IAS 16 and considered as contributory assets for the purpose of MPEEM valuation.

The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category. Growing cane were valued using the income approach.

17. Biological assets (continued)

Key assumptions and inputs	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Industry out-grower price. (N per ton)	17,874	12,502	17,874	12,502
Average yield per hectare (tonnes)	81.90	85.57	81.90	85.57
Discount rate (%)	15.46%	15.65%	15.46%	15.65%

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.

	31/12/2022 N'000	31/12/2021 N'000
Industry out-grower price		
impact of change		
-10%	(760,742)	(515,314)
+10%	760,742	515,314
Average yield per hectare (tonnes)		
impact of change		
-10%	(717,498)	(504,511)
+10%	717,498	491,805
Discount rate		
impact of change		
-10%	30,688	17,636
+10%	(30,037)	(17,246)
Gross profit		
impact of change		
-10%	(744,289)	(504,551)
+10%	744,289	504,551

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 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
18 Other assets				
Prepaid insurance	150,551	63,737	144,426	63,631
Prepaid housing allowances	39,407	19,068	39,407	19,068
Prepaid medicals	64,145	48,515	64,145	48,515
Others	50,076	7,313	49,951	5,937
	304,179	**138,633**	**297,929**	**137,151**

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
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.

The Management of DSR assess that the land's value has not been impaired or diminished since the last valuation carried out on 19th August 2021 by international Land Economists, KNIGHT FRANK LLP, as the opportunities presented in the valuation remain valid. The threat of Corona virus and political stability of the country, Algeria, where the land is located has also improved since the valuation. The DSR Management therefore assess the fair value of the land remains the same as the value presented in the valuation report by KNIGHT FRANK LLP.

The conversion rate between Algerian Dinar and the US dollar as at 31st December 2022 was Algerian Dinar 1,000:US Dollar $7.370 (31 December 2021: AD 1,000: US Dollar $ 7.404) which shows that there has not been any significant devaluation of the Algerian local currency against the USD $, and as explained above under the Basis of Management assessment, the local land value has also not depreciated or devalued.

20 Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company			**Carrying amount**	
Name of Company	**Held by**	**% interest**	**December 2022 N'000**	**December 2021 N'000**
Dangote Taraba Sugar Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
Dangote Adamawa Sugar Limited	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

Dangote Sugar Refinery Plc provides financial support to Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited 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 Limited, Dangote Adamawa Sugar Limited 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.

21 Deposit for shares (continued)

Total funding to date	**Company 31/12/2022 N'000**	**Company 31/12/2021 N'000**
Nasarawa Sugar Company Limited	35,602,607	32,017,218
Dangote Adamawa Sugar Limited	26,524,563	23,171,501
Dangote Taraba Sugar Limited	1,897,898	1,895,433
	64,025,068	**57,084,152**

Funding during the year is as follows:	**31/12/2022 N'000**
Nasarawa Sugar Company Limited	3,585,389
Dangote Adamawa Sugar Limited	3,353,062
Dangote Taraba Sugar Limited	2,465
	6,940,916

22 Inventories

	GROUP 31/12/2022 N'000	**GROUP 31/12/2021 N'000**	**COMPANY 31/12/2022 N'000**	**COMPANY 31/12/2021 N'000**
Raw materials	11,032,640	10,009,094	10,921,054	10,009,094
Raw material in transit	37,330	6,308	37,330	6,308
Work-in-process	2,418,224	1,664,963	2,418,224	1,664,963
Finished goods	5,060,699	18,644,956	5,060,699	18,644,956
Finished goods in transit	1,879,649	482,224	1,879,649	482,224
Production supplies	18,679,161	21,776,102	17,888,377	19,931,898
Chemicals and consumables	5,029,616	3,492,458	5,054,968	3,490,252
Packaging materials	470,825	267,514	470,825	267,514
	44,608,144	**56,343,619**	**43,731,126**	**54,497,209**
Allowance for obsolete inventory	(344,076)	(344,076)	(344,076)	(344,076)
	44,264,068	**55,999,543**	**43,387,050**	**54,153,133**
Movement in provision for obsolete inventory				
As at 1 January	(344,076)	(344,076)	(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:	-	-	-	-

No inventory was pledged as security for any liability.

23 Trade and other receivables	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Trade receivables	4,651,950	14,261,870	4,651,950	14,261,870
Allowance for doubtful debts and impairments	(131,462)	(469,939)	(131,462)	(469,939)
	4,520,488	**13,791,931**	**4,520,488**	**13,791,931**
Staff loans and advances	384,473	130,919	377,992	127,143
Allowance for impaired staff advances	(69,289)	(95,885)	(69,289)	(95,885)
Allowance for impaired staff loans (Note 23.2)	(23,950)	(23,950)	(23,950)	(23,950)
Other financial assets	83,031,542	21,314,383	82,572,232	20,141,687
Advance payment to contractors	2,796,730	8,143,889	2,624,986	5,468,628
Insurance claim receivable	373,388	373,388	373,388	373,388
Allowance for impaired Insurance claim	(373,388)	(373,388)	(373,388)	(373,388)
Negotiable Duty Credit Certificates (Note 23.1)	623,592	707,085	623,592	707,085
Other receivables	13,105,852	1,011,802	13,105,852	1,010,272
Receivable from Olam Group	602,997	602,997	602,997	602,997
Allowance for impaired receivables from Olam Group	(602,997)	-	(602,997)	-
Amount due from related parties (Note 35)	3,303,865	5,138,831	3,303,865	5,138,831
Allowance for impaired -related parties Trade(Note 23.2)	-	(389,301)	-	(389,301)
Allowance for impaired -related parties Non-Trade (Note 23.2)	(238,412)	(177,168)	(238,412)	(177,168)
	107,434,891	**50,155,533**	**106,797,356**	**46,302,270**

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 2022 fiscal year is N315,944,294 made to related parties for Company (Group: N315,944,294)(31 December 2021: Company -N761,559,173 and Group- N777,526,173).

23.1 Negotiable duty credit certificate

The Company has received certificates for N707 million termed as Negotiable Duty Credit Certificate (NDCC). However, N83.5 Million matured during the year which reduced the balance to N623.6 Million. 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.

23.2 Allowance for impairment of financial assets

Group and Company	Impairment losses: Other Receivables	Trade	Related party: Trade related	Related party: Non-trade related	Staff loans	Total
	N'000	N'000	N'000	N'000	N'000	N'000
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)**
Balance as at 1/1/2022	373,388	469,939	389,301	177,168	23,950	1,433,746
Increase/(decrease) in allowance for credit losses for the year	602,997	(338,477)	(389,301)	61,244	-	(63,537)
Balance as at 31/12/2022	976,385	131,462	-	238,412	23,950	1,370,209
Net impact on retained earnings in current year	**602,997**	**(338,477)**	**(389,301)**	**61,244**	**-**	**(63,537)**

23.3 Provision for impairment (gain)/loss on financial assets

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Balance at the beginning of the year	1,433,746	1,449,069	1,433,746	1,449,069
Impairment (gain) recognised in profit or loss	(63,537)	(15,323)	(63,537)	(15,323)
Balance at the end of the year	**1,370,29**	**1,433,746**	**1,370,219**	**1,433,746**

24 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, 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 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Cash in hand	4,047	5,400	2,400	2,400
Bank balances	20,782,004	21,329,257	20,583,473	20,378,236
Short term deposits	151,682,243	79,335,147	151,682,243	79,335,147
Nigerian Treasury bill	2,390,000	2,340,000	2,390,000	2,340,000
	174,858,294	**103,009,804**	**174,658,116**	**102,055,783**

24.1 Unclaimed dividend

In line with Security Exchange Commission Regulation, The total sum of NGN 39,269,313.80 (Thirty Nine Million, Two Hundred and sixty Nine Thousand, three Hundred and Thirteen naira, Eight Kobo) was received from the registrars in 2022. (N88,337,330 in 2021)This amount represents 90% of Year 2020 unclaimed dividend that has aged above 15 months. This entire sum is included within the investment in treasury bills (note 24 above).

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Authorised:				
Balance at January 1 (15,000,000,000 Ordinary shares of N0.50 each)	7,500,000	7,500,000	7,500,000	7,500,000
Cancellation during the year	(1,426,561)	-	(1,426,561)	-
Balance at December 31	**6,073,439**	**7,500,000**	**6,073,439**	**7,500,000**
Allotted, called up issued and fully paid:				
Balance at January 1 (12,146,878,241 Ordinary shares of N0.50 each)	6,073,439	6,073,439	6,073,439	6,073,439
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.

	31/12/2022 N'000	31/12/2021 N'000	31/12/2022 N'000	31/12/2021 N'000
26 Retained earnings				
Balance at January 1	116,253,934	112,328,413	117,436,206	112,908,938
Adjustment to net difference arising on merger*	-	87,469	-	87,469
Profit for the year	54,738,177	22,058,369	54,346,390	22,660,116
Dividend paid during the year	(12,146,874)	(18,220,317)	(12,146,874)	(18,220,317)
Balance at December 31	**158,845,237**	**116,253,934**	**159,635,722**	**117,436,206**

*Adjustment to net difference arising on 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 for the merger number for prior period.

Dividend recognised as distribution to owners in year 2021 is at N1.00 per every ordinary share held (2020: N1.10 per share).

27 Non-controlling interest				
Balance brought forward	(16,747)	(10,669)	-	-
Share of profit/(loss) for the year	3,957	(6,078)	-	-
Total	**(12,790)**	**(16,747)**	**-**	**-**

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
28 Borrowings				
Held at amortised cost				
Bank loan	775,282	984,487	775,282	984,487
	775,282	**984,487**	**775,282**	**984,487**
Non-current liabilities	531,563	764,448	531,563	764,448
Current liabilities	243,719	220,039	243,719	220,039
	775,282	**984,487**	**775,282**	**984,487**
Movement of bank Loans				
Balance brought forward	984,487	1,179,137	984,487	1,179,137
Accrued interest	128,892	137,840	128,892	137,840
Interest payment on bank loans	(63,783)	(64,906)	(63,783)	(64,906)
Principal repayment	(274,314)	(267,584)	(274,314)	(267,584)
	775,282	**984,487**	**775,282**	**984,487**

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. The interest rate was reduced to 5% in Q2 2020 as part of COVID 19 palliative. However, it was subsequently reviewed back to 9% in Q3 2022. 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 were 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 were measured using the Project Unit Credit Method.

The last Actuarial Valuation was carried out in 2013 using the staff payroll of 30 September 2013.

The last Actuarial Valuation was carried out in 2013 using the staff payroll of 30 September 2013.

Movement in gratuity	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Balance as at 1 January	766,265	969,591	766,265	969,591
Refund	-	1,437	-	1,437
Released provision (Benefit paid previously)	-	(2,555)	-	(2,555)
Benefits paid from plan	(3,698)	(202,208)	(3,698)	(202,208)
Balance as at 31 December	**762,567**	**766,265**	**762,567**	**766,265**

Defined contribution plan

The Group operates a defined contribution retirement 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 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Trade payables	7,560,691	11,845,970	7,191,248	4,618,972
Letters of Credit	218,242,613	154,412,777	217,301,321	151,587,769
Dividend Payable	1,556,243	1,556,243	1,556,243	1,556,243
Accruals and sundry creditors	21,291,777	18,900,029	21,067,297	18,681,322
Other credit balances	11,268,253	3,281,357	11,244,335	2,993,695
Due to related parties (Note 35)	13,827,181	11,385,757	13,166,629	10,670,667
	273,746,758	**201,382,133**	**271,527,073**	**190,108,668**

31 Other Liabilities	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Advance payment for goods (contract liabilities)	6,161,493	4,505,815	6,161,493	4,505,806
31.1 Lease Liability	981,142	2,354,880	933,022	2,306,439

Lease liabilities

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Opening balance as at 1 January	2,354,880	2,433,634	2,306,439	2,380,739
Additions	36,261	867,835	16,261	864,671
Interest expense	113,552	182,969	112,808	179,242
Exchange Difference	-	211,741	-	211,741
Payments made during the year	(1,523,551)	(1,341,299)	(1,502,486)	(1,329,954)
Closing balance as at 31 December	**981,142**	**2,354,880**	**933,022**	**2,306,439**
Current	981,142	1,220,023	933,022	1,171,582
Non-current	-	1,134,857	-	1,134,857
	981,142	**2,354,880**	**933,022**	**2,306,439**

31.1.0 Principal payment of lease interest per cashflow is derived as below:

Payments made during the year	(1,523,551)	(1,341,299)	(1,502,486)	(1,329,954)
Interest expense	113,552	182,969	112,808	179,242
	(1,409,999)	**(1,158,330)**	**(1,389,678)**	**(1,150,712)**

31.1 Amounts recognised in the statement of profit or loss

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Depreciation charge on right of use assets				
Land	40,183	72,643	40,183	72,643
Buildings	828,974	731,844	769,488	703,319
	869,157	**804,487**	**809,671**	**775,962**
Interest expense (included in finance cost)	113,552	182,969	112,808	179,242
Foreign exchange difference	-	211,741	-	211,741
Expense related to short term leases (included in administrative expenses)	-	20,486	-	20,486

31.1.2 Liquidity risk (maturity analysis of lease liabilities)

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Lease liability - Undiscounted cashflows				
0-3 months	103,658	460,882	103,658	460,882
3-12 months	75,664	914,698	75,664	904,020
1-2 years	-	943,396	-	943,396
	179,322	**2,318,976**	**179,322**	**2,308,298**

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 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Other income				
Rental income on operating lease (Note 11)	193,455	188,011	193,455	188,011

32 Risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is made up of equity comprising issued capital, share premium and retained earnings. The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group is not geared as at 31 December 2022 (see below).

32 Risk management (continued)

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 2022) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the as at 31 December 2022 plus net debt.

The gearing ratio at 2022 and 2021 respectively were as follows:

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Total borrowings				
Borrowings (Note 28)	775,282	984,487	775,282	984,487
Less: Cash and cash equivalent (Note 24)	174,858,294	103,009,804	174,658,116	102,055,783
Net Cash	**174,083,012**	**102,025,317**	**173,882,834**	**101,071,296**
Total Equity	**171,226,410**	**128,631,150**	**172,029,685**	**129,830,169**
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.

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.

Liquidity risk management (continued)

Group

At 31 December 2022	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	243,719	531,563	775,282
Letters of Credit	218,242,613	-	218,242,613
Lease liability	981,142	-	981,142
Trade and other payables	55,504,145	-	55,504,145
	274,971,619	**531,563**	**275,503,182**
At 31 December 2021			
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**

Company

At 31 December 2022	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	243,719	531,563	775,282
Letters of Credit	217,301,321	-	217,301,321
Lease liability	933,022	-	933,022
Trade and other payables	54,225,751	-	54,225,751
	272,703,813	**531,563**	**273,235,376**
At 31 December 2021			
Borrowings	220,039	764,448	984,487
Letters of Credit	151,587,769	-	151,587,769
Lease liability	1,171,582	1,134,857	2,306,439
Trade and other payables	38,520,899	-	38,520,899
	191,500,289	**1,899,305**	**193,399,594**

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.

Credit risk (continued)

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 instruments	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Trade receivables	4,520,488	13,791,931	4,520,488	13,791,931
Other receivables	13,397,086	1,625,883	13,390,605	1,620,577
Deposit for open Letters of Credit with the banks	83,031,542	21,314,383	82,572,232	20,141,687
Amount due from related party	3,065,453	4,572,362	3,065,453	4,572,362
Cash and cash equivalents	174,858,294	103,009,804	174,658,116	102,055,783
	278,872,863	**144,314,363**	**287,206,894**	**142,182,340**

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.

Age of trade receivables 31 December 2022	**0-30 days N'000**	**31-60 days N'000**	**61-90 days N'000**	**91-365 days N'000**	**Over 365 days N'000**	**Total N'000**
Gross carrying amount	4,076,511	468,543	13,132	84,333	9,431	4,651,950
Default rate	1%	8%	46%	48%	100%	
Lifetime ECL	(36,140)	(39,169)	(5,976)	(40,746)	(9,431)	(131,462)
Total	4,040,371	429,374	7,156	43,587	-	4,520,488

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**

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 2022 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	-	-	-	-	-	-
Default rate	56%	57%	57%	78%	100%	
Lifetime ECL	-	-	-	-	-	-
Total	-	-	-	-	-	-

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**

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 2022

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD*	3,303,865	-	-	3,303,865
Loss allowance as at 31 December 2022	(238,412)	-	-	(238,412)
Net EAD	**3,065,453**	**-**	**-**	**3,065,453**

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**

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 have been assigned a B- rating with an associate year 1 PD of 0.3%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined using the Moody's average corporate subordinate bond recovery rate of 27.9%.
Exposure at Default (EAD)	The EAD at every point in time is the balance outstanding as at period end.
Forward Looking Information	In incorporating forward looking information, various macroeconomic variables such as GDP, Exchange rate, inflation rate. Brent oil price 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 2010 - 2022, and forecast information from 2023-2025. Base scenario was assigned 22.22% upturn scenario was assigned 37.04% and downturn scenario was assigned 40.74%.

The Company considers both quantitative and qualitative indicators (staging criteria) in classifying its related party receivables into the relevant stages for impairment calculation.

Impairment of related party receivables are recognised in three stages based on certain criteria such as:

1. Days past due
2. Credit rating at origination
3. Current credit rating

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

ü Stage 2: This stage includes receivables that have been assessed to have a significant increase in credit risk using the above mentioned criteria and other qualitative indicators such as the increase in political risk concerns or other micro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

ü Stage 3: This stage includes financial assets that have been assessed as being in default (e.g. receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

c) Staff loans

The company provides interest free loans to its employees. The Company applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for staff loans.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The 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 2022	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	N'000	**N'000**	**N'000**	**N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2022	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

December 31 2021	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	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**

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)	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 2022 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 2022 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 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
B-	121,243,361	48,638,898	121,043,183	48,270,750
B	11,856,778	52,686,893	11,856,778	52,104,163
BB-	1,365	-	1,365	-
BBB	8,190,912	462,362	8,190,912	462,362
BBB+	16,477,562	-	16,477,562	-
A	733,785	987,268	733,785	987,268
A+	7,207,952	-	7,207,952	-
AA	8,441,049	-	8,441,049	-
AAA	705,530	228,840	705,530	228,840
No rating	-	5,543	-	2,400
	174,858,294	**103,009,804**	**174,658,116**	**102,055,783**

Credit risk (continued)

****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:

	31/12/2022			31/12/2021		
	Euro (€)	GBP (£)	USD ($)	Euro (€)	GBP (£)	USD ($)
Company	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	-	5,738	14,779,740	-	-	48,098
Letters of Credit	(1,186)	(1,417)	(214,236)	(662,050)	(950,393)	(129,833,639)
Trade payables	(215,838)	(167,708)	(188,983,087)	(94,381)	(319,063)	(1,224,702)
Amount due from/(to) related parties	309,295	(588,129)	408,859	(292,997)	(716,611)	122,064
Net exposure	**92,271**	**(751,516)**	**(174,008,724)**	**(1,049,428)**	**(1,986,067)**	**(130,888,179)**
Group						
Cash and cash equivalents	-	5,738	14,779,741	-	-	48,098
Letters of Credit	(1,186)	(1,417)	(214,911)	(662,120)	(953,446)	(132,655,524)
Trade payables	(239,378)	(261,794)	(189,622,418)	(117,922)	(423,858)	(25,505,977)
Amount due from/(to) related parties	309,295	(588,129)	408,859	(292,997)	(716,611)	122,064
Net exposure	**68,731**	**(845,602)**	**(174,648,729)**	**(1,073,039)**	**(2,093,915)**	**(157,991,339)**

The Group's exposure to foreign currency risk is largely concentrated in the US Dollar. 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	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
	N	**N**	**N**	**N**
Euro (€)	479.64	506.97	491.76	467.51
GBP (£)	555.51	523.83	554.59	556.42
USD ($)	448.05	417.67	461.10	435.00

Sensitivity analysis on foreign currency

A Thirty Nine percent (39%) weakening of the Naira against the Dollar at 31 December 2022 (31 December 2021: 15%*) would have decreased the profit before tax and retained earning by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Company considered to be reasonably possible at the end of the reporting period. There are challenges faced in sourcing for adequate quantity of foreign currencies from the official markets resulting in slowdown of business operations when foreign currencies required to purchase production materials are not available. The analysis assumes that all other variables, in particular interest rates, remain constant.

*A fifteen percent (15%) weakening of the Naira, against the Euro, Dollar and GBP was used at 31 December 2021

	Effect of 39% increase on profit before tax			
	GROUP	**GROUP**	**COMPANY**	**COMPANY**
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
	N'000	**N'000**	**N'000**	**N'000**
	N'000	**N'000**	**N'000**	**N'000**
Euro (€)	20,596	(160,956)	27,651	(157,414)
GBP (£)	(285,774)	(314,087)	(253,977)	(297,910)
USD ($)	(49,073,291)	(23,698,701)	(48,893,461)	(19,633,227)

A five percent (5%) strengthening of the Naira against the Dollar at 31 December 2022 (31 December 2021: 15%*) would have increased profit before tax and retained earnings by the amounts shown below. Historically, the likelihood of Naira appreciating against other foreign currencies have been reasonably not significant. The analysis assumes that all other variables, in particular interest rates, remain constant.

*A fifteen percent (15%) strengthening of the Naira, against the Euro, Dollar and GBP was used at 31 December 2021

	Effect of 5% decrease on profit before tax			
	GROUP	**GROUP**	**COMPANY**	**COMPANY**
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
	N'000	**N'000**	**N'000**	**N'000**
Euro (€)	(2,641)	160,956	(3,545)	157,414
GBP (£)	36,638	314,087	32,561	297,910
USD ($)	6,291,448	23,698,701	6,268,392	19,633,227

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 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Assets				
Trade and other receivables	104,387,957	41,677,947	103,922,166	40,499,945
Cash and cash equivalents	174,858,294	103,009,804	174,658,116	102,055,783
	279,246,251	**144,687,751**	**278,580,282**	**142,555,728**

34 Financial liabilities by category

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Liabilities				
Borrowings	775,282	984,487	775,282	984,487
Lease liabilities	981,142	2,354,880	933,022	2,306,439
Trade and other payables	273,746,758	201,382,133	271,527,073	190,108,668
	275,503,182	**204,721,500**	**273,235,377**	**193,399,594**

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	Nature of relationship and transactions Fellow subsidiary from which the Company purchases raw salt as input in the production process
Bluestar Shipping Lines Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Dangote Taraba Sugar Limited	Subsidiary- Backward integrated project
Dangote Adamawa Sugar Limited	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 Nig. Limited	Fellow subsidiary - Property rentals.
Kura Holdings Limited	Fellow subsidiary - Travel services
Aliko Dangote Foundation	Under common control- Incurs expenses on each other's behalf
Dangote Sinotruk West Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Fertiliser Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Packaging Limited	Fellow subsidiary- Supplies empty for bagging of finished products

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
35.2 Related party transactions and balances				
i) Sales of goods and services				
Dangote Rice Limited	-	700	-	700
Dangote Industries Limited	133,031	23,304	133,031	23,304
Bluestar Shipping Lines Limited	216	-	216	-
Dangote Packaging Limited		700		700
NASCON Allied Industries Plc	509,259	244,667	509,259	244,667
Greenview Development Nig. Limited	104,183	100,122	104,183	100,122
Aliko Dangote Foundation	126,830	82,200	126,830	82,200
Dangote Cement Plc	100,976	72,774	100,976	72,774
	974,495	**524,467**	**974,495**	**524,467**
ii) Purchase of goods and services				
Dangote Cement Plc	7,944,524	5,829,807	7,944,524	5,829,807
Greenview Development Nig. Limited	6,682,916	5,365,226	6,682,916	5,365,226
Dangote Packaging Limited	4,973,946	3,954,525	4,973,946	3,954,525
Kura Holdings Limited	141,292	24,340	141,292	24,340
Bluestar Shipping Lines Limited	604,890	580,225	604,890	580,225
Dangote Fertiliser Limited	4,005,557	-	4,005,557	-
Dangote Oil and Gas Company Limited	2,505,808	-	2,505,808	-
Dangote Global Services Limited	783,253	515,176	783,253	515,176
NASCON Allied Industries Plc	461,068	279,134	461,068	279,134
Dancom Technologies Limited	135,292	130,554	135,292	130,554
MHF Properties Limited	31,090	1,116	31,090	1,116
Dangote Sinotruk West Africa Limited	391,360	261	391,360	261
Dangote Industries Limited	6,192,598	4,038,434	6,192,598	4,038,434
	34,853,594	**20,718,798**	**34,853,594**	**20,718,798**
iii) Management fees				
Dangote Industries Limited	958,431	1,014,259	958,431	1,014,259
	958,431	**1,014,259**	**958,431**	**1,014,259**

iv) Amount owed by related parties	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Dangote Global Services Limited	530,604	1,097,948	530,604	1,097,948
NASCON Allied Industries Plc	128,461	152,465	128,461	152,465
Greenview Development Nig. Limited	521,470	288,603	521,470	288,603
Bluestar Shipping Lines Limited	39,652	-	39,652	-
Dangote Oil and Gas Company Limited	-	181,081	-	181,081
Dangote Fertiliser Limited	-	1,107,193	-	1,107,193
AG Dangote Construction Limited	959,130	959,130	959,130	959,130
Aliko Dangote Foundation	110,042	81,667	110,042	81,667
Dangote Cement Plc	1,014,506	1,270,744	1,014,506	1,270,744
Dangote Industries Limited	-	-	-	-
Gross amount due from related parties (Note 23)	**3,303,865**	**5,138,831**	**3,303,865**	**5,138,831**
Allowance for impaired -related parties Trade(Note 23.2)	-	(389,301)	-	(389,301)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(238,412)	(177,168)	(238,412)	(177,168)
Net amount due from related parties	**3,065,453**	**4,572,362**	**3,065,453**	**4,572,362**

v) Amount owed to related parties

Dangote Cement Plc	7,673,487	7,116,217	7,016,166	6,749,076
Dangote Packaging Limited	431,175	602,842	431,175	602,842
Kura Holdings Limited	3,446	30,325	3,446	30,325
Dangote Fertiliser Limited	1,011,888	-	1,011,888	-
Bluestar Shipping Lines Limited	-	1,119,791	-	774,547
Dangote Oil and Gas Company Limited	(253,514)	-	(253,514)	-
Dangote Oil Refining Company Limited	11,894	-	11,894	-
Dancom Technologies Limited	26,807	17,263	23,576	14,558
MHF Properties Ltd	87	-	87	-
Dangote Nigeria Limited Clearing	-	693	-	693
Dangote Sinotruk West Africa Limited	-	176,360	-	176,360
Dangote Industries Limited	4,921,911	2,322,266	4,921,911	2,322,266
	13,827,181	**11,385,757**	**13,166,629**	**10,670,667**

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

vi) Lease Liability				
Greenview Development Nig. Limited	799,117	1,917,628	799,117	1,917,628
MHF Properties Limited	13,030	19,557	13,030	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 2022.

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	Mr. Olakunle Alake	Board Member (Director)
4	Mr. Uzoma Nwankwo	Board Member (Director)
5	Ms. Bennedikter Molokwu	Board Member (Director)
6	Dr. Konyinsola Ajayi (SAN)	Board Member (Director)
7	Alh. Abdu Dantata	Board Member (Director)
8	Ms. Maryam Bashir	Board Member (Director)

List of key management staff

		2022	2021
1	Group Managing Director/CEO	Mr. Ravindra Singhvi	Mr. Ravindra Singhvi
2	Group Chief Finance Officer	Mr. Oscar Mbeche	Mrs. Adebola Falade
3	Company Secretary/Legal Adviser	Mrs. Temitope Hassan	Mrs. Temitope Hassan
4	Acting General Manager, Refinery	Mr. Christopher Okoh	Engr. Thiru Rajasekar
5	Chief Internal Auditor	Mr.Babafemi Gbadewole	Mr.Babafemi Gbadewole
6	Chief Executive Numan	Mr. Chinnaya Sylvian	Mr. Chinnaya Sylvian
7	General Manager, Sales and marketing	Mr. Saddiq Bello	Mr. Saddiq Bello
8	General Manager, Human Resources and Admin.	Mr. Hassan Salisu	Mr. Hassan Salisu
9	Head, Risk Management	Mr. Ayokunle Ushie	Mr. Ayokunle Ushie
10	Head, Supply Chain	Mr. Ganiyu Bakare	Mr Adesola Ogunaike
11	Director Strategy/BIP Support	Hajiya Mariya Dangote	N/A
12	Head, HSSE	Mr. Itoro Unaam	N/A
13	Head, Internal Control	Mr. Godfrey Ojo	N/A
14	Head, Corporate Affairs	Ms. Ngozi Ngene	N/A
15	Head, DSR Logistics and Transport	Mr. Olusegun Idowu	N/A

35.6 Compensation to key management staff

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Short-term employee benefits	746,619	452,330	746,619	452,330
	746,619	**452,330**	**746,619**	**452,330**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Basic	3,258,058	2,791,767	3,258,058	2,791,767
Medical claims	197,328	24,268	197,328	24,268
Leave allowance	259,795	235,048	259,795	235,048
Short term benefits	1,523,550	1,237,557	1,523,550	1,237,557
Other short term costs	1,131,068	818,746	1,131,068	818,746
Pension	287,014	255,398	287,014	255,398
	6,656,813	**5,362,784**	**6,656,813**	**5,362,784**

Indirect employee costs	31/12/2022 N'000	31/12/2021 N'000	31/12/2022 N'000	31/12/2021 N'000
Basic	1,108,588	962,694	1,108,588	962,694
Medical claims and allowance	47,785	10,042	47,785	10,042
NSITF and ITF levies	90,026	104,290	90,026	104,290
Short term benefits	2,085,990	1,742,607	2,085,990	1,742,607
Other short term costs	586,260	621,611	586,260	621,611
Pension	162,205	139,947	162,205	139,947
	4,080,854	**3,581,191**	**4,080,854**	**3,581,191**

Total employee costs				
Direct employee cost	6,656,813	5,362,784	6,656,813	5,362,784
Indirect employee cost	4,080,854	3,581,191	4,080,854	3,581,191
	10,737,667	**8,943,975**	**10,737,667**	**8,943,975**

Average number of persons employed during the year was:

	31/12/2022 Number	31/12/2021 Number	31/12/2022 Number	31/12/2021 Number
Management	149	129	133	115
Senior Staff	608	585	595	570
Junior Staff	2,309	2116	2,275	2104
	3,066	**2,830**	**3,003**	**2,789**

36 Employee costs

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

	GROUP 2022 Number	GROUP 2021 Number	COMPANY 2022 Number	COMPANY 2021 Number
N200,000 - N600,000	538	589	538	589
N600,001 - N700,000	84	68	84	68
N700,001 - N800,000	20	7	20	7
N800,001 - N900,000	67	14	58	5
N900,001 - N1,000,000	43	10	22	8
N1,000,001 - N2,000,000	1,106	1248	1,095	1240
N2,000,001 - N3,000,000	500	389	498	385
N3,000,001 - N4,000,000	229	175	225	171
N4,000,001 - N5,000,000	146	64	145	63
N5,000,001 - N6,000,000	62	79	60	78
N6,000,001 - N7,000,000	46	62	46	62
N7,000,001 - N8,000,000	47	50	46	49
N8,000,001 - N9,000,000	34	17	34	17
N9,000,001 - N10,000,000	44	8	44	8
N10,000,001 and above	100	50	88	39
	3,066	**2,830**	**3,003**	**2,789**

37 Directors' emoluments

	31/12/2022 N'000	31/12/2021 N'000	31/12/2022 N'000	31/12/2021 N'000
Fees	16,000	16,000	16,000	16,000
Salaries	165,996	289,710	165,996	289,710
Others	470,172	199,426	470,172	199,426
	652,168	**505,136**	**652,168**	**505,136**
Emoluments of the highest paid Director	165,996	289,710	165,996	289,710

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

N'000	31/12/2022 Number	31/12/2021 Number	31/12/2022 Number	31/12/2021 Number
0 - 19,000	7	8	7	8
32,000 and above	1	1	1	1
	8	**9**	**8**	**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 2022 that have not been taken into account in these financial statements.

39 Capital Commitment

As at 31 December 2022, there were no capital commitments in respect of the Lagos factory expansion (2021: Nil)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 December 2022 (2021: Nil)

41 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 31 December 2022(Q4)
Share Price at end of reporting period:	N16.05 (2021:N17.40)

Shareholding structure/Free Float Status

Description	**31 December 2022**		**31 December 2021**	
	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)	**53,947,748,786.70**			

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 31 December 2022, 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 N58,485,409,899.60 as at 31 December 2021, 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.

	Note	2022 N'000	2022 %	2021 N'000	2021 %
GROUP					
Value Added					
Revenue	5	403,245,988		276,054,781	
Bought - in materials and services		(301,801,988)		(219,152,396)	
Fair Value adjustment	17	3,315,333		212,173	
Financial and Other income	9,11	7,814,957		1,752,335	
		112,574,290	**100**	**58,866,893**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits	36	10,737,667		8,943,974	
		10,737,667	**10**	**8,943,974**	**15**
To Pay Providers of Capital					
Finance costs	10	9,802,295		6,629,734	
		9,802,295	**4**	**6,629,734**	**11**
To Pay Government					
Income tax	12	24,754,576		10,440,759	
		24,754,576	**22**	**10,440,759**	**18**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments	16	9,731,508		9,271,973	
Deferred tax	12	2,806,110		1,528,162	
		12,537,618	**11**	**10,800,135**	**18**
Value retained					
Retained profit	26	54,738,177		22,058,369	
Non-controlling interest	27	3,957		(6,078)	
		54,742,134	**48**	**22,052,291**	**38**
Total Value Distributed		**112,574,290**	**100**	**58,866,893**	**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 operation

	Note	2022 N'000	2022 %	2021 N'000	2021 %
COMPANY					
Value Added					
Revenue	5	403,245,988		276,054,781	
Bought - in materials and services		(301,766,765)		(219,139,589)	
Fair Value adjustment	17	3,315,333		212,173	
Financial and Other income	9,11	6,912,751		1,751,333	
		111,707,307	**100**	**58,878,698**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits	36	10,737,667		8,943,974	
		10,737,667	**10**	**8,943,974**	**15**
To Pay Providers of Capital					
Finance costs	10	10,248,536		6,681,140	
		10,248,536	**9**	**6,681,140**	**11**
To Pay Government					
Income tax	12	24,754,576		10,440,759	
		24,754,576	**22**	**10,440,759**	**18**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments	16	8,814,028		8,624,547	
Deferred tax	12	2,806,110		1,528,162	
		11,620,138	**10**	**10,152,709**	**17**
Value retained					
Retained profit	26	54,346,390		22,660,116	
Non-controlling interest	27	-		-	
		54,346,390	**49**	**22,660,116**	**39**
Total Value Distributed		**111,707,307**	**100**	**58,878,698**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and employees efforts.

"Value added" is the measure of wealth the Group has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the Group for the replacement of assets and the further development of operations.

FIVE YEAR FINANCIAL SUMMARY

	GROUP 31/12/2022 N'000	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 as at December 31, 2022					
Assets					
Non-current assets	157,761,632	144,678,056	101,733,526	93,437,879	71,441,221
Current assets	333,804,092	213,959,067	175,430,221	99,399,395	102,806,764
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	868,642
Total assets	**492,434,366**	**359,505,765**	**278,032,389**	**193,705,916**	**175,116,627**
Liabilities					
Non-current liabilities	13,769,637	12,331,269	11,271,389	8,029,989	6,735,540
Current liabilities	307,438,319	218,543,346	142,049,293	77,539,463	69,405,899
Total liabilities	**321,207,956**	**230,874,615**	**153,320,682**	**85,569,452**	**76,141,439**
Equity					
Share capital and premium	12,393,963	12,393,963	12,393,963	12,320,524	12,320,524
Retained earning	158,845,237	116,253,934	112,328,413	96,258,578	87,010,225
Non-controlling interest	(12,790)	(16,747)	(10,669)	(442,638)	(355,561)
Total equity	**171,226,410**	**128,631,150**	**124,711,707**	**108,136,464**	**98,975,188**
Total equity and liabilities	**492,434,366**	**359,505,765**	**278,032,389**	**193,705,916**	**175,116,627**
Profit and loss account					
Revenue	403,245,988	276,054,781	214,297,747	161,085,778	150,373,083
Profit before taxation	**82,302,820**	**34,021,212**	**45,622,318**	**29,820,430**	**34,601,057**
Profit for the year	**54,742,134**	**22,052,291**	**29,775,242**	**22,361,276**	**21,976,467**
Per share data (Naira)					
Earnings per share (Basic and diluted)	4.51	1.82	2.45	1.87	1.85
Net assets per share	14.10	10.59	10.27	9.01	8.25

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 31/12/2022 N'000	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 as at December 31, 2022					
Assets					
Non-current assets	158,018,083	141,210,336	118,569,794	36,317,858	33,585,972
Current assets	332,083,111	207,303,891	139,842,108	160,942,622	144,069,096
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	868,642
Total assets	**490,969,836**	**349,382,869**	**259,280,544**	**198,129,122**	**178,523,710**
Liabilities					
Non-current liabilities	13,769,637	12,331,269	11,225,320	6,693,930	5,309,997
Current liabilities	305,170,514	207,221,431	122,752,274	73,352,250	66,033,587
Total liabilities	**318,940,151**	**219,552,700**	**133,977,644**	**80,046,180**	**71,343,584**
Equity					
Share capital and premium	12,393,963	12,393,963	12,393,963	12,320,524	12,320,524
Retained income	159,635,722	117,436,206	112,908,937	105,762,418	94,859,602
Total equity	**172,029,685**	**129,830,169**	**125,302,900**	**118,082,942**	**107,180,126**
Total equity and liabilities	**490,969,836**	**349,382,869**	**259,280,544**	**198,129,122**	**178,523,710**
Profit and loss account					
Revenue	403,245,988	276,054,781	206,360,656	158,104,577	146,549,176
Profit before taxation	**81,907,076**	**34,629,037**	**46,938,948**	**34,829,241**	**38,455,530**
Profit for the year	**54,346,390**	**22,660,116**	**31,370,659**	**24,102,816**	**25,830,941**
Per share data (Naira)					
Earnings per share (Basic and diluted)	4.47	1.87	2.58	2.01	2.15
Net assets per share	14.16	11.12	9.64	9.84	8.93

"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".

05.

Shareholding & Other Information

SHARE CAPITALISATION HISTORY

Year	Authorised (N)					Consideration	
Date	**Increase**	**Cumulative**	**Increase**	**Cumulative**		**Called**	**Cumulative**
2004	50,000,00	50,000,000	500,000	500,000	Cash		
2006		50,000,000	49,500,000	50,000,000	Scheme Share		
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	7,5000,000,000	73,439,121	6,073,439,121	Scheme Shares		
2022	-	-	-	-	-	2,853,121,759	6,073,439,120

Your shareholding in Dangote Sugar Refinery Plc entitles you, as a part owner of the company, to certain rights including the right: -

- To attend, speak, vote at general meetings either in person or by proxy.
- To receive dividends when declared/approved on your ordinary shares
- To receive certain company documents, e.g the annual reports and accounts/the Annual General Meeting documents where applicable each year.

If you do not have your name on the shareholder register because you hold your shares through a nominee, your nominee will receive any company documents sent to shareholders. Please arrange with your nominee if you wish to receive such documents and to be able to attend and, on a poll, vote at general meetings.

Financial Reports
Any shareholder has the right to be furnished, on demand, free of charge, a copy of the company's financial statements. The annual report and financial statement is available for download on our website, sugar.dangote.com, or the Registrars' 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 sugar.dangote.com 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 - sugar.dangote.com, 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

UNCLAIMED DIVIDEND POSITION AS AT DECEMBER 31, 2022

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.

DANGOTE SUGAR	YEAR (S)	TOTAL DIVIDEND (N)	AMOUNT RETURNED TO COY (NGN)	IN VRL'S CUSTODY	AMOUNT UNCLAIMED (N)
1	2007	10,350,000,000.00	875,335.00	97,259.44	972,594.44
2	2007	3,600,000,000.00	277,254.00	30,806.00	308,060.00
3	2007	3,600,000,000.00	132,441.30	14,715.70	147,157.00
4	2007	3,600,000,000.00	153,648.00	17,072.00	170,720.00
5	2008	5,000,000,000.00	407,223.00	45,247.00	452,470.00
6	2008	10,200,000,000.00	2,461,986.00	273,554.00	2,735,540.00
7	2008	4,200,000,000.00	14,953,644.00	1,661,516.00	16,615,160.00
8	2009	10,800,000,000.00	48,213,864.00	(4,246,048.70)	43,967,815.30
9	2010	6,480,000,000.00	158,400.00	(1,968,874.72)	- 1,810,474.72
10	2011	3,240,000,000.00	107,942,740.00	8,545,038.64	116,487,778.64
11	2012	4,500,000,000.00	111,380,027.00	(1,345,016.24)	110,035,010.76
12	2013	7,200,000,000.00	78,795,002.94	2,004,989.11	80,799,992.05
13	2014	4,800,000,000.00	115,449,379.39	8,422,667.46	123,872,046.85
14	2015	6,000,000,000.00	82,461,256.90	4,395,992.23	86,857,249.13
15	2016	7,200,000,000.00	93,596,082.44	4,080,626.18	97,676,708.62
16	2017	6,000,000,000.00	68,946,573.96	1,285,033.04	70,231,607.00
17	2017	15,000,000,000.00	463,467,318.63	37,844,184.44	501,311,503.07
18	2018	13,200,000,000.00	265,153,816.50	17,946,796.19	283,100,612.69
19	2019	13,200,000,000.00	88,337,329.72	(1,321,885.04)	87,015,444.68
20	2020	18,220,317,361.50	39,269,313.80	2,363,257.09	41,632,570.89
21	2021	12,146,878,241.00		114,127,595.96	114,127,595.96
			1,582,432,636.58		

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 sugar.dangote.com. 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

e-DIVIDEND MANDATE FORM

Please complete **all sections** of this form to make it eligible for processing and return to the address below:

The Registrar,
Veritas Registrars Limited.
Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos.

Date: __ __ / __ __ / __ __ __ __

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:

Surname/Company Name **First Name** **Other Names**

Address

City **State** **Country**

Previous Address

Bank:

Bank Account No.:

Account Opening Date:

BVN 1:

BVN 2:
(for joint signatories)

Clearing House Number (CHN)

Please note that **Only Clearing Banks** are acceptable

Tick	Name of Company	Shareholder's Account No.
	Ardova Plc	
	Dangote Sugar Refinery Plc	
	Guinness Nigeria Plc	
	May & Baker Nigeria Plc	
	Zenith Bank Plc	

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

*By signing this form, I/we hereby consent that Veritas Registrars Limited can collect and process my/our personal data for the purpose of managing my/our records in the companies for which Veritas Registrars Limited act as Registrars. I/we also confirm that I/we have read and accept the extent to which data can be collected and processed as contained in **http://veritasregistrars.com/privatepolicy.aspx***

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incorporation No. (Corporate Shareholder)

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

DANGOTE SUGAR REFINERY PLC. RC: 613748

DANGOTE SUGAR

SIXTEENTH (17TH) ANNUAL GENERAL MEETING TO BE HELD AT THE EKO HOTEL & SUITES, VICTORIA ISLAND, LAGOS, ON THE 14TH OF APRIL, 2023, AT 11:00 A.M PROMPT

I/WE*……………………………...of ………………………………………………………..being Shareholder(s) of Dangote Sugar Refinery PLC hereby appoint ………………………………................................ 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 17th Annual General Meeting of the Company to be held on the 14th April, 2023 and at any adjournment thereof.

DATED THIS …………DAY OF………………………….. 2023.

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, 2022, the Reports of the Directors, Auditors and the Audit Committee thereon;		
	2.	To declare a Dividend		
	3.	To appoint the following Director: • Mrs. Yabawa Lawan Wabi To re-elect the following retiring Directors • Alhaji Aliko Dangote (GCON) • Mr. Uzoma Nwankwo • Alhaji Abdu Dantata		
	4.	To authorize the Directors to fix the remuneration of the Auditors.		
	5.	To disclose the remuneration of Managers.	–	–
	6.	To elect/re-elect members of the Audit Committee		
	NO	**SPECIAL BUSINESS**	**FOR**	**AGAINST**
	7.	To fix the Remuneration of Directors.		

Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her 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. 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.

ii. 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.

iii. The Proxy must produce the Admission Card sent with the Notice of the Meeting to gain entrance to the meeting.

iv. 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.

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 17th Annual General Meeting of Dangote Sugar Refinery PLC, to be held at the Eko Hotel & Suites, Victoria Island, Lagos, on the 14th April, 2023 at 11:00am.**
Signature of Person Attending: ……………………………………
Proxy ( ) Shareholder ( ) [Please tick appropriate box]
THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

The Shareholder or his /her/its proxy is required to produce this Admission Card in order to obtain entrance to the Annual General Meeting.

Please be advised that to enable a Proxy gain entrance to the Meeting, the Proxy Form should be duly completed and delivered to the office of the Registrars, **VERITAS REGISTRARS not later than 48 hours before the time fixed for the meeting.**

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

DANGOTE
SUGAR

HEAD OFFICE:
3rd Floor, GDNL Administrative Building, Terminal E Shed 20
NPA Wharf Complex, Apapa, Lagos
Tel:+ 234 8150983259
Email: sugar@dangote.com
Website: sugar.dangote.com

FACTORY/REFINERY:
Shed 20, Apapa Wharf, Lagos

dangotesugarrefinery Dangote Sugar Refinery PLC @dangotesugar 08150983259