



NASCON Allied Industries PLC

2021 ANNUAL REPORT

STRENGTHENING OUR CORE



STRENGTHENING OUR CORE

As a business, in 2021 we focused on consolidating and scaling our gains through our state-of-the-art Salt Refinery, with the spotlight on our flagship brand "Dangote Salt", while building on the initiatives created to improve our business operations during the pandemic.

In spite of the challenges faced during the year, we were able to grow market share for our products through focused and compelling engagement with our consumers as well as expansion of our distribution capabilities to improve product accessibility and availability for our consumers.

We ensured continued protection of our employees with the relevant personal protective equipments. Additionally, as employees gradually returned to our offices, we set up strict health and safety guidelines to ensure a safe work environment.

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

We believe that sustainable value creation for all our stakeholders will be based on our ability to fully align the Dangote 7-Sustainability Pillars - cultural, environmental, economic, operational, social, institutional and financial, which this report is structured around.



OUR VISION, MISSION & CORE VALUES

Vision



Our vision is to be a world-class consumer goods company that is recognized for the quality of our products and services, delivering high returns to our stakeholders.

Mission



- To deliver consistently good results to our shareholders by selling high quality products at affordable prices, backed by excellent customer service.
- To satisfy market demand by producing the best quality products with the best resources and processes that comply with international industry standards and industry best practices.
- To provide economic benefit to local communities in which we operate.
- To set a good example in areas of corporate governance, sustainability, health and safety.

Core Values

Customer Service



As a world-class organisation, we understand that we exist to serve and satisfy our customers. Accordingly, our customer orientation reflects intimacy, integrity and learning.

Excellence



We are a large organisation, working together to deliver the best products and services to our valuable customers and stakeholders. To achieve this, we demonstrate teamwork, respect and meritocracy.

Leadership



We thrive on being leaders in our business, markets and communities. To drive this, we focus on continuous improvement, partnership and professionalism.

Entrepreneurship



We continuously seek and develop new businesses, and employ innovative ideas to retain our market leadership.



NASCON Allied Industries Plc is a member of the Dangote Group of Companies



START

NOW!



At A Glance: Our Financial Performance

2021 Revenue

₦33.28bn

2020	2019	2018	2017
28.01	27.49	25.77	27.06

2021 EBITDA

₦5.05bn

2020	2019	2018	2017
6.36	5.14	7.08	9.35

2021 Operating Profit

₦4.32bn

2020	2019	2018	2017
4.03	2.90	5.98	7.63

2021 Net Profit

₦2.97B

2020	2019	2018	2017
2.69	1.85	4.42	5.34

2021 Total Assets

₦40.52B

2020	2019	2018	2017
44.31	38.67	30.27	30.12

2021 Total Equity

₦14.63B

2020	2019	2018	2017
12.72	11.09	11.89	11.54

2021 Earnings per Share

₦1.12

2020	2019	2018	2017
1.02	0.70	1.67	2.02

2021 Proposed Dividend per Share

₦0.40

2020	2019	2018	2017
0.40	0.40	1.00	1.50





*Explore
Great Tastes*

Join Us on this
Delicious Journey



Company Overview

NASCON Allied Industries Plc is Nigeria's leading refiner and distributor of household, food processing and industrial use salt.

We employ nearly 600 full-time employees in our factories, warehouses, fleet and offices throughout Nigeria with our headquarters in Oregun, Lagos. We strictly adhere to rigorous industry and regulatory standards that ensure quality products for Nigeria's ever-increasing consumer and developing industrial markets. Our products have Standards Organisation of Nigeria (SON), International Organization for Standardization (ISO) and the National Agency for Food and Drugs Administration and Control (NAFDAC) certifications.

We have three regional sales offices that manage the warehouses and other distribution centres strategically located to serve the Nigerian and neighbouring markets. We own a fleet of over 300 trucks dedicated to the distribution of our products across Nigeria.

Our History

National Salt Company of Nigeria was established as a salt refinery at Ijoko, Ogun State in 1973, as a joint venture between the Federal Military Government of Nigeria and Atlantic Salt & Chemical Inc. of Los Angeles, California, USA, due to an identified need for self-sufficiency in the production of salt, an essential commodity. Construction work commenced on October 20, 1974 with the refinery completed in December 1975 and erection of plants and machinery in August 1976.

The Company was privatized in 1991 with its shares listed on the NGX Regulation Limited in October 1992, through which Dangote Industries Limited purchased majority shares in National Salt Company of Nigeria. Following the reverse takeover of NASCON by Dangote Salt Limited (DSL) in 2007, NASCON acquired the assets, liabilities and business undertakings of DSL.

In 2015, we changed our name to NASCON Allied Industries Plc. to reflect the full range of product offerings.

Our Plants



The Apapa refinery, located in the Apapa Port of Lagos, was commissioned in 2001. The Port Harcourt refinery located in the sea port in Rivers State was commissioned in 2003. The Oregun plant was commissioned in 2004 to produce refined salt. Oregun plant was converted to a fleet workshop in 2021 with the commissioning of the new state-of-the-art refinery at Salt Village.

Our plants are primarily powered through the National Grid with generators fueled by gas or diesel, with combined capacity to generate 6.1MW of power.

We made a strategic decision in 2011 to grow the company through new product lines and changed our name to NASCON

Allied Industries Plc in 2015 from National Salt Company of Nigeria to reflect our new positioning. We took advantage of our existing site in Ota and construction activities commenced in 2012.

We commissioned a state-of-the-art Seasoning plant in 2014. The Tomato Paste packaging plant, which is designed to produce and package Tomato Paste from tomato concentrate was commissioned in 2015. The Vegetable Oil refinery was commissioned in 2015 to produce refined vegetable oil from crude palm oil. Due to recent foreign exchange policies, the Tomato Paste and Vegetable Oil plants were mothballed in 2021. The Vegetable Oil plant was sold in December 2021.



Seasoning, Spices and Mixes

Ota

Our Seasoning is presently available in chicken and beef flavour variants. We have expanded our offerings in line with consumer needs, with the new Classic Seasoning cubes, Stew Mix and Curry powder.

Salt

Apapa, Port Harcourt & Salt Village

NASCON offers a comprehensive salt product portfolio that is sold in 50kg bags and satchets (1kg, 500g and 250g) under the well-known "Dangote" brand. For us, salt is more than just the mineral that enhances the flavour in food. As an essential element in our diet, we fortify it with iodine under UNICEF guidelines and Nigerian regulations to combat iodine deficiency disorders.





Chairperson's Statement

"We are confident that our business model will enable us to successfully navigate global changes while seizing opportunities to continually create value for our stakeholders"

Distinguished Shareholders,

On behalf of the Board of Directors, it is my pleasure to welcome you to the 2021 Annual General Meeting of NASCON Allied Industries Plc and presentation of the Annual Report and Accounts for the financial year ended 31st December 2021.

I want to express my sincere appreciation to the Board of Directors, management, staff, and shareholders for their continuous support as we sought to navigate our way out of the pandemic and the various socio-economic challenges that we experienced in the 2021 business environment.

Global post pandemic insights

Economic indices from major economies around the world have pointed to strong rebounds from the pandemic. However, growth momentum is expected to slow down as new challenges emerge. The pandemic has continued to evolve with variants preventing full recovery in several economies. Most economies continue to grapple with supply shortfalls and high inflation. Due to record levels of inflation across the advanced economies, monetary policy stance is shifting, with some central banks already pulling on the interest rate lever.

In 2021, the accelerated vaccine development and distribution contributed immensely to economic recovery across the world. However, we saw the crystallization of some of the risks we had anticipated at the start of the year, such as the inequitable access to vaccines that is believed to have led to the emergence of several variants of COVID-19 during the year, and has weighed significantly on global economic growth.

Review of 2021 Nigerian Business Environment

The GDP growth rate of 3.4% in 2021 fell short of the projected growth of 6.1% as a result of significant contractions experienced by the economy.

Economic recovery came with expected costs as the Central Bank of Nigeria had to contend with rising inflation, compounded by the rise in energy prices caused by restricted supply. Inflation concerns are expected to persist in 2022, with the chances of some moderation with less accommodative monetary policy.

The growth of the Nigerian economy is expected to continue albeit at a slower pace. Across the different sectors, structural challenges are expected to kick in and slow the growth momentum. Limited availability of foreign exchange, global supply chain disruptions, high inflation, and insecurity challenges are some of the factors we expect to dampen the growth momentum. Inflation will remain high due to the cyclical rise in food prices, expected hike in electricity tariffs and continued insecurity in major food producing regions.

Operational Performance

To ensure we maintained our market position, we regularly reviewed our strategy in line with market and economic realities. These reviews provided valuable feedback during the year, and allowed us to make strategic adjustments that have ensured we remained profitable notwithstanding the high operating cost driven by the increased cost of inputs and cost of doing business.

For the financial year ended 31st December 2021, we recorded a turnover of ₦33.28B representing a 19% increase from the previous year (2020: ₦28.01B). Profit After Tax increased by 10% to ₦2.97B for the year, compared to ₦2.69B in 2020.



Earnings per share also increased to ₦1.12 in 2021 compared to ₦1.02 in 2020. The Board has recommended for your kind consideration and approval at this AGM the payment of a dividend of ₦0.40 per 50 kobo share totaling ₦1.06B (2020: ₦1.06B).

Focus on sustainability

We believe that mainstreaming sustainable business practices would enable us drive our long-term corporate success. We are therefore integrating sustainability principles and standards at the core of our business operations, and building the required structures that would enable us remain relevant today and in the future.

NASCON aligns with the Dangote Group's 7 Sustainability Pillars ('The Dangote Way'), which outline how we would run a purpose driven business that pays close attention to the triple-bottom-line issues of people, planet and profit. While sustainable profit will always be a key reason for us being in business, we understand that our people are the greatest assets that would drive these bottom line objectives. We must therefore ensure their wellbeing, safety, satisfaction and productivity. We are also strongly committed to our environmental responsibility and the need to continuously consider the wellbeing of the planet (including CO2 emissions, energy consumption, waste management and recycling) as we make critical business decisions.

In the year under review, we redefined our commitment to international best practices as we prioritized the United Nations Sustainable Development Goals (UN SDGs) that align most with our business goals and sustainability objectives. We are also solidifying our commitment to ethical labour practices, protecting human rights, driving environmental sustainability and anti-corruption; all of which are underlying principles of the United Nations Global Compact (UNGC), which our parent company, Dangote Industries Limited, is a signatory to.

We are glad to have achieved our first sustainability report in accordance with GRI Sustainability Reporting Standards having published a GRI referenced report in past, giving us a good opportunity to begin to disclose our environmental and social stewardship to our esteemed investors and other stakeholders,

annually. As we progress in our sustainability journey, we will ensure continual improvement in health and safety, community engagement and social investments, as our way of building a sustainable brand.

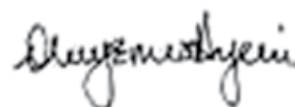
Looking forward

For 2022, we maintain a cautious outlook as we continue to monitor several macro-economic indices. With global supply chain pressures likely to remain for most of the year, profitability margins may be further weakened. Despite the identified challenges, the Board and Management of NASCON are determined to make the right decisions to continually grow the business. This we would do in a bid to sustain earnings and profitability, to deliver competitive returns to our valued shareholders.

I would like to use this opportunity to thank the former Managing Director, Paul Farrer for his contributions to the company over the past seven years. Paul's steadfastness resulted in the growth of the seasoning business. During his time as Managing Director, he identified the supply gap in the salt market and drove the construction of our world class plant, Salt Village. I am also pleased to announce the temporary appointment of Thabo Mabe, who joins NASCON with over 20 years of experience from Unilever Plc. and most recently Dangote Flour and Dangote Rice as Managing Director.

The Board of Directors wishes to extend its appreciation to all staff for their contributions and commitment in 2021. We would also like to thank our shareholders, customers and business partners for the confidence and support they have given us, even as we look forward to the continued development of long-lasting and mutually beneficial relationships with them.

Kindly accept the assurances of my highest regards.



Yemisi Ayeni
Chairperson



**IT'S TIME TO
CARE
ABOUT
YOUR SALT**

Refined, Iodized & Purified



Choose Quality, Choose Dangote Salt





Acting Managing Director's Review

"2021 was focused on consolidating and scaling our gains through commissioning of a world-class Salt Refinery"

It is an honour to lead the management and staff of NASCON Allied Industries Plc. In the Company's journey to becoming a leading FMCG company. I look forward to utilizing my experience in directing the company for continued future growth.

What are your thoughts on NASCON's transformation journey over the last couple of years? What would you identify as the highlights of this transition?

NASCON has been able to transform from a commodities company to an FMCG company, with commissioning of our world-class state-of-the-art facility and dynamic route-to-market infrastructure.

During this period, the Company has been able to improve sales volumes while also reviewing our processes to acquire valid industry product certification. This was done to ensure our value proposition to our customers was fulfilled on all products.

The post-pandemic effects of COVID-19 are responsible for the slow growth in most industries. How has NASCON performed considering these challenges?

One of the major challenges for Nigerian manufacturers and most manufacturing industries across the world was increase in operational costs resulting from supply chain issues.

Despite the challenges experienced in the business environment, we achieved Revenues of ₦33.28B and EBITDA of ₦5.05B. Profit After Tax for the year was ₦2.97B compared to ₦2.69B in 2020 with Earnings per share of ₦1.12 (2020: 1.02). This performance reflects the team's persistence to continually deliver results despite the challenges experienced during the year.

What were the main business environment challenges in the post-pandemic era?

The major challenge in the Nigerian business environment in 2021 was the lingering impact of the Covid-19 pandemic resulting in major job losses and reduced income, across the country and a looming global recession, which experts say, may be one of the worst global recessions in recent history.

The multiple issues of Apapa traffic gridlock and deteriorating road infrastructure remained a re-occurring experience, and coupled with unstable power supply and heavily congested ports, multiple taxation, heightened insecurity, significantly impacted the ability to deliver products to all the customers. We also experienced significant increase in global freight prices.



Managing Director's Review

What are your views on NASCON's approach to sustainability?

As a responsible corporate citizen, we recognize that our long-term business performance is tied not just to profit but also to the way we manage our people, communities and the environment. This is why we are intensifying our focus on sustainability principles and best practices. We gained good traction in our sustainability journey in 2021. We designated a Sustainability role charged with the responsibility of mainstreaming best environmental, social and health and safety practices across our value chain, with strong support from executive management and the Board.

In the year under review, we also demonstrated our commitment to the actualization of the United Nations' Sustainable Development Goals (SDGs). Out of the 17 Global Goals, we prioritized five, which are;

- Goal 2: Zero Hunger;
- Goal 3: Good Health and Well-being;
- Goal 6: Clean Water and Sanitation;
- Goal 12: Responsible Consumption and Production; and
- Goal 13: Climate Action.

By prioritizing some key areas of focus that directly align with our corporate goals and sustainability objectives, we hope to make more impact as we integrate the goals into our business operations and in strategic decisions.

We are also excited that in the year under review, and as part of this Annual Report, we produced our first sustainability report in accordance with GRI Sustainability Reporting Standards having published a GRI referenced report in past. With this milestone, we are complying with the regulatory expectations of the

Nigerian Exchange Group's Sustainability Disclosure Guidelines, while also fulfilling our responsibility of ensuring effective sustainability performance disclosure to our valued investors and other stakeholders.

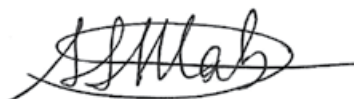
We understand the importance of continually improving on our environmental, social and governance performance as we strive to build a brand with strong reputational capital while also ensuring that we sustain our social license to operate.

"We are adapting our channels to new business trends, to ensure adaptability in the market place"

What is the outlook for NASCON in 2022?

Despite the diverse challenges faced in 2021, we will continue to demonstrate our resilience and optimism in 2022. We are focused on maximizing the gains from our capacity expansion, human capital development, operational efficiency and aggressive trade in all market segments.

Finally, I want to specifically thank our trade partners, consumers, suppliers, team members and strategic stakeholders for contributing to our success story in 2021. I look forward to cultivating these relationships in the future.



Thabo Mabe

Acting Managing Director


DANGOTE
Salt
Refined & Iodized

IT'S TIME TO
CARE
ABOUT
YOUR SALT

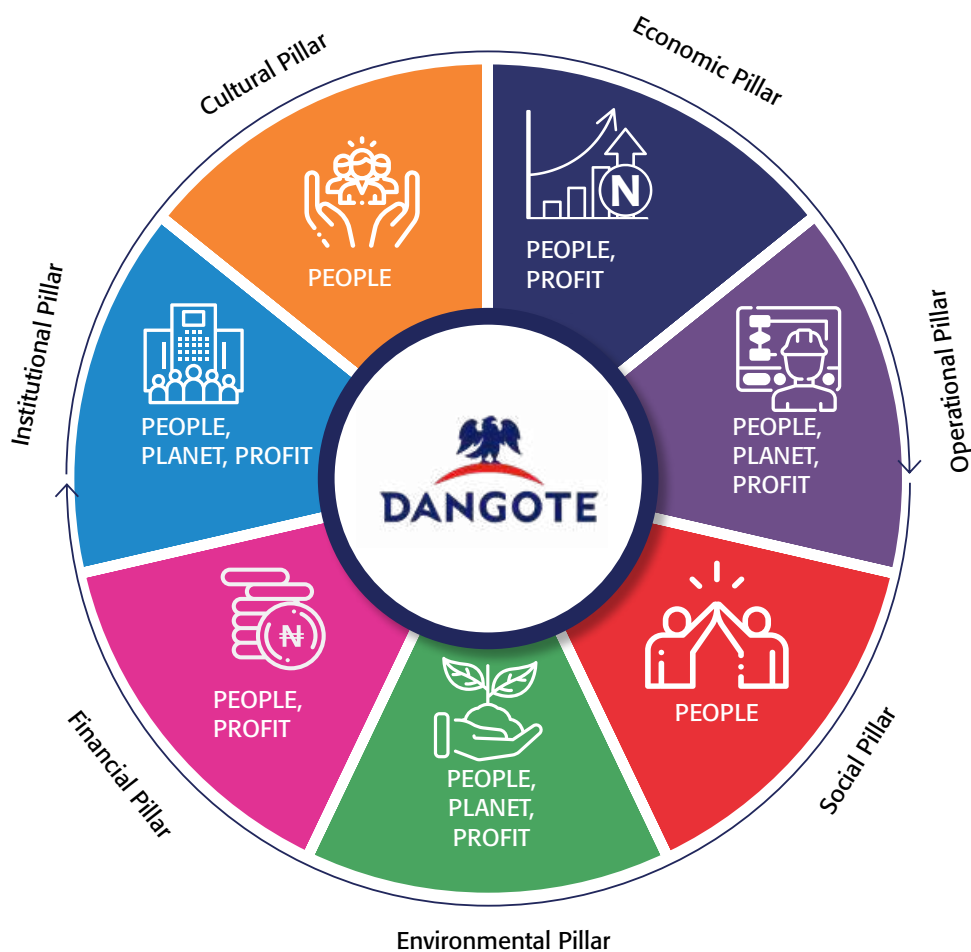


**Refined
Iodized
Purified**

Choose Quality, Choose Dangote Salt

SUSTAINABILITY





‘The Dangote Way’: Our Approach to Sustainability

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

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

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



DANGOTE 7 SUSTAINABILITY PILLARS

Pillar	Pillar Objective
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.
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.
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.
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.
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.
Institutional 	Build a world-class institution centered on corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency, effective internal controls, risk management and business continuity.
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.

Sustainability: At a Glance



CULTURAL PILLAR

61%

NASCON Employees are 30 to 50 years



ECONOMIC PILLAR

₹8.26bn

Economic Value Retained-Created and Distributed (EVC&D)



OPERATIONAL PILLAR

₹15.35bn

59%

Spent of Local Procurement



SOCIAL PILLAR

0.79% to 1.21%

[2020 → 2021]

% of PAT as Total Social investment spending



INSTITUTIONAL PILLAR

Stakeholders engaged through ESG Materiality Assessment Survey

- Employees
- Investors
- Communities
- Supply chain partners



ENVIRONMENTAL PILLAR

136,763 GJ

Total Energy Consumption

- 78.9% Natural Gas
- 19.0% Diesel
- 1.8% Electricity (National Grid)
- 0.4% Petrol



Our Reporting Practice

This NASCON Allied Industries Plc sustainability report covers our material social, environmental, economic, and governance issues for the reporting year, covering 1st January to 31st December 2021, in accordance with the GRI Standards. It gives our stakeholders an insight into our performance in these areas in the year under review, and the efforts and structures that we are putting in place to continually improve. This Sustainability Report is written as part of and complements our 2021 Annual Financial Report, which primarily covers our financial and economic performance to further our integrated and balanced scorecard reporting approach. Therefore, this Report is written in alignment with, and structured along, our 7 Dangote Sustainability Pillars. The Report's scope and boundary covers our operations across Nigeria including our factories at Lagos, Ogun and Rivers States, and our fleet operations around the country.

As part of the reporting process, we carried out extensive stakeholder engagement (involving employees, host communities, investors, and supply chain) activities and a materiality assessment survey to determine major concerns of our key stakeholders. This was executed through an independent sustainability consultant (Translantic Development Limited) to show transparency. The outcome of this exercise and our economic, environmental, and social impact significantly influenced the material topics covered in this Report. This

Report also serves as our annual communication on progress to the UN Global Compact (UNGC) as part of the membership compliance of the Dangote Group. It therefore adequately covers our progress in integrating its 10 sustainability principles into our business operations. The report also clearly discloses our SDGs contributions and the strides that we are making in supporting the actualisation of the Global Goals. In the same vein, the report fulfils our requirements to the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs), as all key indicators are also fully captured.

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

This 2021 Report is NASCON Allied Industries Plc's first GRI Standards Compliant Sustainability Report having published a GRI Referenced Report in 2020.

Management Team



T. Mabe



P. Farrer



F. Aliko-Dangote



A. Saka



M. Zubair



O. Shosanya



O. Ajala



S. Okonmah



J. Amaechi



S. Mustapha



P. Mogaha



T. Iwamofe



K. Samuel



K. Balogun



K. Ejike



A. Samuel

Management Team

1. Thabo Mabe

Acting Managing Director

Thabo was appointed the Acting Managing Director of NASCON Allied Industries PLC on February 12, 2022. He holds a Bachelor of Science Degree in Chemistry and Mathematics from Fort Hare University, South Africa.

He joined Unilever as a graduate trainee and served in various capacities with practical experience involvement in Manufacturing, Productions, Sales and other spheres of work. In 1999 he was appointed Works Director Personal Wash Factory in Mannheim, Germany, which is the global factory that supplied Dove soap to Unilever operations around the world. Thabo returned to South Africa in 2002 and was appointed Manufacturing Director and then VP Supply Chain for Unilever HPC in 2004. When Unilever, HPC and foods divisions were consolidated into one in 2007, Thabo was appointed Vice President Marketing for Spreads, Cooking and Ice Cream and later Vice President, Homecare. He was appointed to the Board of Directors and CEO of Unilever Nigeria in 2010.

Thabo joined Dangote Group as the MD/CEO of Dangote Flour Mills Plc in 2014 before moving on to oversee the Rice business of the group. He has a wide international working experience, managing businesses in South Africa, Germany as well as Nigeria

2. Paul Farrer

Managing Director

Paul joined NASCON as Managing Director in 2015, having previously been the Chief Operating Officer and Group Executive Director of Food Concepts Plc.

His experience in the foods business spans 25 years in the South and West African markets; in international companies such as TGI Fridays (Americana Group), Steers Holdings – Debonairs Pizza, Famous Brands and Innscor International.

He is an alumnus of East London Technical College, South Africa.

3. Fatima Aliko-Dangote

Executive Director, Commercial

Fatima joined NASCON as Executive Director Commercial in 2016. Prior to that she joined the Dangote Group in 2014 as the Special Assistant to the Managing Director-Cement and later worked as a Group Corporate Strategy Specialist. In this latter role, she provided planning and analytical support across all the Business Units of the Dangote Group.

She holds a Bachelor's degree in Law from the University of Surrey in the UK. Fatima has been called to the Nigerian Bar, and has worked as an Associate at Banwo and Ighodalo Legal Chambers, on areas related to capital markets, intellectual property and energy.

4. Aderemi Saka

Chief Financial Officer

Aderemi has 22 years of experience working in the United States with various multinationals and publicly traded corporations. Prior to joining NASCON as CFO, Aderemi was part of the Group Corporate Strategy team at Dangote Industries Limited.

She has a Bachelor's Degree in Accounting and a Masters in Business Administration (International Business) from Georgia State University, USA.

She has experience in financial analysis, planning, budgeting, forecasting, operational and financial risk management, regulatory controls, internal audit, financial strategy, modeling, and program management.

5. Murtala Zubair

Head, Human Resources and Administration

Murtala is a trained HR practitioner having obtained a Bachelor of Science degree in Economics and a Masters of Business Administration (MBA) from the Bayero University, Kano and Ahmadu Bello University respectively. He joined Dangote Industries Limited in 2002 and was later re-assigned to Dangote Sugar Refinery Plc in 2009 as the Head, Human Resources/Admin.

Prior to joining the Group he worked at the Bank of Agriculture, Financial Institutions Training Centre (FITC) and Liberty Bank Ltd. He is an active member of the Chartered Institute of Personnel Management of Nigeria (CIPMN).

6. Olushola Shosanya

Head, Sales

Shola has decades of experience in sales management, sales force management and warehousing. He is also a Sales trainer. He started his career in Nigerian Bottling Company, where he received both local and international trainings on sales management and trade activations

He joined NASCON in 2016 having previously worked at 3D Impact Marketing as a Marketing consultant. He holds a Bachelor's degree in Animal Science from Obafemi Awolowo University and Post Graduate Diploma in Marketing from the University of Lagos.



7. Olusegun Ajala **Head, Marketing**

Olusegun is a marketing professional with over 15 years' cognate experience in experiential marketing, consumer marketing, trade channel development, category management, shopper marketing, new product development, public relations, events and sponsorship.

He joined NASCON in 2016 having previously worked at Nigeria Bottling Company. He has a Bachelor's degree in Pure and Applied Chemistry from Ladoko Akintola University of Technology and Master's degree in Marketing and Management from the University of Bradford, UK. He is a fellow of the National Institute of Marketing of Nigeria, and an affiliate member of the Chartered Institute of Marketing UK.

8. Shalom Okonmah **Head, Procurement**

Shalom has 23 years of work experience spanning sales, finance, treasury, procurement, international trade and importation. She holds an Accounting degree from Edo State University and a Masters in Business Administration from the University of Calabar.

Shalom started her career with Dangote Group as an Executive Officer in 1997 before moving to Dangote Agrosacks Limited, where she rose to the position of Head Treasury, Procurement and Clearing.

She is also a member of the Chartered Institute of Purchasing and Supply Chain Management and Chartered Institute of Cost Management.

9. Jude Amaechi **Head, Health Safety and Environment**

Jude joined NASCON in 2017 with over 15 years of valuable experience. Prior to NASCON, he was a HSE Coordinator at Ponticelli Nigeria Limited.

He has a Bachelor's degree in Soil Science and Technology and a Master's degree in Soil Survey and Land Use Planning from Federal University of Technology, Owerri.

He is a certified HSE professional from National Examination Board of Occupational Safety and Health UK, Occupational Safety and Health Academy USA, ISO 9001: Quality Management System UK. He is a member of the Institute of Safety Professionals of Nigeria and Nigeria Institute of Chartered Management.

10. Shakira Mustapha **Head, Risk Management**

Shakira is an astute risk manager with vast experience of risk management implementation across several industries and sectors. She has advanced expertise in Governance Risk and Control, Business continuity, Environmental and Social Risk Management.

She has a BSc in Microbiology from the University of Ilorin and an MBA from the University of Lagos with several risk certifications and membership to various professional organisations. Prior to joining NASCON she played key roles in the development of the risk management system at Jaiz Bank and Dangote Flour Mills.

11. Patrick Mogaha **Head, Internal Audit**

Patrick began his audit career as a Financial Auditor with First Bank of Nigeria PLC and has over 21 years of experience in Internal Audit, Information Systems Audit and Fraud & Forensic Audit. Prior to joining NASCON, he was the Deputy Head of Audit for Dangote Cement.

Patrick is a Fellow of the Institute of Chartered Accountants of Nigeria, Certified Fraud Examiner, Certified Forensic Accountant, Certified Information Systems Auditor and a former member of Committee of Chief Inspectors of Banks in Nigeria. He holds a Bachelor degree in Accounting and a MBA in Banking and Finance from ESUT Business School, Enugu.

12. Tunde Iwamofe **Financial Controller**

Tunde is a seasoned professional with over 15 years of experience in financial reporting, analysis, planning, budgeting, forecasting, internal audit, tax planning and computation. He joined NASCON in 2008 having previously worked as an Account Manager for Somotex Nigeria Limited, a member of the Mohinani Group of Companies.

He is a graduate of Federal Polytechnic Bida, Niger State and a Fellow of the Institute of Chartered Accountants of Nigeria. He is also a Certified Change Manager.

Management Team

13. Kolawole Samuel

Head of Operations

Kolawole Joined the company in 2004 and has worked in various capacities including Production manager, Quality control manager, Maintenance manager, Plant manager and Operations manager.

He is a graduate of Food Engineering from Ladoko Akintola University of Technology, with both local and international training on production management and Salt refinery operation from GIUSTI LTDA Brazil. He is a professional member of Nigeria Institute of Food Science and Technology (NIFST).

14. Kayode Balogun

Quality Control Lead

Kayode started his career with De-United Foods Industries Limited in 2007 and proceeded to Leventis foods Limited, a subsidiary of AG Leventis PLC. In 2012, he managed the role of Head National Quality /Food safety for Kentucky Fried Chicken (KFC), Nigeria. His experience in the foods business spans regulatory compliance, suppliers audit, quality/food safety management, and analytical laboratory management.

He is a graduate of Microbiology & Virology and has an MBA from University of Calabar. He is ISO 9001:2015, ISO 22000:2018 certified (from Ireland), a professional member of Institute of Public Analyst of Nigeria (IPAN), Nigeria Food Science and Technology (NIFST) and a Certified member of Global Food service Institute (GFI) from the State University of New York.

15. Kingsley Ejieke

Senior Transport Manager

Kingsley has about 11 years cognate experience. A professional in the field of transportation, fleet and logistics management, he holds a Bachelor degree in Economics from the prestigious University of Uyo, Akwa Ibom, Calabar, Nigeria.

He is a certified member of Nigeria Institute of Transport Technology of Nigeria(NITT). His work experience spans across coordination and delivery of trucks, routing of conveys to meet material demand and analysis of data for strategic decisions.

16. Adedayo Samuel

Company Secretary

Adedayo was the pioneer Company Secretary of NASCON when the Company was privatized by the Federal Government. He was responsible for taking the Company to the NGX Regulation Limited upon privatization in 1992.

He has extensive and varied experience in corporate governance, litigation and the Judiciary where he served as a Chief Magistrate. He obtained his LLB degree from the then University of Ife and was called to the bar over three decades ago.





Human Resources Report

“Continuous quality learning and human capital development have become critical success factors for our organisation”

Staff welfare

The COVID-19 pandemic had a challenging impact on our staff, but the strength of our workforce has been one of the pillars to our success. Our priority during the year under review focused on their wellbeing and safety.

To safeguard the occupational health and wellbeing of the staff, especially those that are directly in operations, we commissioned a team of specialists to assess their health status and recommend action plans to assist the generality of the workforce. Some of the recommendations included job rotation, strict compliance with the use of appropriate PPE, ergonomic design, and continued health awareness among others.

COVID-19

We are glad to inform you that we did not record any fatality from the pandemic. We had a few cases but were treated and certified fit to resume work. As a member of Dangote Group, we continued to take advantage of the Group dedicated 24/7 medical helpline for staff to address all COVID-19 related issues. In addition, we continued to issue general guidelines such as:

- 50% occupancy level in both offices and staff buses.
- Prohibited physical training and meetings.

- Remote working to some group of employees including vulnerable ones.
- Encouraged vaccination of staff and families.
- Free testing of suspected staff and families.

Talent and Performance Management

The year 2021 saw an increase in the adoption of agile HR practices through our learning platform. We continued to roll out e-learning courses to help staff harness their full potentials for self growth and the business. All new hires were subjected to a robust onboarding process and function-specific orientation programs during their induction.

The company organised some training and retraining programmes to enhance staff knowledge and uptake of Performance Management System. The below-listed practices were some of the salient features:

1. The 2 cycles of the Mid-year Appraisal Review and the Annual Appraisal Exercise provided us with the systematic inputs for our reward system and career development.
2. A robust performance feedback system for the Business through the Monthly Performance Review (MPR), Weekly Huddle Meetings and Operations meetings, etc.



Human Resources Report

3. Continuous performance monitoring and development planning. Now, staff are better able to track progress on SuccessFactors PMS (technology enabled) platform, which has gradually become robust and sustainable due to its simplicity, transparency, and objectivity.
4. The introduction of electronic badges was one of the new initiatives to recognize commendable and outstanding performances of staff members. The beauty of this is that the badges given are automatically recorded and form part of the individual appraisal.

Succession Planning

Following the adoption of the Group-wide High Value and Succession Planning Framework introduced in Q4 of the year, we reviewed and arrived at seventeen (17) critical roles and identified some existing talents (Successors) with the potential to succeed in leadership roles.

Out of the available successors, 75% of them had 2-3 years of readiness time, which called for focused retention strategies to close the readiness gaps. Various succession interventions were planned to close both vacant critical/succession roles and readiness gaps.

Reward and Recognition

The NASCON Champion's Award is our newly introduced bi-annual Reward and Recognition initiative established to deliver on the business' motivational impact necessary for attaining a higher level of employee engagement.

Being the inaugural year, five (5) employees were awarded the 'Best staff of the plant' for their outstanding performance and ability to contribute towards the efficiency of key business drivers. The celebrated staff received both monetary and non-monetary rewards.

Gender Diversity

We collaborated with the International Finance Corporation (IFC) and the NGX Regulation Limited (NGX) on the 'Nigeria2equal' Gender initiative targeted to advance women's representation in the workforce as leaders and employees.

Being the first multi-stakeholder country project focused on reducing gender gaps in Nigeria's private sector companies, NASCON in partnership with Dangote Women Network has commenced discussions for core firm-level commitments to implement measurable gender-smart solutions.

To celebrate International Women's Day in March 2021, Dangote Group hosted Mrs Amina Mohammed, Deputy Secretary-General of the United Nations as the Guest Speaker via a virtual conference, with NASCON fully participating.

Employee Engagement

Town hall meetings were planned and held during the year as a vehicle for the Management and employees to interact and discuss staff welfare and NASCON's successes and challenges. We leveraged on effective communication to allow employees to feel valued and able to translate their opinions and suggestions into corporate success.

Long Service Award

The Covid-19 protocol on social distancing compelled us to honour and celebrate our loyal employees remotely. Three (3) out of fifty-seven (57) awarded were for 30 years category. We shall continue to promote dedication and motivation to the employees.

Learning and Development

In line with our training strategy, employees across all cadres and departments attended various trainings in the year. We conducted various webinars for the benefit of the employees. Some of the webinars focused on Mental Health, Sleep Disorder, Safety & Health in the Workplace, Malaria and Hypertension.

We worked with the Dangote Academy on a Learning and Development (L&D) Transformation agenda in preparation for the kick-off of the Learning Management System (LMS) in the succeeding year. This change management process ranged across notable key activities including:

1. Detailed documentation of Training Need Analysis (TNA).
2. Training Partner selection for Dangote Academy.
3. Validation of Proof of Concept (PoC) for E-learning providers: LinkedIn, Edx, and Udemy.

While providing each staff with the opportunity to meet the mandatorily required training hours during the period under review, we look forward to the new year when we hope to leverage on the new Learning Management System (LMS).



Murtala Zubair

Head, Human Resources and Administration



Cultural Pillar

Building a culture of workplace empowerment and inclusion

Cultural Standards

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

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



Cultural Pillar

Our Employees

We consider our employees as the heart of our business. Since our establishment in 1973, our employees have been the driver of our sustainable business growth. They support the business to create and deliver shared value for all stakeholders. As such, we take pride in creating for them opportunities for self-actualization and professional growth.

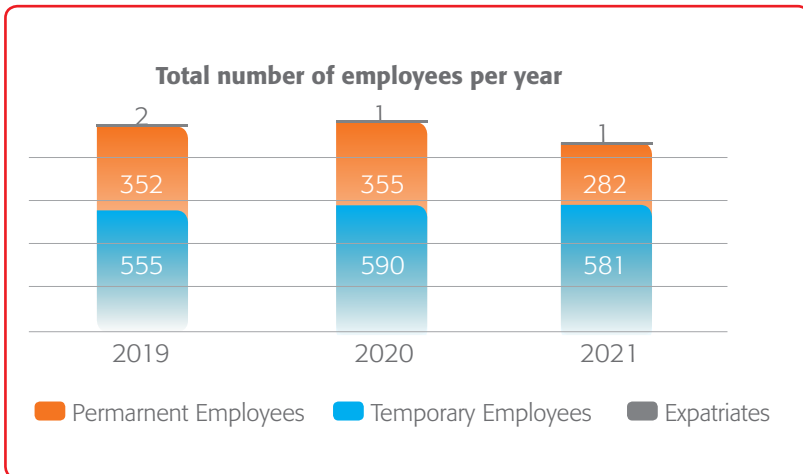
The NASCON Workforce



In 2021, we had a total of 864 employees, which represented a 9% decrease from 949 in 2020. Total employees comprise of 581 (67.2%)

permanent employees, 282 (32.7%) temporary employees (contracts and third-party related) and 1 (0.1%) expatriate.

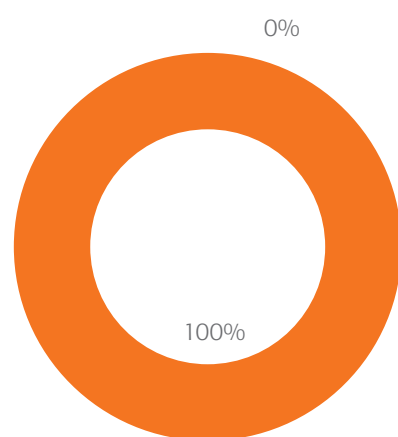
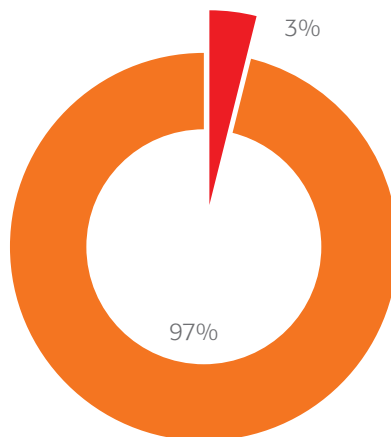
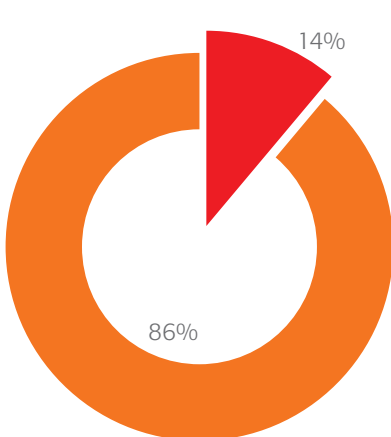
From the 2021 total workforce number, 88 (10%) are female while 776 (90%) are male. Nonetheless, NASCON management is committed to improving gender diversity within the organisation. We will make conscious efforts to increase the number of women in our workforce and assign more roles to qualified women in leadership positions.



Permanent Employees by Gender

Temporary Employees by Gender

Expatriates by Gender



Female Male

Female Male

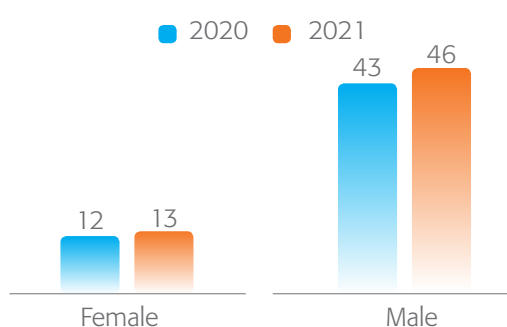
Female Male

Location	Number of Employees by Employment Contract, Age and Gender						
	Total Number of Employees						
	Women	Men	Women	Men	Women	Men	Total
	18-30 years		31-50 years		>50 years		
Apapa Plant	0	3	3	58	1	4	69
Salt Village Plant	10	59	14	107	1	2	193
Oregun Plant	14	29	16	76	1	3	139
Ota Plant	6	23	8	37	1	0	75
Port Harcourt Plant	2	25	5	63	0	6	101
NASCON Fleet Operations	2	130	3	137	1	14	287
TOTAL	34	269	49	478	5	29	864
Location	Permanent Employees						
Apapa Plant	0	0	3	56	1	4	64
Salt Village Plant	8	50	13	101	0	2	174
Oregun Plant	14	19	16	60	1	3	113
Ota Plant	5	17	6	30	1	0	59
Port Harcourt Plant	1	20	4	60	0	6	91
NASCON Fleet Operations	2	30	3	30	1	14	80
TOTAL	30	136	45	337	4	29	581
Location	Temporary Employees						
Apapa Plant	0	3	0	2	0	0	5
Salt Village Plant	2	9	1	6	0	0	18
Oregun Plant	0	10	0	16	0	0	26
Ota Plant	1	6	2	7	0	0	16
Port Harcourt Plant	1	5	1	3	0	0	10
NASCON Fleet Operations	0	100	0	107	0	0	207
TOTAL	4	133	4	141	0	0	282
Location	Expatriates						
Salt Village Plant	0	0	0	0	1	0	1
TOTAL	0	0	0	0	1	0	1

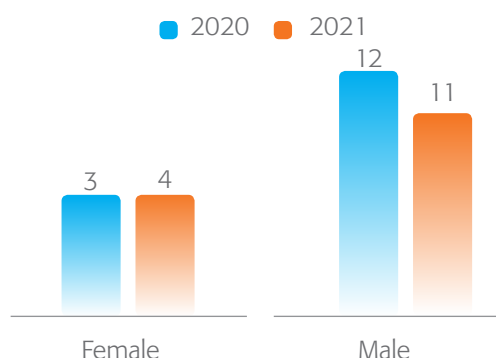
Furthermore, in 2021, we had a total of 59 senior management staff and fifteen (15) executive management which represents a 7.5% increase in senior management staff from 55 in 2020

while executive management remained same number compared to 2020. The gender distribution of senior and executive management is provided below:

Year-on-Year Comparison of Senior Management Staff by Gender



Year-on-Year Comparison of Executive Management Staff by Gender



Cultural Pillar

All senior management staff are within the age categories of 30 to 50 years. The age categories of the executive management staff are 10 employees (67%) for 30 to 50 years and 5 employees (33%) for >50 years. Our senior and executive management staff categorization per location is shown below:

LOCATION	Number of Management Staff by Cadre and Gender		
	Senior Management		
	WOMEN	MEN	TOTAL
Apapa Plant	0	2	2
Salt Village Plant	3	9	12
Oregun Plant	6	24	30
Ota Plant	1	2	3
Port Harcourt Plant	2	5	7
NASCON Fleet Operations	1	4	5
TOTAL	13	46	59
	Executive Management		
Apapa Plant	0	0	0
Salt Village Plant	0	0	0
Oregun Plant	4	11	15
Ota Plant	0	0	0
Port Harcourt Plant	0	0	0
NASCON Fleet Operations	0	0	0
TOTAL	4	11	15

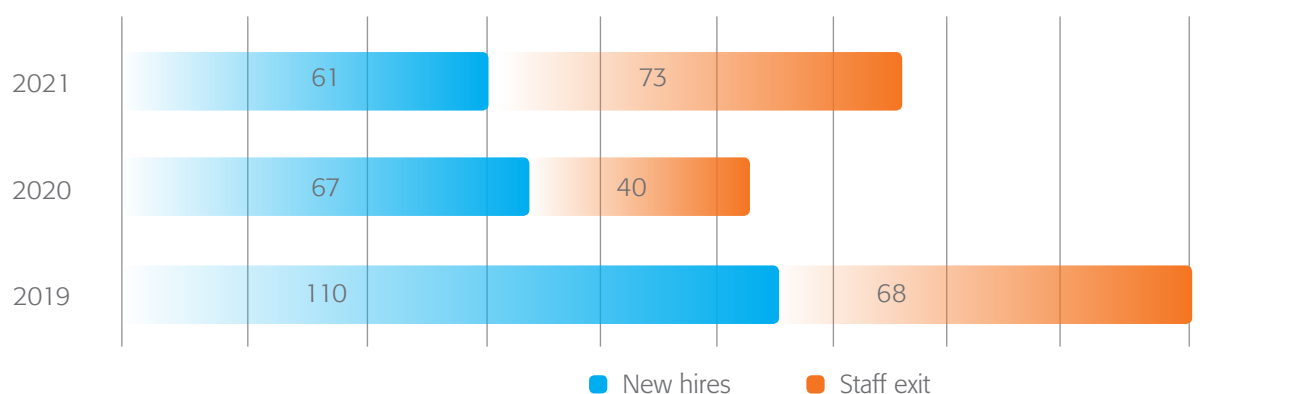
Employee Growth and Turnover



In 2021, we recorded a total of 61 new hires and 73 staff exits across all operating plants and fleet operations. This represented a 9% decrease in new hires from 67 in 2020 and an 82.5% increase in staff exits from 40 in 2020. We have compared employee growth and turnover year-on-year per location in the figure and table below:

Location	2019	2020	2021	2019	2020	2021
	New hire			Staff Exits		
Apapa Plant	-	-	-	15	4	9
Salt Village Plant	-	18	30	-	3	13
Oregun Plant	65	13	10	32	18	28
Ota Plant	27	10	-	4	8	7
Port Harcourt Plant	5	3	8	10	3	2
NASCON Fleet Operations	13	23	13	7	4	14
TOTAL	110	67	61	68	40	73

Year-on-Year Comparison of Employee Growth and Turnover



Labour Practices and Benefits



NASCON is thriving towards a work culture that grooms and keeps talent. To encourage and keep our employees motivated, we provide them with monetary and non-monetary benefit packages as outlined below:

All our employees are entitled to parental leave. Female employees are entitled to three months paid maternity leave. Furthermore, we complied with all labour and working conditions-related laws and compliance obligations in 2021. In Nigeria, this is mainly the Labour Act (1990), the Pension Reform Act (2004), the Factories Act (1987), the Employee's Compensation Act (2010), and the National Policy on Occupational Health and Safety (2020) amongst others. We have ensured that our labour

conditions and compensations complied with the International Labour Organization (ILO) standards and International Finance Corporation (IFC) Performance Standard (PS) 2 (Labour and Working Conditions) which we are committed to comply with as a socially responsible organisation. Our labour conditions and adherence to compliance is driven by our robust human resources policies and engagement activities developed to keep talent and meet compliance obligations.

These operational human resources policies govern the processes and administration of our workforce in areas such as leave, travels, diversity and inclusion, compensation and benefits, education and training, anti-bribery and corruption, anti-slavery, employee data privacy and protection, among others.

Employee Benefits

- Comprehensive Health Care
- Paid Annual Leave
- Parental Leave (Maternity Leave)
- Examination Leave
- Children Education Support Allowance
- Professional Body Subscriptions
- Long Service Awards

2021 Employee Engagement Activities

- Staff End of Year Party and Long Service Award
- End of Year Gift to all employees
- Covid-19 awareness sessions
- Virtual Medical Consultation for all employees
- Mental Health Support for all employees



Cultural Pillar

Learning and Development

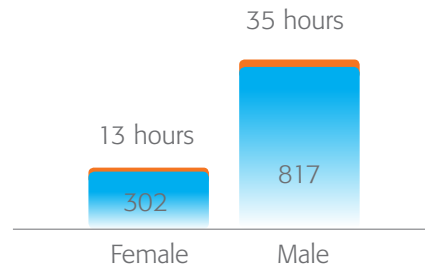
We understand that learning and development is a systematic process to enhance our employees' skills, knowledge, and competency, resulting in better performance. Specifically, learning at NASCON is concerned with the acquisition of knowledge, skills, and attitudes while development to us is the broadening and deepening of knowledge in line with our employees' development goals to match global skillsets.

Ultimately, we have a career review process to ensure that employees' activities are in line with their personal/developmental goals as well as our corporate strategic plan. Career reviews take place throughout the year for all employees and we ensured that for 2021, all employees (100%) received regular career development and performance review. In 2021, NASCON trained 1,119 participants (across numerous training programmes) spending a total of 32,521 training hours which is an average of 29.1 hours per employee. A total of 3,926 training hours were committed to training 302 female participants at an average of 13 hours per female employee. Also, 817 male participants spent a total of 28,595 hours in training at an average of 35 hours per male employee.

Some of the key training sessions held in 2021 are:

- Effective Permit To Work Implementation
- Performance Appraisal Workshop
- Good Manufacturing Practices
- Successfactors End-User Training
- SAP GRC Implementation
- Behavioural Based Safety
- Hazardous Materials Management
- Hypertension Webinar
- Supply Chain Management Workshop
- Hazard Analysis & Risk Assessment
- Emergency Response
- World Environment Day (Eco-System Restoration)
- Microsoft Excel Foundation
- Conducting And Managing Disciplinary Hearings At The Workplace
- Understanding Basic Sustainability Implementation Requirements: Monitoring, Measuring And Reporting Esg Impact
- SAP trainings
- Building A Sustainable Business Culture: The Fundamentals
- Supervisory Skills Development
- Benefits Of Effective Waste Management
- Mental Health In The Workplace Webinar
- Fsms 22000:2018
- Strategic Procurement Management Workshop

Total number of participants trained = 1,119
Average training hours = 29.1 hrs/employee



■ Number of Participants ■ Average Training Hours



Sustainability Training



To actualize our sustainability goals and objectives, we recognize the need to continuously build capacity on sustainability standards and reporting. In 2021, our staff participated in sustainability-related training sessions hosted by the Dangote Group Sustainability Function, external consultants, and the International Finance Corporation (IFC). The sessions were focused on understanding basic sustainability,

building it into a business culture, internal reporting, and GRI reporting. Twenty-eight (28) employees participated in three (3) training sessions recording a total of 148 training hours and an average of 5.3 hours per employee. This represented a 12% increase in total training hours for sustainability from 132 hours in 2020 and a 279% increase in average training hours from 1.4 in 2020.

S/N	2021 Sustainability Training Sessions	Categories of Employees Trained	Total Number of Employees Trained	Total Number of Training Hours
1	GRI Sustainability Reporting Standards (With GRI Standards Certification Option)	Sustainability Leads & Champions involved in Sustainability Reporting	3	48
2	Building a Sustainable Business Culture - the Fundamentals	Sustainability Leads, Champions, Volunteers and Key Function Owners	10	40
3	Understanding Basic Sustainability Implementation Requirements: Monitoring, Measuring and Reporting ESG Impact	Sustainability Leads, and staff from Environment, Health & Safety, Social Performance/Community Relation, Human Resources, Risk Management, Internal Audit departments in each location.	15	60
TOTAL			28	148

A result from the Employees ESG materiality survey showed that employees mostly regarded their engagement and education on sustainability as very important (78.26%) and important (17.39%). Employees' interest and engagement in sustainability were evident through the enhancement of their sustainability

knowledge through various platforms available within NASCON and the Dangote Group. The figure below shows the various avenues through which our employees enhance their sustainability knowledge.



Cultural Pillar

2021 NASCON Sustainability Week

NASCON employees participated in the 2021 Sustainability Week. The Sustainability Week is an annual event designed as an employee volunteering initiative to make measurable impact in host communities and improve environmental, social, and economic wellbeing.

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

In summary, 200 NASCON volunteers utilised 420 volunteering hours on initiatives that benefitted 600 students and two (2) host communities. While the number of volunteers remained the same (200) between 2020 and 2021, the number of volunteering hours increased by 58% from 266 in 2020 to 420 in 2021. This further reiterates our commitment to continuously support our local communities through the direct intervention of our employees.



The sensitisation and awareness initiatives undertaken included anti-bullying, gangsterism, and drug abuse amongst youths in Alayabiagba community in Ajeromi-Ifelodun LGA and Oregon community in Ikeja LGA. This initiative specifically contributed towards Target 4.7 (Education for sustainable development and global citizenship) in SDG 4 (Quality Education).



Our volunteers also set up an Information Technology Lab at Oregon Senior High School Ikeja Lagos. We provided 6 desktop computers, 4 UPS devices, one unit of 2-HP air conditioner, two units of 4-in-1 workstations, switch router, internet modem, and other accessories. This initiative contributed to Target 4.4: (Increase the number of people with relevant skills for financial success) in SDG 4 (Quality Education).



Furthermore, equipment and materials for this installation of a borehole were donated to Alayabiagba community in Ajeromi-Ifelodun LGA, to provide potable drinking water. We donated a pumping machine, two (2) water tanks of 6,000 litres capacity each, one fossil fuel powered generator, and solar power systems (panels, batteries, and inverter). This initiative specifically contributed towards Target 6.1 (Safe and affordable drinking water) in SDG 6 (Clean Water and Sanitation).



From the community materiality assessment survey and key informant interviews (KII) at Alayabiagba, only 5.13% of community respondents in Alayabiagba were aware of sustainability initiatives carried out by NASCON in Ajegunle. Community members recommended that future sustainability week initiatives should be inclusive and focus on peace and security.



Information Technology Lab donated to Oregun Senior High School, Onigbongbo, Ikeja LGA



NASCON volunteers after the execution of awareness on bullying, gangsterism, and drug abuse among the youths of Alayabiagba community and Oregun community



NASCON MD, Paul Farrer, and other volunteers during the handover of the Information Technology Lab



Donation of Sport materials

www.nasconplc.com


DANGOTE
Salt
Refined & Iodized



Endorsed by



It's not just salt, it's Dangote salt.



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 a 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.



Economic Pillar

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

There were bright spots for Nigeria in 2021 as the economy recovered from the COVID-induced disruptions of 2020. But some low points did Africa's biggest economy more harm than good. The highs and lows had an impact on NASCON's economic performance and the manufacturing sector as a whole. Beating analysts' expectations as well as projections from the International Monetary Fund (IMF) and the World Bank, Nigeria exited the pandemic-induced recession in February 2021, all of which pointed towards an exit at the end of 2021. This meant an increase in household spending which had an impact on our revenue.

Consequently, as the country's GDP grew marginally every quarter, NASCON's economic performance improved (our economic value created and distributed). However, the undulating inflation rates, restrictions on foreign exchange, security challenges, and the country's debt affected consumers' purchasing power which challenged our revenue targets for some months. Nonetheless, we were able to achieve an 18.8% increase in revenue year-on-year which translated to an increase in economic value distributed as well in terms of taxes, procurements, wages, dividends, and operating costs. Analysis from international and national experts have projected the Nigerian economy to grow by about 2.7% in 2022. Considering the manufacturing sector contributes about 13% to GDP, we have positioned NASCON to contribute to this GDP target in 2022 which in turn fosters our long-term objective of value creation and sustainable development of the country.

Contribution to job creation



As the largest salt manufacturer in Nigeria. We recognise the role of our business as a "force for good" to address the growing rate of poverty and unemployment across the country. Throughout our operations, we have created jobs for thousands of Nigerians. Aside from our direct job creation, our activities support thousands of jobs in our supply chain, by way of indirect and induced impacts. In 2021, our business activities supported over 5,000 jobs (direct, indirect and induced); which was calculated using the Social Accounting Multiplier Matrix. In 2021, staff (permanent, temporary/contract, expatriate) between 18 to 50 years constituted 830 or 96.1% of our total workforce, indicative of our commitment to supporting government efforts at combatting rising youth unemployment across the country.

Contribution to household income



The salaries, wages, and dividends that we pay are our direct contributions to household income which amounted to ₦3.3 billion in 2021, an increase of 6.3% from ₦3.1 billion in 2020; while our taxes, local procurement, and social investments are our indirect contributions which amounted to ₦16.7 billion in 2021, an increase of 627% from ₦10.2 billion in 2020.

Contribution to Household Income

Parameters	2021	2020	2019
Direct contributions	₦'000	₦'000	₦'000
Employee wages, salaries and benefits	2,263,997	2,068,563	1,855,820
Dividend paid to shareholders	1,060,122	1,059,775	2,649,438
Indirect contributions			
Tax payment	1,267,061	1,216,406	923,836
Local Procurements (All operations)	15,353,533	8,998,291	9,060,043
Social/Community Investments	35,864	21,134	802

Indirect economic impact



To support sustainable development and the United Nations Sustainable Development Goals (SDGs), we provide quality salts and seasonings for households and industries. Our value chain activities, spending and business investments boost local industries and create multiplier effects that support poverty alleviation, jobs creation, and improved livelihood. Building mutually beneficial relationships with our stakeholders and enabling local communities' sustainable development is key to our economic pillar.

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

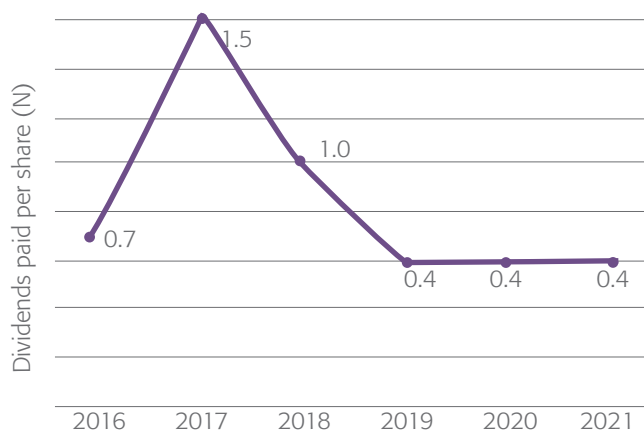


At NASCON, we continue to generate sustainable returns for our stakeholders. In 2021, we recorded higher sales volume year-on-year. Our gross revenue (economic value created) increased by 18.8% from ₦28.0 billion in 2020 to ₦33.3 billion in 2021, supported by our 2021 consumer activities and strengthened market penetration strategies. Similarly, our economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments) increased by 25.6% from ₦19.9 billion in 2020 to ₦25.0 billion in 2021.

Dividend payment history

We ensure that our shareholders get good return on their investments. We pay dividends and communicate our financial

performance to shareholders in line with regulatory requirements. In 2021, we proposed to pay ₦0.40 per share as dividend to our shareholders which amounted to a total of about ₦1.1 billion. The chart below shows our dividend payment history:



Responsible tax payments

NASCON is committed to adhering to all regulatory requirements concerning payment of taxes and other statutory returns. As required by law, we pay our taxes to government on an annual basis. In 2021, our tax expense amounted to the sum of ₦1.267 billion which was an increase of 4.2% from 2020 tax payment of ₦1.216 billion. Other details about our 2021 tax returns can be found in relevant sections of this report.

Parameters	2021	2020	2019
	₦'000	₦'000	₦'000
Economic Value Created (EVC): Revenue	33,279,688	28,010,059	27,487,788
Economic Value Distributed (EVD)			
Operating costs*	21,320,319	16,447,633	21,647,079
Employee wages, salaries and benefits	2,263,997	2,068,563	1,855,820
Payments to providers of capital	130,160	171,898	
Tax Expense	1,267,061	1,216,406	923,836
Social/Community Investments	35,864	21,134	802
Total EVD	25,017,401	19,925,634	24,427,537
Economic Value Retained			
EVC – EVD	8,262,287	8,084,425	3,060,251

*Excluding administrative costs.



The Real Deal

Taste Like No Other



Introducing Dangote Seasoning
www.nasconplc.com

Great Meals, Great Moments



Operational Pillar

Modern, efficient factories producing the highest quality salt

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.




Operational Pillar

Our Strategic Value Chain

 NASCON Allied Industries Plc is Nigeria’s leading refiner and distributor of household, food processing and industrial use salt. Since its establishment in 1973, NASCON operations have grown to serve the needs of both retail and industrial consumers by providing different salt products. We employ over 850 people in our factories, warehouses, fleet and offices throughout Nigeria (Salt Village, Apapa, Oregun, Ota and Port Harcourt), with our headquarters in Oregun, Lagos. We strictly adhere to rigorous industry and regulatory standards that ensure quality products for Nigeria’s ever-increasing consumer and developing industrial markets. Our products have Standards Organisation of Nigeria (SON), International Organisation for Standardization (ISO) and the National Agency for Food and Drugs Administration and Control (NAFDAC) certifications.

We have three regional sales offices that manage our warehouses and other distribution centres strategically located to serve our markets. We own over 300 trucks and manage the distribution of our products across Nigeria. We produce refined iodized table salt in sachets (250g, 500g and 1kg) for consumption and Pure Dried Vacuum (PDV) in 50kg bags for corporate customers alongside other categories. NASCON is also involved in the production of seasonings. Our production value chain is shown in the figure below

Operational Efficiency

 NASCON prides itself on its production volumes and uses state-of-the-art technology and manufacturing methods to ensure we meet our volume targets yearly. We drive operational efficiency with the highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that exceeds our esteemed customers’ expectations.

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 efficiency, we continuously invest in innovative technologies and processes that promote our goal of utilizing available production capital optimally and resourcefully.

As a responsible brand, our focus on operational efficiency demands that we maximise value from raw materials and local resources and be mindful of occupational health and safety and our footprints in the physical environment. The various products in our portfolio are designed to fulfil our customer’s demands for quality and user-friendliness. All of these are done under very hygienic and clean-room conditions, complying with the highest global quality standards that are used in food production.

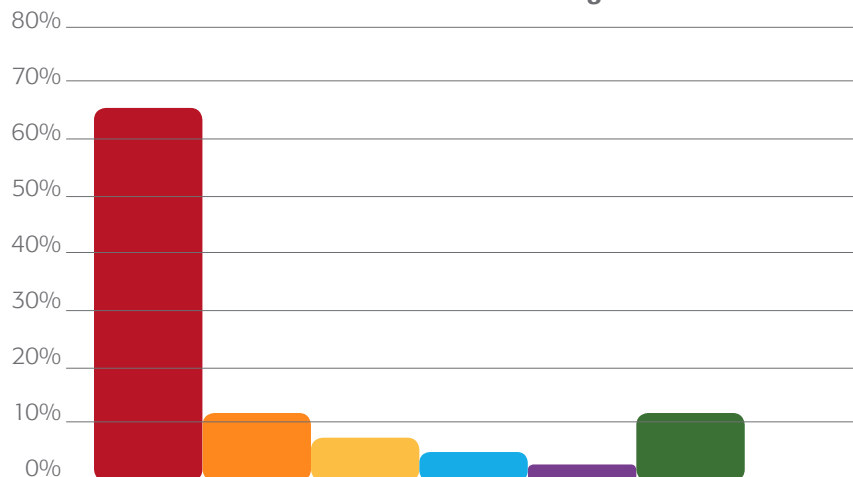


The production volume percentage for each product in 2021 is displayed below:

2021 Production Volume: Percentage of each Product

EDIBLE	67%
PDV+Table	11%
500g	7%
25g	3%
1Kg	1%
OTHERS	11%

2021 Production Volume: Percentage of each Product



Operational Pillar

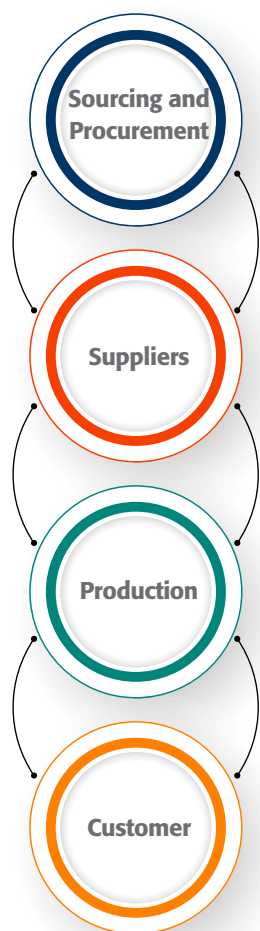
Building a Sustainable Supply Chain



Supply chain management is of great importance for NASCON's business operations, as it ensures the sourcing of raw materials, production, and delivery of quality products to customers promptly and to the highest quality standards. Our supply chain process covers our entire process from the selection of vendors, production processes, warehousing, transportation, risk

management and governance throughout the supply chain. This sets the foundation for a positive organisational performance and sustainable supply chain. Across all stages in our supply chain, we are implementing processes and structures to embed sustainability and ensure we offer the best quality products while providing a diverse portfolio of salt offerings for our customers, minimising our risk exposures and our environmental impacts.

We have detailed our approach to our sustainable supply chain in the following processes below:



Responsible sourcing of raw materials

Ethical sourcing of materials is the first step in our process, we ensure that the raw materials for our production is sourced responsibly. From the point of manufacturing and throughout the value chain, we ensure that raw materials for our salt are sourced from certified suppliers possessing a Certificate of Analysis (COA), which is reviewed and documented by our team. Upon arrival into Nigeria, same review is conducted to verify the result of the initial analysis. We also perform internal audits to ascertain alignments to responsible sourcing. We keep working to ensure this process is free from instances of human rights violations, child- and forced labour.

Supplier Evaluation

NASCON enforces a supplier ESG assessment system which is embedded in our enterprise risk management process. It includes stringent due diligence processes of all suppliers prior to registering as a new supplier. Several criteria are used for the process of evaluating a new supplier, including production controls, product quality and safety standards, as well as labour practices. We also have series of controls in place to validate the process of selecting suppliers including prioritising local suppliers where applicable to boost the local economy. We also seek our supplier's feedback on environmental and social issues through the annual ESG materiality assessment surveys.

Product Quality and Safety

Product safety is a top priority for us at NASCON. This requires the utmost care in the production process from the sourcing of raw material to product delivery to the customer. The products must comply with international standards, that is be of good quality, hygienic, and free from contaminants that may harm customers and consumers. The products must also meet customers' diverse demands. We have dedicated quality assurance and control team that oversees and ensures quality standards. They examine, analyse, and plan quality development arrangements that meet local regulatory and international standards.

Customer Education

NASCON promotes sustainable consumption as well as health and nutrition by raising awareness about appropriate salt consumption, the benefits, different types of salt, and health and wellness tips. We also offer clarity in our product labelling to inform the purchasing decisions of our valued customers.

Procurement Practices



NASCON's procurement process flow sets out the expectations for our suppliers. 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. As we continue our sustainability journey, we will explore alignment to international standards on sustainable procurement such as ISO 20400:2017. The ISO 20400:2017 sustainable procurement standard is the first international standard in procurement to enable organisations to efficiently develop and implement policies and practices in sustainable procurement. The standard dictates clear guidelines on sustainable procurement such as risk management, transparency, human rights, and ethical practices. Although supply bottlenecks may result in limited availability of raw materials, we mitigate these procurement risks through market analyses, targeted supplier selection and evaluation, long-term supply agreements, clearly defined quality standards, and state-of-the-art purchasing methods.

Promoting local content in our procurement



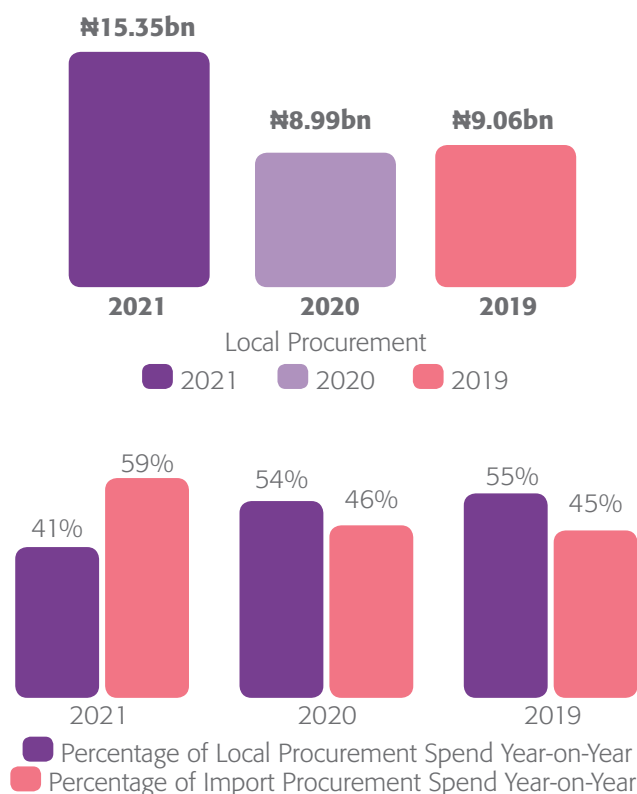
Strengthening our supply chain ensures that we reduce the risk of disruptions, remain at the heart of our suppliers and ensure we build a fair and empowering environment for them to thrive. We do this by investing in local suppliers and ensuring our procurement



practices are fair and transparent. The local suppliers that supply us are often the backbone of their local communities and play a significant role in driving the economic development of their communities. We recognize that buying from them contributes to the growth of the Nigerian economy, reduces inequality and increases the local purchasing power. In 2021, we increased our procurement spend from local suppliers to N15.353 billion, which is a 41% increase from N8.998 billion in 2020. The year-on-year improvement in local procurement numbers is shown below:

NASCON's total procurement spend which includes technical goods and services, raw materials, consumables, and supplies increased by 24.8% from N19.4 billion in 2020 to N25.8 billion in 2021. For the first time, we have ensured local procurement spend was of a higher percentage (59%) than foreign (import) procurement spend (41%) in relation to total procurement spend for 2021. The trend shows a movement towards more investments in local suppliers which underscores our commitment to local development.

Local Procurement Trend



Operational Pillar

Our Product Quality, Assurance, and Customer Responsibility Strategy



Product responsibility underlines our intent to achieve excellence in our production process, it is evidence of our non-compromising approach to product quality and customer satisfaction. We have implemented several practices across our supply chain to ensure compliance with regulations and our operational standards. Our unique expertise and process control all through the production processes assures our delivery in ensuring that quality always comes out on top. Laws and regulations touch all aspects of our business – from how we make, market, and sell our products to how we label, do business with suppliers, and procure materials for production; NASCON adheres strictly to the letter and the spirit of all laws applicable to the conduct of our business.

We ensure that we produce Dangote refined salt in line with applicable regulations. We align with the code of practice of the NAFDAC. As a leading manufacturer of refined salt, seasonings, and other consumables, we are committed to producing high-quality food and agro-allied products using best manufacturing practices. Our business principle is centred on quality products, services, and customer satisfaction. We are therefore committed to continual improvement and periodic review of policies, objectives, processes, and systems in line with the requirements of NIS (Nigeria Industrial Standards) ISO 9001:2015 Quality Management System Standards, NASCON's Food Safety Policy Statement and Quality Policy Statement. As part of our efforts to engage our customers and build channels of communication that enable our customers to fully understand the value of our products, we engage in programs and initiatives that foster customer knowledge and growth.

Product fortification

Contributing to healthy nutrition in Nigeria remains a priority for us, we take extra measures to fortify our salt with Potassium Iodate which contains the micronutrient iodine required for the formulation of thyroid hormones which helps bone and brain development during pregnancy and infancy, among other health benefits. By doing this, we are complying with SON NIS on food-grade salt production.

Product quality and assurance

We apply quality assurance (QA) procedures and processes to ensure that the final product complies with local iodization standards which involves sampling and testing of the final product. Our quality management system is based on ISO 9001 and is audited by accredited external certification companies. We constantly assess our products for possible risks to health and safety and their environmental compatibility and ensure that they are safe for people and not harmful to nature when they are used responsibly and properly. Our Plant is also a HALAL Certified Plant & SMETA 4-Pillar Certified Factory.

Product information and labelling

We provide clarity and transparency of our product make-up to empower our customers to make decisions, our packaging has all nutritional information clearly stated in complete adherence with relevant regulatory labelling formats. Based on regulatory requirements, we provide our customers with comprehensive information about our products and ensure that the fortification logo indicating that our salt is fortified is strategically placed on the label. The label also indicates iodine content in mg/kg, expiry date/best before date as well as details of our contacts as required by NAFDAC.



Packaging practices and responsible waste management

As an environmentally responsible entity, we are committed to reducing waste in packaging by implementing practices to minimise, reuse and recycle materials in packaging to achieve near-zero waste outcomes in our processing facilities.

Marketing and communication practices

Our marketing and communication approach is built on our culture of responsibility to customers and ethical business practices. We communicate the value of our products to our customers and stakeholders and ensure we align to regulatory requirements and best practices in doing so. In the reporting year 2021, we recorded no sanctions on marketing and communication practices.

Customer responsibility

Customers and consumers are critical stakeholders in any business operation. An organisation can grow sustainably only when it can serve the needs of its customers and consumers. As such, NASCON is committed to developing quality products and services, giving attention to every detail, and putting product hygiene and safety at the forefront. We implement management systems and international standards throughout our supply chain, from the receiving of materials through to production. Our stringent product assessment systems, after-care services, and quality checks guarantee trust and confidence from customers and consumers, as we strive to promote superior customer relationships and satisfaction.

Measures used to address public/customers' health and safety concerns during production

We have put in place a robust system targeted at protecting public health, and the health and safety of workers in the production process. These include the permit to work, weekly pep-talk, equipment inspection to ensure safety and fitness, monitoring environmental compliance, a Safety audit of the production system, close supervision of staff, interested parties' engagement (Host communities) and weekly reporting of performance.

Sales, Marketing and Promotional Activities



As we aim to be the most customer-focused provider of salt mineral products in the market through our high product quality and reliability. We strive for the greatest possible proximity to our customers and offer them tailor-made products worldwide through our established and customer-oriented distribution network. The Commercial Excellence project initiated as part of SHAPING 2030 is aimed at improving all customer-facing aspects of our business. To increase sales and grow our market share, we engage in several sales and marketing activities of our products to drive awareness and promote their availability. As one of Nigeria's largest salt and seasoning manufacturer, NASCON places great importance on promoting and maintaining good customer and consumer relationships to ensure the highest level of satisfaction. Our marketing and engagement activities include making customer visits, participating in trade events, holding dedicated workshops, conducting regular customer satisfaction surveys, and continuous development of new products and services. We believe that these activities help to strengthen relationships paving the way for mutual growth.

Compliance with marketing and labelling guidelines

Our sales and marketing efforts seek to accurately inform purchasing decisions and consumer choices by bringing the highest standards and level of integrity to it. We follow all applicable laws and regulations regarding the promotion, marketing, labelling and sales of our products, including ensuring that our communication is clear and void of ambiguity, legible, truthful, accurate, balanced, fair, complete, and not misleading, and is consistent with regulatory approvals for our products.

Customer Care Annual Report

As part of our yearly activities, we document our customer care performance for each outgoing year using the customer care annual activities to create more awareness of our products and services, appreciate our internal and external customers and report achievement and strategies to meet our goal via the customer care platform. We engage in transparent and open communication with all our market participants to maintain and strengthen confidence in the quality and integrity of our value-offerings. During the reporting year, we held several sales, marketing, and promotional activities as well as consumer engagement initiatives. These, and the locations where they were held are reflected in the table in the next page:



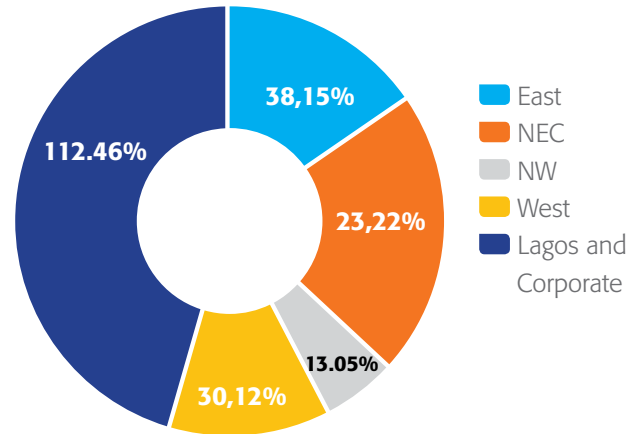
Operational Pillar

Activity	Brief description
2021 Customer Week	Customer Service Week is an annual event celebrated globally to raise awareness of customer service, appreciate customers for their loyalty and to appreciate the staff for the role they play in delivering service to boost morale and motivate them.
2021 Salt Art Challenge	Salt Art Challenge is an annual competition organised by the brand to engage the younger segment of our consumers who are lovers of the art. It requires participants to create any art of their choice, using Dangote salt. Selection is streamlined from the multiple entries sent in to 50, 10 and then, the final 3, who are rewarded with N500,000 (1st position), N300,000 (2nd position) and N200,000 (3rd position).
2021 Abuja Plantain Festival	The Abuja plantain Festival is a yearly event that brings together plantain lovers from across the world, to celebrate the goodness of plantain with food bloggers, chefs and more. Dangote Salt being the headline sponsor of the event, sampled consumers with different plantain delicacies as well as products. It was an all-round successful event with positive feedback from consumers.
2021 Lagos International Trade Fair (LITF)	2021 (LITF) was held between November 5 and November 14 at Tafawa Balewa Square (TBS) Lagos. It was the biggest trade fair in Nigeria and in the West and Central Africa sub-regions with over 200,000 visitors across the globe. The Dangote day was on the 10th of November 2021. Consumers were sampled throughout the fair, with different products, as well as sales of product items in general. It was a successful event as consumers applauded the brand for rewarding them with products and branded gift items.
2021 Kano International Trade Fair (KITF)	The KITF was held between 27th November and 12th December 2021 at Trade Fair Complex, Zoo Road Kano. The Dangote day was on the 10th of December 2021. Consumers were sampled throughout the fair with different products and attendees were rewarded with promotional items.
2021 Glitz Fair	The grand finale of the Glitz 5th anniversary kicked off on Tuesday 28th December 2021 at Menna Event Center, Kano. The event presented the NASCON team the platform to showcase the brand and gave out meals prepared with Dangote Iodized salt and Classic seasoning. With about 2,500 women in attendance, it was also an opportunity to create brand awareness through product display and cooking competitions. There was brand education through one-on-one engagement by brand ambassadors.
Market Impact Team and Sustenance Drive for Refined Salt & Seasoning	Market Impact Team was carried out in select regions (East and North Central region) for visibility items deployment, product seed-in and outlet recruitment for Refined Salt and Seasoning. A sustenance drive was also executed in the West region.
Redistribution Trucks Deployment	30 units of 2MT Redistribution Trucks were allocated to deserving distributors to compete favourably in the international Fast Moving Consumer Goods (FMCG) and Consumer Package Goods (CPG) space, by ensuring our products are delivered in a good, safe condition to the retail end. This was to enhance our retail distribution network (route to market) by ensuring our products are visible and available on all table-tops in all major markets across Nigeria. This will help achieve the desired level of market penetration.

Our distribution network – distributors and retailers

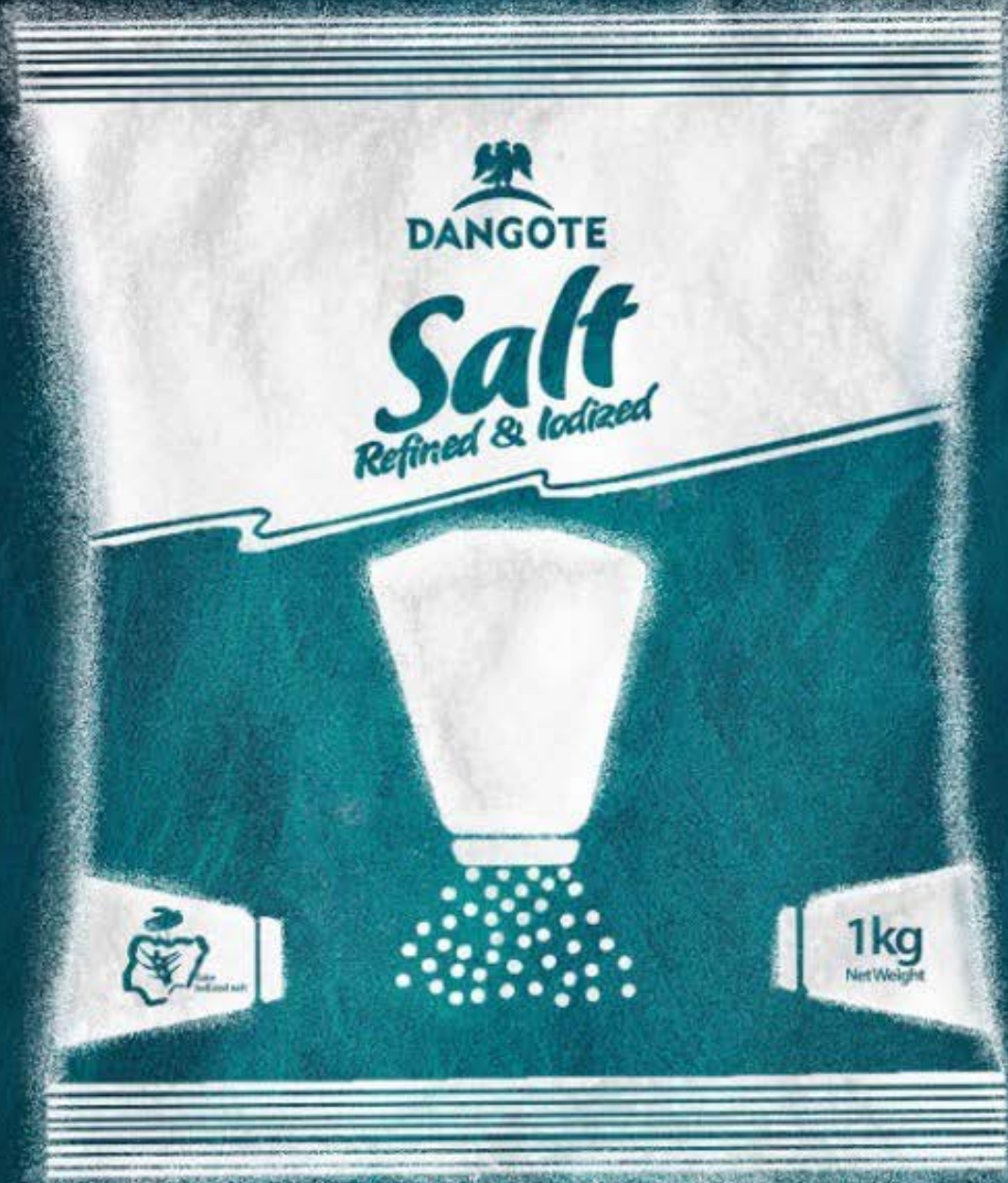
We continue to build our distributor network as we seek to continue to meet our customer targets and expectations. NASCON sells its products directly to distributors who redistribute to small retailers or outlets, wholesalers, confectioners, and supermarkets. We also provide freight services to customers of finished goods purchased to their destinations. In 2021, we recorded a 1% growth in our distributor network and 7% a growth on both refined salt and seasoning retailers/outlets networks as we seek to continue to meet our customer targets and expectations.

Customer Service issues Reported and Resolved Per Region



Our Distributors' Network	2019	2020	2021	Percentage Growth
Retailers/Outlets (Seasoning)	34,550	35,873	38,241	7%
Retailers/Outlets (Refined Salt)	209,072	184,579	197,444	7%
Distributors	612	605	609	1%





**Quality
Salt
you can
trust**



Endorsed by



It's not just salt, it's Dangote salt.



Health, Safety, Social and Environment Report

“Our goal is to continually create a safety culture, where all unsafe acts and conditions are identified and prevented”

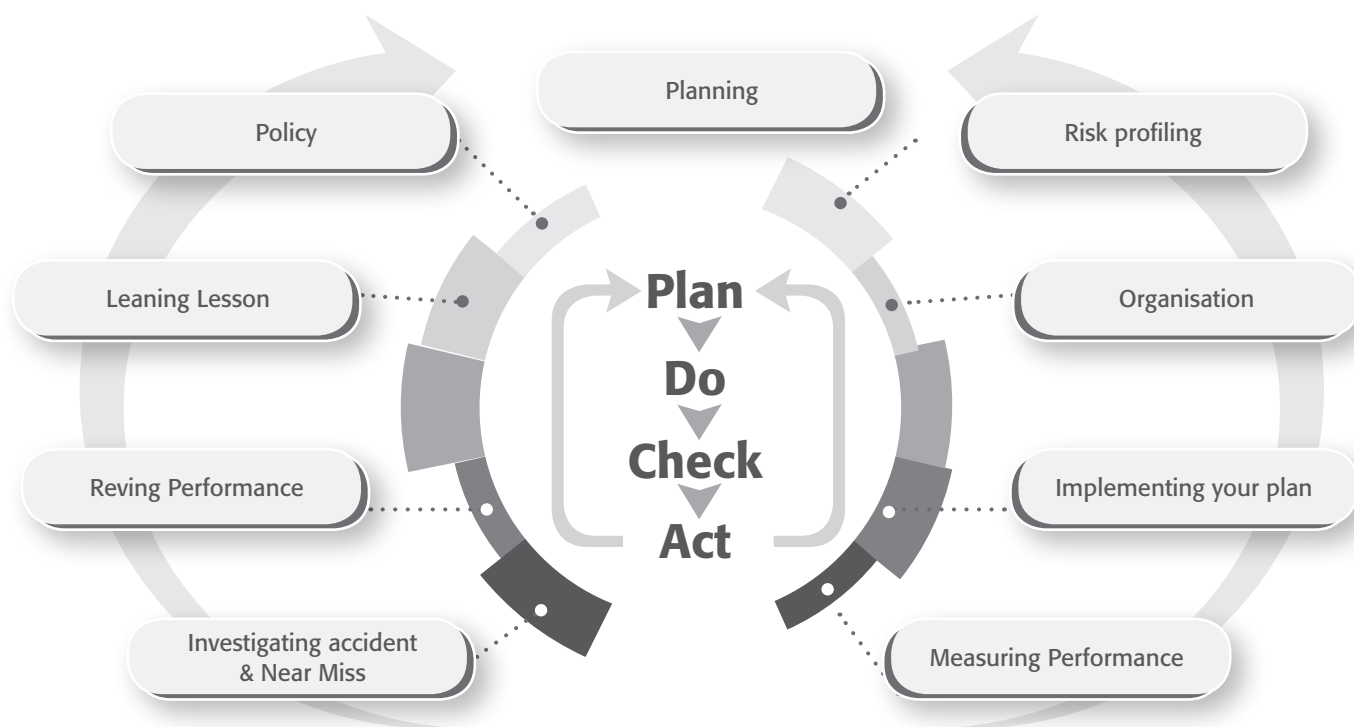


This report provides an overview of the key performance indicators which NASCON’s management has set as its commitment to drive and promote an HSSE & Sustainability compliant organisation. Over the years, we have identified areas of our weakness and have introduced plans that have improved such areas. Furthermore, to achieve this agenda, the management sets a yearly slogan and for this year, we chose “Safety! Staying safe together!”. This we call the one-stop shop for safety.

The effective management of HSSE & Sustainability in NASCON is not only regarded as compliance matters but as ethics and moral standard for the business. NASCON believes that it is only a business with the right HSSE & Sustainability culture that can make a profit and declare dividends to her shareholders and increase her investment portfolio.

For every employee, visitor and contractor, it is an all-inclusive means of promoting our desires to prioritise safety, eliminate hazard that could be released and cause accidents in the

Health, Safety, Social and Environment Report



workplace. We believe that every employee and contractor should go back home to their family the same way they came to work, that there shall be no environmental damage and/or equipment downtime due to poor technical skills that could affect production and reputation before our regulators and customers.

Our Corporate Policy

We take proactive steps to ensure we eliminate activities that have the potential to cause an accident and all incidents are reported and investigated. Employees are trained and engaged in productive skills and we stop at nothing to ensure we provide appropriate Personal Protective Equipment (PPE) for all staff and adequately educate our contractors and host communities periodically on our HSSE & Sustainability policy.

Our Corporate Strategy

NASCON HSSE & Sustainability strategy is geared towards lifesaving rules, setting targets and yearly plans that are achievable in line with the Board and Executive management endorsement. We pay attention to eliminating equipment breakdown while optimizing production through efficiency, improving the environment where we operate and then continuously improving our systems to align with the latest technology in our business. NASCON management demonstrates their commitment by

setting a yearly goal that is tied to Plan-DO-Check-Act which is based on risk and opportunity in all aspects of the organisation where all activity is considered as critical to the safety of the business and health of its employees.

Our Corporate Objectives

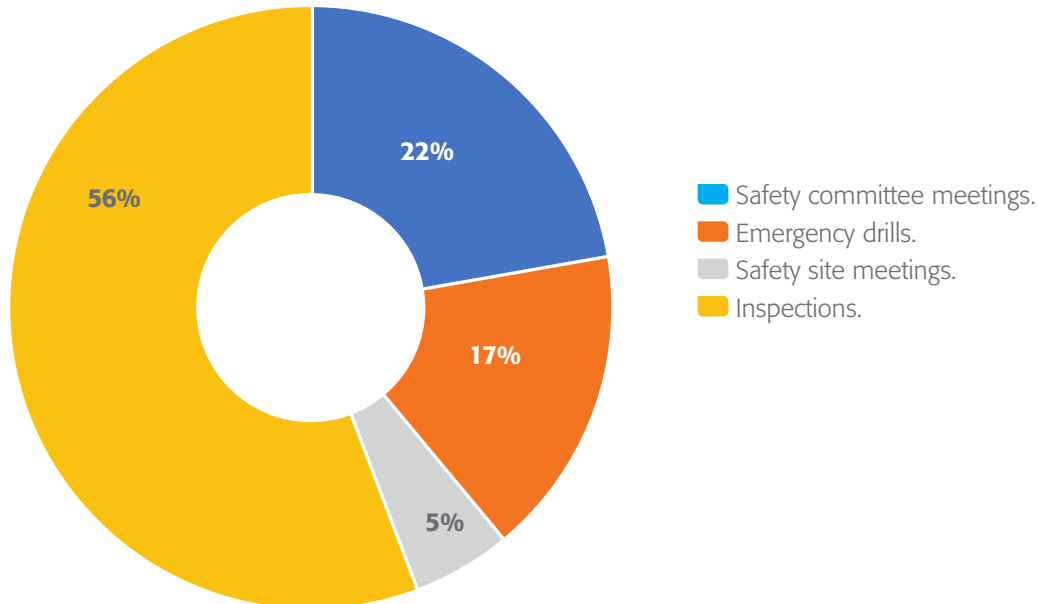
NASCON has placed a high value on people, environment, assets, and reputation of the organisation. Our focus is to create an accident and injury-free operations, build a proactive safety culture where the safety and health of every employee is taken extremely important.

Health

NASCON pays utmost attention to the health and wellbeing of its employees. The overall objective of this attention is to promote an occupational health program that is focused on maintaining the physical and mental wellbeing of our employees and complying with the regulatory requirements as well as its legal obligation.

We have a regime in place that periodically assess and measure medical examination according to the risk of each function in the workplace. We have in place a comprehensive and competent medical team at the site clinic, which regularly check vitals of employees and manage medical cases. The medical team conduct pre-engagement medical fitness test for all new staff.

2021 HSE Performance Chart



In 2021, we launched a plan that includes occupational hazards that are associated with our operation such as respiratory illness, noise, vibration, ergonomics, Blood pressure and cardiovascular issues.

As a business we have identified malaria as one of the causes of lost time in our business, hence we have conducted risk assessment and introduced action plans to reduce or even eliminate the rate of malaria and its impact to the business. We have begun a campaign called "Kickout Malaria in NASCON" We conduct Malaria awareness training for the entire NASCON to improve the proactive measures employees can adopt both at work and at their homes to stay free from mosquito bites which is the main cause of Malaria. We ensure adequate clearing of our workplaces and quarterly perform fumigation exercise.

Safety

In NASCON, we consider safety as a business entity and treat it as a profit center, we believe that hazards that cause accidents can be eliminated to save revenue and expenses of litigation, protect brand reputation and most importantly prevent pain to individuals and families. Therefore, we setup objectives aimed to strategically eliminate hazards and focuses on the 4M's (Man, material, machines, and mother-nature), because if any of these are impacted, it will affect the business.

NASCON has a HSSE policy that takes care of both employee and stakeholders' orientation and development. This policy is communicated to all employees, contractors, and visitors via physical engagement and through emails and online briefing. We have a comprehensive team called the safety steering committee; this team are saddled with the responsibility to review safety concerns from each plant and they hold their meeting bi-monthly as chaired by the Managing Director. All unsafe acts and conditions, near misses, incidents, and the entire performance of the HSE team and action plans are measured to improve the safety culture of the business. We have contractor safety management system; this system gives NASCON the opportunity to evaluate and monitor her contractors in health, safety, and environment. Pre-job safety risk assessment are performed and a permit to work system is applied, including work method statement. All of these are performed to ensure we have zero accident in our business.

Social

As a business that is focused on sustainability, our social component is one of our strengths and strategies in our business sustainability model. Our host community is not only considered as an interested party but as a partner in our organisation transformation agenda. NASCON leadership has consistently engaged her host communities. First, we approach each of our

Health, Safety, Social and Environment Report

host community in its own dynamics and complexity. NASCON treats each community uniquely.

Our approach to our host communities is a top-bottom approach which ensures everyone's engagement, and no one is left outside the cycle. For example, we engage the Baale, Council or Chiefs, Women group, Youth's representatives, Community development committee, and other interested parties i.e. National Union of Road Transport Workers (NURTW) through our periodic stakeholders engagement process (SEP) meetings.

Environment

NASCON takes the environment as a moral and ethical responsibility to be protected and sustained. Hence, our systematic approach to achieve environmental KPIs is a well thought out plan to ensure an all-inclusive environmental policy, procedures and targets. We follow our environmental management plan (EMP) very continually, by monitoring our environmental activities and rectifying the outcomes with the Ministry of Environment for both State and Federal levels.



Transport Safety

NASCON transport seems highly likely to achieve the goals and objectives of the business on Road Safety performance by stabilizing and reducing the forecast level of road accidents and fatalities ratio by 2021. NASCON management has committed her leadership to driving a safe transport operation by prioritizing of allocation of resources and capacity building programs for the transport team. This is mainly driven by consistently investing in purchasing brand new trucks, enrollment with the FRSC RTSSS, internal safety training and inspection event from our third-party inspection companies. Their high commitment to road safety matters, increased interest of development and rebranding of the transport safety mandate and partnering with other major players in the road safety industry has transformed the NASCON transport unit.

In the year under review, the transport team of NASCON won the award of best haulage company out of the 684 companies that enrolled for the RTSSS Program with the FRSC. NASCON was among the 9 organisations that were recognize by the Federal Road Safety Corp in the RTSSS program. We trained over 280 of our drivers in the last year on several important aspects of defensive driving. We set up processes for pre-trip inspection (PTI) for each journey. NASCON has established Journey Management Plan (JMP) which has transformed our fleet drivers ideology into best practices on how fleet is operated globally. Today in NASCON we operate a fleet that has at least 3 stop and rest points along each of our routes nationwide.

Jude Amaechi

Head, Health, Safety, Social & Environment (HSSE) and Sustainability



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.



Social Pillar

Social Investment

We are committed to supporting host communities and partnering with them to achieve specific socioeconomic objectives. We prioritize community development as our way of giving back to host communities while also contributing to the SDGs and the country's national development plan. Serving our communities forms the basis of our social pillar.

This became especially critical in the years 2020 and 2021 due to the long-term effects of the COVID-19 pandemic on the health and financial well-being of our customers. We have doubled down on ensuring we do our part to aid the recovery of our host communities, valued customers and other key stakeholders. We continue to invest in community initiatives that provide economic support and relief to identified risks in our host communities. In communities where we operate, we

contribute to socio-economic well-being through direct and indirect employment, skills transfer and capacity building, local entrepreneurial development, and patronage of local vendors and contractors.

Being the right partner of choice with our host communities is central to our business strategy and operating philosophy. This is because we recognize that sound community relationships based on mutual respect and trust are essential to securing our social license to operate.

In 2021, we spent a total of ₦35.9 million on social investment projects, representing about 1.21% of our 2021 profit after tax (PAT). This is a marked improvement from 2020 where we spent ₦21.1 million which was 0.79% of 2020 PAT.

Year	Total Social investment spending (₦'000)	Profit After Tax (PAT) (₦'000)	Percentage of PAT as Total Social investment spending [Per Year]
2019	802	1,845,243	0.04%
2020	21,133	2,690,310	0.79%
2021	35,864	2,970,982	1.21%

We have detailed our recorded successes below and will continue to strive to contribute to empowered communities through our partnerships and programs. We believe in supporting development in local economies and assisting governments in providing access to quality water, education, healthcare, and public infrastructure.

Spending Category	Cost of project (₦'000)			UN SDGs Alignment	2021 Percentage of Total (For Each Spending Category)
	2021	2020	2019		
COVID-19 Support & Donations	-	14,000	-	3, 11, 17	0.00
Water/sanitation	-	-	802	3, 6	0.00
Security and safety	505	-	-	3, 11	1.41
Infrastructure (electricity, road and drainage)	5,760	1,600	-	9, 10, 11	16.06
Education and scholarships	5,845	5,294	-	4, 8, 10, 11, 16	16.30
Sports	300	-	-	3, 11	0.84
Donations, support and grants to host communities	6,265	240	-	1, 11, 16, 17	17.47
Donations and grants to CSOs/NGOs and development bodies	17,189	-	-	17	47.93
Total Expenditure	35,864	21,134	802		

- Infrastructural development such as road construction in Ota and repair of road leading to the Oregon office.
- Cleaning of drainages and roadside at Oregon.
- Sensitisation of local schools at Oregon and Ajegunle on career, drug abuse, COVID-19, sanitation and hygiene, dangers of bullying, etc.
- Donation of gifts to the Baale of Alayabiagba and his chiefs during festive seasons.
- Sponsorship of the rebuilding of the Ajeromi-Ifelodun LGA Secretariat after it was burnt during the 'End SARS' protests. Support rendered included vehicles, renovation of the local government building, furnished the offices.
- Education empowerment through the construction of a library, furnished the IT lab through the provision of computers, printers, scanners; school renovation and electrification at Oregon Boys and Girls High School.

Anti-Corruption and Whistleblowing



As a trusted company, NASCON is saddled with a responsibility to ensure a commitment to high ethical standards across all our operations. NASCON thrives with this responsibility as we have implemented policies and continue to build a culture that prohibits improper, unethical, or illegal activity and promote the performance of due diligence on our operations and partners. We are strengthening our compliance management and ESG governance while taking the necessary steps to build a culture of compliance. Our values are anchored in our Code of Conduct as well as in our Supplier Code of Conduct and underscored in binding policies.

Anti-corruption

NASCON has zero tolerance for bribery and corruption in any form. NASCON's Anti-Bribery and Corruption Policy establishes our commitment to the highest standard of ethical conduct in all operations and business activities. We have a whistleblowing policy that mandates that all identified cases of fraud and corruption be reported to the relevant authority without any fear of reprisals. During training and on-boarding sessions, we also ensure our staff are made aware of our stance on bribery and corruption. NASCON has rolled out different activities aiming to create awareness of the threats of fraud both within the organisation and across the supply chain. Examples include annual training sessions about the principles and prevention measures of Anti-Fraud and Corruption for employees and suppliers, together with the business's Code of Conduct. The content is continuously adjusted to fit present-day situations,

such as the change in legal requirements and distinct characteristics in business operations. In the 2021 reporting year, we had no recorded cases of bribery and corruption. This underscores our commitment and confidence regarding Anti-corruption mechanisms that are at par with global best practices. Also, during the year under review, NASCON did not make any political contribution (financial and in-kind) directly or indirectly to any political organisation in all our operations.

Whistleblowing

NASCON incorporates all related parties to monitor, report, or issue complaints regarding inappropriate operations and misconduct of its employees. This ensures that the assessment process is efficient that it enhances fairness and equality for all stakeholders. NASCON has established a grievance mechanism that includes reporting procedures such as identifying the actions taken once complaints are detected, whistleblowing channels, and protecting the rights of the complaining party, suspected violators, and related parties. The mechanism also involves investigation details and evidence as well as protective and confidentiality measures. In 2021, we had 3 whistleblowing cases (2 from our Salt Village Plant and 1 from the Port Harcourt operation), all of which have been resolved in line with our fair and anonymous whistleblowing process managed by a third-party consulting firm (KPMG).

Host Community Engagement and Grievance Management

The communities represent an important part of NASCON's support system for operations. We depend on local communities for a conducive operating environment, materials, suppliers, employees, etc. It is therefore imperative that we ensure we continue to manage our relationships and empower our support systems. NASCON utilises a community needs assessment (CNA) process to identify the needs of our host communities. It is crucial for our social sustainability, consequently improving our Environmental, Social and Governance Performance. A community needs assessment process that underpins the development of a context-appropriate Community Development Plan (CDP) was executed fully in 2021. This study was executed by a third-party sustainability consultant (Translantic Development Limited) essentially provided us with a snapshot of the host community's local policy, social systems, infrastructure, and environmental change strategies currently in place and identified areas for improvement and needs. With the data as a tool of decision making, NASCON started working closely with



Social Pillar

the host communities to map out a course for improvement by creating strategies to make positive and sustainable changes. Our CNA process is shown below.

In 2021, we received and resolved one community grievance complaint from one of the communities around the Salt Village Plant bordering on environmental impact and safety due to elevated noise levels during operation. Also, in 2021,

we executed a total of 6 Community Stakeholder Engagement sessions (4 in Salt Village, 1 in Oregon and 1 in Ota) and completed 2 community projects which were the provision of boreholes materials in the host community. We did not record any case of any social incidents or disruption nor lose any man-hour to social incidents (host communities' disruption or disturbances).

Community Needs Assessment (CNA) Process



Community Development Case Study – Alayabiagba Community

NASCON recently acquired a new facility in the Alayabiagba community, Apapa area of Ajeromi-Ifeلودun Local Government Area of Lagos State, which is currently being used as a new salt factory. The factory is located on Maalu/Mobil Road in the Apapa area of Lagos, a port city area characterized by high-density residential housing and significant industrial warehouse facilities and logistics terminals. Towards establishing and maintaining a healthy stakeholder relationship and social license to drive her environmental, social and corporate governance goals, NASCON decided to conduct a CNA and subsequently develop a CDP for the host community – Alayabiagba which has eight compound areas: Akatanpo, Alayabiagba, Anthony Agboje, New Alayabiagba, Okorogbo, Olubukola, Tunkarimu, and Ugbowankwo. From the CNA conducted in January 2021, the residents of Alayabiagba community identified their key needs including:

1. Potable water supply
2. Employment and empowerment opportunities, specifically for women and youths etc.



Health and Safety Performance

3 GOOD HEALTH AND WELL-BEING Workplace safety for our employees is our priority at NASCON. We place great importance on complying with our existing occupational health and safety policies, legal regulations, and industry standards, and we have embedded these in our Code of Conduct. We continue to adhere to strict standards of health and safety in the workplace to ensure our employees and contractors have safe working conditions and a conducive work environment. Ensuring the health and safety of our employees, customers and host communities is critical to our long-term sustainability. We understand that this is one of the determining factors of our continuous productivity and success as an organisation. We amplify awareness of safe behaviours within our workforce through continuous HSE trainings and awareness sessions. We have a health and safety system in place, which is guided by a comprehensive health and safety policy statement. Our key safety strategy is underlined by the 15 Golden Rules, we also perform







continuous follow-ups on improving awareness of the 15 Golden Rules. In 2021, we recorded improved compliance with the Golden Rules.

Due to the challenges caused by the COVID-19 pandemic, NASCON implemented virtual pieces of training to teach our employees safe working practices to protect themselves and other workers. Through partnerships with community stakeholders, charities, medical institutions, schools and non-governmental organisations, NASCON delivered needed relief to support long-term community resiliency. To protect the health and safety of our families and the neighbouring communities, measures to prevent transmitting COVID-19 from the workplace to the community and to integrate health response protocols were implemented. These plans were developed through close collaboration with relevant government health authorities and community leaders and were adjusted as global health experts learned more about the virus.



15 GOLDEN RULES



Report ALL Incidents	Stop unsafe work	Work with a valid work permit when required	Verify isolation before work begins and use the specified life protecting equipment	Protect yourself against all fall when working at height	Do not position yourself or walk under a suspended load	Obtain authorisation before entering a confined space	Obtain authorisation before overriding or disabling safety critical equipment
1  INCIDENT REPORTING	2 	3 	4 	5 	6 	7 	8 
9 	10 	11 	12 	13 	14 	15 	
Conduct gas tests when required	Do not smoke outside designated smoking area	No alcohol or drugs while working driving	While driving, do not use your phone and do not exceed speed limits	wear your seat belt	Do not discharge or dispose off hazardous materials into unauthorised areas	Use the correct PPEs	

These rules are mandatory for all NASCON's Employees, Contractors and Visitors



Over the year, we also performed key initiatives to advance safety in the workplace, plants and fleet as shown below:

Workplace and Plant Initiatives	Fleet Initiatives
<ol style="list-style-type: none"> 1. Root cause analysis for all critical incidents and high potential near misses. 2. Safety town hall meetings by top management within all locations. 3. Sharing of Incident and accident investigation learnings amongst personnel. 4. Quarterly assessment of fire risk. 5. Implementation of ISO 45001. 6. Increase top management visibility with monthly walk tours. 7. Improved training time through weekly pep talks and daily toolbox talk before work in all our plants. 	<ol style="list-style-type: none"> 1. Visible and felt safety leadership through regular meetings and communications on safety by executive leadership. 2. Application of positive and negative consequence management based on performance and compliance/ non-compliance such as speed violation, harsh breaking, driving under the influence of substances etc. 3. Journey management plan development 4. Embedding safety in the line to ensure Journey Managers take ownership and act as safety champions for their teams. 5. Improvement of accident investigation process and follow up of corrective and preventive actions including sharing of learnings across the company to prevent repeat incidents.
<ol style="list-style-type: none"> 8. Increased employee involvement in safety issues by encouraging them to report incidents. 	<ol style="list-style-type: none"> 6. Instituted mobile workshop road repair team to work on trucks broken down in transit and reduce accident occurrences due to mechanical failure. 7. Installation of speed breakers on all trucks. 8. Review of recruitment process and induction of drivers with special focus on safety. 9. Full set up of transport training school to include defensive driving and safety trainers, introduction of in-cabin coaches for new drivers. 10. Training and re-training /improvement of the driver's certification process. Introduction of training tracking cards to ensure all drivers attend at least 6 hours of safety training per annum. 11. Introduction of fatigue management modules, health awareness and general wellness.



These measures have helped improve our health and safety performance in 2021 compared to previous years as shown below:

Type of incident		2020	2021	Trend [2020 vs 2021]
Occupational Health and Safety (Plant Only)	Total Number of Work Hours	2,978,408	2,867,900	▼
	Total Number of Near Misses	21	48	▲
	Total Number of First Aid Injuries	35	19	▼
	Total Number of Medical Treatment	6	1	▼
	Total Number of Lost Time Injuries (LTI)	1	2	▲
	Total Number of Fatalities	0	0	
Training and Development	Total Number of Staff Trained on HSE	10,718	9,010	▼
	Total Number of Hours for Staff Training on HSE	246	226	▼
	Number of Training Programmes, Activities or Initiatives (Based on Training Mode)		229	
	Physical or Classroom or Onsite		209	
	Virtual (Online)		17	

Diversity and Equal Opportunity in NASCON



We are proud of our efforts at embedding inclusion and diversity across all levels of our business activities, including among our Board of Directors, executive management team as well as across our wider workforce. We promote an inclusive work environment that values the diversity of our employees. We are committed to equal opportunity and reject any forms of discrimination or harassment based on gender, ethnic origin, nationality, social origin, religion, age, disability or any other characteristics protected by applicable law. Employee recruitments, compensations, trainings, promotions, and transfers at NASCON are based on merit with emphasis on qualification, performance, skills, and experience.



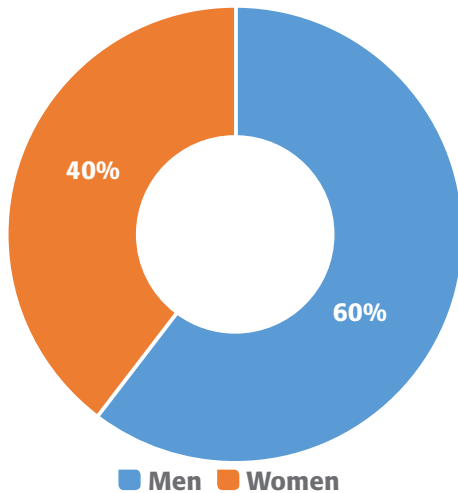
At NASCON, we are building a diverse and inclusive workplace. Inclusion ensures people feel valued and have a sense of belonging. Diversity provides different perspectives for more comprehensive decision-making and better business outcomes. We recognize the uniqueness in opinions and the unique value that a diverse team brings. We, therefore, strive to ensure that all employees irrespective of their background and social affiliations are given equal opportunity to thrive and succeed. Every NASCON employee has the right to freedom of association and to engage in collective bargaining without interference or fear of retaliation. Through our Dangote Women's Network, we strive to create a culture that appreciates and recognizes the value of women in the workplace. In 2021, we had a total workforce of 864 with 10% representation by

women. We continue to work towards building our women representation in our workforce as a function of our diversity commitments. We identify and recognise the important role that women play in contributing to sustainable management. Furthermore, our employees between the ages of 18-30 years represented 35% of our total workforce; 31-50 years represented 61%; while over 50 years represented 4%. We continued our efforts in maximizing youth employment as we understand the importance of employing a blend of generations to create an inclusive workplace where shared ideas drive productivity and growth.

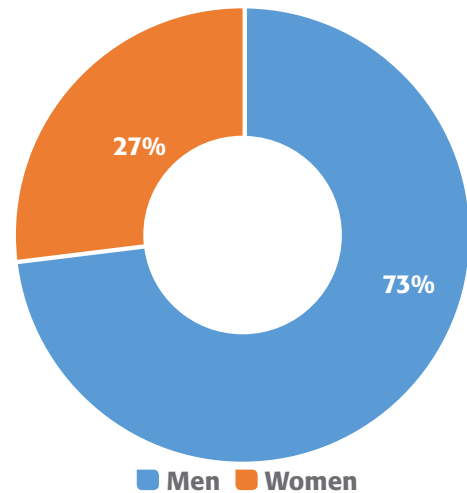
Setting the tone for diversity starts at the top, NASCON fosters our culture of inclusion by having a healthy mix of experienced individuals on our Board and senior leadership teams. These individuals represent several geographic regions and come from diverse backgrounds covering age, gender, race, and nationalities. In the year under review, our executive management team consisted of 15 persons including 11 males and 4 females, representing 73% and 27%, respectively. In addition, our Board of Directors consisted of 6 males and 4 females, representing 60% and 40%, respectively. We will continue to promote gender diversity in our leadership positions. The average age of our Board is 57 years while that of the executive management team is 47 years.

Social Pillar

Board Gender Split



Executive Management Gender Split

**Non-discrimination**

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

Freedom of Association and Collective Bargaining

We respect our employees' right to join or not to join a trade union or employee representation of their choice, free from threat or intimidation. We recognize and respect the right to collective bargaining under applicable local law. Employees who act as representatives are neither disadvantaged nor favoured in any way. All through our operations, no employee is covered by the collective bargaining agreement.

Child Labour, 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 Assessment

In our workplaces and in the communities where we operate, we regard respect for human rights as fundamental to our business sustainability. We conduct our business responsibly and fairly, with respects for the rights of all stakeholders. We are also focusing on building a culture of zero tolerance for human rights violations in line with the guiding principles of the UN Global Compact and International Labour Organisation and other internationally recognised human rights guidelines as relevant to our operations and our human rights policy:

- the Ten Principles of the UN Global Compact;
- 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 Sustainable Development Goals.

We believe these rights are inherent for all human beings and we acknowledge that they are interrelated, interdependent, and indivisible. We recognise that while governments have a duty to protect human rights, companies have a responsibility to respect human rights. We accept the responsibility we have for our employees and take seriously our responsibility to minimize the environmental impact of our business. Zero cases of human right issues were recorded in 2021 across our operations while we hope to organise specific trainings/initiatives on human rights to maintain our zero record and avert possible human rights infringement in the future.





Taste the Joy
of great flavours
and aroma



Great Meals, Great Moments



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




Environmental Pillar

Environmental Performance

NASCON has a responsibility to be good stewards of the environment in areas where we do business and the communities where we operate. Our environmental strategy is centred on the measurement and management of key impacts such as energy consumption, GHG emissions, water consumption, waste generation, and air emissions. In 2021, that measurement was fostered by the use of flow meters, emissions trackers, weighing scales, and consumption volumes, depending on the environmental impact. Management was aided by ensuring environmental compliance, conducting assessments and audits, and implementing our policy statement to govern oversight.

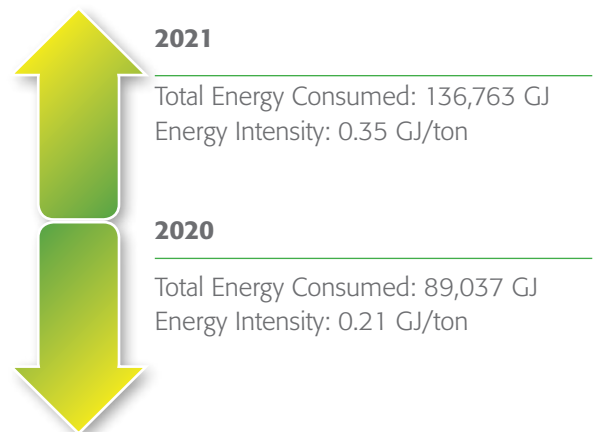
Energy consumption

 We strive to consistently improve our production processes to reduce our carbon footprint. To achieve this, we have prioritised energy management within the production facilities. Part of this entails increasing energy efficiency in our entire manufacturing chain through innovation and improvement of operational efficiency. Establishing a baseline is critical to the journey of energy management and we have achieved this in 2021 as shown below:

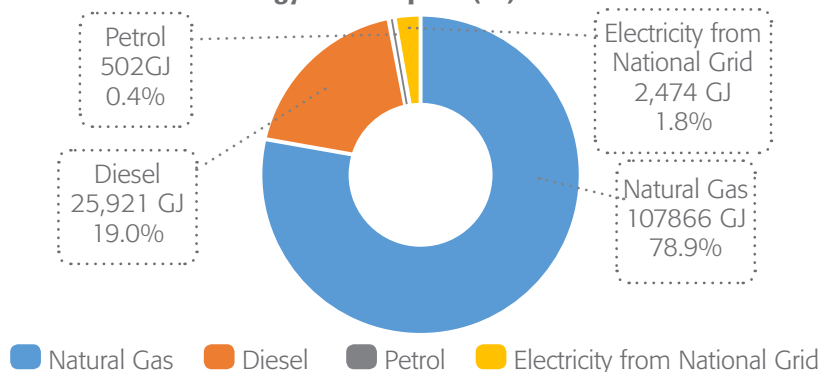
Location	2021 Total Energy Consumption (GJ)	Percentage of Total for Each Location
Apapa Plant	12,619	9.23
Salt Village Plant	107,866	78.87
Oregon Plant	1,185	0.87
Ota Plant	12,619	9.23
Port Harcourt Plant	2,474	1.81
Total Energy Consumption (GJ)	136,763	100

Across all our locations, total energy consumption in 2021 was 136,763 GJ, an increase of 53.6% year-on-year, relative to 2020. This occurred despite a decrease in production volumes and can be attributed to a change in operational strategy. We have shut down Oregon Plant, Ikeja and moved the resources to Salt Village Plant, Apapa. The year 2021 was the transition phase for this strategy which provides a baseline for monitoring. As Salt Village Plant completes the transition and attains operational efficiency, we believe energy consumption will begin to drop. Also, we have recognized the challenges and issues in 2021 and have made appropriate changes in our management systems and procedures to reduce energy consumption and intensity across the other Plants. With 78.87% of the total energy consumption, our Salt Village operations which host the larger part of our total production, was the highest energy consumer in the year under review.

Furthermore, the energy intensity increased to 0.35 GJ/ton in 2021 from 0.21 GJ/ton in 2020. In 2021, we used a diverse fuel mix in generating energy for our operations with natural gas, diesel, and electricity from the national grid accounting for a majority of the fuel mix with a percentage of 78.9%, 19.0%, and 1.84% respectively.



2021 Total Energy Consumption(GJ) Based on Source



GHG emissions

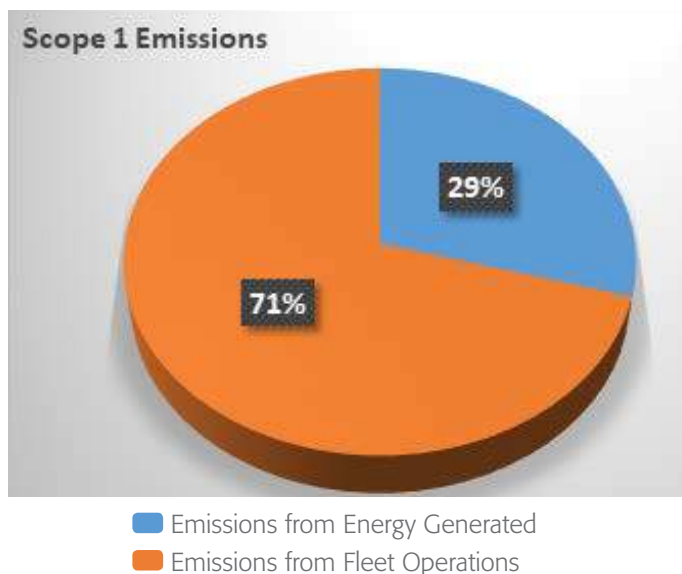


Energy generated from the use of fossil fuel (natural gas, diesel, and petrol) powered generators is reported as Scope 1 emissions. Our current estimation of GHG emissions was done using a direct conversion of fossil fuel type and energy generated. We have commenced processes to calculate emissions using the direct measurement from the machines so the more accurate/precise data can be used for: tracking machine efficiency and maintenance planning; GHG emissions reporting; and recording and reporting other fugitive emissions.

Nonetheless, as a way of monitoring our emissions, we engaged a certified environmental auditor to carry out quarterly audits on our environmental performance in line with Good International Industry Practices (GIIP). The audit report is jointly reviewed by recognised National and State environmental agencies. Also,

a biennial review of our Environmental Impact Assessments (EIAs) is conducted. We recorded zero cases of non-compliance with emission limits in the year 2021.

Energy generation accounts for about 29% of Scope 1 emission while our fleet operations account for 71%. Optimal maintenance and replacement of depreciated fleet assets with cleaner fuel sources such as compressed natural gas (CNG) are some of the initiatives we will use to reduce emissions. Furthermore, part of efforts at reducing emissions includes the construction of the new production facility (Salt Village plant), retrofitting of our old burners, and complete shutdown of Oregon Plant. Our Salt Village production facility was designed based on European Serra machinery design for washing, centrifuge, drying, crushing and sieving processes, thus providing opportunity towards improving the energy efficiency in our operation.



Location	2021 Total Direct CO2 Emissions (tCO2) [Scope 1]
Apapa Plant	575
Salt Village Plant	4,478
Oregon Plant	220
Ota Plant	-
Port Harcourt Plant	575
NASCON Fleet Operations	14,068
Total Direct CO2 Emissions (tCO2) [Scope 1]	19,915

In 2021, our total GHG emissions from production activities, resulting from captive power plants and energy generators, and fleet operations (Scope 1) was 19,915 tonnes of CO2 while the GHG Emission Intensity was 20.42 kg CO2/ton of product.

Total Emissions from Energy Generation + Other Fleet Activities = 7,973 tCO2

GHG Emission Intensity = 20.42 kgCO2/ton of product



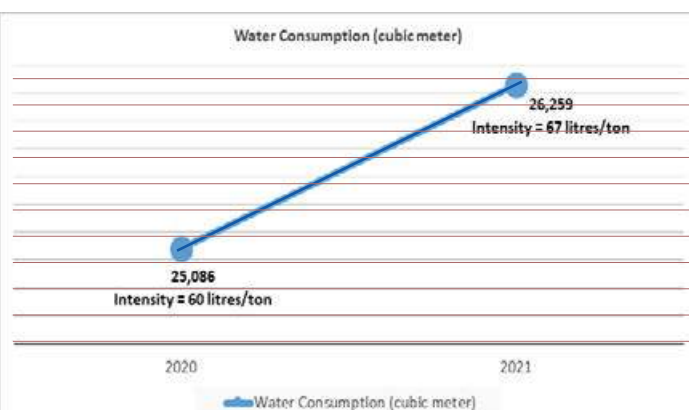
Environmental Pillar

All our production facilities, except the Ota Plant, generate energy that is consumed. Ota Plant is solely dependent on the National Grid for energy; this is reported as our Scope 2 emissions.

Location	2021 Total Indirect CO2 Emissions (tCO2) [Scope 2]
Apapa Plant	-
Salt Village Plant	-
Oregun Plant	-
Ota Plant	302
Port Harcourt Plant	-
NASCON Fleet Operations	-
Total Indirect CO2 Emissions (tCO2) [Scope 2]	302

Water management

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water is a vital resource to life and our manufacturing process. At NASCON, our water source is 100% from groundwater. Thus, we continue to foster responsible water consumption and conservation in our operations, to save this natural resource for future availability and use given the dire impact of climate change on water availability. In 2021, the total volume of water consumed from all production facilities and fleet operations was 26,259m³ while the Water Intensity was 67 litres/ton. Although water consumption increased by 4.7% between 2020 and 2021, we are certain that our water conservation measures will lead to a reduction in water usage in the long term. We have continued to measure water consumption in all facilities using flow meters and we have relaunched our "Water is Life" campaign aimed at reducing water wastage within our facilities and neighbouring communities. Furthermore, our operations ensure the reuse of water effectively.



Waste Management

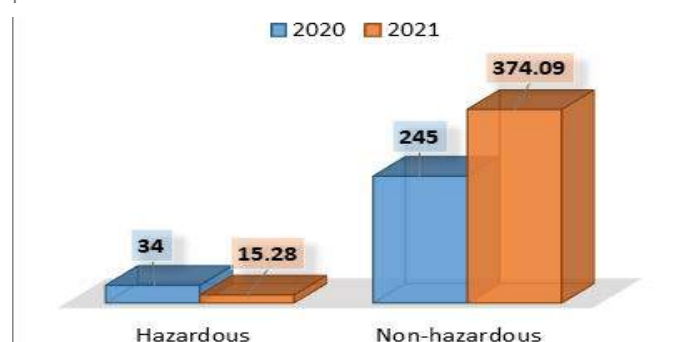
We generate various types of waste during the production, packaging, and distribution of our products (salts, seasoning, etc.). Based on our operations, waste generated are categorized into hazardous (batteries, spent oil, and oil filters) and non-hazardous wastes (general wastes and tyres). Our waste management system for each category of wastes complies with the applicable regulations of the State and National environmental protection agencies and ministries of environment (Federal Ministry of Environment - FMENV, Lagos State Ministry of Environment - LASMOE, River State Ministry of Environment, Ogun State Ministry of Environment, National Environmental Standards and Regulations Enforcement Agency - NESREA, the Lagos State Environmental Protection Agency - LASEPA), and with International standards. In 2021, we did not record any case of regulatory infractions on waste management.



Based on our operations, we have a reverse osmosis process to treat used water (reduce the salinity) and reuse multiple times. Treatment and discharge are done in line with regulations provided by LASEPA and NESREA. Another liquid waste we generate is spent lubricating oils from power generators. In line with LASEPA guidelines, the oils undergo a physical examination, crackle test, moisture content, viscosity, flash point, particle count, and demulsibility tests before eventually being set for disposal. It is collected for recycling by Government-accredited third parties.



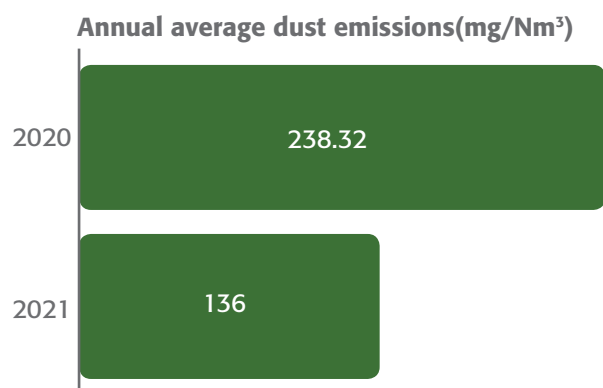
Batteries are collected for recycling and reuse by Government-accredited third parties while non-hazardous solid general wastes are collected and disposed off by the Lagos State Waste Management Authority (LAWMA). Total waste volume increased from 279 tonnes in 2020 to 389 tonnes in 2021 due to the transition in Salt Village Plant and shutdown of Oregun Plant which generated 374 tonnes of non-hazardous waste. All hazardous wastes (15 tonnes) generated in 2021 were re-used or recycled by third parties.



Dust Emissions



NASCON remains committed to significantly reducing our salt dust emissions by adopting newer, more innovative management systems. Our periodic (daily and monthly) dust measurement scheme which enables us to monitor and evaluate trends also help improve the efficiency of the dust trapping cyclones. Consequently, our annual average stack dust emission reduced by 43% from 238 mg/Nm³ in 2020 to 136 mg/Nm³ in 2021.



Biodiversity



Our production facilities are not built on or located adjacent to or within proximity of protected areas or high conservation value (HCV) areas. Furthermore, our wastewater does not have a significant impact on aquatic biodiversity due to constant recycling/reuse.

However, we are aware that our supply chain activities that involve the mining of crude salt may have a significant impact on biodiversity. Thus, we continuously engage our suppliers on responsible practices to reduce their biodiversity impact as well as seek partnerships to drive advocacy in biodiversity management.

Environmental Management and Compliance

Environmental management approach

Our approach to environmental management focuses on minimising the negative environmental impacts of our operations and preserving natural resources (water, crude salt) for future generations. It addresses the impacts of our operations and the distribution and use of our products, promoting sustainability practices across the value chain. Management of environmental impacts and improvements occur through multiple, integrated approaches such as assessments, audits, compliance monitoring

exercises, improving the efficiency of our production process, awareness campaigns, and Executive Management and Board level oversights.

Environmental compliance



NASCON remains committed to understanding, accepting, respecting, and complying with the environmental laws within every community we operate. In 2021, we had no environmental compliance fines, penalties, or sanctions in any of our production facilities. Furthermore, we strive to ensure our permits and licenses are regularly renewed to avoid sanctions. In 2021, of the 26 permits and licenses required for all production facilities, we were able to obtain 12 (46%) either as a result of non-expiry of permits or administrative delays in issuing institutions. General permits required for NASCON include Environmental Development Charge, Chemical Storage Permit, Petroleum Storage Permit, Air Quality and Toxic Waste Permit, Environmental Impact Assessment Certificate, LAWMA Permit, Waste Disposal Charges, Emission Generating and Petroleum Product Storage Charges, Laboratory Service Fee, amongst others.

Supplier environmental assessment

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



Environmental Pillar

Precautionary Approach

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

Opportunities and Challenges in Climate Change

NASCON is, at our core, a minerals-processing company. We rely on natural resources throughout our operations, and it is incumbent upon us to be good stewards of these resources. We believe that climate change is a critical challenge in our era and acknowledge the societal and ecological risks posed by it, which can create challenges for communities and increase stress on Earth's systems and natural resources. Furthermore, the markets we serve are subject to the effects of a changing climate. We have categorized some of the risks and opportunities below:

Moving forward, we will continue to include climate change mitigation, adaption, and resilience as one of many important lenses through which we assess business decisions.

Physical risks

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

Transition risks

- Future government policies to address climate change or GHG emissions could restrict our suppliers' operations and increase price of carbon
- Cost of transition to lower emissions technology within production and fleet operations
- Changes in consumer behaviour for table salt and seasoning
- Increased cost of natural resources (our raw materials)

Opportunities

- We aim to capitalise on available climate-related opportunities by exploring innovative ways of identifying synergies between improved operational and environmental performance, including reducing carbon emissions from our fleet operations, and encouraging our suppliers and other partners to do the same.



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's adoption of the 7 Dangote Sustainability Pillars, (institutional, social, economic, operational, environmental, financial and cultural sustainability), NASCON 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.

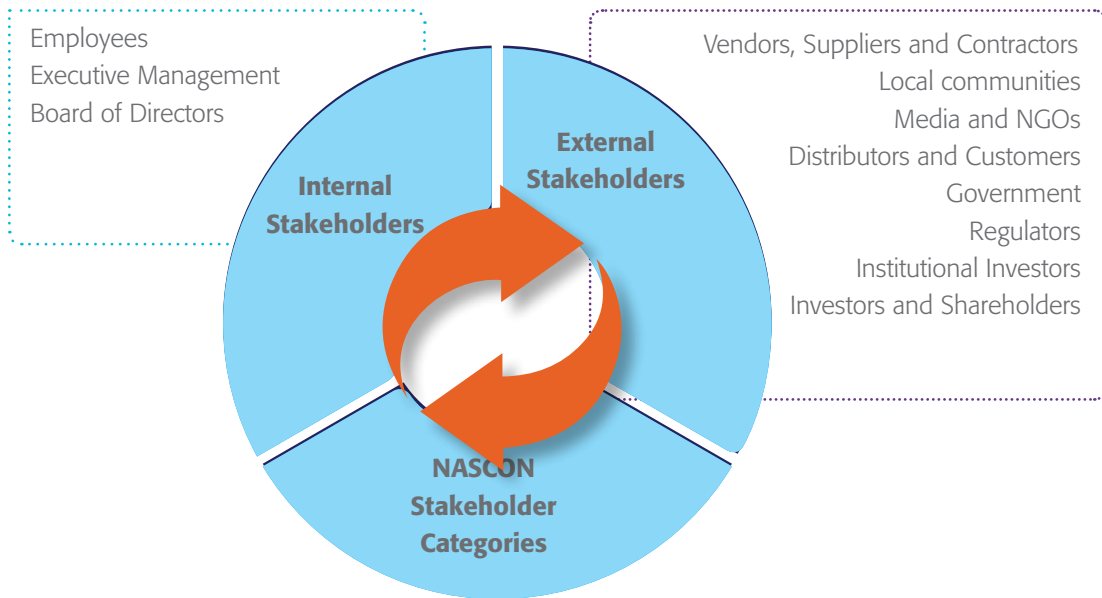


Institutional Pillar

Stakeholder Engagement

We regard our stakeholders as persons or entities who can be significantly affected by our activities, products and services or whose actions can reasonably affect our ability to successfully implement our strategies and achieve our business objectives. Our stakeholders are both internal and external and include

employees, investors and shareholders, customers, NGOs, local communities, media organisations, among others. It is our corporate responsibility to ensure that our esteemed stakeholders are meaningfully engaged, and their concerns are addressed, enabling us to build a win-win relationship with them.



We recognise that we are part of the communities in which we operate. We seek to engage with stakeholders e.g., our partners through dialogue to better understand and consider their views and expectations. Our 2021 stakeholder mapping is shown below:

INFLUENCE	HIGH		Government Regulatory Agency		Investors/ Shareholders
		Media	Customer/Distributors Host Communities	Financiers/Banks	Employees
			Non- Governmental Organisations/ NGOs	Suppliers/ Contractors	
		External Affiliations/ Associations	Competitors		
	LOW	LOW		INTEREST	HIGH

Institutional Pillar

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

Stakeholder	Engagement Method	Frequency	Key Topics
Employees	Meetings in small groups, one-on-one engagements, notice boards, emails, newsletters, sustainability reporting, surveys, awards, recognition, etc.	As required	Career growth and development, compensation and benefits, sustainability performance and reporting, equal opportunities for all employees, skill/knowledge development, health, safety, social and environment, etc.
Vendors, suppliers, and contractors	Onsite / virtual audit and inspection, emails, one-on-one engagements, meetings, courtesy visits.	Regular	Invoices and payments, products and service quality, health, safety, social and environment practices, pricing, aftersales support, efficiency, ESG practices, etc.
Distributors and customers	Emails, one-on-one engagements, meetings, customer service week, customer service complaints office, courtesy visits.	As required	Meeting targets, value creation, ensuring production continuity, credit line, Customer Trucks Empowerment Scheme (CTES), distributors award initiatives.
Host Communities	One-on-one engagements, townhall meetings, interest group communications, stakeholders engagement, focus group meetings, surveys, courtesy Visits.	As required	Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure and skill acquisition.
(Social) Media	Press releases, media parley, sustainability report, annual financial report, conferences.	As required	Governance restructuring, advertisement, public service announcements, social and environmental impacts.
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, tax.
Financiers/Banks	Annual financial report, sustainability report, meetings.	As required	Investments opportunities, loan financing, credit negotiations, interest rates.
External Affiliations/Associations	Letters, meetings, sustainability reports, workshops, other forums.	Monthly, biannually, annually	Memberships subscriptions, partnerships, policy reviews.
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.
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.
Investors/Shareholders	Annual General Meetings, investors relations forum, quarterly and annual financial report, sustainability report, newsletters.	Continuous	Quality of leadership, business strategy, financial performance, dividends, corporate governance, board composition, external reporting, ESG compliance.



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2021 NASCON Materiality Assessment and Stakeholders' Survey - Employees, Communities, Investors and Supply Chain Partners

Materiality Assessment

ESG performance is crucial to business success and sustainability, and materiality assessment provides a strategic step towards understanding the ESG issues pertinent to NASCON's operations. As a first step, materiality assessment helps to identify key sustainability indicators important to the company stakeholders. Secondly, it provides an understanding of NASCON's ESG performance from stakeholders' perspectives to inform our sustainability reporting. Furtherance to this background and as part of our stakeholder engagement and sustainability reporting process, we conducted a materiality assessment in line with meeting the requirements of the Nigerian Exchange Group Sustainability Disclosure Guidelines (NGX-SDGs) and international best practices, specifically, the GRI Sustainability Reporting Standards and other global/local/industry regulatory standards (such as SEC, NCCG, UNGC, CDP, UN SDGs, etc).

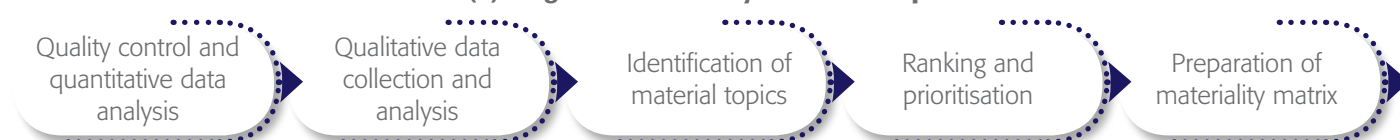
This was executed through an independent sustainability consultant, Translantic Development Limited. The consultant carried out an independent and expert assessment of material topics identified from our core stakeholder groups (Employees, Host Community, Investors, Supply Chain (Suppliers, Vendors and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

The 2021 NASCON stakeholders' surveys were deployed using an online, cloud-based solution that allowed our stakeholders to respond in real-time to the questionnaires from diverse locations across NASCON operations and using electronic devices such as laptops, tabs, and cell phones. This allowed for electronic rather than face-to-face engagements, timely completion, guaranteed respondents' anonymity and confidentiality, and also eased the process of data collation and analysis. Field engagement, triangulation and validation of survey responses through Key Informant Interviews (KIIs) were only done for our employees at Oregun and Salt Village sites; and Alayabiagba community, the local community for the Salt Village site in Ajegunle, Apapa.

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

At the end of the ESG surveys and KIIs (materiality assessment process), a total of 151 sustainability indicators were identified, grouped into 44 material topics and then categorised into seven (7) broad areas: Company internal factors, Labour and working conditions, Host community and society, Sustainability practices, Stakeholder engagement and relations, Supply chain processes, External economic factors. Materiality matrixes were developed based on a consolidation of material topics that represented both importance and impacts across stakeholder groups.

Five (5) stages of materiality assessment process



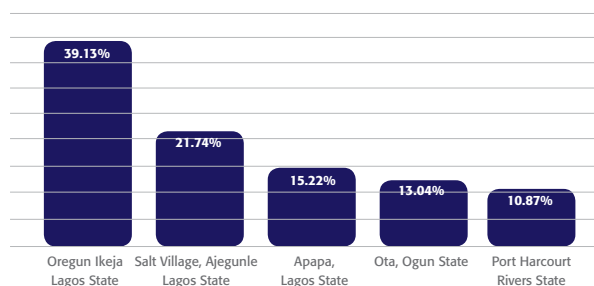
Breakdown of stakeholders' respondents (151 respondents)

Stakeholder Group	Quantitative Survey	Key Informant Interviews (KII)
Employee	46	23
Community		39
Investor	6	
Suppliers, vendors & contractors	22	

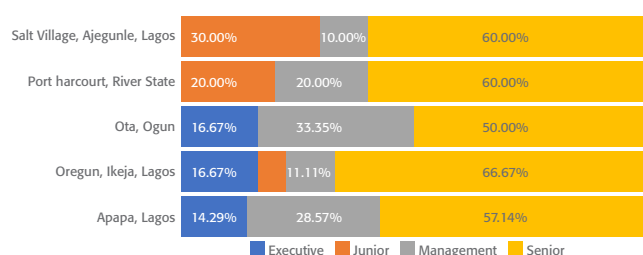
Employees' survey

The survey was conducted across five (5) NASCON sites- Apapa, Oregun, Salt Village, Ajegunle in Lagos State, Ota in Ogun State, and Port Harcourt in Rivers State. This was followed by a validation exercise through KIIs at Oregun and Salt Village sites.

Location of Employees

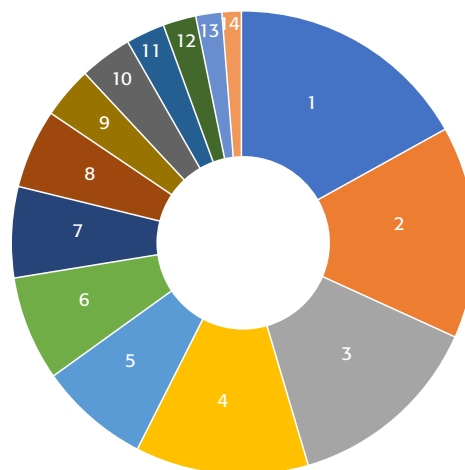


Employee category surveyed by location



In terms of our employees' perception of the NASCON brand, employees mostly associated the company's brand with job creation (80.43%), economic impact (69.57%) and profitability (65.22%). Employees' perceptions of working at NASCON suggested that they enjoyed working at the company because of the people. Generally, most (65%) of the employees who participated in the KIIs stated that they were happy to be a part of NASCON and rated working with the company as good. However, they hoped that NASCON would improve the salary structure, especially for those that have been employed for years and create opportunities for career growth in the company.

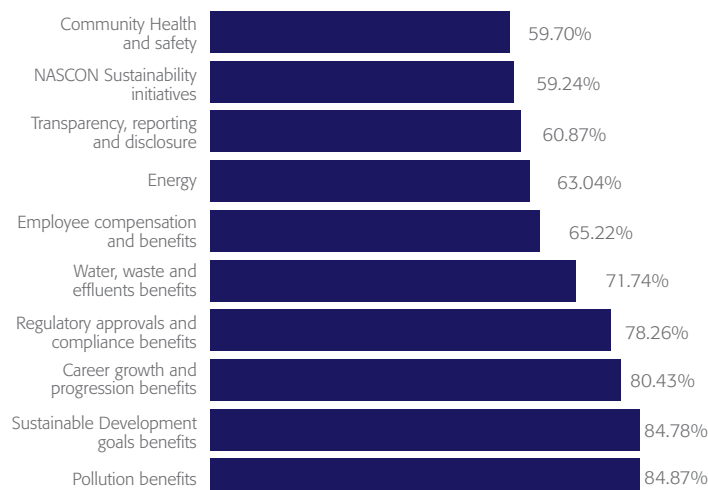
Employees perception of NASCON (Dangote Salt) brand



- 1 Job creation 80.43%
- 2 Economic Impact 69.57%
- 3 Profitability 65.22%
- 4 Compliance with applicable laws and regulations 56.52%
- 5 Industry and Market leadership 36.96%
- 6 Industrialization 34.78%
- 7 Community Impact 30.43%
- 8 Africa's Biggest Business 26.09%
- 9 Environmental Degradation 17.39%
- 10 Innovation 17.39%
- 11 Infrastructural Development 13.04%
- 12 Great work environment 10.87%
- 13 Monopoly 8.70%
- 14 Research and development 6.52%

The areas highlighted by employees for improvement include; transparent and clear pathway on career progression, equal and commensurate payment structure, internal and external training to improve on their skills/performance, employee wellbeing and satisfaction, effective communication and feedback, among others. The assessment of material topics from the employees' perspectives showed that a total of 32 topics were important to them. Below is the chart showing the high-ranking material topics for employees.

2021 NASCON Materiality Assessment - High ranking material topics for employees

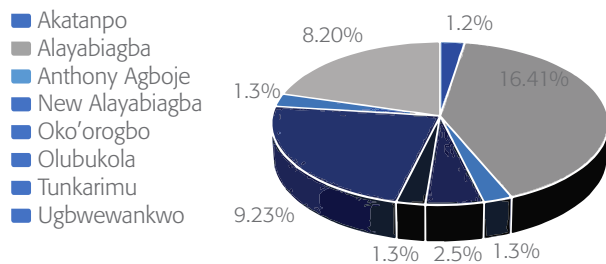


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Communities survey

The host community engagement was conducted in Alayabiagba community, the local community for the Salt Village site in Ajegunle. The community comprise eight (8) compounds, as shown below and is headed by the Baale of Alayabiagba, who is the traditional leader.

Distribution of Respondents by compound



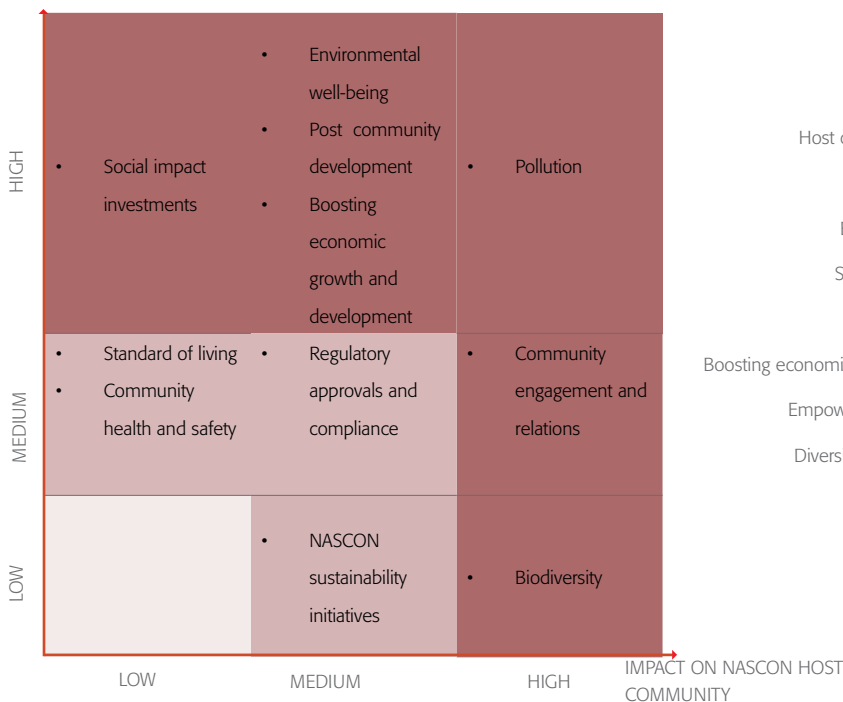
Most of the respondents (82.05%) from Alayabiagba community stated that they were happy with NASCON's presence in their vicinity. This was attributed to the positive image and

popularity NASCON's presence accords their community and developmental gains in form of infrastructural development, palliative support (e.g., during COVID) and job creation through direct employment at NASCON and indirectly by attracting other economic activities. Since the Salt Village factor was relatively new and just commenced operations, the impacts of NASCON in the community were more anticipated than actual. Specifically, community members emphasised the need for NASCON to fulfil their community development promises to the community as this has great potential for their continued social license to operate.

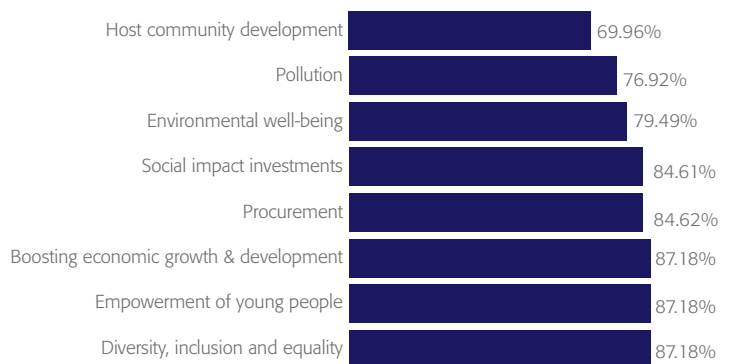
A total of 20 material topics were identified from the host community perspective, 11 out of these were included in the community materiality matrix. However, the chart below shows the high-ranking material topics important to the Community; Host community development, community engagement and relations, boosting economic growth & development, empowerment of young people, environmental wellbeing, etc were part of the critical areas of concerns and improvement by the community.

2021 NASCON Materiality Assessment-Community matrix

IMPORTANCE TO HOST COMMUNITY



2021 NASCON Materiality Assessment-High ranking topics important to the community



Investors' survey

Six (6) existing investors in NASCON took part in the survey. Four (4) out of these were institutional, one (1) retail with the remaining one, an individual investor.

Three (3) of the investors stated that they would assess NASCON ESG's performance differently because it is an emerging market. Non-financial factors that could prevent investors from investing include disregard to environmental concerns like GHG emission, composition of its board of directors and management team. The governance domain of the ESG was most important to all six (6) investors when making their investment decisions. In relation to the ESG practices of investors, only two (2) of them were under external pressure to incorporate ESG factors into their valuation models. The two (2) investors indicated that the pressure is externally driven by trend and in line with the International Financial Reporting Standards (IFRS) and other regulators' requirements respectively. Only one (1) investor's firm has a valuation model, Weighted Average Cost of Capital (WACC) which is used by the company's management to price the company's products and services profitably. Four investors recognised that ESG is the current trend, so they make efforts to influence investee's companies on their ESG performance.

A total of 25 material topics were identified from the investors' perspectives. The chart below shows the high-ranking material topics important to investors. The issue of regulatory approvals and compliance was identified across all the four (4) stakeholder groups but was rated as high importance by the investors and employees. Also, all the investors surveyed responded that regulatory approvals and compliance have an impact on NASCON's operations.

Supply chain partners (suppliers, vendors and contractors) survey

The core business areas of supply chain stakeholders who participated in the ESG survey comprised consultancy services in environmental, technical, construction, electrical and engineering, and supply of engineering equipment and PPE. These services were mainly provided to the Procurement and Technical Support (Maintenance, Power Plant) departments. The surveyed suppliers have been providing services to NASCON between 0 to 10 years. Almost all the suppliers (95.45%) consider ESG issues in their business and partnership decisions.

2021 NASCON Materiality Assessment - High ranking material topics important to investors



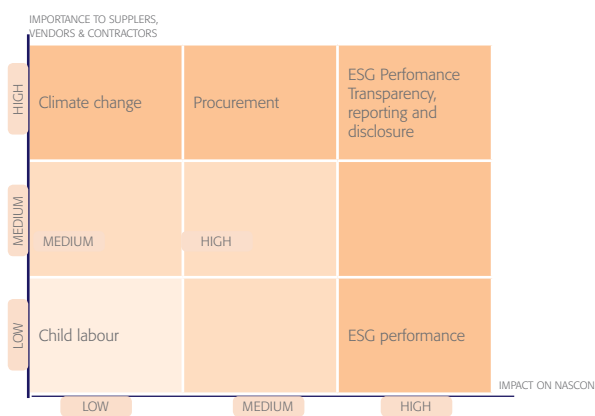
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The supply chain stakeholders associated the Dangote brand with a positive economic (72.73%) and a great work environment (54.44%). They further indicated that the contract signing, and payment processing were mostly referred to as very flexible and easy (31.82%) and straightforward and timely (27.27%). Although invoice processing time for the majority of the suppliers, vendors and contractors typically takes 14-60 days, reducing payment processing time was indicated by 63.64% as an incentive to boost business dealings with NASCON.

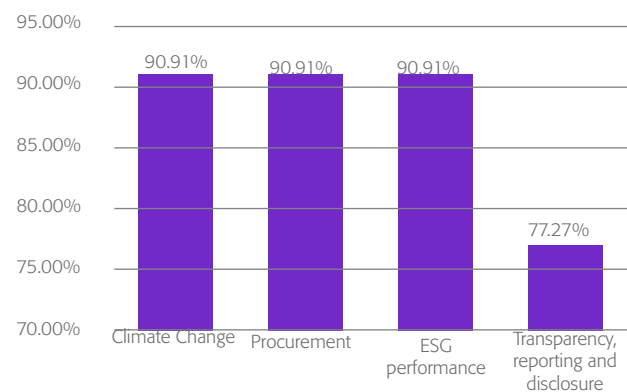
A total of 20 material topics were identified from the suppliers, vendors and contractors' perspectives, six (6) out of these were included in the materiality matrix. The low number of topics included in the matrix was because six (6) material topics were identified to have impacts on NASCON operations.

From the materiality assessment, five (5) material topics critical from the suppliers, vendors and contractors' perspectives include climate change; procurement; ESG performance; transparency, reporting and disclosure; and suppliers' ESG profile.

2021 NASCON Materiality Assessment - suppliers' matrix



2021 NASCON Materiality Assessment - high ranking material topics important to the supply chain partners



ESG issues important to suppliers, vendors and contractors to boost business dealings with NASCON

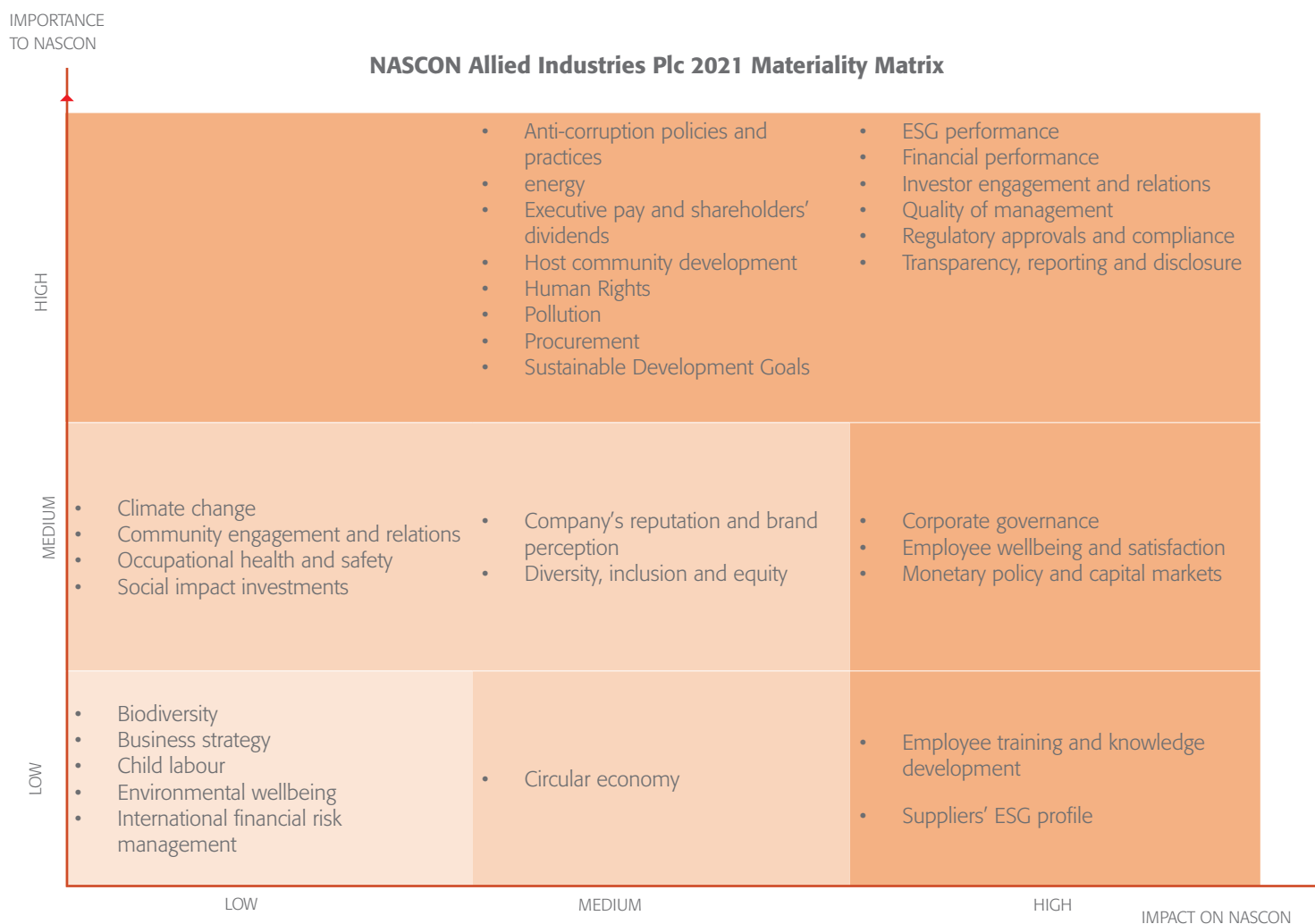
	Percentage
Allowing participation in strategic buyer/supplier planning meetings	22.73%
Establishing a 'premium supplier' programme with special incentives based on Environmental, Social & Governance (ESG) Performance scores of NASCON (Dangote Salt) vendors & contractors	18.18%
Providing recognition and awards for vendors and contractors with good ESG records	18.18%
Getting increased patronage based on sustainability improvements	22.73%
Getting assistance with ESG capability building	4.55%

NASCON 2021 Materiality Matrix

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

Furthermore, the list of material topics applicable to us as an organisation are carefully discussed and addressed throughout this sustainability report in addition to those

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



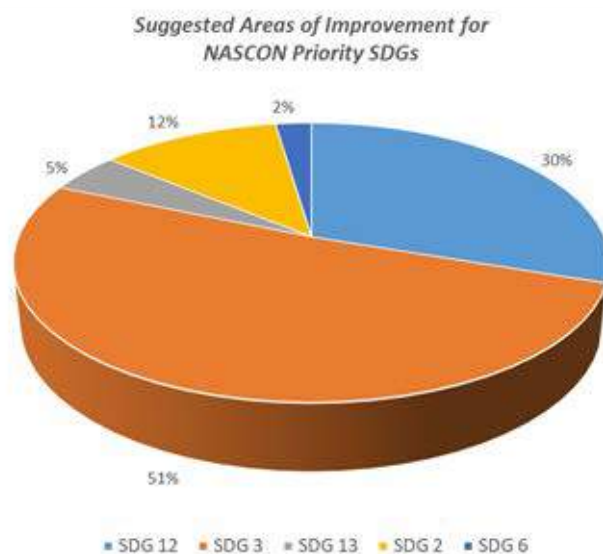
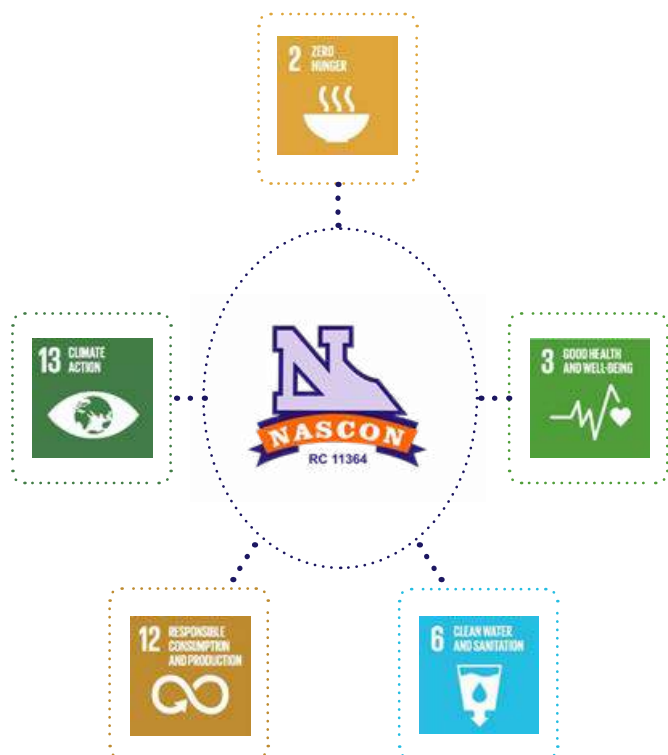
Institutional Pillar

NASCON Strategic Priority SDGs

The SDGs are a set of 17 interlinked goals with 169 targets designed to be a blueprint for achieving a better and more sustainable future for all by 2030. While Dangote Industries Limited (NASCON parent company) supports the actualization of all 17 Goals, we at NASCON have however prioritized a few SDGs that directly align with our corporate objectives, line of business and sustainability agenda. This way, we hope to make more impactful contributions to the 2030 targets in our different markets. We have ensured that these SDGs also contribute to the Africa Agenda 2063 and Nigeria’s National Development Plan (2021-2025). Thus, indicating our support for national and continental sustainable development. Furthermore, across our different operations, ESG function heads, Executive Management/Committee and dedicated Board Committees have the responsibility for managing and communicating climate-related issues to the company’s Board of Directors, with specific recommendations for action, as may be required.

To monitor our progress in the implementation of the prioritized UN SDGs (Goal 2, 3, 6, 12, 13), we developed an integration plan which was endorsed by Executive Management. The integration plan in the table below shows NASCON’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 2021 ESG survey and stakeholder engagement also elicited feedback on the sustainability culture within NASCON and how the NASCON operations align with the Sustainable Development Goals (SDGs). NASCON priorities five (5) SDGs, SDGs 2, 3, 6, 12 and 13. The survey showed that 84.78% of the employees involved in the ESG survey were aware of these priority SDGs, however, suggested more improvement in SDG 3 and SDG 12 for greater impacts.



UN SDG & NASCON Priority SDGs	SDG Agenda and Targets	Importance / Materiality to NASCON
<p>Goal 2: Zero Hunger</p> 	<p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p> <p>Target 2.1 Target 2.3 Target 2.4</p>	<ul style="list-style-type: none"> Fighting hunger is a strong business opportunity for salt businesses. Where purchasing power is low, hunger may also result in business failure. Fighting hunger boosts productivity for food-related businesses.
<p>Goal 3: Good Health and Well-being</p> 	<p>Ensure healthy lives and promote well-being.</p> <p>Target 3.5 Target 3.6</p>	<ul style="list-style-type: none"> There is growing resistance to salt consumption on health grounds. There are Health & Safety risks associated with salt mining and intensive heat emissions from processing. Salt dust constitutes environmental, health and corrosion challenges in host communities.
<p>Goal 6: Clean Water and Sanitation</p> 	<p>Ensure availability and sustainable management of water and sanitation for all.</p> <p>Target 6.3 Target 6.4</p>	<ul style="list-style-type: none"> Salt production is water intensive. Salt emission could contaminate potable water sources. Land degradation, loss of biodiversity, etc., are material sustainability issues in salt production.
<p>Goal 12: Responsible Consumption and Production</p> 	<p>Ensure sustainable consumption and production patterns.</p> <p>Target 12.2 Target 12.3 Target 12.5 Target 12.6</p>	<ul style="list-style-type: none"> Water consumption intensity, land degradation, and loss of biodiversity are material sustainability issues in salt production. Waste generation such as wastewater and residue in operations and supply chain. Plastic waste generation from packaging materials.
<p>Goal 13: Climate Action</p> 	<p>Take urgent action to combat climate change and its impacts.</p> <p>Target 13.2</p>	<ul style="list-style-type: none"> Carbon Emissions from production activities contribute to climate change. Intensive heat and salt dust in production.

NASCON progress in 2021 and 3years (2021 - 2023) targets through the priority SDGs

- Support distressed communities to fight hunger as part of CSR initiatives, and in line with the outcome of community needs assessment.
 - Continuously innovate for business expansion, enhanced productivity, and creation of new job opportunities, thereby fighting poverty and hunger.
 - Source raw materials, goods and services locally, to boost commerce, entrepreneurship and household income.
 - Support local content and prioritize the patronage of local vendors, to boost economic productivity and improve household income.
- Mitigate occurrence of health and safety-related risks in salt production.
 - Create awareness on healthy living habits and healthy use of Dangote salt.
 - Support healthcare facilities in local communities as part of CSR initiatives, in line with the outcome of community needs assessment.
 - Aside from Vitamin A, explore other product fortification and health enhancement possibilities in salt production, through effective peer benchmarking.
 - Ensure good product labelling and consumer information.
- Maintain an environmentally friendly disposal of wastewater/effluents.
 - Develop effective water efficiency and consumption plan and ensure that water utilization in business operations does not result in communities' water stress.
 - Apply hygienic standards in production processes, across the entire value chain.
 - Ensure responsible use of water (recycling and reuse) and create awareness amongst employees and communities.
 - Support local communities with boreholes and potable water as part of CSR initiatives, in line with the outcome of community needs assessment.
- Promote responsible use of natural resources, such as water.
 - Minimize overproduction through effective supply and demand planning.
 - Ensure best practices in sourcing and processing of raw materials, chemicals, packaging of products and waste management.
 - Ensure operational efficiency and health and safety best practices across the production chain.
- Comply with all applicable environmental laws and regulations and mitigate negative environmental impacts.
 - Integrate climate change mitigation considerations into key operational strategies and planning.
 - Develop a 5-year emission and pollution reduction plan and gradually increase the percentage of clean and renewable energy in operations.
 - Implement a Code for entrenching best ESG practices in the supply chain.

ESG Related and Other Regulatory Compliance

NASCON understands the importance of leveraging and building partnerships as we continue our journey towards sustainable development. Across our operations, processes, and policies, we embed elements of regulations covering social responsibility, human rights, workplace safety and transparency. We are bound to comply with several ESG Principles, Guidelines and Regulations within the country we operate and strive to ensure compliance as required. Some of these are provided in the table below and we recorded zero incidences of ESG regulatory infractions in the reporting year.

NASCON also adheres strictly with its internal policies on governance matters (such as HR Policy, Operational Policy, Quality Policy, Occupational Health and Safety Policy, Environmental

Policy, Food Safety Policy, Whistle Blowing Policy, Food Safety Policy, Staff Advance Policy) showing our compliance to SEC Code of Corporate Governance & NGX Sustainability Disclosure Guidelines.

Association and Membership

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

ESG Related Principles, Guidelines and Regulations

United Nations Global Compact (UNGC)

The United Nations 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 Mines

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).





The Use of Iodized Salt helps prevent Iodine Deficiency



CHOOSE QUALITY, CHOOSE DANGOTE SALT



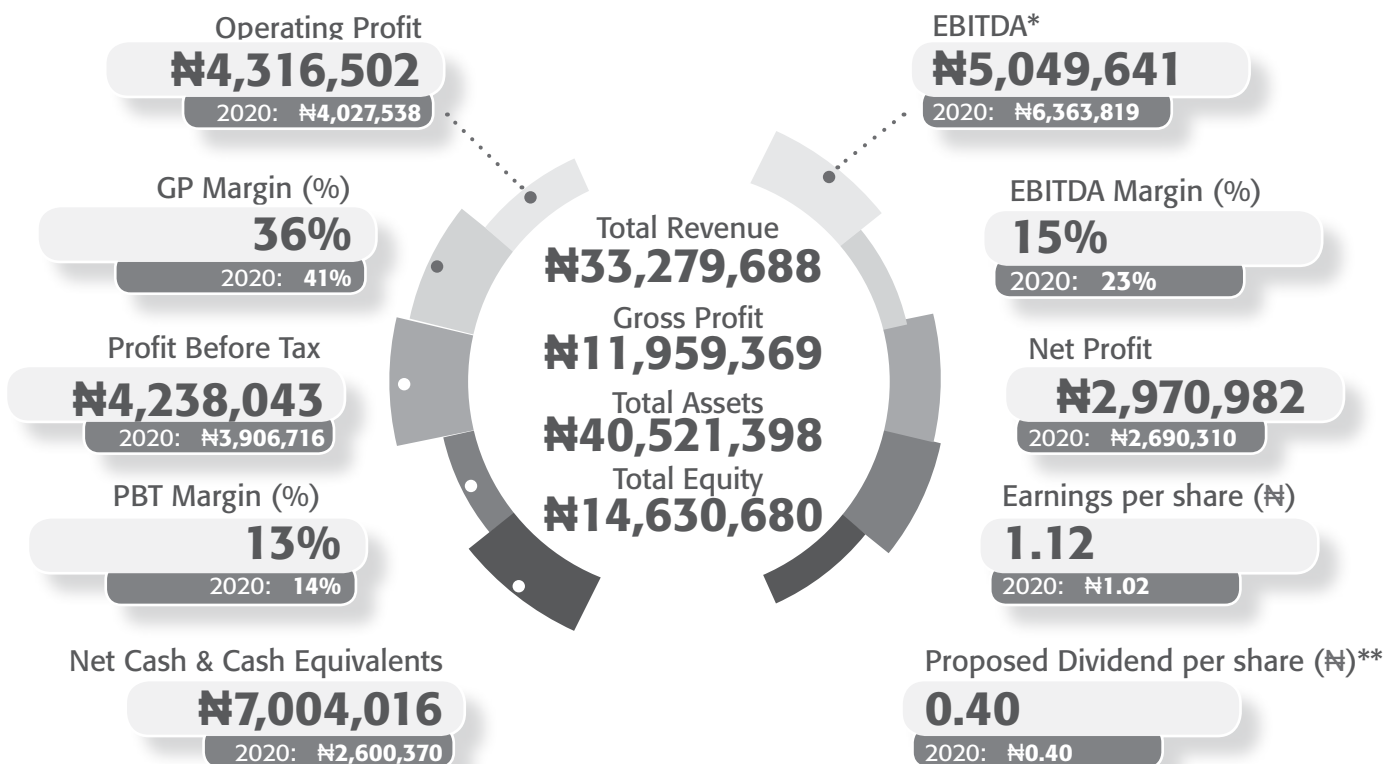
Financial Pillar

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.

Financial Highlights (₺'000)



*Earnings before interest, taxes, depreciation and amortization

**Proposed dividend is subject to the approval of shareholders at the Annual General Meeting





Chief Financial Officer's Review

"We maintained our market share and volumes resulting in total revenue increasing by 19% to ₦33.28bn with Salt revenue of ₦29.75bn"

	31-Dec-21	31-Dec-20
Revenue by Product	₦'000	₦'000
Salt	29,752,031	25,336,534
Seasoning	3,527,657	2,673,525
Total Revenue	33,279,688	28,010,059

2021 was a challenging year for many manufacturing businesses in Nigeria as the impact of the Covid-19 pandemic brought about global supply chain disruptions and increased freight costs. We were able to maintain our market share and increase total revenue by 19% to ₦33.28bn {2020: ₦28.01bn}. Salt revenue increased by 17% to ₦29.75bn {2020: ₦25.34bn} while Seasoning revenue increased by 32% to ₦3.53bn {2020: ₦2.67bn}. The revenue growth was due to a 1% volume growth and strategic pricing actions driven by increased input costs.

Unfortunately, the 2015 CBN Foreign Exchange policy continued to stall the importation of the necessary raw materials for both Tomato Paste and Vegetable Oil. Due to lack of raw materials, the Board approved our exit from both businesses, and we sold the Vegetable Oil plant during the year, and intend to sell the Tomato Paste plant in due course.

"Regional distribution of our revenue to the East, West and North were 8%, 29% and 63% respectively"

	31-Dec-21	31-Dec-20
Revenue by Region	₦'000	₦'000
East	2,672,444	1,982,227
West	9,692,464	7,207,318
North	20,914,780	18,820,514
Total Revenue	33,279,688	28,010,059

“Gross profit increased to ~~N~~1 1.96bn with EBITDA of ~~N~~5.05bn and Operating Profit of ~~N~~4.32bn”

	31-Dec-21	31-Dec-20
	₦'000	₦'000
Cost of Sales		
Direct material cost	18,014,086	13,467,658
Direct labour cost	1,050,184	923,122
Depreciation	902,166	702,931
Manufacturing expenses	1,229,550	1,225,265
Loading	124,333	128,657
Total Cost of Sales	21,320,319	16,447,633

Combined production efficiency for the year was 72% {2020: 79%}. Salt production efficiency in all 3 plants (Salt Village, Apapa and Port-Harcourt) reduced slightly to 72% {2020: 79%} due to increased volume with the commissioning of the new Salt Village plant. Seasoning production efficiency increased to 59% {2020: 43%} as we continued to strengthen our route to market. There was no production of Vegetable Oil and Tomato Paste in the year, and the Vegetable Oil plant was sold during the year.

Cost of Sales for the year increased by 30% to ~~N~~21.32bn {2020: ~~N~~16.45bn} driven by a 31% increase in Salt costs by ~~N~~4.45bn and a 22% increase in Seasoning costs by ~~N~~0.42bn. Vegetable Oil and Tomato Paste costs were flat at ~~N~~0.01bn {2020: ~~N~~0.01bn} mainly from depreciation costs.

Direct material costs increased by 34% compared to 2020 due to increased global freight costs for Salt and increased raw material costs for Seasoning. Depreciation increased by 28% and Direct Labour costs increased by 14% both attributable to the commissioning of the new Salt Village plant.

	31-Dec-21	31-Dec-20
	₦'000	₦'000
Administrative and Distribution Expenses		
Administrative Expenses	2,800,431	2,390,072
Market Activation	289,762	369,953
Branding Expenses	600,905	527,916
Delivery Expenses	5,802,692	4,898,760
Total Operating Expenses	9,493,790	8,186,701

Administrative expenses increased by 17% to ~~N~~2.80bn {2020: ~~N~~2.39bn} mainly driven by depreciation on redistribution trucks, increased employee costs and additional staff bus rentals. Market Activation expenses decreased by 22% to ~~N~~0.29bn {2020: ~~N~~0.37bn} as a result of targeted market activations and penetration in specific markets. Branding expenses increased by 13% to ~~N~~0.60bn {2020: ~~N~~0.53bn} due to increased in-market consumer engagements.

Delivery expenses increased by 18% to ~~N~~5.80bn {2020: ~~N~~4.90bn} mainly driven by additional hiring of third party transporters to mitigate the transportation challenges we faced and ensure timely delivery of all our products.

“The profit before tax was ~~N~~4.24bn, an increase of 8% above prior year”

Financial Pillar

	31-Dec-21	31-Dec-20
	N'000	N'000
Profitability		
EBITDA	5,049,641	6,363,819
Other Income	52,271	19,895
Other Operating Gains	1,782,837	580,237
Depreciation and amortization	(2,568,247)	(2,936,413)
Operating Profit	4,316,502	4,027,538

Operating profit for the year increased by 7% to N4.32bn {2020: N4.03bn} and operating margin for the year was 13% {2020: 14%}. The main driver for the increased operating profit in 2021 was the gain on the sale of the Vegetable Oil plant of N0.75bn and the net Foreign exchange gains of N1.04bn.

	31-Dec-21	31-Dec-20
	N'000	N'000
Investment Income		
Interest on bank balances	377	111
Interest on fixed deposits	51,324	50,965
Investment Income	51,701	51,076

	31-Dec-21	31-Dec-20
	N'000	N'000
Finance Cost		
Interest on overdraft	80,585	-
Interest on borrowings	-	113,217
Interest on lease liabilities	49,575	58,681
Finance Cost	130,160	171,898

Investment income increased marginally by 1% to N0.05bn {2020: N0.05bn} as we focused our resources on investing in the new Salt refinery plant to optimize the refined salt capacity. Finance costs were N0.13bn {2020: N0.17bn} driven mainly by N0.08bn interest on overdraft facilities in the year. The average effective interest rate during the year was 13.5%.

	31-Dec-21	31-Dec-20
	N'000	N'000
Taxation		
Income Tax Expense	1,267,061	1,216,406
Total Tax Charge	1,267,061	1,216,406

The profit before tax increased by 8% to N4.24bn, compared to N3.91bn in 2020. Tax expense for the year increased by 4% to N1.27bn {2020: N1.22bn}, including a deferred tax expense of (N0.09bn) {2020: N0.36bn}. The effective tax rate was 30% {2020: 31%}. The profit for the year increased by 10% to N2.97bn compared with N2.69bn in 2020. This resulted in a 10% increase in earnings per share in 2021 of N1.12 compared to N1.02 in 2020.

“Total equity grew by 15% to N14.63bn compared to N12.72bn prior year”

Financial Position	31-Dec-21 ₦'000	31-Dec-20 ₦'000
Property, plant and equipment	14,063,444	16,698,217
Right of use assets	3,837,926	3,700,122
Other Current assets	15,576,012	21,310,282
Cash and bank	7,044,016	2,600,370
Total Assets	40,521,398	44,308,991

	31-Dec-21 ₦'000	31-Dec-20 ₦'000
Borrowings	38,570	38,570
Lease Liabilities	3,139,417	3,432,057
Other non-current liabilities	2,494,656	2,596,882
Current liabilities	20,218,075	25,521,662
Total Liabilities	25,890,718	31,589,171

	31-Dec-21 ₦'000	31-Dec-20 ₦'000
Share capital	1,324,719	1,324,719
Share premium	434,037	434,037
Retained earnings	12,871,924	10,961,064
Total Equity	14,630,680	12,719,820

Total assets decreased by 9% to ₦40.52bn {2020: ₦44.31bn}. This decrease was driven predominantly by a reduction in trade and other receivables and sale of the Vegetable Oil plant. Cash and bank for the year increased by 171% compared to prior year to ₦7.04bn {2020: ₦2.60bn}.

Total liabilities decreased by 18% to ₦25.89bn {2020: ₦31.59bn} primarily driven by a 39% decrease in trade and other payables in the year. Total equity increased year on year by 15% to ₦14.63bn {2019: ₦12.72bn}.

“The Board has proposed to maintain the dividend of ₦1.06bn for the year”

Proposed dividend

On Friday 25th of February 2022, the Directors proposed to maintain the dividend of ₦0.40 per share {2020: ₦0.40} to be paid to shareholders. The dividend represents a payout ratio of 36% {2020: 39%} reduced due to trade liabilities and capital expenditure requirements in 2022. The proposed dividend is subject to the approval of shareholders at the Annual General Meeting on Friday 3rd of June 2022. If approved, the total amount payable will be ₦1.06bn {2020: ₦1.06bn}.

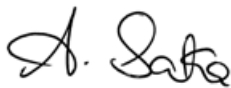
Approval of Financial Statements

In compliance with the Regulatory requirement in Nigeria, the Statement of Financial Position as at 31 December, 2021 has been signed by NASCON Allied Industries Plc's Finance Controller, Tunde Iwamofe, who is a Registered Member of a Nigerian Professional Accountancy Institute.

Going Concern

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

The Directors believe that the current working capital is sufficient for the operations and the Company generates sufficient cash flows to fund its operations.



Aderemi Saka

Chief Financial Officer





Risk Management Report

“Risk Management provides independent oversight and applies an integrated approach to managing current and emerging risks”

The covid-19 pandemic changed the global business landscape, introducing a new wave of unique threats. The year 2021 signalled the beginning of the gradual journey to recovery, adaptation and adjustment to the new variables in the business environment.

During the year, our risk management architecture provided the needed support to ensure seamless adaptation to the novel scenarios and control adequacy to the business while navigating avenues for increased and sustainable growth.

Our commitment to the primary role of risk management which is ensuring the protection of our customers, business, shareholders, and our operating community remained firm, especially during this period that was characterized with ever evolving changes to the threat and opportunity landscape of our business. We have ensured that as we steer through this path, our risk management framework remained active in our operational and strategic decision making, providing vital insights to identifying, assessing, monitoring, and reporting the risks associated with our activities.

OUR RISK MANAGEMENT FRAMEWORK:

Nascon’s Risk Management framework sets forth the core principles on how NASCON seeks to identify and manage its risk; it establishes the principles and standards by which risks will be managed across the company and will instruct behaviour across the organisation. It provides clear accountability and responsibility for risk management across the firm as well as facilitates discussion by introducing a common framework and risk language.

RISK GOVERNANCE:

The Board holds ultimate responsibility over the company’s business and determines the level of risks that will be taken. The Board assesses management’s performance, provides credible challenge, and holds management accountable for maintaining an effective risk management program and for adhering to risk management expectations. This risk oversight is achieved directly via the Finance, Risk & Audit Committee. The Committee approves NASCON’s risk management framework and oversees its implementation, including the processes established by management to identify, assess, measure, monitor, and manage risks.



Risk Management Report

RISK OPERATING MODEL- ROLES AND RESPONSIBILITIES

THE 3 LINES OF DEFENSE:

- The front line, which is composed of our lines of business and all support functions within the enterprise, who in the course of normal business activities, identifies, measures and assesses, manages, controls, monitors, and reports on risk associated with its business activities and balances risk and reward in decision making while remaining within set risk thresholds.
- The Risk Management function makes up the second line of defense. They establish and maintain the risk management program and provides oversight, including challenge to and independent assessment of the front line’s execution of its risk management responsibilities.
- Internal Audit is the third line of defense. It is responsible for acting as an independent assurance function and validates that the risk management program is adequately designed and functioning effectively.

ESTABLISHING THE CONTENT: This step initiates the risk management cycle, and it entails the definition of the scope for the risk environment within which Nascon operates, Information garnered from internal elements such as Nascon’s governance and organisation culture, policies and procedural manuals,

strategic plans, and objectives, also from external element e.g., regulatory environment, market conditions, stakeholder expectations, are utilized in the scope definition process.

OUR RISK MANAGEMENT PROCESS

Our risk management process aligns with global best practice standards such as the ISO 31000 Risk Management standard and COSO framework.



NASCON’s Risk Management Governance Structure

The Board	Set and approve Overall risk management framework Regularly review NASCON’s key exposures and approve mitigation plans Provide strategic direction for the business based on its approved risk appetite Assess the organisational effectiveness via the audit function		
Senior management	Provide oversight and assurance of the Enterprise Risk management Framework Determine mitigating action plans to manage identified risks Allocate risk acceptance limits for all business operations and activities Regularly monitor the adequacy of risk mitigation plans		
Business units 1st Line of defense	Internal Control 2nd Line of defense	Risk Management 2nd Line of defense	Internal Audit 3rd Line of defense
Identify and manage risk exposures at the job function level	Define and ensure proper implementation of all internal control policies and procedures	Develop and implement a holistic Enterprise risk Management framework at all levels and subsidiaries of the business	Provide independent assurance of the effectiveness of the group’s risk management and internal control framework

RISK IDENTIFICATION: At the core of a successful Risk Management program is risk identification; effective risk identification ensures inclusion of new and emerging risk thereby allowing prompt and informed decision making. At Nascon risk identification is embedded in our business process planning, change procedure, development of new products and/or attempts to take on new frontiers.

RISK ANALYSIS: This process commences when a risk exposure has been identified. Appropriate analysis is carried out and relevant stakeholders notified of points of failure requiring further analysis or risk evaluation. What constitutes appropriate analysis will vary by risk type and policies. For instance, to analyze a credit risk exposure; it would be required to conduct a financial analysis of the counter party, the structure of the transaction, and likely future movements in credit exposure.

RISK EVALUATION: After risk exposures have been identified and analyzed, proper evaluation of its impact to NASCON whether financial or non-financial is undertaken. In determining the degree of impact, or size of risk exposure; the potential severity and likelihood of occurrence is ascertained using an impact-frequency measurement chart defined in the Risk Management framework. 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 at a suitably aggregated level, for senior management to understand and challenge process owners. Management information presented to senior management enables the identification of high-risk exposures, risk concentrations and holistic risk remediation to be agreed on.

RISK TREATMENT: Upon evaluation of identified risks, agreed controls are implemented to ensure that related business activities are operated and managed within NASCON's risk appetite. Controls usually take the form of setting of operational or transaction limits, business process reengineering, insurance coverage, outsourcing, segregation of duties, or any other measure that would achieve the desired risk treatment whether it be risk minimization, risk elimination, risk avoidance or risk sharing.

RISK MONITORING AND REVIEW: The objective of this process is to ensure that all identified risks are monitored, periodically

reviewed, and reported to and through the appropriate levels of escalations within the Nascon's governance structure. The risk management department ensures proper risk monitoring, review and reporting process to all relevant stakeholders.

OUR RISK UNIVERSE:

Credit Risk:

Credit risk management is organized around a sound organizational and governance model, with the participation of the Board of Directors and the Management Credit Committee, which establishes the risk policies and procedures, the limits and delegation of powers, and approves and oversees the framework of the credit risk function.

Operational Risk:

Following the Basel framework, NASCON defines this as the risk of losses resulting from failures in its internal processes, people or systems, or external events. Operational risk is inherent to all products, activities, processes and systems and is generated in all business and support areas. For this reason, all employees are responsible for managing and controlling the operational risks generated in their sphere of action. At NASCON, we adopt a number of Operational risk tools in identifying, analysing and evaluating operational risks for the business.

Insurance Mitigation/Management

Insurance is used as a means of reducing the risk exposure to the business; risks that have been deemed transferable are transferred to insurance underwriters. Nascon bouquet of insurance coverage includes; Group Life Assurance, Industrial All Risk, Goods in Transit, Commercial Vehicle, Private Motor, Marine insurance, amongst others.

Strategic Risk

Strategic Risk is the risk of loss or harm arising from strategic decisions or poor implementation of decisions affecting the long-term interests of NASCON's main stakeholders, or inability to adapt to changes in the environment. The effective monitoring of NASCON's strategy ensures it is viable and sustainable, and capable of generating results in line with our objectives and over time.



Risk Management Report

SUMMARY OF 2022 RISK FACTORS:

The risk factors described below, could separately or in combination have a material effect on the implementation of

our strategy, our business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation.

Risks

- | | |
|---|---|
| 1 | <p>FOREIGN EXCHANGE EXPOSURES
Foreign Exchange volatility resulting inability of the CBN to adequately defend the naira against foreign currencies e.g the USD and subsequent devaluation of the naira, NASCON has high foreign exchange risk due to the fact that some of the strategic purchases and other transactions are denominated in foreign currency.</p> <p>IMPACT:
Foreign exchange paucity and adverse fluctuations lead to increased raw material costs which impact profitability.</p> <p>MITIGATION STRATEGIES:</p> <ul style="list-style-type: none"> • Explore more options for increasing FX revenue. |
| 2 | <p>SUPPLY CHAIN DISRUPTIONS
Global supply chain constraints resulting to scarcities and arrival delays of raw materials and spares.</p> <p>IMPACT:</p> <ul style="list-style-type: none"> • Disruption in production and possibility of revenue loss. <p>MITIGATION STRATEGIES:</p> <ul style="list-style-type: none"> • Adjustment of stock holding levels envisaging future disruptions. • Increase alternate sourcing points. |
| 3 | <p>POLITICAL/SECURITY RISK EXPOSURE
Persistent spate of kidnapping, armed banditry, activities of secessionist and general low rate of security in the country continues to have a negative effect on our operations.</p> <p>IMPACT:
Threats to employees, assets, and supply chain leading to business disruptions and inability to effectively operate in some areas of the country.</p> <p>MITIGATION STRATEGIES:</p> <ul style="list-style-type: none"> • Adequate insurance cover for all delivery journeys. • Security route assessments are carried out before each trip to volatile locations and employees are briefed on the go with security updates. • All drivers have been exposed to defensive driving training. |
| 4 | <p>EMPLOYEE RETENTION
Inability to retain and motivate the best people with the right skills, at all levels of the organisation due to activities of competition.</p> <p>IMPACT:</p> <ul style="list-style-type: none"> • Inability to attract, develop and retain highly qualified management and suitably skilled employees, particularly to address our expansion initiatives. • Shortage of appropriately skilled manpower. <p>MITIGATION STRATEGIES:</p> <ul style="list-style-type: none"> • Established robust training, development, performance, and rewards management programmes to retain, develop and motivate our people. • Develop a Succession plan for senior management positions. |
| 5 | <p>PRODUCT QUALITY AND SERVICE DECLINE
Technical requirements becoming more complex, and demanding with increase in customer base and preferred specifications.</p> <p>IMPACT:</p> <ul style="list-style-type: none"> • Potential reputational damage. • Loss of market share. <p>MITIGATION STRATEGIES:</p> <ul style="list-style-type: none"> • Continuous review and stress testing of refining process. • Continuous customer engagement to ensure feedback is acknowledged and addressed. |

6 SHIFTS IN MARKET INDICATORS

Possibility that purchases trends within our defined markets would change adversely resulting in reduced sales.

IMPACT:

The inability to reach strategic objectives long term, leading to lower growth or lower financial performance.

MITIGATION STRATEGIES:

- There is a strong focus on product segmentation aiming to diversify the product portfolio and reduce dependence on individual customer segments.

7 LOSS OF MARKET SHARE

Change in the business dynamic, whereby a competitor's product may lead to loss of competitive advantage.

Impact

- Negative impact on revenues, cash flows and sustainable profitability.
- Inefficient distribution of physical, human and financial resources.

MITIGATION STRATEGIES:

- Leverage on customer feedback, balance short-term improvements with longer-term solutions.
- Promote agility, benchmarking and quick market responses.

8 BUSINESS CONTINUITY MANAGEMENT

Business disruption or interruptions that may result from systemic diseases outbreak, failure of network or other infrastructure.

IMPACT:

- Business disruptions threatening the continuity of operations and resulting in reputational damage.
- Revenue loss resulting from production downtimes.

MITIGATION STRATEGIES:

- End-to-end testing of mission-critical systems and services.
- Performance of business resilience assessment to identify vulnerabilities and single point of failures across ecosystem.
- Adherence to WHO Covid-19 protocols.

9 HEALTH, SAFETY & ENVIRONMENT (HSE) RISK


Exposures resulting from unsafe acts both within and outside the premises.

IMPACT:

- increased insurance premiums.
- Increased legal risk exposure.
- Declining public perception.

MITIGATION STRATEGIES:

- NASCON has instituted policies, procedures and standards for ensuring compliance with Health, Safety & Environment global best practices, and relevant local and global legal obligations or industry standards.
- All Management meetings feature HSE status reviews.
- HSE Performance indicators have been defined, are closely tracked, and analyzed for operations of the organisation.



Shakira Mustapha

Head, Risk Management

Life is
better with
Dangote salt



Endorsed by



It's not just salt, it's Dangote salt.

Independent assurance statement by Deloitte Nigeria to NASCON Allied Industries Plc ('NASCON') on selected sustainability indicators for inclusion in the 2021 Sustainability Report.

Scope of our work

NASCON Allied Industries Plc ('NASCON') engaged us to provide limited assurance on the following selected key performance data for inclusion in its 2021 Sustainability Report:

7 Sustainability Pillars	Selected Sustainability Information (as documented in the 2021 Sustainability Report)	Criteria	Page Number
Institutional	We carried out extensive stakeholder engagement (involving employees, host communities, investors, and supply chain) activities and a materiality assessment survey to determine the major concerns of our key stakeholders.	GRI 2-16 GRI 2-29 GRI 3-3	21
	NASCON's Anti-Bribery and Corruption Policy establishes our commitment to the highest standard of ethical conduct in all operations and business activities.	GRI 205-1 GRI 205-2 GRI 205-3	58
	To monitor our progress in the implementation of the prioritized UN SDGs (Goal 2, 3, 6, 12, 13), we developed an integration plan which was endorsed by Executive Management.	GRI 413-1 GRI 413-2	81
	We recorded zero incidences of ESG regulatory infractions in the reporting year.	GRI 307-1 GRI 419-1	84
	In 2021, we received and resolved one community grievance complaint from one of the communities around the Salt Village Plant bordering on environmental impact and safety due to elevated noise levels during operation.	GRI 413-1	59
	In 2021, we executed a total of 6 Community Stakeholder Engagement sessions (4 in Salt Village, 1 in Oregun and 1 in Ota)	GRI 413-1 GRI 413-2	59
	Cultural	Total employees comprised of 581 (67.2%) permanent employees, 282 (32.7%) temporary employees, and 1 (0.1%) expatriate.	GRI 2-7 GRI 2-8 GRI 405-1
2021 total workforce number, only 88 (10%) are female while 776 (90%) are male.		GRI 2-7 GRI 2-8 GRI 405-1	29
The age categories of the total workforce are: 18 to 30 years: 303 employees (35.1%); 30 to 50 years: 527 employees (61.0%); >50 years: 34 employees (3.9%)		GRI 405-1	29
In 2021, we had a total of 59 senior management staff and fifteen(15) executive management		GRI 2-9	30
In 2021, we had a total workforce of 864 with 10% representation by women. Furthermore, our employees between the ages of 18-30 years represented 35% of our total workforce; 31-50 years represented 61%; while over 50 years represented 4%.		GRI 2-7 GRI 405-1	62
The average age of our Board is 57 years while that of the executive management team is 47 years.		GRI 2-9	62

	All senior management staff are within the age categories of 30 to 50 years. The age categories of the executive management staff are 10 employees (67%) for 30 to 50 years and 5 employees (33%) for >50 years.	GRI 2-9	31
	In the year under review, our executive management team consisted of 15 persons including 11 males and 4 females, representing 73% and 27%, respectively. In addition, our Board of Directors consisted of 6 males and 4 females, representing 60% % and 40%, respectively.	GRI 2-9 GRI 2-10 GRI 2-11	62
	In 2021, we recorded a total of 61 new hires and 73 staff exits across all operating plants and fleet operations.	GRI 401-1	31
	In 2021, NASCON trained 1,119 participants (across numerous training programmes) spending a total of 32,521 training hours which is an average of 29.1 hours per employee. A total of 3,926 training hours were committed to training 302 female participants at an average of 13 hours per female employee. Also, 817 male participants spent a total of 28,595 hours in training at an average of 35 hours per male employee.	GRI 401-4	33
	In 2021, staff (permanent, temporary/contract, expatriate) between 18 to 50 years constituted 830 or 96.1% of our total workforce, indicative of our commitment to supporting government efforts at combatting rising youth unemployment across the country.	GR1 401-1	39
	In 2021, we recorded zero cases of discrimination in terms of employment, promotion, training, etc. within the workforce.	GRI 2-27	63
	In the year under review, we did not record any reported case of child labour, forced or compulsory labour.	GRI 408-1 GRI 409-1 GRI 2-27	63
	Zero cases of human right issues were recorded in 2021 across our operations.	GRI 2-27	64
Operational	NASCON's total procurement spend which includes technical goods and services, raw materials, consumables, and supplies increased by 24.8% from N19.4 billion in 2020 to N25.8 billion in 2021.	GRI 201-1	46
	In 2021, we increased our procurement spend from local suppliers to N15.353 billion, which is a 41% increase from N8.998 billion in 2020.	GRI 204-1	46
	Our quality management system is based on ISO 9001 and is audited by accredited external certification companies.	GRI 300	47
	Our Plant is also a HALAL Certified Plant & SMETA 4-Pillar Certified Factory.	GRI 400	47
	Health and safety performance metrics in 2021.	GRI 403-1 - 10	62
Social	In 2021, we spent a total of N35.9 million on social investment projects, representing about 1.21% of our 2021 profit after tax (PAT). This is a marked improvement from 2020 where we spent N21.1 million which was 0.79% of 2020 PAT.	GRI 201-1	57
	A community needs assessment process that underpins the development of a context-appropriate Community Development Plan (CDP) was executed fully in 2021.	GRI 413-1 - 2	58
	In summary, 200 NASCON volunteers utilised 420 volunteering hours on initiatives that benefitted 600 students and two (2) host communities.	GRI 413-1	35

Environmental	Across all our locations, total energy consumption in 2021 was 136,763 GJ, an increase of 53.6% year-on-year, relative to 2020.	GRI 302-1	67
	Furthermore, the energy intensity increased to 0.35 GJ/ton in 2021 from 0.21 GJ/ton in 2020. In 2021, we used a diverse fuel mix in generating energy for our operations with natural gas, diesel, and electricity from the national grid accounting for a majority of the fuel mix with a percentage of 78.9%, 19.0%, and 1.84% respectively.	GRI 302-1 GRI 302-3 GRI 302-4	67
	Energy generation accounts for about 29% of Scope 1 emission while our fleet operations account for 71%.	GRI 305-1	68
	In 2021, our total GHG emissions from production activities, resulting from captive power plants and energy generators, and fleet operations (Scope 1) was 19,915 tonnes of CO ₂ while the GHG Emission Intensity was 20.42 kg CO ₂ /ton of product.	GRI 305-1 GRI 305-4	68
	In 2021, the total volume of water consumed from all production facilities and fleet operations was 26,259m ³ while the Water Intensity was 67 litres/ton.	GRI 303-5	69
	In 2021, we did not record any case of regulatory infractions on waste management.	GRI 307-1	69
	Total waste volume increased from 279 tonnes in 2020 to 389 tonnes in 2021 due to the transition in Salt Village Plant and shutdown of Oregon Plant which generated 374 tonnes of non-hazardous waste. All hazardous wastes (15 tonnes) generated in 2021 were re-used or recycled by third parties.	GRI 306-3 GRI 306-4	69
	Consequently, our annual average stack dust emission reduced by 43% from 238 mg/Nm ³ in 2020 to 136 mg/Nm ³ in 2021.	GRI 305-7	70
	In 2021, we had no environmental compliance fines, penalties, or sanctions in any of our production facilities.	GRI 307-1	70
	We engaged a certified environmental auditor to carry out quarterly audits on our environmental performance in line with Good International Industry Practices (GIIP).	GRI 300	68
Economic	The salaries, wages, and dividends that we pay are our direct contributions to household income which amounted to N3.3 billion in 2021.	GRI 201-1	39
	while our taxes, local procurement, and social investments are our indirect contributions which amounted to N16.7 billion in 2021.	GRI 203-1 GRI 203-2 GRI 207-1 - 4	39

Our assurance opinion

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

Basis of our work and level of assurance

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the

processes, systems and competencies used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limited assurance procedures performed

To form our conclusions we undertook the following procedures:

- Interviewed key functions that oversee the selected sustainability information to understand the governance and review process for data management and collection, the expectations around reporting, the challenge made internally over the data and expectations of year end performance given the understanding of the operations during the year;
- Interviewed key personnel involved in the data collection, management and reporting processes, including how the information is captured at site level and how this feeds up to business level and to Group;
- Performed testing to corroborate the results of these interviews, including seeking supporting evidence for the statements made, confirmation of data boundary, documentation of reporting processes, minutes of relevant meetings and pictures of physical sessions;
- Understood, analysed and tested on a non-statistical sample basis the key structures, systems, processes, procedures and controls related to the collation, validation and reporting of sustainability performance data; and
- Close examination of the sustainability report in relation to the findings from this sustainability assurance exercise and making recommendations and considerations of the disclosure and presentation of the selected sustainability Information.

Responsibilities of Directors and independent assurance provider

NASCON's responsibilities

The Directors are responsible for the preparation of the 2021 Annual and Sustainability Report, and for the information and statements contained within them. They are responsible for determining the sustainability targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities

Deloitte's responsibility is to independently express conclusions on the selected information as defined within the scope of work above to NASCON in accordance with our letter of engagement. We permit disclosure of this report for the year ended 31 December 2021, to enable the directors to demonstrate they have discharged their governance as well as respond to their responsibilities by obtaining an independent assurance report in connection with the selected sustainability information.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report except where terms are expressly agreed and with our prior consent in writing.

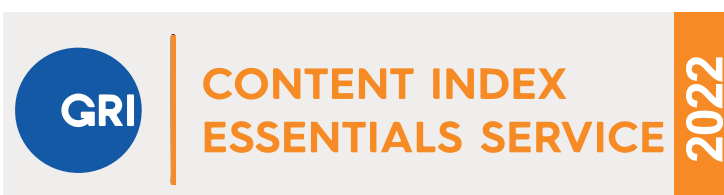


Deloitte Nigeria

26 April 2022

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.



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

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GENERAL STANDARDS						
GRI 2: General Disclosures 2021	2-1	Organizational details				4, 8-9
	2-2	Entities included in the organization's sustainability reporting				8-9, 18-21
	2-3	Reporting period, frequency and contact point				18-21
	2-4	Restatements of information				No Restatements
	2-5	External assurance			4.3: Format of Report	98-101
	2-6	Activities, value chain and other business relationships				8-9, 18-21
	2-7	Employees	Goal 8			26-36
	2-8	Workers who are not employees	Goal 8			26-36
	2-9	Governance structure and composition			Principles 1 and 2: Governance	22-25, 30-31
	2-10	Nomination and selection of the highest governance body			Principles 1 and 2: Governance	110-113
	2-11	Chair of the highest governance body			Principles 1 and 2: Governance	110-113
	2-12	Role of the highest governance body in overseeing the management of impacts			Principles 1 and 2: Governance	22-25, 30-31, 110-113
	2-13	Delegation of responsibility for managing impacts			Principles 1 and 2: Governance	110-113
	2-14	Role of the highest governance body in sustainability reporting			Principles 1 and 2: Governance	22-25, 30-31, 110-113
	2-15	Conflicts of interest				110-113
	2-16	Communication of critical concerns				110-113
	2-17	Collective knowledge of the highest governance body			Principles 1 and 2: Governance	110-113
	2-18	Evaluation of the performance of the highest governance body			Principles 1 and 2: Governance	110-113
	2-19	Remuneration policies				110-113
	2-20	Process to determine remuneration				110-113
	2-21	Annual total compensation ratio	Goal 10			110-113
	2-22	Statement on sustainable development strategy				110-113
	2-23	Policy commitments				110-113
	2-24	Embedding policy commitments			Principle 3: Governance	72-84, 110-113



GRI content index

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/ OR DIRECT ANSWER(S).
	2-25	Processes to remediate negative impacts		Principle 7: Environment	Principles 8 and 9: Social and Environment	72-84, 110-113
	2-26	Mechanisms for seeking advice and raising concerns				72-84, 110-113
	2-27	Compliance with laws and regulations	Goal 16			72-84
	2-28	Membership associations	Goal 17			84
	2-29	Approach to stakeholder engagement				72-84
	2-30	Collective bargaining agreements	Goals 8 and 10	Principle 3: Labour		63
GRI 3: Material Topics 2021	3-1	Process to determine material topics				72-84
	3-2	List of material topics				72-84
ECONOMIC STANDARDS						
Economic Performance						
GRI 3: Material Topics 2021	3-3	Management of material topics				38-41
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Goals 8 and 9			38-41
	201-2	Financial implications and other risks and opportunities due to climate change	Goal 13			38-41
	201-3	Defined benefit plan obligations and other retirement plans				38-41
	201-4	Financial assistance received from government				38-41
Market Presence						
GRI 3: Material Topics 2021	3-3	Management of material topics				Not Applicable
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Goals 1, 5 and 8			Not Applicable
	202-2	Proportion of senior management hired from the local community	Goal 8			Not Applicable
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics				38-41, 57-58
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 5, 9, and 11			38-41, 57-58
	203-2	Significant indirect economic impacts	Goals 1, 3, and 8			38-41
Procurement Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics				38-41, 46
GRI 204: Procurement Practices 2016	204-1	204-1 Proportion of spending on local suppliers	Goal 8			38-41, 46
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics				58, 92-96
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	92-96
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	58
	205-3	Confirmed incidents of corruption and actions taken	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	58

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
Anti-competitive Behavior						
GRI 3: Material Topics 2021	3-3	Management of material topics				58, 110-113
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		58, 110-113
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics				38-41, 110-113
GRI 207: Tax 2019	207-1	Approach to tax	Goals 1, 10 and 17			38-41
	207-2	Tax governance, control, and risk management	Goals 1, 10 and 17		Principles 1 and 2: Governance	38-41
	207-3	Stakeholder engagement and management of concerns related to tax	Goals 1, 10 and 17			110-113
	207-4	Country-by-country reporting	Goals 1, 10 and 17			38-41
ENVIRONMENTAL STANDARDS						
Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics				42-48, 66-71
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goals 8 and 12			42-48, 66-71
	301-2	Recycled input materials used	Goals 8 and 12	Principle 8: Environment	Principles 3 and 9: Economic and Environment	42-48, 66-71
	301-3	Reclaimed products and their packaging materials	Goals 8 and 12			Not Applicable
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics				66-71
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	66-71
	302-2	Energy consumption outside of the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	302-3	Energy intensity	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	302-4	Reduction of energy consumption	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	302-5	Reductions in energy requirements of products and services	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	66-71
Water and Effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics				66-71



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GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
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	66-71
	303-2	Management of water discharge-related impacts	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	303-3	Water withdrawal	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	303-4	Water discharge	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	303-5	Water consumption	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-71
Biodiversity						
GRI 3: Material Topics 2021	3-3	Management of material topics				70, Not Applicable
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Not Applicable
	304-2	Significant impacts of activities, products and services on biodiversity	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	70
	304-3	Habitats protected or restored	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Not Applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Not Applicable
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics				66-71
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	66-71
	305-2	Energy indirect (Scope 2) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	305-3	Other indirect (Scope 3) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	305-4	GHG emissions intensity	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	305-5	Reduction of GHG emissions	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	305-6	Emissions of ozone-depleting substances (ODS)	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	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	66-71
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics				66-71

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GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
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	66-71
	306-2	Management of significant waste-related impacts	Goals 3, 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	306-3	Waste generated	Goals 3, 6, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	306-4	Waste diverted from disposal	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	66-71
	306-5	Waste directed to disposal	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	66-71
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics				45-46, 66-71
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	45-46
	308-2	Negative environmental impacts in the supply chain and actions taken				45-46, 66-71
SOCIAL STANDARDS						
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics				30-32
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	30-31
	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	32
	401-3	Parental Leave	Goals 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	32
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3	Management of material topics				32
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Goal 8		Principle 5: Social	32
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				52-55, 60-62
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-2	Hazard identification, risk assessment, and incident investigation	Goal 8	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-3	Occupational health services	Goal 8	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-4	Worker participation, consultation, and communication on occupational health and safety	Goals 8 and 16	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-5	Worker training on occupational health and safety	Goal 8	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-6	Promotion of worker health	Goal 3	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Goal 8	Principle 6: Labour	Principle 5: Social	52-55, 60-62



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GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/ OR DIRECT ANSWER(S).
	403-8	Workers covered by an occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-9	Work-related injuries	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	52-55, 60-62
	403-10	Work-related ill health	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	52-55, 60-62
Training and Education						
GRI 3: Material Topics 2021	3-3	Management of material topics				33-34
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	33-34
	404-2	Programs for upgrading employee skills and transition assistance programs	Goal 8	Principle 6: Labour	Principle 6: Social	33-34
	404-3	Percentage of employees receiving regular performance and career development reviews	Goals 8 and 10	Principle 6: Labour	Principle 6: Social	33-34
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3	Management of material topics				62
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	62
	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	62
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics				63
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Goals 5 and 8	Principle 6: Labour	Principle 6: Social	63
63 Freedom of Association and Collective Bargaining						
GRI 3: Material Topics 2021	3-3	Management of material topics				63
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		63
Child Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics				63
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	63
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3	Management of material topics				63
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	63
Security Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics				64
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	64
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3	Management of material topics				64
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Goal 2			64

GRI content index

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
Local Communities						
GRI 3: Material Topics 2021	3-3	Management of material topics				35-36, 57-58, 94
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs			Principle 8: Social	35-36, 57-58, 94
	413-2	Operations with significant actual and potential negative impacts on local communities	Goals 1 and 2		Principle 8: Social	35-36, 57-58, 94
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics				45-46, 64, 66-71
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	45-46, 64, 66-71
	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	45-46, 64, 66-71
Public Policy						
GRI 3: Material Topics 2021	3-3	Management of material topics				No contribution, 58
GRI 415: Public Policy 2016	415-1	Political contributions	Goal 16			No contribution, 58
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				52-55, 60-62
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	52-55, 60-62
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Goal 16		Principles 3 and 4: Economic	52-55, 60-62
Marketing and Labeling						
GRI 3: Material Topics 2021	3-3	Management of material topics				48-50
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	Goal 12			48-50
	417-2	Incidents of non-compliance concerning product and service information and labelling	Goal 16			48-50
	417-3	Incidents of non-compliance concerning marketing communications	Goal 16			48-50
Customer Privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics				48-50
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Goal 16			48-50



2021 ANNUAL REPORT
**CORPORATE
GOVERNANCE**





Corporate Governance Report

“NASCON’s business is conducted in a fair, honest and transparent manner which conforms to high ethical standards”

General information

NASCON Allied Industries Plc is committed to best practices and procedures in corporate governance. The corporate governance practices are constantly under review, in line with dynamics of the business environment. There was considerable focus on the company’s corporate governance practices especially at the Board level during the year.

The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the Company’s business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

Compliance

NASCON is committed to compliance with the requirements of the Nigerian corporate governance regulations, which include but are not limited to the Securities and Exchange Commission’s Code of Corporate Governance for Public Companies in Nigeria and the Companies and Allied Matters Act and the Nigerian Code of Corporate Governance 2018.

Board of Directors

The Board delegates the day-to-day running of the Company’s affairs to the Managing Director supported in this task by an

Executive Management Committee. The Board of Directors consists of ten (10) members; the Chairperson (who is independent), two (2) Executive Directors and seven (7) Non-Executive Directors out of which one (1) is Independent. They are:

Yemisi Ayeni	Chairperson
Thabo Mabe*	Acting Managing Director
Paul Farrer**	Managing Director
Fatima Aliko-Dangote	Executive Director
Olakunle Alake	Director
Halima Aliko-Dangote	Director
Abdu Dantata	Director
Sada Ladan-Baki	Director
Chris Ogbechie	Independent Director
Knut Ulvmoen	Director
Fatima Wali-Abdurrahman	Director

*Appointed 12 February, 2022

**Resigned 11 February, 2022

Responsibilities of the Board of Directors

It is the responsibility of the Board of NASCON Allied Industries Plc to:

- Ensure integrity of the Company’s financial and internal control policies.



Corporate Governance Report

- Ensure the accurate, adequate and timely rendition of statutory returns and financial reporting to the regulatory authorities (NGX Regulation Limited, Corporate Affairs Commission, Securities and Exchange Commission) and shareholders.
- Ensure value creation for shareholders, employees and other stakeholders.
- Review and approve corporate policies, strategy, annual budget and business plan.
- Monitor implementation of policies and the strategic direction of the Company.

Meeting of the Board of Directors

The Board of Directors holds several meetings in the year to consider important corporate events and actions such as approval of corporate strategy, annual corporate plan, review of internal risk management and control systems, review performance and directs the affairs of the Company, its operations, finance and formulate growth strategies.

Record of Directors' meetings

Attendance at Directors' meetings is impressive. In line with provisions of Section 284(2) of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, the record of Directors attendance at Board meetings is available for inspection at the Annual General Meeting.

Board meeting attendance:

The Committee held six (6) meetings in 2021

'Yemisi Ayeni	6/6
Paul Farrer*	6/6
Fatima Aliko-Dangote	5/6
Olakunle Alake	6/6
Halima Aliko-Dangote	6/6
Abdu Dantata	6/6
Sada Ladan-Baki	6/6
Chris Ogbechie	6/6
Knut Ulvmoen	6/6
Fatima Wali-Abdurrahman	6/6

Key activities of the Board:

- The Board carried out an extensive review of the Company's short and long-term strategy, culminating in a detailed strategic plan.
- Consideration of the reports of the Board Committees with recommendations for approval.
- The Board considered the quarterly unaudited financial

*Resigned 11 February, 2022

reports and audited full year reports and proposed a dividend.

- Financing requirements for building a fully automated Salt Refinery.
- Operational performance, marketing strategy and report on business and projects.
- Risk Management objectives and implementation.

Board Committees

The Board delegated some of its responsibilities to standing committees that consists of Executive Directors and Non-Executive Directors. These are the Establishment and General Purpose Committee and Finance, Risk and Audit Committees. The Committees report to the Board of Directors on their activities and decisions which are ratified by the full Board, at a meeting. In compliance with the practices of good corporate governance, the Chairperson of the Board is not a member of either of these committees.

The Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee is responsible for monitoring the integrity of the financial statements of the Company. It also assesses and monitors all risks associated with the operations of the Company, developing and monitoring the implementation of Internal Control System, by Management. The Committee assists the Board in its responsibility relating to the oversight of the Company's financial credit and risk management policies and procedures.

The Committee is comprised of seven (7) Directors:

Chris Ogbechie	Chairman
Paul Farrer*	Member
Fatima Aliko-Dangote	Member
Olakunle Alake	Member
Halima Aliko-Dangote	Member
Abdu Dantata	Member
Sada Ladan-Baki	Member

Key matters of the committee:

- Reviewed the 2020 annual reports and accounts.
- Reviewed the 2021 quarterly financial reports.
- Reviewed the critical accounting policies applied in the preparation of the financial statements.
- Reviewed the reports on key operational risks and the related controls and processes to manage and mitigate said risks.



Finance, Risk and Audit Committee attendance:

The Committee held four (4) meetings in 2021

Chris Ogbechie	4/4
Paul Farrer*	4/4
Fatima Aliko-Dangote	4/4
Olakunle Alake	4/4
Halima Aliko-Dangote	4/4
Abdu Dantata	4/4
Sada Ladan-Baki	4/4

The Establishment and General Purpose Committee

The Committee is responsible for reviewing the policy framework for employee and remuneration issues. The Committee also institutes a transparent procedure for the appointment of new Directors to the Board of Directors and makes recommendation to the Board regarding the tenures and the re-appointment of Directors.

The committee is comprised of five (5) Directors:

Knut Ulvmoen	Chairman
Paul Farrer*	Member
Fatima Aliko-Dangote	Member
Halima Aliko-Dangote	Member
Fatima Wali-Abdurrahman	Member

Key matters of the committee:

- Considered the proposed new organisational and salary structure, including new positions and portfolios.
- Considered the controls and procedures for monitoring staff and IT output quality.

Establishment & General Purpose Committee attendance:

The Committee held four (4) meetings in 2021

Knut Ulvmoen	4/4
Paul Farrer*	4/4
Fatima Aliko-Dangote	4/4
Halima Aliko-Dangote	4/4
Fatima Wali-Abdurrahman	4/4

The Statutory Audit Committee

The Committee is made up of five (5) members, three (3) representatives of Shareholders and two (2) members of the Board of Directors. The members are elected annually at General Meetings. The Committee, in compliance with the requirement of good corporate governance practices is chaired

by a representative of the Shareholders and include:

Okey Nwuke	Chairman/Shareholder
Umar Farouk	Shareholder
Kudaisi Ayodele Sarat	Shareholder
Halima Aliko-Dangote	Director
Chris Ogbechie	Director

Statutory Audit Committee attendance:

The Committee held four (4) meetings in 2021

Okey Nwuke	4/4
Umar Farouk	4/4
Kudaisi Ayodele Sarat	4/4
Halima Aliko-Dangote	4/4
Chris Ogbechie	4/4

Key matters of the Committee:

- Ensured the independence and objectivity of the Audit.
- Reviewed the adequacy and effectiveness of NASCON Allied Industries Plc's internal control policies prior to endorsement by the Board.
- Directing and supervising investigations into matters within its scope, such as evaluation of the effectiveness of NASCON Allied Industries' internal controls.

In addition to the above stated responsibilities, the Committee carries out all such other functions as stipulated by the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020.

Code of Business Conduct and Code of Governance

The Company has a Code of Business Conduct, which is applicable to all employees and Directors. Mindful of our reputation, we have zero tolerance to all forms of unethical behavior including bribery and corruption. The policy is designed to promote a culture of honesty and accountability. It also provides guidance on mechanisms to report unethical conduct.

Whistle Blowing Policy

We continually strive to create a work environment where employees, contract workers, vendors, service providers, customers and other stakeholders have the opportunity to make confidential disclosures on misconduct, irregularities or malpractice, without fear of harassment and/or victimization and with the assurance that their concerns will be taken seriously, investigated, and appropriate actions will be taken.

*Resigned 11 February, 2022



Corporate Governance Report

In line with Section 32 of the SEC Code and international best practices in Corporate Governance, the Board has established a Whistle Blowing Policy to enable staff, in confidence, raise concerns about possible improprieties in financial and other matters and to do so without fear of reprisal, provided that such concerns are raised in good faith.

Employees and other stakeholders are encouraged to report incidents of misconduct in a confidential and anonymous manner through the internal reporting channels (i.e. Line Manager, Head of Department, and Managing Director) and/or the outsourced KPMG Ethics Line. The Board subscribed to the KPMG Ethics Line to strengthen confidence in our Whistle Blowing Policy. The KPMG Ethics Line contact details are: 0703 000 0026, 0703 000 0027, 0808 822 8888, 0708 060 1222, 0809 993 6366 or kpmgethicsline@ng.kpmg.com.

The Board has delegated oversight over whistle blowing to the Finance, Risk and Audit Committee. All matters reported are investigated and reported to the Committee including the action taken.

Security Trading Policy

In accordance with Rule 17 of the NGX Regulation Limited Amended Listing Rules, the Board has put in place a Security Trading Policy which applies to all Directors and Employees and also to those who may at any time possess, any insider or material information about the Company.

The Security Trading Policy as endorsed by the Board is in substantial conformity with the standard set out in Rule 17 of the NGX Listing Rules.

Accordingly, it is hereby confirmed that, after specific inquiries of all the Directors of the Company, they have all confirmed their compliance with the Policy in the period before the Company results were announced for the 2021 financial year. There is no case of non-compliance with the Policy.

Furthermore, the compliance of the Company Directors with the listing rules and the anti-insider trading policy will continue to be disclosed in the Company's quarterly and other financial reports.

Complaints management

The Company has adopted a complaints management policy in accordance with the requirements of the Securities and

Exchange Commission's rules relating to the Complaints Management Framework of the Nigerian Capital Markets.

Shareholders can direct any complaints or enquiries to the Company Secretariat or to the Registrars, depending on the nature of complaint. Our policy is to acknowledge receipt of the complaint within 48 hours and respond/resolve the query within 10 working days of receipt.

Conflict of Interest and related-party transactions

The Board maintains procedures to ensure that related-party transaction and potential conflicts of interest are identified, disclosed and managed. Details of the related-party transactions during the year is set out on page 175-176.

Shareholders' Interest and Relations

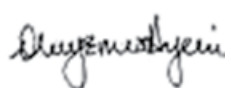
The Board ensures the protection of the statutory and general rights of shareholders at all times particularly their rights to vote at the general meetings. All shareholders, regardless of volume of shareholding or social status are treated equally. The Company has an Investor Relations team that manages effective two-way communications with our investors.

Annual General Meeting (AGM)

The AGM is the principal opportunity for the Board to meet shareholders and explain the Company's progress and to answer any questions raised. The Notice of AGM is dispatched to all shareholders and published in two leading national newspapers and on our website, at least 21 working days before the AGM is held.

The Board and senior management team of the Company are available for discussions with shareholders before the AGM. The Chairmen of the Committees and myself are also available to answer shareholders' questions during formal proceedings of the AGM.

The Annual General Meeting to discuss this 2021 Annual Report will be held at the Civic Centre, Victoria Island, Lagos, at 11.00am on Friday 3rd June 2022 and the meeting will be virtual.



Yemisi Ayeni
Chairperson



Board & Committee Structure

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Establishment and General Purpose Committee

Knut Ulvmoen (c)
Paul Farrer**
Fatima Aliko-Dangote
Halima Aliko-Dangote
Fatima Wali-Abdurrahman

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Board of Directors

*Yemisi Ayeni (c)
Paul Farrer**
Fatima Aliko-Dangote
Olakunle Alake
Halima Aliko-Dangote
Abdu Dantata
Sada Ladan-Baki
Chris Ogbechie
Knut Ulvmoen
Fatima Wali-Abdurrahman

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Statutory Audit Committee

Okey Nwuke (c)
Umar Farouk
Kudaisi Ayodele Sarat
Halima Aliko-Dangote
Abdu Dantata
Chris Ogbechie

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Finance, Risk and Audit Committee

Chris Ogbechie (c)
Paul Farrer**
Fatima Aliko-Dangote
Olakunle Alake
Halima Aliko-Dangote
Abdu Dantata
Sada Ladan-Baki

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Management Committee

Thabo Mabe*	Olusegun Ajala	Kolawole Samuel
Paul Farrer (c)**	Shalom Okonmah	Kayode Balogun
Fatima Aliko-Dangote	Jude Amaechi	Kingsley Ejike
Aderemi Saka	Shakira Mustapha	Adedayo Samuel
Murtala Zubair	Patrick Mogaha	
Olushola Shosanya	Tunde Iwamofe	

*Appointed 12 February, 2022 **Resigned 11 February, 2022

Board of Directors



■ **Y. Ayeni**



■ ***T. Mabe**



■ ****P. Farrer**



■ **F. Aliko-Dangote**



■ **O. Alake**



■ **H. Aliko-Dangote**



■ **A. Dantata**



■ **S. Ladan-Baki**



■ **C. Ogbechie**



■ **K. Ulvmoen**



■ **F. Wali-Abdurrahman**

*Appointed 12 February, 2022 **Resigned 11 February, 2022

Board of Directors

1. **Yemisi Ayeni** **Chairperson**

Yemisi is the immediate past Managing Director, Shell Nig. Closed Pension Fund Administrator Ltd, a position she held for 10 years.

A graduate of Economics, from the University of Manchester, UK, she is also a member of the Institute of Chartered Accountants in England and Wales. She started her career with PWC, London in 1985, relocated to their Lagos office in 1991 and joined Shell Nigeria in 1994. She held a wide variety of roles in various Shell companies for 21 years.

She was a Council Member of the NGX Regulation Limited, Vice Chairman, Pension Fund Operators' Association and the Chair of the Association's Institute Committee. She is currently a Non-Executive Director of Guinness Nigeria, Non-Executive Director of Stanbic IBTC Pension Managers Ltd and an Advisory Board Member of the Africa Initiative for Governance.

2. **Thabo Mabe** **Acting Managing Director**

Thabo was appointed the Acting Managing Director of NASCON Allied Industries PLC on February 12, 2022. He holds a Bachelor of Science Degree in Chemistry and Mathematics from Fort Hare University, South Africa.

He joined Unilever as a graduate trainee and served in various capacities with practical experience involvement in Manufacturing, Productions, Sales and other spheres of work. In 1999 he was appointed Works Director Personal Wash Factory in Mannheim, Germany, which is the global factory that supplied Dove soap to Unilever operations around the world. Thabo returned to South Africa in 2002 and was appointed Manufacturing Director and then VP Supply Chain for Unilever HPC in 2004. When Unilever, HPC and foods divisions were consolidated into one in 2007, Thabo was appointed Vice President Marketing for Spreads, Cooking and Ice Cream and later Vice President, Homecare.

He was appointed to the Board of Directors and CEO of Unilever Nigeria in 2010. Thabo joined Dangote Group as the MD/CEO of Dangote Flour Mills Plc in 2014 before moving on to oversee the Rice business of the group. He has a wide international working experience, managing businesses in South Africa, Germany as well as Nigeria.

3. **Paul Farrer** **Managing Director**

Paul joined NASCON as Managing Director in 2015, having previously been the Chief Operating Officer and Group Executive Director of Food Concepts Plc.

His experience in the foods business spans 23 years in the South and West African markets; in international companies such as TGI Fridays (Americana Group), Steers Holdings – Debonairs Pizza, Famous Brands and Innscor International.

He is an alumnus of East London Technical College, South Africa.

4. **Fatima Aliko-Dangote** **Executive Director, Commercial**

Fatima joined NASCON as Executive Director Commercial in 2016. Prior to that she joined the Dangote Group in 2014 as the Special Assistant to the Managing Director-Cement and later worked as a Group Corporate Strategy Specialist. In this latter role, she provided planning and analytical support across all the Business Units of the Dangote Group.

She holds a Bachelor's degree in Law from the University of Surrey in the UK. Fatima has been called to the Nigerian Bar, and has worked as an Associate at Banwo and Ighodalo Legal Chambers, on areas related to capital markets, intellectual property and energy.

5. **Olakunle Alake** **Director**

Olakunle is Group Managing Director of Dangote Industries Limited (DIL). He was appointed to the Board of Dangote Industries in 2001 and has since been instrumental to the growth of the parent company and its subsidiaries.

He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University Ile-Ife (1983) and is a Fellow of the Institute of Chartered Accountants of Nigeria.

He joined DIL in 1990, after six years at PWC. He has held several management positions in DIL, including Financial Controller and Head of Strategic Services. He has deep finance and accounting experience and brings substantial experience in finance, mergers and acquisitions to the Board.

6. Halima Aliko-Dangote Director

Halima holds a Bachelor's Degree in Marketing from the American Intercontinental University, London, United Kingdom and a MBA from Webster Business School, London, also in the UK.

She started her career as a business analyst with KPMG Professional Services in Lagos, Nigeria, before she joined Dangote Industries Limited in 2010. She has held a number of key roles at Dangote Industries including Special Assistant to the President/Chief Executive.

She is currently an Executive Director overseeing commercial functions of Dangote Industries Limited. She was the Executive Director in charge of Commercial activities at Dangote Flour Mills. She resigned as Executive Director at NASCON in February 2016 but remains on the Board as a Director.

7. Abdu Dantata Director

Abdu is the Executive Director in charge of Logistics and Distribution for Dangote Industries Limited, a position he has held since the Group was established more than 20 years ago. He is also the Chairman of Agad Nigeria Limited, a trading and transportation Company operating throughout Nigeria.

He is a fellow of the Nigerian Institute of Shipping. He brings his extensive experience in sales, logistics and distribution to the Board.

8. Sada Ladan-Baki Director

Sada's experience spans thirty years in public service and fund administration. He sits on the board of several companies and belongs to many professional associations including the Institute of Logistics and Distribution (Chartered Fellow) and the Nigerian Institute of Marketing (Chartered Member).

He is a graduate of Economics with an MBA from Ahmadu Bello University, Zaria.

9. Chris Ogbegie Independent Director

Chris has wide experience in marketing, strategy and corporate governance derived from his work as Head of Marketing/Sales at Nestle Nigeria and from his

consulting work with Nigerian, Ghanaian and Kenyan firms over the years.

He is the Deputy Dean of Lagos Business School, Director of First Bank Sustainability Centre, and Professor of Strategic Management, Lagos Business School. He was the former Chairman, Board of Directors, Diamond Bank Plc. He teaches strategy and corporate governance at the Lagos Business School and Strathmore Business School in Nairobi, Kenya.

Chris has a first-class honours degree in Mechanical Engineering from Manchester University, an MBA from Manchester Business School and a PhD in Business Administration from Brunel Business School in the UK.

9. Knut Ulvmoen Director

Knut joined Dangote in 1996 as the Finance Director. He is a management professional with extensive background in finance and administration of multinational companies including Revisor-Centret, Norcem Group, Bulkcem and Scancem.

He has been instrumental in moving the Group from import and trading into a manufacturing conglomerate with tentacles across the African continent.

He holds a Master's of Science degree in Business and is a Member of the Norwegian Association of Authorized Accountants.

10. Fatima Wali-Abdurrahman Director

Fatima is an architect, real estate developer and management professional. She is currently the Non Executive Chairperson of Filmo Group. She was the Chief Executive Officer of the Filmo Group and Deputy President of the Housing Finance Professionals Association of Nigeria.

She serves on the boards of NMRC (Nigeria Mortgage Refinance Co.) and the Advisory Board of the Chapel Hill Denham Fund for Women. She was recently appointed a member of the Board of Directors of the OANDO Foundation, is a WIMBOARD Ambassador (WIMBIZ Initiative) and a member of the Presidential Committee for Flood Relief and Rehabilitation.

A graduate of both Architecture and Urban Studies from the University of Minnesota, U.S.A., she holds a M.Sc. (Arch.) in Economics and Management of Construction from the University of London





DANGOTE

Salt
Refined & Iodized

500g
Net Weight





Report of the Directors

“The Board is satisfied that the Annual Report represents a fair, balanced and realistic view of events during the 2021 financial year”

The Directors are pleased to submit their report together with the audited financial statements of the Company for the year ended 31 December 2021. Having considered all the matters reviewed and brought before the Board, the Board is satisfied that the Annual Report represents a fair, balanced and realistic view of events during the 2021 financial year.

Legal form

The Company was incorporated on April 30, 1973 as a limited liability company. The shares are currently quoted on the NGX Regulation Limited.

Principal Activities

The principal activities of the Company during the year include processing of raw salt into Dangote Refined, Dangote Edible and Dangote Grade Salt. The Company also produces Dangote Seasoning cubes.

Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements that give a true and fair view of the state of affairs of the Company in accordance with Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020.

In doing so, they ensure that:

- proper accounting records are maintained;
- applicable accounting treatments are followed;
- suitable accounting policies are adopted and consistently applied;
- judgments and estimates made are reasonable and prudent;
- the going concern basis is used, unless it is inappropriate to presume that the Company will continue in business;
- internal control procedures are instituted which as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities.

Directors

The appointment, removal or re-appointments of Directors are governed by the Company's Articles of Association and the Companies and Allied Matters Act (CAMA), Laws of the Federation of Nigeria 2020. These documents also set out the rights and obligations of the Directors.

The Company has ten (10) Directors. Their biographies are contained in pages 116 to 118.



Report of the Directors

The Directors of the Company during the year and to the date of this report are as follows:

'Yemisi Ayeni	Chairperson
Thabo Mabe*	Acting Managing Director
Paul Farrer**	Managing Director
Fatima Aliko-Dangote	Executive Director
Olakunle Alake	Director
Halima Aliko-Dangote	Director
Abdu Dantata	Director
Sada Ladan-Baki	Director
Chris Ogbechie	Independent Director
Knut Ulvmoen	Director
Fatima Wali-Abdurrahman	Director

*Appointed 12 February, 2022

**Resigned 11 February, 2022

Company Distributors

The Company's products are sold across the country to distributors, wholesalers, retailers and supermarkets. Salt retail packs come in 250g, 500g and 1kg and are sold under the brand name Dangote Refined Salt. Seasoning, Spices and Mixes are sold under the brand name Dan-Q, Dangote Classic Seasoning, Dangote Stew Mix and Dangote Curry.

Suppliers

The Company obtains its materials at arm's length basis both locally and internationally. Amongst our main vendors are Bulk Commodities Limited and Dangote Packaging Limited.

Business Review

The Business Review comprises of the following, each of which are incorporated by reference into, and forms part of this Report of the Directors:

- Chairperson's Statement on page 10 - 12
- Acting Managing Director's Review on pages 14 - 15
- Human Resources Report on pages 26 - 27

- HSE Report on pages 52 - 55
- Chief Financial Officer's Review on pages 87 - 91
- Risk Management Report on pages 92 - 96
- Corporate Governance Report on pages 110 - 113

Results of the Year and Dividend

Total revenue of the Company was ₦33.27 billion {2020: ₦28.01 billion}. Profit for the year was ₦2.97 billion {2020: ₦2.69 billion}. Proposed final dividend for 2021 is ₦0.40 {2020: ₦0.40} per share amounting to ₦1.06 billion {2020: ₦1.06 billion}.

Events after the reporting period

There were no significant developments since the balance sheet date which could have had a material effect on the state of affairs of the Company as at 31 December, 2021 and the profit for the year ended on that date, which have not been adequately recognized.

Unclaimed Dividends

The total amount outstanding as at 31 December, 2021 is ₦658.2 million. A summary of the report is on page 188. The list of unclaimed dividends is available on the company website - www.nasconplc.com. The Company notes that some dividend warrants have remained unclaimed, therefore all shareholders with unclaimed dividends should address their claims to the Registrars - Meristem Registrars and take advantage of the e-dividend by completing the form included in page 189.

Director's Shareholding Interests

The Directors' interests in the issued share capital of the Company as recorded in the register of members and/or as notified by them for the purpose of Section 301 of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020 are as follows in the table below.

Director's Shareholding Interests	As at	As at	As at
	December 31, 2020	December 31, 2021	25 February, 2022
1. 'Yemisi Ayeni	200,000	200,000	200,000
2. Thabo Mabe	-	-	-
3. Paul Farrer	-	-	-
4. Fatima Aliko-Dangote	-	-	-
5. Olakunle Alake	4,419,959	4,419,959	4,419,959
6. Halima Aliko-Dangote	-	-	-
7. Abdu Dantata	2,000,000	2,000,000	2,000,000
8. Sada Ladan-Baki	1,028,497	1,028,497	1,028,497
9. Chris Ogbechie	100,000	100,000	100,000
10. Knut Ulvmoen	-	-	-
11. Fatima Wali Abdurrahman	-	-	-

Rotation of Directors

By virtue of Section 285 (1) & (2) of the Companies And Allied Matters Act, Laws of the Federation of Nigeria 2020, one-third of the Directors of the Company who have been longest in office since their last election shall retire from office and in accordance with this section, 'Yemisi Ayeni, Halima Aliko-Dangote and Fatima Wali-Abdurrahman are retiring by rotation and being eligible, offer themselves for re-election.

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

Substantial interest in shares

The Registrar has advised that according to the Register of Members on December 31, 2021, Dangote Industries Limited (62.19%) with 1,647,763,557 ordinary shares of 50 kobo each and Stanbic IBTC Nominees Limited (9.43%) with 249,861,155 ordinary shares of 50 kobo each held more than 5% of the issued share capital of the Company. Analysis of shareholdings are summarised in the table below.

Free Float

All shares other than shares held by Dangote Industries Limited are considered free float shares. The current free float is 37.81%.

Share Capital History

All issued shares are fully paid and no additional shares were issued in 2021. Details of the share capital history are set out on page 181.

Corporate Governance

- The Company is committed to the best practice and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.
- Members of the Board of Directors hold quarterly meetings to decide on policy matters and direct the affairs of the Company; review its performance, its operations and finance; and formulate growth strategy. Attendance at Directors' meetings is impressive.
- In line with the provisions of section 284(2) of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, the record of Directors' attendance at Board meetings is available for inspection at the Annual General Meeting
- The remuneration of the Executive Directors is fixed.
- The Board of Directors consists of ten (10) members; Two (2) Executive Directors and eight (8) Non-Executive Directors of which two (2) are Independent.
- Appointment to the Board is made by shareholders at the Annual General Meeting upon retirement of a Director.
- The Board, from time to time, routinely empowers committees to examine and deliberate on finance and establishment related issues.

Non-current assets

Movements in Property, Plant and Equipment during the year are shown in Note 20 (page 160) to the financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

Analysis of shareholdings as at 31 December 2021

Range	No. of Holders	Holders %	Units	Units %
1 - 1,000	21,801	64.63	8,284,453	0.31
1,001 - 5,000	6,126	18.16	15,304,113	0.58
5,001 - 10,000	2,011	5.96	14,446,259	0.55
10,001 - 50,000	2,828	8.38	60,333,480	2.28
50,001 - 100,000	459	1.36	33,773,552	1.27
100,001 - 500,000	381	1.13	77,697,495	2.93
500,001 - 1,000,000	62	0.18	42,798,959	1.62
1,000,001 - 5,000,000	46	0.14	94,476,168	3.57
5,000,001 - 10,000,000	5	0.01	32,986,915	1.25
10,000,001 and above	13	0.04	2,269,336,984	85.65
	33,732	100	2,649,438,378	100



Report of the Directors

General Mandate Circular

In compliance with the rules of the NGX Regulation Limited governing transactions with related or interested persons, the General Mandate circular in respect of all recurrent transactions that may be entered into with a related party or interested person which are of a revenue and trading nature or are necessary for the Company's operations including but not limited to the procurement of goods and services on normal commercial transactions terms as contained in the circular on page 184 will be considered for approval at the Annual General Meeting.

Evaluation of the impact of COVID-19

Despite the exceptional challenges brought about by the COVID-19 pandemic on the different socio-economic factors during the year 2021, the priority of the NASCON Board and Management was ensuring the welfare of all stakeholders. We developed a mechanism that ensured regular monitoring of the company's financial position throughout the peak periods of the pandemic, and also during the socio-political disruptions that occurred alongside the pandemic. The focus of the Board and Management was on mitigating the impact of COVID-19 on the business.

Statutory Audit Committee

The Company, pursuant to Section 404(2) & (3) of the Companies and Allied Matters Act, LFN 2020 shall put in place a Statutory Audit Committee comprising three (3) shareholders

representatives and two (2) Directors as follows:

Okey Nwuke	Shareholder/Chairman
Umar Farouk	Shareholder/Member
Kudaisi Ayodele Sarat	Shareholder/Member
Halima Aliko-Dangote	Director/Member
Chris Ogbechie	Director/Member

Independent Auditors

PricewaterhouseCoopers (Chartered Accountants) have indicated their willingness to continue in office as the Company's Auditors in accordance with section 401(2) of the Companies' and Allied Matters Act, Laws of the Federation of Nigeria 2020. A resolution will be proposed authorizing the Directors to fix their remuneration.

By order of the Board



Adedayo A. Samuel

Company Secretary
FRC/2016/NBA/00000015291
1, Alfred Rewane Road,
Falomo, Ikoyi, Lagos
Nigeria
25 February, 2022



www.nasconplc.com



DANGOTE

Salt
Refined & Iodized



We are proud to share national similarities with this great nation of ours.



2021 ANNUAL REPORT FINANCIALS



Statutory Audit Committee Report

This report is provided by the audit committee appointed in respect of the 2021 financial year of NASCON Allied Industries Plc.

1. Members of the Statutory Audit Committee

The Audit Committee is made up of five (5) members, three (3) representatives of Shareholders and two (2) members of the Board of Directors. Members of the Audit Committee are elected annually at General Meetings. The Committee in compliance with the requirement of corporate governance practice is chaired by a representative of the Shareholders and includes:

Name	Position
Okey Nwuke	Chairman/Shareholder
Umar Farouk	Shareholder
Kudaisi Ayodele Sarat	Shareholder
Halima Aliko Dangote	Director
Chris Ogbechie	Director

2. Meetings held by the Statutory Audit Committee

The committee held four (4) scheduled meetings during 2021.

Name	25-Feb-21	23-Apr-21	26-Jul-21	27-Oct-21
Okey Nwuke	Yes	Yes	Yes	Yes
Umar Farouk	Yes	Yes	Yes	Yes
Kudaisi Ayodele Sarat	Yes	Yes	Yes	Yes
Halima Aliko-Dangote	Yes	Yes	yes	Yes
Chris Ogbechie	Yes	Yes	Yes	Yes

3. Statutory Audit Committee Responsibilities

- Ensuring the independence and objectivity of the Audit.
- Reviewing the adequacy and effectiveness of NASCON Allied Industries Plc's internal control policies prior to endorsement by the Board.
- Directing and supervising investigations into matters within its scope, such as evaluation of the effectiveness of NASCON Allied Industries Plc internal controls, business partner and client misconduct of interest.

In addition to the above stated responsibilities, the Committee carries out all such other functions as stipulated by the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020.

4. Security Trading Policy

In accordance with Rule 17 of the NGX Regulation Limited Amended Listing Rules, the Board has put in place a Security Trading Policy which applies to all Directors and Employees and also to those who may at any time possess, any insider or material information about the Company.

The Security Trading Policy as endorsed by the Board is in substantial conformity with the standard set out in Rule 17 of the NGX Listing Rules.



Statutory Audit Committee Report

Accordingly, it is hereby confirmed that, after specific inquiries made to all the Directors of the Company, they have all confirmed their compliance with the Policy in the period before the Company results were announced for the 2021 financial year. There is no case of non-compliance with the Policy.

Furthermore, the compliance of the Company Directors with the listing rules and the anti-insider trading policy will continue to be disclosed in the Company's quarterly and other financial reports.

5. External Auditors

In accordance with the provisions of Section 404(4) of Companies and Allied Matters Act of Nigeria, CAP C20 LFN 2020, we have examined the Auditors' report for the year ended 31 December 2021. We have obtained all the information and explanations we required.

In our opinion, the Auditors' report is consistent with our review of the scope and planning of the Audit. We are also satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

Having reviewed the Auditors' findings and recommendations in the Management letter, we are satisfied with Management's response therein.



Okey Nwuke

Chairman, Statutory Audit Committee

FRC/2017/ICAN/00000016523

23rd February, 2022

Members of the Committee

Umar Farouk

Kudaisi Ayodele Sarat

Halima Aliko-Dangote

Chris Ogbechie

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements for the year ended 31 December 2021

The Directors of NASCON Allied Industries Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2021, and the results of its operations, statement of cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards (IFRS) and in the manner required by Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, and the Financial Reporting Council of Nigeria Act.

In preparing the Financial statements, the Directors are responsible for:

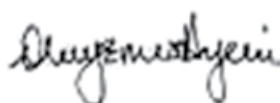
- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company, and which enables them to ensure that the Financial Statements of the Company comply with IFRS;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and preventing and detecting fraud and other irregularities.

The financial statements of the Company set out on pages 135 to 179, for the year ended 31 December 2021, were approved by the Board of Directors on 25 February 2022.

Signed on behalf of the Board of Directors By:



Yemisi Ayeni

Chairperson

FRC/2013/IODN/0000073173



Chris Ogbechie

Director

FRC/2015/IODN/00000011213

Certification pursuant to Section 405 (1) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020

We have reviewed the financial statements of NASCON Allied Industries Plc for the year ended 31 December 2021.

Based on our knowledge, the financial statements do not:

- Contain any untrue statement of a material fact; or
- Omit to state a material fact, which would make the statement misleading in light of the circumstances under which such statements were made.

The financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the Company for the years presented in the financial statements.

The Directors are responsible for establishing and maintaining internal controls. We have:

- Designed such internal controls to ensure that material information relating to the Company is made known to us by other officers within the business, particularly during the year in which this report is being prepared.
- Evaluated the effectiveness of the Company's internal controls and reported to the Statutory Audit Committee on a quarterly basis and 90 days prior to 31 December 2021.
- Certified that the company's internal controls are effective.

There are no deficiencies in the design or operation of internal controls to report to the Company's auditors.

In addition, we have disclosed to the Company's External Auditors and Statutory Audit Committee that:

- There are no deficiencies in the design or operation of internal controls to report.
- There was no fraud, whether material or not, that involved management or other employees who have a significant role in the Company's internal controls.

We confirmed that there were no significant changes in internal controls or factors that could significantly affect internal controls subsequent to the date of our evaluation.



Chris Ogbechie

Director

FRC/2015/IODN/00000011213



Tunde Iwamofe

Financial Controller

FRC/2013/ICAN/0000002247



Independent auditor's report To the Members of NASCON Allied Industries Plc

Report on the audit of the financial statements

Our opinion

In our opinion, NASCON Allied Industries Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the 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

NASCON Allied Industries Plc's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2021;
- the statement of financial position as at 31 December 2021;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the accounting policies; and
- the notes to the financial statements

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 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 Company 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.





Independent auditor's report To the Members of NASCON Allied Industries Plc

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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
<p><i>Valuation of trade receivables</i></p> <p>Trade receivables amounted to ₦9.1 billion. We focused on this area because of the significant value of trade receivables and because the directors make significant and subjective judgement over the timing, estimation and recognition of the related loss allowance.</p> <p>IFRS 9 "Financial Instruments" deals with the expected credit loss (ECL) model, which requires significant judgement. The directors have adopted the simplified approach in assessing the loss allowance for trade receivables. Areas of significant judgement exercised by the directors include:</p> <ul style="list-style-type: none"> • definition of default and significant increase in credit risk adopted by the company. • methodology used to determine the loss rates for the calculation of the lifetime ECL. • incorporating forward looking information in the ECL model. <p>Refer to accounting policies 2.12 and 3.1.3. The carrying value of trade receivables has been disclosed in Note 23 to the financial statements.</p>	<p>We adopted a substantive approach to test this balance. Specifically, we:</p> <ul style="list-style-type: none"> • Checked the reasonableness of the criteria identified in the definition of default and significant increase in credit risk; • Selected a sample of customer accounts to check the sales and settlement pattern used in developing the loss rates; • Checked the forward-looking information used in the ECL model to externally available macroeconomic information and assessed reasonableness of the macroeconomic indices used; and • Assessed the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises the Directors, Officers and Professional Advisers, Results at a Glance, Report of the Directors, Corporate Governance Report, Report of the Statutory Audit Committee, Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements, Certification pursuant to Section 405 (1) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, Other National Disclosure - Value Added Statement and Other National Disclosure - Five Year Financial Summary (but does not include the 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 NASCON Allied Industries Plc 2021 Annual Report, which are expected to be made available to us after that date.

Our opinion on the 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 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 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 NASCON Allied Industries Plc 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Independent auditor's report To the Members of NASCON Allied Industries Plc

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 company'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 the 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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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, statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Oladele Oladipo

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria



28 February 2022

Engagement Partner: Oladele Oladipo
FRC/2013/ICAN/00000002951

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021

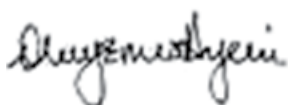
	Note	2021 ₦'000	2020 ₦'000
Revenue from contracts with customers	5	33,279,688	28,010,059
Cost of sales	7	(21,320,319)	(16,447,633)
Gross profit		11,959,369	11,562,426
Other income	8	52,271	19,895
Other operating gains	9	1,782,837	580,237
Movement in credit loss allowances	10	15,815	51,681
Distribution costs	11.1	(6,693,359)	(5,796,629)
Administrative expenses	11.2	(2,800,431)	(2,390,072)
Operating profit		4,316,502	4,027,538
Investment income	12	51,701	51,076
Finance costs	15	(130,160)	(171,898)
Profit before taxation		4,238,043	3,906,716
Taxation	17	(1,267,061)	(1,216,406)
Profit for the year		2,970,982	2,690,310
Other comprehensive income			-
Total comprehensive income for the year		2,970,982	2,690,310
Earnings per share information			
Basic and diluted earnings per share (Kobo)	19	112	102

The accounting policies on pages 139 to 149 and the notes on pages 150 to 179 form an integral part of the financial statements.

Statement of Financial Position as at 31 December 2021

	Note	2021 ₦'000	2020 ₦'000
Assets			
Non-Current Assets			
Property, plant and equipment	20	14,063,444	16,698,217
Right of use assets	21	3,837,926	3,700,122
		17,901,370	20,398,339
Current Assets			
Inventories	22	4,291,574	5,159,451
Trade and other receivables	23	9,794,102	13,362,101
Other financial assets	24	658,159	667,506
Other assets	25	832,177	2,121,224
Cash and cash equivalents	26	7,044,016	2,600,370
		22,620,028	23,910,652
Total Assets		40,521,398	44,308,991
Equity and Liabilities			
Equity			
Share capital	27	1,324,719	1,324,719
Share premium	28	434,037	434,037
Retained earnings	29	12,871,924	10,961,064
		14,630,680	12,719,820
Liabilities			
Non-Current Liabilities			
Borrowings	31	38,570	38,570
Lease liabilities	32	3,139,417	3,432,057
Retirement benefit obligations	33	138,214	152,424
Deferred tax	18	2,356,442	2,444,458
		5,672,643	6,067,509
Current Liabilities			
Trade and other payables	34	14,089,986	23,097,507
Lease liabilities	32	500,845	136,594
Contract liabilities	35	4,274,213	1,500,383
Current tax payable	17	1,353,031	787,178
		20,218,075	25,521,662
Total Liabilities		25,890,718	31,589,171
Total Equity and Liabilities		40,521,398	44,308,991

The financial statements and the notes on pages 135 to 179, were approved by the board on the 25 February 2022 and were signed on its behalf by:



Yemisi Ayeni
Chairperson
FRC/2013/IODN/0000073173



Chris Ogbechie
Director
FRC/2015/IODN/00000011213



Tunde Iwamofe
Finance Controller
FRC/2013/ICAN/0000002247

The accounting policies on pages 139 to 149, and the notes on pages 150 to 179 form an integral part of the financial statements.

Statement of Changes in Equity as at 31 December 2021

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance at 1 January 2020	1,324,719	434,037	9,330,529	11,089,285
Profit for the year	-	-	2,690,310	2,690,310
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	2,690,310	2,690,310
Transactions with owners				
Dividends	-	-	(1,059,775)	(1,059,775)
	-	-	(1,059,775)	(1,059,775)
Balance at 31 December 2020	1,324,719	434,037	10,961,064	12,719,820
Balance at 1 January 2021	1,324,719	434,037	10,961,064	12,719,820
Profit for the year	-	-	2,970,982	2,970,982
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	2,970,982	2,970,982
Transactions with owners				
Dividends	-	-	(1,060,122)	(1,060,122)
Balance at 31 December 2021	1,324,719	434,037	12,871,924	14,630,680

The accounting policies on pages 139 to 149 and the notes on pages 150 to 178 form an integral part of the financial statements.

Statement of Cash Flows as at 31 December 2021

	Note	2021 ₹'000	2020 ₹'000
Cash flows from operating activities			
Cash generated from operations	36	5,799,083	9,012,930
Tax paid	17	(789,224)	(985,901)
Retirement benefit obligation paid	33	(14,210)	(6,105)
Net cash from operating activities		4,995,649	8,020,924
Cash flows from investing activities			
Purchase of property, plant and equipment	20	(1,203,269)	(4,038,187)
Proceed from sale of property, plant and equipment	20	2,250,000	195
Investment Income	12	51,701	51,076
Net cash from /(used in) investing activities		1,098,432	(3,986,916)
Cash flows from financing activities			
Repayments of loans and borrowings	31	-	(3,300,000)
Dividends paid	30	(1,060,122)	(1,059,775)
Finance costs	15	(80,585)	(13,498)
Payment on Lease liabilities	32	(535,177)	(721,099)
Net cash from financing activities		(1,675,884)	(5,094,372)
Total cash and cash equivalents movement for the year		4,418,197	(1,060,364)
Cash and cash equivalents at the beginning of the year		2,600,370	3,660,734
Effect of exchange rate movement on cash balances		25,449	-
Total cash and cash equivalents at end of the year	26	7,044,016	2,600,370

The accounting policies on pages 139 to 149 and the notes on pages 150 to 179 form an integral part of the financial statements.



Accounting Policies

Corporate information

NASCON Allied Industries Plc is a public limited company incorporated and domiciled in Nigeria.

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on Friday, 25 February 2022.

1 General information

NASCON Allied Industries Plc (Formerly known as National Salt Company of Nigeria) was incorporated in Nigeria as a limited liability company on 30 April 1973. It was fully privatised in April, 1992 and became listed on the NGX Regulation Limited on 20 October, 1992. At a general meeting held on 29 September 2006, the shareholders approved the acquisition of the assets, liabilities and business undertakings of Dangote Salt Limited and the issue and allotment of additional NASCON PLC shares as the purchase consideration. The major shareholder of the Company is Dangote Industries Limited that owns 62.19% of the issued share capital, while the remaining 37.81% is held by the general public.

The ultimate controlling party is Dangote Industries Limited, a Company incorporated in Nigeria. The registered address of the Company is located at Salt City, Ijoko Ota, Ogun State.

1.1 The principal activity

Principal activities of the Company during the year include processing of raw salt into refined, edible and grade salt. The Company also produces Seasoning cubes. The Company's products are sold through distributors across the country.

1.2 Financial period

The financial statements cover the financial year from 1 January 2021 to 31 December 2021 with comparatives for the year ended 31 December 2020.

1.3 Going concern status

The Company has consistently turned in Profits since 2007. 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.

2 Significant accounting policies

The significant 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 with IFRS

The Financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards and International Financial Reporting Interpretations Committee (IFRS IC) interpretations issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements.

2.2 Basis of measurement

The Financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These Financial Statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand (N'000) unless otherwise stated.

2.3.1 Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss as other operating gains/(losses) in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any foreign exchange component of that gain or loss is recognised in profit or loss as other operating gains/(losses).

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.4 Revenue from contracts with customers

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.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and considerations 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 Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Revenue is recognised when the control of the goods and services 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 is driven by the regional spread of the Company's customer network.

Nascon Allied Industries Plc transfers control to the customers after the goods have been delivered to the customer, however, the customer obtains the right to return goods that are bad or damaged immediately they have been delivered.

Sale 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 company has objective evidence that all criteria for acceptance have been satisfied.

Accounting Policies

Revenue from sale of goods 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. Contract liability is recognised for consideration received for which performance obligation (sales of goods) has not been met.

Specifically, revenue from the sale of goods is recognised when goods are delivered (or collected, if sold under self-collection terms) and legal title is passed.

2.5 Finance income

This represents interest income earned on short term placements with banks and other financial assets at amortised cost - treasury bills. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

2.6 Employee benefits

Short-term employee benefits

Short term employee benefits: Wages, salaries, incentives, other contributions and paid annual leave are accrued in the period in which the associated services are rendered by employees of the Company.

Termination benefits.

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes Termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or as a result of an offer made to encourage voluntary redundancy. The expected cost of compensation is recognized as an expense in the profit or loss account when it occurs.

Retirement benefit obligations

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit gratuity scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years and that benefit is discounted to determine the present value.

Defined contribution plan

The employees of the company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employee's relevant emoluments.

2.7 Taxation

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

Current tax

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

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 at the reporting date. Education tax is assessed at 2% of the assessable profits as defined by the tertiary Education Tax Act.

Deferred tax

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 Company 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 Company intends to settle its current tax assets and liabilities on a net basis.

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

Current and deferred tax are recognised in Profit or 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.

2.8 Property, plant and equipment

2.8.1 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. Assets 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 profit or loss and other comprehensive income.

2.8.2 Subsequent costs

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

2.8.3 Depreciation

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

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

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

Freehold land	Nil
Buildings	50 years
Tools and equipment	4 years
Plant and machinery	15 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.



Accounting Policies

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 capitalised and determined to be directly required to bring the asset to the location and condition for intended use 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 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.

2.8.4 Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.9 Leases

At the inception of a contract, the Company 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 Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of

the economic benefits from use of the asset throughout the period of use; and

– the Company has the right to direct the use of the asset. The Company 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 Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company's leases include land and building. The lease terms are typically for fixed periods ranging from 2- 20 years but may have extension options as described below. On renewal of a lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and nonlease components and instead account for these as a single lease component. 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 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 Company.

Lease liabilities

At the commencement date of a lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by NASCON under residual value guarantees
- the exercise price of a purchase option if the lessee is

- reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects NASCON exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the company's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the rate that NASCON would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company has adopted its approved rate of securing funds of 9%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made, lease interest paid is presented as cash flow from financing. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset where applicable.

Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term lease and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N1,800,000 when new, and depends on the nature of the asset, e.g., small equipment. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in the Company's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Most of the extension options are subject to mutual agreement by the lessee and lessor and the termination options held are exercisable only by the lessee and the lessor.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, work in progress, oil and lubricants, 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 inventories comprises of all costs of purchase, conversion cost (materials, labour and overhead) and other costs incurred to bring inventories to their 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.



Accounting Policies

2.11 Provisions

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation (when the time value of money is material).

The amount recognised as provision is the present value of the expenditure expected to be required to settle the 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.

Where some or all of the expenditure required to settle a provision is 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.

If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect

contractual cash flows); or

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to liabilities which are held for trading).

Note 37 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently 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 must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT, WHT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 23).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Measurement and recognition of expected credit losses

NASCON Allied Industries Plc applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the general approach is applied to other receivables and cash and bank balances. The Company applies a simplified approach in calculating ECLs on its trade receivables by recognizing a loss allowance that is based on the lifetime ECLs at each reporting date using the provision matrix. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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 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 of outstanding receivable 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, Brent oil price, and inflation 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 and presented on the face of the statement of profit or loss.

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 23) and the financial instruments and risk management note (note 37).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the



Accounting Policies

derecognition gains/(losses) on financial assets at amortised cost line item.

Trade and other payables

Classification

Trade and other payables (note 34), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 15).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 37 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand, cash balances with banks and fixed deposits with maturities of three months or less. Cash and cash equivalents are stated at carrying amounts which are deemed to be at fair value.

Cash and Cash equivalents are repayable on demand; hence no impairment was determined for cash and cash equivalents.

Due to the liquid nature of cash and cash equivalents, that management believes that the ECL on them will be immaterial for recognition.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

2.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until the asset is ready for its intended use.

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

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.14 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds and the fair value of the loan based on prevailing market interest rates.

2.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

Dividends are recognised as a liability in the year in which they are declared.

2.16 Earnings per share

The Company presents Basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares.

3 Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's significant accounting policies, described in Note 2, the Directors' are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Key sources of estimation uncertainty

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.

3.1.1 Impairment testing

The recoverable amounts of the tomato paste plant have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates, assumptions and inputs such as market information, monetary indices and condition of the assets. It is reasonably possible that



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the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of the tomato paste plant.

3.1.2 Useful life of property, plant and equipment

The Company reviewed and revised the estimated useful lives of its property, plant and equipment on transition to IFRS on 1 January, 2011, and under IFRS, has reviewed them annually at each reporting date. Useful lives are estimated based on the engineer's report, as at each reporting date. Some of the factors considered include the current service potential of the assets, potential cost of repairs and maintenance.

There is a degree of subjective judgment in such estimation which has a resultant impact on profit and total comprehensive income for the year.

3.1.3 Allowances for credit losses

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting

the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.1.4 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, Management assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Company's recognised and unrecognised deferred tax assets and liabilities are as disclosed in Note 18.

Notes to the Financial Statements

4. New Standards and Interpretations

4.1 New standards and interpretations effective and adopted in the current year

The following amendments were effective for the first time for the reporting period commencing 1 January 2021. The company did not apply any of these amendments as they did not have a material impact on the financial statements.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

Permit changes required by LIBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

4.2 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



Notes to the Financial Statements

5. Revenue from contracts with customers

	2021	2020
	₦'000	₦'000
Sale of goods		
Total	33,279,688	28,010,059

Revenue is recognised at a point in time

6. Segmental information

The company has identified reportable segments which represent the structure used by the Management to make key operating decisions and assess performance.

The company's reportable segments are treated as operating segments which are differentiated by the activities that each undertake, the products they manufacture and the markets they operate in.

These reportable segments as well as the products and services from which each of them derives revenue are set out below:

Segmental revenue and results

The Management assesses the performance of the operating segments based on the measure of gross profit. This measure excludes the effects of non-recurring expenditure from the operating segments. The measure also excludes the effects of unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to operating segments, as this type of activity is driven by the central treasury function. This measure is consistent with all prior periods which are presented.

The segment information provided by the Management is presented below:

2021

	Revenue		
	Total segment revenue	Segment cost of sales	Segment gross profit/(loss)
	₦'000	₦'000	₦'000
Salt	29,752,031	(18,871,102)	10,880,929
Seasoning	3,527,657	(2,355,329)	1,172,328
Tomato Paste	-	(19,811)	(19,811)
Vegetable Oil	-	(74,077)	(74,077)
Total	33,279,688	(21,320,319)	11,959,369

2020

	Revenue		
	Total segment revenue	Segment cost of sales	Segment gross profit/(loss)
	₦'000	₦'000	₦'000
Salt	25,336,534	(14,425,821)	10,910,713
Seasoning	2,673,525	(1,927,924)	745,601
Tomato Paste	-	(19,811)	(19,811)
Vegetable Oil	-	(74,077)	(74,077)
Total	28,010,059	(16,447,633)	11,562,426

Notes to the Financial Statements

Segment assets and liabilities

The amounts provided from the Management 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.

The deferred tax assets and retirement benefit obligations are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided by Management with respect to 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 company's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the company's treasury function.

The contingent liabilities as disclosed in note 41.1 relate to the Salt segment.

The impairment losses as disclosed in note 13 relate to the Salt segment.

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the statement of financial position.

2021	Total assets	Total liabilities
	₱'000	₱'000
Salt	35,772,571	22,712,449
Seasoning	4,598,988	683,613
Tomato Paste	149,839	-
Total	40,521,398	23,396,062
Unallocated		
Retirement benefit obligation	-	138,214
Deferred tax	-	2,356,442
Total as per statement of financial position	40,521,398	25,890,718
2020	Total assets	Total liabilities
	₱'000	₱'000
Salt	37,768,937	27,993,059
Seasoning	4,628,957	999,230
Tomato Paste	129,012	-
Vegetable Oil	1,782,085	-
Total	44,308,991	28,992,289
Unallocated		
Retirement benefit obligation	-	152,424
Deferred tax	-	2,444,458
Total as per statement of financial position	44,308,991	31,589,171



Notes to the Financial Statements

6. Segmental information (continued)

Geographical information

	2021 Revenue by location of customer ₦'000	2020 Revenue by location of customer ₦'000
East	2,672,444	1,982,227
West	9,692,464	7,207,318
North	20,914,780	18,820,514
Total	33,279,688	28,010,059

7. Cost of sales

	2021 ₦'000	2020 ₦'000
Raw materials consumed	18,014,086	13,467,658
Employee costs (Note 16)	1,050,184	923,122
Depreciation of property, plant and equipment (Note 13)	755,922	522,295
Depreciation of right of use assets (Note 13)	146,244	180,636
Manufacturing expenses	1,229,550	1,225,265
Loading	124,333	128,657
Total	21,320,319	16,447,633

8. Other income

	2021 ₦'000	2020 ₦'000
Sale of scrap	25,436	19,196
Insurance claim	26,835	699
Total	52,271	19,895

9. Other operating gains

	2021 ₦'000	2020 ₦'000
Gains on disposals, scrappings and settlements		
Property, plant and equipment (Note 20.5)	745,695	195
Foreign exchange gains		
Net foreign exchange gains	1,037,142	580,042
Total other operating gains	1,782,837	580,237

This relates to exchange differences arising from payments and receipts in foreign denominated currencies.

10. Movement in credit loss allowances

Trade receivables	2021 ₦'000	2020 ₦'000
Impairment writeback/(charge) on trade receivable (Note 23)	17,470	(13,735)
Impairment (charge)/writeback on intercompany receivables (Note 23)	(1,471)	65,414
Impairment (charge)/writeback on staff loans (Note 23)	(184)	2
	15,815	51,681

Notes to the Financial Statements

11. Operating expenses

11.1 Distribution cost

	2021 ₦'000	2020 ₦'000
Market activation	289,762	369,953
Branding expenses	600,905	527,916
Delivery expenses	4,545,597	2,986,648
Depreciation and impairment for trucks (Note 13)	1,257,095	1,912,112
Total	6,693,359	5,796,629

11.2 Administrative expenses

	2021 ₦'000	2020 ₦'000
Management fees	135,073	133,300
Auditors remuneration	20,000	20,000
Provision for bad debts	2,300	-
Bank charges	50,073	45,951
Cleaning	34,212	23,908
Consulting and professional fees	52,036	43,277
Depreciation of property, plant and equipment (Note 13)	403,091	305,680
Depreciation right of use assets (Note 13)	5,893	15,690
Directors' remuneration (Note 39)	152,625	163,879
Employee costs (Note 16)	1,213,813	1,145,441
Entertainment	45,370	26,061
Business development	29,848	15,122
Insurance	67,553	14,833
Petrol and oil	22,351	21,122
Printing and stationery	22,305	16,116
Repairs and maintenance	60,335	41,287
Secretarial fees	52,390	47,601
Security	66,470	38,475
Staff welfare	105,245	94,850
Telephone and fax	96,919	85,632
Travel - local	160,498	88,355
Travel - overseas	2,031	3,492
	2,800,431	2,390,072

11.3 In compliance with the rules issued by the Financial Reporting Council of Nigeria rule 2b and 3 amended we disclose as follows.

Name of professional	FRC number of the professional	Name of firm	FRC number of the firm	Nature of service
Ayodeji Odeleye	FRC/2014/NIESV/00000007152	Biodun Odeleye & Co	-	Valuation of tomato paste plant
Ogunbamowo Olukunle Adebusayo	FRC/2013/ICAN/00000000818	Deloitte & Touche	-	Tax computation

No non-audit services were provided by our auditors.



Notes to the Financial Statements

12. Finance income

	2021	2020
	₦'000	₦'000
Interest income on bank balances	377	111
Interest income on short term fixed deposit	51,324	50,965
	51,701	51,076

13. Depreciation

The following items are included within depreciation:

	2021	2020
	₦'000	₦'000
Depreciation		
Property, plant and equipment (Note 20)	2,416,108	2,740,087
Right of use assets (Note 21)	152,139	196,326
	2,568,247	2,936,413
Depreciation of property, plant and equipment		
Depreciation (Administrative expenses Note 11.2)	403,091	305,680
Depreciation (Cost of sales Note 7)	755,922	522,295
Depreciation (Distribution cost Note 11.1)	1,257,095	1,912,112
	2,416,108	2,740,087
Depreciation right of use assets		
Depreciation (Administrative expenses Note 11.2)	5,893	15,690
Depreciation (Cost of sales Note 7)	146,246	180,636
	152,139	196,326

14. Auditors' remuneration

	2021	2020
	₦'000	₦'000
Fees	20,000	20,000

15. Finance costs

	2021	2020
	₦'000	₦'000
Interest on overdraft	80,585	-
Interest on borrowings	-	113,217
Interest on lease liabilities (Note 32)	49,575	58,681
Total finance costs	130,160	171,898

In the current year, the Company had an overdraft facility with Zenith Bank with a 30 days tenor at 13.5% per annum. The value of the overdraft was based on drawdown of the facility. The overdraft was fully paid off within 30 days.

Interest on borrowings represents interest expense on the N1.8 billion loan from Dangote Industries Limited and N1.5 billion from Zenith Bank Plc in 2019 at the rate of 15% and 16% respectively. The loan were fully paid in 2020.

16. Employee costs

The following items are included within employee benefits expense:

Direct labour costs

	2021 ₦'000	2020 ₦'000
Basic	693,815	615,463
Medical aid - company contributions	13,265	10,682
Other payroll levies	5,800	5,525
Leave pay provision charge	22,071	21,441
Short term benefit	261,876	220,904
Other short term costs	134	1,361
Post-employment benefits - Pension (Defined contribution plan)	53,223	47,746
Direct labour costs (Note 7)	1,050,184	923,122

Indirect employee costs

	2021 ₦'000	2020 ₦'000
Basic	723,853	691,016
Bonus	110,042	97,881
Medical aid - company contributions	5,208	3,770
Other payroll levies	25,157	41,725
Leave pay provision charge	33,017	31,660
Short term benefit	253,576	223,453
Other short term costs	14,781	13,858
Post-employment benefits - Pension (Defined contribution plan)	48,179	42,078
Administrative cost (Note 11.2)	1,213,813	1,145,441
Total employee costs		
Direct employee costs	1,050,184	923,122
Indirect employee costs	1,213,813	1,145,441
	2,263,997	2,068,563

Average number of persons employed during the year

	2021 Number	2020 Number
Management	59	54
Senior staff	203	207
Junior staff	319	332
Total	581	593



Notes to the Financial Statements

16. Employee costs (continued)

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

N'000	2021 Number	2020 Number
N1 - N5,000	538	557
N5,001 - N10,000	34	28
N10,001 - N15,000	6	8
N15,001 - N20,000	3	-
Total	581	593

17. Taxation**Major components of the tax expense**

Current	2021 N'000	2020 N'000
Local income tax	1,180,367	673,571
Education tax	174,498	113,274
Police Trust Fund Levy	212	195
Adjustments recognised in the current year in relation to tax of prior year	-	67,884
	1,355,077	854,924
Deferred		
In respect of current year (Note 18)	(88,016)	361,482
	1,267,061	1,216,406

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 and the Education Tax Act CAP E4, LFN 2004. Company tax and education tax is calculated at 30% and 2% respectively of the estimated taxable profit for the year. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

Reconciliation of tax expense

Reconciliation between accounting profit and tax expense.

	2021 N'000	2020 N'000
Profit before tax from continuing operations	4,238,043	3,906,716
Tax at the applicable tax rate of 30% (2020: 30%)	1,271,413	1,172,015
Education tax rate of 2% (2017: 2%)	174,498	113,274
Tax effect of adjustments on taxable income		
Expenses not deductible for tax purposes	72,249	102,134
Effect of difference in tax rates	(24,832)	(8,002)
Income not subject to tax	(116,484)	(117,246)
Police trust fund	211	655
Investment Allowance	(109,994)	(46,424)
	1,267,061	1,216,406

Notes to the Financial Statements

17. Taxation (continued)

	2021 ₹'000	2020 ₹'000
Current tax liabilities in the statement of financial position		
At 1 January	787,178	918,155
Charge for the year	1,355,077	854,924
Payment during the year	(789,224)	(985,901)
At 31 December	1,353,031	787,178

18. Deferred tax

	2021 ₹'000	2020 ₹'000
Deferred tax liability	(2,457,489)	(2,553,520)
Deferred tax asset	101,047	109,062
Total net deferred tax liability	(2,356,442)	(2,444,458)
Reconciliation of deferred tax (liability)		
At January 1	(2,444,458)	(2,082,976)
Temporary difference movement in the year	88,016	(382,485)
Adjustments recognised in the current period in relation to the deferred tax of prior year	-	21,003
At 31 December	(2,356,442)	(2,444,458)

Analysis of deferred tax is made up of 31 December 2021

Deferred tax (asset) or liability in relation to:

	At 1 January 2021 ₹'000	Recognize in profit or loss ₹'000	At 31 December 2021 ₹'000
Property, plant and equipment	2,082,445	302,675	2,385,120
Allowance for doubtful debt	(109,062)	8,015	(101,047)
Unrealised exchange difference	390,317	(382,192)	8,125
IFRS 16 Leases	80,758	(16,514)	64,244
	2,444,458	(88,016)	2,356,442

31 December 2020

Deferred tax (asset) or liability in relation to:

	At 1 January 2020 ₹'000	Recognize in profit or loss ₹'000	At 31 December 2020 ₹'000
Property, plant and equipment	1,946,297	136,148	2,082,445
Allowance for doubtful debt	(127,553)	18,491	(109,062)
Unrealised exchange difference	264,232	126,085	390,317
IFRS 16 Leases	-	80,758	80,758
	2,082,976	361,482	2,444,458



Notes to the Financial Statements

19. Earnings per share

Basic earnings per share

	2021	2020
Basic earnings per share (kobo per share)	112	102

Reconciliation of profit or loss for the year to basic earnings

	₦'000	₦'000
Profit or loss for the year attributable to equity holders of the parent	2,970,982	2,690,310
	2,970,982	2,690,310
Weighted average number of ordinary shares as at 31 December ('000)	2,649,438	2,649,438

The Company has no potentially dilutive shares. Accordingly, the basic EPS and diluted EPS have the same values.

Notes to the Financial Statements

20. Property, plant and equipment

	Freehold land ₦'000	Buildings ₦'000	Tools and equipment ₦'000	Plant and machinery ₦'000	Furniture and fittings ₦'000	Motor vehicles ₦'000	Computer equipment ₦'000	Capital work-in- progress ₦'000	Total ₦'000
Cost									
Balance at 1 January 2020	70,000	1,414,524	556,219	6,189,935	114,412	8,603,963	103,835	6,274,318	23,327,206
Addition	-	45,558	55,029	317,589	7,846	1,757,999	11,227	2,307,696	4,502,944
Disposal	-	-	-	-	-	(6,921)	-	-	(6,921)
Reclassification	-	1,523	5,589	1,158,024	-	-	-	(1,165,136)	-
Adjustments	-	-	-	-	-	-	-	(239,364)	(239,364)
Balance at 31 December									
2020	70,000	1,461,605	616,837	7,665,548	122,258	10,355,041	115,062	7,177,514	27,583,865
Addition	-	175,728	5,963	232,595	8,839	691,431	37,129	318,844	1,470,529
Disposal	-	(474,725)	(17,476)	(1,868,335)	(16,287)	(1,827,571)	(9,838)	-	(4,214,232)
Reclassification	-	2,526,084	178,172	3,433,855	259,881	212,148	100,745	(6,710,885)	-
Adjustments	-	-	-	-	-	-	-	(184,893)	(184,893)
Balance at 31 December									
2021	70,000	3,688,692	783,496	9,463,663	374,691	9,431,049	243,098	600,580	24,655,269
Accumulated depreciation									
Balance at 1 January 2020	-	189,735	331,253	2,391,022	70,321	5,090,136	80,015	-	8,152,482
Charge for the year	-	29,077	112,213	493,220	18,844	2,071,060	15,673	-	2,740,087
Disposal	-	-	-	-	-	(6,921)	-	-	(6,921)
Balance at 31 December									
2020	-	218,812	443,466	2,884,242	89,165	7,154,275	95,688	-	10,885,648
Charge for the year	-	65,578	126,274	690,342	59,847	1,428,422	45,645	-	2,416,108
Disposal	-	(59,123)	(17,476)	(779,636)	(16,287)	(1,827,571)	(9,838)	-	(2,709,931)
Balance at 31 December									
2021	-	225,267	552,264	2,794,948	132,725	6,755,126	131,495	-	10,591,825
Carrying amount									
Balance as at 31 December									
2021	70,000	3,463,425	231,232	6,668,715	241,966	2,675,923	111,603	600,580	14,063,444
Balance as at 31 December									
2020	70,000	1,242,793	173,371	4,781,306	33,093	3,200,766	19,374	7,177,514	16,698,217



Notes to the Financial Statements

20.1 Capital work-in-progress

Work-in-progress comprises amounts expended on Salt Village project.

Included in the capital work-in-progress during the year is ₦203.65 million lease interest for Salt Village.

20.2 Adjustments to capital work-in-progress

The adjustment during the year represent pre-trading expenses and lease interest for Salt Village project expensed to profit or loss in the current year.

20.3 Asset pledged as security

None of the Company's assets were pledged as security for any liabilities as at 31 December 2021 (2020:Nil).

20.4 Impairment Assessment

Included in property, plant and equipment are assets related to tomato paste plant with carrying values of ₦115.8 million as at 31 December 2021. The plant did not operate optimally during the year. The Directors considered this to be an indicator of impairment. The tomato paste plant was subjected to impairment assessments using the forced sale model. The recoverable amounts of ₦274.3 million exceeded the carrying value. There was no impairment gain or loss recognised as at December 31, 2021 (2020:Nil).

20.5 Sale of Property, plant and equipment

	2021 ₦'000	2020 ₦'000
Net book value of disposed assets	1,504,305	-
Proceeds from sales	(2,250,000)	(195)
Gain on disposals	(745,695)	(195)

Included in the gain on disposal of property, plant and equipment above is ₦746 million gain arising on the sale of the vegetable oil plant located in Ota, Ogun State, during the year. The plant had a carrying value of ₦1.50 billion, and was disposed for ₦2.25 billion, the proceeds of which were received during the year.

21. Right of use assets

This note provides information for leases where the Company is a lessee.

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right of use assets

	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2021	3,132,298	952,039	4,084,337
Additions during the year	-	124,405	124,405
Modification	110,713	54,825	165,538
Closing balance as at 31 December 2021	3,243,011	1,131,269	4,374,280
Depreciation			
Opening balance as at 1 January 2021	-	384,215	384,215
Charge for the year	-	152,139	152,139
Closing balance as at 31 December 2021	-	536,354	536,354
Net book value as at 31 December 2021	3,243,011	594,915	3,837,926

21. Right of use assets (continued)

	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2020	3,132,298	695,486	3,827,784
Additions during the year	-	370,490	370,490
Modification	-	(113,937)	(113,937)
Closing balance as at 31 December 2020	3,132,298	952,039	4,084,337
Depreciation			
Opening balance as at 1 January 2020	-	187,889	187,889
Charge for the year	-	196,326	196,326
Closing balance as at 31 December 2020	-	384,215	384,215
31 December 2020	3,132,298	567,824	3,700,122

21.1 Modification to right of use assets

The modification to right of use assets relate to changes in consideration of some existing lease contract during the year (Note 32).

22. Inventories

	2021 ₦'000	2020 ₦'000
Raw materials	2,389,488	2,910,412
Work-in-progress	4,246	17,577
Finished goods	207,766	646,578
Spare parts and consumables	652,326	570,532
Oil and lubricants	82,811	89,748
Packaging materials	954,937	924,604
	4,291,574	5,159,451

During the year, there were no inventory written down/reversal to net realisable value (2020: Nil).

The cost of inventories recognised as an expense during the year in respect of continuing operations was ₦18.014 billion (2020: ₦13.468 billion).

22.1 Inventory pledged as security

No inventory was pledged as security for any liability (2020: Nil).

Notes to the Financial Statements

23. Trade and other receivables**Financial instruments:**

	2021	2020
	₹'000	₹'000
Trade receivables	445,547	708,207
Trade receivables - related parties (Note 39.1)	8,821,604	12,323,559
Loss allowance	(129,979)	(145,979)
Trade receivables at amortised cost	9,137,172	12,885,787
Employee loans and advances	45,887	24,275
Loss allowance	(265)	(81)
Other receivables	611,308	419,005
Non-financial instruments:		
VAT	-	33,115
Total trade and other receivables	9,794,102	13,362,101

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2021	2019
	₹'000	₹'000
At amortised cost	9,794,102	13,328,986
Non-financial instruments	-	33,115
	9,794,102	13,362,101

Notes to the Financial Statements

23. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

Expected credit loss rate:

	2021 Estimated gross carrying amount at default ₦'000	2021 Loss allowance (Lifetime expected credit loss) ₦'000	2020 Estimated gross carrying amount at default ₦'000	2020 Loss allowance (Lifetime expected credit loss) ₦'000
Expected credit loss rate:				
Trade receivables				
Outstanding for 0 - 3 months: 6% (2020: 12.3%)	403,126	(27,788)	665,576	(37,372)
Outstanding for 4 - 6 months: 96% (2020: 67.3%)	-	-	9,800	(7,918)
Outstanding for 7 - 9 months: 100% (2020: 84.6%)	9,590	(10)	1,797	(1,775)
Outstanding for 10 - 12 months: 100% (2020: 98.3%)	-	-	-	-
Outstanding over 1 year: 100% (2020: 100%)	32,831	(32,831)	31,034	(31,034)
	445,547	(60,629)	708,207	(78,099)
Related party receivables				
Outstanding for 0 - 3 months: 6% (2020: 45.9%)	-	-	62	(29)
Outstanding for 4 - 6 months: 96% (2020: 68.0%)	-	-	497	(338)
Outstanding for 7 - 9 months: 100% (2020: 71.1%)	-	-	1,797	(1,278)
Outstanding for 10 - 12 months: 98.72% (2020: 77.4%)	7,200	(7,107)	5,786	(4,002)
Outstanding over 1 year: 100% (2020: 100%)	62,243	(62,243)	62,243	(62,243)
	69,443	(69,350)	70,385	(67,890)
Total	514,990	(129,979)	778,592	(145,989)

Staff loans	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
	₦'000	₦'000	₦'000	₦'000
Gross exposure at default	3,551	-	-	3,551
Loss allowance as at 31 December 2021	(265)	-	-	(265)
	3,286	-	-	3,286

Staff loans	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
	₦'000	₦'000	₦'000	₦'000
Gross exposure at default	1,083	-	-	1,083
Loss allowance as at 31 December 2020	(81)	-	-	(81)
	1,002	-	-	1,002



Notes to the Financial Statements

23. Trade and other receivables (continued)**Reconciliation of loss allowances**

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables

	2021 ₦'000	2020 ₦'000
Opening balance in accordance with IFRS 9	(146,060)	(197,741)
Provision (raised)/reversed on new related party receivables	(1,470)	65,424
Provisions reversed/(raised) on settled trade receivables	17,470	(13,745)
Provision (raised)/reversed on new staff loan	(184)	2
Closing balance	(130,244)	(146,060)

The reconciliation of gross carrying amount for NASCON is as follows:

	2021 ₦'000	2020 ₦'000
Gross carrying amount as at 1 January	13,031,766	10,548,981
Revenue from third parties	33,279,688	28,010,058
Receipts from third parties	(32,836,920)	(27,210,184)
Rebates receivable from related party	992,617	3,926,753
Rebates received from related party	(5,200,000)	(2,243,842)
Gross carrying amount as at 31 December	9,267,151	13,031,766

	2021 ₦'000	2020 ₦'000
24. Other financial assets		
Fixed deposit	658,159	667,506
Current assets		
Securities held at amortised cost	658,159	667,506

The fixed deposit balance represents the aggregate amounts of dividends that remained unclaimed after 15 months or more which the Registrars returned to the Company in line with current regulations invested with Meristem Wealth Management Limited.

25. Other assets

	2021 ₦'000	2020 ₦'000
Prepayments:		
Rent prepaid	-	8,019
Insurance prepaid	7,034	481
Prepayment-Others	2,644	2,269
Deposit for import	710,512	1,948,437
Promotional items	111,987	162,018
	832,177	2,121,224

Deposits for imports represents CBN forwards (averaging 90 to 120 days) received during the year which are still awaiting maturity as at year end.

26. Cash and cash equivalents

Cash and cash equivalents consist of:

	2021 ₦'000	2020 ₦'000
Cash on hand	1,643	3,065
Bank balances	7,042,373	2,597,305
	7,044,016	2,600,370

27. Share capital

	2021 ₦'000	2020 ₦'000
Authorised		
4,000,000,000 Ordinary shares of 50k each	2,000,000	2,000,000
Issued and fully paid		
2,649,438,378 ordinary shares of 50k each	1,324,719	1,324,719

28. Share premium

Issued

	2021 ₦'000	2020 ₦'000
Share premium	434,037	434,037

29. Retained earnings

	2021 ₦'000	2020 ₦'000
At 1 January	10,961,064	9,330,529
Profit for the year	2,970,982	2,690,310
Dividend declared and paid	(1,060,122)	(1,059,775)
At 31 December	12,871,924	10,961,064

At the Annual General Meeting held on 28 May 2021, the shareholders approved that dividend of 40 kobo per ordinary share amounting to ₦1.060 billion be paid to shareholders for the year ended 31 December 2020. In respect of the current year, the Directors propose that a dividend of 40 kobo per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements. The total estimated dividend to be paid is ₦1.060 billion

30. Dividend payable

	2021 ₦'000	2020 ₦'000
At 1 January	-	-
Dividend declared	1,060,122	1,059,775
Payments - Meristem Registrars and Probate Services Limited	(1,060,122)	(1,059,775)
At 31 December	-	-

Notes to the Financial Statements

31. Borrowings

	2021	2020
Held at amortised cost	₦'000	₦'000
At 1 January	38,570	3,338,570
Repayment during the year	-	(3,300,000)
At 31 December	38,570	38,570

At the time of privatisation in 1992, the debt owed to the Federal Government of Nigeria by the Company (N38.570 billion) was restructured by the Bureau for Public Enterprise. This is a Non interest bearing loan. The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria and currently awaiting a response.

In 2019 the Company obtained a loan of ₦1.8 billion from Dangote Industries Limited and ₦1.5 billion from Zenith Bank Plc at the rate of 15% and 16% respectively. The loan was fully paid in 2020

32. Finance lease liabilities

Lease liabilities	Land	Building	Total
	₦'000	₦'000	₦'000
Opening balance as at 1 January 2021	2,955,055	613,596	3,568,651
Additions	-	124,405	124,405
Interest expenses	267,260	49,584	316,844
Payments made during the year	(333,333)	(201,844)	(535,177)
Modification	110,713	54,826	165,539
Balance 31 December 2021	2,999,695	640,567	3,640,262
Lease liabilities			
Current	305,298	195,547	500,845
Non-current	2,694,408	445,009	3,139,417
	2,999,706	640,556	3,640,262

Amount of borrowing cost capitalised during the period:

Lease interest expense of ₦267.2m relating to the construction of the salt village has been capitalised.

Lease liabilities	Land	Building	Total
	₦'000	₦'000	₦'000
Opening balance as at 1 January 2020	3,253,196	469,126	3,722,322
Additions	-	370,490	370,490
Interest expenses	273,287	58,825	332,112
Payments made during the year	(571,429)	(149,670)	(721,099)
Modification	-	(135,174)	(135,174)
Balance 31 December 2020	2,955,054	613,597	3,568,651
Lease liabilities			
Current	29,629	106,965	136,594
Non-current	2,925,426	506,631	3,432,057
	2,955,055	613,596	3,568,651

32.1 Modification to lease liabilities

The modification to lease liabilities relate to changes in consideration of some existing lease contract during the year (Note 21).

33. Retirement benefits obligation

33.1 Movement in gratuity

	2021 ₦'000	2020 ₦'000
At 1 January	152,424	158,529
Current service cost	-	-
Benefit paid out	(14,210)	(6,105)
At 31 December	138,214	152,424

The entity was operating a defined benefit for its permanent Nigerian staff, the benefits under which are related to employees' length of service and final remuneration.

However, the Board resolved to eliminate the scheme effective January, 2013. The valuation of the liabilities is as of that date. The balance as at 31 December, 2021 represents what is owed to staff who are still in service from the old scheme.

As at December 31, 2021 no fund has been set up from which payments can be disbursed.

Defined contribution plan

The employees of the company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employees' relevant emoluments effective July 2014.

Staff pension

	2021 ₦'000	2020 ₦'000
Contributions during the year	182,532	189,679
Remittance in the year	(182,532)	(189,679)
At 31 December	-	-

The only obligation of the Company with respect to the pension scheme is to make the specified contributions. The total expense recognised in profit or loss of ₦101.40 million (2020: ₦105.23 million) represents contributions payable to this plan by the Company as at 31 December 2021.

Notes to the Financial Statements

34. Trade and other payables

	2021	2020
	₹'000	₹'000
Financial instruments:		
Trade payables	1,739,405	3,945,958
Amounts due to related parties (Note 39.1)	10,809,289	18,028,167
Unclaimed dividend	658,159	667,506
Accrued audit fees	13,870	10,120
Accrued expenses	522,127	371,432
Other payables	55,951	46,413
Non-financial instruments:		
Value added tax	191,282	-
Withholding tax payable	99,903	27,911
	14,089,986	23,097,507

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables. The Directors consider that the carrying amount of trade payables approximates to the fair value.

35. Contract liabilities**Summary of contract liabilities**

	2021	2020
	₹'000	₹'000
Advance payment from customers	4,274,213	1,500,383
Reconciliation of contract liabilities		
Opening balance	1,500,383	1,772,063
Revenue recognised on delivery of goods previously paid for	(1,500,383)	(1,772,063)
Payments received in advance of delivery of performance obligations	4,274,213	1,500,383
	4,274,213	1,500,383

Contract liabilities represent payments received in advance of the delivery of goods.

Notes to the Financial Statements

36. Cash generated from operations

	2021	2020
	₹'000	₹'000
Profit before taxation	4,238,043	3,906,716
Adjustments for:		
Depreciation of property, plant and equipment (Note 20)	2,416,108	2,740,087
Depreciation of right of use assets (Note 21)	152,139	196,326
(Gains) on disposals of property, plant and equipment (Note 9)	(745,695)	(195)
Lease Modification charged to P/L	-	(21,236)
Unrealised exchange gain	(25,449)	-
Finance income (Note 12)	(51,701)	(51,076)
Finance costs (Note 15)	130,160	171,898
Impairment (reversal) for credit losses (Note 10)	(15,815)	(51,681)
PPE Adjustment (Note 20)	184,893	-
Changes in working capital:		
Inventories	867,877	(730,793)
Trade and other receivables	3,583,814	(2,818,722)
Other assets	1,289,047	(1,490,172)
Trade and other payables	(8,998,168)	7,433,458
Contract liabilities	2,773,830	(271,680)
Cash generated from operations	5,799,083	9,012,930



Notes to the Financial Statements

37. Financial instruments and risk management

37.1 Capital risk management

The capital structure of the company consists of net debt (which includes the borrowings disclosed in (Note 31), offset by cash and bank balances and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements. The company monitors its capital structure to ensure that the target debt equity ratio as stated in its debt covenants is not exceeded. The Company is not subject to any externally imposed capital requirements.

The capital structure and gearing ratio of the company at the reporting date was as follows:

	2021	2020
	₹'000	₹'000
Borrowings	38,570	38,570
Lease liabilities	3,640,262	3,568,651
Trade and other payables	14,089,986	23,097,507
Total debts	17,768,818	26,704,728
Cash and cash equivalents	(7,044,016)	(2,600,370)
Net debts	10,724,802	24,104,358
Equity	14,630,680	12,719,820
Gearing ratio	73 %	190 %

37.2 Financial risk management

Risk management roles and responsibilities are assigned to stakeholders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Establishment and General Purpose and Finance, Risk and Audit Committees.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk framework. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

The Company monitors and manages financial risks relating to its operations through an internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

37.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparty and obtaining sufficient collateral where appropriate (bank guarantee and insurance bonds), as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information, customers' financial position, past trading relationship, its own trading records and other factors to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team periodically. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased.

About 89% (2020: 92%) of the trade receivables are due from Bulk Commodities Limited, a related party, for rebate on purchase of Salt. The Company 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 analyzed at each reporting date on an individual basis for corporate and individual customers.

The maximum exposure to credit risk is presented in the table below:

	Note	2021			2020		
		Gross carrying amount ₦'000	Credit loss allowance ₦'000	Amortised cost / fair value ₦'000	Gross carrying amount ₦'000	Credit loss allowance ₦'000	Amortised cost / fair value ₦'000
Trade and other receivables	23	9,924,346	(130,244)	9,794,102	13,475,046	(146,060)	13,328,986
Cash and cash equivalents	26	7,044,016	-	7,044,016	2,600,370	-	2,600,370
		16,968,362	(130,244)	16,838,118	16,075,416	(146,060)	15,929,356

37.4 Deposit with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the company 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 management 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.

The overview below shows the credit ratings of outstanding cash and cash equivalents held with financial institutions.

Credit Rating - Financial Institution	31 December 2021 ₦'000	31 December 2020 ₦'000
A+	2,819,296	591,190
AA	291,875	995,212
AA-	2,548,985	445,714
BBB	498,544	273,879
BB+	612,561	23,113
Not rated	271,112	268,197
	7,042,373	2,597,305

Notes to the Financial Statements

37.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the statement of financial position date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2021

	Note(s)	0-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	Over 1 year ₦'000	Total ₦'000	Carrying amount ₦'000
Non-current liabilities							
Borrowings	31	-	-	-	38,570	38,570	38,570
Lease liabilities	32	-	-	-	3,902,875	3,902,875	3,139,417
Current liabilities							
Trade and other payables	34	2,636,973	1,400,150	1,550,333	8,211,344	13,798,800	13,798,800
Lease liabilities	32	150,847	11,760	348,333	-	510,940	500,845
		2,787,820	1,411,910	1,898,666	12,152,789	18,251,185	17,477,632

2020

	Note(s)	0-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	Over 1 year ₦'000	Total ₦'000	Carrying amount ₦'000
Non-current liabilities							
Borrowings	31	-	-	-	38,570	38,570	38,570
Lease liabilities	32	-	-	-	3,995,273	3,995,273	3,432,057
Current liabilities							
Trade and other payables	34	9,240,860	4,310,135	892,192	8,654,320	23,097,507	23,097,507
Lease liabilities	32	13,861	6,594	291,114	-	311,569	136,594
		9,254,721	4,316,729	1,183,306	12,688,163	27,442,919	26,704,728

37.6 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to USD. It monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

37.6.1 Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

	2021 ₦'000	2020 ₦'000
US Dollar exposure:		
Current assets:		
Trade and other receivables	8,752,161	12,254,052
Cash and cash equivalents	24,994	78,768
Non-current liabilities:		
Trade and other payables	(4,248,404)	(13,791,031)
Net US Dollar exposure	4,528,751	(1,458,211)

37.6.2 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 12%, increase and decrease in Naira against USD currency. Management believes that a 12% movement in either direction is reasonably possible at the statement of financial position date. The sensitivity analyses below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 12% against the USD. For a 12% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

	2021 ₦'000	2020 N '000
Impact on profit or loss:		
Naira strengthens by 12% against the US dollar Profit / (loss)	543,450	(43,746)
Naira weakens by 12% against the US dollar Profit / (loss)	(543,450)	43,746

37.7 Interest rate risk

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 Company's exposure to the risk of changes in market interest rates is minimal as it does not have either floating or fixed interest bearing financial liabilities outstanding as the reporting date. It's cash and cash equivalents with financial institutions have fixed interest rates.

Notes to the Financial Statements

38. Fair value information

As detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values

	Book value		Fair value	
	2021 ₦'000	2020 ₦'000	2021 ₦'000	2020 ₦'000
Financial asset				
Trade and other receivables	9,794,102	13,362,101	9,794,102	13,362,101
Cash and bank	7,044,016	2,600,370	7,044,016	2,600,370
Financial liabilities				
Trade and other payables	13,798,801	23,069,596	13,798,801	23,097,507
Borrowings	38,570	38,570	38,570	38,570

39. Related parties**39.1 Related party balances**

	2021 ₦'000	2020 ₦'000
Intercompany receivables		
Other related party receivables		
Dangote Cement Plc (Benue Plant)	7,200	7,200
Dancom Technologies Limited	-	64
West African Popular Foods*	62,243	62,243
Bulk Commodities Limited	8,752,161	12,254,052
	8,821,604	12,323,559
Intercompany payables		
Parent and ultimate controlling party		
Dangote Industries Limited (Parent)	1,838,114	1,526,353
Other related party payables		
Dangote Sugar Refinery Plc	119,471	164,270
Dancom Technologies Limited	2,787	-
Greenview Development Nigeria Limited	330,897	-
Bluestar Shipping Line Limited	29,860	-
Dangote Cement Plc. (Obajana Plant)	24,195	24,195
Aliko Dangote Foundation	11,238	33,893
Dangote Packaging Limited	186,162	146,294
Dangote Transport Limited	-	22,962
Dangote Industries Limited (Central Stores)	249,427	297,426
Dangote Cement Plc (Head Office)	2,963,272	2,844,312
Dangote Oil Refining Company Limited	231,740	14,711
Dangote Cement Plc. (Benue Plant)	77,602	77,602
Dangote Cement Plc. (Benue Plant Truck scheme)	219,311	273,702
Dangote Cement Plc. (Ibese Plant)	9,736	3,467
Dangote Sinotruck West Africa Limited	764,563	2,014,564
Bulk Commodities Limited	3,750,914	10,584,416
	10,809,289	18,028,167

*The balance due from West African Popular Foods has been fully provided for.

39. Related parties (continued)

39.2 Purchases, sales, promotional support, other services and dividend

	Transaction Value		Balance due (to)/from	
	2021 ₦'000	2020 ₦'000	2021 ₦'000	2020 ₦'000
Purchases, promotional support and other services				
Ultimate parent	(2,526,786)	-	(1,838,114)	(1,526,353)
Other related parties	(14,831,895)	(16,284,957)	(8,971,175)	(16,501,814)
Technical services fees				
Other related parties	(71,621)	(57,852)	-	-
Dividend payable				
Other related parties	(659,105)	(659,105)	-	-
	(18,089,407)	(17,001,914)	(10,809,289)	(18,028,167)
Sales and other services*				
Other related parties	777,389	634,376	8,821,604	12,323,559

Transactions with related parties are at arm's length

Relationships

Dangote Cement Plc, Gboko Plant	Fellow subsidiary, provides trucks for NASCON
Bulk Commodities Limited	Affiliate, purchases raw salt for NASCON
Dangote Industries Limited (Central Stores)	Fellow subsidiary, NASCON purchases spare parts
DANCOM Technologies Limited	Fellow subsidiary, provides internet services and IT support
Dangote Packaging Limited	Fellow subsidiary, produces empty sacks for NASCON
Dangote Cement Plc	Fellow subsidiary, buys Crude Salt from NASCON and procures trucks on behalf of NASCON
Aliko Dangote Foundation	Affiliate, engages in philanthropy
Dangote Industries Limited	Ultimate controlling party
Bluestar Shipping Line Limited	Fellow subsidiary, provide clearing services
Dangote Oil Refining Company Limited	Affiliate, NASCON purchases equipment
Dangote Sugar Refinery Plc.	Fellow subsidiary, buys crude salt from NASCON and provides warehouse facility to NASCON
Dangote Transport Limited	Fellow subsidiary, provides haulage services to NASCON
Dangote Sinotruk West Africa Limited	Fellow subsidiary, NASCON purchases trucks and spare parts
Greenview Development Nigeria Limited	Fellow subsidiary, provides port and terminal services to NASCON
Dangote Cement Plc, (Obajana Plant)	Fellow subsidiary, NASCON provides haulage services
West African Popular Foods	Joint venture with Unilever, purchased and sold Annapurna Salt

Dangote Industries Limited (DIL) performed certain administrative services for the Company for which a management fee of ₦135.1 million (2020: ₦133.3 million) was charged, being an appropriate allocation of costs incurred by relevant administrative departments.

Notes to the Financial Statements

39. Related parties (continued)

	2021 ₦'000	2020 ₦'000
Compensation to directors and other key management		
Short-term employee benefits	152,625	163,879
Total	152,625	163,879
Directors fee and expenses		
Directors Fees	5,500	5,500
Directors Expenses	147,125	158,379
Total	152,625	163,879

Key management personnel are Board of directors and management team.

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

₦ '000	2021 Number	2020 Number
₦1 – ₦15,000	-	-
₦15,001 – ₦30,000	8	8
₦30,001 – and above	2	2
Total	10	10

40. Commitments

The Company's total capital commitments as at 31 December 2021 amounted to ₦71.48 million in respect of Salt village refinery project (2020: ₦3.39 billion).

41. Contingent assets and Contingent liabilities**41.1 Pending litigation and claims.**

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to ₦13.0 million as at December 31, 2021 (2020 - ₦13.0 million). In the opinion of the Directors and based on independent legal advice, the Company is not expected to suffer any material loss arising from these claims, thus no provision has been made in these financial statements.

41.2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

42. Events after the reporting period

There were no events after the reporting period that could have had a material effect on the financial statements of the Company as at 31 December 2021 that have not been taken into account in these financial statements.

43. Approval of Financial statements

The Board of Directors approved the financial statements during its meeting of 25 February 2022.

Other National Disclosures

- Value Added Statement

	2021	2021	2020	2020
	₹'000	%	₹'000	%
Value Added				
Turnover	33,279,688		28,010,059	
Finance income	51,701		51,076	
Other operating income	52,271		19,895	
Other operating gains	1,782,837		580,237	
- Local	(15,353,533)		(8,998,291)	
- Foreign	(10,459,892)		(10,415,507)	
Total Value Added	9,353,072	100	9,247,469	100
Value Distributed				
To Pay Employees				
Staff salaries and directors emoluments	2,416,622		2,232,442	
	2,416,622	26	2,232,442	24
To Pay Providers of Capital				
Finance costs	130,160		171,898	
	130,160	1	171,898	2
To Pay Government				
Income tax	1,355,077		854,924	
	1,355,077	14	854,924	9
To be retained in the business for expansion and future wealth creation:				
Depreciation	2,568,247		2,936,413	
Deferred tax	(88,016)		361,482	
	2,480,231	27	3,297,895	36
Value retained				
Retained profit	2,970,982		2,690,310	
	2,970,982	32	2,690,310	29
Total Value Distributed	9,353,072	100	9,247,469	100

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.



Other National Disclosures

- Five Year Financial Summary

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
Statement of Financial Position					
Assets					
Non-current assets	17,901,370	20,398,339	18,814,619	11,705,283	9,421,041
Current assets	22,620,028	23,910,652	19,854,173	18,565,146	20,702,206
Total assets	40,521,398	44,308,991	38,668,792	30,270,429	30,123,247
Liabilities					
Non-current liabilities	5,672,643	6,067,509	8,837,243	2,288,229	1,972,705
Current liabilities	20,218,075	25,521,662	18,742,264	16,088,720	16,615,330
Total liabilities	25,890,718	31,589,171	27,579,507	18,376,949	18,588,035
Equity					
Share capital and premium	1,758,756	1,758,756	1,758,756	1,758,756	1,758,756
Retained income	12,871,924	10,961,064	9,330,529	10,134,724	9,776,456
Total equity	14,630,680	12,719,820	11,089,285	11,893,480	11,535,212
Total equity and liabilities	40,521,398	44,308,991	38,668,792	30,270,429	30,123,247

Statement of Profit or Loss and Other Comprehensive Income

Revenue	33,279,688	28,010,059	27,487,788	25,769,352	27,064,325
Cost of sales	(21,320,319)	(16,447,633)	(21,647,079)	(17,988,663)	(17,070,310)
Gross profit	11,959,369	11,562,426	5,840,709	7,780,689	9,994,015
Other income	52,271	19,895	12,804	29,265	11,296
Other operating gains/(losses)	1,782,837	580,237	(16,338)	841,845	(1,868)
Other operating expenses	(9,477,975)	(8,135,020)	(2,935,803)	(2,670,793)	(2,376,588)
Operating profit	4,316,502	4,027,538	2,901,372	5,981,006	7,626,855
Finance income	51,701	51,076	90,518	468,378	354,745
Finance costs	(130,160)	(171,898)	(222,811)	-	(72,113)
Profit before taxation	4,238,043	3,906,716	2,769,079	6,449,384	7,909,487
Taxation	(1,267,061)	(1,216,406)	(923,836)	(2,029,168)	(2,565,896)
Profit for the year	2,970,982	2,690,310	1,845,243	4,420,216	5,343,591
Retained income for the year	2,970,982	2,690,310	1,845,243	4,420,216	5,343,591



The finishing touch
to every meal



Share Capital History

Year	AUTHORIZED NOMINAL VALUE		ISSUED AND PAID-UP					
	Shares '000	Amount ₹'000	Other than by bonus		Bonus issue		Total	
			Shares '000	Amount ₹'000	Shares '000	Amount ₹'000	Shares '000	Amount ₹'000
1991	40,000	20,000	-	-	-	-	14,110	7,055
1992	40,000	20,000	-	-	-	-	14,110	7,055
1993	40,000	20,000	-	-	-	-	14,110	7,055
1994	40,000	20,000	-	-	-	-	14,110	7,055
1995	80,000	40,000	-	-	-	-	14,110	7,055
1996	80,000	40,000	65,847	32,923	-	-	79,957	39,978
1997	200,000	100,000	-	-	-	-	79,957	39,978
1998	200,000	100,000	-	-	-	-	79,957	39,978
1999	200,000	100,000	-	-	-	-	79,957	39,978
2000	200,000	100,000	-	-	-	-	79,957	39,978
2001	200,000	100,000	-	-	-	-	79,957	39,978
2002	200,000	100,000	-	-	-	-	79,957	39,978
2003	200,000	100,000	-	-	-	-	79,957	39,978
2004	200,000	100,000	-	-	-	-	79,957	39,978
2005	200,000	100,000	-	-	-	-	79,957	39,978
2006	4,000,000	2,000,000	-	-	-	-	79,957	39,978
2007	4,000,000	2,000,000	2,127,909	1,063,954	-	-	2,207,865	1,103,932
2008	4,000,000	2,000,000	-	-	441,573	220,787	2,649,438	1,324,719
2009	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2010	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2011	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2012	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2013	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2014	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2015	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2016	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2017	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2018	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2019	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2020	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2021	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719

Notice of Annual General Meeting

THE NOTICE IS HEREBY GIVEN that the Annual General Meeting (AGM) of NASCON Allied Industries Plc. for the year ended 31st December 2021 will hold on Friday 3rd June 2022, at the Civic Center, Ozumba Mbadiwe Road, Victoria Island, Lagos at 11.00 a.m. to transact the following business:

Ordinary Business

1. To lay before the Meeting, the Audited Financial Statements for the Year Ended 31 December 2021, as well as the Reports of the Directors, the Auditors and the Statutory Audit Committee.
2. To declare a dividend.
3. To appoint Mr. Thabo Mabe as a Director and to re-elect the following Non-Executive Directors retiring by rotation and have offered themselves for re-election:
 - 3.1. Mrs. 'Yemisi Ayeni
 - 3.2. Mrs. Halima Aliko-Dangote
 - 3.3. Mrs. Fatima Wali-Abdurrahman
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect shareholders' representatives on the Statutory Audit Committee.
6. To disclose the remuneration of managers.

SPECIAL BUSINESS

7. To fix the remuneration of the Directors.
8. To grant the Company a general mandate in compliance with the rules of the Nigerian Exchange Limited (NGX), to procure goods, services and financing, and enter into such transactions necessary for its day-to-day operations with related parties or interested persons on normal commercial terms.
9. Following the recommendation of the Board of Directors, as well as in compliance with the Companies and Allied Matters Act (CAMA) 2020 and the Companies Regulations 2021, to consider and, if thought fit, pass the following resolutions:
 - 9.1. To cancel the unissued shares amounting to 1,350,561,622 shares of 50 kobo each.
 - 9.2. To amend the Company's Memorandum and Articles of Association to reflect the revised share capital, being ₦1,324,719,189 divided into 2,649,438,378 ordinary shares of 50 kobo each.
 - 9.3. To authorise the Board of Directors to take all actions required to effect the cancellation of the unissued shares.

NOTES:

- A. **Preparation:** In view of the COVID-19 pandemic, attendance at the AGM shall only be by proxy. The Company has obtained the approval of the regulators to hold the AGM by proxy and has taken various steps to ensure the safety of attendees and compliance with the guidelines. These include the provision of sanitisers, masks and gloves at the venue, as well as the checking of temperatures and ensuring social distancing between attendees.
- B. **Proxies:** A proxy form is included in the Annual Report and available on the Company's website (www.nasconplc.com). All instruments of proxy shall be at the expense of the Company and must be deposited at the Company's office at 15B Ikosi Road, Oregun, Lagos State or the office of the Registrars, Meristem Registrars and Probate Services Limited, at 213, Herbert Macaulay Way, Yaba, Lagos (or contact@meristemng.com), not later than 48 hours before the time scheduled for holding the meeting. A member entitled to attend and vote at the AGM is advised to select from the following proxies to attend and vote in his/her/its stead:
 - a. Mrs. 'Yemisi Ayeni
 - b. Mr. Thabo Mabe
 - c. Mrs. Fatima Aliko-Dangote
 - d. Mr. Olakunle Alake
 - e. Mrs. Halima Aliko-Dangote
 - f. Mr. Abdu Dantata
 - g. Mr. Sada Ladan-Baki
 - h. Prof. Chris Ogbechie
 - i. Mr. Knut Ulvmoen
 - j. Mrs. Fatima Wali-Abdurrahman
 - k. Mrs. Bisi Bakare
 - l. Mr. Nornah Awoh
 - m. Mr. Adeolu Akinsanya
 - n. Mrs. Ganiat Adetutu Siyanbola
 - o. Mr. Owolabi Peters

C. Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed on Friday 6th May 2022 to enable the Registrar update its records.



Notice of Annual General Meeting

D. Payment of Dividend

If the shareholders approve the dividend recommended by the Directors at the Annual General Meeting, dividend will be paid on Monday 6th June 2022 to shareholders whose names appear in the Register of Members at the close of business on Thursday 5th May 2022.

E. E-Dividend Registration

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts, and CSCS accounts to receive dividend payments electronically. A list of unclaimed dividends is available on the Company's website at www.nasconplc.com. Shareholders with unclaimed share certificates or unclaimed dividends should address their claims to the registrars, at Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way, Yaba Lagos, (or contact@meristemng.com) or complete the shareholder e-mandate form in the Annual Report or at <https://meristemwealth.com/mandate-form>.

F. Nomination to the Statutory Audit Committee

In accordance with the Companies and Allied Matters Act 2020, a shareholder may nominate another shareholder for appointment as a member of the Statutory Audit Committee by giving notice to the Company Secretary at least 21 days before the Annual General Meeting.

G. Rights of Securities Holders to Ask Questions: Securities holders can ask questions at the Annual General Meeting and in writing before the meeting. Questions should be submitted to the Company Secretary at the Company's office up to one week before the Annual General Meeting.

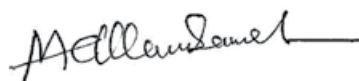
H. Electronic Annual Report:

The electronic version of the Annual Report will be available online from the Company's website - www.nasconplc.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email.

I. Live streaming:

The Annual General Meeting will be streamed live from the following social media channels:

- Website: <https://www.nasconplc.com/investor-relations>
- Youtube: <https://www.youtube.com/dangotegroup>



BY ORDER OF THE BOARD

A. A. SAMUEL

Company Secretary

FRC/2016/NBA/00000015291

NASCON Allied Industries Plc

15B Ikosi Road,

Oregun, Lagos State

Dated 26 February, 2022



General Mandate Circular

In compliance with the provisions of Clause 6 of the Rules of the NGX Regulation Limited Governing Related Parties or Interested Persons ('the Rules'), NASCON Allied Industries Plc ("NASCON") hereby seeks the approval of Shareholders for a general mandate in respect of recurrent transactions of revenue or of a trading nature or those necessary for the day to day operations of the Company

The relevant items for consideration of the shareholders are as stated below:

- i. The transaction for which this general mandate is sought are those of a trading nature and/or those which are necessary for the day to day operations of NASCON and include but are not limited to the following:
 - a) Technical Know-How and Support Services Agreements between NASCON and its Parent Company, Dangote Industries Limited ("DIL") and/or other companies or entities within the Dangote Group;
 - b) Trademark and Quality Control Agreement between NASCON and its parent Company, DIL and/or other companies or entities within the Dangote Group;
 - c) Distribution Agreements between NASCON and its parent company, DIL and/or other companies or entities within the Dangote Group;
 - d) Production and Distribution Agreements between NASCON and its Parent Company, DIL and/or other companies or entities within the Dangote Group;
 - e) Arrangements for the provision of specialist support to NASCON by its Parent Company, DIL and/or other companies or entities within the Dangote Group;
 - f) Contract manufacturing purchase or packaging arrangements between NASCON and its parent Company, DIL and/or other companies or entities within the Dangote Group; and
 - g) Arrangements for sale and/or purchase of raw materials or finished goods, technical equipment and spare parts by or to NASCON by its parent Company, DIL and/or other companies or entities within the Dangote Group.
- ii. The class of related parties and interested persons with which NASCON will be transacting include shareholders, employees and their family members, companies or entities within the Parent Company DIL and subsidiaries of the company, etc.
- iii. The rationale for the transactions are that they are necessary for the operations of NASCON, the discharge of the legal and contractual obligations currently binding on NASCON, are of strategic importance to the continued operations of NASCON, guarantee the uninterrupted supply of goods and services necessary for the operation of NASCON as a going concern, are carried out on a transparent basis and are cost effective and performed efficiently and effectively.
- iv. The methods and procedures for the determining the transaction prices are based on Nascon's transfer pricing policy and are, where applicable, subject to the approval of the National Office for Technology Acquisition and Promotion (NOTAP).
- v. Messrs. Deloitte & Touche has provided independent financial opinion that the methods and procedures in NASCON's transfer pricing policy referred to in paragraph (iv) above are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to interests of NASCON and its minority shareholders.
- vi. NASCON shall obtain a fresh mandate from the shareholders if the methods or procedures in (iv) become inappropriate.
- vii. Any person identified as an interested person as defined under the Rules shall abstain and undertake to ensure that its associates abstain from voting on the resolution approving the transaction.
- viii. The Board of Directors be and are hereby authorized to take any steps that may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to all the above and to settle all matters arising out of , and incidental thereto and sign all deeds, documents and applications that may be required on behalf of the Company and generally to do all acts and things that may be necessary, expedient or incidental thereto for the purposes of giving effect to the above mandate.



Corporate Information

Capital Market Information

NASCON Allied Industries Plc is listed on the main board of the NGX Regulation Limited (NGX)

Each share carries one voting right

NGX ticker symbol	NASCON
ISIN	NGNASCON0005
Bloomberg Code	NASCON:NL
Reuters Code	NASCON:LG
Date listed	20 October, 1992
Market Capitalization (31/12/21)	N 34,972,586,589.60
Outstanding shares	2,649,438,378
Free float	37.81%

Registration Information

RC Number	11364
Date of Incorporation	30 April, 1973

Registered office

Salt City
Ijoko Ota, Ogun State

Business Office

15B Ikosi Road
Oregun, Ikeja, Lagos State

For more Information please contact:

Corporate Communications

Anthony Chiejina
+234 (1) 448 0815
anthony.chiejina@dangote.com

Investor Relations

Morayo Tukur
+234 (0) 807 049 4389
investors.nascon@dangote.com

Website

www.nasconplc.com



Directors, Officers and Professional Advisers

Country of incorporation and domicile	Nigeria																						
Nature of business and principal activities	Principal activities of the Company during the year include processing of raw salt into refined, edible and grade salt. The company also produces Seasoning.																						
Ultimate holding company	Dangote Industries Limited (incorporated in Nigeria)																						
Directors	<table><tr><td>'Yemisi Ayeni</td><td>Chairperson</td></tr><tr><td>Thabo Mabe*</td><td>Acting Managing Director</td></tr><tr><td>Paul Farrer**</td><td>Managing Director</td></tr><tr><td>Fatima Aliko-Dangote</td><td>Executive Director</td></tr><tr><td>Olakunle Alake</td><td>Director</td></tr><tr><td>Halima Aliko-Dangote</td><td>Director</td></tr><tr><td>Abdu Dantata</td><td>Director</td></tr><tr><td>Sada Ladan-Baki</td><td>Director</td></tr><tr><td>Chris Ogbechie</td><td>Independent Director</td></tr><tr><td>Knut Ulvmoen</td><td>Director</td></tr><tr><td>Fatima Wali-Abdurrahman</td><td>Director</td></tr></table>	'Yemisi Ayeni	Chairperson	Thabo Mabe*	Acting Managing Director	Paul Farrer**	Managing Director	Fatima Aliko-Dangote	Executive Director	Olakunle Alake	Director	Halima Aliko-Dangote	Director	Abdu Dantata	Director	Sada Ladan-Baki	Director	Chris Ogbechie	Independent Director	Knut Ulvmoen	Director	Fatima Wali-Abdurrahman	Director
'Yemisi Ayeni	Chairperson																						
Thabo Mabe*	Acting Managing Director																						
Paul Farrer**	Managing Director																						
Fatima Aliko-Dangote	Executive Director																						
Olakunle Alake	Director																						
Halima Aliko-Dangote	Director																						
Abdu Dantata	Director																						
Sada Ladan-Baki	Director																						
Chris Ogbechie	Independent Director																						
Knut Ulvmoen	Director																						
Fatima Wali-Abdurrahman	Director																						
Company Secretary	Adedayo A. Samuel																						
Registered office	Salt City Ijoko Ota Ogun State																						
Auditors	PricewaterhouseCoopers Chartered Accountants 5B Water Corporation Road, Victoria Island, Lagos																						
Registrar and Transfer Office	Meristem Registrars and Probate Services Limited 213, Herbert Macaulay Way Adekunle, Yaba, Lagos Tel: 01-8920491-2; 01-2809250-3 E-mail: info@meristemregistrars.com																						
Bankers	Access Bank Plc Ecobank Limited First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Jaiz Bank Limited Keystone Bank Limited Stanbic IBTC Bank Plc Sterling Bank Plc United Bank for Africa Plc Union Bank of Nigeria Plc Wema Bank Plc Zenith Bank Plc																						

*Appointed 12 February, 2022

**Resigned 11 February, 2022



Board and Committee Meeting Dates & Attendance

Board Meetings

Members	25/02	23/04	25/05	26/07	28/10	30/12
'Yemisi Ayeni	✓	✓	✓	✓	✓	✓
Paul Farrer	✓	✓	✓	✓	✓	✓
Fatima Aliko-Dangote	✓	✓	✓	✓	✓	X
Olakunle Alake	✓	✓	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓	✓	✓
Sada Ladan-Baki	✓	✓	✓	✓	✓	✓
Chris Ogbechie	✓	✓	✓	✓	✓	✓
Knut Ulvmoen	✓	✓	✓	✓	✓	✓
Fatima Wali-Abdurrahman	✓	✓	✓	✓	✓	✓

Finance, Risk and Audit Committee

Members	24/02	22/04	22/07	21/10
Chris Ogbechie	✓	✓	✓	✓
Paul Farrer	✓	✓	✓	✓
Fatima Aliko-Dangote	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Sada Ladan-Baki	✓	✓	✓	✓

Establishment and General Purpose Committee

Members	23/02	26/04	23/07	20/10
Knut Ulvmoen	✓	✓	✓	✓
Paul Farrer	✓	✓	✓	✓
Fatima Aliko-Dangote	X	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓
Fatima Wali-Abdurrahman	✓	✓	✓	✓

Statutory Audit Committee

Members	25/02	23/04	26/07	27/10
Okey Nwuke	✓	✓	✓	✓
Umar Farouk	✓	✓	✓	✓
Kudaisi Ayodele Sarat	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Chris Ogbechie	✓	✓	✓	✓

KEY

- ✓ - Present in meeting
- X - Absent from meeting

Summary of Claimed/Unclaimed Dividends as at 31 December 2021

DIVIDEND NO	DECLARED DIVIDEND	CLAIMED DIVIDEND	UNCLAIMED DIVIDEND	DATE OF PAYMENT
1	883,146,126.00	868,560,333.22	14,585,792.78	7/17/2008
2	1,059,775,351.20	1,037,977,645.23	21,797,705.97	10/5/2009
3	1,324,719,189.00	1,290,136,154.32	34,583,034.68	10/4/2010
4	1,324,719,189.00	1,294,321,070.14	30,398,118.86	7/11/2011
5	1,854,606,865.00	1,797,778,944.02	56,827,920.98	6/7/2012
6	2,384,494,540.20	2,311,899,672.57	72,594,867.63	6/17/2013
7	2,384,494,540.20	2,302,077,702.66	82,416,837.54	6/24/2014
8	1,324,719,189.00	1,282,044,595.25	42,674,593.75	6/12/2015
9	1,457,191,107.90	1,413,673,097.89	43,518,010.01	5/23/2016
10	1,854,606,864.60	1,805,496,425.70	49,110,438.90	5/8/2017
11	3,974,157,567.00	3,816,767,231.30	157,390,335.70	5/8/2018
12	2,649,438,378.00	2,553,475,940.00	95,962,438.00	6/17/2019
13	1,059,775,351.20	1,019,963,087.15	39,812,264.05	7/29/2020
14	1,059,775,351.20	1,017,385,634.46	42,389,716.74	5/31/2021
TOTAL	24,595,619,609.50	23,842,540,959.93	753,078,649.57	



**Affix
Current
Passport**

(To be stamped by Bankers)

Write your name at the back of
your passport photograph

**This service costs ₦150.00 per
approved Mandate per Company.**



E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

Only Clearing Banks are acceptable

The Registrar

Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

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 account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	ACAP INCOME FUND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FREE RANGE FARMS PLC	
	FTN COCOA PROCESSORS PLC	
	GEO-FLUIDS PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	MUTUAL BENEFITS ASSURANCE PLC	
	NASSARAWA STATE GOVT BOND	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4



Meristem Registrars And Probate Services Limited

Web: www.meristemregistrars.com; email: info@meristemregistrars.com

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos





The Annual General Meeting (AGM) of NASCON Allied Industries Plc. for the year ended 31st December 2021 will hold on Friday 3rd June 2022, at the Civic Center, Ozumba Mbadiwe Road, Victoria Island, Lagos at 11.00 a.m.

I/WE
 Being a shareholder of NASCON Allied Industries Plc hereby appoint Mrs. 'Yemisi Ayeni or failing her, Mr. Thabo Mabe or failing him, Mrs. Fatima Aliko-Dangote or failing her, Mr. Olakunle Alake or failing him, Mrs. Halima Aliko-Dangote or failing her, Mr. Abdu Dantata or failing him, Mr. Sada Ladan-Baki or failing him, Prof. Chris Ogbegie or failing him, Mr. Knut Ulvmoen or failing him, Mrs. Fatima Wali-Abdurrahman or failing her, Mrs. Bisi Bakare or failing her, Mr. Nornah Awoh or failing him, Mr. Adeolu Akinsanya or failing him, Mrs. Ganiat Adetutu Siyanbola or failing her, Mr. Owolabi Peters as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting to be held on Friday 3rd June 2022, and at any adjournment thereof.

SHAREHOLDER'S SIGNATURE DATED THISDAY OF2022

I/We desire this proxy to be used in favour of, or against the resolution as indicated alongside:

SN	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1	To declare a dividend			
2	To re-elect or appoint Directors as follows:			
2.1	To re-elect Mrs. 'Yemisi Ayeni as a Director, who is retiring by rotation			
2.2	To re-elect Mrs. Halima Aliko-Dangote as a Director, who is retiring by rotation			
2.3	To re-elect Mrs. Fatima Wali-Abdurrahman as a Director, who is retiring by rotation			
2.4	To appoint Mr. Thabo Mabe as a Director			
3	To authorise the Directors to fix the remuneration of the Auditors			
4	To elect shareholders' representatives on the Statutory Audit Committee			
	SPECIAL BUSINESS			
5	To approve the remuneration of Directors.			
6	To approve the general mandate.			
7	To cancel the unissued shares.			
8	To amend the Memorandum and Articles to reflect the cancellation.			
9	To authorise the Board of Directors to effect the cancellation.			

Note:

- A. In view of the COVID-19 pandemic, attendance at the AGM shall only be by proxy. A proxy form is included in the Annual Report. A Member has the right to appoint a proxy/proxies from one of the persons named in the Proxy Form, who have been authorised to act as proxy by the Company, to attend and vote instead of him.
- B. 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.
- C. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.
- D. If the shareholder is a corporation, this form must be executed under its Common Seal or under the hand of an authorised officer or attorney.
- E. All instruments of proxy shall be at the Company's expense and must be deposited at the office of the Company at 15B Ikosi Road, Oregun, Lagos State or the office of the Registrars, Meristem Registrars and Probate Services Limited, at 213, Herbert Macaulay Way, Yaba, Lagos (or contact@meristemng.com), not later than 48 hours before the time scheduled for holding the meeting.
- F. All instruments of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear the appropriate stamp duty from the Stamp Duties Office (not adhesive postage stamps).
- G. The proxy must produce the admission slip along with the notice of the meeting to gain entrance to the meeting.

ADMISSION CARD

Before posting this form, please tear off this part and retain it for admission to the meeting.

NAME AND ADDRESS	NUMBER OF SHARES HELD:	NUMBER OF SHAREHOLDER(S)
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Please admit to the Annual General Meeting of NASCON Allied Industries plc to be held at the CIVIC Centre ,Ozumba Mbadiwe Avenue, Victoria Island Lagos on Friday 3rd June 2022 at 11am

Signature of person attending:

- The admission card should be produced by the shareholder or his/her proxy in order to obtain entrance to the Annual General Meeting
- You are requested to sign this card at the entrance in the presence of the Company Secretary or his nominee on the day of the Annual General Meeting

Please be advised that to enable a Proxy gain entrance to the meeting, the Proxy Form is to be duly completed and delivered to the Company Secretary not later than 48 hours before the time fixed for the meeting.



The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos





NASCON Allied Industries PLC

www.nasconplc.com