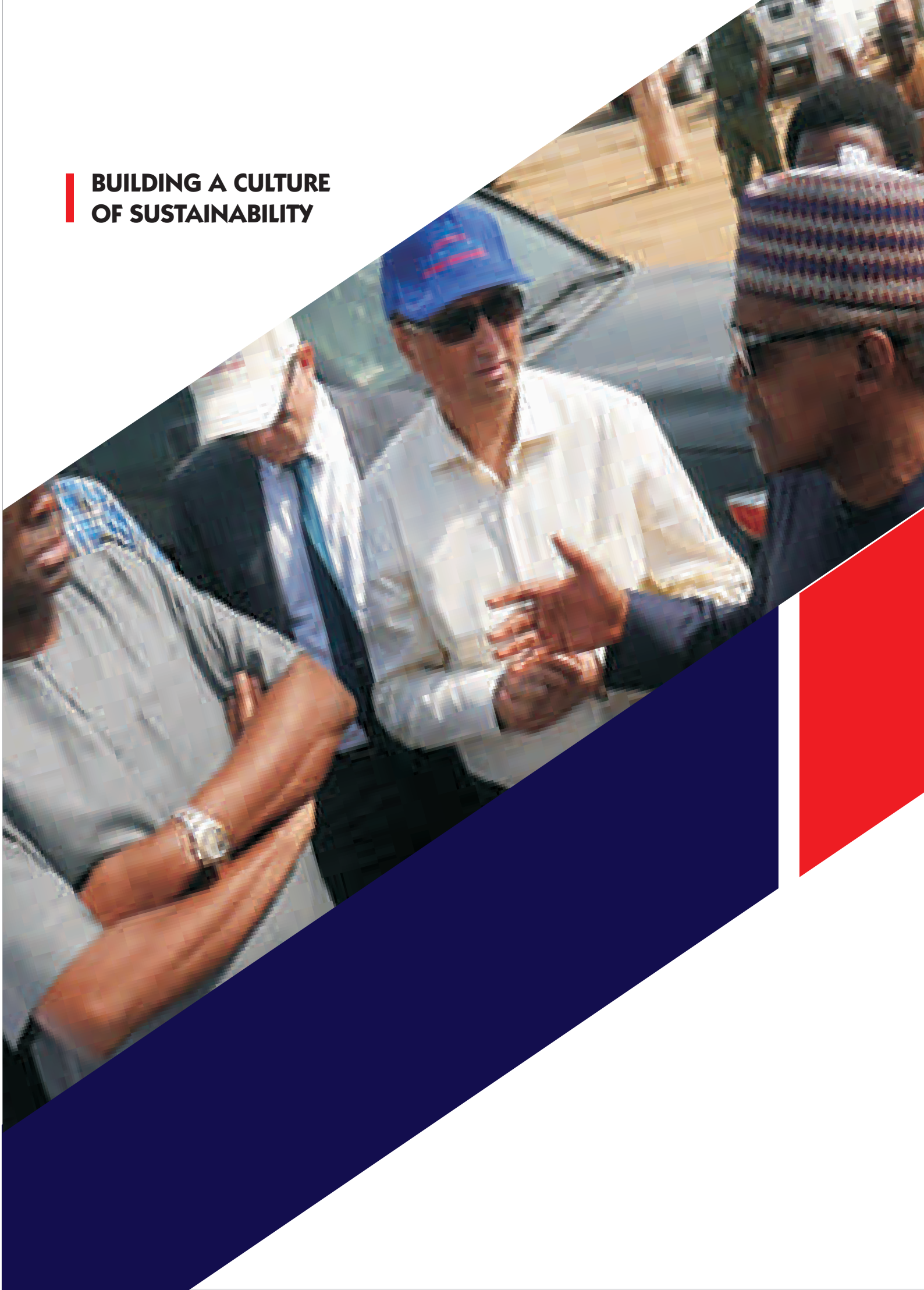


**BUILDING A CULTURE
OF SUSTAINABILITY**



Driven by the goal of achieving the highest levels of governance, the 7 Sustainability Pillars are embedded in our corporate culture and guide our approach to building a prosperous and sustainable business.

ALIKO DANGOTE, GCON
Chairman



Our 7 Sustainability Pillars support our unique approach to creating a world-class enterprise.



Institutional:

Manage our Governance, regulatory compliance and risk management issues



Financial:

Drive sustainable profit and quality return on investments for shareholders



Operational:

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





Cultural:

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



Economic:

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



Social:

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



Environmental:

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



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

Over the past decade, Dangote Sugar has played a key developmental role in the Nigerian Sugar Industry becoming a clear market leader in the sector by the size of its refinery, sugar production, market share as well as the strong cash generation and profitability of its business. This has contributed significantly to the current investments being made in towards the actualization of the Dangote Sugar Master Plan to produce finished sugar from own grown sugarcane in support of the Nigerian

Government’s goal to achieve sugar self-sufficiency.

In addition to the thousands of employees within Dangote Sugar Refinery Plc, the Sugar Backward Integration Plan will further create over 75,000 jobs in the country not only in the sugar production value chain but in sales, distribution, logistics and other support services.





Understandably impact assessment plays an important key role in order to change the socio-economic environment within which the companies are located. Therefore, DSR has developed a scheme to achieve her sustainability agenda through commitments and focus

on good governance, promoting health and safety standards within its operations as well as supporting host communities in their various projects.

All the projects amongst other activities are in line with DSR's Sustainability initiative which is

aimed at making a very positive impact to the society with minimal environmental impact.

To achieve this, DSR sustainability agenda has been anchored on the Dangote Group's 7 Sustainability Pillars. These 7 pillars embody DSR's corporate values as a Group, developed through extensive stakeholder's engagement to develop a model around it on which the sustainability reporting is centered; aligned with the UN's Sustainable Development Goals (SDGs).



DANGOTE 7 SUSTAINABILITY PILLARS & THE TRIPLE BOTTOM-LINE



We have mapped our 7 sustainability pillars to the 17 SDGs and their 169 related targets and are designing new initiatives as well as retooling old ones in order to enhance our positive impacts in our economic and operational environment.

Therefore, it is our priority to share the sustainability goals and strategies with all stakeholders to ensure they are a part of the journey, programmes and processes. We will adopt the Globally Renowned Reporting Framework; the GRI Standards to disclose our impacts.

SOCIAL PERFORMANCE



Our business model focuses on creating value. The Dangote Economic and Social Pillars guides how we approach this focus, strengthen our economic viability, ensure a conducive operating environment and growth. We drive inclusiveness in our business by creating jobs in and sourcing quality inputs for our production from underserved communities around us. We fulfil our civic responsibilities by duly paying our taxes and other remittances to support the actualisation of the various developmental agendas of the states and Federal governments.

Job Creation

At DSR, we are impacting lives by creating satisfactory jobs to meet the gross unemployment situation in the country. These

jobs have ripple effects on the economy through the spending power of our employees. Also, our distributors, suppliers and contractors have their own employees which make up our direct, indirect and induced employment.



APPROACH TO SUSTAINABILITY

Sustainable Livelihoods

Wealth is generated for our stakeholders in terms of profits. DSR also supports local communities to thrive by providing sustainable investments, infrastructures and programmes. We provide local communities with

infrastructure such as water, power and other economic activities.



Creating Value

Dangote Sugar is driving positive change and sustainable growth in Nigeria by making efforts to put Nigeria on the World Sugar Production Map. This will be achieved through the Dangote Sugar Backward Integration Projects plan to produce about 1.5 million metric tonnes of refined sugar annually from own grown sugar cane. This goal is to support the Federal Government of Nigeria sugar self-sufficiency objectives. It is also aimed at employment generation of over 75,000 Nigerians, maximisation of the extended value chain in

sugar and ethanol production, power, animal feeds etc; within the principle of creating value in line with the UN Sustainable Development Goals and The Dangote Way.



OUR COMMUNITIES



Beyond our employees, we dedicate substantial resources towards supporting the human capital development of our local communities. Through our on-field staff who act as local community relations engagement organs, we obtain insights into the needs of our hosts which we strive to address. We believe in concerted society building and impacts of seeming marginal contributions – this is also why we encourage our employees to volunteer for the good of their respective societies.



APPROACH TO SUSTAINABILITY

Employee Volunteerism

As part of DSR's Corporate Social Responsibility Initiative Employee Volunteering is part of our Employee Stakeholders Engagement programme. Our employees are encouraged to support and help the company in creating value in its operating environment and increase employee engagement. In Dangote Group we have a week tagged "Sustainability Week", an annual celebration with series of events during which staff volunteer to carry out activities of choice as part of the activities on a dedicated day.

During the year under review, our staff carried out community cleaning of the Liverpool roundabout at Apapa and Career Mentorship for schools in Apapa during the sustainability week.

The DSR annual charity day an employee engagement scheme aimed at reaching out to the less privileged during the yuletide was held in December 2019. Staff donated items and cash that were distributed to select charities and causes within our operating environment.





COMMUNITY INVESTMENTS

At Dangote Sugar, we consult a broad range of stakeholder groups on our social responsibility projects, community issues and investment projects. Insights on the needs of the local communities received are taken into consideration in our CSR actions planning. The key focus of our impact scheme is on infrastructural development; job creation, healthcare rehabilitation, education promotion, potable water provision, road maintenance and construction, etc. Some of our projects aimed at promoting wellbeing, people empowerment and sports development at our BIP locations and society at large



Healthcare

Free healthcare services are provided at the Savannah Sugar on site clinic that caters for the healthcare needs of the seven communities within which it operates in Adamawa State. In addition, we also provide programmes focusing on primary and secondary healthcare, occupational health, HIV and AIDS, malaria, Tuberculosis etc in conjunction with HMOs and other health focused NGOs and organisations in all our plants and communities. Awareness sessions and control programmes for non-communicable diseases such as high blood pressure, diabetes and healthy living habits amongst others are conducted at all our operational locations nations wide. Arrangements are also underway under the Dangote Sugar Backward Integration Master Plan community development scheme for the establishment of hospitals and refurbishments of existing ones at our greenfield sites. At the Nasarawa Sugar Company BIP, Tunga renovation of two primary healthcare centres, immunization centre and their staff quarters are well underway.

Education and Skills Acquisition

DSR is a firm supporter of education and skills acquisition for the development of skilled workforce in Nigeria. On site and job training on sugarcane husbandry, workshop and farm

machinery maintenance carried out at our BIPs sites. We collaborate with the Dangote Academy for the development of skills needed for our operations and other businesses in the Dangote Group. The Dangote Academy provides training technical and managerial skills for both existing employees and those wishing to join the Group.

DSR is also a key stakeholder in the newly established Sugar Industry Institute; a National Sugar Development Council initiative to promote skills in the sugar industry in Nigeria. In addition to the provision of infrastructure and refurbishment of schools in its immediate communities, DSR also supports all government and corporate education campaigns in the country.

Annually in celebration of the United Nations World Food Day Celebrations, DSR has supported the Lagos State Government Ministry of Agriculture Schools Quiz Competition. The competition is focused on the promotion of Agriculture in our schools, an avenue through which the company promotes agricultural development in our young adults, promote healthy and other uses of sugar and support the winning students and schools with educational materials and equipment to contribute towards the provision of quality education in the country.



Promoting Diversity and Women Empowerment

Although the empowerment of women has been substantially linked to transform individual lives and the general society. The gender space of most sectors such as manufacturing, oil and gas and others is still largely masculine and unfavourable to women. In the manufacturing sector women occupy a trifling percent of the workforce.

At DSR, we are making concerted efforts to change the status quo starting with our internal operations down to that of our partners and local communities. Women are encouraged to play key roles across the business. They are represented across all categories of staff from

Board representation, to key positions in management and at our plants.

Our efforts at fostering the growth of women in our company is further enabled by the Dangote Women Network which acts as a support platform for women in the entire Dangote Group. Additionally, in our supply chain the women distributors play a crucial role in ensuring that our products are available wherever they are needed. Our overall women empowerment drive is directly and indirectly in line with goals 1, 2, 3, 5, 8, 10, and 11 of the United Nations Sustainable Development Goals.





HEALTH & SAFETY

Dangote Sugar Refinery Plc's Health & Safety, and Social Investment efforts were enhanced with the consolidation of existing and development of our group-wide policies to attain world class performance: zero fatalities and virtually no loss time incidents for employees and contractors within our facilities.

We are committed to complying with global best health and safety practices for our workers, visitors, consumers and host communities. We have a robust group HSSE framework that outlines our HSSE policies, HSSE risk management procedure, method of engagement and HSSE performance reporting. In the previous years, we made giant strides in ensuring consumer safety and responsible production through the certification of our products. In the coming years, we would consolidate our efforts to achieve zero lost time injuries at our site and improve compliance we HSSE laws and regulations.

We strive to ensure that our environmental impact is very minimal and take seriously the health of our consumers by imbibing good manufacturing practices in our production processes in an environmentally friendly manner.

The Company is committed to the implementation and maintenance of Occupational Health & Safety Management Systems that aim at the prevention of occupational injury and ill-health to all people who have access to the organization's workplace. A strong commitment to continuous improvement which is needed for production, sales and delivery of refined granulated white sugar in compliance with relevant legal, statutory and other requirements.

During the year under review, we enhanced our commitment to ensuring zero accidents across our operations, with an improved Health and Safety strategy, with the objective of building and

reinforcing a winning safety culture amongst employees.

Our slogan remains: "Safety First. Think Safety, Work Safely always."

The Occupational Health & Safety policy is documented, monitored and sustained through adequate communication, supervision and awareness creation to all employees, suppliers and all stakeholders in line with the requirements of the OHSAS 18001:2007/ISO 45001 Safety Management System, ISO 14001 Environmental Management system (EMS) and the DIL Group HSSE Framework.

To this effect DSR was recognized by the NSITF – NECA Safe Workplace Intervention Project during the year 2017/2018 Workplace Occupational Safety & Health Outstanding Performance Award. Another recognition came to us in 2019 from NPA LPC with PLATINUM award for excellent performance in HSE in the process industry in Apapa.

The award is in recognition of DSR's compliance to the Occupational Safety & Health standards for workers by creating a conducive and safe work environment for employees.

Health, Safety and Environmental workshops and training programmes (Rolling out of 15 Lifesaving Golden rules, Evacuation drills, HSE Inspections and audits, successful hosting of several regulatory bodies, Tool box talks, risk assessment, risk registers, Leading and Lagging indicators etc.) were also organized for all employees with a broad focus on continuous improvement to ensure a safe working environment, with minimal risk to their health, as we strive to achieve zero accidents in our operations.

ENVIRONMENT

Our group company is signatory to the United Nations Global Compact (UNGC); hence we are committed to complying with its three environmental principles. As an environmentally conscious business we ensure that we take into consideration our environmental impacts and address them as much as we can.

Efforts were channeled towards the effective management and reduction of our environmental impacts by evaluating our production processes and introduction of various projects. This is in addition to various activities to safeguard the environment not just in our processes but from our Procurement and distribution operations such as:-

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

Pollution Management

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

Climate Action

We have designed and adopted several energy savings techniques to cut down on our energy consumption. We are using alternative energy sources like natural gas,



ENVIRONMENT

which is cleaner than fossil fuel, hence reducing our greenhouse gas (GHG) emissions. In the coming year, we would sustain and further incorporate higher level environmental management system that would ensure that our impacts are within the regulatory limits.

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

To pre-empt environmental challenges that stem from unsustainable farming practices and

potential attendant impact on business growth, we source and distribute quality inputs including fertilizers to farmers through initiatives such as our out-grower scheme, leveraging our suppliers, partners, aggregators and agents. We are also committed to promoting biodiversity and enhancing water efficiency and management while driving up yield and quality of produce. These commitments are significant of our interest in a cleaner global environmental.



FOOD SAFETY



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

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

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

DSR process is FSSC 22000 (Food Safety System Certification) certified by SGS. The FSSC 22000 system is based on ISO Standards recognized by the Global Food Safety Initiative (GFSI). The FSSC 22000 integrates with other management systems already achieved by the Company as part of the strategic initiative to meet the teeming needs of its customers; and sustain its frontline position in the Food and Beverage industry in line with internationally accepted practices and standards.



OUR PEOPLE



Dangote Sugar Refinery Plc in keeping with global best practices remains an equal opportunities employer. Its Human resources objective is to attract, develop and retain skilled and competent persons as employees who are the driving force behind the business.

As a diverse business, we had a few initiatives to improve existing HR systems and processes as well as developed new tools to enhance employee experience. This was in the area of recruitment; training and employee engagement; performance management and recognition; leadership development and identification of key roles and employees. These

are required to sustain our growth, achievement of future goals, increased returns to stakeholders and of continuously ensuring employees' wellbeing. Accordingly, the Company continued implementation of the employee development plan and competitive appraisal systems to motivate staff. The focus is on the improvement of the skills and competency levels of the workforce through learning and development interventions. This has helped to prepare the workforce for more challenging roles across relevant competences in the organization.



OUR PEOPLE

During the year under review, over 1,657 employees received various types of trainings within and outside the country. We will continue to build capability and leadership among our people, while attracting some of the best talents in the marketplace.

Furthermore, throughout 2019, industrial harmony was maintained through active engagement of employees and improved employee experience. The employees are carried along with developments in the Company to enable us to achieve our Dangote Sugar Backward Integration Master Plan. Periodically they are briefed on the developments, targets, and expectations by Management. Suffice it to state that the company recognizes the critical of our employees in the achievement of its corporate goals and to sustain our leadership position in

the industry.

The Management's recognition and awards for Internal Customer Service Champions introduced in the prior year was sustained during the year under review. Employees were encouraged to nominate their colleagues who have delivered beyond expectations in service delivery. As such, the 2019 Internal Customer Service Champions are Olanrewaju Yekini (Security Services), Opeyemi Princewill (Sales & Marketing Department), and Abdulrauf Adamu (DSR Fleet).

We will continue to upgrade employee skills and competences to remain the preferred employer in the Nigerian Food and Beverage industry as well as for the furtherance of our objective to attract, develop and retain highly skilled employees in the company.



OUR PEOPLE

Compliance with labour laws

Employee engagement in DSR is guided mainly by the provisions of the Nigerian Labour Law and the Federal Factories Act. There is also the Employee Handbook which provides guidance on the conduct of employees across all levels in order to ensure conformity with the corporate culture that we are building - The Dangote Way.

Labour practices and benefits

We had a total of 1616 employees as at December 2019 as full-time staff which comprises of 96.7% males and 3.3% females. The company provides amongst other employment benefits Group Life Insurance, Family Health Services and Pension Schemes. Furthermore, we have a Diversity and

Inclusiveness Policy that ensure that our employees regardless of their gender, creed, language, religion etc. have opportunities to develop their career across our Business Units.

