



# 2025 Sustainability Report



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### Vision

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

### Mission

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

### Our Values

- Customer Service
- Entrepreneurship
- Excellence
- Leadership

### Our Desired Outcome

To consolidate our leadership position locally and become a leading integrated sugar company in Africa, with world class standards.



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



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



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



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



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



**ARNOLD EKPE**  
Chairman

**Our Backward Integration Programme—"Sugar for Nigeria"—remains the cornerstone of our strategy. Once fully implemented, it will become the key driver of profitability and value creation.**

”

“

### Dear Shareholders,

It is my pleasure to welcome you and all our stakeholders to the 20th Annual General Meeting of Dangote Sugar Refinery Plc— my first as chairman of the board, having been elected in June 2025.

I believe I speak for everyone when I express our deepest gratitude to our former chairman, Alhaji Aliko Dangote, for his leadership and vision. We look forward to his continued support in the future.

### A Year of Significant Improvement

The year under review saw a marked improvement in performance, despite a challenging economic environment. The Group posted a turnover of ₦829.2 billion, a 25% increase over 2024. Loss for the year improved to ₦64.1 billion from ₦270.9 billion in the prior year, while EBITDA rose to ₦149.6 billion, up from ₦43.0 billion.

These results reflect the resilience of our business and the dedication of our teams. We expect to continue this momentum into the current year.

### Operating Environment

Globally, 2025 was marked by moderate expansion, though volatility in commodity and financial markets persisted. In Nigeria, the economy showed gradual improvement. The manufacturing sector continued to face structural constraints—elevated production costs, power supply challenges, and imported inflation—yet sub sectors such as food processing and cement recorded gradual growth. Overall, the economy remained in a transitional phase, with strengthening fiscal fundamentals and improving investor confidence alongside moderating pressures.

### Financial Performance and Strengthening the Balance Sheet

While our top line growth and EBITDA improvement demonstrate operational progress, profitability was impacted by a foreign exchange loss of ₦46.7 billion and other finance costs of ₦128.6 billion. Effective steps are being taken to enhance operational efficiency and grow revenues.

To further strengthen our balance sheet and position the company for future growth, the directors will be seeking shareholders' approval for a rights issue in the near term.

### Backward Integration: The Cornerstone of Our Strategy

Our backward integration programme—"Sugar for Nigeria"—remains the cornerstone of our strategy. Once

fully implemented, it will become the key driver of profitability and value creation. The programme will reduce import dependence, lower foreign exchange exposure, generate employment, strengthen our supply chain, and support local farmers through our outgrower scheme.

Our goal is to produce 1.5 million metric tonnes of sugar annually from locally grown sugarcane. This requires cultivating approximately 45,000 hectares—2.7 million tonnes of cane in Numan and 3.35 million tonnes in Nasarawa. Delivering this ambitious plan demands significant investment over the next five years in land development and factory expansion.

### Sustainability and Community Impact

Our commitment to sustainability extends beyond our operations. We believe that our presence must benefit the communities where we operate, strengthening both our business performance and our social impact. Through Vision 2030—recently launched by the Dangote Group—we aim to achieve our sustainability goals via operational improvements and strategic partnerships.

I am proud to note that our progress in environmental, social and governance (ESG) milestones earned Dangote Sugar the National Sustainability Award for Best Sugar Manufacturing Company of the Year 2025 at the Nigeria ESG Summit.

### Board and Management Changes

During the year, we welcomed several changes to the board and executive leadership. Following the retirement of Alhaji Aliko Dangote on 16 June 2025, I was elected chairman. Two non-executive directors, Ms. Maryam Bashir and Professor Konyinsola Ajayi, also retired from the board. We thank them sincerely for their invaluable contributions.

The board has since appointed Mrs. Oluyemisi Ayeni as a non-executive director. Our Group Managing Director/CEO, Mr. Ravindra Singhvi, resigned effective 30 November 2025, and we are pleased to welcome Mr. Thabo Mabe as his successor—bringing extensive experience from his leadership roles at NASCON Allied Industries Plc and Dangote Flour Mills Plc. Additionally, Mr. Mulhim Eltayeb, an experienced sugar executive, has joined the board as an executive director to oversee the backward integration programme.

We warmly welcome our new colleagues and look forward to their contributions. The directors retiring by rotation, being eligible, will offer themselves for re election at this meeting.

## Chairman's Statement continued

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### Looking Ahead

Our focus remains clear: driving sustainable growth, impact, and profitability. We will continue to optimise efficiencies, explore market expansion opportunities, and increase our footprint nationwide. In line with the Dangote Group's Vision 2030, we will sustain investment in our people and technology to consistently deliver quality products and superior customer satisfaction.

### Acknowledgements

I thank my colleagues on the board, management, and staff for their hard work, dedication, and commitment. I also extend our appreciation to our customers, shareholders, suppliers, partners, and other stakeholders

for their continued support and confidence in Dangote Sugar.

Together, we will steer Dangote Sugar back to profitability and sustainable growth.



**ARNOLD EKPE**

Chairman  
April 2026



# DANGOTE SUGAR



# Group Managing Director/Chief Executive Officer's Report

For The Year Ended December 31, 2025.



**THABO MABE**

GROUP MANAGING DIRECTOR/CEO

## Distinguished Shareholders,

Dear Directors, Regulators, All Stakeholders, Gentlemen of the Press, Ladies and Gentlemen. With pleasure, I welcome you to the 20th Annual General Meeting of Dangote Sugar Refinery Plc.

I joined the Dangote Sugar team in December 2025 and before I present the key highlights of the Company's performance during the year under review, I would like to thank the Board of Directors for this opportunity to contribute to the growth journey of Dangote Sugar.

As a responsible business and leading industry player, our commitment to create long-term stakeholder value remains priority. With our sustainability mindset and focus on the just launched Vision 2030 project, by Dangote Group, my focus is to work with the team to deliver our ambition to be the world's leading integrated sugar business. Every stakeholder also has a role to play in delivering our part on this vision, which cuts across every aspect of our operations and the environment wherein we operate.

To this end, we have set a series of action in motion to revamp our processes for continuous improvement

which will sustain and support our performance by 2030 and beyond. We understand these commitments are ambitious, but they represent the next steps of our journey towards becoming the world's leading sustainable sugar business.

## YEAR 2025 PERFORMANCE

Distinguished shareholders, during the year under review, our Group Turnover stood at ₦829.2 billion, being 25% increase over ₦665.7 billion in 2024. Loss Before Tax (LBT) of ₦72.28 billion and Loss After Tax of ₦64.12 billion recorded, also reduced significantly from N270.9 billion and ₦192.6 billion losses respectively in 2024. Group EBITDA increased from ₦42.98 billion in 2024 to ₦149.6 billion in 2025, a 248% increase with an EBITDA margin of 18.04% in 2025 rising from 6.46% recorded in 2024, a 179% margin increase. The foreign exchange loss of ₦46.7 billion for the period and other finance costs of ₦128.6 billion also impacted profitability. Despite the challenges and external pressures faced during the year, we took strategic steps that led to the results we have posted, and a clear indication that the company is on the path to recovery.

## THE BACKWARD INTEGRATION PROJECTS

During the year, our backward integration delivery timelines continued to be delayed due to several challenges ranging from handover of land for the expansion of our cane farms, high forex rates, delayed clearance of equipment imports, skills gap etc. However, we continued the journey with efforts made to resolve these issues through engagements with the National Sugar Development Council and other relevant authorities with a view to find lasting solutions to the challenges towards the delivery of our project goals. Beyond these challenges, notable improvements were recorded in cane transportation which improved cane supply to the factory, increased harvesting capacity by over 200% during the ongoing 2025/26 harvest operations over the 2024/2025 season. Also, Dangote Sugar is still the only company producing edible refined granulated white vitamin A fortified sugar, sold in the markets from its backward integration site at Numan.

Efforts are being made to ensure DSR source the approximately USD1.3 billion, required to deliver its revised commitment to achieve production of 600,000 tonnes minimum per annum by 2030. We redeveloped our strategic development plan for the 2030 target to be delivered through the combined development of DSR Numan Operation and Nasarawa Sugar Company Limited estates. The plan targets a total cane production of about 6.05 million tonnes, from a total land of 45,000 hectares from both locations. To support these volumes, the program includes major factory capacity expansions to 9,800 TCD to be ramped up to 18,000 TCD mills at the

Numan Operations and a large integrated factory complex of 27,000 Tonnes Cane per Day (TCD), at Nasarawa Sugar. This will be supported with fast-paced land development, irrigation systems, drainage, and other infrastructure at the estates to support the project delivery, maximise throughput and sugarcane recovery efficiency.

### **CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY**

Corporate Social Responsibility and Sustainability are fully integrated into our business, with focus on building stronger relationships with our host communities, partnerships and sustained security of our operational license.

As a responsible corporate citizen, our sustainability actions are aligned with the global and national sustainability frameworks which continues to foster our sustainability culture. Beyond this, our sustainability practices are underpinned by the United Nations Sustainable Development Goals (SDGs), UNGC principles and the Dangote Group seven (7) sustainability pillars, which help us set targets, measure and report on our performance as required by the frameworks.

We have identified six (6) SDG goals that are most aligned to our operations and help us meet the needs of our communities and embodies our commitment. This is evidenced with our increased social responsibility, investments in projects and activities during the year under review. This further confirms our commitment to the achievement of our sustainability goals and the socio-economic development of the communities we operate in. Focus was on improved healthcare and wellbeing, provision of quality education and learning, infrastructure development, stakeholder engagement, local entrepreneurs support and employment generation. Our community engagements was further strengthened and better structured with the Group's Stakeholder Engagement Standard, now an integral part of our operations.

Also, our employees are a key part of our sustainability journey, they are encouraged to drive the whole process and take part in activities like the annual sustainability week celebration, charity day amongst other activities that encourage their volunteerism and position Dangote Sugar as a people driven business.

### **GOVERNANCE & RISK MANAGEMENT**

Dangote Sugar remains a responsible corporate citizen, which applies global best practice through an Enterprise-Wide Risk Management Framework. The Board and Management views corporate governance as paramount to the sustainability of our business, as such, our risk management policy and framework incorporate guidelines that ensure the Company's operations are

carried out in line with best practices monitored by designated committees of the Board of Directors.

All through our operations, a risk-based internal controls and systems designed to provide reasonable assurance to the integrity is maintained, which ensures reliability of our operations, product quality and reports. The controls and systems are based on established policies and procedures implemented by a team of qualified professionals in our Controls, Risk Management and Internal Audit departments.

The underlying objective of our governance and risk management practice is to balance the interests of investors, consumers, producers, employees, communities, government and any other groups impacted by our operations.

We are all mindful of the demands and obligations inherent in our operating environment; and therefore, have entrenched global best practices in every area of our operations. Our practices are anchored on good corporate governance, robust risk management appetite and a high sense of corporate social responsibility.

### **FUTURE OUTLOOK**

We look forward to the future with optimism as we remain focused on our goals, pragmatic execution and commitment to the Health, Safety, Environment and Sustainability of our people and business. Despite the obvious challenges we remain steadfast to our commitment to surpass our current position. We will build on our strengths, reevaluate any weaknesses, and build on the lessons learned to arrive at our goals. Every opportunity for growth will be maximised, and we are confident that our strategies will provide us with the enabling steps required towards the achievement of excellence in the current year and beyond.

Finally, Ladies and gentlemen, thank you for the continued vote of confidence in us, and stay on this journey with company over the past 25 years. My sincere and most profound appreciation goes to our Directors, Management and Staff for their dedication, commitment and hard work all through these years. My sincere thanks also goes to our valued shareholders, customers, partners and all stakeholders for their support. We are confident and with your support, we will rise to the challenge and grow a sustainable future for Dangote Sugar and all stakeholders.

**Thank you.**



**Thabo Mabe**  
Group Managing Director/CEO

01

# Introduction



# 01. INTRODUCTION



## Our Reporting Practice

Dangote Sugar Refinery Plc's (DSR) 2025 Sustainability Report addresses our significant social, environmental, economic, and governance issues for the 2025 financial year, which runs from January 1 to December 31, 2025. The Report covers activities carried out in our headquarters in Apapa, Lagos, including locations of Backward Integration Projects (BIP) in Numan, Adamawa State, and Tunga, Nasarawa State. The Report is issued annually and is published complementary to our 2025 Annual Report and Financial Statements.

### This Report:

- has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards
- aligns with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Guidelines S1 and S2
- summarises our accomplishments in incorporating the ten (10) principles of the United Nations Global Compact (UNGC) into our business practices
- meets the requirements of the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs)
- showcases our contributions to the United Nations Sustainable Development Goals (UN-SDGs)
- abides by the Securities and Exchange Commission (SEC) Code of Corporate Governance
- complies with the Sustainability Principle in the Financial Reporting Council of Nigeria Code of Corporate Governance (NCCG)
- adheres to the SEC's Nigerian Sustainable Finance Principles for the Capital Market

Additionally, working with a third-party sustainability expert (Dupht Consults Limited), we conducted stakeholder engagement activities and materiality assessment surveys with our key stakeholders (employees, host communities, and supply chain). These, along with our business impact, informed the material topics disclosed in this report.

OUR IMPACT

<p><b>Cultural</b></p> 	<ul style="list-style-type: none"> <li>• 6.4% increase in total number of employees</li> <li>• 238 staff training programmes/sessions</li> <li>• Average training hours per employee was 15.3 hours</li> <li>• 194 employees volunteered 266 hours during 2025 Sustainability Week</li> </ul>
<p><b>Economic</b></p> 	<ul style="list-style-type: none"> <li>• Economic value created increased by 19.7%</li> <li>• Employees' wages, benefits, and salaries increase by 37.3%</li> <li>• About 65,000 direct, indirect, and induced jobs created</li> </ul>
<p><b>Operational</b></p> 	<ul style="list-style-type: none"> <li>• Increase in sugar production by 26.4%</li> <li>• Increase in local procurement spending by 7.5%</li> <li>• 601 (56% increase) Distributors and 220 (10% increase) Retailers</li> <li>• 100% compliance with food safety requirements</li> </ul>
<p><b>Social</b></p> 	<ul style="list-style-type: none"> <li>• Spending on social investment projects increased by over 600%</li> <li>• 541 community engagements (430% increase)</li> <li>• One (1) whistleblowing case reported and resolved</li> <li>• Zero cases of discrimination and human rights abuse</li> <li>• HSE: 240 (186% increase) training sessions, 5,646 employees trained</li> </ul>
<p><b>Environmental</b></p> 	<ul style="list-style-type: none"> <li>• Natural gas accounts for 55% of our fuel mix and bagasse accounts for 18%</li> <li>• GHG emission intensity decreased by 20%</li> <li>• Water intensity stood at 4.79m<sup>3</sup>/tonne, which falls within the typical industry range</li> <li>• Zero environmental compliance fines, penalties, or sanctions for non-compliance</li> </ul>
<p><b>Institutional</b></p> 	<ul style="list-style-type: none"> <li>• Executed stakeholders' survey and materiality assessment for Employees, Communities, and Supply Chain Partners</li> <li>• Zero non-compliance on ESG and other regulatory matters</li> <li>• CDP score on Climate Change improved from "D" to "C", while Water Security Performance score remained at "C".</li> </ul>



02

**DSR  
Sustainability  
Context**



**“The Dangote Way”**

# Our Approach to Sustainability

**Our organisation is committed to a sustainable future by implementing innovative business practices that enhance economic, social, and environmental well-being. Our objective is to become the premier sugar manufacturer in Nigeria and to generate substantial value, thereby addressing global challenges such as food insecurity and climate change.**

**Dangote Sugar Refinery Plc aligns with the Dangote Group Sustainability Strategy, based on seven (7) strategic pillars, aptly termed “The Dangote Way”. The Dangote Way promotes responsible business practices, embedding best practices into all aspects of the value chain.**

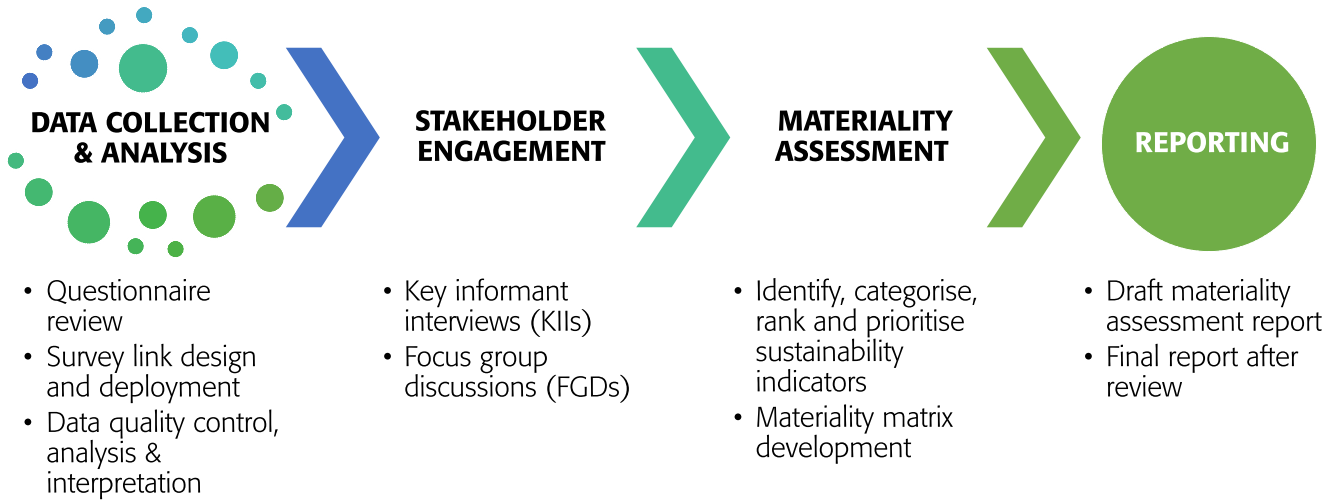


## DANGOTE 7 SUSTAINABILITY PILLARS & THE TRIPLE BOTTOM-LINE



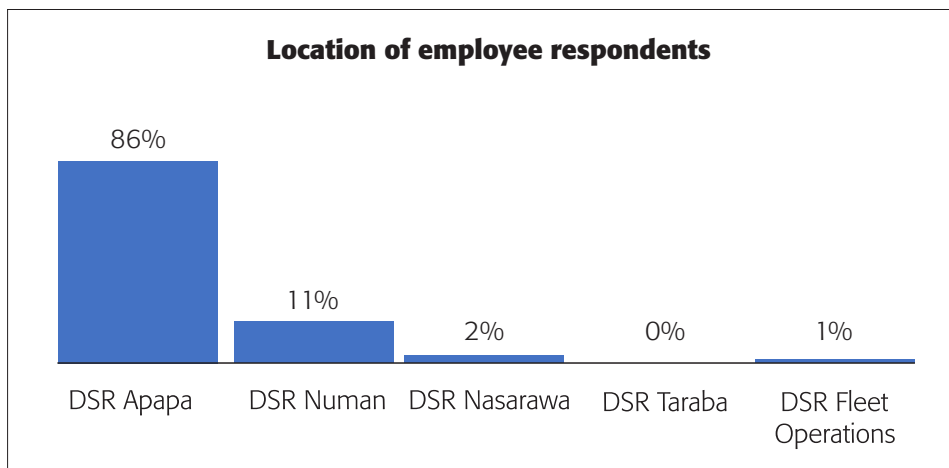
# DSR MATERIALITY ASSESSMENT AND STAKEHOLDERS' SURVEY FOR 2025

## Materiality Assessment Process

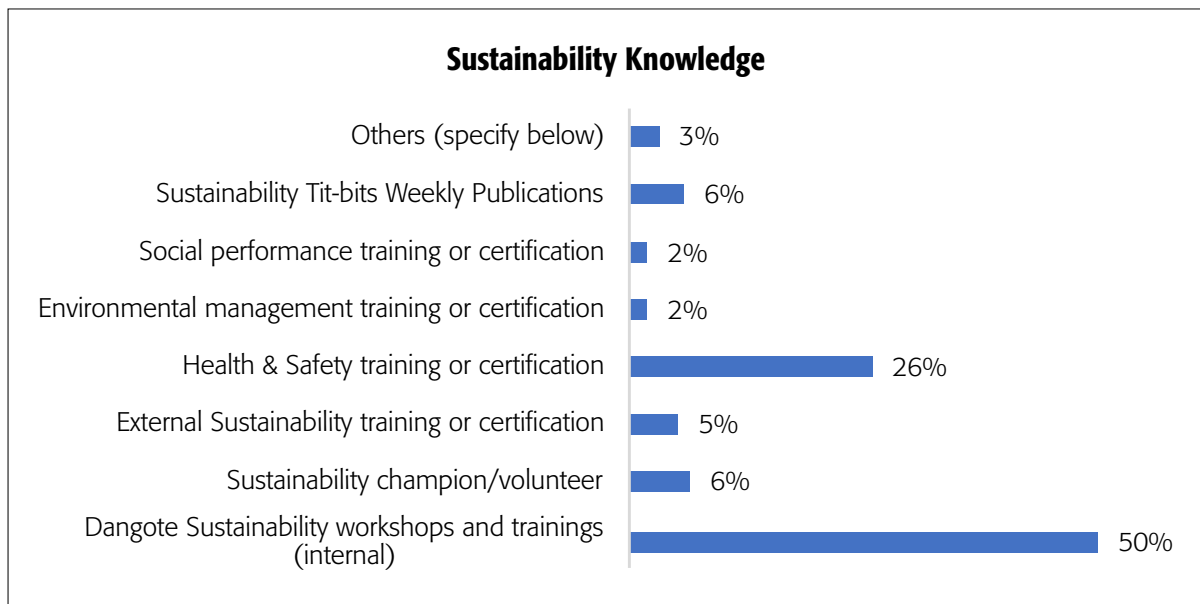


### Employees' Survey

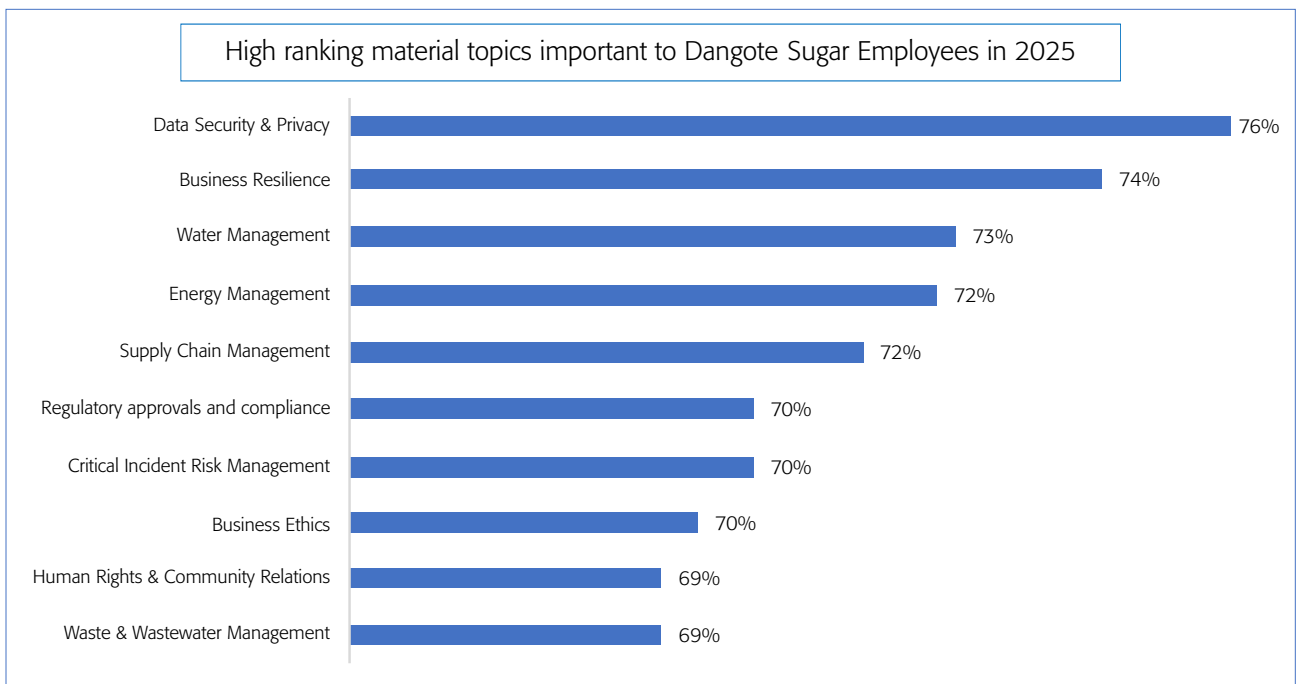
The 2025 survey included respondents from several operations and locations, with DSR Apapa recording the highest participation.



The level of sustainability awareness among respondents was a key consideration in the materiality assessment, and just 3% of respondents reported no knowledge of sustainability at DSR.

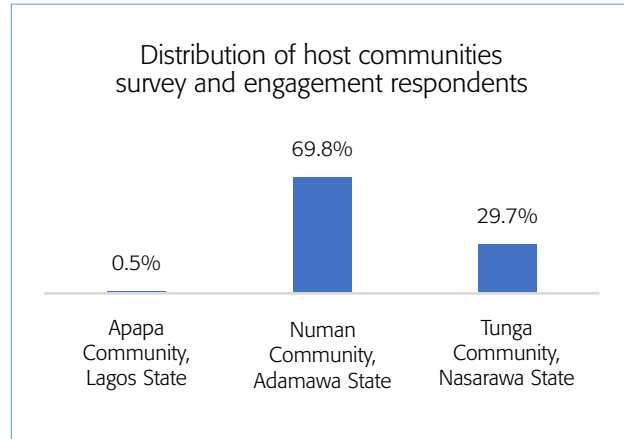
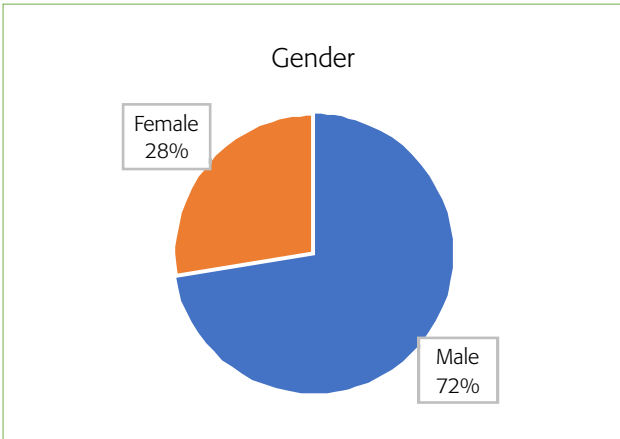


In 2025, the highest-ranking material topic important to employees is “Data Security & Privacy”.



**Communities Survey**

Of the respondents from DSR host communities, 28% were women and 72% were men, and about 70% of the communities surveyed were located around the DSR Numan site.

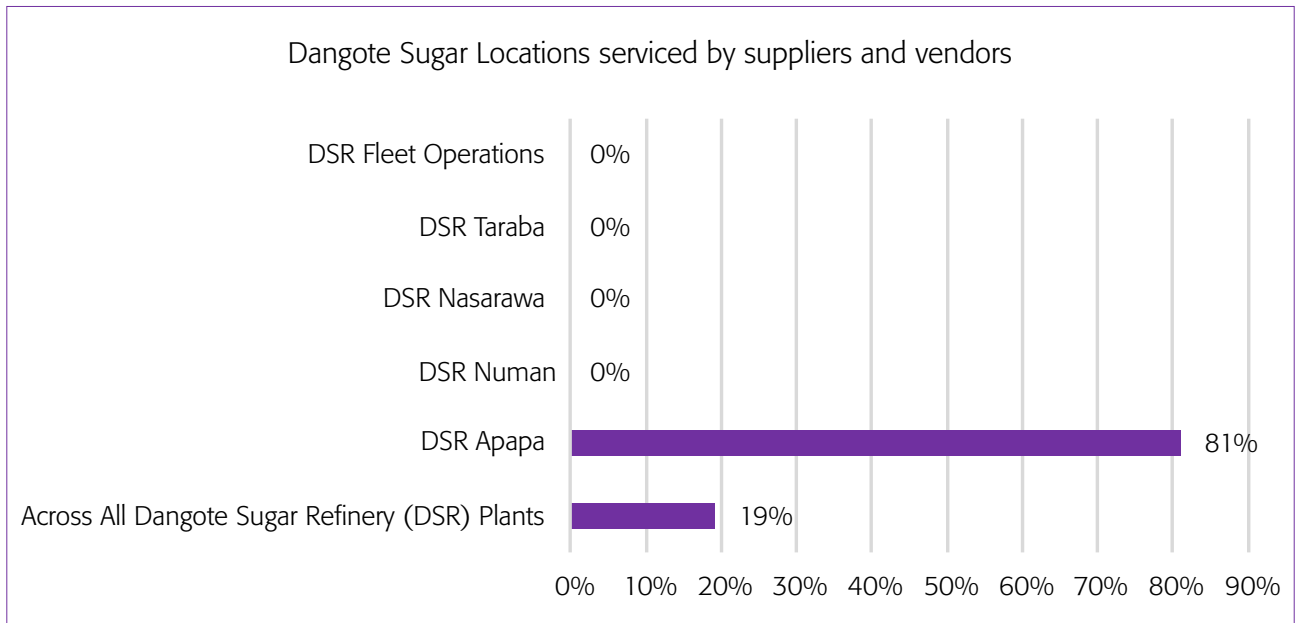


The highest-ranking material topic important to host communities is "Employee Health & Safety".



**Supply Chain Partners Survey**

For supply chain partners, the highest number of respondents for the 2025 survey are those who provided services to DSR Apapa.



The highest-ranking material topic important to suppliers is “Supply Chain Management”.



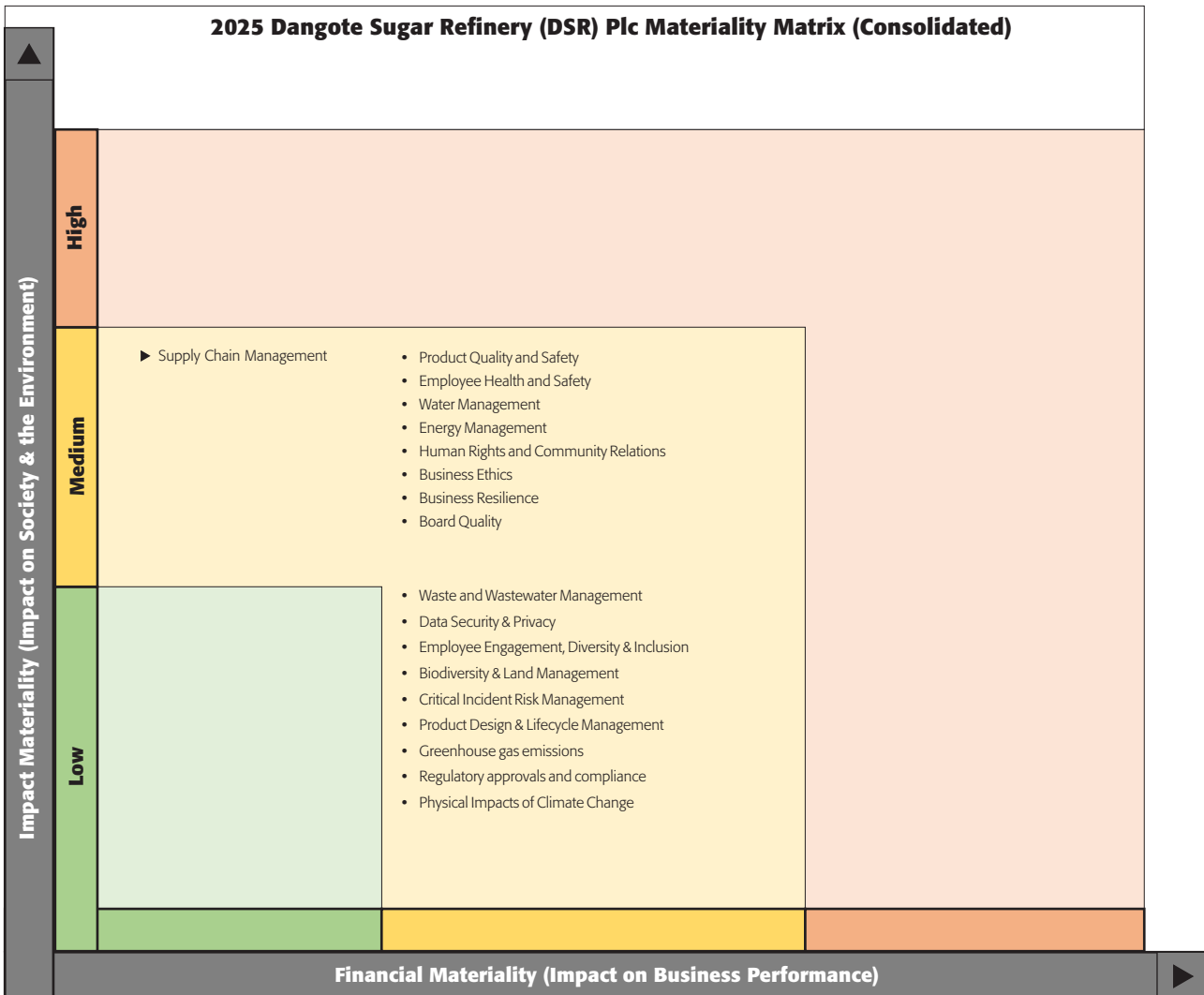
**DSR 2025 Materiality Matrix**

Stakeholder inputs informed the development of the 2025 consolidated materiality matrix. The material topics included in the survey were derived from the Sustainability Accounting Standards Board (SASB) materiality indices applicable to the two (2) industries within the Food & Beverage Sector relevant to DSR’s operations: Agricultural Products and Processed Foods. In line with the requirements of the GRI Sustainability

Reporting Standards and IFRS S1 and S2, the identified material topics are directly related to the sustainability-related risks and opportunities disclosed in this Report. Following the consolidation of the materiality matrix, a total of eighteen (18) material topics were identified, and all 18 were moderately critical (Medium rank).



**2025 Dangote Sugar Refinery (DSR) Plc Materiality Matrix (Consolidated)**

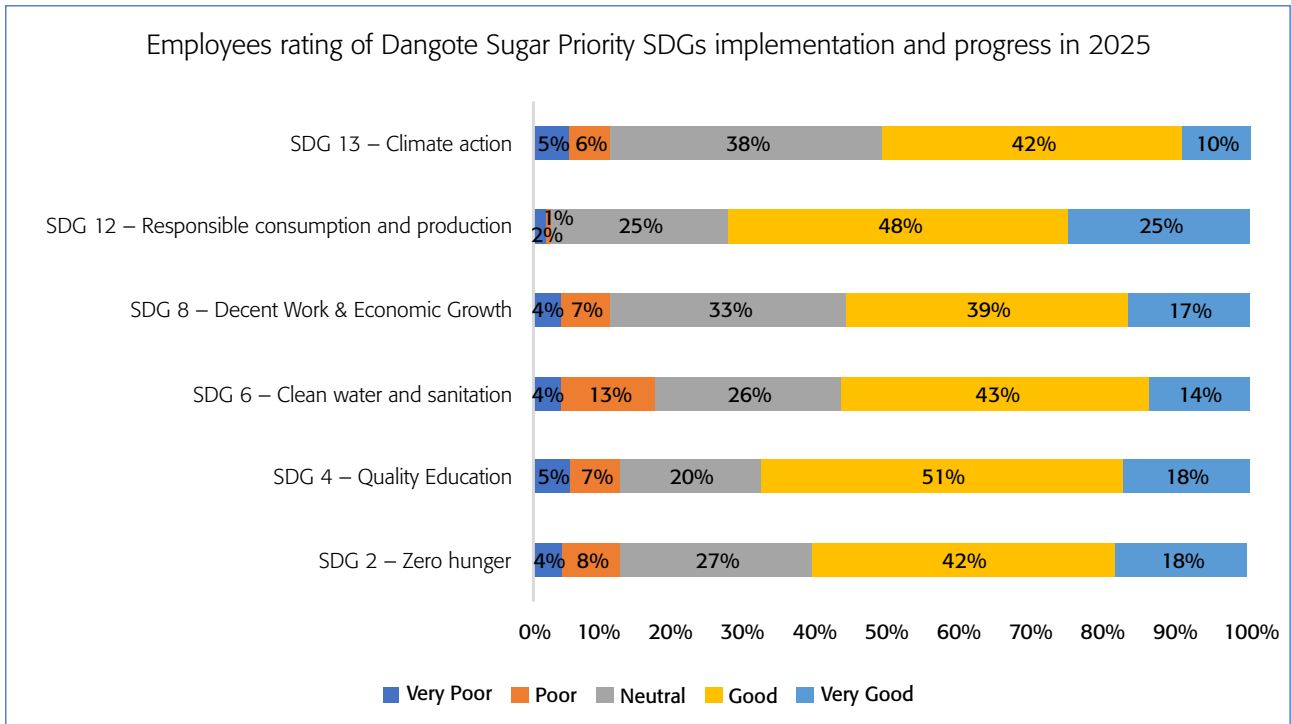


DSR STRATEGIC PRIORITY SDGS

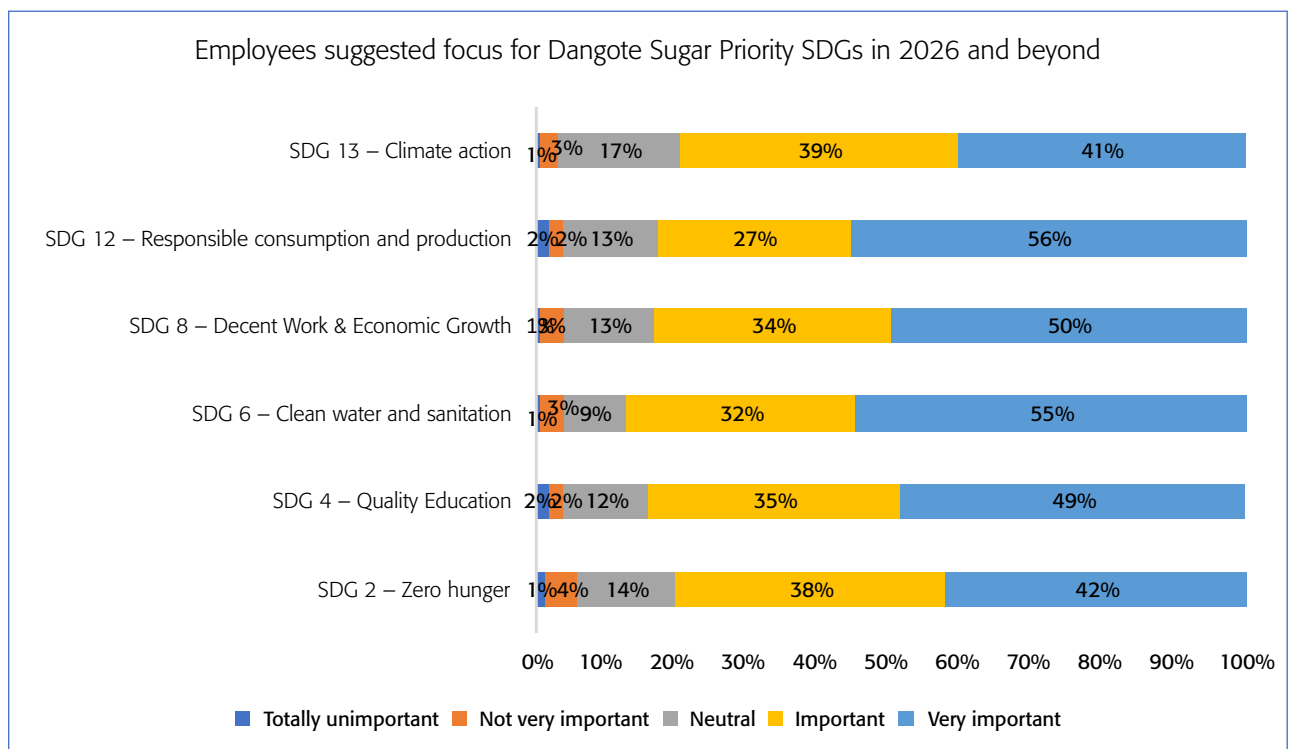


Through surveys and stakeholder engagements, employees shared their perspective on the implementation, progress, and impact of our Strategic Priority SDGs. Majority of the employees think DSR has

made the most progress and contribution to SDG 12 - Responsible Consumption and Production, with 73% of respondents ranking performance as good and very good.



For 2026, about 87% of employees suggested that DSR should focus more on contributing to achieving the targets in SDG 6 (Clean water and sanitation).



03

# Governance



## 03. GOVERNANCE



### SUSTAINABILITY GOVERNANCE

#### Oversight of Sustainability and Climate Matters

The Board Technical and Sustainability Committee (BTSC) was established in 2023 and commenced operations in February 2024 to oversee the Company's operations in areas of Production, Sustainability, Health, Safety, Security and Environment, Transportation and Logistics, and New Projects. During the period, the Committee reviewed the reports on Operations, Health, Safety, Security and Environment, Sustainability and Logistics and the Backward Integration Projects, and monitored the implementation of the key recommendations by the Committee.

#### The actions of the Committee are guided by a term of reference:

- Review key performance indicators (volumes, unit production rates, unit conversion cost component, unit utilisation, energy consumption, energy mix, product mix, extension, dispatch turnaround.
- Oversee the Company's sustainability strategy, programmes and practices with regard to its economic, social and environmental obligations.
- Oversee the Company's health, safety and environment (HSE) policies and practices.
- Oversee required reporting and disclosure with respect to sustainability including technical, operational, health, safety, environmental and corporate social responsibility matters, including the review of this 2025 Sustainability Report.

- Review Management's proposals for improved truck availability, dedicated trailer park/workshop and various other strategies for efficiency in the Company's Fleet operations.

To improve the strategic oversight of the Committee and the general Board, the Board, Senior Management, and Executive Management teams undergo continuous training and re-training.

#### Governance Body Diversity & Roles

The Board of DSR comprises ten (10) members as of December 31, 2025, and is diverse in terms of gender, nationality, and professional expertise to ensure effective oversight and decision-making. Women represent 40% of the Board, while men account for 60%. The Board comprises 80% Nigerian, with additional representation from South Africa and Sudan. The average age of board members is 63 years. Sustainability oversight is carried out through the BTSC, with six directors serving on the committee to ensure sustainability considerations are integrated in strategic decision-making and board-level governance. The Corporate Governance Report section of our Audited Financial Statement contains details on the Board members, their names and designations, committees, and attendance.

**Transparent Board Performance**

To ensure transparency and accountability in board performance, we have established key governance policies, including the Conflict of Interest and Related Party Transactions Policy and the Insider Trading Policy, with full disclosure made to the Board and relevant regulators where required. To improve oversight on emerging sustainability issues, board members are continuously trained on sustainability and governance matters.

evaluations, which include annual internal assessments and independent external evaluations conducted every three years in compliance with applicable governance codes. We take appropriate measures to ensure that our Board structure aligns with the national Corporate Governance Framework. On Board remuneration, the company has a Board Remuneration Policy and a Clawback Policy for Executive Directors and Senior Management, and directors' remuneration is transparently disclosed in our Annual Report.

The Board is subjected to regular performance



04

# Strategy

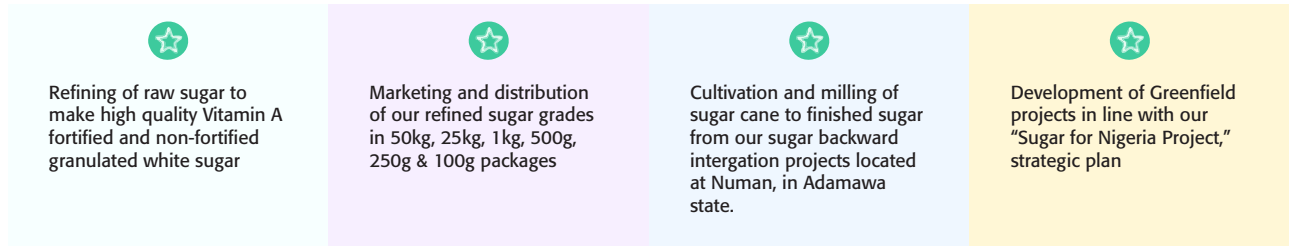


# 04. STRATEGY

## OUR STRATEGIC VALUE CHAIN

DSR is a prominent brand in the sugar refining sector of Nigeria's food and beverage industry. Our Apapa sugar refinery (located in Shed 20 Nigerian Ports Authority [NPA] Apapa Wharf Complex, Lagos), possessing an

installed capacity of 1.44 million tonnes per annum, is the largest in Sub-Saharan Africa commencing operations since the year 2000. Our principal competencies are as follows:



We offer our customers a range of essential value-added support services, such as supply-chain management, sales, merchandising, credit and risk consulting, and logistics. With the help of our strategically placed warehouses across the nation, more than 500 trucks carry our finished items to the market. The refinery can generate 16 megawatts (MW) of electricity internally,

mostly using gasoline and/or low-pour fuel oil (LPFO). The refinery produces 45 ICUMSA (International Commission for Uniform Methods of Sugar Analysis) Vitamin A Fortified refined granulated free-flowing crystal white sugar packed in 50kg, 25kg, 1kg, 500g, 250g and 100g package sizes and non-fortified granulated sugar packaged in 50kg and 1000kg bags.

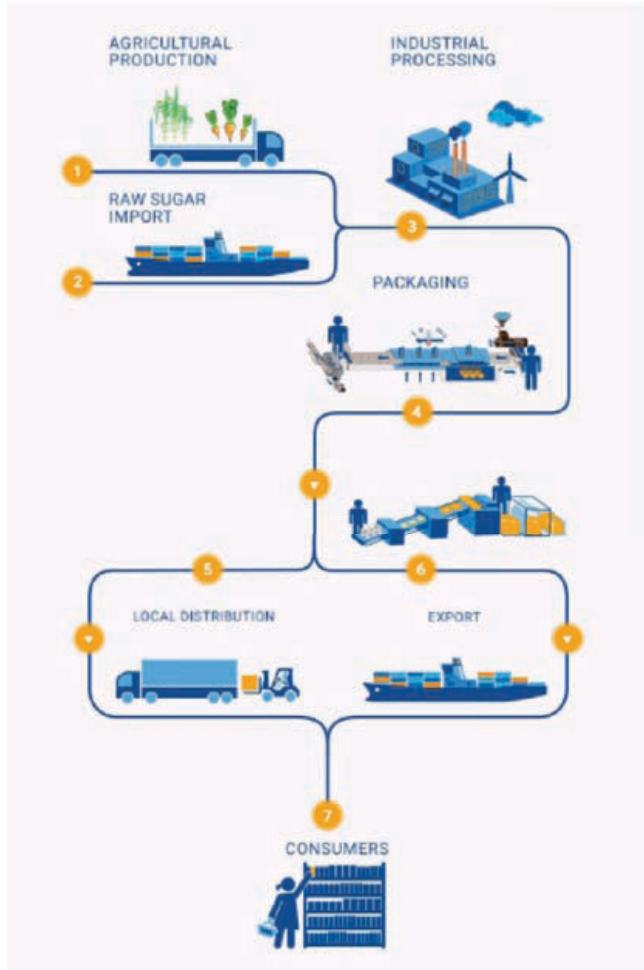


Product Information		
Parameters	Fortified	Non-Fortified
Raw sugar origin	Brazil	Brazil, Nigeria
Specification	Vitamin A fortified refined granulated white sugar	Refined granulated white sugar
Polarisation	Not less than 99.9%	Not less than 99.9%
Moisture	0.04% of weight (max.)	0.04% of weight (max.)
Granulation	Fine, 100% soluble, dry, and free flowing	Fine, 100% soluble, dry, and free flowing
Colour	Sparkling white, less than ICUMSA 45	Sparkling white, less than ICUMSA 45
Odour and taste	Odourless, sweet, pure taste	Odourless, sweet, pure taste
Packaging	50kg, 1kg, 500g, and 250g	50kg

DSR has obtained certifications for its Quality Management System (QMS - ISO 9001:2015), Food Safety Management System (FSMS - ISO 22000:2018), Occupational Health and Safety Management System (OHSMS (ISO 45001:2018)), and the Food Safety System Certification (FSSC 22000).



The following diagram depicts the value chain for our production:



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

## 2025 Sales Performance

We recorded strong revenue growth in 2025, with total revenue increasing by 24.6% to 829.2 billion. This performance was largely driven by increased sales from the company's core bulk sugar segment - 50kg sugar bags. The company's primary product category rose by 25.4% to 807.4 billion, up from 643.7 billion in 2024. Overall, the company's revenue growth reflects continued demand for refined sugar products and the strength of its core distribution network across key markets.

Year	2025	2024	Percentage Increase
	₦ '000 (Thousand Naira)		(+)/decrease (-)
Revenue from the sale of sugar - 50kg	807,389,509	643,735,203	+25.4%
Revenue from the sale of sugar - Retail	17,737,898	17,454,099	+1.6%
Revenue from the sale of molasses	4,021,021	4,161,935	-3.4%
Freight income	66,448	338,526	-80.4%
<b>Total Revenue</b>	<b>829,214,876</b>	<b>665,689,763</b>	<b>+24.6%</b>

We sell unfortified sugar mainly to pharmaceuticals, food and beverage manufacturers, while Vitamin A-fortified sugar is sold to distributors who sell to small wholesalers, confectioners and other smaller value-adding enterprises who provide the distribution network to the Nigerian retail market. We also sell a small amount of sugar directly to retail customers. Nonetheless, sales to distributors account for 70% of our revenue.

## SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

DSR operates in a resource-intensive sector that depends heavily on agricultural resources, energy, logistics networks, and national food supply chains. As a result, these factors present both risks that could affect operational continuity and financial performance, as well as opportunities for operational efficiency gains, innovation, and long-term value creation. These risks and opportunities are considered across the company's value chain and influence our business strategy, operational planning, and investment decisions.

We have identified the potential sustainability and climate-related risks and opportunities, their potential impact on our business, both operationally and financially, as well as the potential mitigation measures we are implementing to address the risks and leverage the opportunities now, and in the long term. The various sustainability-related risks and opportunities that have an impact on our business have been captured in our Materiality Assessment Report, and each topic is discussed throughout this report. While our climate-related risks and opportunities are captured in the paragraphs that follow.

## Climate Risks and Opportunities

### Climate Risks

DSR identify climate risks as the potential negative impacts that climate change can have on the organisation's operations, assets, supply chain, workforce, markets, and financial performance. Such impacts are categorised into:

**Physical-Risks:** These arise from climate-related events and long-term climate shifts, such as:

- Flooding
- Extreme heat
- Drought and water scarcity
- Storms and heavy rainfall
- Sea-level rise
- Wildfire (bush burning – majorly during dry season).

Physical risks can disrupt operations, damage infrastructure, affect crop yields (e.g., sugarcane supply), and increase production costs.

**Transition-Risks:** These arise from the shift toward a low-carbon economy and include:

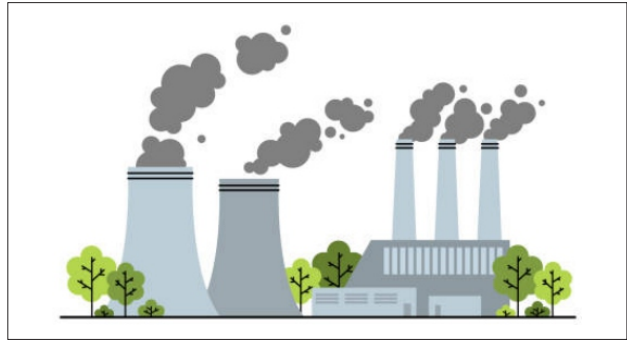
- New climate policies and regulations (e.g., carbon taxes, emissions limits)
- Technology shifts toward cleaner alternatives
- Market and customer preference changes
- Investor expectations for climate disclosures (e.g., IFRS)
- Reputational pressures
- Energy transition-related cost changes.

Transition risks can affect competitiveness, compliance, production costs, and access to financing.

**Climate-Opportunities**

Climate opportunities in DSR are the potential positive impacts or advantages that arise from responding effectively to climate change. They include strategic, financial, technological, and operational benefits such as:

- Energy efficiency improvements; leading to cost savings
- Renewable energy adoption; reducing emissions and energy dependence
- Resource efficiency and circular economy solutions
- New low-carbon products or markets
- Access to green financing and climate-related incentives
- Enhanced resilience and reduced downtime from climate-proofed infrastructure
- Stronger brand reputation and stakeholder trust.
- Agricultural improvements, climate-smart sugarcane farming, biomass utilisation, and improved supply-chain resilience.



**Climate-Risks and Opportunities Register**

The Climate-Risks and Opportunities Register is DSR's central tool for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities. It covers physical and transition risks and highlights opportunities in energy efficiency, renewable energy, process optimisation, low-carbon innovation and more. The register supports informed decision-making, regulatory compliance, and long-term climate resilience.

Climate Risk Register			
S/N	Risk Description	Category	Mitigation/Adaptation Measures
<b>Physical Risks</b>			
1	Flooding: Such from heavy rainfall, sea surge or dam overflow at DSR Apapa, DSR Numan, DSR Tunga or other locations	Physical	Elevate equipment, improve drainage, flood barriers
2	Droughts reducing cane yield at BIPs	Physical / Agri Supply Chain	Drip irrigation, water reuse, drought-tolerant cane
3	Heat stress reducing workers productivity	Physical / Occupational Health	Cooling shelters, hydration, shift redesign
4	Storm surge delays supplies, or delivery assess to refinery	Physical / Supply Chain	Stockpiling, alternative routes, contingency plans
5	Electricity supply disruptions from the national grid or hydro issues	Physical / Operational	Solar deployment, electricity cogeneration, energy efficiency
6	Water conflict with local communities	Physical / Env/Social	Water stewardship, WASH (Water, Sanitation, and Hygiene)-related issues, community engagement
7	Rising pests/diseases in cane plantations	Physical / Agri Risk	Integrated Pest Management (IPM), pest-resistant cane R&D
8	Floodwater contamination reducing water quality	Physical / Environmental	Water pre-treatment, real-time monitoring, emergency protocols
9	Chronic water stress limiting operations	Physical / Water Risk	Water recycling, rainwater harvesting, closed-loop systems
10	Gradual temperature rise affecting processing/storage efficiency	Physical / Operational	Heating, Ventilation, and Air Conditioning- HVAC upgrades, heat-insulated storage, cooling IMPROVEMENTS
11	Trapped rainwater in items like fleet tyres, leading to increase mosquito breed	Physical / Operational	Fumigation, disposal of tyres/tires or assembled in an enclosed area

Transition Risks			
12	Carbon pricing	Transition / Policy	Emission reduction, Monitor emissions in operations, monitor regulations
13	Fuel regulation raises costs	Transition / Regulatory	Natural gas, audits, solar/biomass
14	Stricter environmental regulations increase costs	Transition / Regulatory	Upgrade ETPs, filters, improve ESG reporting
15	Outdated equipment due to tech transitions	Transition / Technology	Efficiency retrofits, asset lifecycle planning
16	Missed renewable energy benefits	Transition / Tech Opp.	Solar feasibility, hybrid pilots, power purchase agreements (PPAs)
17	Market demand shifts to sustainable sugar	Transition / Market	Sustainable certification (e.g., Bonsucro), traceability
18	Media/community backlash on environmental footprint	Transition / Reputation	Engagement, impact assessments, transparent disclosures
19	Reputational risk from poor ESG or disclosure standards	Transition / Reputational	Improve ESG reporting (IFRS S2, TCFD), CDP alignment
20	Legal liability from emissions or water pollution claims	Transition / Legal	Environmental audits, grievance redress, legal compliance

Climate Opportunity Register				
S/N	Opportunity Description	Opportunity Type	Potential Benefit	Action Plan
1	Installation of solar PV on green building projects and other facilities	Renewable Energy	Lower energy cost, emissions reduction, improved ESG ratings	Feasibility studies, phased rollout, green financing applications (e.g. grants)
2	Utilise bagasse for biomass energy generation	Circular Economy / Energy Efficiency	On-site clean energy, waste reduction	Bagasse-to-energy pilot, cogeneration upgrade, long-term biomass planning
3	Climate-resilient cane development and farming techniques	Agricultural Innovation	Yield stability, resilient supply chain	R&D programs, cane breeding, farmer training under BIP schemes
4	Green finance access via ESG improvements	Financial / Strategic	Lower borrowing costs, investor attraction	Align with ESG ratings, IFRS/TCFD/CDP compliance, explore carbon markets
5	Enhanced water stewardship reputation in local communities	Social License to Operate	Strengthened CSR profile, reduced social conflict	Implement WASH programs, water reuse infrastructure, community engagement
6	Data-informed smart agriculture and weather planning via NiMet partnerships	Strategic Planning	Improved risk anticipation, operational planning	Subscribe to NiMet seasonal outlooks, integrate forecasts into BIP decisions

**DSR Under Climate Scenarios**

**Shared Socio-economic Pathway - SSP1-2.6:**

- Climate Risks: Lower warming (<2 °C), fewer extreme heat or weather disruptions.
- Policy Environment: Support for sustainability, possible incentives for emissions reductions and renewables.
- Social & Institutional Support: Better infrastructure, workforce health and education; easier access to green finance.
- Overall Outlook: Favourable to long-term resilience, sustainable production upgrades, and market access.

**Strategic Opportunities:**

Operating under a supportive policy and climate-resilient environment, Dangote Sugar Refinery leverages sustainable technologies and green financing to enhance production efficiency, reduce emissions, and expand into global low-carbon markets.

**Shared Socio-economic Pathway -SSP2-4.5:**

- Climate Risks: Higher warming (~2.7 °C) brings increased heat stress, more extreme weather risks.
- Policy Environment: Weaker climate policy; fewer incentives to decarbonize.
- Social & Institutional Context: Slower improvements, persistent inequality; more operational constraints.
- Overall Outlook: Moderate risk exposure, higher adaptation needs, less favourable environment for green transition investments.

**Strategic Risks and Needs:**

Facing higher climate stress and limited policy incentives, Dangote Sugar Refinery contends with rising operational risks and adapts incrementally, constrained by slower infrastructure development and tighter access to green capital.



05

# Risk Management



# 05. RISK MANAGEMENT

## RISK MANAGEMENT APPROACH

At Dangote Sugar Refinery (DSR), we continue to operate within a complex and evolving risk environment shaped by macroeconomic volatility, regulatory reforms, competitive pressures, and shifting consumer dynamics. Building on the activities of 2024, our 2025 risk management approach is deliberately forward-looking, positioning the organization to anticipate, absorb, and adapt to both known and emerging risks while supporting sustainable growth.

In 2025, risk management remains a core enabler of strategy execution. Under the oversight of the Board and the Board Audit, and Risk Management Committee, we have strengthened our enterprise-wide risk framework to ensure that risk considerations are embedded into strategic planning, capital allocation, operational execution, and performance management. This disciplined approach allows DSR to protect stakeholder value, preserve operational resilience, and pursue growth opportunities with confidence in an uncertain operating environment.

### RISK GOVERNANCE

Effective risk governance remains fundamental to DSR's ability to manage uncertainty, protect value, and deliver sustainable growth. In 2025, the Company continues to operate a robust governance structure that ensures clear accountability, independent oversight, and alignment between risk management and strategic objectives.

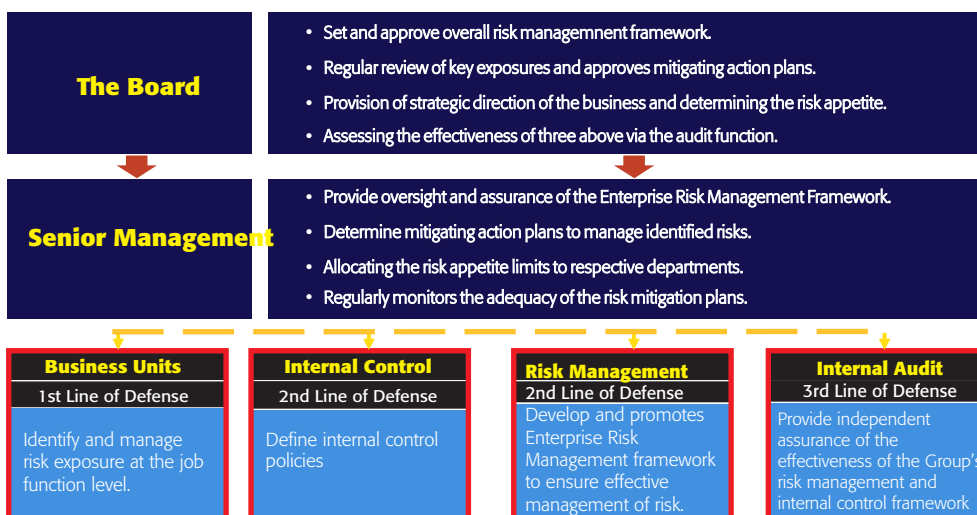
The Board retains ultimate responsibility for risk oversight and is supported by the Board Audit, and Risk Management Committee, which provides focused supervision of the risk management framework, principal

risk exposures, internal controls, and compliance with regulatory and Group requirements. The Committee receives regular updates on risk trends, emerging risks, and the effectiveness of mitigation strategies, enabling informed challenge and guidance.

Executive Management is responsible for implementing the Board's risk governance directives and ensuring that risk considerations are embedded across business planning, operational execution, and performance management. The Executive Risk Committee provides a forum for cross-functional risk discussions, escalation of material issues, and coordination of mitigation actions across the organization.

The Risk Management function acts as the second line of defence, providing independent oversight, facilitating enterprise-wide risk assessments, monitoring adherence to risk appetite, and supporting management with risk analytics and reporting. Internal Audit, as the third line of defence, provides independent assurance to the Board on the adequacy and effectiveness of governance, risk management, and internal control processes.

This governance structure reinforces a strong risk culture, promotes transparency, and ensures that risk management remains an integral part of decision-making at all levels of the organization. The framework defines the level of risk DSR is willing to accept in pursuit of its objectives, balancing growth ambitions with financial discipline and operational resilience. The Board periodically reviews and refines risk appetite thresholds to reflect changes in the macroeconomic environment and strategic priorities



## OUR APPROACH TO MANAGING RISK

In alignment with the Dangote Group's evolving risk governance standards, DSR has further matured its integrated risk management framework in 2025. Our approach continues to combine qualitative judgment with robust quantitative analytics, enabling a holistic view of risks across the value chain. Enhancements to our Risk and Control Self-Assessments (RCSAs), Key Risk Indicator (KRI) frameworks, and incident reporting processes have strengthened our ability to detect early warning signals and respond proactively.

A key focus in 2025 is the increased use of scenario analysis and stress testing to evaluate the potential impact of adverse macroeconomic, operational, and regulatory developments. These forward-looking tools support management in making informed decisions under uncertainty and in prioritizing mitigation actions that align with our risk appetite.

### Risk Identification

Risk identification remains embedded within core business processes, including budgeting, capital expenditure approval, new product development, and major operational changes. In 2025, we have expanded our focus on emerging risks, including climate-related risks, ESG expectations, cybersecurity threats, and supply chain concentration risks. Regular engagement with business units, combined with external environmental scanning, ensures that risks are identified early and escalated appropriately.

### Risk Analysis

Once identified, risks are subjected to detailed analysis to assess their financial, operational, reputational, and strategic implications. Depending on the nature of the risk, analysis may include financial modeling, sensitivity analysis, counterparty assessments, or operational impact reviews. This structured analysis ensures that management has a clear understanding of risk drivers, transmission channels, and potential second-order effects.

### Risk Evaluation

In 2025, risk evaluation continues to be guided by a multidimensional assessment of likelihood, severity, and velocity. Leveraging enhanced management information systems and dashboards, risk exposures are aggregated and reviewed across plants and business units. This enables management to identify risk concentrations, interdependencies, and systemic vulnerabilities, supporting more effective prioritization and decision-making.

### Risk Treatment

Risk treatment strategies are designed to ensure that exposures remain within the Board-approved risk appetite. Mitigation actions may include risk avoidance, reduction through controls, transfer via insurance or contractual arrangements, or acceptance where risks are within tolerance levels. In 2025, greater emphasis has been placed on preventive controls and resilience-building measures, particularly in critical operational and supply chain areas.

### Risk Monitoring

Ongoing monitoring of risk exposures is achieved through a combination of KRIs, loss event tracking, and management reviews. Threshold breaches and adverse trends are promptly escalated, enabling timely intervention. Continuous monitoring ensures that controls remain effective and that changes in the external environment are reflected in our risk assessments.

### Risk Reporting

Risk reporting in 2025 continues to support transparency, accountability, and informed decision-making. Regular risk reports are presented to Executive Management and the Board, highlighting key risk trends, emerging issues, and the status of mitigation actions. Enhanced reporting supports alignment with regulatory expectations, investor requirements, and internal governance standards.

### THE DSR ACCOUNTABILITY MATRIX

DSR continues to operate a robust Three Lines of Defense model to ensure clear accountability and effective oversight of risks. Business units retain primary ownership of risks, supported by the Risk Management function, while Internal Audit provides independent assurance. This structure ensures strong checks and balances and reinforces a culture of risk ownership across the organization.

### RISK APPETITE

Our risk appetite framework remains central to strategic and operational decision-making in 2025. The framework defines the level of risk DSR is willing to accept in pursuit of its objectives, balancing growth ambitions with financial discipline and operational resilience. The Board periodically reviews and refines risk appetite thresholds to reflect changes in the macroeconomic environment and strategic priorities.

### Advancements in the Risk Appetite Framework

In 2025, the framework has been further enhanced to incorporate a broader range of financial and non-financial indicators, including liquidity resilience, operational uptime, ESG considerations, and people-related risks. This ensures that risk appetite remains relevant, measurable, and actionable across the organization.

**Principal Risks**

The principal risks identified for 2025 reflect both the external operating environment and internal strategic priorities. These risks are reviewed regularly by Management and the Board to ensure that mitigation strategies remain effective and responsive.

Updated Principal Risks Table (2025)			
S/N	Principal Risks	Potential Impact	Mitigations
1	Foreign Exchange Volatility	Continued exposure to currency fluctuations impacting input costs and margins.	Hedging, pricing discipline, and currency diversification.
2	Supply Chain Disruption	Risks arising from FX constraints, logistics bottlenecks, and supplier concentration	Supplier diversification and strategic inventory buffers
3	Macroeconomic Uncertainty	Inflation, interest rates, and consumer demand pressures.	Cost optimization and flexible pricing strategies.
4	Competitive and Market Share Risk	Intensifying competition and changing consumer preferences	Innovation, brand investment, and market intelligence
5	Operational Reliability	Risk of production downtime due to equipment or energy constraints.	Preventive maintenance and infrastructure investments
6	Talent Retention and Capability Risk	Competition for skilled talent	Succession planning, training, and employee engagement
7	Health, Safety, and Environmental Risk	Operational and regulatory exposure	Strict compliance, monitoring, and safety culture reinforcement
8	Cybersecurity and Data Risk	Increasing digitalization exposure	System controls, awareness, and incident response readiness.
9	Regulatory and Compliance Risk	Evolving regulatory landscape.	Proactive engagement with regulators and compliance monitoring

Through disciplined risk management and a forward-looking mindset, DSR is well positioned in 2025 to navigate uncertainty, protect value, and support sustainable long-term growth.

**RISK OUTLOOK FOR 2026**

Looking ahead to 2026, DSR anticipates a risk environment characterized by continued macroeconomic volatility, evolving regulatory expectations, accelerated digitalization, and heightened stakeholder focus on sustainability and governance. While inflationary pressures and foreign exchange dynamics are expected to remain key external risks, the organization is increasingly focused on second-order impacts, including consumer affordability, supply chain resilience, and working capital efficiency.

Operationally, 2026 will place greater emphasis on asset reliability, energy security, and production efficiency as

cost pressures persist and competition intensifies. Cybersecurity and data protection risks are expected to increase alongside expanded digital integration across operations, requiring continued investment in controls, monitoring, and staff awareness.

From a strategic perspective, climate-related and ESG risks are expected to feature more prominently in regulatory scrutiny, financing considerations, and stakeholder engagement. DSR will continue to strengthen its capability to identify, assess, and manage these risks, ensuring alignment with long-term sustainability objectives and Dangote Group standards.

To address the 2026 outlook, management will prioritize proactive scenario planning, enhanced stress testing, and tighter integration of risk appetite into strategic and capital decisions.

This forward-looking posture will enable DSR to remain resilient under adverse conditions while preserving the flexibility to capture growth opportunities as the operating environment stabilizes.

### INTERNAL CONTROL AND OPERATING PROCEDURES

Management of Dangote Sugar Refinery Plc. (“DSR” or the “Firm”) is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Firm’s principal executive and principal financial officers, or persons performing similar functions, and effected by DSR’s Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally acceptable accounting principles (GAAP).

#### The key parties involved in DSR internal control system are as follows:

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

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

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

### CONTROL ACTIVITIES

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

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

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

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

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

**The Legal departments**, which is specialized in company law, contract law, litigation, and intellectual property, assists and advises the group and business units on legal matters (acquisitions, contracts, leases, stock market regulations, corporate governance, etc.). It coordinates joint studies or those of interest for the Group and supports local entities on legislative issues to control the risks.

**DSR INTERNAL CONTROL SYSTEM**

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

**Limitations:**

However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management has completed an assessment of the effectiveness of the Firm’s internal control over financial reporting as of December 31, 2025. In making the assessment, management used the “Internal Control – Integrated Framework” (“COSO 2013”) promulgated by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

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

**INTERNAL AUDIT**

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

The Board of Directors of DSR Plc. recognises the importance of internal auditing and has adopted the definition of internal auditing by the Institute of Internal Auditors. Consequently, the Board documented its operating model for carrying out internal audit activities.

Dangote Sugar Refinery Plc’s outlook for the future is based on an intentional and entrepreneurial vision for growth, sustainability, and value creation. As it continues to grow and expand its business, a more dynamic methodology would be employed in the management of the company risk profile



**WHISTLE BLOWING**

The Company has set up regulations to identify noncompliant events, as well as the implementation of a whistle blowing policy, which allows all employees and business partners to raise genuine concerns, in good faith, without fear of retaliation. Guiding principles over the Whistle-Blowing process include ensuring that the confidentiality of the whistleblower is maintained and not disclosed without his/her formal consent. Furthermore, if the whistleblower raises a concern in good faith, he or she will not be held liable, should the whistleblower be proven to be incorrect thereafter.

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

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

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

# 06

## Metrics & Targets

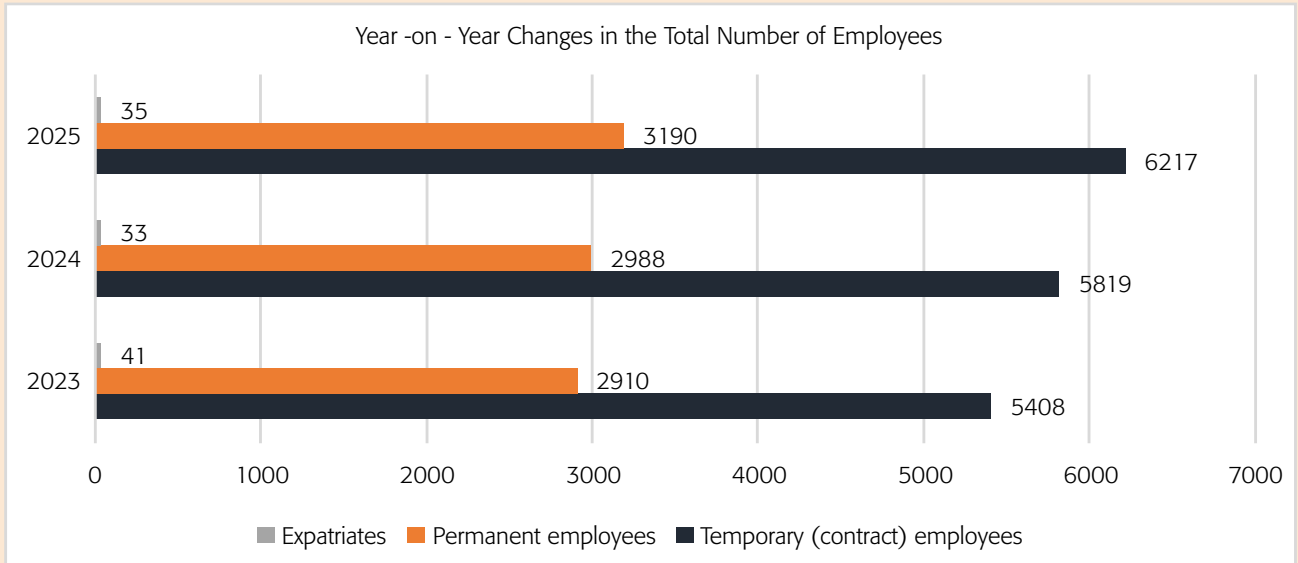




# CULTURAL PILLAR

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.

## Our Workforce



Our employee categorisation by age and gender per location for 2025 is shown below:

Location	Permanent Employees					
	Women	Men	Women	Men	Women	Men
	<b>18 -30 Years</b>		<b>31 -50 Years</b>		<b>Over 50 Years</b>	
DSR Apapa	18	40	41	517	13	297
DSR Numan	8	85	45	759	10	449
DSR Fleet Operations	1	30	11	746	-	120
<b>TOTAL</b>	<b>27</b>	<b>155</b>	<b>97</b>	<b>2022</b>	<b>23</b>	<b>866</b>
	<b>Expatriates</b>					
DSR Apapa	-	-	-	5	-	5
DSR Numan	-	-	-	11	-	14
<b>TOTAL</b>	-	-	-	<b>16</b>	-	<b>19</b>
	<b>Senior Management = 58</b>					
DSR Apapa	-	-	4	11	4	24
DSR Numan*	-	-	-	5	-	10
<b>TOTAL</b>	-	-	<b>4</b>	<b>16</b>	<b>4</b>	<b>34</b>
	<b>Executive Management = 15</b>					
<b>DSR HQ (All Operations)</b>	-	-	-	-	3	12

\*Three (3) senior management staff (male) working in DSR Adamawa are from the local communities



Overall, DSR recorded 101 new hires in Apapa and 212 staff exits (51 from Apapa, 83 from Numan, and 78 from Fleet Operations) in 2025.



**Labour Practices and Benefits**

Our wages and salaries are competitive, and all our employee cadres are paid above the local minimum wage. In 2025, our spending on employees’ wages, benefits, and salaries increased by 37.5%. Our working conditions and commitment to compliance are based on our human resources policies, which are described below.

<ul style="list-style-type: none"> <li>• Child Labour Abolition &amp; Prevention Policy</li> <li>• Compensation and Benefits Policy</li> <li>• Dress Code Policy</li> <li>• Employee Car Advance</li> <li>• Employment of Spouse and Children Policy</li> <li>• Harassment Policy</li> <li>• Leave Policy</li> <li>• Manpower Planning and Recruitment Policy</li> <li>• Travel Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-bribery and corruption Policy</li> <li>• Anti-slavery Policy</li> <li>• Car Policy</li> <li>• Education and Training Policy</li> <li>• Employee Data Privacy Policy</li> <li>• Generator Policy</li> <li>• Long Service Award Policy</li> <li>• Mandatory Training Hours Policy</li> <li>• Policy for Travels and Related Costs for External Training Partners</li> </ul>	<ul style="list-style-type: none"> <li>• Data Protection Policy</li> <li>• Health &amp; Safety Environment and Social Corporate Policy</li> <li>• HIV AIDS Policy</li> <li>• HSE Golden Rules &amp; Consequences Management</li> <li>• Human Rights Policy</li> <li>• Malaria Prevention and Control Policy</li> <li>• Policy on our New Work Culture</li> <li>• Whistleblowing Policy</li> </ul>
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The policies are primarily governed by and comply with the provisions of the Labor Act (1990), the Pension Reform Act (2004), the Factories Act (2004), the Employee's Compensation Act (2010), the National Policy on Occupational Health and Safety (2020), among others. We comply with the mandatory contributory pension scheme as outlined in the Nigeria Pension Reform Act (2014), contributing 11% of the employee's salary, while the employee contributes 9% to their pension account. We consistently ensure that our related policies are in harmony with the standards set by the

International Labour Organization (ILO) and the International Financial Corporation (IFC) Performance Standard (PS) 2 (Labour and Working Conditions), which we regard as our benchmark for best practices regarding employee responsibility.

Beyond statutory requirements, our employees benefit from comprehensive health coverage, annual medical check-up exercises, children's education support allowances, professional body subscriptions, among others.

<p><b>Insurance &amp; Health Coverage</b></p> <ul style="list-style-type: none"> <li>• Group Life Insurance</li> <li>• Employee Spouse Group Life Insurance</li> <li>• Workmen's Comprehensive Insurance</li> <li>• Comprehensive Health Care</li> </ul>	<p><b>Rewards &amp; Recognition</b></p> <ul style="list-style-type: none"> <li>• Birthday Present</li> <li>• Long Service Awards</li> <li>• Wedding Cash Gifts</li> </ul>	<p><b>Leave &amp; Time Off</b></p> <ul style="list-style-type: none"> <li>• Paid Annual Leave</li> <li>• Parental Leave (Maternity Leave)</li> <li>• Examination Leave</li> <li>• Paid Mourning Leave</li> </ul>	<p><b>Family &amp; Professional Support</b></p> <ul style="list-style-type: none"> <li>• Children Education Support Allowance</li> <li>• Professional Body Subscriptions</li> </ul>
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Our female employees have a right to maternity leave with the following benefits:

- Paid maternity leave for 90 days
- Working hours reduced to six (6) hours for an additional 90 days
- One (1) female employee benefited from this in DSR Apapa in 2025.

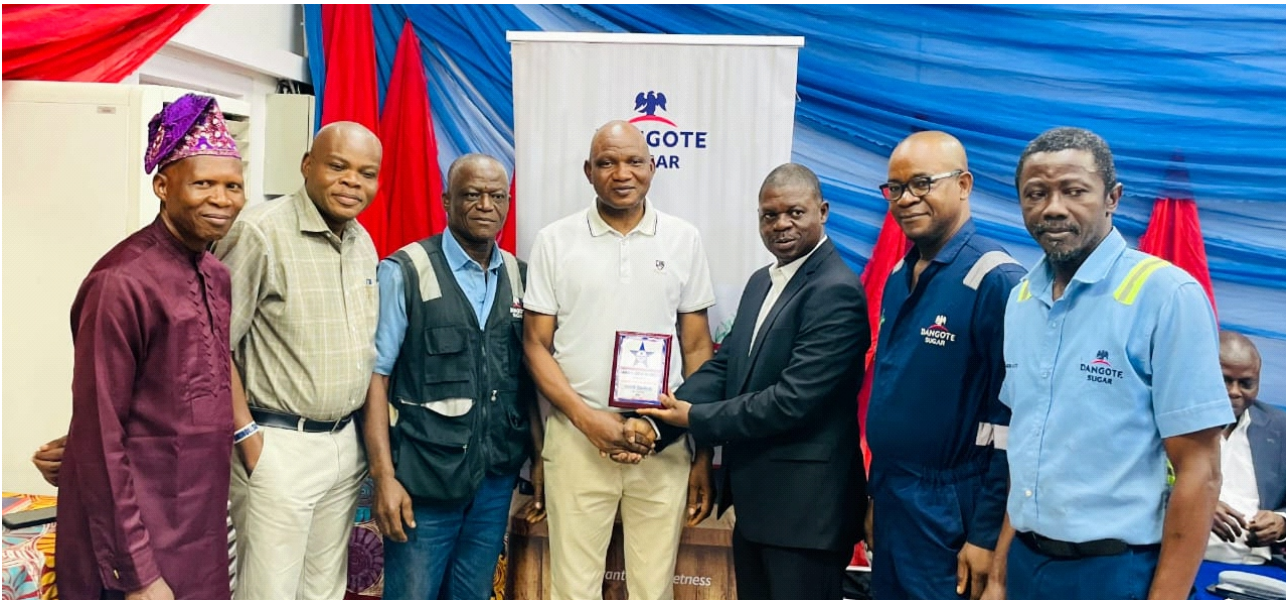
Additionally, we are engaged in facilitating the transition for our retirees. The retirement age for DSR is set at 65 years or after completing 20 years of service. Following this period, employees may be offered a contract, subject to approval from Executive Management. Retirement may also occur voluntarily prior to a designated age.



We aim to facilitate meaningful interactions between employees and management to serve as a channel for gathering feedback on our labour-related policies and practices.

### 2025 Employee Engagements

- Annual medical check-up exercise for all staff
- Charity Work
- End of Year Gift to all employees
- International Women's Day
- Long Service Award
- Monthly meetings by Heads of Departments with Workers' Forum
- Quarterly Motivational Award
- Staff Long Service Award
- Sustainability week
- Team Building
- Workplace learning activities
- Retirement Ceremony
- Ask (Human Resources) HR
- Workplace Learning Activities



### Learning and Development

In 2025, DSR trained 8,166 employees, spending a total of 124,526 training hours, which is an average of 15.3 hours per employee. We conducted 238 training programmes (153 physical and 85 virtual) at a cost of 58.5 million. Our overall learning catalogue in 2025 covered over 200 different unique training titles, with sessions focused on critical areas including compliance and governance, internal controls, fraud prevention, and financial reporting. We also placed a strong emphasis on leadership and professional development, featuring programs such as the Dangote Leadership Development Programme and workforce planning training. Technical and industry-specific training included workshops on sugar processing, industrial boiler operations, SAP modules, and artificial intelligence applications.

Additionally, health and safety remain a key focus with courses on workplace hygiene, hazardous energy isolation, and mental health awareness. DSR also prioritises sustainability and ESG, with training on greenhouse gas accounting, sustainability in business, and environmental policies. Finally, employee well-being and productivity are reinforced through sessions on wellness, stress management, and effective workplace communication.



## 2025 Sustainability Training and Awareness Creation in DSR

**40**  
sessions (82% increase from 22 sessions in 2024)

### Sustainability Training

- 24 physical sessions
- 16 virtual sessions
- 1,127 total attendees (over 100% increase from 562 employees in 2024)
- 1,237 training hours at an average of 2 hours per person
- N1.74million spent

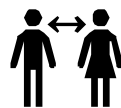
The sustainability trainings conducted covered key areas such as ESG integration, environmental management, occupational health and safety, GHG accounting, climate risk assessment, decarbonization, and sustainability reporting. These programmes were delivered to all staff and targeted teams including HSSE, management, procurement, and graduate trainees to strengthen sustainability awareness and technical capacity.

### Upgrading Employee Skills and Career Development

We have a career review procedure to ensure that employees’ activities align with our overall company strategy as well as their own personal and professional growth goals. Every employee has a career review every year, and we made sure that every employee received a regular performance assessment and career growth in 2025. We also provide technical training, plant attachment programs, graduate trainee programs, and both in-plant and off-plant on-the-job training to fresh graduates. To support smooth career progression, employees get reimbursed for approved professional programmes and additional educational qualifications obtained.

### Employee Volunteering: Supporting Our Local Communities – 2025 Sustainability Week

DSR employees alongside their counterparts in other Business Units within the Dangote Group participated in the 2025 Sustainability Week – an annual event designed as an employee volunteering initiative to make a sustainable impact in host communities.



194 Employees Volunteered  
111% increase from 92 in 2025



N6,865,750.00 Spent  
324% increase from N1.62m in 2024



266 Volunteered Hours  
41% increase from 188 in 2024



Beneficiaries: 169 Community Out growers, 3 Schools (135 students & teachers), 150 fleet drivers



## ECONOMIC PILLAR

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.

### DSR's Direct Economic Impact & Performance in 2025 Economic Value Created and Distributed (EVC&D)

Year	2025	2024	2023
	'000 (Thousand Naira)		
<b>Economic Value Created (EVC)</b>	<b>829,214,876</b>	<b>665,689,800</b>	<b>441,452,953.00</b>
Revenue	829,214,876	665,689,800	441,452,953.00
<b>Economic Value Distributed (EVD)</b>	<b>907,498,306</b>	<b>865,424,256</b>	<b>523,969,288</b>
Operating costs**	706,586,072	634,580,279.00	355,149,111.00
Employee wages, salaries and benefits	21,081,242	15,359,263.00	12,649,536.00
Payments to providers of capital	175,347,989	293,665,125.00	191,103,708.00
Tax payment	4,185,136	(78,277,361.00)	(35,161,798.00)
Social investments	297,867	96,950.00	228,731.00
<b>Economic Value Retained (EVC-EVD)</b>	<b>(78,283,430)</b>	<b>(199,734,493)</b>	<b>(82,516,335.00)</b>
**Excluding administrative expenses			

#### Responsible Tax Payment

DSR is committed to complying with all legal requirements for tax payments and other statutory returns. Just recovering from making a loss in FY2024, improvements in revenue and operating costs in FY 2025 allowed us to incur a tax liability of 4.19 billion. Our 2025 Audited Financial Statement provides explanations and details on our tax returns.

#### The Outgrower's Scheme

DSR has developed and runs an outgrower scheme for local farmers in the host communities. Dangote Sugar Numan operations operate the most successful outgrower scheme in the Nigerian Sugar Industry.

The outgrower Scheme is part of the Dangote Sugar Backward Integration Projects (BIP) Plan for employment generation, empowerment, and enterprise drive aimed at the socio-economic development of its immediate communities. The out-growers are provided with the support required to achieve a sustainable scheme that positively impacts the community and company. Currently, we have 757 farmers in the scheme operating their cane plot, and the land area under the farmers' command is 970 hectares.





**Contribution to Sustainable Job Creation**

We were able to record a 7% rise in the number of direct employments generated, which went from 8,807 in 2024 to 9,407 in 2025. Furthermore, according to the estimates provided using Social Accounting Matrix

multipliers for Nigeria’s agrifood system, our business operations were responsible for the creation of more than 65,000 jobs in 2025 (direct, indirect, and induced labour).



**Contribution to Household Income**

In 2025, our financial performance improved, and this translated into stronger direct and indirect economic contributions. Local procurement spending increased by

7.5%, which indicates our desire to continuously support the local economic activities.

Parameters	2025	2024	2023
	'000 (Thousand Naira)		
<b>Direct household income contributions</b>			
Employee wages, salaries, and benefits	21,081,242	<b>15,346,992</b>	12,649,536.00
Dividend paid to shareholders	-	-	-
<b>Indirect household income contributions</b>			
Tax Payment	4,185,136	<b>(78,277,361)</b>	(35,161,798.00)
Local Procurements (All operations)	91,920,044	<b>85,531,290</b>	54,727,915.86
Social Investments	297,867	<b>96,951</b>	228,731.00

**Dividend Payment History**

Since our 2007 debut on the Nigerian Stock Exchange (now part of the Nigerian Exchange Group), we have maintained a history of dividend payments. However, in FY2025, as seen from the Economic Value Retained above, the company recorded a loss primarily due to increased operating costs driven by high foreign exchange, even though the exchange rate stabilized during the period. Due to this reason, we were not able to pay dividends to shareholders for 2025.

**Other Indirect Economic Impacts**

Raising debts through commercial papers and bonds provides an avenue for the public to invest and support DSR’s ambitious growth. Through interest and coupon payment we ensure our retail and corporate investors have more capital for other economic activities. While our debt burden has remained fairly constant between 2024 and 2025, there is an increased negativity for equity because our accumulated retained losses exceed share capital and reserves.



Year	2025	2024	2023
	'000 (Thousand Naira)		
Total Capitalization (Debt)	829,402,894	831,802,597	531,563
Total Capitalization (Equity)	(167,867,416)	(89,062,133)	79,245,787

**Anti-competitive Behaviour, Anti-trust, and Monopoly Practices**

In 2025, DSR incurred no financial liabilities from related litigations, fines, or penalties arising from anti-competitive conduct, antitrust violations, or monopolistic practices.

DSR continues to be a responsible company, contributing its share to national development as an industry leader and innovator.



# OPERATIONAL PILLAR

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, and employing state-of-the-art technologies and systems to constantly optimise our product value and cost-efficiencies



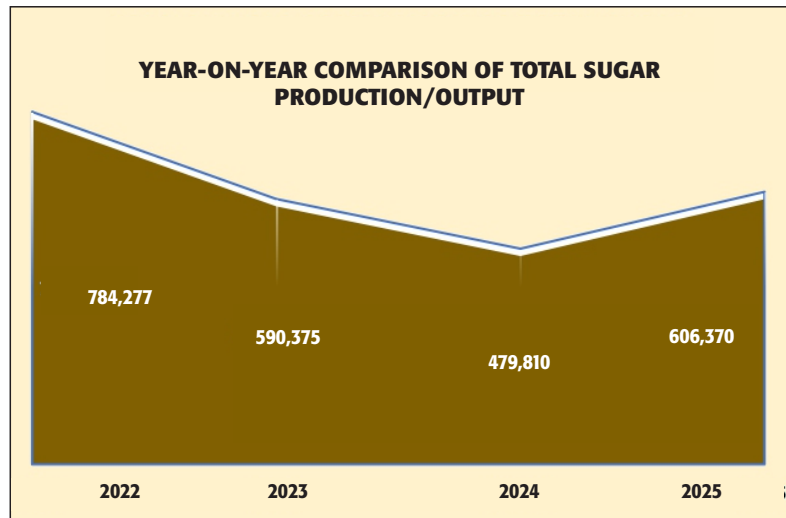
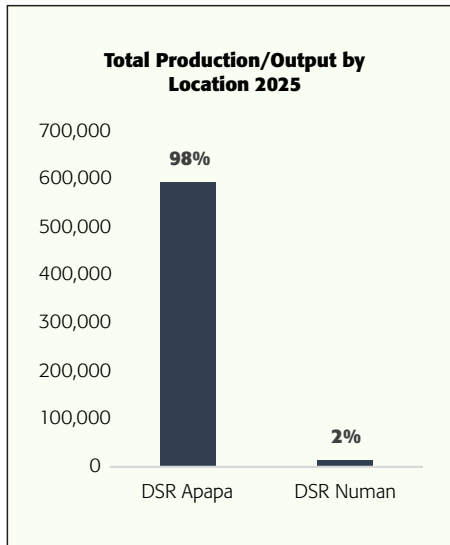
## Our Material Utilization Landscape

### Materials Used to Produce/Package DSR Products

As much as possible, we strive to increase the use of recyclables in our production process, especially during packaging. For production, we used about 649,908 tonnes of renewable raw sugar externally sourced, while for packaging, we used about 11,637,117 tonnes internally sourced 50kg recyclable bags. During the production process, we utilised 2,138.27 m3 of water, indicating a 2% decrease in water consumption from 2,171.45 m3 in 2024.

In 2025, our production output increased by 26.38% to 606,370 tonnes. Of the total output recorded in 2025, 2% (13,301 tonnes) was produced at our Numan operations, while 98% (593,069 tonnes) was produced at our Apapa refinery.

### Non-renewable production materials and quantity used in 2025 include:



### Operational Efficiency

In 2025, we continued to implement efficiency measures to reduce our environmental footprint and costs associated with energy and water consumption across our operations. Our primary source of thermal and electrical energy remains natural gas. During the reporting period, our refining process consumed a total of 3.02 million GJ of energy and 2,138.27 m3 of water.

At our Numan operations, we operate a gravity-fed, closed-loop surface irrigation system where water is



drawn from our dam and distributed across our sugarcane fields through structured canals. Excess irrigation water is then recaptured through a drainage

network and returned to the dam to promote circular water use and improve overall irrigation efficiency.

Energy Efficiency Initiatives Implemented at DSR in 2025	
<ul style="list-style-type: none"> <li>Continued use of energy-efficient lighting</li> <li>Increased use of LNG and CNG fuels</li> <li>Phased transition to 100% CNG fleet trucks</li> <li>Enhanced fuel tracking and allocation systems</li> </ul>	<ul style="list-style-type: none"> <li>Deployment of VFDs to optimise motor</li> <li>CAPEX projects for steam and process optimisation</li> <li>Increased use of bagasse for biomass energy in BIPs</li> <li>Approval of a structured Decarbonisation Plan</li> </ul>

### Building a Sustainable Supply Chain

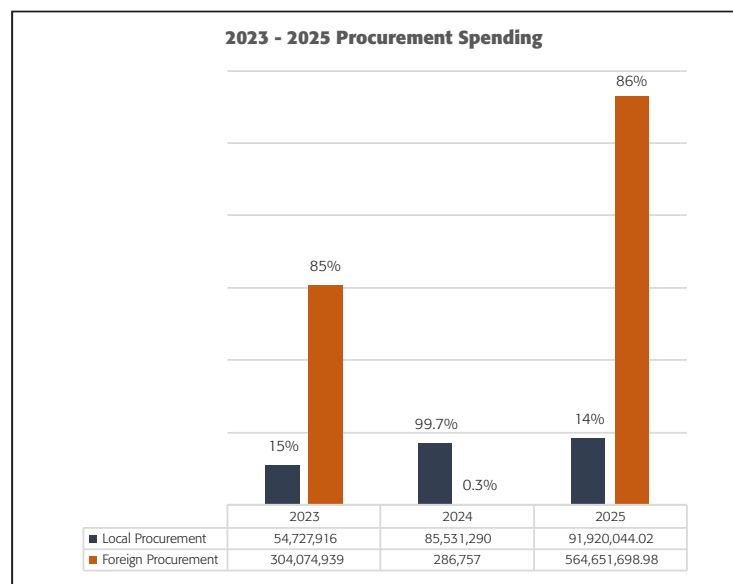
The DSR procurement process is organised according to our Procure-To-Pay framework to ensure optimal transparency and value enhancement. In 2025, we have completed a review of our procurement practices to align with the ISO 20400 Sustainable Procurement Guidelines. This initiative was further supported by an internal restructuring to separate the Procurement function from Supply Chain operations to improve segregation of duties and strengthen procurement controls.

During the reporting year, we assessed a few vendors on their environmental and social practices with plans to expand this further in 2026. Presently, the environmental assessment of our suppliers is conducted using the following criteria: Environmental Policy, HSSE statistics, Certification of registration with relevant agencies about their specialisation, such as ISO 14001:2015, ISO 9001:2015, and ISO 45001:2018, and Competence level. As part of our ongoing sustainable procurement strategies, training was conducted on understanding sustainability (Environmental and Social impact) for suppliers, and the suppliers were notified of DSR

expectations, and the rollout of our environmental impact assessment screening, which commenced in 2025

### Promoting Local Content in our Procurement

Our spending on local businesses that provide us with goods and services often serves as a significant driver of economic activities in their respective communities' micro-economies. We understand that doing business with them helps the Nigerian economy expand by promoting productivity, reducing inequality, and boosting local purchasing power. One major strategy we employed in 2025 was indigenisation of some of the foreign purchases to increase local content promotion and improve the economy, and to reduce foreign exchange exposures. This resulted in an increase (7.5%) in local purchases. However, the foreign exchange shock in 2024 that prevented us from importing food was much better in 2025. This meant that we were able to bring the goods we had ordered in 2024 plus the goods for 2025; therefore, this resulted in a relatively high foreign procurement spend in FY 2025. We believe the spending numbers will normalise in 2026.





### Food Safety, Product Quality Assurance, and Customer Health & Safety Strategy

We employ the best food-grade production facilities in hygienic settings, and we keep effective lines of communication open with stakeholders regarding food safety issues. The following goals guide the monitoring, evaluation, and measurement of compliance with the Company's Food Safety Policy:

- To provide wholesome and nutritious sugar that supports healthy living.
- To achieve 100% compliance with all relevant customers', statutory and regulatory food safety requirements (NIS ARS 58:2019).
- To ensure that all relevant parties in the food production chain are aware of; and comply with the company's food safety requirements.

The DSR production process is FSSC 22000 (Food Safety System Certification) certified and the FSSC 22000 system is based on ISO Standards recognised by the Global Food Safety Initiative (GFSI). As part of our campaigns and initiatives deployed during the year to boost product quality control, quality assurance, and food safety, we re-certified our product to FSSC version 6.0, the latest international food safety standard awarded by the General Society of Surveillance (SGS).



### Our Product Packaging and Labelling

To enable our consumers to make informed decisions, we give clarity and transparency about the ingredients in our products. All nutritional information is clearly displayed on our packaging in strict compliance with all applicable regulatory labelling formats. We ensure that the fortification logo, indicating that our sugar is fortified, is strategically placed in the label as required by the National Agency for Food and Drug Administration and Control (NAFDAC) Food (labelling) Regulations, 2022 gazetted in 2023.



We stepped up our training by conducting training on Continuous Good Manufacturing Practices, Food Safety Lead Auditors, and also trained all our staff on best practices on sugar refining. We also trained Quality Assurance staff specifically on best practices in sampling and laboratory analysis. We now have a food safety culture tagged **"do it right the first time"**. Our product not only supported the health of the consumers but also received an award from Technoserve as the best company in sugar fortification, enhancing the health and wellbeing of the consumers.

During the reporting year, we introduced two new pack sizes of our product weighted 25kg and 100g respectively, to broaden market accessibility and enhance affordability.

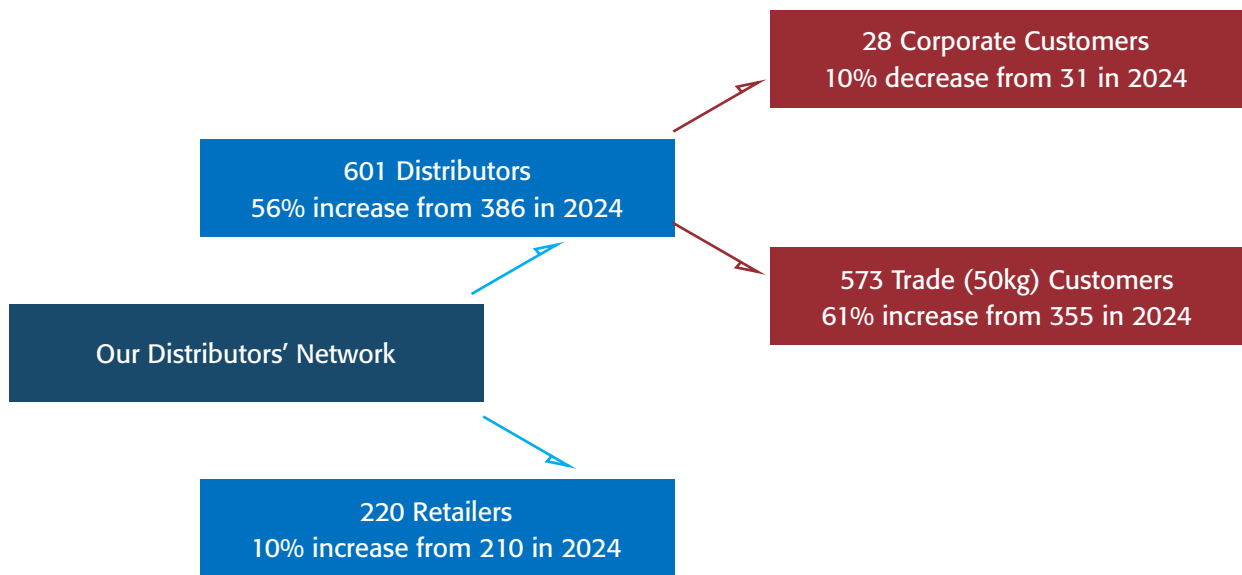
Regarding the promotion, marketing, labelling, and sales of our products, we abide by all applicable rules and regulations. We also make sure that our communication is accurate, true, balanced, fair, thorough, and does not contain any misleading information.



### Sales and Promotional Activities

In pursuit of our objective to be the most reliable and high-quality supplier of refined sugar products, we want

to maintain proximity to our clients. This is facilitated by our robust and client-centric distribution network:



In 2025, we officially launched the newly introduced 25kg and 100g pack sizes at the Dangote International Trade Fair to introduce the new SKUs to the market. All related marketing and promotional activities were conducted in strict alignment with our internal marketing policies and applicable regulatory labelling guidelines.

### Customer Engagement and Survey

We held a Customer Service Week during the reporting year, where members of our top management team and Heads of Units visited top-tier trade customers across major markets. These visits included customer engagement sessions, presentation of branded souvenirs, and other interactive activities.

To keep current customers and attract new ones, we conduct an annual Customer Satisfaction Survey, which helps us gauge how satisfied our customers are. The result of our 2025 survey helped us identify three recurring concerns, including product lumping and caking, occasional shortages in product grammage in market, and production of granule sizes that match customer needs. We maintained a structured complaint management system, with all customer complaints addressed and closed within 48 hours of receipt.

### Data Privacy

DSR is fully committed to compliance with Nigeria's Data Protection Regulation (NDPR), ensuring the lawful, fair, and transparent processing of personal data. We have implemented robust data protection policies, secure processing systems, and strict access controls to safeguard customer and employee information. The Business Customer Master Database is stored in our ERP system (SAP) and is regularly updated at the instance of the customer's formal request. Access to the Master Data is restricted to only SAP Administrator. Our data handling practices align with the principles of purpose limitation, data minimisation, accuracy, and accountability, as required by the Regulation. Additionally, we have appointed a Data Protection Officer (DPO) to oversee adherence to NDPR guidelines and ensure that data subjects can exercise their rights to access, rectification, and erasure of personal data. There is no reported incidence of customer and employee data breaches in 2025.



# SOCIAL PILLAR

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.

## Community and Social Investments

We are constantly evolving and deploying approaches to make our social and community investments more impactful. To this end, we executed some social investment projects in the reporting year to address some critical community needs as identified by our host communities. We have adopted a participatory approach to executing our community projects to put in place competent local governance structures to ensure our projects are sustainable in the long term and our

communities' institutions have the capacity to harness their local resources in driving their own development.

In 2025, we spent N755.8m on community investment projects, representing over 600% increase in our spending from N96.95m spent in 2024. This significant increase reflects our improved financial position and ongoing commitment to driving long-term impact within host communities across our operational areas.



Year	Total community investment spending (N'000)	Profit After Tax (PAT) or Loss (-) (N'000)	% of PAT as total community investment spending (/ Year)
2025	228,731	(73,760,308)	-
2024	96,950	(192,616,818)	-
2023	755,869	(64,116,896)	-

Investment Areas	Cost (N'000)	UNSDGs Alignment	% of Total
Health	88,864	2, 11, 17	12
Food and agriculture	25,615	1, 2, 3, 14, 15	3
Water/sanitation	102,637	3, 6	41
Security and safety	265,557	3, 11	35
Economic/SME development	10,851	1, 2, 8, 9	1
Education and scholarships	150,230	4, 8, 10, 11, 16	20
Donations, support, and grants to host communities	76,593	1, 11, 16, 17	10
Donations and grants to CSOs/NGOs and development bodies	35,522	17	5



DSR did not make any political contributions or donations (financial and in-kind) directly or indirectly to any political organisation in all our operations. See our Annual Report for a comprehensive list of the names of all beneficiaries and the amounts given.

**Anti-corruption, Grievance Mechanism and Whistleblowing**

DSR maintains a zero-tolerance policy against bribery and corruption, and we are dedicated to adhering to relevant anti-bribery and anti-corruption legislation throughout all our operations, as we take pleasure in our high ethical business standards. We consistently convey this to all our stakeholders via training sessions, webinars, and awareness initiatives. In 2025, we documented no instances of bribery or corruption inside our value chain.

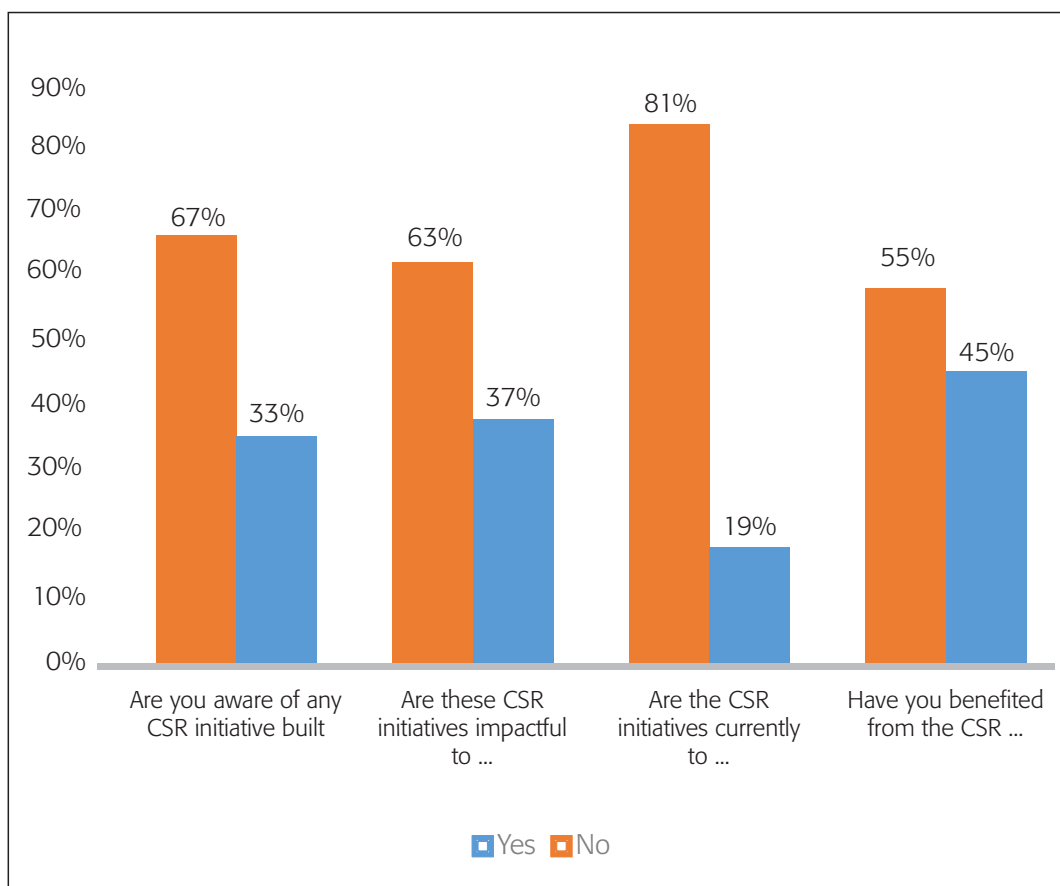
Our publicly accessible whistleblowing policy requires that any detected instances of fraud and corruption be disclosed to the appropriate authority without fear of retaliation. Our whistleblowing policy undergoes frequent review, and all stakeholders recognise the significance and necessity of reporting any sort of misbehaviour against any individual. During the reporting year, one (1)

whistleblowing case was reported and resolved. No whistleblowing case was under investigation as of the end of the reporting period.

**Host Community Engagement**

Over the years, we have maintained structured and consistent engagement with our host communities through our Community Relations Managers across our operational sites. In 2025, we took this a step further by conducting a Community Materiality Assessment and Stakeholder Engagement Survey at our Tunga and Numan operations. The engagement was carried out physically by a team of consultants to ensure direct interaction, transparency and meaningful dialogue. The consultant visited five (5) communities each in Tunga and Numan. During this exercise, we gathered community perceptions of our operations, documented grievances where applicable and identified priority areas where communities expect improved performance and support from DSR. The findings were communicated to our management team to inform strategic decision-making, strengthen community development planning and maintain our social licence to operate.

**Community feedback from CSR initiatives:**





Our 2025 host community engagement chart is shown below:

Location	Number of engagements	Number of completed projects	Number of social incidents or disruptions	Reported grievances	Grievances closed
<b>2025 Total</b>	541	8	10	5	5
<b>2024 Numbers</b>	102	37	0	10	6
<b>Comparisons</b>	<b>430%</b>	<b>-78%</b>			

**Health and Safety**

The health and safety of employees is fundamental to every successful organisation; therefore, at DSR, we establish and execute a comprehensive occupational health and safety management system that adheres to national and international safety requirements, as well as

our internal 15 Golden Rules. Continuing to enhance understanding of the 15 Golden Rules in 2025 resulted in better compliance relative to the prior year. Employees are strongly urged to report all incidents and are authorised to halt any harmful actions via the SAF-T Card and other applicable means.

Key initiatives taken to advance safety in the operational sites include:

Operational Sites	Fleet
<ol style="list-style-type: none"> <li>Conducted training on various safety topics.</li> <li>Root cause analysis for all critical incidents and high potential near misses.</li> <li>Management review of incidents conducted.</li> <li>Periodic sharing of HSE statistics with employees and management to show trends and justify corrective action plans.</li> <li>Promotion of participation in sustainability initiatives - tit-bit sharing, weekly quizzes, etc.</li> <li>Structured management review of incidents.</li> <li>Tracking, follow up and monthly review of all critical recommended actions from incident investigations.</li> <li>Development of HSE systems and SOPs for critical safety processes.</li> <li>Sharing of learnings within and amongst Group(s).</li> </ol>	<ol style="list-style-type: none"> <li>Appointment of a dedicated Head of HSSE to Fleet Operations to directly manage HSE operations</li> <li>Engagement of vendors to install in-car dual monitoring cameras on trucks to monitor truck activities and ensure accurate information for Root Cause Analysis in event of accidents.</li> <li>Intensification of Pep talks for drivers and motor boys.</li> <li>Structure Journey Management Plans. Improvement in Pre-trip Inspections - acquisition of needed space for truck inspections.</li> <li>Installation of speed limiter and recalibration of speed limits on trucks to control speed.</li> <li>Training of Fleet operators on Incident reporting, response to incidents, and incident investigation</li> <li>Visible and felt safety leadership by the executive via regular meetings and communications on safety</li> <li>Structured incident investigation process to determine root cause of incidents as well as SMART recommendations to prevent recurrence which includes the use of specific Terms of Reference for each incident investigation, and sharing of lessons learned.</li> <li>Application of positive and negative consequence management based on performance and compliance/noncompliance such as speed violation, harsh breaking, driving under the influence of</li> </ol>

**Summary of Health and Safety Performance for Plant & Operations (2023-2025)**

Types of incidents	2023	2024	2025	% Increase (+) or Decrease (-) [2024 vs 2025]	
Total Number of Work Hours	18,531,831	18,495,131	24,964,540		
Total Number of Near Misses	20	10	8	-20%	↓
Total Number of First Aid Injuries	23	13	6	-54%	↓
Total Number of Medical Treatment	8	7	4	-43%	↓
Total Number of Lost Time Injuries (LTI)	3	3	1	-67%	↓
Total Number of Fatalities	2	1	0	-100%	↓



Summary of Health and Safety Performance for DSR Fleet Operations (2023-2025)				
Types of incidents	2023	2024	2025	% Increase (+) or Decrease (-) [2024 vs 2025]
Total Number of Work Hours	3,192,922	2,969,980	6,268,053	
Total Number of Near Misses	14	8	16	100% ↑
Total Number of First Aid Injuries	14	3	1	-67% ↓
Total Number of Medical Treatment	1	0	0	-
Total Number of Lost Time Injuries (LTI)	-	-	-	-
Total Number of Fatalities	0	8	13	63% ↑

**240** HSE training sessions were conducted in 2025. 186% increase from 84 in 2024.

**5,646** employees were trained on HSE in 2025. 156% increase from 2203 in 2024

S/N	Specific & Targeted Health and Safety Awareness in 2025	Categories of Employees Trained
1.	Sustainability Awareness, GHG Accounting	All staff
2.	Beat Plastic Pollution webinar (Environmental Training)	All staff
3.	IMS Internal Auditors Training	IMS Internal Auditors cross-functional
4.	Human factor accountability decision tree	All staff
5.	Fall Distance Calculation	General Services, Maintenance Engineering
6.	Health Surveillance- The Roles of Employees	All staff
7.	PPE Maters	All staff
8.	COSHH Training	Chemical Handlers
9.	HSSE Contractor Evaluation & Selection Process Training	Procurement & HSSE
10.	Revised HSE golden rules policy	All staff
11.	Chemical risk management guidelines	Agric, Factory & Inventory
12.	Workplace drug and alcohol awareness training	All staff
13.	Confined space entry training	Factory & Estate
14.	Chemical spraying and handling safety awareness training	Agric, Factory & Inventory
15.	Malaria prevention and control	All staff
16.	Chemical hazard awareness	Factory, Inventory & Agric
17.	Health Risk Assessment	All staff

**Promoting Diversity, Equal Opportunity and Women Empowerment in DSR**

We endeavour to integrate diversity and inclusion into every facet of our company operations, fostering an inclusive workplace that honours employee diversity and rejects harassment or discrimination based on protected characteristics. At DSR, employment decisions, compensation structures, training opportunities,

promotions, and employee transfers are determined by merit, emphasising experience, performance, credentials, and skills. We recognise the gender disparity in the workforce and are dedicated to transforming the existing conditions inside our internal operations and value chain, while promoting women's participation in pivotal roles within the business via a support platform - The Dangote Women Network.



Furthermore, the women distributors in our supply chain are essential to making sure that our products are accessible wherever they are required.

DSR prioritises the care and rehabilitation of personnel who may, unfortunately, become disabled while doing their duties. We ensure that, alongside the benefits and rehabilitation offered by the Company, the Nigeria Social Insurance Trust Fund (NSITF) furnishes workers with equitable compensation in cases of illness, injury, disability, or death arising from or occurring while employment. Currently, we have 13 employees with physical disabilities such as partial stroke, amputated legs, amputated hands, hip dysfunction and speech impairment across our operations. We are always improving our location infrastructure to ensure it is conducive for people living with disabilities (PWDs).



The establishment of a diverse tone originates from leadership; DSR cultivates an inclusive culture by maintaining a balanced composition of seasoned professionals on our Board. These individuals embody many geographic regions and originate from distinct

backgrounds encompassing age, gender, colour, and nations. For 2025, our Board of Directors consisted of four (4) females (40%) and six (6) males (60%). The average age of our Board is 63 years.



**Non-Discrimination**

We unequivocally denounce any form of discrimination, harassment, bullying, or abuse within our workforce, and we endeavour to collaborate with suppliers who uphold

analogous principles. We underscore the significance of equitable and non-discriminatory treatment of individuals in our recruitment processes, operations, and interactions with communities and other essential stakeholders.



In 2025, we documented no instances of discrimination regarding hiring, promotion, training, etc., among the workforce and supplier chain.

### **Freedom of Association and Collective Bargaining**

To further support and foster a healthy work environment, we currently have Junior Staff Union National Union of Food, Beverage and Tobacco Employees (NUBFTE) and Senior Staff Food, Beverage and Tobacco Senior Staff Association (FOBTOB) associations officially recognised by the Management. In the reporting year, we periodically meet with these associations to discuss staff related issues and NJICs. Additionally, over 926 of our employees are covered under collective bargaining agreements.

### **Child Labour and Forced or Compulsory Labour**

We acknowledge the enduring damage that child labour inflicts on our community, thus regarding it as a serious transgression. We do not employ child labour in any of our operations, nor do we engage with vendors or suppliers who do so. We adhere to the International Labour Organization's (ILO) guidelines on child labour and the principles of the United Nations Global Compact (UNGC). DSR closely scrutinises this, particularly in businesses susceptible to child labour, such as fleets and agriculture-based supply chains. We likewise condemn any form of coerced or mandatory employment that results in bonded labour, slavery, or servitude inside our supply chain and activities. We encourage all stakeholders and employees to report any suspicious incidents. No reports of child labour, forced labour, or compelled labour were received during the reviewed year.

### **To build capacities on the subject matter, we conducted training sessions on human rights including:**

#### **1. Child Labour / Social Protection**

- Harvesting Sustainably: The Impact of Child Labour in the Agric Sector

### **Human Rights and Indigenous Peoples Right**

At DSR, we respect human rights and are committed to the principles set out by the UNGC and other international organisations such as the Universal Declaration of Human Rights, the ILO's Declaration on the Four Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the UN-SDGs. To further strengthen the corporate management of human rights-related issues, the company reviewed and updated its Human Rights Policy in line with international frameworks as mentioned above. We have deployed awareness sessions to our local supply chain on the updated policy and our approach to the management of human rights issues. This is aimed at supporting our supply chain to entrench management systems that will ensure a holistic approach to managing the subject matter and reducing exposure for all.

To further fortify oversight of our human rights related issues, there is now a Board Committee with the mandate to oversee human rights related issues for the business. Also, we are working towards undertaking a human rights due diligence to have a comprehensive understanding of our human rights impact on our stakeholders and potential risks and exposure points within our value chain. On reporting, we are aligned with the Dangote Industries Limited 'Whistle Blowing' channel to report all human rights and related issues. This platform is being independently managed by PwC in line with best practices. No case of human rights abuse was recorded within our operation in 2025.

#### **2. Human Rights in Community & Social Impact**

- Land Acquisition & Involuntary Resettlement
- Human Social Risk Assessment Training
- Community Engagement for Corporate Success
- Stakeholders Engagement Plan
- Nigeria Sustainable Sugar Workshop



# ENVIRONMENTAL PILLAR

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.

## Energy Consumption

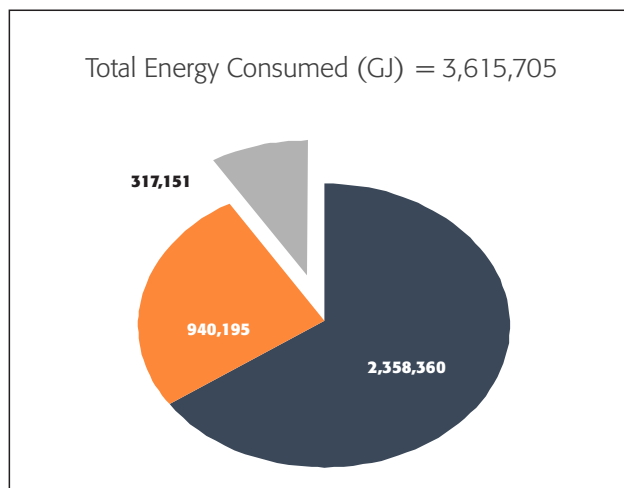
Reducing our carbon footprint has remained a priority and this has been the driving force behind the efforts we continually put into enhancing our operational efficiency.

Year-on-year comparison of total energy consumption across the factory location			
Year	Total production (tonnes of product)	Total energy consumption (GJ) across factory locations	% +/- [Year-on-Year]
2023	590,375	6,777,387	-21.15
2024	479,810	4,973,205	-26.62
2025	<b>606,370</b>	<b>3,615,705</b>	<b>-27.30</b>

While total energy consumption across our operations amounted to 3,615,705 GJ, energy used specifically for production activities was 3,020,019 GJ, representing 84% of the total energy consumed. This resulted in an energy intensity of 4.98 GJ per tonne of product, which tells the amount of energy required to produce each

tonne of output. DSR's energy intensity of 4.98 GJ per tonne of product is below the United Nations Industrial Development Organization (UNIDO) benchmark of approximately 5.9 GJ per tonne for sugar refining, indicating comparatively higher energy efficiency.

Year-on-year comparison of energy consumption by source across the factory locations						
Energy Source	2025		2024		2023	
	Energy (GJ)	Energy (GJ)	%	Energy (GJ)	%	%
Steam	-	-	-	-	-	-
Natural Gas	1,855,229	55%	65%	3,230,299	65%	87.9
Diesel	739,750	22%	14%	705,016	14%	8.9
Electricity	85,058	3%	1%	35,059	1%	0.7
LFPO	80,629	2%	1%	38,059	1%	2.5
Alternative Fuel (Bagasse)	611,582	18%	19%	938,142	19%	-
Petrol	8,5313	1%	-	-	-	-



## GHG Emissions

Our Scope 1 emissions are those produced using fossil fuel-powered generators (natural gas, diesel, and LFPO), while Scope 2 emissions are from electricity purchased from the national grid.

Emissions intensity for 2025 was calculated using production data only, representing the total GHG emissions from the DSR Apapa and Numan sites divided by the total production output. Emissions intensity figures for 2023 and 2024 have also been recalculated using the same methodology to ensure consistency and alignment in the emissions intensity data reported across all years.

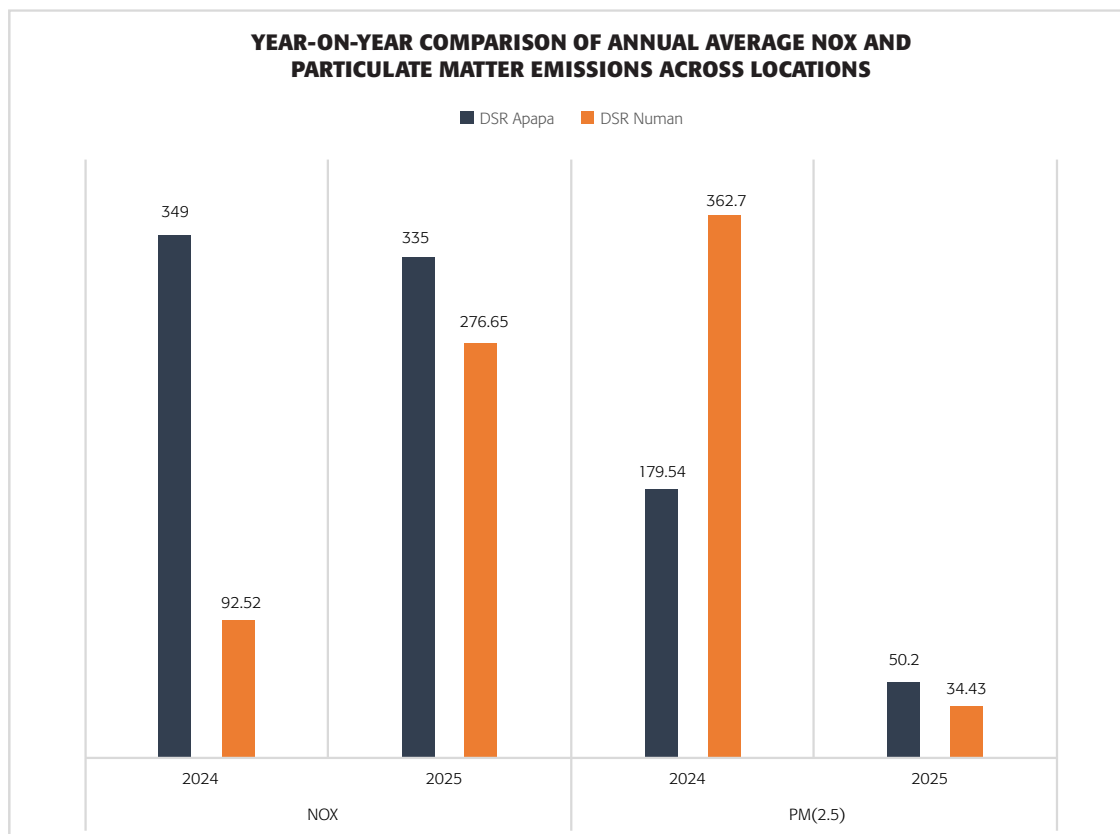


Location	2023	2024	2025	Percentage of Total (2025) for Each Location
	Scope 1 Emission (tCO <sub>2</sub> e)			
DSR Apapa	204,836	182,394	179,618	82.5%
DSR Numan	15,005	12,450	16,364	7.5%
DSR Fleet Operations	35,772	24,928	21,654	9.9%
Scope 1 Emissions (tCO <sub>2</sub> e)	255,613	219,772	217,636	100%
% increase/decrease	-59%	-14%	-0.95%	
	Scope 2 Emission (tCO <sub>2</sub> e)			
DSR Apapa	100	30	161	6.3%
DSR Numan	3,159	2,028	2,028	92.6%
DSR Fleet Operations	3	3	3	0.1%
Scope 2 Emissions (tCO <sub>2</sub> e)	3,261	2,061	2,213	100%
% increase/decrease	-88%	-37%	7.37%	
Total Emissions (Scope 1+2) (tCO <sub>2</sub> e)	258,874	221,833	219,849	
Emission Intensity (kgCO <sub>2</sub> e/tonnes of product produced)	377.90	410.37	326.85	
% increase/decrease	-64%	+9%	-20%	

Following the implementation of our GHG tracking and accounting framework in alignment with the GHG protocol calculation tool and the ISO 14064-1, with 2023 set as the base year, our GHG data inventory has been standardised across the organization, and the emission

status of each unit or facility is being determined more efficiently. Also, we completed the development of our Decarbonisation Strategy, setting a near-term target to reduce our emissions by 42% by 2030 in line with the Science-Based Targets initiative.

### Air Emissions





In DSR Apapa, we recorded a 4% decrease in NOx emissions from 2024 to 2025 and 72% decrease in particulate matter emissions, while in DSR Numan, we recorded a 199% increase in NOx emissions from 2024 to 2025 and a 90% decrease in particulate matter emissions. SOx level for DSR Apapa was 268 mg/Nm<sup>3</sup>, while SOx level for DSR Numan was too low to detect. Also, we ensured that our air-conditioning systems and chillers do not run on any ozone-depleting substances (ODS) and we do not import, export, or generate ODS as a byproduct of our business. In 2025, we had no instances of violation of the emission restrictions.

For stack emissions, an annual average concentration of 335 mg/Nm<sup>3</sup> was recorded at DSR Apapa, while 277 mg/Nm<sup>3</sup> was recorded at DSR Numan during the reporting period.

**Implementing Efficient Water Management System**

Water is essential to both our production process and supply chain. At DSR Numan, water is used from a dam which has an active storage of 185,007,240 m<sup>3</sup> (6% increase) of water compared to 174,135,600 m<sup>3</sup> in 2024; at DSR Apapa, we solely use groundwater that is recovered from our industrial boreholes, and there was an increase (about 34%) in extracted water from 2,171,448 m<sup>3</sup> in 2024 to 2,909,422 m<sup>3</sup> in 2025, putting our water intensity figure at 4.79m<sup>3</sup>/tonne of sugar produced. We utilise water for irrigation of our cane field, steam generation, cooling towers, cleaning, and housekeeping tasks. We also recognise that the way we interact with water will have an impact on it, which is why we intensified our water conservation and management initiatives in 2025.

For wastewater management, we have an Effluent treatment plant (ETP). There is effluent analysis and monitoring carried out monthly and quarterly to monitor and ensure compliance, which DSR did not default on in 2025.

**Biodiversity Assessment, Interaction, and Protection**

Our Apapa facility is located on 7.49 hectares of leased land solely for production purposes. In contrast, the 32,000-hectare Numan complex and the 68,290-hectare Tunga site are exclusively dedicated to production and extractive purposes and are situated in a terrestrial habitat. Neither facility is situated on, adjacent to, or in close proximity to protected areas or high conservation values (HCV) as defined in the IFC PS 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources Guidance Note (2019 update).

Effluent quality is monitored through periodic laboratory analysis to ensure compliance with regulatory discharge limits.

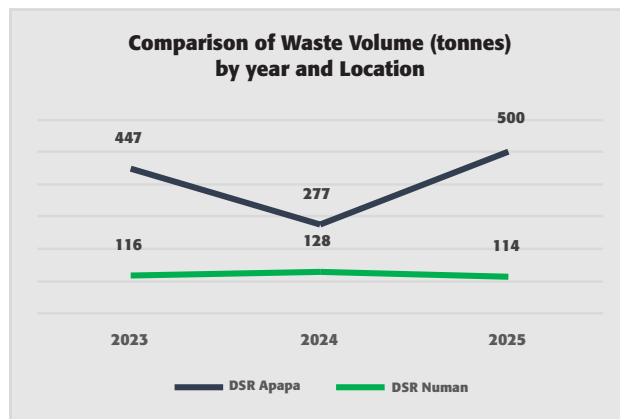
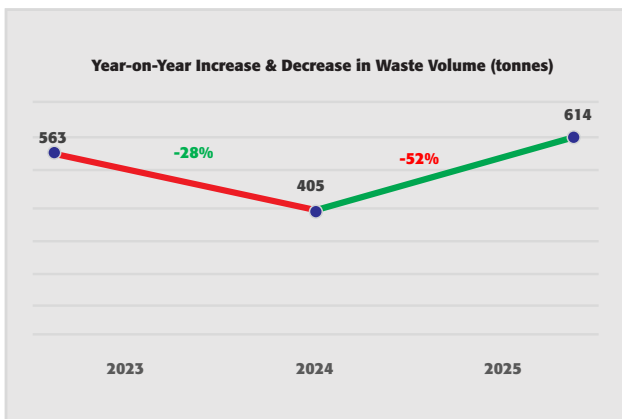
We acknowledge, however, that the cultivation of sugarcane as a component of our supply chain has the potential to have a substantial impact on our biodiversity. The reason for the heightened emphasis on our Numan facility is that we have discovered that the expansion of the cane field has the potential to displace the local flora and fauna, in addition to contaminating surface water with effluent. Our suppliers are consistently encouraged to adopt ethical business practices to mitigate their environmental impact. More specifically, channelling of water has played a role in managing surface runoff, helping to reduce flooding. We have ensured controlled irrigation is consistently implemented for community farmlands. Also, for effluent management, the oxidation pond has been dredged to increase the size and depth, and properly channelled.

Across our Backward Integration Project sites, we are taking measures to align our sugarcane production and processing activities with the Bonsucro Sustainability Standard. In 2023, we obtained a provisional membership certificate with Bonsucro and subsequently subscribed to independent verification of our sustainable agricultural and sugar production processes. Following this, the next step is to achieve full Bonsucro Production Certification and implement the Bonsucro Chain of Custody standard. We are currently working with Bonsucro-accredited consultants and certification bodies to guide our operation toward achieving full certification.

**Implementing Efficient Waste Management System**

The kinds of wastes generated by our operations have been categorised as non-hazardous, for which we employ the services of waste disposal vendors accredited by the Lagos State Waste Management Authority (LAWMA). We completed a production year without any non-compliance with waste management regulations. A significant portion of the waste generated within our operations has economic value. These include molasses, filter cake (press mud), and ash residues.

In 2025, total waste volume increased to 614 tonnes. Based on location, the increase is attributed to DSR Apapa, while DSR Numan recorded a slight decrease year-on-year, mainly due to improved utilisation of bagasse for juice production and other on-site value-added applications.



**Environmental Management and Compliance**

Our approach to environmental management is precautionary (in line with the UNGC Principles) and centred on minimising the negative environmental impacts of our operations and safeguarding natural resources (specifically sugarcane and water) for future generations.

During the reporting year, we recorded no instances of fines, penalties, or sanctions for environmental compliance across our operating areas. To avoid penalties, we also work to guarantee that our environmental and social compliance permits and licenses have been obtained, which are:

- National Agency for Food and Drug Administration and Control (NAFDAC) Chemical Import Permit

- Environmental Impact Assessment (EIA) for both Apapa and Numan sites
- Environmental Audit Report (EAR) issued by the National Environmental Standards and Regulations Enforcement Agency (NESREA) – Numan
- EAR issued by NESREA – Apapa
- Quality Permit – Apapa, issued by NESREA
- Waste and Toxic Substances Permit – Apapa, issued by NESREA
- Lagos Waste Management Authority (LAWMA) Dumpsite Permit
- Fire Safety Certificate
- Fumigation and Pest Control Permit





In addition to ongoing initiatives on environmental management and new technologies of 2024, we have made the following improvements in 2025 as follows:

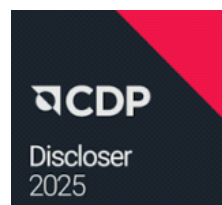
- Introduced phased deployment of 100% CNG trucks to reduce diesel consumption in fleet operations
- Completed development of a structured Decarbonisation Plan to guide emissions reduction
- Developed an Environmental Management Plan and Waste Management Plan
- Established a Climate Risk and Opportunities Guideline
- Set Science-Based Target to align long-term emissions reduction with global climate goals
- Installed plastic collection cages across facilities and donation of same to schools to promote responsible waste segregation
- Installed solar-powered lighting systems at Fleet facilities to reduce grid electricity dependence
- Achieved 75% completion of a Triple-Effect Evaporator (TEE) to replace the single-effect system to significantly reduce energy consumption, lower greenhouse gas emissions, and enhance water recycling efficiency.

### Understanding and Managing our Carbon Footprint

Key greenhouse gases associated with our operations include carbon dioxide (CO<sub>2</sub>) and methane (CH<sub>4</sub>). In an effort to mitigate this, we have put initiatives in place to reduce our GHG footprint as much as is practical:

- Natural gas is now used instead of LPFO to power the boilers
- The Apapa Plant is fully disconnected from the national power grid and is instead powered by steam turbines driven by the boilers
- DSR Numan uses bagasse as a renewable energy source to power the boilers (which is the reason for the higher particulate matter emissions)
- Significantly improved our tree planting initiative from 120 trees in 2024 to 2,525 trees in 2025 across schools and communities around our facilities, to absorb carbon from the atmosphere. In 2025, 25 trees were planted in Numan and 2,500 in Nasarawa, bringing the total number of trees planted since 2021 to 5,709.

### ESG Recognitions



In 2025, DSR received a rating from the Carbon Disclosure Project (CDP) for its Water Security performance and disclosures, earning a "C" score compared to a "B" score in 2024. Our Climate Change performance and disclosures improved from "D" score in 2024 to "C" in 2025.





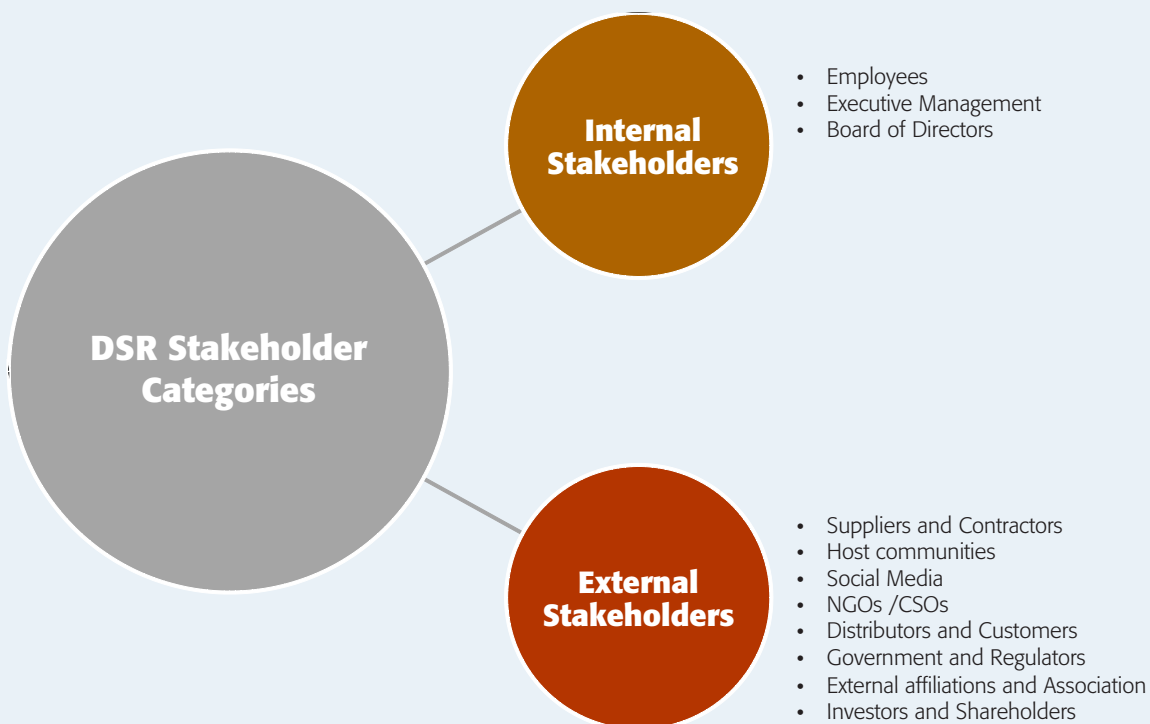
# INSTITUTIONAL PILLAR

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

## Stakeholder Engagement

Drawing from the categorisation of our business stakeholders in our stakeholder matrix, we embarked on a strategic and holistic approach to engaging with our diverse groups of stakeholders in the reporting year. Our

one critical goal was to achieve a sense of shared value with our stakeholders in taking the business forward and integrating their input into our corporate decision-making process. The principal groups of stakeholders for DSR are as follows:





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

Stakeholder	Engagement Method	Frequency	Key Topics Raised
<b>Employees</b>	Meetings in small groups, one-on-one engagement, notice board, emails, newsletters, sustainability reporting, surveys, awards, recognition, HSE site meetings. etc.	Monthly, Quarterly, and as required	<ul style="list-style-type: none"> <li>• Career growth and development, compensation and benefits, Sustainability performance and reporting,</li> <li>• Equal opportunities for all employees, skills/ knowledge development, health and safety, etc.</li> <li>• Other thematic topics include DSR values, corporate goals and objectives; sustainability targets and expected outcomes; strategic Initiative &amp; BIP; DSR Priority SDGs.</li> <li>• Employee volunteerism initiative; brand consistency &amp; compliance; corporate communications &amp; other policies</li> </ul>
<b>Suppliers and contractors</b>	Emails, letters, meetings, one-on-one engagements, engagement by proxy via the Procurement Department.	Regular and as required	<ul style="list-style-type: none"> <li>• Requirements, products and service quality, workers' security, pricing, invoices and payments, aftersales support, and efficiency; brand consistency &amp; compliance</li> </ul>
<b>Distributors and customers</b>	Emails, letters, visits/one-on-one engagements, meetings, customer service week	As required	<ul style="list-style-type: none"> <li>• Meeting targets, value creation, ensuring production continuity,</li> <li>• Credit line, distributors' award initiatives, customer experience, brand promise &amp; equity</li> </ul>
<b>Host communities</b>	One-on-one engagements, town hall meetings, Community engagement exercise, interest groups' communications, surveys, empowerment programs	Weekly and as required	<ul style="list-style-type: none"> <li>• Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers.</li> <li>• Impacts on existing infrastructure and skill acquisition, community needs &amp; projects, empowerment scheme, outgrowers schemes, sports, infrastructure development &amp; management, security of life &amp; property</li> </ul>



Stakeholder	Engagement Method	Frequency	Key Topics Raised
<b>Government</b>	Official letters/emails, periodic assessments, compliance filing and reporting, annual financial report, sustainability report	As required	<ul style="list-style-type: none"> <li>Formal notices, applications, policies and regulations, compliance, interventions and applications, etc.</li> </ul>
<b>Social Media</b>	Press releases, media parley, sustainability report, annual financial report, conferences, notifications, seasonal messages,	Weekly, Monthly, Quarterly, and as required	<ul style="list-style-type: none"> <li>Governance restructuring, Advertisement, public service announcements, social and environmental impacts.</li> <li>Company's strategic initiatives, new package design, product usage, seasonal greetings, corporate updates</li> </ul>
<b>Financiers/ Banks</b>	Annual financial report, sustainability report, meetings	As required	<ul style="list-style-type: none"> <li>Investments opportunities, loan financing, credit negotiations, interest rates</li> </ul>
<b>Labour Unions</b>	Meetings, emails, letters, sustainability report, courtesy Visits	As required	<ul style="list-style-type: none"> <li>Labour laws and regulations, productivity, employees' rights &amp; obligations, safe working conditions, compensations, and benefits.</li> </ul>
<b>External Affiliations/ Associations</b>	Letters, meetings, sustainability report, workshops, other forums.	Monthly, biannually, annually and as required	<ul style="list-style-type: none"> <li>Membership subscriptions, partnerships, policy reviews</li> </ul>
<b>Investors/ Shareholders</b>	Annual General Meetings, investors relations forum, quarterly and annual financial report, sustainability report, newsletters	Continuous	<ul style="list-style-type: none"> <li>Quality of leadership, business strategy and updates, financial performance, dividends, corporate governance,</li> <li>Board composition, external reporting, ESG compliance, company performance</li> </ul>
<b>Non-Governmental Organisations/ CSOs</b>	Annual financial report, sustainability report, meetings, partnerships, courtesy Visits	As required	<ul style="list-style-type: none"> <li>Community development, environmental impacts, social initiatives, partnership for sustainable development and goals</li> </ul>



**ESG and Regulatory Compliance**

We had no penalties or non-compliance incidents during the year under review as we continue to adhere to the ESG Principles, Guidelines, and Nigerian laws in which we operate such as:

- United Nations Global Compact (UNGC)
- The United Nation’s Sustainable Development Goals (UN SDGs)
- Global Reporting Initiative Sustainability Reporting Standards (GRI)
- The Nigerian Exchange Group’s (NGX) Sustainability Disclosure Guidelines
- Securities & Exchange Commission Code of Corporate Governance (SEC CCG)
- Nigerian Code of Corporate Governance (NCCG)
- National Environmental Standards and Regulations Enforcement Agency (NESREA)
- Federal & States Ministry of Environment
- Federal & States Ministry of Agriculture and Rural Development
- Federal & States Ministry of Labour and Productivity
- Federal & States Environmental Protection Agencies (e.g., LASEPA)
- Federal Road Safety Corps (FRSC)
- Host Local Government Areas
- Industrial Training Fund (ITF)
- International Financial Reporting Standards (IFRS) on Sustainability (S1 – General Disclosures and S2 – Climate-related Disclosures)
- National Agency for Food and Drug Administration and Control (NAFDAC)
- Standards Organisation of Nigeria (SON)
- Manufacturers Association of Nigeria (MAN)
- Nigerian Port Authority (NPA)
- Global Food Safety Initiative (GFSI)
- Nigerian Sugar Master Plan (NSMP) - Nigerian Sugar Development Council (NSDC)



Furthermore, we ensure strict compliance with our internal policies on governance matters such as Anti-Bribery & Corruption Policy, Board Appointment Policy, Board Code of Conduct Policy, Board Succession Policy, Conflict of Interest Related Party Transactions Policy, Dividend Policy, Executive Management Succession Planning Policy, Board Training Policy, Insider Trading Policy, Whistle Blowing Policy, Communication Policy, IT Data Governance Framework, and the Enterprise Risk Management Framework.

**Culture-based Ethics and Integrity**

Dangote Sugar Refinery Plc has long been a pillar of ethical business practices and sustainability within the Nigerian industrial landscape. Our company culture is deeply rooted in a commitment to integrity, transparency, and social responsibility, which guides every aspect of our operations. We continuously embrace practices that protect the environment and contribute to the well-being of local communities.

**Association and Membership**

DSR continues to use its alliances and membership in the Manufacturers Association of Nigeria (MAN) and the National Sugar Development Council (NSDC) to promote modern operational efficiency and operationalisation of sustainability in the sugar manufacturing sector/industry. We also indirectly support the UNGC and the World Economic Forum (WEF), as pledged by our parent firm, Dangote Industries Limited. Our Bonsucro membership offers us access to certifications, best practices, and a network of industry leaders, helping us improve efficiency, reduce environmental impact, and meet ESG commitments, ultimately enhancing DSR’s market access and brand reputation



### ESG Awards and Recognitions

We obtained three major awards in 2025 in recognition of our commitment to operational excellence, product quality, and improved sustainability performance, including:

- National Sustainability Awards – Best Sugar Manufacturing Company of the Year 2025
- National Sustainability Achievements Awards 2025
- MFI Award – Best Sugar Fortification Company (Technoserve)





## 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.



### Isiaka Bello, PhD.

Chief Finance Officer

#### Revenue Growth

The company recorded a higher revenue growth of 25% moving from N665.7 billion to N829.2 billion. This was largely complimented by higher prices. The company continued to grow and develop its supply chain footprint in Nigeria complimented by excellent customer care that sustained customer loyalty to sustain the revenue growth. The company's primary focus remains adding value to its customers and growing stakeholders' wealth with high quality sugar.

#### Impact of Naira Devaluation

The company continues to depend heavily on imported raw materials, spare parts, and critical chemicals to sustain its sugar production. This also precipitates a major risk to the company because of persistent dearth of foreign exchange to procure imports. The year 2025 witnessed an improvement of the Naira against the USD and major currencies when compared with 2024. Despite this, the accelerating costs of procuring foreign exchange escalated the inputs and conversion costs for the company, due to dependence on imported critical materials. The exchange loss incurred due to the appreciating currency fell impressively by 78% moving from N208.7 billion in 2024 to N46.7 billion in 2025 arising from re-pricing of dollar denominated obligations, and the stabilisation of the exchange rate between Naira and USD from the second half of 2025 that resulted in

## Chief Finance Officer's Review

much lower foreign exchange devaluation losses and gains. The Naira appreciated against US Dollars by 7% in the year ended from a spot rate of N1,549 in 2024 to N1,440 in 2025. This nonetheless has been influenced by the prevailing national macroeconomic factors affecting Nigeria and consequently impacting on manufacturing organisations in the country.

#### Strong Reporting Governance Framework

The company maintains a strong internal control environment and continued to increase the usage of its SAP ERP systems to automate critical processes and improve internal controls, that contribute to financial reporting and operational efficiency. For the Year ended 31 December 2025, the company has been successfully compliant with the requirements of ICFR (Internal Controls Over Financial Reporting) as required for all listed and affected companies in Nigeria, in compliance with directives of the SEC, Investments and Securities Act, 2007 the Sections 60 to 63, for all listed companies in Nigeria which are required to implement relevant internal controls over financial reporting and Auditors are required to review the same and issue a statement on the existence, adequacy and effectiveness. Consequently, the auditors have issued clean and satisfactory reports on the company's internal control adequacy.

#### Good Relationships with Banking, Financing Partners, and Investors

Our financing and banking partners continue to play a commendable critical role of supporting DSR's financing needs and securing customers' collections. The company continued in 2025 to issue Commercial Papers to compliment its financing during the year ended 2025 and on all outings, the offers were fully taken till date.

#### Profitability and Cashflow

The Group's gross Profit grew by 294% from N31.1 billion in 2024 to N122.6 billion in 2025, majorly due to easing exchange rate by 7% while the group's operating profit grew from N12.7 billion in 2024 to N96.1 billion in 2025, an increase of 659%. However, the impact of losses on CBN invalidated forwards resulted a FX devaluation loss of N66 billion, that is not included as part of the operating profit.

The business recorded an increase in cash generated from operations by 104% from a 376 billion deficit in 2024 to a N13.7 billion surplus in 2025. Capital Investment activities also rose from N22.3 billion in 2024 to N40.2 billion in 2025, an 80% increase.

Being the market leader in the industry sector, with about 50% market share, DSR will continue to strive for



continuous improvements in all areas of its business. DSR Management remain cautiously confident about the company's future financial performance and is ready to face the prospects and challenges that year 2026 presents.

Below are the 2025 financial performance summary highlights.

## Financial Highlights

### Sales Volume

Year ended	31st December 2025	31st December 2024
Volume sold	000 bags	000 bags
Lagos	6,406	5,309
North	4,333	3,069
West	768	787
East	404.6	296
<b>Total volume</b>	<b>11,912</b>	<b>9,461</b>

### Revenue

Year ended	31st December 2025	31st December 2024
Revenue	N'm	N'm
Lagos	462,881	373,531
North	293,137	215,909
West	53,493	55,457
East	19,703	20,793
<b>Total Revenue</b>	<b>829,215</b>	<b>665,690</b>

Revenue increased by 25% from N665.7 billion to N829.2 billion on account of a combination of both volume and price increases in the year

### Manufacturing and Operating costs

Year ended	31st December 2025	31st December 2024
	N'm	N'm
Raw material	573,374	546,051
Direct labour cost	11,940	9,132
Direct overheads	60,327	52,023
Depreciation	24,242	9,048
Freight expenses	36,703	18,328
<b>Total manufacturing costs</b>	<b>706,586</b>	<b>634,580</b>

Manufacturing costs increased by 11% between 2024 and 2025 from N634.6 billion to N706.6 billion mainly from increased landed cost of materials and increased gas cost due to rate charged in the first half of 2025.

### Administration and Selling Expenses

Year ended	31st December 2025	31st December 2024
Administration and Selling Expenses		
Administration expenses	60,327	52,023
Selling expenses	24,242	9,048
Total Administration and Selling expenses	36,703	18,328
<b>Total Administration and Selling expenses</b>	<b>706,586</b>	<b>634,580</b>

### Focus on Nigeria Sugar Master Plan and BIP Performance

DSR's continued to support the development of the Nigerian Sugar Master Plan, DSR's Backward Integration Projects (BIP). Our company remains the leader in the BIP performance. A BIP Unit has been created to accelerate the pace of development in this regards, More financial resources is also being committed to this cause.

Total Administration and Selling expenses increased by 45% from N19.7 billion to N28.6 billion majorly due to increased employee, legal/professional fees and maintenance.

### Finance Income and Finance Costs

Year ended	31st December 2025	31st December 2024
Interest and similar income/expense		
Interest income	4,526	7,613
Exchange loss	(46,723)	(208,903)
Finance cost on Letter of Credit	(38,361)	(53,020)
Interest on lease payments	(254)	(476)
Interest on bank loan	(33,531)	(7,255)
Interest Commercial Paper	(40,087)	(19,585)
Interest on Overdraft Issuance Cost	(15,075)	(11,282)
Commercial Paper	(1,317)	(756)
Net finance income/(cost)	(170,822)	(293,665)

Interest income decreased by 27.9% mainly due to reduced investment in deposit placements.

The decrease in finance cost by 42% is due to decreased negotiation charges due on LC obligations, reduced FX revaluation loss on LC obligations and a marginal increase in interest on borrowing on banks credit facilities and on commercial papers

### PROFITABILITY

Year ended	31st December 2025	31st December 2024
EBITDA by operating region	N'm	N'm
Lagos	107,670	37,489
North	29,487	2,463
West	9,869	2,983
East	2,562	47
<b>Total EBITDA</b>	<b>149,589</b>	<b>42,982</b>

Group earnings before interest, tax, depreciation, and amortization (EBITDA) for the year increased by 248% to N149.6 billion up from N42.9 billion in 2024 because of decreased cost of raw material and conversion cost.



**Year ended 31st December 2025 31st December 2024**

	N'm	N'm
Group EBITDA	149,589	42,982
Depreciation, amortization, and impairment	(46,520)	(12,598)
<b>EBIT</b>	<b>103,069</b>	<b>30,384</b>
EBITDA margin (%)	18.04%	6.46%
Operating profit (N'm)	96,130	12,671
Loss before tax (N'm)*	(72,279)	(270,894)
Loss after tax (N'm)	(64,117)	(192,617)
EPS(Kobo)	(528)	(1,586)

\*Loss before tax is inclusive of change in fair value of biological asset

	2,413	10,100
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The Groups Loss after tax decreased from a Loss of N192.6 billion in 2024 to a loss of N64.1 billion in 2025 billion majorly because of reduction in exchange loss and revaluation gain net effect, the reduction of 78% from a 2024 position of N208.7 billion to N46.7 billion in 2025 arising from the stable Naira to USD exchange rates.

The loss before tax for the year was further exacerbated by an FX revaluation loss of N66bn incurred on invalidated FX forwards of \$58m returned as invalidated by the CBN.

**Taxation**

Taxation comprises corporate income tax, tertiary education fund, police trust fund levy, and deferred tax. The tax charge decreased in the year because of increase in deferred tax asset balance at 31 December 2025. The total tax charged on all tax components in 2024 was N78.3 billion while N8.2 billion was charged on the loss of 2025, a decrease of 90%.

**FINANCIAL POSITION**

**Year ended 31st December 2025 31st December 2024**

	N'm	N'm
Property, Plant and Equipment	613,409	616,645
Other non-current assets	9,193	8,231
<b>Intangible assets</b>		
<b>Total Non-Current Assets</b>	<b>622,602</b>	<b>624,876</b>
Current assets (excluding cash)	290,743	317,790
Cash and bank balances	52,580	108,167
<b>Total Current Assets</b>	<b>343,324</b>	<b>425,957</b>
<b>Total Assets</b>	<b>965,926</b>	<b>1,050,833</b>

and impairment		
Non-current liabilities	45,097	39,807
Current liabilities	791,849	798,798
<b>Total Liabilities</b>	<b>836,945</b>	<b>838,605</b>
<b>Equity</b>	<b>128,980</b>	<b>212,228</b>
<b>Total Equity and Liabilities</b>	<b>965,926</b>	<b>1,050,833</b>

**Capital expenditure**

**Capital expenditure by assets**

class	31st December 2025	31st December 2024
	N'm	N'm
Land & Building	381	4,686
Plant & Machinery	2,557	1,887
Motor Vehicles	5,434	7,786
Others	583	426
Capital WIP	26,984	1,309
Bearer Plant	8,484	10,888
<b>Total</b>	<b>44,424</b>	<b>26,980</b>

Capital expenditure comprised of assets procured to sustain and develop the Apapa sugar refinery operations in Lagos for production of refined sugar for sales; while the Land and Building and the Bearer Plant were mainly for the Backward Integration Projects in Numan and Nasaraawa.

**Recommended Dividend**

In view of the loss situation of the company, The Board of Directors have not recommended any dividend at the Annual General Meeting.

**Going Concern**

The Management continue to apply the Going Concern principle in the preparation of the Financial Statements. With the improving signals from all financial indicators, the Directors are of the opinion that there are no significant threats to the Group's going concern capabilities.

**Working Capital**

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

**Isiaka Bello, PhD.**

Chief Finance Officer

Dangote Sugar Refinery Plc



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