Nascon Allied Industries Plc

2022 ANNUAL REPORT

POSITIONING For TOMORROW

DANGOTE

CONTENTS

Our 2022 Annual Report combines our financial and sustainability performances into a collaborative report that explains the Company's ability to create and sustain value for shareholders.

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

OUR VISION, MISSION & CORE VALUES

Vision

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

Mission

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

Core Values

Customer Service

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

Excellence

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

Leadership

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

Entrepreneurship

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

DANGOTE

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

Let's Begin

DANGOTE Salt Refined & Iodized

At A Glance: Our Financial Perfomance

2022 Revenue: ₦58.79B

2018	2019	2020	2021
25.77	27.49	28.01	33.28

2022 EBITDA: ₦11.74B

2018	2019	2020	2021
7.08	5.14	6.36	5.05

2022 Operating Profit: ₦8.67B

2018	2019	2020	2021
5.98	2.90	4.03	4.32

2022 Net Profit: ₦5.47B

2018	2019	2018	2021
4.42	1.85	2.69	2.97

2022 Total Assets: ₦55.53B

2018	2019	2020	2021
30.27	38.67	44.31	40.52

2022 Total Equity: ₦19.04B

2018	2019	2020	2021
11.89	11.09	12.72	14.63

2022 Earnings per Share: ₦2.06

2018	2019	2020	2021
1.67	0.70	1.02	1.12

2022 Proposed Dividend per Share: ₦1.00

2018	2019	2020	2021
1.00	0.40	0.40	0.40

Company Overview

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

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

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

Our History

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

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

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

Our Plants

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

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

We made a strategic decision in 2011 to grow the Company through new product lines. We took advantage of our existing site in Ota and construction activities commenced in 2012.

The seasoning plant was commissioned in 2014. The tomato paste packaging plant, which is designed to produce and package tomato paste from tomato concentrate was commissioned in 2015. The vegetable oil refinery was commissioned in 2015 to produce refined vegetable oil from crude palm oil. The vegetable oil plant was sold in 2021. Due to the foreign exchange policies, the tomato paste plant was mothballed in 2021.

We commissioned a state-of-the-art Salt Refinery plant in Apapa in 2021 as we position the company for the future.

Seasoning

Ota

Seasoning is presently available in our classic flavour variant.

Salt

Apapa, Port Harcourt & Salt Village

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

Chairperson's Statement

"To ensure we maintained our market position, we regularly reviewed our strategy in line with market and economic realities."

Distinguished Shareholders,
On behalf of the Board of Directors, it is my pleasure to welcome you to the 2022 Annual General Meeting of Nascon Allied Industries Plc and present the Annual Report and Accounts for the financial year ended 31st December 2022. I would like to express my sincere appreciation to the Board of Directors, Management, Staff, Shareholders and all other Stakeholders for their support and commitment as we sought to surmount the various challenges that we experienced in the business environment.

Review of 2022 Business Environment
High inflation and forceful monetary tightening in several economies defined the global economy in 2022. Unabated fighting in Ukraine caused interruptions, particularly in the delivery of gas for industrial and domestic use. Additionally, as millions of Ukrainians sought shelter in other European nations, the crisis worsened the global refugee problem.

Some of the largest economies in the world, saw production declines in the second quarter of 2022, which resulted in a decline in worldwide output. Several shocks were experienced by an already fragile global economy in the aftermath of the pandemic. Financial circumstances became more restrictive as a result of global inflation that was higher than projected, particularly in the major economies of the United States and Europe.

The business situation was undoubtedly very challenging on the domestic front. During the course of the year, the price of key components and materials used in the manufacturing industry increased significantly. The price of automotive gas oil (AGO) increased greatly and had an impact on economic activity. The average retail price of AGO was ₦288.09 per litre in January 2022 and ₦817.86 per litre at the end of the year, according to the National Bureau of Statistics (NBS). The working climate was made worse by the large price disparity and the lack of the goods.

The year was further marked by low oil proceeds/revenues, limited cash flows, foreign exchange shortages, which resulted in the Naira losing value against major currencies and led to the implementation of new monetary policies by the Central Bank of Nigeria (CBN).

The CBN's Naira redesign policy went into effect in December 2022. According to the CBN, the redesign was done to address general issues with the management of the current series of banknotes as well as other forms of cash in circulation. According to data, approximately 80% of the cash in circulation is not kept in commercial banks' vaults, resulting in wide-spread hoarding of bank notes by the general population.

Other challenges mentioned in the report included the growing risk of counterfeiting, as shown by a number of security reports, the worsening lack of clean banknotes leading to an unfavorable view of the CBN, and the heightened risk to financial stability.

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

For the financial year ended 31st December 2022, we recorded a turnover of ₦58.79B representing a 77% increase from the previous year (2021: ₦33.28B). Profit After Tax increased by 84% to ₦5.47B, compared to ₦2.97B in 2021. Earnings per share also increased to ₦2.06 in 2022 compared to ₦1.12 in 2021. The Board has recommended for your kind consideration and approval at this AGM the payment of a dividend of ₦1.00 per 50 kobo share totalling ₦2.65B (2021: ₦1.06B).

Sustainability
Sustainability is a critical aspect of our business, and we are committed to creating value by balancing economic, social and environmental considerations. At Nascon, we have integrated sustainable practices that align with the United Nations Sustainable Development Goals (SDGs), into every aspect of our operations.

In view of this, we reduced our greenhouse gas emissions by 5% compared to the previous year. We have also implemented waste reduction programs and have achieved a 28% reduction in hazardous and non-hazardous waste generated. In addition, we have strengthened our relationships with our employees, customers, suppliers and communities and supported initiatives that promote social well-being. We are proud to have received the Sustainability, Enterprise and Responsibility (SERAS) Award for gender equality/women empowerment and best environment friendly initiative and we also performed the Sedex Members Ethical Trade Audit (SMETA) during the year.

Looking forward
I am pleased to state that health, safety & environment and sustainability considerations remain major drivers of policy and strategy at Nascon. Although global and national pressures continue to pose challenges, we are optimistic about the future outlook as we continue to monitor the business environment. Despite the identified challenges, the Board and Management of Nascon are determined to continue on the right path to develop the business.

Appreciation
The Board of Directors wishes to extend its appreciation to all staff for their contributions and commitment in 2022. We would also like to thank our shareholders, customers and business partners for their confidence in us and support they have provided, even as we look forward to the continued development of long-lasting and mutually beneficial relationships with them.

Kindly accept the assurances of my highest regards.

'Yemisi Ayeni
Chairperson

"Our stakeholders have always remained our priority, as we recognise that we cannot thrive without their support"

Acting Managing Director's Review

I am pleased to be a part of Nascon's transformational journey as a market leader. Despite the challenges we faced, we are proud of our ability to maintain our vision, whilst maintaining our core values of customer service, excellence, leadership, and entrepreneurship.

1. In view of the challenging business environment in 2022, how would you say Nascon performed?

In the latter part of the year, there was increasing focus on the elections, with a lot of investors and other stakeholders choosing to adopt a wait and see approach. We are optimistic that the incoming government will implement positive changes which will support the business environment.

Despite the challenges experienced in the business environment, we achieved revenues of ₦58.79B, compared to ₦33.28B in the previous year. The profit after tax for the year was ₦5.47B compared to ₦2.97B in the previous year with earnings per share of ₦2.06 compared to ₦1.12 in the previous year. Similarly, the proposed dividend increased to ₦1.00 from ₦0.40 in the previous year. This performance reflects our commitment to deliver consistently good results to our shareholders by selling high quality products at affordable prices, backed by striving for excellence in all we do.

2. What were the main business challenges Nascon faced?

Although the world is increasingly adapting to the after-effects of the Covid-19 pandemic, the general business challenges remained. The insecurity in parts of the country, congested ports and poor road infrastructure, unstable power supply along with employee emigration, traffic gridlock, fuel scarcity issues, foreign exchange issues all contributed to the challenges of doing business.

Our stakeholders have always remained our priority, as we recognise that we cannot thrive without their support. In particular, our employees are encouraged to develop themselves, whilst we ensure that their welfare is taken care of. In the same vein, we regularly provided support to our host communities. We also ensured that we liaise with our distributors, vendors and contractors, to

Managing Director's Review

ensure that they are in active support of our position on issues relating to integrity and forced labour. In addition, we are in constant communication with our regulators, to ensure that our operations remain within the realm of the law. It is in the light of this that we have cultivated a compliance-conscious culture, and ensure that a structured approach to risk management is adopted.

3. How has Nascon achieved its sustainability goals?

We are excited that this Annual Report includes our sustainability report in accordance with GRI Sustainability Reporting Standards. Therefore, we remain in compliance with the regulatory requirements of the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs), while also fulfilling our responsibility of disclosing a detailed sustainability performance to our stakeholders. In our contribution to the art world, the annual Dangote Salt Art Challenge received hundreds of talented entries, with various cash prizes for the winners. In continuing with our habit of excellence, we obtained a current good manufacturing practices certification from NAFDAC, as well as certifications to ISO 22000:2018 - food safety management systems standard and ISO 9001:2015 - QMS standard.

As a responsible organization, whilst we proactively anticipated potential obstacles and challenges, we ensured that we were nevertheless able to deliver on our mission to set a good example in all areas of business.

4. How does Nascon plan to position for growth, whilst sustaining its profitability?

Our core competence in our business is to refine crude salt for both human and animal consumption. This is an area that we have focused our business to attain leading customer service standards. Our plan for future growth is to continue to develop these markets and drive cost savings within the business, as input costs skyrockets.

Nigeria is blessed with a huge consumer base and opportunities; we will be part of these opportunities and contribute our quota to poverty eradication. No child should sleep without a meal and salt is in every pot. I am proud to state that our growth agenda remains a responsible growth agenda.

5. What is the outlook for Nascon in 2023?

In spite of the challenges faced in 2022, I am optimistic that 2023 will involve the capitalization on our gains, leading to greater productive efficiency and enhanced resource utilisation.

On a closing note, I would like to express my gratitude to all our stakeholders, in particular our customers, distributors, staff, suppliers and other strategic stakeholders for their support and I look forward to continuing warm business relationships.

Thabo Mabe
Acting Managing Director

2022 ANNUAL REPORT

SUSTAINABILITY

Our Approach to Sustainability

We have a strong commitment to securing a sustainable future for our business and stakeholders. In order to advance the economic, social, and environmental well-being of the market where we operate, we use cutting-edge and ethical business processes to put this enthusiasm into action. Our goal is to not only establish ourselves as Nigeria's leader in the production of salt, but also as a remarkable organization that generates significant value. Delivering on our responsible business purpose is more important than ever given the immense challenges the globe is facing, especially climate change and food insecurity.

Thus, the Nascon sustainability approach is strategically in line with the Dangote Group's Sustainability Strategy, which is supported by the seven (7) strategic sustainability pillars intended to mainstream sustainability throughout all our departments and operations. The Dangote Way, as it is aptly known, is the embodiment of our dedication to conducting business responsibly by incorporating best practices into every facet and link in our value chain. The 7 Sustainability Pillars offer the ideal foundation for establishing and sustaining our corporate values and strategic goals.

Using "Sustainability Thinking," we can strike a balance between our financial, operational, and institutional objectives with our economic, social, and environmental concerns while also making sure that our actions protect both current and future generations' well-being. We lay a strong emphasis on upholding our moral principles and respecting the local cultures in the markets where we conduct business.

Cultural

Embody our core values in the way we do business, including fostering respect for cultural diversity both in our internal and external relations. To achieve this, we actively encourage teamwork, empowerment, inclusion, equal opportunities, mutual respect, integrity and meritocracy in our organisation.

Economic

Promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialization across Nigeria; establishing efficient production facilities and developing resilient local economies in strategic locations and key markets where we play.

Operational

Serve and satisfy our markets by working together with partners to deliver the best products and services to our valued customers and stakeholders through continuous product improvement, new business development, employing state-of-the-art technologies and systems to constantly optimize our product value and cost-efficiencies.

Social

Create a learning environment and platform for our employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer, local entrepreneurial development, social investments and corporate social responsibility best practices.

Environmental

Create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimizing our performance in resource and energy efficiency, water management and emissions.

Institutional

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

Financial

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

Sustainability

Our Reporting Practice

This Nascon Allied Industries Plc Sustainability Report, which is in accordance with the GRI Sustainability Reporting Standards, addresses our significant social, environmental, economic, and governance issues for the reporting year, which runs from 1 January to 31 December, 2022. It provides our stakeholders with information about how we performed in these areas during the year under review as well as the strategies and processes we are using to make ongoing improvements. To advance our integrated and balanced scorecard reporting approach, this Sustainability Report supplements our 2022 Annual Report. As a result, the writing and organisation of this Report follows the seven (7) Dangote Sustainability Pillars. The scope and boundaries of this Report includes all our operations in Nigeria consisting of our facilities in Lagos, Ogun, and Rivers States as well as our fleet operations.

Target 16.3, 16.6, 16.7

Agenda 2063 The Africa we Want — Aspiration 1 | Goal 1, Aspiration 6 | Goal 17

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

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

We have cross-referenced and benchmarked our Report against the Securities and Exchange Commission (SEC) Code of Corporate Governance and the Financial Reporting Council of Nigeria Code of Corporate Governance (NCCG). The data for developing this Report was gathered in accordance with the 2021 GRI Sustainability Reporting Standards Disclosures and Principles. The Report was presented for the GRI Content Index - Essentials Service to assess the correct application and reference of the GRI Standards. The Report was awarded the GRI Service Mark after the assessment exercise. Using the ISAE (International Standard on Assurance Engagements) 3000 Standards, Deloitte Nigeria conducted a limited external assurance on key indicators in the Report, to further confirm and strengthen the Report's credibility.

Building on the milestone of last year, this 2022 report is Nascon Allied Industries Plc's second sustainability report in accordance with GRI Sustainability Reporting Standards

Our 2022 Milestones At A Glance:

Cultural Pillar

- 5% increase in total workforce.
- 8% increase in female workers.
- Five (5) core sustainability trainings sessions executed in 2022.
- 200 Nascon employees volunteered 1,000 hours for sustainability week initiatives.

Economic Pillar

- Over 250,000 jobs (direct, indirect, and induced) supported by Nascon business operations.
- Direct household income contributions up by 3.3%.
- Indirect household income contributions up by 36.8%.
- Economic Value Created and Distributed increased by 61%.
- Tax payments increased by 129%.

Operational Pillar

- Salt production grew by 18.7% while seasoning production grew by 30.7%.
- Local procurement spending was ₦19.84 billion, a 29.27% increase.
- Our plants are ISO 22000:2018 Food Safety Management System; current Good Manufacturing Practises (cGMP); SMETA (Sedex Members Ethical Trade Audit) Four-Pillar; and Halal Certified.

Social Pillar

- Zero cases of bribery and corruption across all our operations.
- 298 unique health and safety trainings.
- Zero cases of discrimination in our business operations.

Environmental Pillar

- Energy intensity dropped by 9.78% (from 0.36 GJ/tonne of salt to 0.33 GJ/tonne of salt).
- Natural gas accounts for 72.85% of our fuel mix.
- GHG emission intensity deacresed by 5.04% year-on-year (from 21.12 kgCO2/tonne of salt to 20.06 kg CO2/tonne of salt).
- Water intensity reduced by 47.23% (36.71 litres/tonne of salt) year-on-year.
- 20 trees planted by Oregun office.

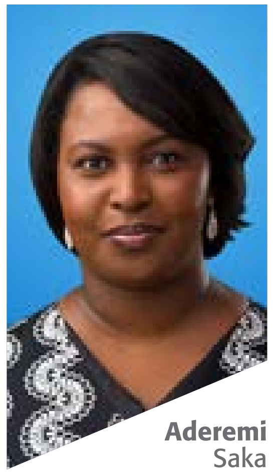
Institutional Pillar

- Executed robust stakeholders' survey and materiality assessment for Employees, Communities, Investors and Supply Chain Partners.
- Progressed in the implementation of our prioritized SDGs (Goals 2, 3, 6, 12, 13).
- Won Best Company in Gender Equality & Women Empowerment at SERAS Africa CSR/Sustainability Awards.

Management Team


Thabo Mabe

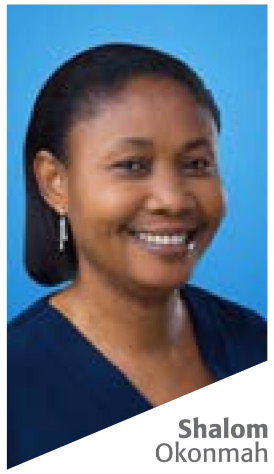

Fatima Aliko-Dangote


Aderemi Saka


Murtala Zubair


Olushola Shosanya


Olusegun Ajala


Shalom Okonmah


Adedayo Samuel


Ayokunle Ushie


Patrick Mogaha


Tunde Iwamofe


Kolawole Samuel

Management Team

Thabo Mabe
Managing Director
Thabo was appointed the Acting Managing Director of Nascon Allied Industries PLC on February 12, 2022. He holds a Bachelor of Science Degree in Chemistry and Mathematics from Fort Hare University, South Africa. He joined Unilever as a graduate trainee and served in various capacities and gained experience in manufacturing, productions, sales and other spheres of work. In 1999, he was appointed Works Director of the Personal Wash Factory in Germany.

Thabo returned to South Africa and was appointed Manufacturing Director and then VP Supply Chain for Unilever HPC in 2004. When Unilever, HPC and foods divisions were consolidated, Thabo was appointed Vice President Marketing for Spreads, Cooking and Ice Cream and later Vice President, Homecare. He was appointed to the Board of Directors and CEO of Unilever Nigeria in 2010. Thabo joined Dangote Group as the MD/CEO of Dangote Flour Mills Plc in 2014 before moving on to oversee the rice business of the Group.

Fatima Aliko-Dangote
Executive Director, Commercial
Fatima is the Executive Director, Commercial. In this role, Fatima is responsible for leading the development and implementation of Nascon's commercial sales and marketing strategy with oversight for logistics, transportation and branding. She also provides guidance in ensuring strategic alignment with the Group, as well as corporate governance compliance.

Prior to this, Fatima held multiple roles within Dangote Industries Limited, as a Technical Specialist in the Strategy Department and performed the role of Executive Assistant to the Group Executive Director, Business Development and Portfolio Management at DIL. Fatima is a member of the Nigerian Bar Association, and was previously associate at Banwo & Ighodalo. Fatima is passionate about philanthropy and contributes her time pro bono to the Aliko-Dangote Foundation.

Aderemi Saka
Chief Financial Officer
Aderemi has 25 years of experience working in Nigeria and the United States with various multinationals and publicly traded corporations. Prior to joining Nascon as CFO, Aderemi was part of the Group Corporate Strategy team at Dangote Industries Limited. Prior to joining the Group in 2015, Aderemi held various roles at Verizon Business, MCI, American Tower Corporation and T/R Systems Inc.

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

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

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

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

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

Olusegun Ajala
Head, Marketing
Olusegun is a marketing professional with over 16 years' cognate experience in experiential marketing, consumer marketing, trade channel development, category management, shopper marketing, new product development, public relations, events and sponsorship.

He joined Nascon in 2016 having previously worked at Nigeria Bottling Company and Mouka Limited. He has a Bachelor's degree in Pure and Applied Chemistry from Ladoke Akintola University of Technology and Master's degree in Marketing and Management from the University of Bradford, UK. He is a fellow of the National Institute of Marketing of Nigeria, and a Certified Scrum Master in the USA.

Shalom Okonmah
Head, Procurement
Shalom has 24 years of work experience spanning sales, finance, treasury, procurement, international trade and importation. She holds an Accounting degree from Edo State University and a Masters in Business Administration from the University of Calabar.

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

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

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

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

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

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

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

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

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

Kolawole Samuel
Head, Operations
Kolawole joined the Company in 2004 and has worked in various capacities including Production Manager, Quality Control Manager, Maintenance Manager, Plant Manager and Operations Manager.

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

“We continue to create the opportunities for our staff to participate in various learning activities to help enhance their knowledge and skills.”

Human Resources Report

Our employees
To enable us to continue to provide quality products to our customers and bring about high returns to our stakeholders, we always ensure that we have the right compliment of staff. As at 31 December 2022, Nascon total staff strength was 911, comprising of 590 permanent employees and 321 temporary employees.

A total of 64 professional staff were recruited during the year. Their varied experiences will add further dimensions to the current level of skill-acquisition and decision-making capabilities in the organization and improve the quality of our work.

Staff were appraised at mid-year and at the year-end during the year of review (2022). At both milestones, we achieved 100% completion rates. Accordingly, Promotions, notch-increments, and performance bonuses were awarded considering the staff's ability and contributions.

The High Value and Succession Planning process was instituted during the year. The process sees to the management of key man risk and filling up of critical roles within the business. A total of eight (8) identified high value staff (successors) were presented to the Succession Planning Committee. Four (4) short-listed successors emerged across the HR & Admin, Finance & Account, Sales and Health, Safety & Environment Department respectively and are enrolled into various developmental programs. These include leadership and stakeholder-management trainings, exchange programs, opportunity to partake in the Monthly Performance Review and operations meetings, planned mentoring program and Occupational Safety Development Training Conference.

Learning and Development
In line with Nascon's training policy, we continue to create the opportunities for staff to participate in various learning activities to help enhance their knowledge and skills. Training need analyses were conducted in Q1, 2022 and efforts were geared towards closing identified skill gaps and attaining the mandatory training hours for all staff.

A total of 590 staff members attended 59 general training programmes and 275 staff took up 2059 e-courses on the Linkedin platform. Staff members were essentially sent for only local training in 2022. Overall, Nascon invested an average of 21 hours per staff on structured training for FY2022. Training expenditure per employee averaged N20,000.00.

Numerous personal and technical trainings were offered to employees across all cadres and departments by both external vendors, our in-house faculty, and the Dangote Academy. These courses include structured virtually led instructor trainings (47) and Instructor led-trainings (17), as well as informal Interactive training (1).

Core courses for junior officers ranged from Right Attitude in the workplace, Security Safety Training, Safe Use of Tools, and Equipment. The Middle Management Programme and People Development Programme aimed at encouraging strategic thinking and developing managerial skills. Specialized programmes such as Personal Finance, Business Ethics Training and current Good Manufacturing Practices Training were also held to meet particular needs. Also, statutory, and professional trainings offered include: 2022 ICAN Mandatory Continuing Professional Education (MCPE), 2022 Mandatory Proficiency Development Program of CIPSMN, 30th COREN Engineering Assembly, ITF Re-imbursement Training, Group Tax Function Meeting, Tax Promax and 2022 Chartered Institute of Taxation of Nigeria (CITN) Training.

Reward and Recognition
In 2022, three (3) Recognition & Reward initiatives were executed to drive the adoption of the Groupwide Learning Management System and consequently to build e-learning culture in Nascon Plc.

Foremost, five (5) staff were recognized for early activation of their respective Learning Management System accounts and completion of all courses assigned to them. Each plant and the Nascon corporate office were represented among the 5 Top E-learners. Secondly, Nascon achieved 100% activation of the Groupwide Learning Management System on August 16, 2022. Sixteen (16) change ambassadors were recognized for their efforts and commitment towards the attainment of this milestone. Lastly, functional-level collaborations directed at timely completion of all mandatory e-courses, was also celebrated. The Quality Control Department emerged the LMS Department of the Year (2022).

Overall, the organization achieved a 100% LMS Adoption rate and 89% Course-Completion rates respectively, using the SuccessFactors digital platform.

Diversity and Inclusion
In previous year, we established a partnership with the Nigeria2Equal forum of the IFC and NGX Regulation Limited, to commence engagements around practices that promotes gender equality in organizations. This year, we focused on developing strategies to recruit and retain a more diverse workforce and creating greater awareness around DEI policies and initiatives. Actions taken include:

- Increased the number of women recruited into the organization. 12 new female employees in 2022; a 200% increment in number of women (4) engaged in 2021.
- Recruited Nascon's 1st female mechanical engineer in August 2022. This demonstrates the business' commitment towards the advancement of women in STEM (Science, Technology, Engineering and Mathematics).
- Sponsored one (1) senior female staff to the WIMBIZ Annual Conference. Another sponsorship enjoyed by a Senior Female Manager to attend the PWC-Gaia Africa Women in and Aspiring to Leadership training.
- Executed two (2) social and recreational activities held to foster teamwork and interaction: The International Women's Day (IWD) Celebration and World Breastfeeding Day Debate session, with over 300 attendees across the Group.

Nascon received The SERAS CSR Award for its commitment towards gender equality and women empowerment, among other global sustainability initiatives.

Conclusion
Despite the challenging operating business environment, the Nascon employees have resolved to continue to strive relentlessly to ensure better performance in year 2023.

Murtala Zubair
Head, Human Resources and Administration

Cultural Pillar

Building a culture of workplace empowerment and inclusion

Cultural Standards

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

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

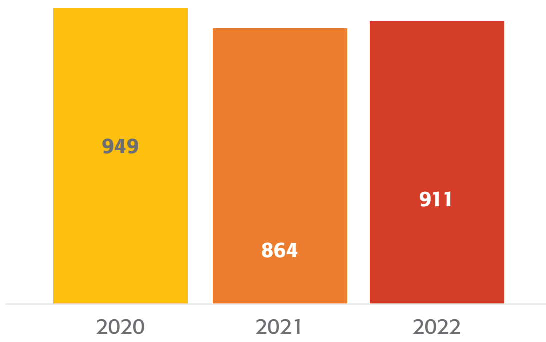
Our Employees

Our Company's core is its workforce, and we take pride in creating for them opportunities for self-actualization and professional growth.

The Nascon Workforce

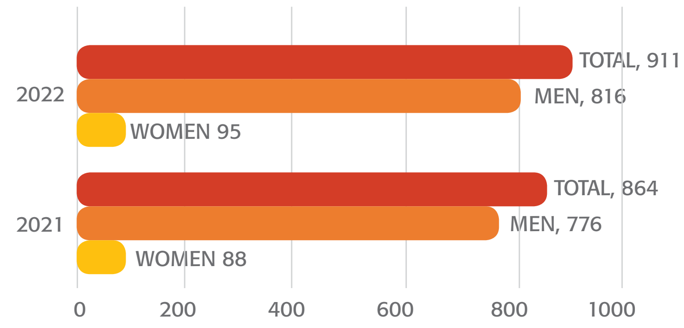
Agenda 2063 The Africa we Want Aspiration 1 | Goal 1, 4.

In 2022, we had a total of 911 employees, which represented a 5.44% increase from 864 in 2021. The total number of employees comprised of 590 (65%) permanent employees and 321 (35%) temporary employees.



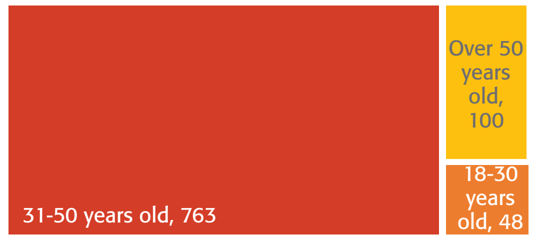
Total number of employees per year

In 2022, our workforce was made up of 95 females (10%) and 816 males (90%), showing an 8.0% increase in female workers (88) and a 5.2% increase in male workers (776) from 2021 numbers.



Total Number of Employees by gender per Year

A breakdown of our 2022 employee numbers shows the majority (84%) are within the age category of 31 to 50 years. There was no case of child labour in any of our facilities and fleet operations.



Age categories of the total workforce

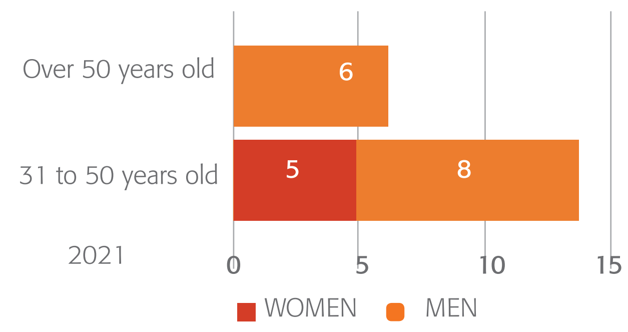
Cultural Pillar

Cultural Pillar

	Our employee categorization by gender per location			
		Permanent Employees	Temporary Employees	Total Employees Per Location
Men	Apapa Plant	59	0	59
	Salt Village Plant	158	14	172
	Oregun Office	85	30	115
	Ota Plant	50	12	62
	Port Harcourt Plant	83	8	91
	Fleet Operations	71	246	317
Women	Apapa Plant	4	5	9
	Salt Village Plant	24	2	26
	Oregun Office	35	1	36
	Ota Plant	10	2	12
	Port Harcourt Plant	3	1	4
	Fleet Operations	8	0	8

The executive and senior management staff is diverse in terms of age, gender, ethnicity, tenure, educational background, skills, experience, and knowledge, providing an environment for good and thoughtful outcomes. A total of 19 staff (5 women and 14 men) are classified as executive and senior management staff, ensuring the stability needed for effective management. The age categories show that 13 employees (68%) are between the ages of 31 to 50 years and six (6) employees (32%) are over 50 years in age.

Age and Gender Distribution of Executive and Senior Management in 2022

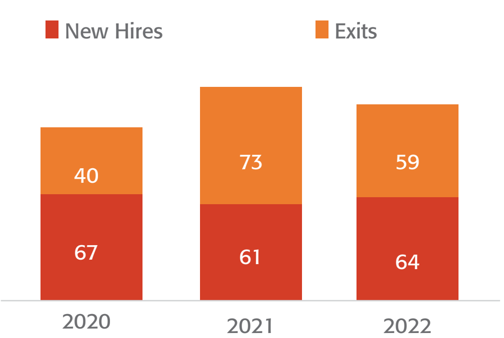


Employee Growth and Exits

Nascon recorded a total of 64 new hires in 2022 and 59 staff exits across all Plants and fleet operations, which is a 4.9% increase in new hires from 61 in 2021 and a 19.2% decrease in staff exits from 73 in 2021.

We filled 64 vacancies in 2022 (2021: 61) with Salt Village Plant recording the highest number of new hires (25; 39% of total hires) while the Apapa Plant had no new hires. Staff exit was highest in the Oregun office with 23 exits (39% of total exits) while the Apapa Plant had the lowest number of exits with 1 (2% of total exits).

Year-on-Year Comparison of New Hires and Exits



Location	2022		2021		2020	
	New hire	Exits	New hire	Exits	New hire	Exits
Apapa Plant	0	1	0	9	0	4
Salt Village Plant	25	15	30	13	18	3
Oregun Office	19	23	10	28	13	18
Ota Plant	2	2	0	7	10	8
Port Harcourt Plant	13	4	8	2	3	3
Nascon Fleet Operations	5	14	13	14	23	4
TOTAL	64	59	61	73	67	40

Cultural Pillar

Labour Practices and Benefits

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

Group Life Insurance	Nigeria Social Insurance Trust Fund
Paid Annual Leave	Parental Leave (Maternity Leave)
Retirement Benefits	Professional Body Subscriptions
Comprehensive Health Care	Dividend Ownership
Examination Leave	Long Service Awards

Female employees are entitled to three months of paid parental (maternity) leave. In 2022, two (2) women (working in Oregun office) utilized the maternity leave.

Furthermore, we complied with all labour and working conditions-related laws and other compliance obligations in 2022. This includes the Labour Act (1990), the Factories Act (1987), the Employee's Compensation Act (2010), the National Policy on Occupational Health and Safety (2020), and Nigerian Pension Reform Act (2014), amongst others. Our retirement plan and approach are fully aligned with the Nigerian Pension Reform Act (2014), in which we contribute 10% of the employee's salary while the employee contributes 8% to their pension account.

We ensure that our human resource policies and practices align with the International Labour Organisation (ILO) standards, International Finance Corporation (IFC) Performance Standard (PS) 2 (Labour and Working Conditions) and UNGC Principle 4, of which we uphold the elimination of all forms of forced and compulsory labour.

We have various human resources (HR) and corporate operational policies that help us manage day-to-day operations, bring uniformity to corporate operations and therefore reduce risks and liabilities in respect to our labour practices. These policies include Diversity & Inclusion Policy, Leave Policy, Employee Data Privacy Policy, Compensation & Benefits Policy, Harassment Policy, and others.

Learning and Development

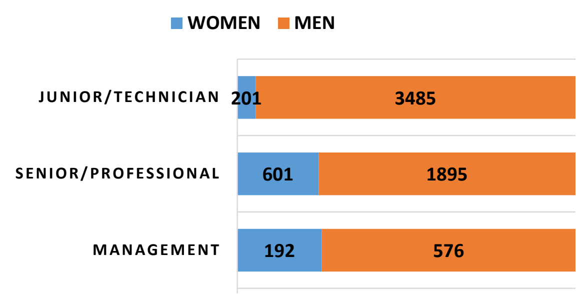
We understand that learning and development is a systematic process to enhance our employees' skills, knowledge, and competency resulting in better performance. As part of her way of upgrading employee skills and career development, Nascon provides programs that cover Leadership Development, Mentorship, Coaching and career transition assistance (like Management Development Program [MDP] and Management Acceleration Program [MAP]).

We have a career review process to ensure that employees' activities are in line with their personal/developmental goals as well as our corporate strategic plan. Career reviews take place throughout the year for all employees, and we ensured that for 2022, all permanent employees (100%) received regular career development and performance review at a cost of over ₦1,800,000 of investment in skills training and development.

In 2022, we trained 590 employees across all our plants deploying predominantly the virtual delivery method (89%) compared to 11% delivery via physical/classroom; and spending a total of 6,950 training hours at an average of 11.78 hours per employee. A total of 994 training hours were committed to training 84 female employees at an average of 11.83 hours per female employee. Also, 506 male employees spent a total of 5,956 hours in training at an average of 11.77 hours per male employee.

Our overall learning catalogue covered a total of 51 different unique training titles which helped individuals develop different skills and knowledge required at their respective cadre, with junior members of staff benefiting the most from those training sessions (3,485 hours for the men and 201 hours for the women in the junior cadre).

Training Hours for Employees 2022

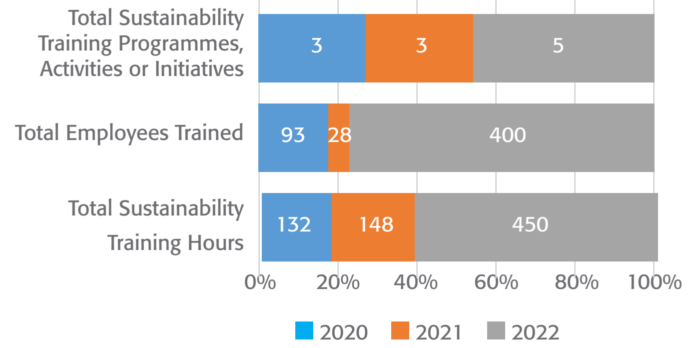


Cultural Pillar

Sustainability Training

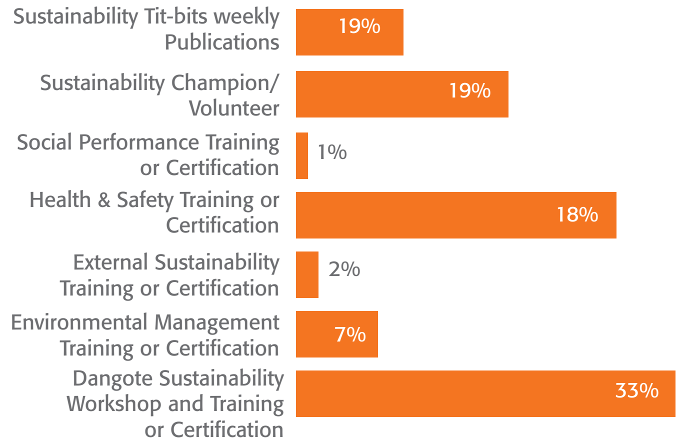
To actualize our sustainability goals and objectives, we recognize the need to continuously build capacity on sustainability standards and reporting. In 2022, our staff participated in sustainability-related training sessions hosted by the Group Sustainability Function, external consultants, and the International Finance Corporation (IFC). The sessions were focused on understanding sustainable business culture, the UN-SDGs and incorporating it into the Dangote way, and sustainability reporting. 400 employees participated in five (5) core sustainability training sessions recording a total of 450 training hours and an average of 1.13 hours per employee. This represented a 204% increase in total training hours for sustainability compared to 148 hours in 2021 but a 78.87% decrease in average sustainability training hours from 5.3 hours in 2021.

2022 Nascon Sustainability Training



A result from the Employees' materiality survey showed that employees' interest and engagement in sustainability were through the enhancement of their sustainability knowledge through various platforms and volunteering in our sustainability week.

Sustainability Knowledge Platforms



Cultural Pillar

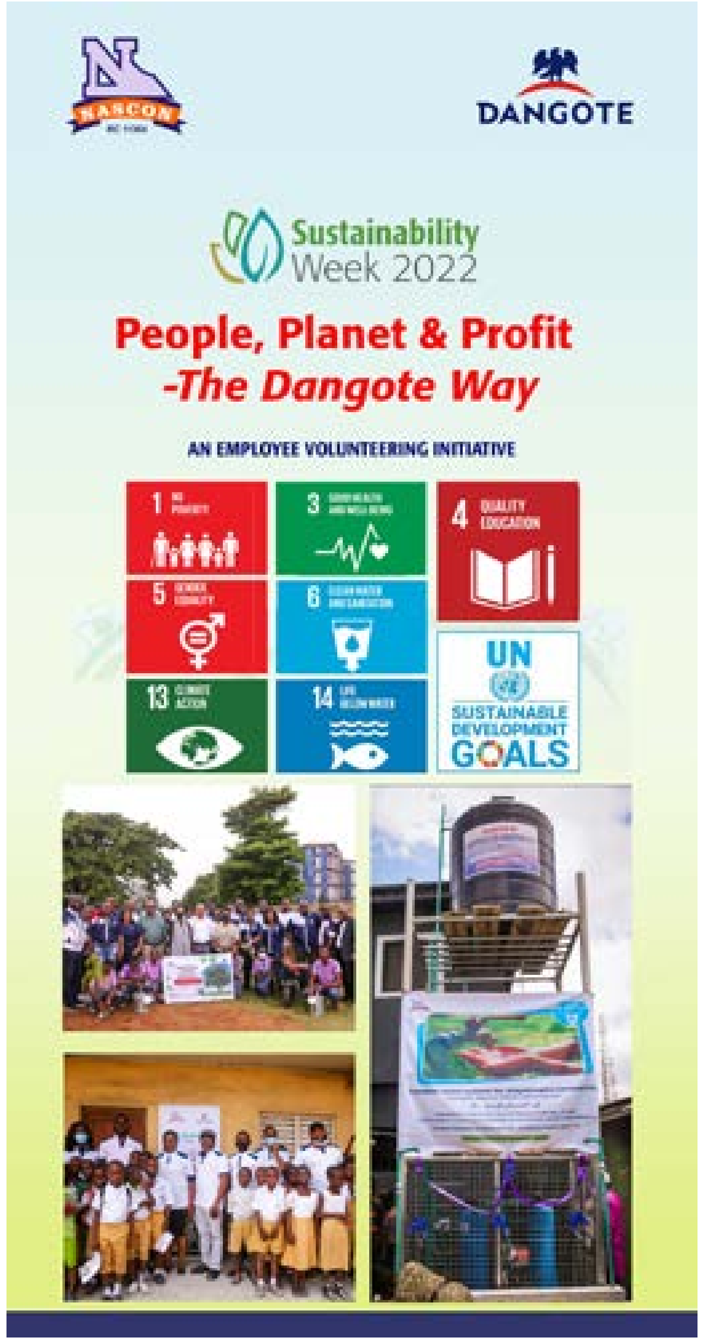
2022 Nascon Sustainability Week

Target 1.4 Target 2.3 Agenda 2063 The Africa we Want Aspiration 1 | Goal 1

The Nascon annual Sustainability Week is organised as an employee voluntary effort to have a demonstrable impact on the host communities and enhance their socio-economic wellbeing and environmental health.

The 2022 Sustainability Week was themed: "People, Planet, Profit" which is an affirmation of the Company's goal to imbibe the triple bottom line in our business decision-making process. The event was held from 24th to 28th October 2022 and availed staff the opportunity to utilise their skills, talents, and intellectual resources to make positive contributions to the society.

Two hundred (200) Nascon volunteers utilised 1,000 volunteering hours on initiatives that benefitted 900 students and five (5) host communities. The number of volunteers remained constant between 2021 and 2022, while the number of volunteering hours increased by 138%, from 420 to 1,000. This emphasizes our commitment to consistently support our local communities through the engaged participation of our workforce. As opposed to just one (1) school last year, three (3) schools and 65 teachers benefited from various gifts this year; some existing structures in the schools were also refurbished.



2022 Nascon Sustainability Week in Numbers

- 200 volunteers
- 1000 volunteering hours
- Beneficiaries: 900 Students, 65 teachers, 3schools and 5 Communities
- 6 strategic initiatives on sensitization awareness, digital skills, and water availability

Cultural Pillar

At St. Savior Nursery and Primary School, Ota, a campaign on environmental and social sustainability was held to inform students, and staff about the value of waste management; and the maintenance of one's health through hydration. The school also had its outdated school roof and lobby refurbished and decorated.

A social awareness campaign was organized at the Ijoko Police Station in Ota with the goal of raising the police team's morale in the Ijoko neighbourhood and making their host communities aware of how much their presence contributes to reducing insecurity.

A novelty match was organized as a way to emphasize the value of exercise, its advantages for being well and active, how it boosts employee morale, and how it fosters goodwill across all plants. This will ensure individuals live healthy lives, enhance employee welfare, and support SDG Goal 3 at the same time (Good health and wellbeing).

To raise awareness of the relevance of the topic "People, Life, Planet", a campaign to promote environmental and social sustainability was held at two (2) schools in the Alayabiagba community of Ajegunle. Damaged blackboards were replaced with new ones throughout the schools; thereby, contributing to the achievement of SDG 4 (Quality Education) in the process.

Majority of the respondents (97%) from Nascon's host community at the Salt Village Plant (Alayabiagba community) during the surveys and stakeholder engagement (KIIs and/ or FGDs) sessions indicated that they are unaware of Nascon Sustainability Week initiative. Also, 83% said "no" sustainability week initiative happened in the community while 16% said they are "not sure" and could not acknowledge these initiatives as they thought it was a routine CSR initiative. About 52% could not assess the impacts and benefits gained from the sustainability week initiatives thereby giving Nascon an average score of 1.03 out of 10.

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

Economic Pillar

Contributing to Nigeria's economic growth and development

Economic Standards

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

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

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

Our Direct Economic Impact & Performance in 2022: Role in the Food Industry Landscape

Target 1.1, 1.3 | Target 8.1, 8.2 | Target 17.1, 17.3 | Agenda 2063 The Africa we Want — Aspiration 1 | Goal 1, 4, Aspiration 7 | Goal 19, 20

The protracted Russia-Ukraine war which began early 2022 left the world in a devastated state. Nigeria had an alarming rate of inflation (highest since 2005), which was mostly driven by an increase in the cost of food, spike in the price of petrol and gas, and a crash in the value of the Naira. In 2022, inflation rose from 15.6% recorded at the beginning of the year in January, to 21.3% in December 2022, significantly affecting customer's purchasing power.

Despite these challenges, Nascon recorded a significant increase in economic value created and distributed (see economic performance) in 2022. We were able to grow our revenue year on year, which resulted in an increase in economic value dispersed in terms of taxes, purchases, salaries, dividends, and operational expenditures.

Indirect Economic Impact

Our value chain initiatives, consumer spending, and corporate financial commitments help local economies and have a cumulative impact on the reduction of poverty, the creation of jobs, and increased standard of living. Our premium spices and salts which we supply to homes, businesses, and industries reflect our support for sustainable development.

Our contribution to economic development of the Nation

Contribution to job creation

Target 1.4 | Target 8.2, 8.3, 8.5 | Target 9.1, 9.4 | Agenda 2063 The Africa we Want — Aspiration 1 | Goal 1, 4, Aspiration 2 | Goal 10, Aspiration 7 | Goal 20

We are committed to contributing our quota towards reducing the nation's escalating rate of unemployment, by providing employment opportunities for people between the ages of 18 and 50, which make up 89% (811) of our workforce (permanent and temporary/contract). It was established in 2022 that our business operations supported more than 250,000 jobs (direct, indirect, and induced) using the Social Accounting Multiplier Matrix.

Contribution to Household Income

Our direct household income contributions which include salaries, wages, and dividends amounted to ₦3.4 billion in 2022, up 3.5% from ₦3.3 billion in 2021. Our indirect household income contributions which consist of taxes, local purchases, and social investments amounted to ₦22.8 billion in 2022, up 36.8% from ₦16.7 billion in 2021.

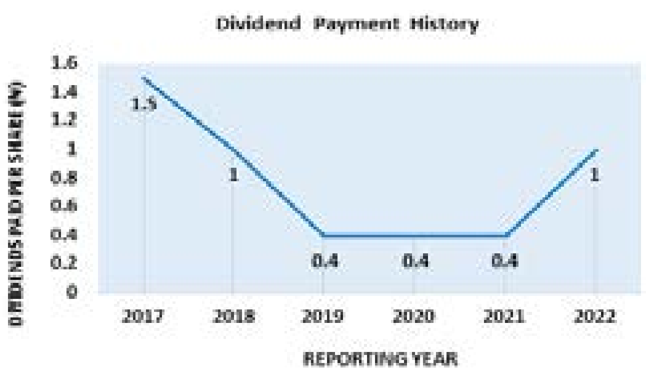
Contribution to Household Income			
Parameters	**2022**	**2021**	**2020**
Direct contributions	**₦'000**	**₦'000**	**₦'000**
Employees wages, salaries and benefits	2,381,334	2,263,997	2,068,563
Dividend paid to shareholders	1,057,562	1,060,122	1,059,775
Indirect Contributions			
Tax Payment	2,904,943	1,267,061	1,216,406
Local Procurements (All operations)	19,844,391	15,353,533	8,998,291
Social/Community Investments	33,254	35,864	21,134

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

This year, we recorded a 76.6% increase in our gross revenue generated. Our 2022 consumer activities and improved market penetration initiatives increased our gross revenue (economic value created), from ₦33.3 billion in 2021 to ₦58.8 billion in 2022. In a similar pattern, the amount of our economic value that was distributed (across operating expenses, employee wages and benefits, payments to capital providers, payments to governments by country, and expenditures in the community) increased by 61% from ₦25 billion in 2021 to ₦40 billion in 2022.

Dividend payment history

In accordance with legal requirements, we distribute dividends and update shareholders on our financial performance, as we are committed to ensuring that our shareholders see a positive return on their investments. This year, we are proposing to distribute a dividend of ₦1.00 per share to our shareholders, amounting to about ₦2.65 billion. The chart below displays our history of dividend payments:



Responsible tax payments

Nascon is devoted to complying with all legal requirements pertaining to the filing of taxes and other statutory returns, and we submit our annual tax payments to the government in compliance with the regulatory requirements. Our tax expense in 2022 was ₦2.905 billion, an increase of 129% from the tax payment of ₦1.267 billion in 2021. Further details on our 2022 tax returns are included in relevant sections of the Annual Report.

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

In 2022, we did not incur any financial costs from associated litigations, fines/penalties due to anti-competitive behaviour, anti-trust, and monopoly practices. Nascon remains a responsible business contributing its quota to national development as an industry leader.

Parameters	2022	2021	2020
	₦'000	₦'000	₦'000
Economic Value Created (EVC)	**58,786,251**	**33,279,688**	**28,010,059**
Revenue	58,786,251	33,279,688	28,010,059
Economic Value Distributed (EVD)	**40,258,292**	**25,017,401**	**19,925,634**
Operating costs*	34,243,932	21,320,319	16,447,633
Employee wages, salaries and benefits	2,381,334	2,263,997	2,068,563
Payments to providers of capital	694,829	130,160	171,898
Tax Payment	2,904,943	1,267,061	1,216,406
Social/Community Investments	33,254	35,864	21,134
Economic Value Retained (EVC - EVD)	**18,527,959**	**8,262,287**	**8,084,425**

*Excluding administrative costs.

Operational Pillar

Modern, efficient factories producing the highest quality salt

Operational Standards

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

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

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

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

Our Strategic Value Chain

We are Nigeria's top salt refiner and distributor for industrial, commercial, and domestic use. Since its founding in 1973, Nascon's operations have expanded to meet the demands of both industrial and retail customers by offering a variety of salt products. Along with other categories, we make pure dried vacuum (PDV) in 50kg bags for corporate customers and refined iodized table salt in sachets (250g, 500g, and 1kg) for consumer consumption. We have been able to hire over 900 people to work across our Plants, warehouses, fleet, and offices in Nigeria (Salt Village, Apapa, Oregun, Ota, and Port Harcourt), with our business office in Oregun, Lagos. Our warehouses and other distribution centres are managed by three (3) regional sales offices that are ideally situated to serve our markets. We have more than 300 trucks that we use to distribute our goods across Nigeria.

Strict attention to industry and regulatory standards ensures the quality of our products for Nigeria's expanding consumer and industrial markets. The National Agency for Food and Drug Administration and Control (NAFDAC), the International Organization for Standardization (ISO), and the Standards Organization of Nigeria (SON) have all certified our products.

Our Material Utilization Landscape

Target 8.4 | Target 12.2, 12.5 | Agenda 2063 The Africa we Want, Aspiration 1 | Goal 1, 4.

Crude salt remains the key raw material used to make our refined salt. Measured in tonnes, it is a non-renewable resource that we procure from external suppliers. Potassium iodate and Potassium ferrocyanide make up the materials used in ancillary activities, and they are also non-renewable resources sourced from external suppliers. For packaging, we use sacks which are sourced from Dangote Packaging Limited. For salt, we had a 23% increase in production at the Apapa Plant, a 17% increase at the Salt Village Plant, and a 39% increase at the Port Harcourt Plant. Overall, in the year under review, salt production grew by 18.7% while seasoning production (only from Ota Plant) grew by 30.7% year-on-year relative to 2021. This robust year-on-year growth makes us a leader in meeting the needs of both retail and industrial consumers. Also, our sales performance in 2022 grew by 10%, boosted by several sales and promotional activities across Nigeria.

Our production value chain is shown in the figure below:

Operational Pillar

Operational Efficiency

We employ cutting-edge technology and manufacturing techniques to guarantee that we consistently fulfil our volume goals. The highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that surpass the expectations of our respected clients are what we use to drive operational efficiency. To make our Plants safe for internal and external stakeholders, we maintain operating standards that are in line with the global best practices in occupational health and safety.

Building a Sustainable Supply Chain

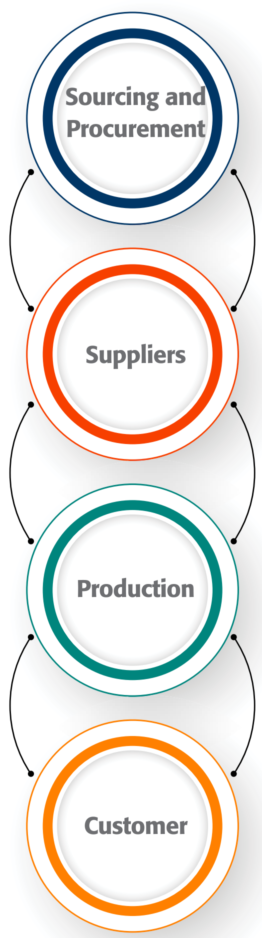
Ensuring that we have sustainable supply chain management is critical to helping us retain the capacity to create value for all our stakeholders. Our supply chain management encompasses every step of the process including vendor selection, production procedures, storage and transportation, risk management, and governance. We are putting processes and structures in place at all points in our supply chain to embed sustainability and ensure that we provide the highest-quality products while offering a diverse portfolio of salt offerings for our clients, maximizing opportunities, and reducing our exposure to risk and environmental impact. In 2022, no suppliers' social and environmental impacts were evaluated, however, we hope to fully integrate vetting new suppliers on environmental and social practices as part of our supply chain management process.

During the supplier materiality survey, 86% of the respondents agreed that every major business transaction/contract should be guided by a Code of Conduct on ESG best practices. Also, 93% agreed that ethics and integrity consideration is vital in selecting supply chain partners in today's global and regulated business environment.

Furthermore, majority of the respondents affirmed that they do not engage the services of children (under 18 years) in the execution of projects/contracts with Nascon in any way or form. Nascon shall continue to create awareness and education across our suppliers to ensure no one contravenes the Company's Child and Forced/Compulsory Labour Policy.

Operational Pillar

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



Responsible sourcing of raw materials

The first stage in our procedure is to ensure that the raw materials used in our manufacturing process are supplied from responsible sources. We make sure that the raw ingredients for our salt are purchased from reputable suppliers who have a Certificate of Analysis (COA).The same review is done once the raw materials land in Nigeria to confirm the outcome of the original analysis. We also conduct internal audits to check for responsible sourcing alignments. We never stop striving to eliminate any instances of child labor, forced labor, or other abuses of human rights from this process.

Supplier Evaluation

As part of our enterprise risk management procedure, Nascon mandates that suppliers are taken through our ESG assessment process as part of our management system. Prior to registering as a new supplier, all vendors must go through rigorous due diligence procedures. A new supplier is assessed based on a number of factors, such as labor practices, product quality and safety requirements, and production controls. A number of controls are also in place to verify the supplier selection process, including the prioritisation of local suppliers when appropriate to support the regional economy. Through the yearly ESG materiality assessment surveys, we also get input from our suppliers on social and environmental issues.

Product Quality and Safety

At Nascon, product safety is a priority. From the sourcing of raw materials to the delivery of the product to the consumer, we ensure utmost attention is given to the production process. The goods must be of high quality, conform with high hygiene standards, and devoid of pollutants that could hurt customers and consumers.The goods must also satisfy the various needs of the clients. Our committed quality assurance and control team supervises and upholds high standards. They investigate, evaluate, and create high-quality product safety strategies that adhere to national and international norms.

Customer Education

By increasing public understanding of the proper use of salt, its advantages, the many forms of salt in relation to wellness, Nascon supports sustainable consumption as well as health and nutrition. To help our cherished consumers make informed purchasing decisions, we also provide clarity in the way we label our products.

Our Procurement Practices

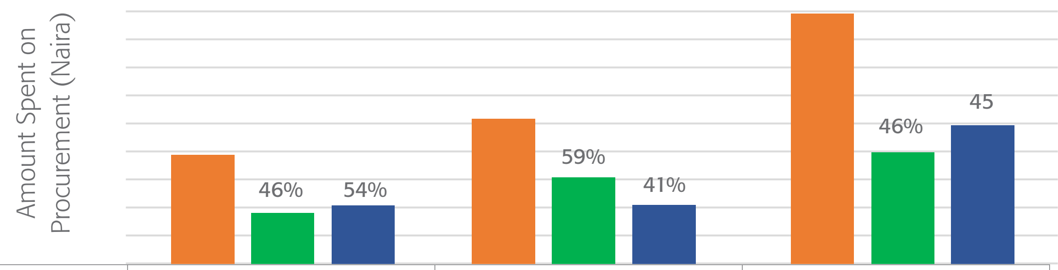
As part of our commitment to continual improvement, we commenced alignment of our procurement practices to ISO 20400:2017 (Sustainable Procurement - Guidance)for efficient development and implementation of policies and practices in our procurement process. Our procurement team has gone through a one-week training on ISO 20400:2017 in 2022.

Promoting Local Content

To achieve this, we make investments in regional and local vendors and make sure that our procurement procedures are guided by sustainability standards. The regional and local businesses are critical to the development of their communities' economies because doing business with them enhances local purchasing power, decreases inequality, and helps the Nigerian economy flourish. In 2022, we increased our procurement spend from local suppliers to ₦19.84 billion, which is a 29.27% increase from ₦15.35 billion in 2021.

Our total procurement spend which includes technical goods and services, raw materials, consumables, and supplies increased by 72.42% from ₦25.81 billion in 2021 to ₦44.51 billion in 2022.

2022 - 2020 Procurement Spending (All NASCON Operation)



	1	2	3
Procurement Per Year	2020	2021	2022
Total (₦'000; Thousand Naira)	19,413,798	25,813,425	44,507,626
Local (₦'000; Thousand Naira)	8,998,291	15,353,533	19,844,391
Imported (₦'000; Thousand Naira)	10,415,507	10,459,892	24,663,235

Product Quality, Assurance, and Customer Health & Safety Strategy

Target 16.3 Aspiration 3 | Goal 11, 12

Our quality objectives are built around achieving a customer satisfaction index of 100%, ensuring a quick grievance redress that does not exceed three (3) days, and achieving a minimum of 95% targeted delivery timeline. We ensure that all Hazard and Critical Control Points (HACCP) are adequately managed including incorporating interested parties' interest in our quality management system. .

We continuously improve and review our policies, objectives, processes, and systems in line with the requirements of SON Nigeria Industrial Standards (NIS), ISO 9001:2015 Quality Management System Standards, and Nascon's Food Safety Policy Statement and Quality Policy Statement.

Quality Assurance

Nascon was certified to ISO 9001:2015 Quality Management System in 2021 and the Standard is externally audited by a third-party accredited Company. We have completed the certification process for ISO 22000:2018 Food Safety Management System and current Good Manufacturing Practises (cGMP), but still awaiting the certificates. Our Plant is SMETA (Sedex Members Ethical Trade Audit) Four-Pillar and Halal Certified.

Product Fortification

Iodized salt remains the best means to provide iodine to people who are deficient in this micronutrient. We fortify our salt with Potassium Iodate which contains the concentration required for the formulation of thyroid hormones which helps bone and brain development during pregnancy and infancy, among other health benefits. This way we are complying with SON NIS on food-grade salt production while we also contribute to the health and well-being of our consumers.

Our Product Packaging and Labelling

Target 12.8 Target 16.3

To help our customers with better decision-making, we continue to be as clear and transparent as possible when disclosing the contents of our packaged products. Our packaging has all nutritional information clearly stated in complete adherence with relevant regulatory labelling formats. NAFDAC mandates us to indicate iodine content in mg/kg, expiry date/best before date as well as details of our contacts on our packaged products. We are also required to provide our customers with comprehensive information about our products and ensure that the fortification logo indicating that our salt is fortified is strategically placed on the label. We adhere to these requirements and monitor compliance. To achieve near-zero waste results in our processing plants, we are committed to decreasing packaging waste by implementing strategies to reduce, reuse, and recycle materials in packaging.

Operational Pillar

Compliance with Marketing and Labelling Practices

Our approach to marketing and communication is based on our culture of customer responsibility and ethical business practices. We adhere to best practices and regulatory standards while communicating the value of our goods to our customers and other stakeholders. We did not have any penalties for marketing and communication practices in the reporting year 2022.

Key Sales & Marketing Campaigns

Target 12.8 Target 16.3,13.10

As we continue to work arduously towards being the most customer-centric producer of salt, we continually improve on getting closer to our customers. We do this by committing resources to organize sales and marketing activities to increase the visibility and accessibility of our products. The Refined Sachet category grew by 5% when compared with the previous year (2021). Also, Nielsen data revealed that Dangote Salt had grown in share volume, share value and numeric distribution.

In the northern part of Nigeria, data from 2022 has shown that Nascon grew faster at 13% than the food seasoning category which grew by 5.7% when compared to the previous year. This growth can be attributed to the trade interventions deployed to the North.

Nascon Allied Industries Plc Annual Report 2022

Operational Pillar

Operational Pillar

Customer Care Annual Report and Customer Feedback Surveys

Customer Care Annual Report and Customer Feedback Surveys We use the customer care annual activities to increase awareness of our products and services, show appreciation for our internal and external customers, and report accomplishments and strategies to meet our goal via the customer care platform. We use this information to document our customer care performance for each previous year.

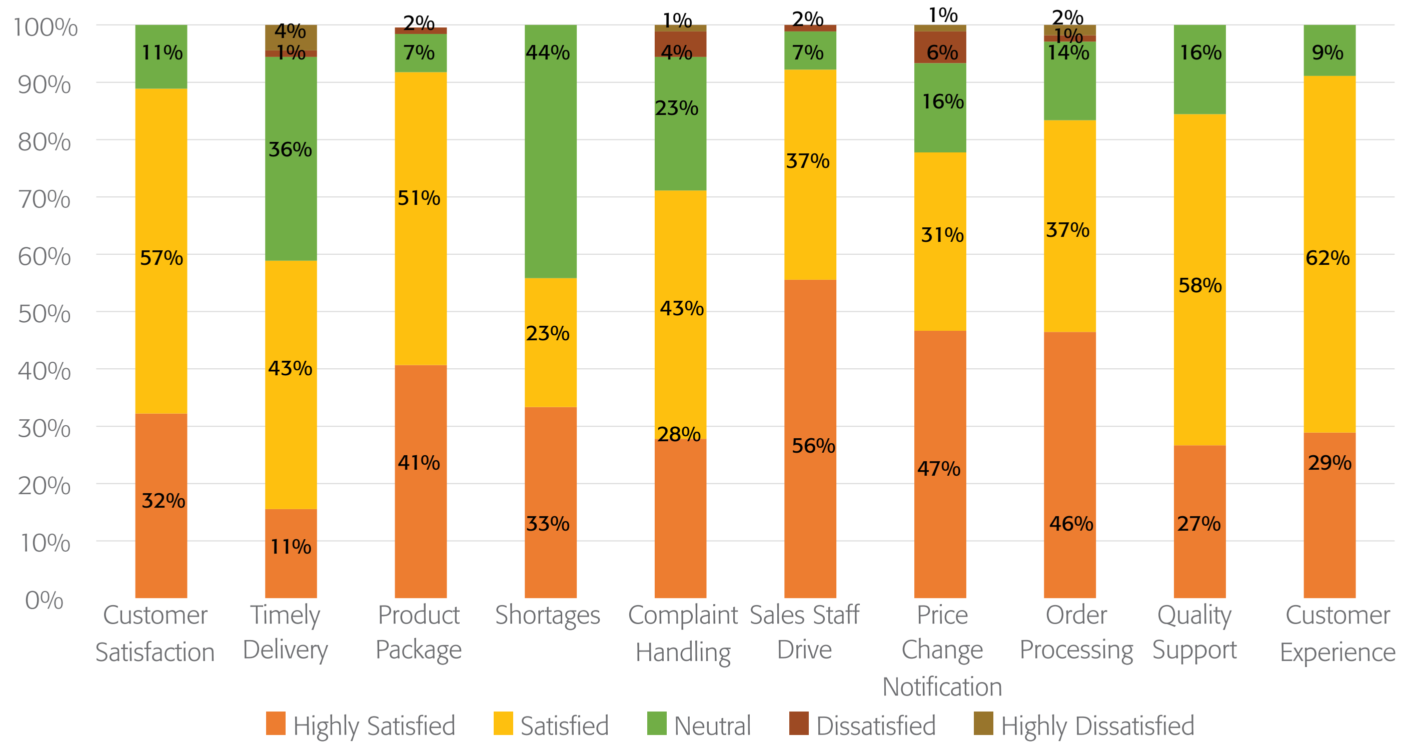
To uphold and strengthen trust in the calibre and integrity of our value offers, we engage in open and honest communication with all our market participants. To keep current customers and draw in new ones, our customer satisfaction surveys seek to gauge how satisfied our customers are. The findings from the bi-annual customer survey help us do better. In the first quarter of 2022, we recorded one (1) complaint due to wrong coding. In the second quarter, we had 3 complaints while in the third and fourth quarters, we recorded 2 complaints per quarter

All complaints were resolved with adequate corrective actions and preventive actions identified to minimize the chances of a reoccurrence.

Our Distribution Networks – Distributors and Retailers

Nascon offers its goods directly to distributors, who then resell them to supermarkets, wholesalers, confectioners, and small retailers or outlets. We experienced growth in 2022 of 2% in our distributor network, 17% for refined salt, and 48% for seasoning retailers/outlets networks.

Summary of 2022 Customer Satisfaction Survey



Our Distributors' Network	2020	2021	2022	Percentage Growth
Retailers/Outlets (Seasoning)	35,873	38,241	56,702	48%
Retailers/Outlets (Refined Salt)	184,579	197,444	230,729	17%
Distributors	605	609	624	2%

Spotlight on the 2022 Dangote Salt Art Challenge

The 2022 edition of the Dangote Salt Art Challenge officially closed entries on the 15th of January 2023. The competition was open to art enthusiasts all over the country to tell stories with art made from Dangote Salt between December 9th and January 14th, 2023.

After a tough shortlisting exercise of all entries by the art judges, ten (10) artists were selected and top three (3) winners emerged.

Health, Safety, Social and Environment Report

"We strive to efficiently manage people, projects, products and processes through their life cycles in a way that protects safety and health and minimizes impacts on the environment and our host communities".

Health, Safety, Social and Environment Report

The topmost priority of Nascon Allied Industries Plc. is to ensure the safety and well-being of every employee and those who may be affected, directly or indirectly by our activities. We have maintained an over-arching framework to ensure the health and safety of workers at all our plants across Nigeria.The underlying motivational factor of the HSE department is the principle of "Zero accidents and zero environmental incidents". The effective management of HSSE & Sustainability in Nascon is not only regarded as compliance to ISO 45001 and ISO 14001 Standards but as an ethics and moral standard for the business. Hence the management of Nascon believes that it is only a business with the right HSSE/Sustainability culture that can make a profit, declare dividends to its shareholders and increase its investment portfolio.

2022 HSSE/ Sustainability Plan highlighting five Pillars

Our Corporate HSSE Policy

In Nascon, we believe that HSSE/Sustainability is the responsibility of all and driven by the leadership team. We are in constant communication with the staff and stakeholders of the business. We also ensure that our activities do not negatively impact our workers as they carry out their duties. One major method we deploy to ensure workers are kept abreast of hazards and risks is by regular training for existing staff and induction sessions for new staff.

Our Corporate Strategy

Our corporate strategy is driven by the fifteen (15) Golden rules, established key performance indicators and yearly plans that are achievable in line with the Executive Management's endorsement. Top management demonstrates their commitment by setting a yearly goal that is tied to Plan-Do-Check-Act (PDCA) which is based on risks and opportunities in all aspects of the organization where activities are considered critical to the profitability of the business as well as the health and safety of her employees.

Plan-Do-Check-Act (PDCA) Cycle

Our Corporate HSSE Goals

Our primary HSSE goal in Nascon is to build a strong internal and external HSSE reputation as well as facilitate the integration of HSSE best practices across all operations to achieve business objectives.

We have placed high value in people, environment, asset, and reputation of the organization. Our focus is to create accident and injury- free operations, build a generative safety culture where the safety and health of every employee is considered extremely important. We strongly believe that when employees are safe, physically and mentally healthy, their input will result in higher productivity. Furthermore, we aim to meet and exceed the expectation of our regulators. Hence, we are committed to zero non-conformity from regulatory requirement and finally we want to impact positively on our host community and make them partners in development. Our overall goal is to take the Business to the peak of the safety culture ladder- Generative safety culture.

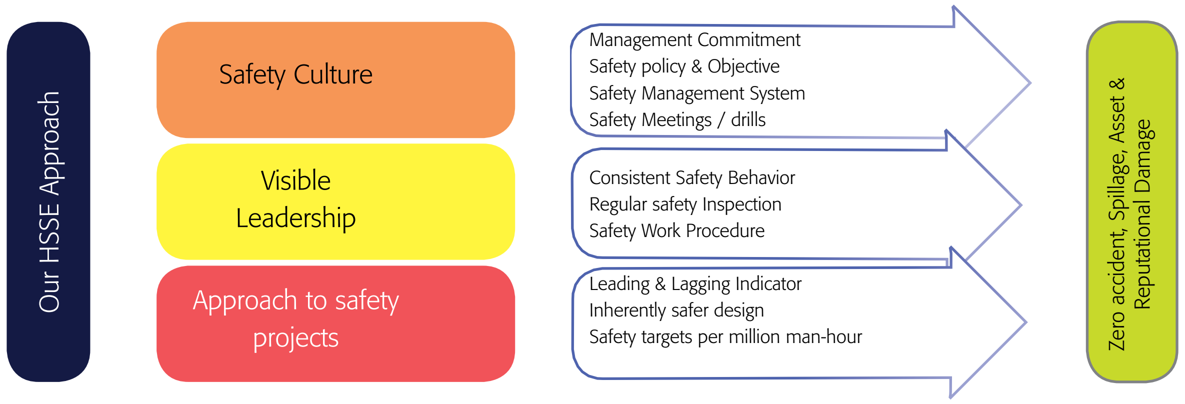
Health and Wellbeing

In 2022, Nascon maintained the occupational health assessment - a program that assesses occupational hazards that are associated with our operations such as respiratory illness, noise, vibration, ergonomics, blood pressure and cardiovascular issues. We believe that the quality of our people and the value we create for them is essential to our long-term success. This is reflected in our policies and practices and how we interact with our employees. We want to create an equitable inclusive culture, free of any bias or discrimination, to build a gender-balanced organization, with a focus on management roles, and be known as the top employer of choice for people with disabilities. Nascon has set up health surveillance for employees' health management. Consequently, the rate of identified occupational health risk has been reduced reasonably in our business, saved revenue and controlled the mental and psychosocial health of our employees.

Safety

Our HSSE policy reiterates management commitment to ensuring that employees and all stakeholders conduct their activities safely and productively. This aids us in consistently promoting safe work practices and is focused on control of work. To demonstrate leadership and management commitment, top management actively participates in monthly management walk tours and safety pep talks. This activity allows the leadership to have an insight into the safety concerns in the organization and interact with the shop floor workers. Below are all the identified leading key performance indicators which are geared towards achieving zero accidents in our business.

Health, Safety, Social and Environment Report



Our Golden Rules are visual reminders with easy-to-follow minimum requirements to keep our workforce safe during all operations. They reinforce our strong culture of safety and contribute to our long-term decline in personal injuries. We are proud to state that this year, we recorded zero fatality in all our Plants.

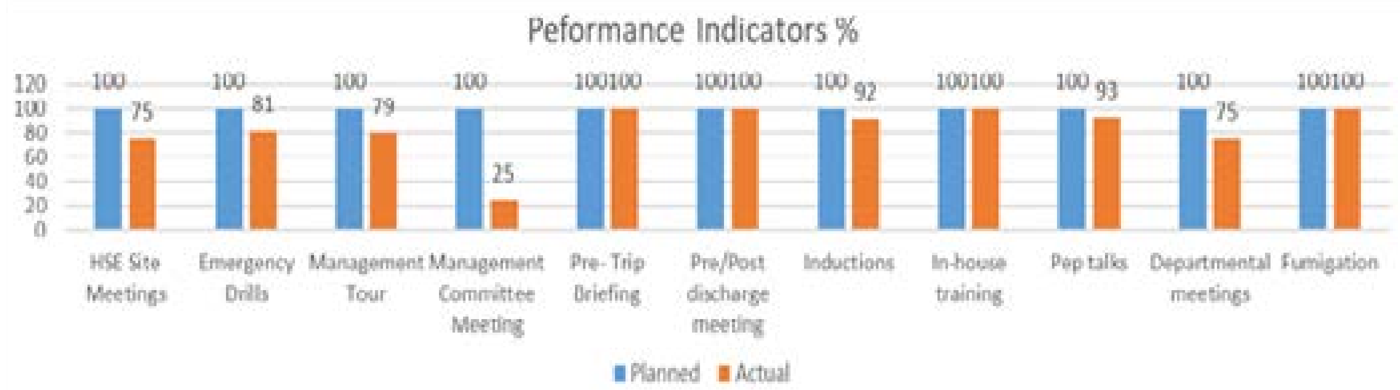
HSSE Management System Standard helps to ensure that our activities are consistently conducted in a safe, healthy, environmentally and socially responsible manner. Our standard aligns with and is based on industry standards such as ISO 45001, ISO 14001, and ISO 9001. Objectives, targets, and deadlines are set and tracked annually to drive strong HSSE performance. Progress is tracked and reported to our Executive Leadership Team.

Transport Safety

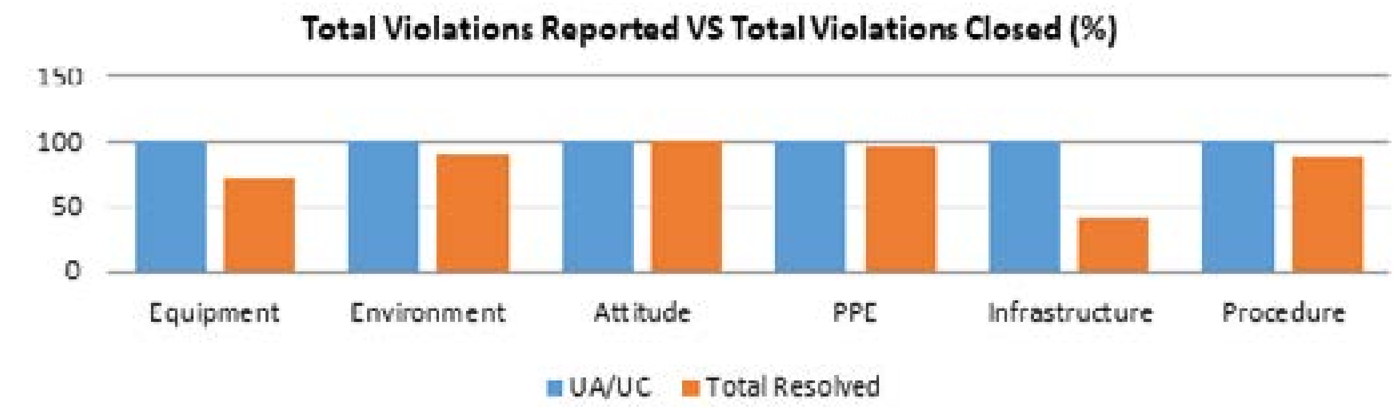
The haulage division is a strategic unit of the entire business operations; its importance to the Company cannot be over-emphasized, because transport is the bedrock of our entire supply chain. Nascon's road safety performance review identifies opportunities for resolving road safety challenges as well as the impact on the bottom line of the Company.

Our top management has committed leadership to ensure safe transport operations by prioritizing how resources are allocated as well as personnel capacity-building programs for the transport team to refine the Company's haulage operations. This is driven by consistent investment in procuring new trucks, personnel enrolment in the Federal Road Safety Corps (FRSC) Road Transport Safety Standardization Scheme (RTSSS), internal road safety training and many more initiatives that have been assembled to protect pedestrians, assets, and Company brand and reputation. Regular truck inspections are done on trucks before any journey. Pre-trip briefings are also in place where safety rules and procedures are discussed with drivers to reiterate the Company's policies.

Our commitment to road safety matters, interest in the development and rebranding of transport safety, and collaboration with other major players in the haulage industry has helped us birth five (5) new tenets in managing road safety issues and seven (7) pledges that all our drivers must commit to.



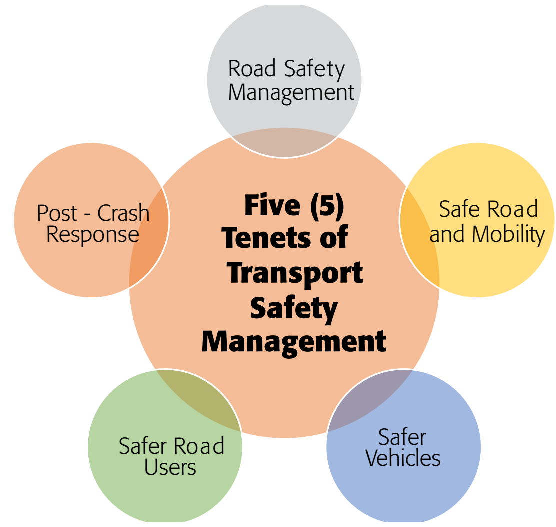
Health, Safety, Social and Environment Report



The FRSC certified all Nascon Transport drivers. We trained all our drivers in the last year on several essential aspects of defensive driving. These have, in great measure, improved the competence and service delivery of the drivers in areas of road safety compliance.

We operate a fleet that has at least five (5) stop and rest points along each of our routes nationwide. We have recorded some significant improvement in our drivers' performance following the introduction of this system. As part of our Journey Management Procedure (JMP) strategy, we have identified stop and rest points along the different routes and provided in- vehicle monitoring systems (IVMS) in our trucks. We have a reward and recognition scheme where a non-accident bonus is given quarterly to outstanding drivers and their pictures are displayed across the plants as ambassadors for safety compliance.

Diseye Oba
Head, Health, Safety, Social, Environment and Sustainability



Social Pillar

Building social bridges across communities and markets

Social Standards

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

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

Social Investment

Target 1.4 Target 2.3 Aspiration 1 | Goal 1,

We prioritize strengthening relationships with our host communities by supporting and partnering with them to boost socio-economic objectives. This helps us in giving back to the communities while also contributing to the SDGs and Nigeria's national development plan. Through our stakeholders' engagement activities, we can strategically map out areas of support and investment opportunity to boost economic support in our host communities. We contribute to socio-economic well-being through direct and indirect employment, skills transfer and capacity building, local entrepreneurial development, and patronage of local contractors and vendors.

Being the right partner of choice with our host communities is central to our business strategy and operating philosophy. In the reporting year of 2022, we spent a total of ₦33.2 million on social investment projects.

Year	Total community investment spending
	(₦'000)
2020	21,133
2021	35,864
2022	33,254

In our communities' survey, 76% of the respondents affirmed the contribution of Nascon to the community's development via the execution of some CSR initiatives.

We have detailed some of our support provided to communities below:

2022 Social Investment Spending Category	Cost of project (₦'000)	UN SDGs Alignment	Percentage of Total (For Each Spending Category
Water/Sanitation	6,757	3,6	20.32
Security and safety	3,457	3,11	10.40
Environmental/climate change	700	7,13,14,15	2.10
People empowerment	2,828	1,2,8,10,11,17	8.50
Infrastructure (electricity, road and drainage)	4,927	9,10,11	14.82
Education and scholarships	4,885	4,8,10,11,16	14.69
Sports	200	3,11	0.60
Donations, support and grants to host communities	600	1,11,16,17	1.80
Donations and grants to CSOs/NGOs and development bodies	8,900	17	26.76
Total Expenditure	**33,254**		

Social Pillar

Social Pillar

Anti-corruption, Grievance Mechanism and Whistleblowing

Target 16.5 Aspiration 3 | Goal 11, 12 Aspiration 4 | Goal 13

Nascon is committed to a high level of ethical standards across all its operations. We have policies in our code of business conduct that prohibit improper, unethical, or illegal activities and promote the performance of due diligence on our operations and partners. Our values are anchored in our Code of Conduct as well as in our Supplier Code of Conduct and underscored in binding policies. We are committed to investigating any fraud or suspected fraud without regard to the career level of the individuals involved.

Anti-corruption

Our Anti-bribery and Corruption Policy reassures our commitment to high standards of ethical conduct in all our operations and business activities. We create awareness initiatives and training on the threats of fraud both within our organization and across our supply chain. In 2022, we had four (4) training sessions across our operations relating to bribery and anti-corruption related issues. For example, all internal audit staff across the operations attended three (3) training sessions each in addition to training on Fraud Prevention and Forensic Auditing by Industrial Trust Fund (ITF). Our Human Resources/Admin Department and Dangote Academy also deployed internal training on Business Ethics and Culture, and Conflict of Interest Policy (Anti-corruption and Gift Policy) to all employees in 2022.

Grievance Mechanism and Whistleblowing

Nascon has a transparent whistle-blower system that provides a framework for reporting suspected breaches of policies regarding labour practices, anti-corruption, human rights, environmental issues, discrimination and abuse, money laundering, societal impact issues, amongst many other vices that may pose a threat to our organization and business community. The whistleblowing channel is independently managed by consulting firm (KPMG) to guarantee fairness and anonymity. Our grievance mechanism includes but is not limited to identifying the actions to be taken once a complaint is detected, protecting the rights of the complaining party, identifying the whistleblowing channels, investigating details and evidence, and protective and confidentiality measures.

Year	Number of whistle-blowing cases	Percentage Increase (+) or Decrease (-) [Year-on-Year]
2021	3	-
2022	*1	-67%

*The one (1) case in 2022 involved an unauthorized trading of Nascon Salt reported from Gombe. It was resolved in line with the Company's policies and procedures.

Host Community Engagement

Target 16.3, 6.7

At Nascon, we acknowledge the importance of our host communities as part of our operations. We depend on the local communities for a conducive operational environment, support, employees, and vendors; so, we must continue to manage our relationships and offer support in different capacities. In 2022, we strengthened our community engagement through proper dialogue, one-on-one engagements, town hall meetings, interest group communications, and surveys. We had met twice with the Alayabiagba community leaders and market leaders on the construction of a potable borehole and other issues. Upon successful engagement with all stakeholders, we completed the construction and installation of two (2) units of a borehole system, provided and delivered sixty (60) pieces of whiteboards and other learning materials to four (4) schools in the Alayabiagba community (Salt Village). We also did the renovation of St. Saviour Nursery and Primary School, Ijoko Ota, Ogun state.

In 2022, one (1) case of community grievance (Salt Village) was reported. In this case, the Local Community Development Area (LCDA) Chairman and his cabinet expressed grievance towards Nascon's management's over-perceived abandonment of certain sections of the community. However, upon our internal investigation, we found out that it was a case of an internal dispute between the two (2) LCDA factions based on leadership tussle; we however instructed the LCDA to put it in writing and follow due process. We did not record any case of social incidents or disruption nor lose any man-hours to social incidents (host communities' disruption or disturbances).

Community Engagement Parameters	2022	2021
Number of community stakeholder engagements	5	6
Number of completed community projects	7	2
Number of social incidents or disruptions	0	0
Number of hours lost to social incidents	0	0
Number of community grievances	1	1
Number of community grievances closed	1	1

Health and Safety

Occupational Health & Safety Management System

Target 3.3, 3.4, 3.5, 3.6, 3.7, 3.8 Target 8.8 Target 16.1 Aspiration 1 | Goal 3, 4 Aspiration 4 | Goal 13

We have a health and safety system in place, which is guided by a comprehensive health and safety policy statement. Our key safety strategy is underlined by the 15 Golden Rules and we perform continuous follow-ups on improving awareness and compliance with these Rules. We performed key initiatives to advance safety in the workplace, Plants and fleets as shown in the table below:

	Nascon Site Operations	Fleet/ Transport Operations
Updates on compliance with the Golden Safety Rules	• Continuous follow-up on improving the awareness of the 15 golden rules. • Compliance with the Golden Rules has increased in comparison to previous years. • Employees are encouraged to report all incidents and are empowered to stop any unsafe act.	• Continuously improving awareness of the 15 Golden Rules. • Creation and placement of all Nascon Transport Trucks on the 15 Golden Rules.
Key initiatives taken to advance safety in the workplace, plants, and fleets	• Training sessions were conducted on various safety topics. • Root cause analysis for all critical incidents and high potential near misses. • Safety town hall meeting by top management with all locations. • Sharing of Incident and accident investigation learnings amongst personnel. • Quarterly assessment of fire risk. • Implementation of ISO 14001 and ISO 45001. • Increase top management visibility with monthly walk tours. • Improved training time due to weekly pep talks and daily toolbox talks before work in all our plants. • Increase employee involvement in safety issues by encouraging them to report incidents. • Water conservation awareness campaign as part of our SDG commitment.	• Visible safety leadership and increasing the sphere of influence across the organization through regular meetings and communications on safety by executive leadership. • Extensive and comprehensive HSE competence development across Transport organizations from the executives to frontline workers to improve our safety culture. • Application of positive and negative consequence management based on performance and compliance/ noncompliance such as speed violation, harsh breaking, driving under the influence of substances etc. • Embedding safety in the line. Journey Managers now take ownership and act as safety champions for their teams. They are held accountable for accidents in their fleet. • Improvement of accident investigation process and follow-up of corrective and preventive actions including sharing of learnings across the Company to prevent repeat incidents. • Full set up of transport training school to include defensive driving and safety trainers, the introduction of in-cabin coach for new drivers • Training and re-training /improvement of the drivers' certification process. Introduction of training tracking cards to ensure all drivers attend at least 6 hours of safety training sessions per annum. • Introduction of fatigue management modules, health awareness and general wellness.

Social Pillar

Summary of health and safety performance (2020-2022)	Nascon Site Operation			
Types of incidents	**2020**	**2021**	**2022**	**Percentage Increase (+) or Decrease (-)**
Total Number of Work Hours	2,978,408	2,867,900	3,877,771	35%
Total Number of Near Misses	21	48	12	-75%
Total Number of First Aid Injuries	35	19	39	105%
Total Number of Medical Treatment	6	1	7	600%
Total Number of Lost Time Injuries (LTI)	1	2	8	300%
Total Number of Fatalities	0	0	0	-
Total Number of Staff Trained On HSE	10,718	9,010	14,447	60%
Total Number of Hours for Staff Training on HSE	246	226	146	-36%

Summary of health and safety performance (2020-2022)	Nascon Fleet/Transport Operation			
Types of incidents	**2020**	**2021**	**2022**	**Percentage Increase (+) or Decrease (-)**
Total number of work hours	458,161	380,091	294,096	-23%
Total Number of Near Misses	28	29	5	-83%
Total Number of First Aid Injuries	0	1	2	100%
Total Number of Medical Treatment	0	1	0	-100%
Total Number of Lost Time Injuries (LTI)	0	9	2	300%
Total Number of Fatalities	0	0	1**	-
Total Number of Staff Trained on HSE			938	60%
Total Number of Hours for Staff Training on HSE			2,184	-36%

**Unfortunately, the fatality was a driver in the Transport Department who ran into a mob action in the eastern part of the country during a routine delivery. We have subsequently implemented additional safety measures to prevent reoccurrences including obtaining regular security updates prior to drivers' journeys, enforcement of zero tolerance to letting passengers into the trucks, pre-trip briefing for drivers, improved liaison with federal security agencies.

Social Pillar

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

2022 Nascon Health & Safety Training				
Number of training programmes, activities, or initiatives	Total number of employee participation trained on HSE	Total number of HSE training hours	Physical or classroom or onsite	Virtual (Online)
298	14,447	146	298	0

Specific & Targeted Health and Safety Awareness in 2022	Employee Category
Quarterly HSE Site Meetings at various plants	All Employees
Quarterly HSE Emergency Drills at various plants	All Employees
Monthly HSE Site Management Tour of Plants premises	All Employees
Monthly HSE Departmental Meetings.	HSE Staff Only
Weekly HSE pep talks at various Plants.	All Employees
Periodic emails on HSE Safety Alerts, HSSE Nuggets and HSSE Newsletter	All Employees

Health and Safety Training

For 2022, our in-house training sessions/pep-talks centred around themes such as personal health and hygiene, emergency preparedness, fire safety, Lock Out, Tag Out and Try Out (LOTO) procedures, HSE reporting, amongst others. Overall, we executed over 100 pep talk topics in 2022 for employees on the factory-floor across the Company.

Diversity and Equal Opportunity

Target 5.1, 5.5 Target 8.5 Target 10.3 Aspiration 6 | Goal 17, 18

The diversity of our workforce reflects the communities we operate in and the customers we are obliged to serve. Nascon operates a system where everyone is valued, respected, engaged, and feels safe at work because we know this can lead to improved work performance, giving room for creativity and innovation. We are committed to equal opportunity and do not condone any form of discrimination or harassment based on gender, ethnic, nationality, religious, age, disability or any other characteristics protected by applicable laws. Our employee recruitment processes are based on merit with much emphasis on qualification, experience, skills, and performance. We recognize the uniqueness of opinions and the unique value that a diverse team brings. We, therefore, strive to ensure that all employees irrespective of their background and social affiliations are given equal opportunity to thrive and succeed. Through our Dangote Women's Network, we strive to create a culture that appreciates and recognizes the value of women in the workplace. Currently, we have five (5) employees with physical disabilities across our operations.

In the reporting year, we have 19 executive and senior management team members. While it continues to be a challenge to attract women into manufacturing, we are making progress. Targeted recruitment actions resulted in increased female executive and senior leadership members from four (4) to five (5) in 2022.

On the Board of the Company, there are two (2) non-Nigerian nationals, a South African and a Norwegian while the remaining eight (8) Board members are Nigerians. The Board has 40% female (4) and 60% male (6). On the other hand, our executive and senior management team is comprised of 26% women (5 persons) and 74% men (14 persons).

The average age of our executive and senior management team is 49. This shows that Nascon's strategy and growth is driven by a team of highly experienced professionals. The average age of Nascon Board members is 59 years.

Non-discrimination

Our policy on diversity and equality prohibits discrimination of any form which could include a basis of gender, religion, tribe, ethnicity, marital status, or physical challenges. We do not condone any form of bullying, harassment, or abuse within our workforce, and we strive to encourage our business partners, third-party suppliers, providers, and contractors to embrace our non-discrimination policies. We never seize to emphasize the importance of treating individuals justly and in a non-partial way in our recruitment processes, operations, and all engagements with our host communities and key stakeholders. In the reporting year , we had no cases of discrimination in terms of employment, promotion, training, or other areas of our value chain.

Freedom of Association and Collective Bargaining

We recognize and respect the fundamental rights of our employees to have freedom of association and collective bargaining. We respect the rights which our employees have under local and international laws. Employees are not subjected to any detriment; they are free from threats or intimidation of any kind or form because of their involvement in legitimate trade union activities. In all our various sites and operations, no employee is covered by the collective bargaining agreements.

Child Labour and Forced or Compulsory Labour

Our commitment to the human rights aspect of our value chain, such as the proscription of child and forced/compulsory labour, fair and safe work conducts cannot be over-emphasized. We adhere to the UNGC Principles and the International Labour Organization's (ILO) Standards on labour which both condemn child labour. In the same vein, we reject all forms of forced or compulsory labour resulting in servitude, bonded labour, or slavery, both in our operations and within our supply chain. We encourage our stakeholders, both internal and external to report any suspected cases through our different channels.

Human Rights and Indigenous People's Rights

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

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

In our workplace and host communities, we regard human rights as a fundamental aspect of us conducting a sustainable business. Thus, we recorded zero cases of human rights and indigenous people rights violations across our operations.

Environmental Pillar

Continuously improving on our environmental footprints

Environmental Standards

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

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

We strive to adhere to sustainability principles that drive continual improvement, and we support efforts at addressing environmental challenges such as global warming and climate change. We understand that there are sometimes negative environmental fallouts from our business operations, including salt dusts, CO_2 emissions, and so on. We remain committed to continually improving our environmental stewardship.

2022 Environmental Performance

Nascon seeks to be an industry leader in matters relating to environmental responsibility. This will mean that we exude sound environmental stewardship in the communities and areas we have our economic footprints. Our strategy for improving our environmental performance stems from the measurement of critical aspects such as energy consumption, water consumption, waste generation, air emissions, and GHG emissions and the overall management of these aspects for compliance and continuous improvement. In 2022, we continued the use of flow meters, weighing scales, emissions trackers for consumption volumes measurements.

Energy Performance

Target 12.2 Target 13.1 Aspiration 1 | Goal 7

As with performance management systems, continuous improvement is a key driver for sustained success. Looking at the trend since 2020, there is a reduction in the rate of increased energy consumption. This is expected considering that 2021 served as a year of full operational strategy transitioning from the Oregun Plant to the Salt Village Plant. This further shows that we lived up to the commitment made in 2021 to make appropriate changes in our management systems in a bid to increase operational efficiency and gradually manage the sharp total energy consumption increase reported in 2021. The total energy consumption across our operational sites increased by 7.12% between 2021 and 2022 compared to 53.60% recorded between 2020 and 2021.

Year	Total Energy Consumption (GJ) By Plants	Percentage Increase (+) or Decrease (-) [Year-on-Year]
2020	89,037	-
2021	136,763	53.60%
2022	146,507	7.12%

2022

Total Energy Consumed - Plants: 146,507GJ

2021

Total Energy Consumed - Plants: 136,763 GJ

2022

Total Energy Consumed - Fleet/Transport: 249,734 GJ

2021

Total Energy Consumed - Fleet/Transport: 203,044 GJ

The Salt Village Plant, which hosts the largest part of our operations experienced a 0.70% reduction in total energy consumption in 2022. This can be attributed to the replacement of lighting systems with low-wattage appliances. The Ota Plant recorded a drop in total energy consumed by 65.97% year-on-year while the operations in Apapa, Oregun and Port Harcourt recorded increases in total energy used by 22.62%, 250%, and 525% respectively year-on-year. We also recorded a 23% increase (from 203.044 GJ in 2021 to 249,734 GJ in 2022) in the total energy consumption by our fleet/transport operations. Diesel is the only energy source used by our fleet/transport operations for the powering of trucks used for product delivery.

For the energy intensity, which is the energy utilized to manufacture each tonne of a product like refined salt, there was a drop of 9.78% (from 0.36 GJ/tonne of salt to 0.33 GJ/tonne of salt) between 2021 and 2022. Relative to the energy intensity recorded year-on-year between 2020 and 2021 (a 55.84% increase), we have used lesser energy to produce each tonne of salt in 2022.

2021

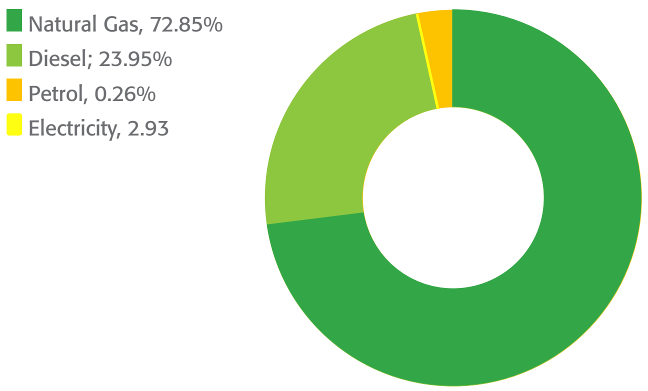
Energy Intensity: 0.36GJ/tonne of salt

2022

Energy Intensity: 0.33GJ/tonne of salt

For the year under review, we used a diverse fuel mix to generate energy with natural gas, diesel, electricity from the national grid and petrol accounting for most of the fuel mix with 72.85%, 23.96%, 2.93% and 0.26% respectively. In 2022, the percentage of natural gas and petrol used dropped by 1.06% and 23.20% respectively compared to 2021. Diesel and electricity from the national grid increased by 35.41% and 73.59% respectively year-on-year relative to 2021. Of the 35,100 GJ of diesel used, the Apapa and Port Harcourt Plants used 44% each while the Oregun office used 12%. At the Salt Village Plant, a mix of natural gas and petrol was used. The Salt Village Plant accounts for the total amount of natural gas and the petrol used for the year under review.

2022 Total Energy Consumption (GJ) Based on Source



Carbon Emissions

Target 3.9 Target 12.4 Target 13.1 Aspiration 1 | Goal 7

Scope 1 emissions refer to emissions resulting from energy generated from fossil fuel (natural gas, diesel, and petrol) powered generators. Similar to 2021, the estimated Scope 1 carbon emissions were calculated using a direct conversion of fossil fuel type and energy generated in line with the Greenhouse Gas (GHG) Accounting Protocols.In 2022, the total Scope 1 emissions were 27,490 tonnes of CO2 indicating an increase of 38.04% compared to 19,915 tonnes of CO2 estimated for 2021. Energy generation accounts for about 33% of Scope 1 emissions while our fleet operations account for 67%. Optimal maintenance and replacement of depreciated fleet assets with cleaner fuel sources such as compressed natural gas (CNG) are some of the initiatives we will explore to reduce emissions.

Amongst all our Plants, Salt Village Plant accounts for the majority of the Scope 1 emissions (22%) because it hosts the larger part of our total production. Our Salt Village Plant was designed based on European Serra machinery design for washing, centrifuge, drying, crushing, and sieving processes. This provides opportunities for improving the energy efficiency in our operation.

For the GHG emission intensity, which is the gross CO2 emitted for every tonne of salt produced, there was a 5.04% decrease year-on-year (from 21.12 kgCO2/tonne of salt to 20.06 kg CO2/tonne of salt) between 2021 and 2022. Gross emission here refers to the total direct emission (Scope 1) excluding transport-related emissions (logistics, pool cars, and fleet). The reduction in GHG emission intensity can be attributed to the commencement of the utilization of natural gas sources for all power-generating sets. Still an ongoing process, we believe that we would experience a further reduction in the GHG emission intensity in the coming years.

Our Ota Plant is the only facility that is dependent on the National Grid for energy, and this is reported as our Scope 2 emissions. Compared to 2021, the Scope 2 emissions for 2022 increased by 73.51% from 302 tCO2 in 2021 to 524 tCO2 in 2022. For now, we are focused on the accurate tracking and measurement of Scope 1 and 2 emissions for increased operational efficiency and gains, before including Scope 3 tracks as part of our sustainability key performance indicators (KPIs).

Environmental Pillar

Total Energy Consumption (GJ)

LOCATION	2021	2022	Percentage of Total for Each Location for 2022	Percentage Increase (+) or Decrease (-)
Apapa plant	12,619	15,474	10.56%	22.6%
Salt Village Plant	107,866	107,113	73.11	-0.69%
Oregun office	1,185	4,152	2.83	250%
Ota Plant	12,619	4,294	2.93	-65.97%
Port Harcourt Plant	2,474	15,474	10.56	525.45%
Total Energy Consumption (GJ)	136,763	146,507	100	

Total Direct CO2 Emissions (Tonnes CO_2) – Scope 1

LOCATION	2021	2022	Percentage of Total for Each Location	Percentage Increase (+) or Decrease (-)
Apapa plant	575	1,347	5	134.32%
Salt Village Plant	4,478	5,987	22	33.71%
Oregun office	220	308	1	40.00%
Port Harcourt Plant	575	1,347	5	134.39%
Nascon Fleet Operations	14,068	18,501	67	31.51%
Total Direct CO_2 Emissions (Tonnes CO_2) – Scope 1	19,915	27,490	100%	38.04%

CO2 Emission Intensity (kg CO2/tonnes of product) [Scope 1 Gross Emission]

Year	Gross Direct CO_2 Emissions (Tonnes CO_2) [Scope 1]	CO_2 Emission Intensity (kg CO_2/ tonnes of product) [Scope 1 Gross Emission]	Percentage Increase (+) or Decrease (-) [Year-on-Year]
2020	-	-	-
2021	7,972	21.12	-
2022	8,989	20.06	-5.04%

Total Indirect CO_2 Emissions (Tonnes CO_2) – Scope 2

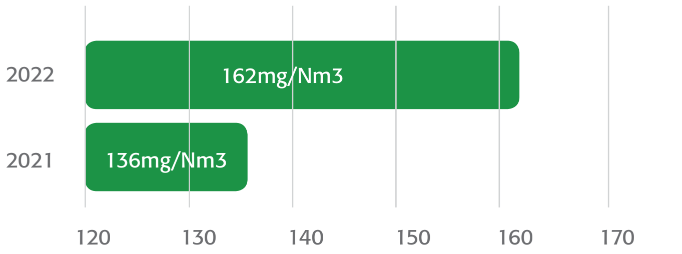
LOCATION	2021	2022	Percentage Increase (+) or Decrease (-) [Year-on-Year]
Ota Plant	302	524	73.51%

Environmental Pillar

Air Emissions and Control Measures

Given the undesirable health impacts that could result from inhaling fine salt particles, it is of great importance for us to ensure that these emissions remain minimal across our operational facilities. We measure these stack dust emissions daily and monthly so we can improve the efficiency of our dust-trapping cyclones. Unfortunately, we recorded an increase in our annual average stack emissions in 2022. Across all our locations, there was an increase of 19.56% in Stack Emissions (Salt dust) generated within the operational sites during production. The annual average of stack emissions in 2022 was 162 mg/Nm3 as against 136 mg/Nm3 in 2021.

Annual Average stack Dust Emissions(mg/Nm3)



As a part of our quarterly environmental monitoring exercises, we measure air emissions such as SOx, Persistent Organic Pollutants (POP), Volatile Organic Compounds (VOC), and Particulate Matter (PM). In 2022, this was done at the Salt Village Plant only. However, we have put plans in place to ensure that the quarterly environmental monitoring exercises carried out in the other operational sites measures these other related air emissions.

Comparing the regulatory limits of these emissions as stipulated by the Federal Ministry of Environment (FMEnv.) with annual averages extracted from the quarterly environmental compliance monitoring reports, carbon monoxide emission exceeded by 110% while nitrogen dioxide (NO) and sulphur dioxide (SO) were below the regulatory limits.

Annual average per emission type	SOx	Persistent organic pollutants (POP)	Volatile organic compounds (VOC)	Particulate matter (PM)
Salt Village Plant	0.010 ppm	0.080 ppm	0.110 ppm	106 µg/m3

Implementing an Efficient Water Management System

Target 6.2,6.4, 6.a, 6.b Target 12.4 Aspiration 1 | Goal 7

All salt manufacturing activities require the use of water. We source our water entirely from the aquifer (groundwater). In as much as water is a renewable resource, responsible water use is important to foster its conservation, for today and future generations. In 2022, the total volume of water consumed from all production facilities was 16,452 m3 compared to 26,259 m3 in 2021, recording a reduction in water use by 37.35%. This is evidence that the water conservation measures put in place in 2022 were effective. One of such initiative is the "Water is Life" campaign aimed at reducing water wastage within our facilities and neighbouring communities. We have also continued to measure water consumption in all facilities using flow meters.

Similarly, the water intensity which is the total water consumed to produce a tonne of salt was 36.71 litres/tonne in 2022 amounting to a 47.23% reduction year-on-year relative to 2021.

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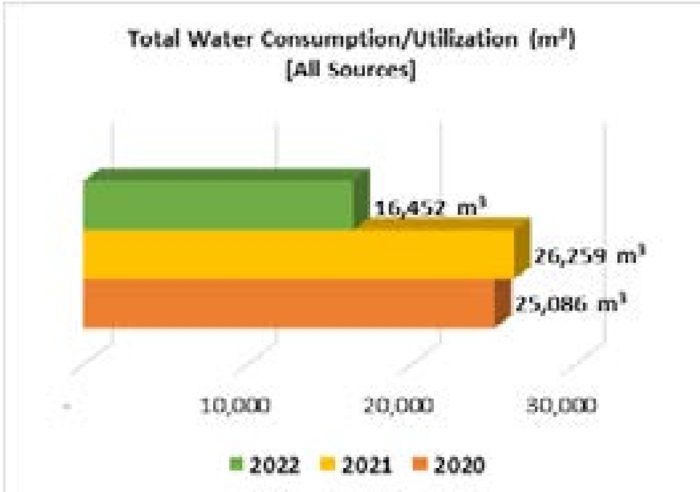
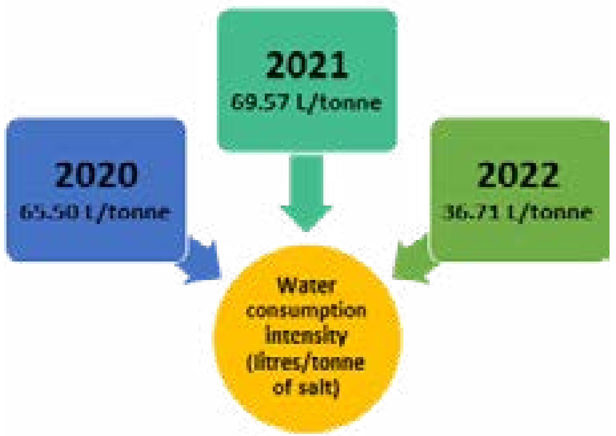




Environmental Pillar

None of our Plants are in any known water-stressed location, however, we understand the impact of efficient water use on us and other stakeholders such as host communities.

Also, as part of the quarterly environmental compliance monitoring reports submitted by Nascon Plants to regulators, we monitor various effluent quality parameters and compared these to national and state standards to ensure compliance.

Biodiversity Assessment, Interaction, and Protection

Target 6.6 Target 14.2 Target 15.1, 15.5 Aspiration 1 | Goal 7

Our Plants are not situated on, next to, or adjacent to High Conservation Value (HCV) or protected areas. Due to ongoing recycling and reuse, our wastewater also has little effect on aquatic life. However, we are aware that the operations in our supply chain that entail the mining of table salt could have a considerable effect on biodiversity. As a result, we constantly educate our suppliers on ethical behaviour to lessen their influence on biodiversity and look for partnerships to support advocacy for biodiversity management.

Except for the Port Harcourt Plant which is a leased facility, other facilities in Apapa, Salt Village, Oregun, and Ota are owned by the Company. Asides from the Apapa Plant and Port Harcourt Plant which are situated in maritime ecosystems, all others are in terrestrial ecosystems. None of our Plants has undergone a biodiversity assessment.

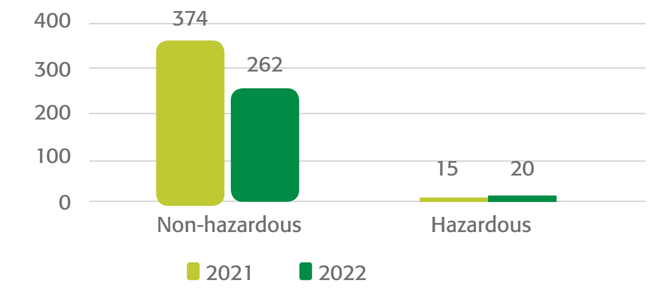
Implementing an Efficient Waste Management System

Target 11.6 Target 12.4, 12.5 Target 15.1 Aspiration 1 | Goal 7

The different activities involved in the production, packaging, and distribution processes generate various types of waste. We have been able to categorize these wastes into hazardous (batteries, spent oil and oil filters) and non-hazardous wastes (general wastes and tyres). Factors such as volume of waste, type of waste and local regulations all play a role in determining the best method (landfilling, incineration, composting, recycling) of disposal. The most environmentally sound and cost-effective option available is deployed by Nascon.

In 2022, the major waste types generated were poly roll, used batteries, tyres, spent oil and oil filters. Of these, the poly roll and tyres are non-hazardous while the spent oil, used batteries, and oil filters make up the hazardous wastes. We recorded a 28% decrease from 389 tonnes in 2021 to 282 tonnes in 2022 of total waste generated (hazardous and non-hazardous). Non-hazardous wastes also recorded a drop of 30% (from 374 tonnes in 2021 to 262 tonnes in 2022). The hazardous wastes were collected and managed by government-authorized and certified recyclers. The non-hazardous wastes were collected and managed by the Lagos State Waste Management Authority (LAWMA).

Total Hazardous and Non-hazardous Waste Generated (Tonnes)



The approach employed by Nascon ensures wastes generated are managed in line with the applicable regulations of the State and National environmental protection agencies and ministries of environment (Federal Ministry of Environment - FMENV, Lagos State Ministry of Environment - LASMOE, River State Ministry of Environment, Ogun State Ministry of Environment, National Environmental Standards and Regulations Enforcement Agency - NESREA, the Lagos State Environmental Protection Agency - LASEPA), and with international standards. In 2022, we did not record any case of regulatory infractions on waste management.

We have maintained our reverse osmosis process to treat used water (reduce the salinity) to make it fit for reuse multiple times. Treatment and discharge are done in line with regulations provided by LASEPA and NESREA. Spent lubricant oil power generators are handled in line with LASEPA guidelines. The oil undergoes a physical examination, crackle test, and assessment for moisture content, viscosity, flash point, particle count, and demulsibility before eventually being set for disposal. It is collected for recycling by government-accredited third parties.

Our Approach to Environmental Management and Compliance

Target 16.3, 16.5 | Aspiration 3 | Goal 11, 12

Our approach to environmental management and compliance focuses on curtailing the negative environmental impacts of our operations and preserving natural resources , whilst ensuring that we remain on the positive side of the law. For business continuity, it has become imperative to take matters of environmental management and compliance critically. Furthermore, we work towards improving the efficiency of our production process, facilitate awareness campaigns, and implement Board level oversights of the executive management for environmental management.

Environmental Compliance

Nascon remains committed to complying with the environmental laws within every community we operate. We had no environmental compliance fines, penalties, or sanctions in any of our production facilities in 2022. In 2022, we were able to obtain all 71 permits and licenses required for all production facilities. General permits required for Nascon include Environmental Development Charge, Chemical Storage Permit, Petroleum Storage Permit, Air Quality and Toxic Waste Permit, Environmental Impact Assessment Certificate, LAWMA Permit, Waste Disposal Charges, Emission Generating and Petroleum Product Storage Charges, Pest Control Certification, Nigeria Electricity Management Service Laboratory Service Fee, Nigeria Ports Authority Fire Coverage Charge, amongst others.

A certified environmental auditor was engaged to carry out quarterly audits of our environmental performance in line with Good International Industry Practices (GIIP). The resultant audit report is jointly reviewed by relevant National and State environmental agencies. Also, we have continued the biennial review of our Environmental Impact Assessments (EIAs).

Precautionary Approach

Being a subsidiary of Dangote Industries Limited, a participating member of the UNGC, Nascon understands the importance of the Precautionary Principle in our operations. Some of the steps we have taken include but not limited to conducting verifiable internal and external environmental audits, environmental compliance monitoring exercises, and environmental assessments. As a business entity, we understand that to retain the capacity that allows us to provide value for our stakeholders, we must carry out required steps to prevent environmental damage, before such effects can be scientifically demonstrated or economically assessed. As a result, we are at the phase of developing and implementing a robust environmental management system that manages the environmental risks and impacts associated with our operations as well as exploit the potential opportunities in the coming year.

Understanding and Managing our Carbon Footprint

As with any business, we would engage in activities that release greenhouse gases. However, what is most important to us as a responsible business is to become interested in understanding the extent of our carbon footprints and seek to manage them as reasonably practicable as possible. In 2022, we commenced the switch to natural gas for our power-generating sets as a carbon footprint reduction initiative.

We commenced our Tree-Planting Program in 2022 with the planting of 20 trees in our Oregun office environs. We hope to continue and extend it across all our Plants. With the capacity of trees to offset carbon, it is a worthy investment we will be willing to explore further.

Opportunities and Challenges in Climate Change

Target 13.1 | Aspiration 1 | Goal 7

At our core, Nascon is a business that processes minerals. All our operations rely on natural resources; thus, it is our responsibility to take good care of them. We recognise the human and ecological hazards that come with climate change, which can make life more difficult for communities and put more strain on the planet's systems and natural resources. Furthermore, a changing climate has an impact on the markets we serve. Listed below are some of the opportunities and threats we have identified:

Physical risks

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

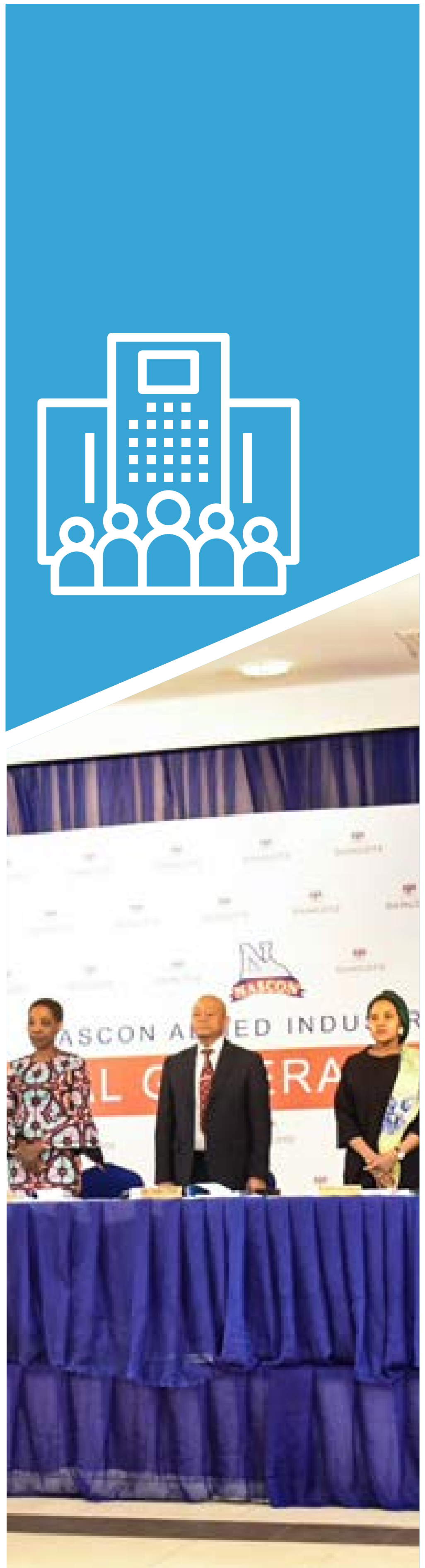
Transition risks

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

Opportunities

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

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



Institutional Pillar

Building a global brand that is driven by good corporate governance

Institutional Standards

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

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

Stakeholder Engagement

Globally, stakeholders are showing a growing interest in sustainability initiatives, performance, and disclosures. Therefore, stakeholders' priorities and views must be given utmost consideration to earn their confidence and trust. At Nascon, we recognize and understand the critical role our stakeholders play in achieving our sustainability objectives, strengthening our corporate resilience, and building healthy relationships with our host communities. We are committed to engaging our various stakeholder groups which include employees, investors, shareholders, customers, suppliers, NGOs, local communities, media organizations, amongst others for mutually beneficial value creation.

Our stakeholder categories

We also conducted a thorough analysis of our stakeholders to help us ascertain influence and interest. This has been captured in our stakeholder matrix chart below.

Institutional Pillar

Approach to Stakeholder Engagement

To ensure that we can continue to address the demands of our stakeholders both now and in the future, we must solicit their opinions and feedback through one-on-one dialogues, town hall meetings, annual general meetings, management retreats, survey deployment and other applicable engagement methods. The table below lists the stakeholder groups, interaction channels, frequency, and major topics raised.

Stakeholder Category / Reason For Engagement	Engagement Method	Frequency	Key Topics Raised
Employees Our employees are essentially our key success factor in ensuring continuous innovation and growth, increased productivity, competitive advantage, long-term business resilience, and sustainability. Therefore, we must keep them constantly motivated through our various engagement strategies.	Meetings in small groups, one-on-one engagements, notice boards, emails, newsletters, sustainability reporting, surveys, awards, recognitions, HSE site meetings, amongst others.	As required	Career growth and development, compensation and benefits, sustainability performance and reporting, equal opportunities for all employees, skills/ knowledge development, health, and safety, amongst others.
Suppliers and contractors Suppliers and contractors are a critical part of our organization's value chain, and constant engagement as valued partners keeps them inspired to deliver quality services and goods. We keep them constantly engaged to integrate our core values and principles into our business relationships.	Emails, letters, one-on-one engagements, meetings.	Regular	Requirements, products and service quality, workers' security, pricing, invoices and payments, after-sales support, and efficiency.
Distributors and customers A critical component of running a business successfully is largely hinged on relationships fostered with distributors and customers. We constantly employ appropriate engagement channels to keep our distributors and customers satisfied.	Emails, letters, visits/one-on-one engagements, meetings, customer service week.	As required	Meeting targets, value creation, ensuring production continuity, credit line, and distributors' award initiatives.
Host communities Host communities are key business stakeholders, and crucial to our business sustainability. We understand that an effective community engagement program promotes beneficial relationships and has a positive effect on the areas where we operate, and we put in a lot of effort to strengthen ties with these host communities.	One-on-one engagements, town hall meetings, community engagement initiatives, interest groups' communications, surveys, empowerment programs.	As required	Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure, and skill acquisition.
Government/Regulatory agencies Government authorities and regulatory agencies are vital in promoting sustainable development, with high power and influence to make major changes in any organisation. To comprehend their concerns, and create mutually beneficial solutions, we must collaborate with these key stakeholders.	Official letters/emails, periodic assessments, compliance filing and reporting, annual financial report, sustainability report.	As required	Formal notices, applications, policies and regulations, compliance, tax.
Media To build brand awareness and gain recognition, media relations give a unique advantage by creating avenues to establish connections with the brand's target market. Therefore, we deploy the use of the media as a tool to achieve our desired objectives.	Press releases, media parley, sustainability report, annual financial report, conferences.	As required	Governance restructuring, Advertisement, public service announcements, social and environmental impacts.
Financiers/Banks As capital providers, financiers/banks are particular about the transparency of an organization's business dealings. We constantly keep our financiers informed through various engagement channels.	Annual financial report, sustainability report, meetings.	As required	Investments opportunities, loan financing, credit negotiations, interest rates.
Labour Unions We recognise the role of unions in empowering the voice of workers to express their concerns and displeasure to management, and we ensure we deploy appropriate communication strategies to engage with them.	Meetings, emails, letters, sustainability reports, courtesy visits.	As required	Labour laws and regulations, productivity, employees' rights & obligations, safe working conditions, compensations, and benefits.
External Affiliations/Associations Forging mutually beneficial partnerships is crucial for the sustainability of any organization. At Nascon, we understand the need to engage with external affiliations and associations as joint stakeholders in sustainable development.	Letters, meetings, sustainability reports, workshops, and other forums.	Monthly, bi-annually, annually	Membership subscriptions, partnerships, policy reviews.
Investors/Shareholders Engagement with investors and shareholders is essential to ensure transparency, keep them informed about corporate happenings and help them make smarter decisions. We ensure that we continuously keep our investors and shareholders engaged.	Annual General Meetings, investors relations forum, quarterly and annual financial reports, sustainability reports, newsletters.	Continuous	Quality of leadership, business strategy, financial performance, dividends, corporate governance, board composition, external reporting, ESG compliance.
Non-Governmental Organisations/CSOs We understand the role NGOs/CSOs play as mutually beneficial partners in supporting a brand to achieve its long-term sustainability and purpose-driven corporate objectives and goals. We make sure we create channels for meaningful interaction with NGOs and CSOs.	Annual financial report, sustainability report, meetings, partnerships, courtesy visits.	As required	Community development, environmental impacts, social initiatives, partnership for sustainable development.

Institutional Pillar

2022 Nascon Materiality Assessment and Stakeholders' Survey - Employees, Communities, Investors and Supply Chain Partners

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

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

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

Materiality Assessment Process

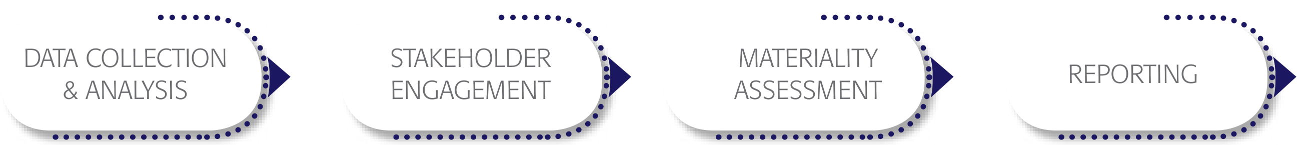
The 2022 Nascon materiality assessment was executed in four (4) broad staged-processes and specific actions as summarized below.

The survey questionnaires were digitally designed and deployed using an online, cloud-based solution that allowed stakeholders (employees, host communities, investors, and supply chain) to respond in real-time from diverse locations across Nascon operations and globally by clicking on a survey link or scanning a QR code. The online model allowed responses to be provided using electronic devices such as laptops, tabs, and cell phones. This allowed for electronic rather than face-to-face engagements, timely completion, guaranteed respondents' anonymity and confidentiality, and ease of data collation and analysis.

At the end of the survey deadline, the portal closed, and the raw data file was retrieved from the online, cloud-based solution used to deploy the surveys and subjected to data quality control, quantitative analysis, and interpretation. The datasets were further transformed after analysis for easy visualization using different charts for a better understanding of the analysis. In addition to the quantitative data analysis, we conducted qualitative data collection using KIIs and Gender Segregated FGDs for employees and host communities at selected operational sites. This additional fact-finding engagement aimed to enhance the triangulation of results and ground truth of the quantitative findings to ensure that the resultant material topics reflect an accurate perception of the stakeholders.

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

Four (4) stages of the materiality assessment process



DATA COLLECTION & ANALYSIS
- Questionnaire review
- Survey link design and deployment
- Data quality control, analysis & interpretation

STAKEHOLDER ENGAGEMENT
- Key informant interviews (KIIs)
- Focus group discussions (FGDs)

MATERIALITY ASSESSMENT
- Identify, categorize, rank and prioritize sustainability indicators
- Materiality matrix development

REPORTING
- Draft materiality assessment report
- Final report after review

Breakdown of stakeholders' respondents

Stakeholder group	Survey respondents	KIIs
Employees	96	-
Host communities	10	21
Suppliers, vendors & contractors	14	-
Investors	3	-

Employees' survey

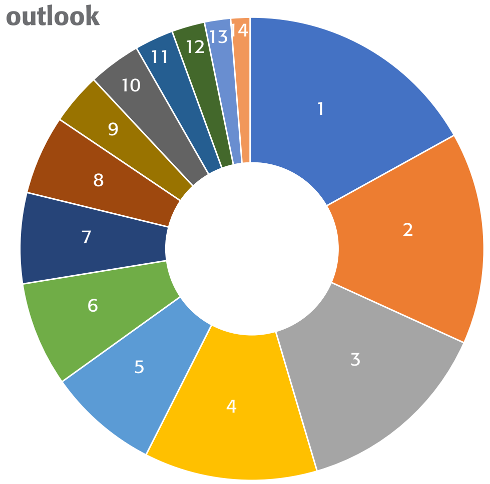
The 2022 employees survey was conducted across five (5) Nascon sites - Oregun, Ikeja, Lagos; Salt Village, Ajegunle, Lagos; Apapa, Lagos; Ota, Ogun; and Port Harcourt, River state. Of the 96 respondents, 21 (22%) were female and 75 (78%) were male. Majority of the respondents (32%) have been in the service of Nascon for 3-5 years, while 22% each have been employed for 0-2 years and 10-20 years respectively.

In terms of Nascon's brand image perception and public outlook, the employees' top three (3) attributions to the Company's brand are job creation (85%), compliance with applicable laws and regulations (83%), and Africa's biggest business (82%) while the least attribution is monopoly (69%).

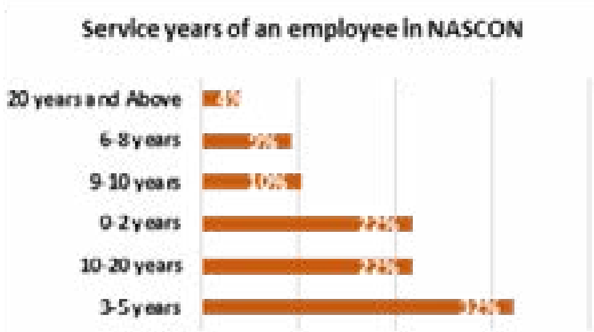
Also, majority of the employees ranked compliance with legal and regulatory standards (81%), employee engagement and education on sustainability (81%), and compliance with environmental standards (80%) as the issues or factors vital to the future and sustainability of the Nascon brand.

A total of 27 material topics were identified from the employees' perspectives. The chart in the next column represents the top ten high-ranking material topics that are important to employees. Of all the material topics in the employee materiality matrix, only three (3) material topics were the most critical to employees in terms of impacts on Nascon operations and they are Regulatory approvals and compliance; Occupational health and safety; and Consumer/Customer wellbeing.

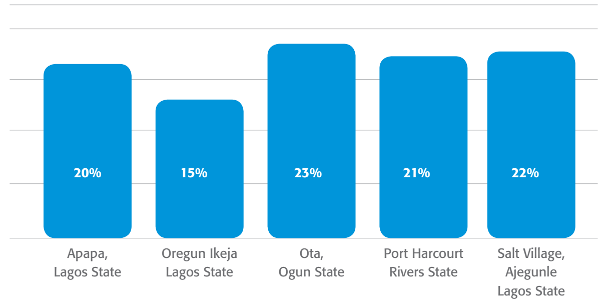
Employees' perception of Nascon's brand image and public outlook



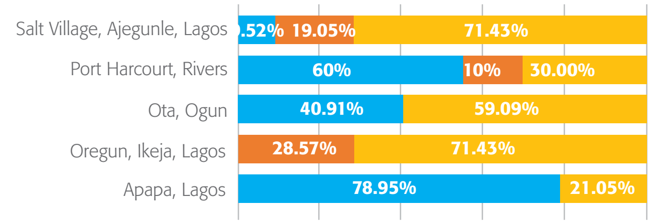
1 Job creation 80.43%
2 Economic Impact 69.57%
3 Profitability 65.22%
4 Compliance with applicable laws and regulations 56.52%
5 Industry and Market leadership 36.96%
6 Industrialization 34.78%
7 Community Impact 30.43%
8 Africa's Biggest Business 26.09%
9 Environmental Degradation 17.39%
10 Innovation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



Location of Employees

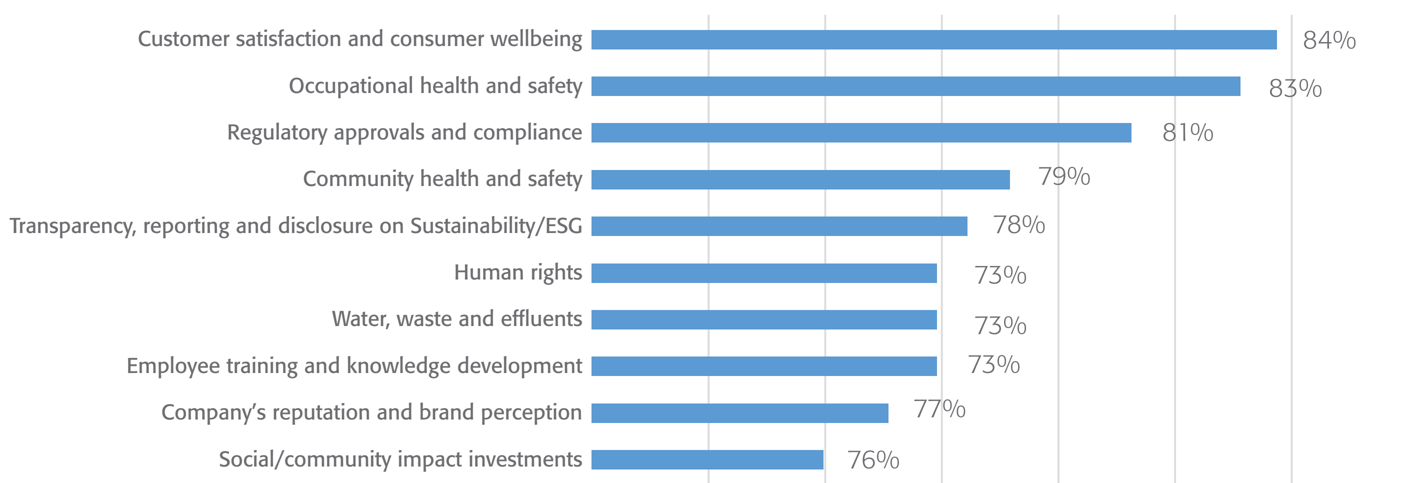


Employee category surveyed by location



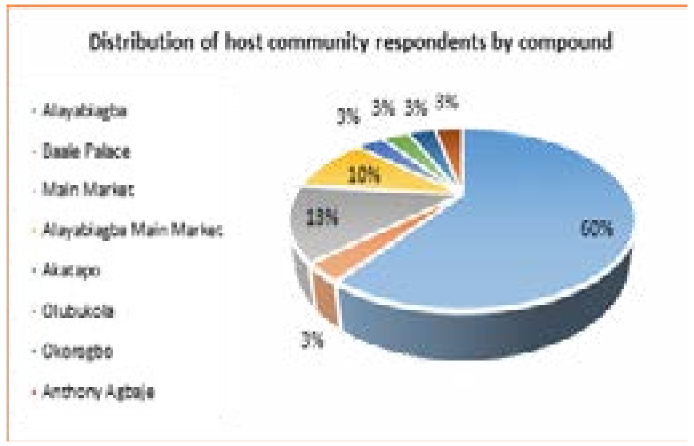
Institutional Pillar

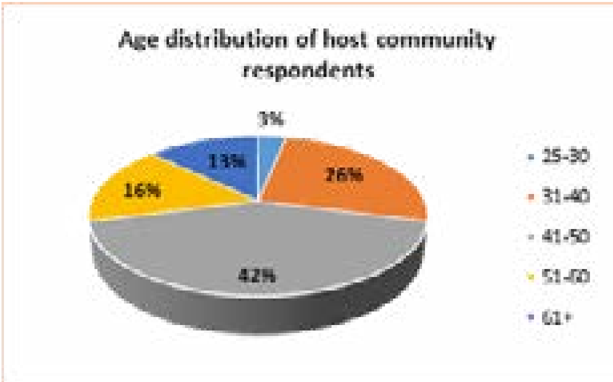
High ranking material topics important to Nascon employees

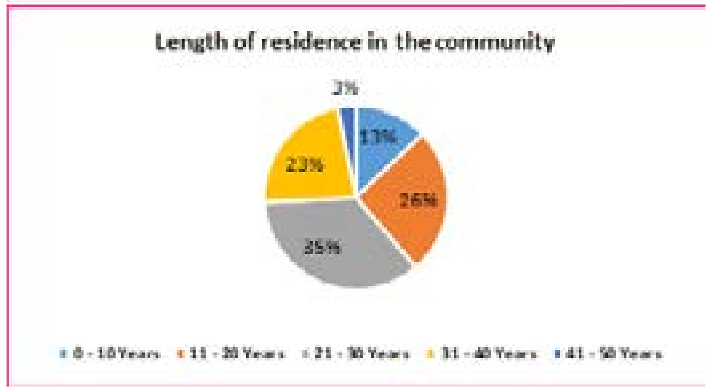


Communities survey

The host community survey and engagement (KIIs and/or FGDs) was conducted in the Alayabiagba community, the local community for the Salt Village site in Ajegunle, Lagos. The community comprise eight (8) compounds and is headed by the Baale of Alayabiagba, who is the traditional leader.







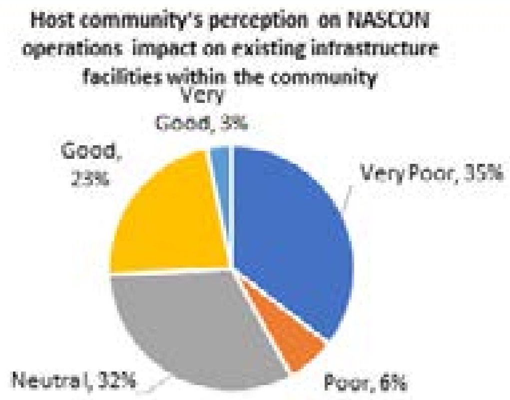
Of the 31 respondents, 7 (23%) were female and 24 (77%) male, with a mixture of married (90%) and single (10%) as their marital status. 23 (74%) practise Islam religion while 8 (26%) practise Christianity. Seventy-four (74%) of the host community respondents have 0-5 dependents; 42% are aged 41-50 years old; and 26% are aged 31-40 years. Almost all the respondents (65%) live within 1-5km of the Nascon site and they indicated that they have lived between 21-30 years in the community (35%).

Majority of respondents from Nascon's host community at the Salt Village site (Alayabiagba community) stated that they are "neutral or indifferent" (61%) regarding the impacts of Nascon operations on their community in terms of social amenities and overall development since commencement. Also, some believed Nascon has done "very poor" (35%) and others "neutral or indifferent" (32%) in terms of Nascon's operations impact on existing infrastructure facilities such as roads, healthcare, schools, etc. within the community as shown in the chart below.

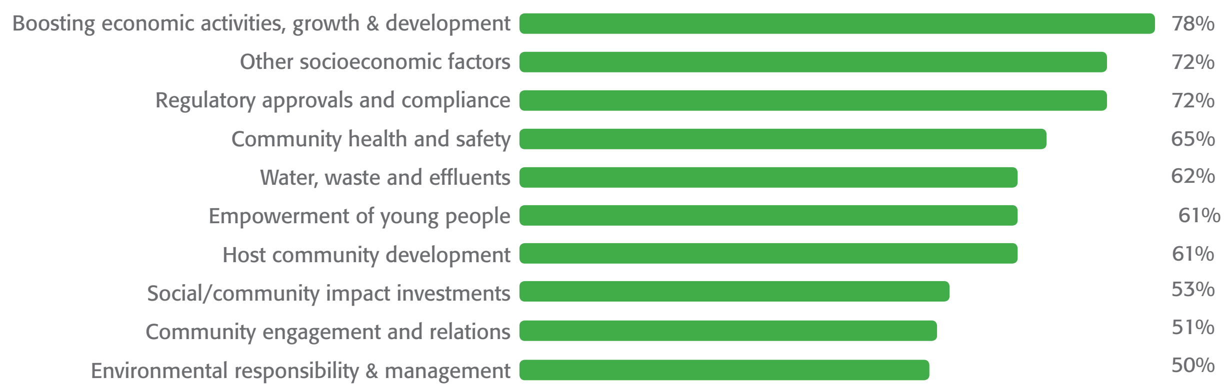
Institutional Pillar

However, majority of the respondents said they are "unable to determine" or "neutral" in assessing how Nascon's operations have affected the quality of life (52%), cost of living (61%) and standard of living (71%) in their community.

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

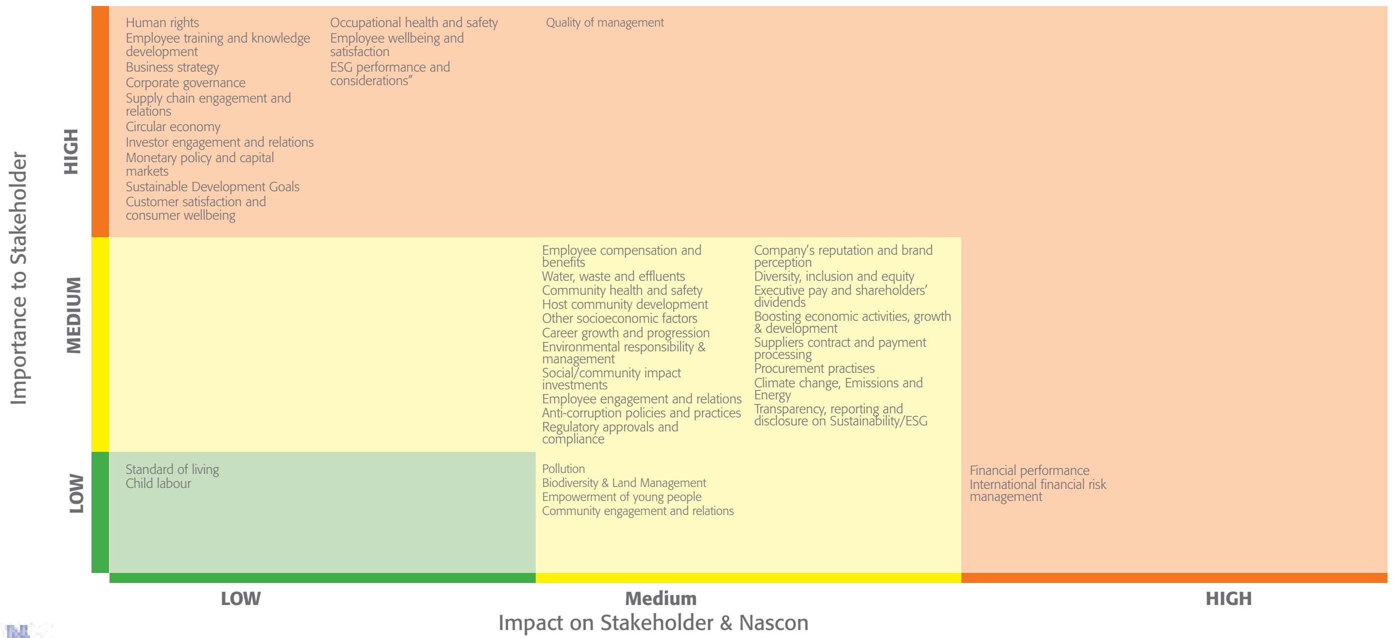


High ranking material topics important to Nascon Host Community



None of the material topics in the host community materiality matrix were most critical. Ten (10) of the 14 material topics were moderately critical (Medium rank) to the host community while the remaining four (4) were least critical (Low rank) to the host community in terms of impacts on themselves and Nascon operations.

2022 Nascon Allied Industries Plc Materiality Matrix (Consolidated)



Institutional Pillar

Investors' Survey

Three (3) existing investors of Nascon took part in the survey; One (1) was institutional, another was a shareholder, and the third was an individual investor. All the investors are located within Nigeria and details of the investors are presented in Table below.

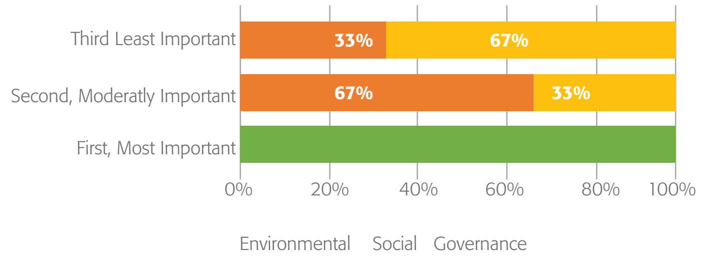
The few investors assessed were neither Africa fund, Emerging market fund nor Frontier fund but belonged to other kinds of investment funds (such as pension and internal shareholder). These investor respondents believed that governance (100%) is first and most important ESG metric/issue to be considered when making their investment analysis or decisions.

All the investors three (3), 100%, indicated that their firm is under increasing pressure to incorporate ESG (Sustainability) factors into valuation models and investment decisions and that this pressure is mostly internal (100%) but externally driven.

However, only two (2), 67%, of the investor's firm has a formal valuation model that incorporates ESG factors. For example an ESG loading on Weighted Average Cost of Capital (WACC) when they want to determine or price a Company's products and services profitably prior investment.

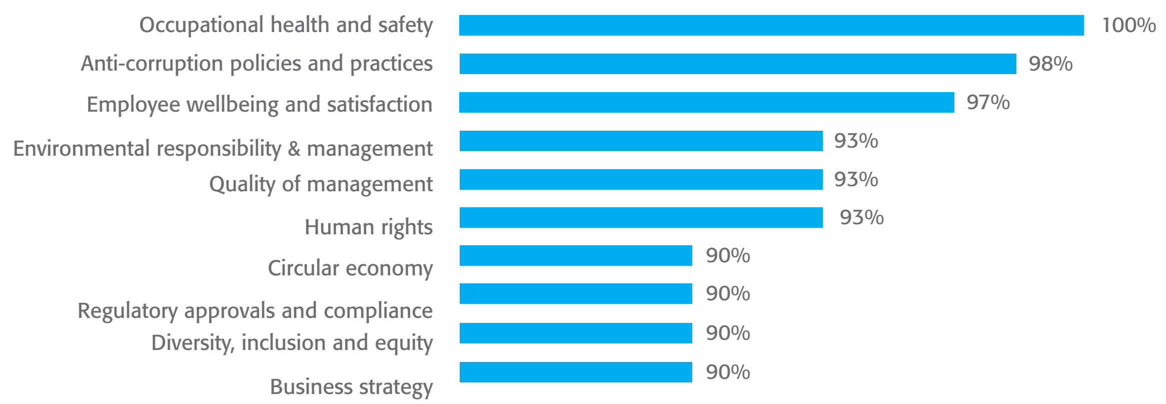
A total of 24 material topics were identified from these investors' perspectives. The top ten high-ranking material topics that are important to investors are shown in chart below. Twenty-three (23) out of the 24 material topics in the investor materiality matrix were most critical (High rank), while only one (1) was moderately critical (Medium rank) in terms of impacts on their investment and Nascon operations.

ESG metric/issues considerations by investors in making investment decisions



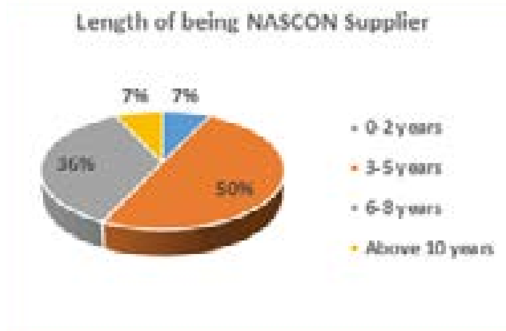
Type of Investor	Investment style	Location	Existing or Prospective Investor	Kind of Investment Fund
Institutional	Growth and Value	Nigeria	Existing Investor	Others (Pension)
Others (Shareholder)	Management	Nigeria	Existing Investor	Others (Internal Stakeholder)
Individual investor	Growth	Nigeria	Existing Investor	Others (Individual Investor)

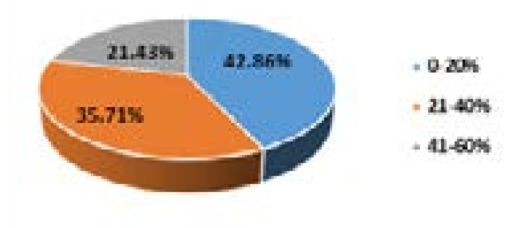
High ranking material topics important to Nascon Investors



Supply chain partners survey

The core business areas of supply chain stakeholders who participated in the survey comprised engineering, construction, maintenance, provision of personal protective equipment (PPE), fire equipment and gadgets, consultancy services in environmental, technical, supply of engineering equipment, corporate branding, and general procurement. Majority of the surveyed suppliers (50%) have been providing services to Nascon for 3 to 5 years.



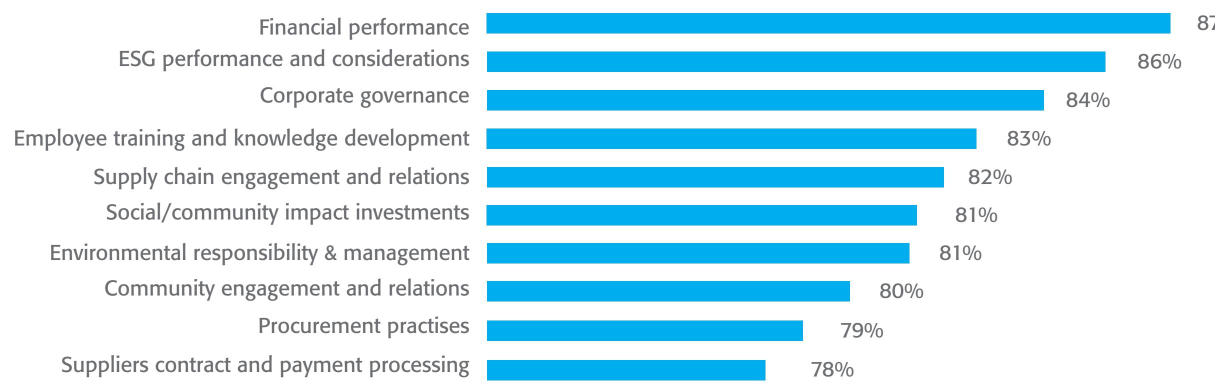


The perception of the suppliers, vendors or contractors on the issues/factors that could impact the Nascon's brand indicated that the top three (3) factors are business profitability (90%), job creation (90%) and local content/vendors patronage (90%).

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

Of all the material topics in the suppliers' materiality matrix, eight (8) material topics were the most critical to the suppliers in terms of impacts on their business vis-a-vis relationship with Nascon operations, as follows: community engagement and relations; environmental responsibility & management; social/ community impact investments; supply chain engagement and relations; employee training and knowledge development; corporate governance; ESG performance and considerations; financial performance.

High ranking material topics important to Nascon Suppliers



Institutional Pillar

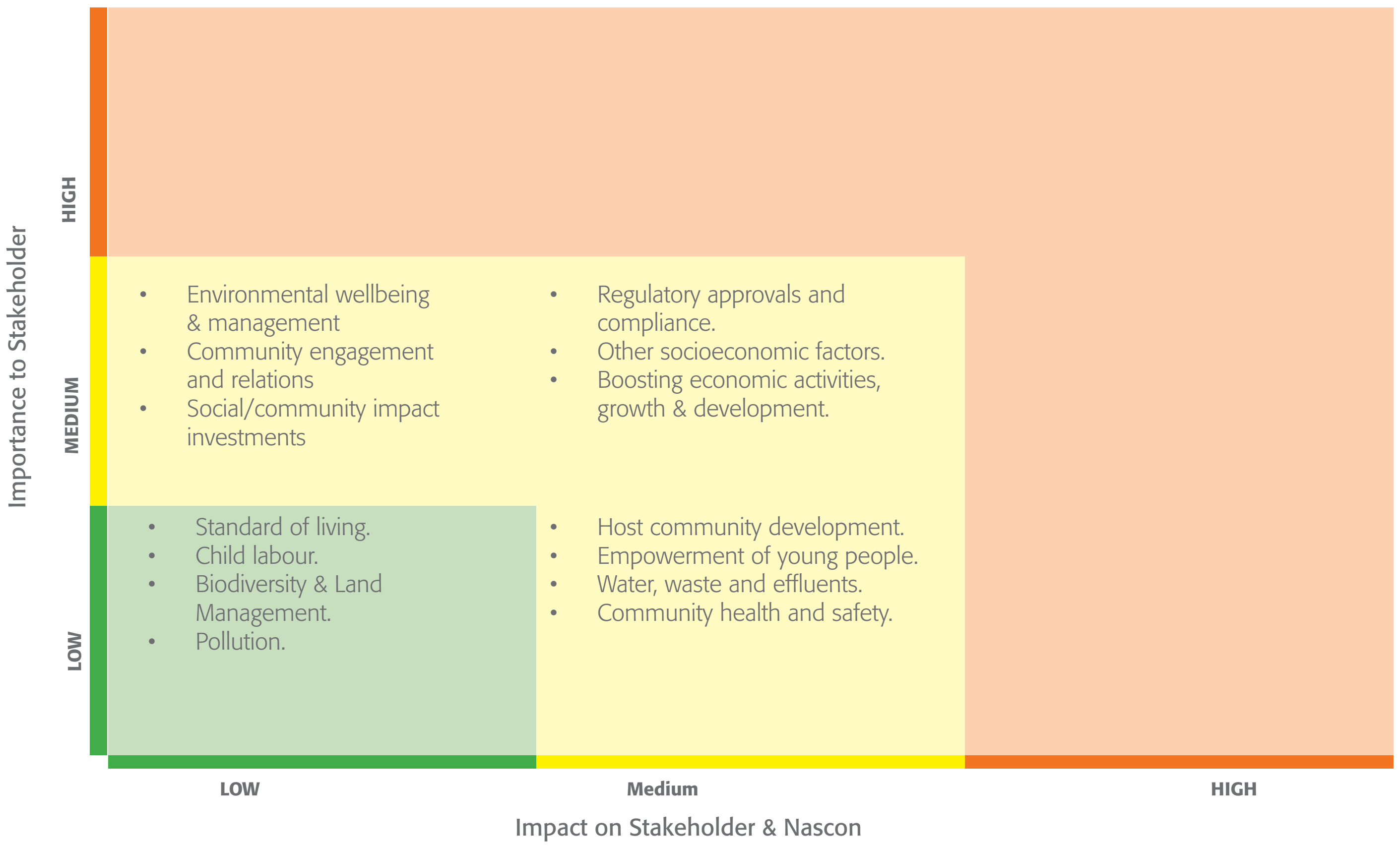
Nascon's 2022 Materiality Matrix

Material topics from our stakeholders informed the consolidated matrix for Nascon's operations. The topics shown in the materiality matrix figure are indicators that have been identified as material by the key stakeholders surveyed for 2022 (Employees, Host Communities, Investors, and Supply Chain). They also reflect indicators that Nascon has identified as being material to its business sustainability. In line with the GRI Sustainability Reporting Standards reporting requirements, the identified material topics significantly influence the issues that are disclosed in this report.

At the end of the materiality matrix consolidation, a total of 41 material topics were identified, two (2) material topics were least critical (Low rank), 23 material topics were moderately critical (Medium rank) while 16 material topics were most critical (High rank) to all Nascon stakeholder groups surveyed in 2022 as part of the materiality assessment.

Furthermore, the list of material topics applicable to us as an organisation is carefully discussed and addressed throughout this sustainability report in addition to those identified through the 2022 materiality assessments as indicated in the matrix above. Our material topics for 2022 across the GRI Sustainability Reporting Standards include the following: Economic Performance, Market Presence, Indirect Economic Impacts, Procurement Practices, Anti-corruption, Anti-competitive Behavior, Tax, Materials, Energy, Water and Effluents, Biodiversity, Emissions, Waste, Supplier Environmental Assessment, Employment, Labor/Management Relations, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor, Forced or Compulsory Labor, Security Practices, Rights of Indigenous Peoples, Local Communities, Supplier Social Assessment, Public Policy, Customer Health and Safety, Marketing and Labeling, and Customer Privacy.

2022 NASCON Materiality Assessment - Host Community Matrix



Nascon Strategic Priority SDGs

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

To monitor our progress in the implementation of the prioritized SDGs (2, 3, 6, 12, 13), we developed an integration plan which was endorsed by the Executive Management. The integration plan in the table below shows Nascon's specific, actionable plans, targets and realistic timeframes for achieving them and will ensure that achievements in all priority SDGs are clearly documented and measured.

Institutional Pillar

Nascon's progress in 2022 through our priority SDGs				
UN SDG & Nascon's Priority SDGs	**SDG Agenda and Targets**	**Importance / Materiality to Nascon**		**Nascon progress in 2022 through our priority SDGs**
Goal 2: Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture Target 2.1 Target 2.3 Target 2.4	• Fighting hunger is a strong business opportunity for salt businesses. • Where purchasing power is low, hunger may also result in business failure. • Fighting hunger boosts productivity for food-related businesses.		• Sourced 45% of raw materials, goods and services locally, to boost commerce, entrepreneurship and household income. • Supported local content and prioritize the patronage of local vendors, to boost economic productivity and improve household income.
Goal 3: Good Health and Well-being	Ensure healthy lives and promote well-being. Target 3.5 Target 3.6	• There is growing resistance to salt consumption on health grounds. • There are Health & Safety risks associated with salt mining and intensive heat emissions from processing.		• Created awareness on healthy living habits and healthy use of Dangote salt. • Supported healthcare facilities in local communities as part of CSR initiatives, in line with the outcome of community needs assessment. • Product fortification with Vitamin A.
Goal 6: Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all. Target 6.3 Target 6.4	• Salt production is water intensive. • Salt emission could contaminate potable water sources. • Land degradation, loss of biodiversity, etc., are material sustainability issues in salt production.		• Supported local communities with boreholes and potable water as part of CSR initiatives, in line with the outcome of community needs assessment. • Maintained an environmentally friendly disposal of wastewater/effluents. • Applied hygienic standards in production processes, across the entire value chain.
Goal 12: Responsible Consumption and Production	Ensure sustainable consumption and production patterns. Target 12.2 Target 12.3 Target 12.5 Target 12.6	• Water consumption intensity, land degradation, and loss of biodiversity are material sustainability issues in salt production. • Waste generation such as wastewater and residue in operations and supply chain.		• Promoted responsible use of natural resources, such as water. • Ensured best practices in sourcing and processing of raw materials, chemicals, packaging of products and waste management. • Ensured operational efficiency and health and safety best practices across the production chain.
Goal 13: Climate Action	Take urgent action to combat climate change and its impacts. Target 13.2	• Carbon Emissions from production activities contribute to climate change. • Intensive heat and salt dust in production.		• Complied with all applicable environmental laws and regulations and mitigate negative environmental impacts. • Integrate climate change mitigation considerations into key operational strategies and planning. • Commenced implementation of a Code for entrenching best ESG practices in the supply chain.

Institutional Pillar

The employees and the host communities' surveys and engagements elicited feedback on the views of these stakeholders on the implementation, progress and impact of Nascon Priority UN SDGs on them.

Most of the employees think Nascon has implemented and made progress through the "good" rating majority of the respondents gave based on their knowledge of activities and initiatives executed under each of the Nascon priority SDGs. See the chart below.

Majority of the host community respondents think Nascon should focus more on SDG 2 (42% of respondents), SDG 3 (65% of respondents), and SDG 6 (45% of respondents) as it is rated "very important" while SDG 12 (52%) and SDG 13 (52%) were rated "neutral" as possible focus areas for 2023 and beyond.

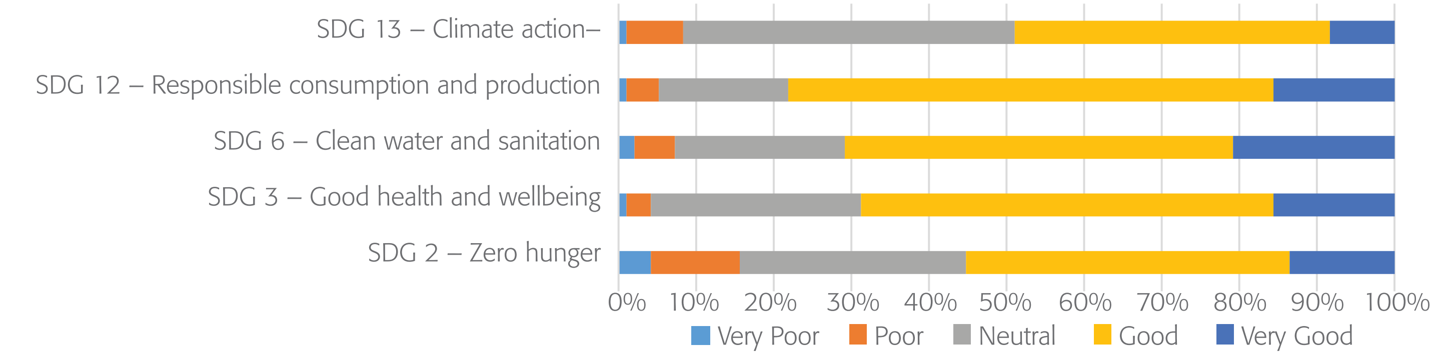
ESG and Other Regulatory Compliance

Target 16.3, 16.6, 16.7 Aspiration 3 | Goal 11, 12

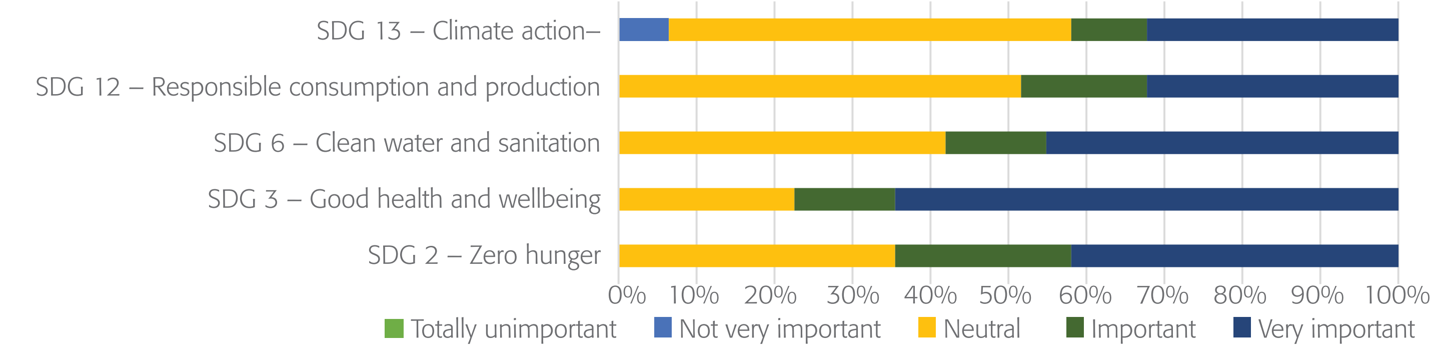
To corroborate our compliance with national ESG regulatory requirements such as the SEC Code of Corporate Governance and the NGX Sustainability Disclosure Guidelines, Nascon has implemented policies (such as Employee Data Privacy Policy, Data Protection Policy, Communication Governance Policy, Diversity and Inclusion Policy, High-Value Identification and Succession Planning Policy, IT Acceptable Use Policy, Anti-Corruption Policy, Board Appointment Policy, Board Code of Conduct Policy, Complaints Management Policy, Board Conflict of Interest and Related Party Transactions Policy, Insider Trading Policy, Third Party Supplier Security Management Policy, Vulnerability and Patch Management Policy). Regulations and best practices of social responsibility, labour conditions, human rights., workplace safety, environmental protection, and transparency are integrated into all aspects of our standard operating procedures (SOP's) and serve as a guide to shape our policy formulation decisions.

We submit Corporate Governance Reports annually line with capital market rules. In 2022, we incurred one (1) fine/penalty for ESG (environment, social and governance) and regulatory non-compliance. This was from Ogun State Environmental Protection Agency (OGEPA) at our Ota Plant for a failure to install an effluent treatment plant (ETP) which we have now installed. Two (2) litigation cases were brought against Nascon in 2022; one related to land, while the other related to a contract and no costs have been incurred from judgements on these cases so far.

Employees rating of Nascon Priority SDGs implementation and progress



Host community suggested focus for Nascon Priority SDGs in 2023 and beyond



Nascon is aligned with some of the ESG related principles, guidelines and regulations such as:

NATIONAL

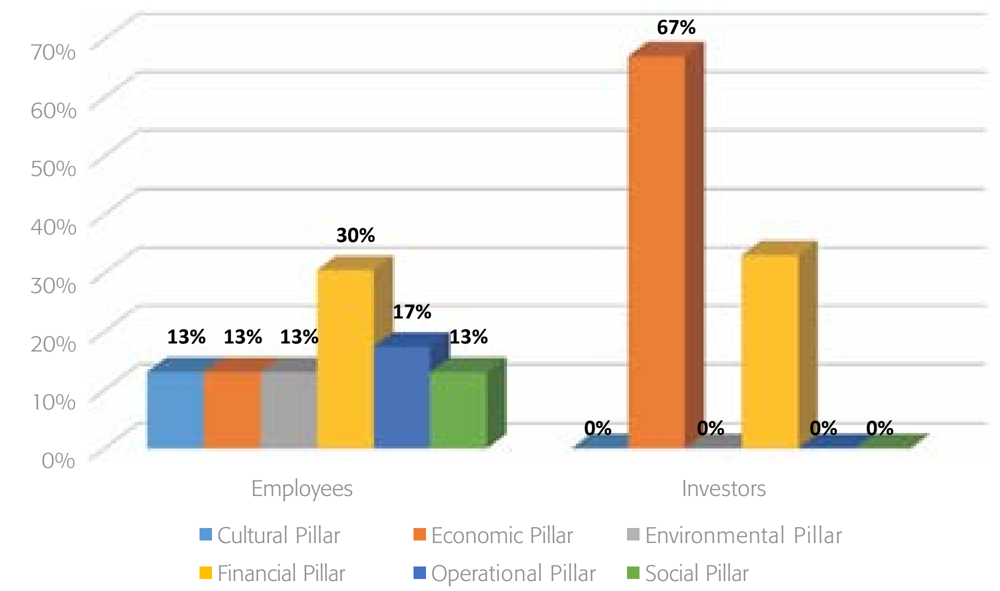
- The Nigerian Exchange Group's (NGX) Sustainability Disclosure Guidelines
- SEC - Securities & Exchange Commission (Code of Corporate Governance)
- Nigerian Code of Corporate Governance (NCCG)
- National Environmental Standards and Regulations Enforcement Agency (NESREA)
- Federal & States Ministry of Environment
- Federal & States Ministry of Mines
- Federal & States Ministry of Labour and Productivity
- Federal & States Environmental Protection Agencies (e.g., Lagos State Environmental Protection Agency - LASEPA)
- Federal Road Safety Corps (FRSC)
- Host Local Government Areas
- Industrial Training Fund (ITF)
- National Agency for Food and Drug Administration and Control (NAFDAC)
- Standards Organisation of Nigeria (SON)
- Manufacturers Association of Nigeria (MAN)
- Nigerian Port Authority (NPA)

INTERNATIONAL

- United Nations Global Compact (UNGC)
- The United Nations Sustainable Development Goals
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Global Food Safety Initiative (GFSI)
- International Finance Corporation (IFC) Performance Standard
- Africa Agenda 2063

24% of the employee respondents in the survey stated they read the 2021 Nascon Annual Financial and Sustainability Report; selected Financial Pillar (30%) and Operational Pillar (17%) as the top two (2) sections they were most interested in while reading the report. 100% of the investor respondents confirmed that they read the financial and sustainability report, while 67% of them stated that it met their ESG performance expectations. Economic Pillar (67%) and Financial Pillar (33%) are the top two (2) sections of the annual financial and sustainability report the investors are most interested in reading.

Sections of the 2021 Nascon Annual Financial and Sustainability Report that most interests Employees and Investors



Association and Membership

Nascon is a member of the Manufacturing Association of Nigeria (MAN), Lagos Chamber of Commerce & Industries (LCCI), Nigeria Employers Consultative Association (NECA), and the Association of Food, Beverage and Tobacco Employers (AFBTE). In addition, through commitments made by our parent Company - Dangote Industries Limited – Nascon supports the World Economic Forum and the United Nations Global Compact (UNGC), and as such reflect some of the UNGC's principles into its reporting disclosures.

ESG Awards and Recognition

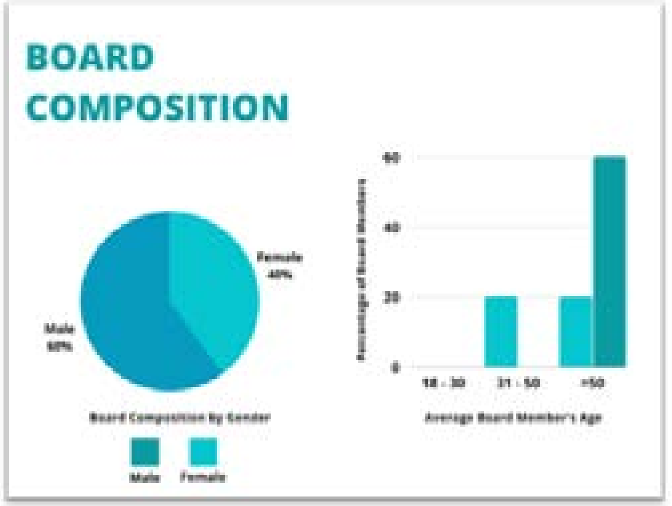
In recognition of our excellent ESG practices in the year 2022, we had the privilege of receiving the distinguished Sustainability, Enterprise, and Responsibility Awards (SERAS Africa CSRSustainability Awards) for Best Company in Gender Equality & Women Empowerment. This recognition reiterated our efforts toward reducing gender inequalities and advancing the representation of women in the workforce.

In addition, we also received the Dangote Industries Limited (DIL) Award for Best Environmental Initiative in commemoration of the 2022 World Environment Day. This award highlighted our environmental initiatives towards supporting Oregun High School, Lagos, through our tree planting activity, as well as the donation of gardening tools to promote further sustainable practices amongst the students.

Governance body diversity and roles

The culture of inclusion at Nascon is fostered by the presence of a diverse Board and Executive/Senior Management leadership. Our executive and senior management team reflects diversity across gender, age group, nationality, culture, and educational background. A team of 19 professionals with diverse backgrounds and experiences has an average age of 49 years and comprises of five (5) women (26%) and 14 men (74%).

Our Board of directors comprise a combination of six (6) men and four (4) women, representing 60% and 40% of the total membership respectively with the average age being 59. We also witnessed a change in our Board membership this year, albeit this had no reflection on our Board gender parity.



Transparent Board Performance

Nascon practices an accountable governance in which the Board of directors provide information about their decision-making to the stakeholders. This includes disclosing information about financial performance, strategic plans, risk management practices, and governance structures, among other things.

Conflict of Interest and Collective Knowledge

The Board Chairperson is responsible for determining the appropriate measures to be taken in the event of a conflict of interest case. Directors make sure they abide by the Related Party Transaction and Conflict of Interest Policy and are required to address their concerns with the Board Chairperson. .

Evaluation of the Performance

An independent consultant was engaged in the reporting year, 2022 to evaluate the Board's performance and present the result to the Board. This was subsequently followed by corresponding remedial actions and compliance reports presented to the Board.

Remuneration and Compensation Matters

Nascon abides by its legal obligations on Board remuneration and compensation as provided by the Companies and Allied Matters Act (CAMA), 2020, and the NGX Rulebook. The Directors' remuneration has been stated in our financial statements within the Annual Report.

Financial Pillar

Delivering strong and sustainable returns

Financial Standards

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

Financial Highlights (₦'000)

Operating Profit
₦8,674,482
2021: ₦4,316,502

GP Margin (%)
42%
2021: 36%

Profit Before Tax
₦8,374,191
2021: ₦4,238,043

PBT Margin (%)
14%
2021: 13%

Net Cash & Cash Equivalents
₦12,967,640
2021: ₦7,005,446

Total Revenue
₦58,786,251

Gross Profit
₦24,542,319

Total Assets
₦55,530,771

Total Equity
₦19,042,366

EBITDA*
₦11,744,038
2021: ₦5,049,641

EBITDA Margin (%)
20%
2021: 15%

Net Profit
₦5,469,248
2021: ₦2,970,982

Earnings per share
₦2.06
2021: ₦1.12

Proposed Dividend per share **
₦1.00
2021: ₦0.40

*Earnings before interest, taxes, depreciation and amortization **Proposed dividend is subject to the approval of shareholders at the Annual General Meeting

Total revenue in 2022 increased by 77% to ₦58.79bn from ₦33.28bn in 2021 with 2022 Salt revenue increasing by 80% to ₦53.50bn from ₦29.75bn in 2021"

Chief Financial Officer's Review

Revenue by Product	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Salt	53,495,266	29,752,031
Seasoning	5,290,985	3,527,657
Total Revenue	**58,786,251**	**33,279,688**

2022 was a challenging year for many manufacturing businesses in Nigeria with increased input costs due to continued global supply chain disruptions and increased freight costs. We were able to maintain our market share and increase total revenue by 77% to ₦58.79bn {2021: ₦₦33.28bn}. Salt revenue increased by 80% to ₦53.50bn {2021: ₦29.75bn} while Seasoning revenue increased by 50% to ₦5.29bn {2021: ₦3.53bn}. The revenue growth was due to a 12% volume growth and strategic pricing actions driven by increased input costs. Salt contributed 91% of revenue while Seasoning contributed 9%.

"Regional distribution of our revenue to the East, West and North were 6%, 24% and 70% respectively"

Revenue by Region	31-Dec-22 ₦'000	31-Dec-21 ₦'000
East	3,477,803	2,672,444
West	14,199,742	9,692,464
North	41,108,706	20,914,780
Total Revenue	**58,786,251**	**33,279,688**

“Gross profit increased to ₦24.54bn with the increased margin of 42% for the year”

Cost of Sales	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Direct material cost	30,451,330	18,014,086
Direct labour cost	978,799	1,050,184
Depreciation	807,469	902,166
Manufacturing expenses	2,006,334	1,229,550
Loading	-	124,333
Total Cost of Sales	**34,243,932**	**21,320,319**

Combined production efficiency for the year was 86% {2021: 72%}. Salt production efficiency in all 3 plants (Salt Village, Apapa and Port-Harcourt) increased to 86% {2021: 72%} due to increased demand of various products. Seasoning production efficiency increased to 64% {2021: 59%} as we continued to strengthen our route to market. There was no production of Tomato Paste in the year as the plant remains mothballed.

Cost of Sales for the year increased by 61% to ₦34.24bn {2021: ₦21.32bn} driven by a 67% increase in Salt costs by ₦12.70bn and a 13% increase in Seasoning costs by ₦0.30bn. Tomato Paste costs were flat and mainly from depreciation costs.

Direct material costs increased by 69% compared to 2021 due to increase volumes, increased global freight costs for Salt and increased raw material costs for Seasoning. Manufacturing costs increased by 63% driven by energy costs and maintenance of our production equipment across all plants.

Administrative and Distribution Expenses	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Administrative Expenses	3,142,912	2,800,431
Market Activation	339,636	289,762
Branding Expenses	252,375	600,905
Delivery Expenses	11,446,505	5,802,692
Total Operating Expenses	**15,181,428**	**9,493,790**

Administrative expenses increased by 12% to ₦3.14bn {2021: ₦2.80bn} mainly driven by increased employee costs. Market activation expenses increased by 17% to ₦0.34bn {2021: ₦0.29bn} due to targeted market activations and deepening our route to market strategies. Branding expenses decreased by 58% to ₦0.25bn {2021: ₦0.60bn} due to targeted consumer engagements in specific markets.

Delivery expenses increased by 97% to ₦11.45bn {2021: ₦5.80bn} driven by increased costs of AGO, repairs, spares and third party transportation. The additional hiring of third party transporters was required to mitigate the transportation challenges we faced and ensure timely delivery of all our products.

“Operating profit for the year grew by 101% to ₦8.67bn from ₦4.32bn in 2021”

Profitability	31-Dec-22 ₦'000	31-Dec-21 ₦'000
EBITDA	11,744,038	5,049,641
Other Income	124,293	52,271
Other Operating Gains/(Losses)	(794,555)	1,782,837
Depreciation and amortization	(2,399,294)	(2,568,247)
Operating Profit	**8,674,482**	**4,316,502**

Operating profit for the year increased by 101% to ₦8.67bn {2021: ₦4.32bn} and operating margin for the year was 14% {2021: 13%}. The main driver for the increased operating profit in 2022 is revenue growth year on year from increased volumes and strategic pricing actions.

Investment Income	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Interest income on bank deposits	136	377
Interest income on short term fixed deposits	394,402	51,324
Investment Income	**394,538**	**51,701**

Finance Cost	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Interest on overdraft	-	80,585
Interest on borrowings	126,714	-
Interest on lease liabilities	568,115	49,575
Finance Cost	**694,829**	**130,160**

Investment income grew by 663% to ₦0.39bn {2021: ₦0.05bn} as we focused on investing our increased proceeds in the year. Finance costs were ₦0.69bn {2021: ₦0.13bn} driven mainly by lease liabilities of ₦0.57bn {2021: ₦0.05bn} and interest on borrowings of ₦0.13bn {2021: Nil}. The borrowings relate to drawdowns on our usance facilities at the bank. The average effective interest rate during the year was 13.6%

“The profit before tax increased by 98% to ₦8.37bn while net profit increased by 84% to ₦5.47bn”

Taxation	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Income Tax Expense	2,904,943	1,267,061
Total Taxation	**2,904,943**	**1,267,061**

The profit before tax increased by 98% to ₦8.37bn, compared to ₦4.24bn in 2021. Tax expense for the year increased by 129% to ₦2.90bn {2021: ₦1.27bn}. The effective tax rate was 35% {2021: 30%}. The net profit for the year increased by 84% to ₦5.47bn compared with ₦2.97bn in 2021. This resulted in a 84% increase in earnings per share in 2022 of ₦2.06 compared to ₦1.12 in 2021.

"Total equity increased by 50% to ₦19.04bn compared to ₦14.63bn prior year"

Financial Position	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Property, plant and equipment	12,468,851	14,063,444
Right of use assets	3,894,704	3,837,926
Other Current assets	26,161,006	15,576,012
Cash and cash equivalents	13,006,210	7,044,016
Total Assets	**55,530,771**	**40,521,398**

	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Borrowings	38,570	38,570
Lease Liabilities	3,701,309	3,139,417
Other non-current liabilities	2,258,967	2,494,656
Current liabilities	30,489,559	20,218,075
Total Liabilities	**36,488,405**	**25,890,718**

	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Share capital	1,324,719	1,324,719
Share premium	434,037	434,037
Retained earnings	17,283,610	12,871,924
Total Equity	**19,042,366**	**14,630,680**

Total assets increased by 37% to ₦55.53bn {2021: ₦40.52bn}. Cash and Cash Equivalents and Other Current assets predominantly drove this increase. Cash and cash equivalents increased by 85% to ₦13.01bn {2021: ₦7.04bn}. Other Current assets increase were driven by Inventories at year-end of ₦8.27bn {2021: ₦4.29bn} and Other Assets of ₦5.56bn {2021: ₦0.83bn} related to CBN forwards awaiting maturity and disbursements at year-end.

Total liabilities increased by 41% to ₦36.49bn {2021: ₦25.89bn} primarily driven by a 51% increase in Current liabilities related to Trade and other payables of ₦20.18bn {2021: ₦14.09bn} and Borrowings of ₦₦4.79bn {2021: Nil}. Total equity increased year on year by 30% to ₦19.04bn {2021: ₦14.63bn}.

Financial Pillar

"The Board has proposed a dividend of ₦2.65bn for the year, representing a 48% payout ratio"

Proposed dividend

On Tuesday 28th of February 2023, the Directors proposed a 150% increase of the dividend to ₦.00 per share {2021: ₦0.40} to be paid to shareholders. The dividend represents a payout ratio of 48% {2021: 36%} driven by improved profitability in 2022 while simultaneously considering the trade liabilities and capital expenditure requirements in 2023. The proposed dividend is subject to the approval of shareholders at the Annual General Meeting on Friday 26th of May 2023. If approved, the total amount payable will be ₦2.65bn {2021:₦1.06bn}.

Going Concern

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

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

Aderemi Saka
Chief Financial Officer

“Managing risk and uncertainty is integral to the successful delivery of our strategy and supports our desire to grow a sustainable and resilient business”

Risk Management Report

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

The Board is ultimately responsible for the management of risk and for setting the organizations risk appetite. Managing risk and uncertainty is integral to the successful delivery of our strategy and supports our desire to grow a sustainable and resilient business. The Board regularly reviews the principal and emerging risks facing Nascon Allied Industries Plc, and a robust risk management governance framework is in place which enables Nascon to effectively prioritize and manage risks to within our risk appetite levels.

Our Approach to Managing Risk

In line with the Dangote Group’s risk management framework, at Nascon, we have adopted a robust process that provides sufficient information, capability and tools to manage our key risks. Qualitative and quantitative tools deployed to manage this process effectively include the conduct of Risk and Control Self-Assessments, Key Risk Indicator Monitoring and Loss Incident Reporting are deployed to manage the process effectively. These processes are supplemented with ad-hoc, on-site assessments or incident assessments when unexpected high risks are envisaged or occur.

To this end, the following key processes have been developed to identify, quantify, manage and monitor the risk exposures.

Risk Management Report

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

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

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

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

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

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

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

- Collating, consolidating, analysing and evaluating risk-related data from Plants and Support Units;
- Supplying financial data and related operational business information for regulatory, external, and internal reporting;
- Implementing:
    - Risk calculation and allocation methodologies for financial risks and
    - Other risk measurement methodologies for operational risks.
- Supplying a risk-specific reporting and tracking tool to also support the Risk Management processes.

Risk Management Report

Nascon's Risk Management Governance Structure

The Board
- Set and approve overall risk management framework
- Regularly review Nascon's key exposures and approve mitigation action plans
- Provide strategic direction for the business based on its approved risk appetite
- Assess the organisational effectiveness via the audit function

Senior management
- Provide oversight and assurance of the Enterprise Risk Management Framework
- Determine mitigating action plans to manage identified risks
- Allocate risk acceptance limits for all business operations and activities
- Regularly monitor the adequacy of risk mitigation plans

Business units 1st Line of defense	Internal Control 2nd Line of defense	Risk Management 2nd Line of defense	Internal Audit 3rd Line of defense
Identify and manage risk exposures at the job function level	Define and ensure proper implementation of all internal control policies and procedures	Develop and implement a holistic Enterprise Risk Management framework at all levels and subsidiaries of the business	Provide independent assurance of the effectiveness of the group's risk management and internal control framework

The Nascon Accountability Matrix

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

Risk Appetite

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

Risk Management Initiatives for the Year

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

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

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

Principal Risks

The Risk Management process facilitates the identification and prioritization of risks through discussions and workshops with

Risk Management Report

Executive Management and business leaders facilitated by the Risk Management function. During the year significant risks are reviewed through a bottom-up and top-down process at both the business unit and location levels to ensure awareness and appropriate prioritization. A risk that can significantly affect the performance, prospects or the reputation of the organization is termed principal risk and these risks are aligned to the organization's strategic objectives. Details of Nascon's principal risks are documented and maintained in the risk register of the business. Each principal risk is reviewed quarterly by the Board Finance, Risk and Audit Committee.

In addition to our business risks, which include foreign exchange, interest rates and liquidity risks, we have outlined below, nine principal risks that could have an impact on Nascon and have taken measures to mitigate each one.

	Risks
1	**Possible Devaluation of The Naira** Inability of the Central Bank of Nigeria to continually defend the Naira against the USD **POTENTIAL IMPACT:** Devaluation would negatively impact profitability and asset quality. **MITIGATION PLAN:** • Maintain all loans in local currency • Exploring further increasing FX revenue.
2	**PRODUCTION SHUTDOWN** Risk of production shutdown considering Plant age arising from non-availability of spares due to lack of FX for Spares procurement **POTENTIAL IMPACT:** Loss of market share and brand confidence from possible low production output **MITIGATION STRATEGIES:** • Working closely with the in-country regulator of the financial services sector for the sourcing of FX to fund import requirements. • Constant engagement with Commercial Banks to fund import requirements through LC from their FX allocation
3	**POLITICAL/SECURITY RISK EXPOSURE** Political instability resulting from post-election resolutions, activities of insurgents in the North East and Niger Delta regions **POTENTIAL IMPACT:** Possible disruption of production and distribution of finished goods **MITIGATION STRATEGIES:** • Regular review of Business Interruption and GIT Cover • Regular review of distribution routes • ₦On-going work on "Nascon's Business Continuity and Crisis Management Systems"
4	**MACRO-ECONOMIC RISKS** Possibility that the Nigerian economy would fall back into recession **POTENTIAL IMPACT:** Renewed downturn would have negative effects on disposable income of consumers **MITIGATION STRATEGIES:** Continuous review of costs to ensure the ability to absorb market fluctuations.
5	**POOR MARKET GROWTH** New businesses and proposed expansion do not hold their growth **POTENTIAL IMPACT:** Negative impact on revenues, cash flows and profitability sustainability prospect or develop as predicted. **MITIGATION STRATEGIES:** • ₦Ensure a regular opportunity and portfolio financial review to monitor investment ad cash allocation across our businesses • ₦Target market leadership where we play • ₦Focus on industries where reach is strong.

6 **LOSS OF MARKET SHARE**
Change in the business dynamic, whereby a competitor's product may lead to loss of competitive advantage.

POTENTIAL IMPACT:
- Negative impact on revenues, cash flows and profitability sustainability.
- Inefficient distribution of physical, personnel and financial resources.

MITIGATION STRATEGIES:
- Leverage on customer feedback, balancing short-term improvements with longer-term solutions.
- •₦Promoting agility, benchmarking and quick market responses.

7 **DECLINE IN PRODUCT QUALITY & SERVICE DELIVERY**
Technical requirements becoming more complex, and demanding with increase in customer base and preferred specifications.

POTENTIAL IMPACT:
- Potential reputational damage.
- •₦Loss of market share.

MITIGATION STRATEGIES:
- •₦Continuous review and stress testing of our refining process.
- Continuous customer engagement to ensure feedback is acknowledged and addressed.

8 **INABILITY TO RETAIN BEST TALENT**
Inability to retain and motivate the best people with the right skills, at all levels of the organization due to activities of competition.

POTENTIAL IMPACT:
- Inability to attract, develop and retain highly qualified management and suitably skilled employees, particularly to address our expansion initiatives.
- Shortage of appropriately skilled manpower.

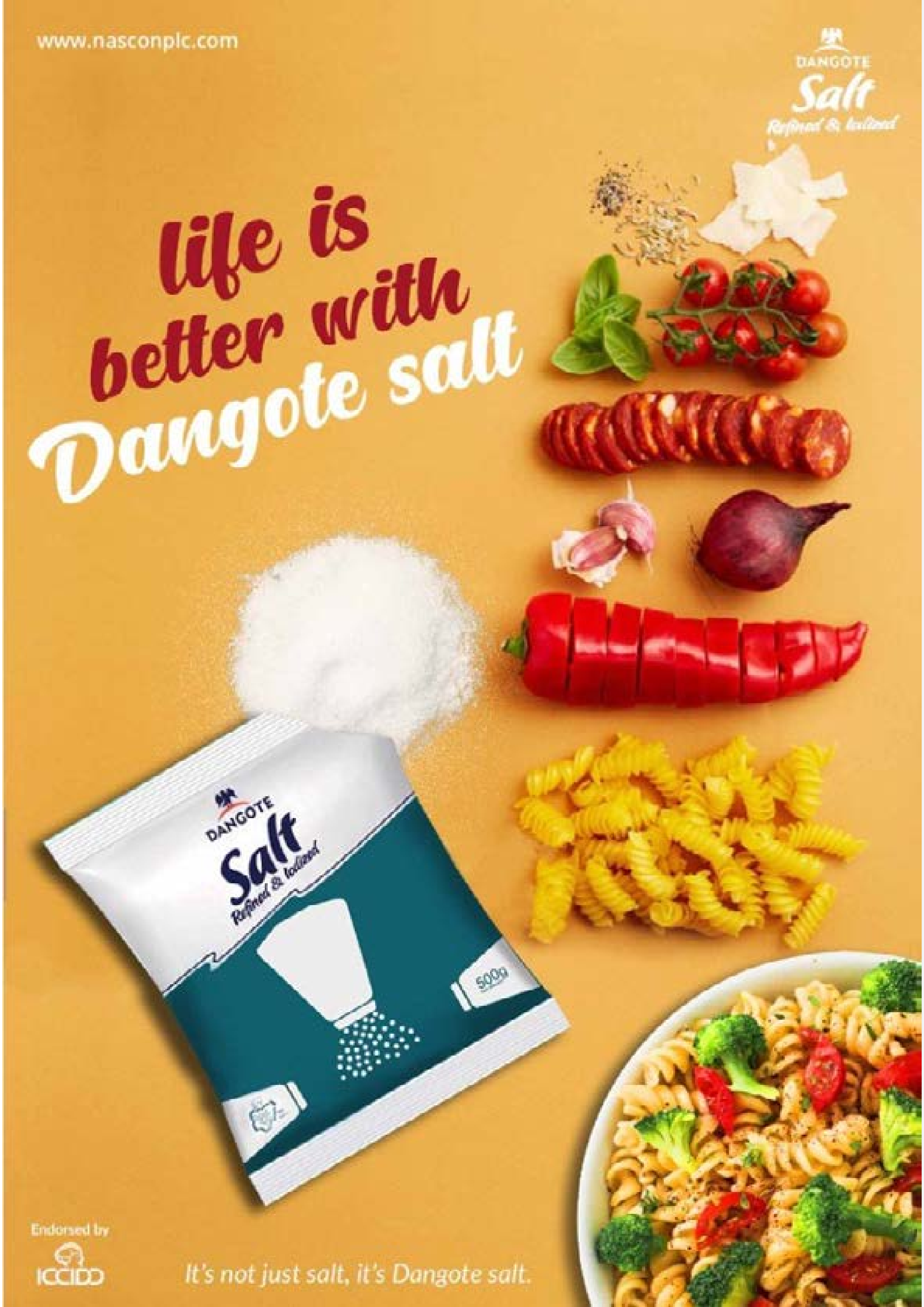
MITIGATION STRATEGIES:
- •₦We have established a robust training, development, performance management and reward programmes to retain, develop and motivate our people.
- Development of Succession plan for senior management positions.

9 **HEALTH & SAFETY RISK**
Exposures resulting from unsafe acts both within and outside the premises.

POTENTIAL IMPACT:
- Increased insurance premiums.
- Increased legal risk exposure.

MITIGATION STRATEGIES:
- Nascon has instituted policies, procedures and standards in place to ensure compliance with legal obligations and industry standards.
- All Management meetings feature Health & Safety updates.
- Health & Safety Performance indicators have been included for both production and non-production related roles.

Ayokunle Ushie
Head, Risk Management



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Independent assurance report on selected sustainability performance indicators published in the Nascon Allied Industries Plc. ("Nascon") Sustainability Report, for the year ended December 31, 2022.

To the Directors
Nascon Allied Industries Plc.
15B Ikosi Road,
Oregun, Lagos State

Objectives and scope of work performed

This report has been prepared in accordance with the terms of our engagement letter to provide limited assurance on selected sustainability performance indicators (the "Indicators") published by NASCON Allied Industries Plc ('NASCON), (the "Company") on its 2022 Sustainability Report (the "Report"), for the year ended December 31, 2022. The selected sustainability performance indicators under our assurance scope and on various sections/ pages of the Report, are below. These Indicators have been defined and selected by the Management of the Company.

7 Sustainability Pillars	Selected Sustainability Information (as documented in the 2022 Sustainability Report)	Criteria	Page No
Cultural	In 2022, we had a total of 911 employees, which represented a 5.44% increase from 864 in 2021.	GRI 2-7 GRI 2-8 GRI 405-1	29
	The total number of employees comprised of 590 (65%) permanent employees and 321 (35%) temporary employees.	GRI 2-7 GRI 2-8 GRI 405-1	29
	A breakdown of our 2022 employee numbers shows the majority (84%) are within the age category of 31 to 50 years.	GRI 2-7 GRI 405-1	29
	A total of 19 staff (5 women and 14 men) are classified as executive and senior management staff, ensuring the stability needed for effective management. The age categories show 13 employees (68%) are between the ages of 31 to 50 years and six (6) employees (32%) are over 50 years in age.	GRI 2-9 GRI 405-1	30
	Nascon recorded a total of 64 new hires in 2022 and 59 staff exits across all Plants and fleet operations, which is a 4.9% increase in new hires from 61 in 2021 and a 19.2% decrease in staff exits from 73 in 2021.	GRI 2-9 GRI 405-1	30
	Female employees are entitled to three months of paid parental (maternity) leave. In 2022, two (2) women (working in Oregun office) utilized the maternity leave.	GRI 401-1	32
	In 2022, we trained 590 employees across all our Plants deploying predominantly the virtual delivery method (89%) compared to 11% delivery via physical/classroom; and spending a total of 6,950 training hours at an average of 11.78 hours per employee. A total of 994 training hours were committed to training 84 female employees at an average of 11.83 hours per female employee. Also, 506 male employees spent a total of 5956 hours in training at an average of 11.77 hours per male employee.	GRI 404-1 GRI 404-2	32
Economic	In 2022, NASCON did not incur any financial costs from associated litigations, fines/penalties due to anti-competitive behavior, anti-trust, and monopoly practices.	GRI 2-27	38
Operational	For salt, we had a 23% increase in production at the Apapa Plant, a 17% increase at the Salt Village Plant, and a 39% increase at the Port Harcourt Plant. Overall, in the year under review, salt production grew by 18.7% while seasoning production (only from Ota Plant) grew by 30.7% year-on-year relative to 2021.	GRI 302-3	41
	In 2022, we increased our procurement spend from local suppliers to ₦19.84 billion, which is a 29.27% increase from ₦15.35 billion in 2021.	GRI 204-1	43
	Our Plant is SMETA (Sedex Members Ethical Trade Audit) Four-Pillar factory, and it is Halal Certified.	GRI 2-28	44
	In the first quarter of 2022, we recorded one (1) complaint due to wrong coding.	GRI 417-2	47
Social	In the reporting year of 2022, we spent a total of ₦33.2 million on social investment projects, representing about 0.61% of our 2022 profit after tax (PAT).	GRI 203-1 GRI 203-2	55
	Table: Summary of health and safety performance (2020-2022) Nascon Site Operation	GRI 403-4 GRI 403-5 GRI 403-7	58
	Table: 2022 NASCON Health & Safety Training	GRI 403-5	59
	On NASCON Board, we have two (2) non-Nigerian nationals, a South African and a Norwegian while the remaining eight (8) board members are Nigerians. The board has 40% female (4) and 60% male (6).	GRI 405-1	59
Environmental	The total energy consumption across our operational sites increased by 7.12% between 2021 and 2022 compared to 53.60% recorded between 2020 and 2021	GRI 302-1	63
	We also recorded a 23% increase (from 203.044 GJ in 2021 to 249,734 GJ in 2022) in the total energy consumption by our fleet/transport operations.	GRI 302-2 GRI 302-4	63
	For the GHG emission intensity, which is the gross CO2 emitted for every tonne of salt produced, there was a 5.04% decrease year-on-year (from 21.12 kgCO2/tonne of salt to 20.06 kg CO2/tonne of salt) between 2021 and 2022.	GRI 305-1 GRI 305-4	64
	Compared to 2021, the Scope 2 emissions for 2022 increased by 73.51% from 302 tCO2 in 2021 to 524 tCO2 in 2022.	GRI 305-2	66
	In 2022, the total volume of water consumed from all production facilities was 16,452 m3 compared to 26,259 m3 in 2021.	GRI 303-5	66
	We recorded a 28% decrease from 389 tonnes in 2021 to 282 tonnes in 2022 of total waste generated (hazardous and non-hazardous). Non-hazardous wastes also recorded a drop of 30% (from 374 tonnes in 2021 to 262 tonnes in 2022).	GRI 306-3	67
	We commenced our Tree-Planting Program in 2022 with the planting of 20 trees in our Oregun office environs.	GRI 304-3	68

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Institutional	In recognition of our excellent ESG practices in the year 2022, we had the privilege of receiving the distinguished Sustainability, Enterprise, and Responsibility Awards (SERAS Africa CSR/Sustainability Awards) for Best Company in Gender Equality & Women Empowerment.	GRI 2-28	86
	Our Board of directors comprise a combination of six (6) men and four (4) women, representing 60% and 40% of the total membership respectively with the average age being 59.	GRI 2-9 GRI 405-`1	87

Basis of our work and level of assurance

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

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

Limited assurance procedures performed

To form our conclusions, we undertook the following procedures:

- Interviewed key functions that oversee the selected sustainability information to understand the governance and review process for data management and collection;
- Performed testing to corroborate the results of these interviews, including seeking supporting evidence for the statements made, confirmation of data boundary, documentation of reporting processes, minutes of relevant meetings and pictures of physical sessions;
- Understood, analysed and tested on a non-statistical sample basis the key structures, systems, processes, procedures and controls related to the collation, validation and reporting of sustainability performance data; and
- Close examination of the sustainability report in relation to the findings from this sustainability assurance exercise and making recommendations and considerations of the disclosure and presentation of the selected sustainability Information.

Responsibilities of Directors and independent assurance provider

Nascon's responsibilities

The Directors are responsible for the preparation of the 2022 Sustainability Report, and for the information and statements contained within them. They are responsible for determining the sustainability targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

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Deloitte's responsibilities

Deloitte's responsibility is to independently express conclusions on the selected information as defined within the scope of work above to NASCON in accordance with our letter of engagement. We permit disclosure of this report for the year ended 31 December 2022, to enable the directors to demonstrate they have discharged their governance as well as respond to their responsibilities by obtaining an independent assurance report in connection with the selected sustainability information.

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

Limited assurance opinion

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the results of our limited assurance procedures, nothing has come to our attention that causes us to believe that the Selected Sustainability Assertions for the year ended 31 December 2022 is not fairly stated, accurate, and complete and has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Bernard Orji
Deloitte Nigeria
April 2023

GRI content index

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

GRI CONTENT INDEX ESSENTIALS SERVICE 2023

Statement of use	Nascon Allied Industries Plc has reported in accordance with the GRI Standards for the period 1st January 2022 to 31st December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GENERAL STANDARDS						
GRI 2: General Disclosures 2021	2-1	Organizational details				4, 8-9, 20
	2-2	Entities included in the organization's sustainability reporting				20
	2-3	Reporting period, frequency and contact point				20
	2-4	Restatements of information				No Restatements
	2-5	External assurance			4.3: Format of Report	20, 100-103
	2-6	Activities, value chain and other business relationships				8-9, 20
	2-7	Employees	Goal 8			28-30
	2-8	Workers who are not employees	Goal 8			28-30
	2-9	Governance structure and composition			Principles 1 and 2: Governance	22-23, 111-118, 87
	2-10	Nomination and selection of the highest governance body			Principles 1 and 2: Governance	111-118, 87
	2-11	Chair of the highest governance body			Principles 1 and 2: Governance	111-118, 87
	2-12	Role of the highest governance body in overseeing the management of impacts			Principles 1 and 2: Governance	111-118, 87
	2-13	Delegation of responsibility for managing impacts			Principles 1 and 2: Governance	111-118, 87
	2-14	Role of the highest governance body in sustainability reporting			Principles 1 and 2: Governance	111-118, 87
	2-15	Conflicts of interest				111-118, 87
	2-16	Communication of critical concerns				111-118, 32, 87
	2-17	Collective knowledge of the highest governance body			Principles 1 and 2: Governance	111-118, 87
	2-18	Evaluation of the performance of the highest governance body			Principles 1 and 2: Governance	111-118, 87
	2-19	Remuneration policies				111-118, 87
	2-20	Process to determine remuneration				111-118, 87
	2-21	Annual total compensation ratio	Goal 10			111-118, 87
	2-22	Statement on sustainable development strategy				18-20
	2-23	Policy commitments				32, 84-85

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	2-24	Embedding policy commitments			Principle 3: Governance	32, 84-85
	2-25	Processes to remediate negative impacts		Principle 7: Environment	Principles 8 and 9: Social and Environment	32
	2-26	Mechanisms for seeking advice and raising concerns				32, 84-85
	2-27	Compliance with laws and regulations	Goal 16			68-69, 84-85
	2-28	Membership associations	Goal 17			86
	2-29	Approach to stakeholder engagement				72-80
	2-30	Collective bargaining agreements	Goals 8 and 10	Principle 3: Labour		Information unavailable / incomplete
GRI 3: Material Topics 2021	3-1	Process to determine material topics				74-80
	3-2	List of material topics				80
ECONOMIC STANDARDS						
Economic Performance (Financial performance; Transparency, reporting and disclosure on Sustainability/ESG; International financial risk management; Monetary policy and capital markets; Regulatory approvals and compliance)						
GRI 3: Material Topics 2021	3-3	Management of material topics				36-38, 32
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Goals 8 and 9			36-38
	201-2	Financial implications and other risks and opportunities due to climate change	Goal 13			36-38
	201-3	Defined benefit plan obligations and other retirement plans				32
	201-4	Financial assistance received from government				36-38
Market Presence						
GRI 3: Material Topics 2021	3-3	Management of material topics				Information unavailable / incomplete
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Goals 1, 5 and 8			Information unavailable / incomplete
	202-2	Proportion of senior management hired from the local community	Goal 8			Information unavailable / incomplete
Indirect Economic Impacts (Investor engagement and relations; Sustainable Development Goals; Transparency, reporting and disclosure on Sustainability/ESG; ESG performance and considerations)						
GRI 3: Material Topics 2021	3-3	Management of material topics				37-38
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 5, 9, and 11			37-38
	203-2	Significant indirect economic impacts	Goals 1, 3, and 8			37-38
Procurement Practices (Procurement practices; Suppliers contract and payment processing; Supply chain engagement and relations)						
GRI 3: Material Topics 2021	3-3	Management of material topics				43-44
GRI 204: Procurement Practices 2016	204-1	204-1 Proportion of spending on local suppliers	Goal 8			43-44

GRI content index

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
Anti-corruption (Anti-corruption policies and practices)						
GRI 3: Material Topics 2021	3-3	Management of material topics				56
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	56
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	56
	205-3	Confirmed incidents of corruption and actions taken	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	56
Anti-competitive Behavior (Business strategy; Corporate governance; Transparency, reporting and disclosure on Sustainability/ESG; Company's reputation and brand perception; International financial risk management; Monetary policy and capital markets)						
GRI 3: Material Topics 2021	3-3	Management of material topics				38
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Goal 16		Principles 3 and 4: Economic	38
Tax (Financial performance; Business strategy)						
GRI 3: Material Topics 2021	3-3	Management of material topics				36-38, 88-93
GRI 207: Tax 2019	207-1	Approach to tax	Goals 1, 10 and 17			36-38, 88-93
	207-2	Tax governance, control, and risk management	Goals 1, 10 and 17		Principles 1 and 2: Governance	36-38, 88-93
	207-3	Stakeholder engagement and management of concerns related to tax	Goals 1, 10 and 17			36-38, 88-93
	207-4	Country-by-country reporting	Goals 1, 10 and 17			36-38, 88-93
ENVIRONMENTAL STANDARDS						
Materials (Circular economy)						
GRI 3: Material Topics 2021	3-3	Management of material topics				41
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goals 8 and 12			41
	301-2	Recycled input materials used	Goals 8 and 12	Principle 8: Environment	Principles 3 and 9: Economic and Environment	41
	301-3	Reclaimed products and their packaging materials	Goals 8 and 12			Information unavailable / incomplete
Energy (Climate change, Emissions and Energy; Environmental responsibility & management)						
GRI 3: Material Topics 2021	3-3	Management of material topics				63-65
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	63-65
	302-2	Energy consumption outside of the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	63-65
	302-3	Energy intensity	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	63-65
	302-4	Reduction of energy consumption	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	42, 63-65
	302-5	Reductions in energy requirements of products and services	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	42, 63-65
Water and Effluents (Water, waste and effluents; Environmental responsibility & management)						
GRI 3: Material Topics 2021	3-3	Management of material topics				66-67

GRI content index

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Goals 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment	66-67, Information unavailable / incomplete
	303-2	Management of water discharge-related impacts	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-67, Information unavailable / incomplete
	303-3	Water withdrawal	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-67
	303-4	Water discharge	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-67
	303-5	Water consumption	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	66-67
Biodiversity (Biodiversity & Land Management)						
GRI 3: Material Topics 2021	3-3	Management of material topics				67
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	67
	304-2	Significant impacts of activities, products and services on biodiversity	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	67
	304-3	Habitats protected or restored	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Information unavailable / incomplete
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment	Information unavailable / incomplete
Emissions (Climate change, Emissions and Energy; Pollution; Environmental responsibility & management)						
GRI 3: Material Topics 2021	3-3	Management of material topics				64-66, 68-69
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	64-65
	305-2	Energy indirect (Scope 2) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	64-65
	305-3	Other indirect (Scope 3) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	64-65
	305-4	GHG emissions intensity	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	64-65
	305-5	Reduction of GHG emissions	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	64-65, 68-69
	305-6	Emissions of ozone-depleting substances (ODS)	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	64-66
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Goals 3, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	64-66
Waste (Water, waste and effluents; Environmental responsibility & management)						
GRI 3: Material Topics 2021	3-3	Management of material topics				67
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Goals 3, 6, 12 and 14	Principles 8 and 9: Environment	Principle 9: Environment	67
	306-2	Management of significant waste-related impacts	Goals 3, 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment	67
	306-3	Waste generated	Goals 3, 6, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	67

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	306-4	Waste diverted from disposal	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment	67
	306-5	Waste directed to disposal	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	67
Supplier Environmental Assessment (Procurement practices)						
GRI 3: Material Topics 2021	3-3	Management of material topics				42-43
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		Principle 7: Environment	Principles 3 and 9: Economic and Environment	42-43
	308-2	Negative environmental impacts in the supply chain and actions taken				42-43
SOCIAL STANDARDS						
Employment (Career growth and progression; Employee wellbeing and satisfaction)						
GRI 3: Material Topics 2021	3-3	Management of material topics				30-32
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Goals 5, 8 and 10	Principles 4, 5 and 6: Labour	Principle 5: Social	30-32
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Goals 3, 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	30-32
	401-3	Parental Leave	Goals 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	32
Labor/Management Relations (Employee compensation and benefits)						
GRI 3: Material Topics 2021	3-3	Management of material topics				32
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Goal 8		Principle 5: Social	32
Occupational Health and Safety (Occupational health and safety; Community health and safety)						
GRI 3: Material Topics 2021	3-3	Management of material topics				50-53, 57-59
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-2	Hazard identification, risk assessment, and incident investigation	Goal 8	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-3	Occupational health services	Goal 8	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-4	Worker participation, consultation, and communication on occupational health and safety	Goals 8 and 16	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-5	Worker training on occupational health and safety	Goal 8	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-6	Promotion of worker health	Goal 3	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Goal 8	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-8	Workers covered by an occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-9	Work-related injuries	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	50-53, 57-59
	403-10	Work-related ill health	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	50-53, 57-59
Training and Education (Employee training and knowledge development; Employee engagement and relations)						
GRI 3: Material Topics 2021	3-3	Management of material topics				32-33

GRI content index

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Goals 4, 5, 8 and 10	Principle 6: Labour	Principle 6: Social	32-33
	404-2	Programs for upgrading employee skills and transition assistance programs	Goal 8	Principle 6: Labour	Principle 6: Social	32-33
	404-3	Percentage of employees receiving regular performance and career development reviews	Goals 8 and 10	Principle 6: Labour	Principle 6: Social	32-33
Diversity and Equal Opportunity (Diversity, inclusion and equity; Executive pay and shareholders' dividends; Quality of management)						
GRI 3: Material Topics 2021	3-3	Management of material topics				59
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Goals 5 and 8	Principle 6: Labour	Principles 5 and 6: Social	59
	405-2	Ratio of basic salary and remuneration of women to men	Goals 5, 8 and 10	Principle 6: Labour	Principles 5 and 6: Social	59
Non-discrimination (Human rights)						
GRI 3: Material Topics 2021	3-3	Management of material topics				60
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Goals 5 and 8	Principle 6: Labour	Principle 6: Social	60
Freedom of Association and Collective Bargaining (Employee engagement and relations; Employee compensation and benefits)						
GRI 3: Material Topics 2021	3-3	Management of material topics				60
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Goal 8	Principle 3: Labour		60
Child Labor (Child labour)						
GRI 3: Material Topics 2021	3-3	Management of material topics				60
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Goals 8 and 16	Principle 5: Labour	Principle 5: Social	60
Forced or Compulsory Labor (Child labour; Human rights)						
GRI 3: Material Topics 2021	3-3	Management of material topics				60
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Goal 8	Principle 4: Labour	Principle 5: Social	60
Security Practices (Human rights)						
GRI 3: Material Topics 2021	3-3	Management of material topics				60
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Goal 16	Principles 1 and 2: Human rights	Principle 7: Social	60
Rights of Indigenous Peoples (Community engagement and relations; Host community development; Social/community impact investments; Standard of living; Other socioeconomic factors)						
GRI 3: Material Topics 2021	3-3	Management of material topics				60
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Goal 2			60

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
Local Communities (Community engagement and relations; Host community development; Social/community impact investments; Standard of living; Other socioeconomic factors; Empowerment of young people)						
GRI 3: Material Topics 2021	3-3	Management of material topics				34-35, 54-57
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs			Principle 8: Social	34-35, 54-57
	413-2	Operations with significant actual and potential negative impacts on local communities	Goals 1 and 2		Principle 8: Social	34-35, 54-57
Supplier Social Assessment (Procurement practices; Supply chain engagement and relations)						
GRI 3: Material Topics 2021	3-3	Management of material topics				42-43
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Goals 5, 8 and 16	Principles 1 and 2: Human rights	Principles 3 and 7: Economic and Social	42-43
	414-2	Negative social impacts in the supply chain and actions taken	Goals 5, 8 and 16	Principles 1 and 2: Human rights	Principles 3 and 7: Economic and Social	42-43
Public Policy (Transparency, reporting and disclosure on Sustainability/ESG; Company's reputation and brand perception; International financial risk management; Monetary policy and capital markets)						
GRI 3: Material Topics 2021	3-3	Management of material topics				No contribution, Information unavailable / incomplete
GRI 415: Public Policy 2016	415-1	Political contributions	Goal 16			No contribution, Information unavailable / incomplete
Customer Health and Safety (Customer satisfaction and consumer wellbeing)						
GRI 3: Material Topics 2021	3-3	Management of material topics				44
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories			Principles 3 and 4: Economic	44
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Goal 16		Principles 3 and 4: Economic	44
Marketing and Labeling (Company's reputation and brand perception; Customer satisfaction and consumer wellbeing)						
GRI 3: Material Topics 2021	3-3	Management of material topics				45-46
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	Goal 12			45-46
	417-2	Incidents of non-compliance concerning product and service information and labelling	Goal 16			45-46
	417-3	Incidents of non-compliance concerning marketing communications	Goal 16			45-46
Customer Privacy (Customer satisfaction and consumer wellbeing)						
GRI 3: Material Topics 2021	3-3	Management of material topics				45-48
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Goal 16			45-48

"Nascon's business is conducted in a fair, honest and transparent manner which conforms to high ethical standards"

Corporate Governance Report

General information

Nascon Allied Industries Plc is committed to best practices and procedures in corporate governance. The corporate governance practices are constantly under review, in line with dynamics of the business environment. The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the company's business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

Nascon is committed to compliance with the Nigerian corporate governance framework, which includes but is not limited to the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria, the Nigerian Code of Corporate Governance and the Companies and Allied Matters Act. Nascon has not incurred any sanctions in respect of the said framework.

Board of Directors

The Board delegates the day-to-day running of the Company's affairs to the Managing Director supported in this task by an Executive Management Committee. The Board of Directors consists of ten (10) members; the Chairperson (who is independent), two (2) Executive Directors and seven (7) Non- Executive Directors out of which one (1) is Independent. They are detailed on page 187. It is the responsibility of the Board of Nascon Allied Industries Plc to:

- Ensure integrity of the Company's financial and internal control policies.
- Ensure the accurate, adequate and timely rendition of statutory returns and financial reporting to stakeholders.
- Ensure value creation for shareholders, employees and other stakeholders.
- Review and approve corporate policies, strategy, annual budget and business plan.
- Monitor implementation of policies and the strategic direction of the Company.

Meetings of the Board of Directors

The Board of Directors holds several meetings during the year to consider corporate actions such as the approval of corporate strategy, annual corporate plan, review of internal risk management and control systems, review of the Company's performance and operations, as well as the formulation of growth strategies.

In line with the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, the record of Directors' attendance at Board meetings is available for inspection at the Annual General Meeting.

Key activities of the Board were:

- The Board carried out a review of the Company's short and long-term strategy, culminating in a detailed strategic plan.
- Consideration of the reports of the Board Committees with recommendations for approval.
- The Board considered the quarterly unaudited financial reports and audited full year reports and proposed a dividend.
- Financing requirements for building a fully automated salt refinery.
- Operational performance, marketing strategy and report on business and projects.
- Risk Management objectives and implementation.

Board Committees

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

The Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee is responsible for monitoring the integrity of the financial statements of the Company. It also assesses and monitors all risks associated with the operations of the Company, and oversees the implementation of the internal control framework by Management.

The Committee assists the Board in its responsibility relating to the oversight of the Company's financial credit and risk management policies and procedures. The Committee's membership and record of attendance is detailed on page 187.

Key matters of the Committee were:

- Reviewed the 2021 annual reports and accounts, as well as the 2022 quarterly financial reports.
- Reviewed the critical accounting policies applied in the preparation of the financial statements.
- Reviewed the reports on key operational risks and the related controls and processes to manage and mitigate said risks.

The Establishment and General Purpose Committee

The Committee is responsible for reviewing the policy framework for employee and remuneration issues. The Committee also institutes a transparent procedure for the appointment of new Directors to the Board of Directors and makes recommendations to the Board regarding the tenures and the re-appointment of Directors. The Committee's membership and record of attendance is detailed on page 187.

Key matters of the Committee were:

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

The Statutory Audit Committee

The Committee is made up of five (5) members – three (3) representatives of shareholders and two (2) members of the Board of Directors. The representatives are elected annually at the Annual General Meetings. The Committee, in compliance with good corporate governance practices is chaired by a representative of the shareholders. The Committee's membership and record of attendance is detailed on page 187.

Key matters of the Committee were:

- Ensured the independence and objectivity of the Audit.
- Reviewed the adequacy and effectiveness of the Company's internal control policies prior to endorsement by the Board.
- Supervised investigations into matters within its scope, such as evaluation of the effectiveness of the Company's internal controls.
- Carried out all other functions as stipulated by the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020.

Corporate Governance Report

Code of Business Conduct and Code of Governance

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

Whistle Blowing Policy

The Board has established a Whistle Blowing Policy to enable stakeholders in confidence, raise concerns about possible improprieties without fear of reprisal, provided that such concerns are raised in good faith. Stakeholders are encouraged to report such incidents confidentially through the internal reporting channels and/or the outsourced KPMG Ethics Line. The KPMG Ethics contact details are: 0703 000 0026, 0703 000 0027, 0808 822 8888, 0708 060 1222, 0809 993 6366 or kpmgethicsline@ng.kpmg.com. The Board has delegated oversight over whistle blowing to the Finance, Risk and Audit Committee. All matters reported are investigated and reported to the Committee including the action taken.

Insider Trading Policy

In accordance with the NGX Regulation Limited Listing Rules, the Board has put in place an Insider Trading Policy which applies to all directors, employees and those who may possess any insider or material information about the Company. Accordingly, it is hereby confirmed that, after specific inquiries of all the Directors, they have all confirmed their compliance with the Policy in the period before the Company's results were announced for the financial year. The compliance of the Directors with the listing rules and the Insider Trading Policy will continue to be disclosed in the Company's quarterly and other financial reports.

Complaints Management

The Company has adopted a Complaints Management Policy in accordance with the Rules of the Securities and Exchange Commission. Shareholders can direct any complaints or enquiries to the Company Secretariat or to the Registrars, depending on the nature of complaint. Our policy is to acknowledge receipt of the complaint within 48 hours and respond/resolve the query within 10 working days of receipt.

Conflict of Interest and Related-Party Transactions

The Board has adopted a Conflict of Interest and Related Parties Policy, to ensure that related-party transactions and potential conflicts of interest are identified, disclosed and managed. Details of the related-party transactions during the year are set out on pages 175-176.

Shareholders' Interest and Relations

The Board ensures the protection of the rights of shareholders. The Company has an Investor Relations team that manages communications with shareholders and investors.

Annual General Meeting (AGM)

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

The Board and Executive Management Committee are available for discussions with shareholders before the AGM. The Chairmen of the Board and Committees are also available to answer shareholders' questions during the formal proceedings of the AGM.

The Annual General Meeting to discuss this Annual Report will be held at the Civic Centre, Victoria Island, Lagos, at 11.00am on Friday 26th May 2023.

'Yemisi Ayeni
Chairperson

Board & Committee Structure

3 Establishment and General Purpose Committee

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

10 Board of Directors

'Yemisi Ayeni (c)
Thabo Mabe
Fatima Aliko-Dangote
Olakunle Alake
Halima Aliko-Dangote
Abdu Dantata
Sada Ladan-Baki
Chris Ogbechie
Knut Ulvmoen
Fatima Wali-Abdurrahman

5 Statutory Audit Committee

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

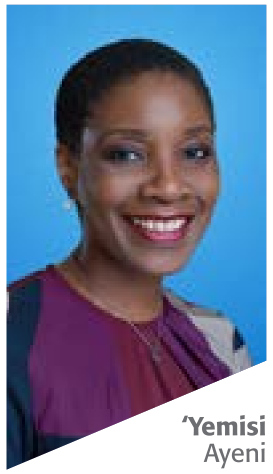
5 Finance, Risk and Audit Committee

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

12 Management Committee

Thabo Mabe
Fatima Aliko-Dangote
Aderemi Saka
Murtala Zubair
Olushola Shosanya
Olusegun Ajala
Shalom Okonmah
Ayokunle Ushie
Patrick Mogaha
Tunde Iwamofe
Kolawole Samuel
Adedayo Samuel

Board of Directors


'Yemisi
Ayeni


Thabo
Mabe

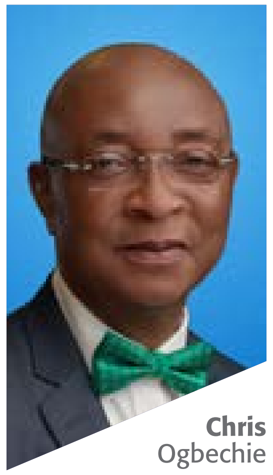

Fatima
Aliko-Dangote


Olakunle
Alake


Halima
Aliko-Dangote


Abdu
Dantata


Sada
Ladan-Baki


Chris
Ogbechie


Knut
Ulvmoen


Fatima
Wali-Abdurrahman

Board of Directors

1. 'Yemisi Ayeni
Chairperson

'Yemisi is the immediate past Managing Director of Shell Nig. Closed Pension Fund Administrator Ltd, a position she held for 10 years, until her retirement in 2015. A 1985 honors graduate of Economics from the prestigious University of Manchester, UK, she is also a Fellow of the Institute of Chartered Accountants in England and Wales. She started her career with Price Waterhouse, London in 1985, relocated to their Lagos office in 1991 and joined Shell Nigeria in 1994. She held a variety of roles in various Shell companies for 21 years.

She was a Council Member of NGX Regulation Limited and Chair of its Demutualisation and Technical Committees; Vice Chairman, Pension Fund Operators' Association and Chair of the Association's Institute Committee. She is currently a Non-Executive Director of Guinness Nigeria plc and Stanbic IBTC Pension Managers Ltd; she sits on the Leadership Council for the Aig-Imoukhuede Foundation; and is Chairperson of the Dr Funmi Alakija Foundation and Vice Chairperson of the Board of Trustees of Queen's College Old Girls' Association.

2. Thabo Mabe
Acting Managing Director

Thabo was appointed the Acting Managing Director of Nascon Allied Industries PLC on February 12, 2022. He holds a Bachelor of Science Degree in Chemistry and Mathematics from Fort Hare University, South Africa. He joined Unilever as a graduate trainee and served in various capacities and gained experience in manufacturing, productions, sales and other spheres of work. In 1999, he was appointed Works Director of the Personal Wash Factory in Germany.

Thabo returned to South Africa and was appointed Manufacturing Director and then VP Supply Chain for Unilever HPC in 2004. When Unilever, HPC and foods divisions were consolidated, Thabo was appointed Vice President Marketing for Spreads, Cooking and Ice Cream and later Vice President, Homecare. He was appointed to the Board of Directors and CEO of Unilever Nigeria in 2010. Thabo joined Dangote Group as the MD/CEO of Dangote Flour Mills Plc in 2014 before moving on to oversee the rice business of the Group.

3. Fatima Aliko- Dangote
Executive Director, Commercial

Fatima is the Executive Director, Commercial. In this role, Fatima is responsible for leading the development and implementation of Nascon's commercial sales and marketing strategy with oversight for logistics, transportation and branding. She also serves provides guidance in ensuring strategic alignment with the Group, as well as corporate governance compliance.

Prior to this, Fatima held multiple roles within Dangote Industries Limited, as a Technical Specialist in the Strategy Department and performed the role of Executive Assistant to the Group Executive Director, Business Development and Portfolio Management at DIL. Fatima is a member of the Nigerian Bar Association, and was previously associate at Banwo & Ighodalo. Fatima is passionate about philanthropy and contributes her time pro bono to the Aliko-Dangote Foundation.

4. Prof. Chris Ogbechie
Independent Non-Executive Director

Chris has wide experience in marketing, strategy and corporate governance derived from his work as Head of Marketing/ Sales at Nestle Nigeria Plc. and from his consulting work with Nigerian, Ghanaian and Kenyan firms over the years. He is the Dean of Lagos Business School and Professor of Strategic Management, Lagos Business School. He was the former Chairman, Board of Directors, Diamond Bank Plc.

He teaches strategy, sustainability and corporate governance at the Lagos Business School and Strathmore Business School in Nairobi, Kenya. Chris has a first-class honours degree in Mechanical Engineering from Manchester University, an MBA from Manchester Business School and a PhD in Business Administration from Brunel Business School, UK.

5. Olakunle Alake
Director

Olakunle is the Group Managing Director of Dangote Industries Limited (DIL). He was appointed to the Board of DIL in 2001 and has since been instrumental to the growth of the parent Company and its subsidiaries. He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University Ile-Ife (1983) and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined DIL in 1990, after six years at PWC. He has held several management positions in DIL, including Financial Controller and Head of Strategic Services. He has deep finance and accounting experience and brings substantial experience in finance, mergers and acquisitions to the Board.

6. Halima Aliko-Dangote
Director

Halima is the Group Executive Director, Commercial Operations at Dangote Industries Limited, where she is responsible for leading the development and execution of the Group customer and shared services strategy with specific oversight for the following functions: Commercial, Strategic procurement, Branding & Communications and Corporate Communications.

Halima also served as an Executive Director of Dangote Flour Mills, where she led the successful turnaround and sale of the business. Prior to then, she served as an Executive Director of Nascon and continues to serve as a Non-Executive Director of Nascon. She is currently the Board President of The Africa Center (TAC) in New York, a Board member of Endeavour Nigeria and a member of the Women Corporate Directors (WCD). Halima commenced her career at KPMG and has over 13 years of professional experience, holds a Bachelors' Degree in Marketing from American Intercontinental University, London, and a Master of Business Administration from Webster Business School.

7. Abdu Dantata
Director

Abdu is the Group Executive Director in charge of Logistics and Distribution for Dangote Industries Limited, a position he has held since the Group was established more than 20 years ago. He is also the Chairman of Agad Nigeria Limited, a trading and transportation Company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping. He brings his extensive experience in sales, logistics and distribution to the Board.

8. Sada Ladan-Baki
Director

Sada's experience spans over thirty years in public service and fund administration. He sits on the board of several companies and belongs to many professional associations including the Institute of Logistics and Distribution (Chartered Fellow), Institute of Directors and the Nigerian Institute of Marketing (Chartered Member). He is a graduate of Economics with an MBA from Ahmadu Bello University, Zaria. He is the current Group Executive Director for Export and International Trade of Dangote Cement Plc.

9. Knut Ulvmoen
Director

Knut joined Dangote Group in 1996 as the Finance Director. He is a management professional with an extensive background in finance and administration of multinational companies including Revisor-Centret, Norcem Group, Bulkcem and Scancem. He has been instrumental in moving the Group from import and trading into a manufacturing conglomerate with tentacles across the African continent. He holds an MSc degree in Business and is a member of the Norwegian Association of Authorized Accountants.

10. Fatima Wali-Abdurrahman
Director

Fatima is an architect, real estate developer and construction management professional. She is the Non-Executive Chairperson of Filmo Group. She was the Chief Executive Officer of Filmo Group and Deputy President of the Housing Finance Professionals Association of Nigeria. She serves on the boards of NMRC (Nigeria Mortgage Refinance Company), Landmark Global Realty and the OANDO Foundation, as well as the Advisory Board of the Chapel Hill Denham Fund for Women. She is also a WIMBOARD Ambassador (WIMBIZ Initiative) and a member of the Presidential Committee for Flood Relief and Rehabilitation. A graduate of both Architecture and Urban Studies from the University of Minnesota, U.S.A., she holds a M.Sc. (Arch.) in Economics and Management of Construction from the University of London.

"The Board is satisfied that the Annual Report represents a fair, balanced and realistic view of events during the 2022 financial year"

Report of the Directors

The Board of Directors is pleased to submit its report together with the audited financial statements of the Company for the year ended 31 December 2022. The Chairperson's Statement, Acting Managing Director's Review and the Corporate Governance Report form part of this Report.

1. Review of activities

The principal activities of the Company include, the processing of raw salt into refined, edible and grade salt. The Company also produces seasoning cubes.

The Company recorded a profit after taxation of ₦5.47 billion (2021: ₦2.97 billion) for the year. The proposed dividend for 2022 is 100 kobo per share (2021: 40 kobo per share).

2. Legal form

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

3. Directors and Directors' Interests

a. The directors of the Company during the year* and to the date of this report are as follows:

'Yemisi Ayeni	Chairperson
Thabo Mabe Acting	Managing Director (Appointed February 12, 2022)
Fatima Aliko-Dangote	Executive Director
Olakunle Alake	Director
Halima Aliko-Dangote	Director
Abdu Dantata	Director
Sada Ladan-Baki	Director
Chris Ogbechie	Independent Director
Knut Ulvmoen	Director
Fatima Wali-Abdurrahman	Director

* Paul Farrer resigned on February 11, 2022.

b. By virtue of Section 285 of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, one-third of the Directors of the Company who have been longest in office since their last election shall retire from office and in accordance with this section, Knut Ulvmoen, Abdu Dantata and Sada Ladan-Baki are retiring by rotation and being eligible, offer themselves for re-election.

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

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

5. Directors' Responsibilities

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

In doing so, they ensure that:

- Proper accounting records are maintained;
- Applicable accounting statements are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business;
- Internal control procedures are instituted which as far as are reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities.

6. Corporate governance

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

7. Substantial interest in shares

The Registrar has advised that according to the Register of Members on 31 December 2022, two shareholders held more than 5% of the issued share capital of the Company. Dangote Industries Limited holds 62.19% with 1,647,763,557 ordinary shares of 50kobo each and Stanbic IBTC Nominees Limited holds 9.43% with 249,861,155 ordinary shares of 50kobo each. The analysis of shareholdings is on page 122.

Director's Shareholding Interests	As at December 31, 2021	As at December 31, 2022	As at 28 February, 2023
(a) 'Yemisi Ayeni	200,000	200,000	200,000
(b) Thabo Mabe	-	-	-
(c) Fatima Aliko-Dangote	-	-	-
(d) Olakunle Alake	4,419,959	4,419,959	4,419,959
(e) Halima Aliko-Dangote	-	-	-
(f) Abdu Dantata	2,000,000	2,000,000	2,000,000
(g) Sada Ladan-Baki	1,028,497	1,028,497	1,028,497
(h) Chris Ogbechie	100,000	100,000	100,000
(i) Knut Ulvmoen	-	-	-
(j) Fatima Wali-Abdurrahman	-	-	-

8. Events after the reporting period
There were no significant developments since the statement of financial position date which could have had a material effect on the state of affairs of the Company as at 31 December 2022 and the profit for the year ended on that date, which have not been adequately recognized.

9. Non-current assets
Movements in Property, Plant and Equipment during the year are shown in Note 20 to the financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

10. Company Distributors
The Company's products are distributed by customers across the country, who redistribute to wholesalers, confectioners, supermarkets and retailers. Salt retail packs come in 250g, 500g and 1kg and are sold under the brand name Dangote Refined Salt. Seasoning is sold under the brand name Dangote Classic Seasoning.

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

13. Statutory Audit Committee
The Company, pursuant to section 404 (2) & (3) of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020 has put in place an Audit Committee comprising three shareholders and two Directors as follows:
Okey Nwuke - Shareholder/Chairman
Umar Farouk - Shareholder/Member
Kudaisi Ayodele Sarat - Shareholder/Member
Halima Aliko-Dangote - Director/Member
Chris Ogbechie - Director/Member

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

By order of the Board

Adedayo A. Samuel
Company Secretary
FRC/2016/NBA/00000015291
1, Alfred Rewane Road,
Falomo, Ikoyi, Lagos
Nigeria
28 February, 2023

Analysis of shareholdings as at 31 December 2022

Range	No. of Holders	Holders %	Units	Units %
1 - 1,000	21,818	64.86	8,263,996	0.31
1,001 - 5,000	6,107	18.15	15,243,711	0.58
5,001 - 10,000	1,973	5.87	14,138,944	0.53
10,001 - 50,000	2,800	8.32	59,586,981	2.25
50,001 - 100,000	454	1.35	33,326,005	1.26
100,001 - 500,000	372	1.11	76,701,116	2.90
500,001 - 1,000,000	47	0.14	31,920,561	1.20
1,000,001 - 5,000,000	48	0.14	96,842,925	3.66
5,000,001 - 10,000,000	8	0.02	49,172,176	1.86
10,000,001 and above	13	0.04	2,264,241,963	85.46
	33,640	**100.00**	**2,649,438,378**	**100.00**

DCSL Corporate Services Limited
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Lagos, Nigeria

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RC NO. 352393

February 2023

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF NASCON ALLIED INDUSTRIES PLC FOR THE YEAR ENDED 31 DECEMBER 2022

DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of Directors of NASCON Allied Industries Plc ("NASCON", "the Company") for the year-ended 31st December 2022 in line with the provisions of Guideline 9 of the Securities and Exchange Commission Corporate Governance Guidelines (SCGG), and Principle 14 of the Nigerian Code of Corporate Governance, 2018 (NCCG). The evaluation entailed a comprehensive review of the Company's corporate and statutory documents, the Minutes of Board and Committee meetings, policies currently in place, other ancillary documents made available to us, responses to Board and Peer Review Surveys administered to Directors.

The appraisal centered on confirming the level of the Board's compliance with corporate governance practices with particular reference to the provisions of the SCGG and the NCCG, using the following seven key corporate governance parameters:

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

Our review of the corporate governance standards and processes affirm that the Board has significantly complied with the provisions of the SCGG, the Nigerian Code of Corporate Governance and other relevant corporate governance standards. The activities of the Board and the Company are also in compliance with corporate governance best practice and individual Directors remain committed to enhancing the Company's growth.

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

Yours faithfully,

For: DCSL Corporate Services Limited

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

2022 ANNUAL REPORT

FINANCIALS

Statutory Audit Committee Report

Statutory Audit Committee Report

This report is provided by the Statutory Audit Committee which was appointed in respect of the 2022 financial year of Nascon Allied Industries Plc.

1. Members of the Statutory Audit Committee

The Statutory Audit Committee is made up of five (5) members – three (3) representatives of shareholders, who are elected annually at annual general meetings and two (2) Directors. In compliance with corporate governance practices, the Statutory Audit Committee is chaired by a representative of the shareholders. The members of the Committee are:

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

2. Meetings held by the Statutory Audit Committee

The committee held four (4) scheduled meetings during 2022.

Name	23-Feb-22	26-Apr-22	25-Jul-22	21-Oct-22
Okey Nwuke	Yes	Yes	Yes	Yes
Umar Farouk	Yes	Yes	Yes	Yes
Kudaisi Ayodele Sarat	Yes	Yes	Yes	Yes
Halima Aliko-Dangote	Yes	Yes	Yes	Yes
Chris Ogbechie	Yes	Yes	Yes	Yes

3. Statutory Audit Committee Responsibilities

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

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

4. Security Trading Policy

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

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

Accordingly, it is hereby confirmed that, after specific inquiries of all the Directors of the Company, they have all confirmed their compliance with the Policy in the period before the Company results were announced for the 2022 financial year. There is no case of non-compliance with the Policy.

Furthermore, the compliance of the Directors with the listing rules and the Insider Trading Policy will continue to be disclosed in the Company's quarterly and other financial reports.

5. External Auditors

In accordance with the provisions of Section 404(4) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, we have examined the Auditors' report for the year ended 31 December 2022. We have obtained all the information and explanations we required.

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

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

Okey Nwuke
Chairman, Statutory Audit Committee
FRC/2017/ICAN/00000016523
28 February 2023

Members of the Committee
Umar Farouk
Kudaisi Ayodele Sarat
Halima Aliko-Dangote
Chris Ogbechie

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements for the year ended 31 December 2022

The Directors of Nascon Allied Industries Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2022, and the results of its operations, statement of cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards (IFRS) and in the manner required by Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, and the Financial Reporting Council of Nigeria Act.

In preparing the Annual Report and financial statements, the Directors are responsible for:
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- Making an assessment of the Company's ability to continue as a going concern.

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

The annual report and financial statements of the Company set on pages 135 to 177, for the year ended 31 December 2022, were approved by the Board of Directors on 28 February 2023.

Signed on behalf of the Board of Directors By:

'Yemisi Ayeni
Chairperson
FRC/2013/IODN/0000073173

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

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

We have reviewed the financial statements of Nascon Allied Industries Plc for the year ended 31 December 2022.

Based on our knowledge, the financial statements do not
- Contain any untrue statement of a material fact; or
- Omit to state a material fact, which would make the statement misleading in light of the circumstances under which such statements were made.

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

The Directors are responsible for establishing and maintaining internal controls. We have:
- Designed such internal controls to ensure that material information relating to the Company is made known to us by other officers within the business, particularly during the year in which this report is being prepared.
- Evaluated the effectiveness of the Company's internal controls and reported to the Statutory Audit Committee on a quarterly basis and 90 days prior to 31 December 2022.
- Certified that the Company's internal controls are effective.
- Confirmed that there are no deficiencies in the design or operation of internal controls to report to the Company's auditors.

In addition, we have disclosed to the Company's External Auditors and Statutory Audit Committee that:
- There are no deficiencies in the design or operation of internal controls to report.
- There was no fraud, whether material or not, that involved management or other employees who have a significant role in the Company's internal controls.

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

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Aderemi Saka
Chief Financial Officer
FRC* "Waiver granted by FRCN"

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

Report on the audit of the financial statements

Our opinion

In our opinion, Nascon Allied Industries Plc's ("the Company's") financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Nascon Allied Industries Plc's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2022;
- the statement of financial position as at 31 December 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the accounting policies; and
- the notes to the annual report and financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accuracy of finance lease liabilities – N4 billion The accuracy of lease liabilities was considered to be a key audit matter due to the significant judgements applied by the directors in accounting for the Company's significant lease contracts, the outcome of which has a material effect on the financial position and performance of the Company. The application of IFRS 16 – Leases requires management to assess each active lease contract that the Company is party to, in order to identify whether it is, or it contains, a lease. Further, management is also required to make significant judgements in the initial accounting for, and subsequent measurement of the leases, including: • identifying the lease tenure including any renewal options that are reasonably certain to be elected; • determining the terms of the fixed and variable lease payments; • evaluating and accounting for subsequent contract modifications; and • determining the discount rate to be applied to historic leases. Refer to accounting policies 2.9 and 3.1.4. The carrying amount of lease liabilities has been included in the statement of financial position with detailed disclosures in Note 32 to the financial statements.	We obtained and evaluated the Company's accounting procedures for leases. Furthermore, we carried out substantive audit procedures on the lease liabilities computation performed by the directors. In particular, we: • inspected the terms of the underlying contracts, and evaluated management's identification of relevant lease tenures; • identified the fixed and variable lease payments in the contracts and compared to management's assessment; • recalculated the impact of lease modifications with reference to terms in the amended contracts; • evaluated the discount rate determined by management with reference to entity-specific borrowing rates and external market data; We evaluated the adequacy of disclosures made by the directors in compliance with the requirements of IFRS 16.

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

Other information

The directors are responsible for the other information. The other information comprises the Directors, Officers and Professional Advisers, Results at a Glance, Report of the Directors, Corporate Governance Report, Report of The External Consultants on the Performance of the Board of Nascon Allied industries Plc, Report of the Statutory Audit Committee, Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements, Certification pursuant to Section 405 (1) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, Other National Disclosure - Value Added Statement and Other National Disclosure - Five Year Financial Summary (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Nascon Allied Industries Plc 2022 Annual Report, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Nascon Allied Industries Plc 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

Oladele Oladipo

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Oladele Oladipo
FRC/2013/ICAN/00000002951

1 March 2023

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022

	Note	2022 ₦'000	2021 ₦'000
Revenue from contracts with customers	5	58,786,251	33,279,688
Cost of sales	7	(34,243,932)	(21,320,319)
Gross profit		**24,542,319**	**11,959,369**
Other income	8	124,293	52,271
Other operating gains	9	(794,555)	1,782,837
Movement in credit loss allowances	10	(16,147)	15,815
Distribution costs	11.1	(12,038,516)	(6,693,359)
Administrative expenses	11.2	(3,142,912)	(2,800,431)
Operating profit		**8,674,482**	**4,316,502**
Investment income	12	394,538	51,701
Finance costs	15	(694,829)	(130,160)
Profit before taxation		**8,374,191**	**4,238,043**
Taxation	17	(2,904,943)	(1,267,061)
Profit for the year		**5,469,248**	**2,970,982**
Other comprehensive income		-	-
Total comprehensive income for the year		**5,469,248**	**2,970,982**
Earnings per share information			
Basic and diluted earnings per share (Kobo)	19	206	112

The accounting policies on pages 139 to 149 and the notes on pages 150 to 177 form an integral part of the annual report and financial statements.

Statement of Financial Position as at 31 December 2022

	Note	2022 ₦'000	2021 ₦'000
Assets			
Non-Current Assets			
Property, plant and equipment	20	12,468,851	14,063,444
Right of use assets	21	3,894,704	3,837,926
		16,363,555	**17,901,370**
Current Assets			
Inventories	22	8,266,480	4,291,574
Trade and other receivables	23	11,639,953	9,794,102
Other financial assets	24	695,826	658,159
Other assets	25	5,558,747	832,177
Cash and cash equivalents	26	13,006,210	7,044,016
		39,167,216	**22,620,028**
Total Assets		**55,530,771**	**40,521,398**
Equity and Liabilities			
Equity			
Share capital	27	1,324,719	1,324,719
Share premium	28	434,037	434,037
Retained earnings	29	17,283,610	12,871,924
		19,042,366	**14,630,680**
Liabilities			
Non-Current Liabilities			
Borrowings	31	38,570	38,570
Lease liabilities	32	3,701,309	3,139,417
Retirement benefit obligations	33	133,171	138,214
Deferred tax	18	2,125,796	2,356,442
		5,998,846	**5,672,643**
Current Liabilities			
Trade and other payables	34	20,177,590	14,089,986
Borrowings	31	4,792,881	-
Finance lease liabilities	32	301,028	500,845
Contract liabilities	35	2,099,314	4,274,213
Current tax payable	17	3,118,746	1,353,031
		30,489,559	**20,218,075**
Total Liabilities		**36,488,405**	**25,890,718**
Total Equity and Liabilities		**55,530,771**	**40,521,398**

The financial statements and the notes on pages 135 to 177, were approved by the Board on the 28 February 2023 and were signed on its behalf by:



'Yemisi Ayeni
Chairperson
FRC/2013/IODN/0000073173

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Aderemi Saka
Chief Financial Officer
FRC* "Waiver granted by FRCN"

The accounting policies on pages 139 to 149, and the notes on pages 150 to 177 form an integral part of the annual report and financial statements.

Statement of Changes in Equity as at 31 December 2022

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance at 1 January 2021	**1,324,719**	**434,037**	**10,961,062**	**12,719,818**
Profit for the year	-	-	2,970,982	2,970,982
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**2,970,982**	**2,970,982**
Transactions with owners				
Dividends	-	-	(1,060,122)	(1,060,122)
	-	**-**	**(1,060,122)**	**(1,060,122)**
Balance at 31 December 2021	**1,324,719**	**434,037**	**12,871,924**	**14,630,680**
Balance at 1 January 2022	**1,324,719**	**434,037**	**12,871,924**	**14,630,680**
Profit for the year	-	-	5,469,248	5,469,248
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**5,469,248**	**5,469,248**
Transactions with owners				
Dividends	-	-	(1,057,562)	(1,057,562)
			(1,057,562)	**(1,057,562)**
Balance at 31 December 2022	**1,324,719**	**434,037**	**17,283,610**	**19,042,366**

The accounting policies on pages 139 to 149 and the notes on pages 150 to 177 form an integral part of the annual report and financial statements.

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Statement of Cash Flows as at 31 December 2022

	Note	2022 ₦'000	2021 ₦'000
Cash flows from operating activities			
Cash generated from operations	36	4,874,504	5,799,083
Tax paid	17	(1,369,873)	(789,224)
Retirement benefit obligations paid	33	(5,043)	(14,210)
Net cash from operating activities		**3,499,588**	**4,995,649**
Cash flows from investing activities			
Purchase of property, plant and equipment	20	(1,290,512)	(1,203,269)
Proceed from sale of property, plant and equipment	20	-	2,250,000
Investment Income	12	394,538	51,701
Net cash from /(used in) investing activities		**(895,974)**	**1,098,432**
Cash flows from financing activities			
Repayments of loans and borrowings	31	4,792,881	-
Dividends paid	30	(1,057,562)	(1,060,122)
Finance costs	15	-	(80,585)
Payment on Lease liabilities	32	(375,199)	(535,177)
Net cash from /(used in) financing activities		**3,360,120**	**(1,675,884)**
Total cash and cash equivalents movement for the year		**5,963,734**	**4,418,197**
Cash and cash equivalents at the beginning of the year		7,044,016	2,600,370
Effect of exchange rate movement on cash balances		(1,540)	25,449
Total cash and cash equivalents at end of the year	26	**13,006,210**	**7,044,016**

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

Accounting Policies

Corporate information

Nascon Allied Industries Plc is a public limited Company incorporated and domiciled in Nigeria.

The annual report and financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on Tuesday, 28 February 2023.

1 General information

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

The ultimate controlling party is Dangote Industries Limited, a Company incorporated in Nigeria.

The registered address of the Company is Salt City, Ijoko Ota, Ogun State.

1.1 The principal activity

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

1.2 Financial period

The financial statements cover the financial year from 1 January 2022 to 31 December 2022 with comparatives for the year ended 31 December 2021.

1.3 Going concern status

The Company has consistently generated profits since 2007. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these Annual Report And Financial Statements are prepared on a going concern basis.

2 Significant accounting policies

The significant accounting policies applied in the preparation of these Annual Report And Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of Compliance

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

2.2 Basis of measurement

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

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

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

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

Accounting Policies

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

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

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

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

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

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

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

2.4 Revenue from contracts with customers
Revenue is measured at the fair value of the consideration received or receivable for goods and services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;
- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and considerations are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Revenue is recognised when the control of the goods and services are transferred to the customer. This occurs when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the customers. Revenue is driven by the regional spread of the Company's customer network.

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

Sale occurs when the goods have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Accounting Policies

Revenue from sale of goods is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the period between the recognition of revenue and grant of rebates is within one month.

Returns on goods are considered at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur. Contract liability is recognised for consideration received for which performance obligation (sales of goods) has not been met.

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

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

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

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

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

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

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

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

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the reporting date. Tertiary Education tax is assessed at 2.5% of the assessable profits as defined by the Tertiary Education Tax Act.

Deferred tax
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects

the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

Current and deferred tax are recognised in the Statement of Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively.

2.8 Property, plant and equipment
2.8.1 Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Assets under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit or loss and other comprehensive income.

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

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

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

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

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

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

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees capitalised and determined to be directly required to bring the asset to the location and condition for intended use and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

2.9 Leases
At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
– the contract involves the use of an identified asset
– this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
– the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
– the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and nonlease components and instead account for these as a single lease component. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Lease liabilities
At the commencement date of a lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the lessee is

Accounting Policies

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

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

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

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

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

Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:
- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

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

Short-term lease and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than ₦2,305,500 when new, and depends on the nature of the asset, e.g., small equipment. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in the Statement of Profit or Loss on a straight-line basis over the lease term.

Extension and termination options

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

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, work in progress, oil and lubricants, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of actual costs.

Goods in transit are valued at the invoice price. Cost of inventories comprises of all costs of purchase, conversion cost (materials, labour and overhead) and other costs incurred to bring inventories to their present location and condition. Finished goods, which include materials, direct labour and factory overheads, are valued at actual cost basis using first in, first out.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis.

Accounting Policies

2.11 Provisions and contingencies

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

The amount recognised as provision is the present value of the expenditure expected to be required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position, If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability, and no disclosure is made.

2.12 Financial instruments

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

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

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

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

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

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

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

Trade and other receivables

Classification

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

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Measurement and recognition of expected credit losses

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

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the Gross Domestic Product (GDP) in Nigeria, Brent oil price, and inflation rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss and presented on the face of the statement of profit or loss.

Write off policy

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

Credit risk

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

Derecognition

Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in the Statement Profit or Loss in the derecognition gains/(losses) on financial assets at amortised cost line item.

Trade and other payables

Classification

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

Recognition and measurement

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

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

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

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

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

Derecognition

Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

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

Cash and cash equivalents are repayable on demand; hence no impairment was determined for cash and cash equivalents. Due to the liquid nature of cash and cash equivalents, management believes that the ECL on them will be immaterial for recognition.

2.12.1 Derecognition

Financial assets

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

Financial liabilities

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

Reclassification

Financial assets

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

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

Financial liabilities

Financial liabilities are not reclassified.

2.13 Borrowing costs

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

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

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

2.14 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

2.15 Share capital and equity

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

Ordinary shares are recognised at par value and classified as share capital in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

2.16 Earnings per share

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

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

3 Critical accounting judgement and key sources of estimation uncertainty

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

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

Accounting Policies

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.1.1 Impairment testing

The recoverable amounts of the Tomato Paste plant have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates, assumptions and inputs such as market information, monetary indices and condition of the assets. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of the Tomato Paste plant.

3.1.2 Useful life of property, plant and equipment

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

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

3.1.3 Allowances for credit losses

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.1.4 Measurement of lease liabilities

The application of IFRS 16 requires the directors to make judgements that affect the measurement of lease liabilities. These include identifying the contract tenure, determining the terms of the fixed and variable lease payments, accounting for contract modifications and determining the discount rate to be applied to historic leases.

The Company has applied judgement to determine the lease tenure for those lease contracts that include a renewal or termination option. The assessment of whether the Company is reasonably certain to exercise a renewal option or reasonably certain not to exercise a termination option significantly impacts the value of lease liabilities recognized on the balance sheet. Where an extension option exists, the Company recognizes this as part of the lease liability as invariably this is exercised. The Company also revised some lease liabilities when the lease term was modified. This required exercise of judgement in accounting for changes in contract terms. Estimates are also required to determine the appropriate discount rate used to measure lease liabilities.

3.1.5 Deferred tax assets

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

Notes to the Financial Statements

4. New Standards and Interpretations

4.1 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting period and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4.1.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2023 or later periods but are not relevant to its operations:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.

The effective date of the standard is for years beginning on or after January 1, 2023.

The Company expects to adopt the standard for the first time in the 2023 financial statements.

It is unlikely that the standard will have a material impact on the Company's financial statements.

5. Revenue from contracts with customers

	2022 ₦'000	2021 ₦'000
Sale of goods	58,786,251	33,279,688

Revenue is recognised at a point in time.

6. Segmental information

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

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

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

Segmental revenue and results

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

The segment information provided by the Management is presented below:

2022		Revenue	
	Total segment revenue ₦'000	Segment cost of sales ₦'000	Segment gross profit/(loss) ₦'000
Salt	53,495,266	(31,569,111)	21,926,155
Seasoning	5,290,985	(2,659,871)	2,631,114
Tomato Paste	-	(14,950)	(14,950)
Total	**58,786,251**	**(34,243,932)**	**24,542,319**

2021		Revenue	
	Total segment revenue ₦'000	Segment cost of sales ₦'000	Segment gross profit/(loss) ₦'000
Salt	29,752,031	(18,871,102)	10,880,929
Seasoning	3,527,657	(2,355,329)	1,172,328
Tomato Paste	-	(19,811)	(19,811)
Vegetable Oil	-	(74,077)	(74,077)
Total	**33,279,688**	**(21,320,319)**	**11,959,369**

6. Segmental information (continued)
Segment assets and liabilities

The amounts provided from the Management with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

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

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

The amounts provided by Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Company's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the Company's treasury function.

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

The depreciation as disclosed in note 13 relate to the Salt and Seasoning segments.

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

2022	**Total assets**	**Total liabilities**
	₦'000	**₦'000**
Salt	49,723,430	32,585,936
Seasoning	5,704,793	1,643,502
Tomato Paste	102,548	-
Total	**55,530,771**	**34,229,438**
Unallocated		
Retirement benefit obligation	-	133,171
Deferred tax	-	2,125,796
Total as per statement of financial position	**55,530,771**	**36,488,405**

2021	**Total assets**	**Total liabilities**
	₦'000	**₦'000**
Salt	35,772,571	22,712,449
Seasoning	4,598,988	683,613
Tomato Paste	149,839	-
Total	**40,521,398**	**23,396,062**
Unallocated		
Retirement benefit obligation	-	138,214
Deferred tax	-	2,356,442
Total as per statement of financial position	**40,521,398**	**25,890,718**

6. Segmental information (continued)

Geographical information

	2022 Revenue by location of customer ₦'000	**2021 Revenue by location of customer ₦'000**
East	3,477,803	2,672,444
West	14,199,742	9,692,464
North	41,108,706	20,914,780
Total	**58,786,251**	**33,279,688**

7. Cost of sales

	2022 ₦'000	**2021 ₦'000**
Raw materials consumed	30,451,330	18,014,086
Employee costs (Note 16)	978,799	1,050,184
Depreciation of property, plant and equipment (Note 13)	661,949	755,922
Depreciation of right of use assets (Note 13)	145,520	146,244
Manufacturing expenses	2,006,334	1,229,550
Loading	-	124,333
Total	**34,243,932**	**21,320,319**

8. Other income

	2022 ₦'000	**2021 ₦'000**
Rental income	16,544	-
Sale of scrap	93,038	25,436
Insurance claim	14,711	26,835
Total	**124,293**	**52,271**

9. Other operating gains

	2022 ₦'000	**2021 ₦'000**
Gains on disposals, scrappings and settlements		
Property, plant and equipment (Note 20.5)	(425,857)	745,695
Foreign exchange gains		
Net foreign exchange gains	(368,698)	1,037,142
Total other operating gains	**(794,555)**	**1,782,837**

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

10. Movement in credit loss allowances

Trade receivables	**2022 ₦'000**	**2021 ₦'000**
Impairment writeback/(charge) on trade receivable (Note 23)	(24,058)	17,470
Impairment (charge)/writeback on interCompany receivables (Note 23)	10,331	(1,471)
Impairment (charge)/writeback on staff loans (Note 23)	(2,420)	(184)
Total	**(16,147)**	**15,815**

Notes to the Financial Statements

11. Operating expenses
11.1 Distribution cost

	2022 ₦'000	2021 ₦'000
Market activation	339,636	289,762
Branding expenses	252,375	600,905
Delivery expenses	10,301,959	4,545,597
Depreciation for trucks (Note 13)	1,144,546	1,257,095
Total	**12,038,516**	**6,693,359**

11.2 Administrative expenses

	2022 ₦'000	2021 ₦'000
Management fees	130,602	135,073
Auditors remuneration	26,000	20,000
Provision for bad debts	-	2,300
Bank charges	49,089	50,073
Cleaning	43,862	34,212
Consulting and professional fees	85,403	52,036
Depreciation of property, plant and equipment (Note 13)	442,938	403,091
Depreciation right of use assets (Note 13)	4,341	5,893
Directors remuneration (Note 39)	153,253	152,625
Employee costs (Note 16)	1,402,535	1,213,813
Entertainment	37,672	45,370
Business development	77,950	29,848
Insurance	51,591	67,553
Petrol and oil	24,710	22,351
Printing and stationery	32,567	22,305
Repairs and maintenance	67,221	60,335
Secretarial fees	67,891	52,390
Security	61,555	66,470
Staff welfare	115,398	105,245
Telephone and fax	103,844	96,919
Travel - local	163,554	160,498
Travel - overseas	936	2,031
Total	**3,142,912**	**2,800,431**

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

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

No non-audit services were provided by our auditors.

Notes to the Financial Statements

12. Investment income

	2022 ₦'000	2021 ₦'000
Interest income on bank balances	136	377
Interest income on short term fixed deposit	394,402	51,324
Total	**394,538**	**51,701**

13. Depreciation
The following items are included within depreciation:

Depreciation	2022 ₦'000	2021 ₦'000
Property, plant and equipment (Note 20)	2,249,433	2,416,108
Right of use assets (Note 21)	149,861	152,139
	2,399,294	**2,568,247**
Total depreciation		
Depreciation (Administrative expenses Note 11.2)	442,938	403,091
Depreciation (Cost of sales Note 7)	661,949	755,922
Depreciation (Distribution cost Note 11.1)	1,144,546	1,257,095
	2,249,433	**2,416,108**
Depreciation right of use assets		
Depreciation (Administrative expenses Note 11.2)	4,341	5,893
Depreciation (Cost of sales Note 7)	145,520	146,246
	149,861	**152,139**

14. Auditors' remuneration

	2022 ₦'000	2021 ₦'000
Fees	26,000	20,000

15. Finance costs

	2022 ₦'000	2021 ₦'000
Interest on overdraft	-	80,585
Interest on borrowings	126,714	-
Interest on lease liabilities (Note 32)	568,115	49,575
Total finance costs	**694,829**	**130,160**

In the current year, the Company had a Usance facility with Zenith Bank Plc and United Bank for Africa Plc at an average rate of 13.6% per annum . The value of the borrowing was based on drawdown of the facility.

16. Employee costs

The following items are included within employee benefits expense:

Direct labour costs

	2022 ₦'000	2021 ₦'000
Basic	645,780	693,815
Medical aid - Company contributions	11,311	13,265
Other payroll levies	5,696	5,800
Leave pay provision charge	19,871	22,071
Short term benefit	243,092	261,876
Other short term costs	639	134
Post-employment benefits - Pension (Defined contribution plan)	52,410	53,223
Direct labour costs (Note 7)	**978,799**	**1,050,184**

Indirect employee costs

	2022 ₦'000	2021 ₦'000
Basic	769,553	723,853
Bonus	149,533	110,042
Medical aid - Company contributions	6,437	5,208
Other payroll levies	27,051	25,157
Leave pay provision charge	38,499	33,017
Short term benefit	339,628	253,576
Other short term costs	14,466	14,781
Post-employment benefits - Pension (Defined contribution plan)	57,368	48,179
Administrative cost (Note 11.2)	**1,402,535**	**1,213,813**

Total employee costs	2022 ₦'000	2021 ₦'000
Direct employee costs	978,799	1,050,184
Indirect employee costs	1,402,535	1,213,813
Total	**2,381,334**	**2,263,997**

Average number of persons employed during the year

	2022 Number	2021 Number
Management	65	59
Senior staff	213	203
Junior staff	312	319
Total	**590**	**581**

16. Employee costs (continued)

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

₦'000	2022 Number	2021 Number
1 - 5,000	536	538
5,001 - 10,000	38	34
10,001 - 15,000	10	6
15,001 - 20,000	6	3
Total	**590**	**581**

17. Taxation

Major components of the tax expense

Current	2022 ₦'000	2021 ₦'000
Local income tax	2,815,691	1,180,367
Education tax	294,237	174,498
Police Trust Fund Levy	419	212
Adjustments recognised in the current year in relation to tax of prior year	25,241	-
Total	**3,135,588**	**1,355,077**
Deferred		
In respect of current year (Note 18)	(230,645)	(88,016)
Total	**2,904,943**	**1,267,061**

The charge for taxation in these annual report and financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 and the Education Tax Act CAP E4, LFN 2004. Company tax and Tertiary Education tax is calculated at 30% and 2.5% respectively of the estimated taxable profit for the year, Police Trust Fund levy is charged at 0.005% of profit before tax. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

Reconciliation of tax expense

Reconciliation between accounting profit and tax expense.

	2022 ₦'000	2021 ₦'000
Profit before tax from continuing operations	8,374,191	4,238,043
Tax at the applicable tax rate of 30% (2021: 30%)	2,512,257	1,271,413
Education tax rate of 2% (2011: 2.5%)	294,237	174,498
Tax effect of adjustments on taxable income		
Effect of expenses that are not deductible in determining taxable profit	144,730	72,249
Adjustement recognised due to difference in tax rates	(17,127)	(24,832)
Effect of other adjustments	(53,927)	(116,484)
Police Trust Fund	419	211
Effect of investment allowance	(887)	(109,994)
Prior period adjustments	25,241	-
Total	**2,904,943**	**1,267,061**

Notes to the Financial Statements

17. Taxation (continue)

Current tax liabilities in the statement of financial position	2022 ₦'000	2021 ₦'000
At 1 January	1,353,031	787,178
Charge for the year	3,135,588	1,355,077
Payment during the year	(1,369,873)	(789,224)
At 31 December	**3,118,746**	**1,353,031**

18. Deferred tax

	2022 ₦'000	2021 ₦'000
Deferred tax liability	(2,356,442)	(2,457,489)
Deferred tax asset	230,646	101,047
Total net deferred tax liability	**(2,125,796)**	**(2,356,442)**
Reconciliation of deferred tax liability		
At January 1	(2,356,442)	(2,444,458)
Temporary difference movement in the year	230,646	88,016
At 31 December	**(2,125,796)**	**(2,356,442)**

Analysis of deferred tax is made up of

31 December 2022	At 1 January 2022	Recognize in profit or loss	At 31 December 2022
Deferred tax (asset) or liability in relation to:	**₦ '000**	**₦ '000**	**₦ '000**
Property, plant and equipment	2,385,120	(7,978)	2,377,142
Allowance for doubtful debt	(101,047)	(3,609)	(104,656)
Unrealised exchange difference	8,125	(119,827)	(111,702)
IFRS 16 Leases	64,244	(99,232)	(34,988)
	2,356,442	**(230,646)**	**2,125,796**

31 December 2021	At 1 January 2021	Recognize in profit or loss	At 31 December 2021
Deferred tax (asset) or liability in relation to:	**₦ '000**	**₦ '000**	**₦ '000**
Property, plant and equipment	2,082,445	302,675	2,385,120
Allowance for doubtful debt	(109,062)	8,015	(101,047)
Unrealised exchange difference	390,317	(382,192)	8,125
IFRS 16 Leases	80,758	(16,514)	64,244
	2,444,458	**(88,016)**	**2,356,442**

Notes to the Financial Statements

19. Earnings per share

Basic earnings per share

	2022	2021
From continuing operations (kobo per share)	206	112

Reconciliation of profit or loss for the year to basic earnings

	₦'000	₦'000
Profit or loss for the year attributable to equity holders of the parent	5,469,248	2,970,982
	5,469,248	**2,970,982**
Weighted average number of ordinary shares as at 31 December ('000)	**2,649,438**	**2,649,438**

The Company has no potentially dilutive shares. Accordingly, the basic EPS and diluted EPS have the same values.

20. Property, plant and equipment

	Freehold land ₦'000	Buildings ₦'000	Tools and equipment ₦'000	Plant and machinery ₦'000	Furniture and fittings ₦'000	Motor vehicles ₦'000	Computer equipment ₦'000	Capital work-in-progress ₦'000	Total ₦'000
Cost									
Balance at 1 January 2021	70,000	1,461,605	616,837	7,665,548	122,258	10,355,041	115,062	7,177,514	27,583,865
Addition	-	175,728	5,963	232,595	8,839	691,431	37,129	318,844	1,470,529
Disposal	-	(474,725)	(17,476)	(1,868,335)	(16,287)	(1,827,571)	(9,838)	-	(4,214,232)
Reclassification	-	2,526,084	178,172	3,433,855	259,881	212,148	100,745	(6,710,885)	-
Adjustments	-	-	-	-	-	-	-	(184,893)	(184,893)
Balance at 31 December 2021	70,000	3,688,692	783,496	9,463,663	374,691	9,431,049	243,098	600,580	24,655,269
Addition	-	116,961	57,455	29,563	8,892	1,014,946	13,128	49,567	1,290,512
Disposal	-	(1,000)	(234,243)	(673,685)	(2,355)	(2,041,612)	(32,846)	(267,815)	(3,253,556)
Reclassification	-	10,873	47,729	-	-	-	-	(58,602)	-
Adjustments	-		-	-	-	-	-	(209,816)	(209,816)
Balance at 31 December 2022	**70,000**	**3,815,526**	**654,437**	**8,819,541**	**381,228**	**8,404,383**	**223,380**	**113,914**	**22,482,409**
Accumulated depreciation									
Balance at 1 January 2021	-	218,812	443,466	2,884,242	89,165	7,154,275	95,688	-	10,885,648
Charge for the year	-	65,578	126,274	690,342	59,847	1,428,422	45,645	-	2,416,108
Disposal	-	(59,123)	(17,476)	(779,636)	(16,287)	(1,827,571)	(9,838)	-	(2,709,931)
Balance at 31 December 2021	-	225,267	552,264	2,794,948	132,725	6,755,126	131,495	-	10,591,825
Charge for the year	-	73,972	114,589	587,977	65,194	1,355,962	51,739	-	2,249,433
Disposal	-	(260)	(210,905)	(577,076)	(2,355)	(2,004,783)	(32,321)	-	(2,827,700)
Balance at 31 December 2022	-	**298,979**	**455,948**	**2,805,849**	**195,564**	**6,106,305**	**150,913**	-	**10,013,558**
Carrying amount									
Balance as at 31 December 2022	**70,000**	**3,516,547**	**198,489**	**6,013,692**	**185,664**	**2,298,078**	**72,467**	**113,914**	**12,468,851**
Balance as at 31 December 2021	**70,000**	**3,463,425**	**231,232**	**6,668,715**	**241,966**	**2,675,923**	**111,603**	**600,580**	**14,063,444**

20. Property, plant and equipment {continued)

20.1 Capital work-in-progress

Work-in-progress comprises amounts expended on construction of drainage at Salt Village plant.

20.2 Adjustments to capital work-in-progress

The adjustment in the current year represents lease interest expenses charged to profit or loss.

20.3 Asset pledged as security

None of the Company's assets were pledged as security for any liabilities as at 31 December 2022 (2021:Nil).

20.4 Impairment Assessment

Included in property, plant and equipment are assets related to the Tomato Paste plant with carrying values of ₦102.5 million as at December 31, 2022. The plant did not operate optimally during the year. The Directors considered this to be an indicator of impairment. The Tomato Paste plant was subjected to impairment assessments using the forced sale model. The recoverable amounts of ₦223.3 million exceeded the carrying value. There was no impairment gain or loss recognised as at December 31, 2022 (2021:Nil).

20.5 Sale of Property, plant and equipment

	2022 ₦'000	2021 ₦'000
Net book value of disposed assets	425,857	1,504,305
Proceeds from sales	-	(2,250,000)
Loss/(gain) on disposals	**425,857**	**(745,695)**

Notes to the Financial Statements

21. Right of use assets

This note provides information for leases where the Company is a lessee.

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right of Use Asset -Company

Cost	Land ₦'000	Building ₦'000	Total ₦'000
At 1 January 2021	3,132,298	952,039	4,084,337
Additions	-	124,405	124,405
Modifications	110,713	54,825	165,538
At 31 December 2021	**3,243,011**	**1,131,269**	**4,374,280**
1 January 2022	3,243,011	1,131,269	4,374,280
Additions	-	-	-
Modifications	-	206,639	206,639
At 31 December 2022	**3,243,011**	**1,337,908**	**4,580,919**

Depreciation			
At 1 January 2021	-	(384,215)	(384,215)
Depreciation	-	(152,139)	(152,139)
At 31 December 2021	**-**	**(536,354)**	**(536,354)**
At 1 January 2022	-	(536,354)	(536,354)
Depreciation	-	(149,861)	(149,861)
At 31 December 2022	**-**	**(686,215)**	**(686,215)**

Carrying amount			
Cost	3,243,011	1,131,269	4,374,280
Accumulated depreciation	-	(536,354)	(536,354)
At 31 December 2021	**3,243,011**	**594,915**	**3,837,926**
Cost	3,243,011	1,337,908	4,580,919
Accumulated depreciation	-	(686,215)	(686,215)
At 31 December 2022	**3,243,011**	**651,693**	**3,894,704**

21.1 Modification to right of use assets

The modification to right of use assets relate to changes in consideration of some existing lease contract during the year (Note 32).

Notes to the Financial Statements

22. Inventories

	2022 ₦'000	2021 ₦'000
Raw materials	5,045,226	2,389,488
Work-in-progress	1,401	4,246
Finished goods	1,161,010	207,766
Spare parts and consumables	915,669	652,326
Oil and lubricants	203,790	82,811
Packaging materials	939,384	954,937
Total	**8,266,480**	**4,291,574**

During the year, there were no inventory written down/reversal to net realisable value (2021: Nil).

The cost of inventories recognised as an expense during the year in respect of continuing operations was ₦30.451 billion (2021: ₦18.014 billion).

22.1 Inventory pledged as security

No inventory was pledged as security for any liability (2021: Nil).

23. Trade and other receivables

Financial instruments:

	2022 ₦'000	2021 ₦'000
Trade receivables	979,246	445,547
Trade receivables - related parties (Note 39.1)	10,267,037	8,821,604
Loss allowance	(143,706)	(129,979)
Trade receivables at amortised cost	11,102,577	9,137,172
Advances to suppliers	186,464	308,653
Employee loans and advances	49,027	45,887
Loss allowance on employee loans and advances	(2,686)	(265)
Interest receivables	304,571	302,655
Total trade and other receivables	**11,639,953**	**9,794,102**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2022 ₦'000	2021 ₦'000
At amortised cost	11,639,953	9,794,102

Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due.

23. Trade and other receivables (continued)

Expected credit loss rate:	2022 Estimated gross carrying amount at default ₦'000	2022 Loss allowance (Lifetime expected credit loss) ₦'000	2021 Estimated gross carrying amount at default ₦'000	2021 Loss allowance (Lifetime expected credit loss) ₦'000
Trade receivables				
Outstanding for 0 - 3 months: 5.48% (2021: 6%)	946,406	(51,847)	403,126	(27,788)
Outstanding for 4 - 6 months: 82.05% (2021: 96%)	-	-	-	-
Outstanding for 7 - 9 months: 96.76% (2021: 100%)	-	-	9,590	(10)
Outstanding for 10 - 12 months: 100% (2021: 100%)	-	-	-	-
Outstanding over 1 year: 100% (2021: 100%)	32,840	(32,840)	32,831	(32,831)
	979,246	**(84,687)**	**445,547**	**(60,629)**
Related party receivables				
Outstanding for 0 - 3 months: 63.14% (2021: 6%)	-	-	-	-
Outstanding for 4 - 6 months: 73.37% (2021: 96%)	-	-	-	-
Outstanding for 7 - 9 months: 77.97% (2021: 97%)	-	-	-	-
Outstanding for 10 - 12 months: 80.57% (2021: 98%)	-	-	7,200	(7,107)
Outstanding over 1 year: 84.99% (2021: 100%)	69,443	(59,019)	62,243	(62,243)
	69,443	**(59,019)**	**69,443**	**(69,350)**
Total	**1,048,689**	**(143,706)**	**514,990**	**(129,979)**

Staff loans	Stage 1 12 months ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
Grosss exposure at default	49,027	-	-	49,027
Loss allowance as at 31 December 2022	(2,686)	-	-	(2,686)
	46,341	**-**	**-**	**46,341**

Staff loans	Stage 1 12 months ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
Grosss exposure at default	3,551	-	-	3,551
Loss allowance as at 31 December 2021	(265)	-	-	(265)
	3,286	**-**	**-**	**3,286**

23. Trade and other receivables (continued)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	2022 ₦'000	2021 ₦'000
Opening balance in accordance with IFRS 9	(130,244)	(146,060)
Provision (raised)/reversed on new related party receivables	10,331	(1,470)
Provisions reversed/(raised) on settled trade receivables	(24,058)	17,470
Provision (raised)/reversed on staff loan	(2,421)	(184)
Closing balance	**(146,392)**	**(130,244)**

The reconciliation of gross carrying amount for Nascon is as follows:

	2022 ₦'000	2021 ₦'000
Gross carrying amount as at 1 January	9,267,151	13,031,766
Revenue from third parties	58,786,251	33,279,688
Receipts from third parties	(59,557,117)	(32,836,920)
Rebates receivable from related party	2,749,998	992,617
Rebates received from related party	-	(5,200,000)
Gross carrying amount as at 31 December	**11,246,283**	**9,267,151**

24. Other financial assets	2022 ₦'000	2021 ₦'000
Fixed deposit	695,826	658,159
Current assets		
Securities held at amortised cost	695,826	658,159

The fixed deposit balance represents the aggregate amounts of dividends that remained unclaimed after 15 months or more which the Registrars returned to the Company in line with Securities and Exchange Commision (SEC) regulations and is invested with Meristem Wealth Management Limited.

25. Other assets

Prepayments:	2022 ₦'000	2021 ₦'000
Insurance prepaid	8,437	7,034
Prepayment-Others	2,864	2,644
Deposit for import	5,500,635	710,512
Promotional items	46,811	111,987
	5,558,747	**832,177**

Deposits for imports represents Central Bank of Nigeria (CBN) forwards (averaging 60 to 180 days) received during the year which are still awaiting maturity as at year end.

Notes to the Financial Statements

26. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022 ₦'000	2021 ₦'000
Cash on hand	1,553	1,643
Bank balances	13,004,657	7,042,373
	13,006,210	**7,044,016**

27. Share capital

Authorised issued and fully paid	2022 ₦'000	2020 ₦'000
2,649,438,378 ordinary shares of 50 kobo each	1,324,719	1,324,719

28. Share premium

Issued	2022 ₦'000	2021 ₦'000
Share premium	434,037	434,037

29. Retained earnings

	2022 ₦'000	2021 ₦'000
At 1 January	12,871,924	10,961,064
Profit for the year	5,469,248	2,970,982
Dividend declared and paid	(1,057,562)	(1,060,122)
At 31 December	**17,283,610**	**12,871,924**

At the Annual General Meeting held on 3 June 2022, the shareholders approved that dividend of 40 kobo per ordinary share amounting to ₦1.057 billion be paid to shareholders for the year ended 31 December 2021. In respect of the current year, the Directors' propose that a dividend of 100 kobo per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements. The total estimated dividend to be paid is ₦2.649 billion.

30. Dividend payable

	2022 ₦'000	2021 ₦'000
At 1 January	-	-
Dividend declared	1,057,562	1,060,122
Payments - Meristem Registrars and Probate Services Limited	(1,057,562)	(1,060,122)
At 31 December	**-**	**-**

Notes to the Financial Statements

31. Borrowings

Held at amortised cost	2022 ₦'000	2021 ₦'000
At 1 January	38,570	38,570
Loan obtained during the year	4,792,881	-
At 31 December	**4,831,451**	**38,570**
Split between non-current and current portions		
Non-current liabilities	38,570	38,570
Current liabilities	4,792,881	-
	4,831,451	**38,570**

At the time of privatisation in 1992, the debt owed to the Federal Government of Nigeria by the Company (₦38.570 million) was restructured by the Bureau for Public Enterprise. This is a non interest bearing loan. The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria and currently awaiting a response.

In the current year, the Company had a Usance facility with Zenith Bank Plc and United Bank for Africa Plc at an average rate of 13.6% per annum . The value of the borrowing was based on drawdown of the facility.

32. Finance lease liabilities

Lease liabilities	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2022	2,999,706	640,556	3,640,262
Interest expenses	299,338	51,539	350,877
Payments made during the year	(333,333)	(41,866)	(375,199)
Modification	386,397	-	386,397
Balance 31 December 2022	**3,352,108**	**650,229**	**4,002,337**
Lease liabilities			
Current	263,901	37,127	301,028
Non-current	3,328,681	372,628	3,701,309
	3,592,582	**409,755**	**4,002,337**

Lease liabilities	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2021	2,955,055	613,596	3,568,651
Additions	-	124,405	124,405
Interest expenses	267,260	49,584	316,844
Payments made during the year	(333,333)	(201,844)	(535,177)
Modification	110,713	54,826	165,539
Balance 31 December 2021	**2,999,695**	**640,567**	**3,640,262**

Lease liabilities			
Current	305,298	195,547	500,845
Non-current	2,694,408	445,009	3,139,417
	2,999,706	**640,556**	**3,640,262**

32.1 Modification to lease liabilities

The modification to lease liabilities relate to changes in consideration of some existing lease contract during the year

33. Retirement benefits obligation

33.1 Movement in gratuity

	2022 ₦'000	2021 ₦'000
At 1 January	138,214	152,424
Current service cost	-	-
Benefit paid out	(5,043)	(14,210)
At 31 December	**133,171**	**138,214**

The entity was operating a defined benefit for its permanent Nigerian staff, the benefits under which are related to employees' length of service and final remuneration.

However, the Board resolved to eliminate the scheme effective January 2013. The valuation of the liabilities is as of that date. The balance as at 31 December, 2022 represents what is owed to staff who are still in service from the old scheme.

As at December 31, 2022 no fund has been set up from which payments can be disbursed.

Defined contribution plan

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

Staff pension

	2022 ₦'000	2021 ₦'000
At 1 January	-	-
Contributions during the year	197,842	182,532
Remittance in the year	(197,842)	(182,532)
At 31 December	**-**	**-**

The only obligation of the Company with respect to the pension scheme is to make the specified contributions. The total expense recognised in profit or loss of ₦110.02 million (2021: ₦101.40 million) represents contributions payable to this plan by the Company as at 31 December 2022.

Notes to the Financial Statements

34. Trade and other payables

	2022 ₦'000	2021 ₦'000
Financial instruments:		
Trade payables	2,908,115	1,739,405
Amounts due to related parties (Note 39.1)	14,591,605	10,809,289
Unclaimed dividend	695,826	658,159
Accrued audit fees	26,000	13,870
Accrued expenses	1,786,387	522,127
Other payables	31,926	55,951
Non-financial instruments:		
Value added tax	98,006	191,282
Withholding tax payable	39,725	99,903
Total	**20,177,590**	**14,089,986**

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables. The Directors consider that the carrying amount of trade payables approximates to the fair value.

35. Contract liabilities

Summary of contract liabilities

	2022 ₦'000	2021 ₦'000
Advance payment from customers	2,099,314	4,274,213

	2022 ₦'000	2021 ₦'000
Reconciliation of contract liabilities		
Opening balance	4,274,213	1,500,383
Revenue recognised on delivery of goods previously paid for	(4,274,213)	(1,500,383)
Payments received in advance of delivery of performance obligations	2,099,314	4,274,213
Total	**2,099,314**	**4,274,213**

Contract liabilities represent payments received in advance of the delivery of goods.

36. Cash generated from operations

	2022 ₦'000	2021 ₦'000
Profit before taxation	8,374,191	4,238,043
Adjustments for:		
Depreciation of property, plant and equipment (Note 20)	2,249,433	2,416,108
Depreciation of right of use assets (Note 21)	149,861	152,139
Loss/(gains) on disposals of property, plant and equipment (Note 9)	425,857	(745,695)
Lease modification	(218,010)	-
Unrealised exchange gain	1,540	(25,449)
Finance income (Note 12)	(394,538)	(51,701)
Finance costs (Note 15)	694,829	130,160
Impairment/ (reversal) for credit losses (Note10)	16,147	(15,815)
PPE Adjustment (Note 20)	209,816	184,893
Changes in working capital:		
Inventories	(3,974,906)	867,877
Trades and other receivables	(1,845,851)	3,583,814
Prepayments	(4,726,570)	1,289,047
Trade and other payables	6,087,604	(8,998,168)
Contract liabilities	(2,174,899)	2,773,830
Cash generated from operations	**4,874,504**	**5,799,083**

Notes to the Financial Statements

37. Financial instruments and risk management

37.1 Capital risk management

The capital structure of the Company consists of net debt (which includes the borrowings disclosed in Note 31), offset by cash and bank balances and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements. The Company monitors its capital structure to ensure that the target debt equity ratio as stated in its debt covenants is not exceeded. The Company is not subject to any externally imposed capital requirements.

The capital structure and gearing ratio of the Company at the reporting date was as follows:

	2022 ₦'000	2021 ₦'000
Borrowings	4,831,451	38,570
Finance lease liabilities	4,002,337	3,640,262
Trade and other payables	20,177,590	14,089,986
Total debts	**29,011,378**	**17,768,818**
Cash and cash equivalents	(13,006,210)	(7,044,016)
Net debts	**16,005,168**	**10,724,802**
Equity	19,042,366	14,630,680
Gearing ratio	84%	73%

37.2 Financial risk management

Risk management roles and responsibilities are assigned to stakeholders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Establishment and General Purpose and Finance, Risk and Audit Committees.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk framework. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

The Company monitors and manages financial risks relating to its operations through an internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Financial instruments and risk management (continued)

37.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparty and obtaining sufficient collateral where appropriate (bank guarantee and insurance bonds), as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information, customers' financial position, past trading relationship, its own trading records and other factors to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team periodically.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased.

About 91% (2021: 89%) of the trade receivables are due from Bulk Commodities Limited, a related party, for rebate on purchase of Salt. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analyzed at each reporting date on an individual basis for corporate and individual customers.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
	Note	Gross carrying amount ₦'000	Credit loss allowance ₦'000	Amortised cost / fair value ₦'000	Gross carrying amount ₦'000	Credit loss allowance ₦'000	Amortised cost / fair value ₦'000
Trade and other receivables	23	11,786,345	(146,392)	11,639,953	9,924,346	(130,244)	9,794,102
Cash and cash equivalents	26	13,006,210	-	13,006,210	7,044,016	-	7,044,016
		24,792,555	**(146,392)**	**24,646,163**	**16,968,362**	**(130,244)**	**16,838,118**

37.4 Deposit with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the Company deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

The overview below shows the credit ratings of outstanding cash and cash equivalents held with financial institutions.

Credit Rating - Financial Institution	31 December 2022 ₦'000	31 December 2021 ₦'000
A+	6,249,868	2,819,296
AA	47,485	291,875
AA-	3,037,126	2,548,985
BBB	2,600,822	498,544
BB+	347,220	612,561
Not rated	722,136	271,112
	13,004,657	**7,042,373**

Financial instruments and risk management (continued)

37.5 Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the statement of financial position date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2022	Note	0-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	Over 1 year ₦'000	Total ₦'000	Carrying amount ₦'000
Non-current liabilities							
Borrowings	31	-	-	-	38,570	38,570	38,570
Lease liabilities	32	-	-	-	3,701,309	3,701,309	3,701,309
Current liabilities							
Trade and other payables	34	8,654,341	2,066,770	5,623,516	3,879,199	20,223,826	20,079,590
Borrowings	31	4,792,881				4,792,881	4,792,881
Lease liabilities	32	39,028	92,333	169,667	-	301,028	301,028
		13,486,250	**2,159,103**	**5,793,183**	**7,619,078**	**29,057,614**	**28,913,378**

2021	Note	0-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	Over 1 year ₦'000	Total ₦'000	Carrying amount ₦'000
Non-current liabilities							
Other liabilities	31	-	-	-	38,570	38,570	38,570
Finance lease liabilities	32	-	-	-	3,902,875	3,902,875	3,139,417
Current liabilities							
Trade and other payables	34	2,636,973	1,400,150	1,550,333	8,211,344	13,798,800	13,898,710
Finance lease liabilities	32	150,847	11,760	348,333	-	510,940	500,845
		2,787,820	**1,411,910**	**1,898,666**	**12,152,789**	**18,251,185**	**17,577,542**

Financial instruments and risk management (continued)

37.6 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to USD. It monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

37.6.1 Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

	2022 ₦'000	2021 ₦'000
US Dollar exposure:		
Current assets:		
Trade and other receivables	10,197,594	8,752,161
Cash and cash equivalents	14,555	24,994
Non-current liabilities:		
Trade and other payables	(12,961,564)	(3,750,914)
Net US Dollar exposure/(asset)	**(2,749,415)**	**5,026,241**

37.6.2 Foreign currency sensitivity analysis

A sixty three percent (63%) weakening of the Naira against the Dollar at 31 December 2022 (31 December 2021: 12%) would have decreased the profit before tax and retained earnings by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. There are challenges faced in sourcing an adequate quantity of foreign currencies from the official markets resulting in slowdown of business operations when foreign currencies required to purchase production materials are not available. The analysis assumes that all other variables, in particular interest rates, remain constant.

A five percent (5%) strengthening of the Naira, against the Dollar at 31 December 2022 (31 December 2021: 12%) would have increased profit before tax and retained earnings by the amounts shown below. Historically, the likelihood of Naira appreciating against other foreign currencies has been reasonably not significant. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2022 ₦'000	2021 N '000
Impact on profit or loss:		
Naira strengthens by 5% against the US dollar Profit / (loss)	138,198	543,450
Naira weakens by 63% against the US dollar Profit / (loss)	(1,741,301)	(543,450)
	(1,603,103)	-

37.7 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal as it does not have either floating or fixed interest bearing financial liabilities outstanding as the reporting date. It's cash and cash equivalents with financial institutions have fixed interest rates.

38. Fair value information

As detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values

	Book value		Fair value	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Financial assets				
Trade and other receivables	11,639,953	9,794,102	11,639,953	9,794,102
Cash and bank	13,006,210	7,044,016	13,006,210	7,044,016
Financial liabilities				
Trade and other payables	20,177,590	14,089,986	20,177,590	14,089,986
Borrowings	4,831,451	38,570	4,831,451	38,570

39. Related parties

39.1 Related party balances

	2022 ₦'000	2021 ₦'000
InterCompany receivables		
Other related party receivables		
Dangote Cement Plc (Benue Plant)	7,200	7,200
West African Popular Foods*	62,243	62,243
Bulk Commodities Limited	10,197,594	8,752,161
Total	**10,267,037**	**8,821,604**

	2022 ₦'000	2021 ₦'000
InterCompany payables		
Parent and ultimate controlling party		
Dangote Industries Limited (Parent)	997,552	1,838,114
Other related party payables		
Dangote Sugar Refinery	67,527	119,471
Dancom Technologies Limited	11,623	2,787
Greenview Development Nigeria Limited	911	330,897
Bluestar Shipping Line Limited	1,316	29,860
Dangote Cement Plc. (Obajana Plant)	24,195	24,195
Aliko Dangote Foundation	818	11,238
Dangote Packaging Limited	216,388	186,162
Dangote Industries Limited (Central Stores)	102,277	249,427
Dangote Cement Plc (Head Office)	1,729,192	2,963,272
Dangote Oil Refining Company Limited	217,030	231,740
Dangote Cement Plc. (Benue Plant)	77,602	77,602
Dangote Cement Plc. (Benue Plant Truck scheme)	219,311	219,311
Dangote Cement Plc. (Ibese Plant)	10,990	9,736
Dangote Sinotruck W	-	764,563
Bulk Commodities Limited	10,914,873	3,750,914
Total	**14,591,605**	**10,809,289**

*The balance due from West African Popular Foods has been fully impaired.

Notes to the Financial Statements

Notes to the Financial Statements

39. Related parties (continued)

39.2 Purchases, sales, promotional support, other services and dividend

	Transaction Value		Balance due (to)/from	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Purchases, promotional support and other services				
Ultimate parent	-	(2,526,786)	(854,140)	(1,838,114)
Other related parties	(28,018,865)	(14,831,895)	(17,750,717)	(8,971,175)
Technical services fees				
Other related parties	(48,004)	(71,621)	(11,623)	-
Dividend payable				
Other related parties	(659,105)	(659,105)	-	-
	(28,725,974)	**(18,089,407)**	**(18,616,480)**	**(10,809,289)**
Sales and other services				
Other related parties	891,047	777,389	13,338,922	8,821,604

Relationships

Dangote Cement Plc, Gboko Plant	Fellow subsidiary, provides trucks for the Company
Bulk Commodities Limited	Affiliate, purchases raw salt for the Company
Dangote Industries Limited (Central Stores)	Fellow subsidiary, the Company purchases spare parts
Dancom Technologies Limited	Fellow subsidiary, provides internet services and IT support for the Company
Dangote Packaging Limited	Fellow subsidiary, produces empty sacks for the Company
Dangote Cement Plc	Fellow subsidiary, buys Crude Salt from the Company and procures trucks on behalf of the Company
Aliko Dangote Foundation	Affiliate, engages in philanthropy
Dangote Industries Limited	Ultimate controlling party
Bluestar Shipping Line Limited	Fellow subsidiary, provide clearing services for the the Company
Dangote Oil Refining Company Limited	Affiliate, the Company purchases equipment
Dangote Sugar Refinery Plc.	Fellow subsidiary, buys crude salt from the Company and provides warehouse facility to the Company
Dangote Transport Limited	Fellow subsidiary , provides haulage services to the Company
Dangote Sinotruk West Africa Limited	Fellow subsidiary, the Company purchases trucks and spare parts
Greenview Development Nigeria Limited	Fellow subsidiary, provides port and terminal services to the Company
Dangote Cement Plc, (Obajana Plant)	Fellow subsidiary, the Company provides haulage services

Dangote Industries Limited (DIL) performed certain administrative services for the Company for which a management fee of ₦130.6 million (2021: ₦135.1 million) was charged, being an appropriate allocation of costs incurred by relevant administrative departments.

39. Related parties (continued)

	2022 ₦'000	2021 ₦'000
Compensation to directors and other key management		
Short-term employee benefits	153,253	152,625
Total	**153,253**	**152,625**

Directors fee and expenses		
Directors Fees	5,500	5,500
Directors Expenses	147,753	147,125
Total	**153,253**	**152,625**

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

₦ '000	2022 Number	2021 Number
₦1 – ₦15,000	7	6
₦15,001 – ₦30,000	2	2
₦30,001 – and above	1	2
Total	**10**	**10**

40. Commitments

The Company's total capital commitments as at 31 December 2022 amounted to ₦113.91 million in respect of Salt village drainage construction project (2021: ₦71.48 million).

41. Contingent assets and Contingent liabilities

41.1 Pending litigation and claims

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to ₦13.0 million as at December 31, 2022 (2021 - ₦13.0 million). In the opinion of the Directors and based on independent legal advice, the Company is not expected to suffer any material loss arising from these claims, thus no provision has been made in these financial statements.

41.2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

42. Events after the reporting period

There were no events after the reporting period that could have had a material effect on the annual report and financial statements of the Company as at 31 December 2022 that have not been taken into account in these annual report and financial statements.

43. Approval of Annual report and financial statements

The Board of Directors approved the annual report and financial statements during its meeting of 28 February 2023.

Other National Disclosures - Value Added Statement

	2022 ₦'000	2022 %	2021 ₦'000	2021 %
Value Added				
Turnover	58,786,251		33,279,688	
Finance income	394,538		51,701	
Other operating income	124,293		52,271	
Other operating gains	(794,555)		1,782,837	
Bought - in materials and services				
- Local	(19,844,391)		(15,353,533)	
- Foreign	(24,663,235)		(10,459,892)	
Total Value Added	**14,002,901**	**100**	**9,353,072**	**100**
Value Distributed				
To Pay Employees				
Staff salaries and directors emoluments	2,534,587		2,416,622	
	2,534,587	**18**	**2,416,622**	**26**
To Pay Providers of Capital				
Finance costs	694,829		130,160	
	694,829	**5**	**130,160**	**1**
To Pay Government				
Income tax	3,135,588		1,355,077	
	3,135,588	**22**	**1,355,077**	**14**
To be retained in the business for expansion and future wealth creation:				
Depreciation	2,399,294		2,568,247	
Deferred tax	(230,645)		(88,016)	
	2,168,649	**16**	**2,480,231**	**27**
Value retained				
Retained profit	5,469,248		2,970,982	
	5,469,248	**39**	**2,970,982**	**32**
Total Value Distributed	**14,002,901**	**100**	**9,353,072**	**100**

Value added represents the additional wealth which the Company has been able to create by its own and employees efforts.

Other National Disclosures - Five Year Financial Summary

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Statement of Financial Position					
Assets					
Non-current assets	16,363,555	17,901,370	20,398,339	18,814,619	11,705,283
Current assets	39,167,216	22,620,028	23,910,652	19,854,173	18,565,146
Total assets	**55,530,771**	**40,521,398**	**44,308,991**	**38,668,792**	**30,270,429**
Liabilities					
Non-current liabilities	5,998,846	5,672,643	6,067,509	5,537,243	2,288,229
Current liabilities	30,489,559	20,218,075	25,521,662	18,742,264	16,088,720
Total liabilities	**36,488,405**	**25,890,718**	**31,589,171**	**27,579,507**	**18,376,949**
Equity					
Share capital and premium	1,758,756	1,758,756	1,758,756	1,758,756	1,758,756
Retained income	17,283,610	12,871,924	10,961,064	9,330,529	10,134,724
Total equity	**19,042,366**	**14,630,680**	**12,719,820**	**11,089,285**	**11,893,480**
Total equity and liabilities	**55,530,771**	**40,521,398**	**44,308,991**	**35,368,792**	**30,270,429**
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	58,786,251	33,279,688	28,010,059	27,487,788	25,769,352
Cost of sales	(34,243,932)	(21,320,319)	(16,447,633)	(21,647,079)	(17,988,663)
Gross profit	**24,542,319**	**11,959,369**	**11,562,426**	**5,840,709**	**7,780,689**
Other income	124,293	52,271	19,895	12,804	29,265
Other operating (losses)/gains	(794,555)	1,782,837	580,237	(16,338)	841,845
Other operating expenses	(15,197,575)	(9,477,975)	(8,135,020)	(2,935,803)	(2,670,793)
Operating profit	**8,674,482**	**4,316,502**	**4,027,538**	**2,901,372**	**5,981,006**
Finance income	394,538	51,701	51,076	90,518	468,378
Finance costs	(694,829)	(130,160)	(171,898)	(222,811)	-
Profit before taxation	**8,374,191**	**4,238,043**	**3,906,716**	**2,769,079**	**6,449,384**
Taxation	(2,904,943)	(1,267,061)	(1,216,406)	(923,836)	(2,029,168)
Profit for the year	**5,469,248**	**2,970,982**	**2,690,310**	**1,845,243**	**4,420,216**
Retained income for the year	**5,469,248**	**2,970,982**	**2,690,310**	**1,845,243**	**4,420,216**

Donations

Description	₦
Installation of a water borehole system at Alayabiagba	3,386,250.00
Supply of water bottles to Local Authority Primary School Ajegunle & St. Saviour's Ang.Nur/Pry School, Ota	1,591,000.00
Repair of police patrol vehicle	600,000.00
Donations to police stations	2,857,350.00
Tree planting at Oregun High School	700,000.00
Sponsorship of capacity building workshop at Alayabiagba Community	2,827,500.00
Donation to Alayabiagba Community	650,000.00
Supply of electricity to Oregun High School	4,927,000.00
Supply of ceiling fans and electrical items to Oregun High School	899,312.75
Renovation of St. Saviour's Anglican Nur/Pry School, Ota	2,138,712.75
Donation of white boards and accessories to Local Authority Primary School Ajegunle	2,477,875.00
Donation of drum sets to Oregun High School	299,000.00
Sports and End of year events donation to Oregun High School	800,000.00
Donation to 2022 SERAS CSR awards	1,500,000.00
Sponsorship of Junior Achievers awards	7,400,000.00
Donation to Standards Organisation of Nigeria 50th Anniversary	200,000.00

Share Capital History

AUTHORIZED NOMINAL VALUE			ISSUED AND PAID-UP					
			Other than by bonus		Bonus issue		Total	
Year	Shares '000	Amount ₦'000	Shares '000	Amount ₦'000	Shares '000	Amount ₦'000	Shares '000	Amount ₦'000
1991	40,000	20,000	-	-	-	-	14,110	7,055
1992	40,000	20,000	-	-	-	-	14,110	7,055
1993	40,000	20,000	-	-	-	-	14,110	7,055
1994	40,000	20,000	-	-	-	-	14,110	7,055
1995	80,000	40,000	-	-	-	-	14,110	7,055
1996	80,000	40,000	65,847	32,923	-	-	79,957	39,978
1997	200,000	100,000	-	-	-	-	79,957	39,978
1998	200,000	100,000	-	-	-	-	79,957	39,978
1999	200,000	100,000	-	-	-	-	79,957	39,978
2000	200,000	100,000	-	-	-	-	79,957	39,978
2001	200,000	100,000	-	-	-	-	79,957	39,978
2002	200,000	100,000	-	-	-	-	79,957	39,978
2003	200,000	100,000	-	-	-	-	79,957	39,978
2004	200,000	100,000	-	-	-	-	79,957	39,978
2005	200,000	100,000	-	-	-	-	79,957	39,978
2006	4,000,000	2,000,000	-	-	-	-	79,957	39,978
2007	4,000,000	2,000,000	2,127,909	1,063,954	-	-	2,207,865	1,103,932
2008	4,000,000	2,000,000	-	-	441,573	220,787	2,649,438	1,324,719
2009	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2010	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2011	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2012	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2013	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2014	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2015	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2016	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2017	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2018	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2019	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2020	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2021	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2022*	2,649,438	1,324,719	-	-	-	-	2,649,438	1,324,719

*Cancellation of the unissued shares approved at the 2022 Annual General Meeting

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (AGM) of Nascon Allied Industries Plc. for the year ended 31 December 2022 will hold on 26 May 2023, at the Civic Center, Ozumba Mbadiwe Road, Victoria Island, Lagos at 11.00 a.m. to transact the following business:

Ordinary Business

1. To lay before the Meeting, the Audited Financial Statements for the year ended 31 December 2022, as well as the Reports of the Directors, the Auditors and the Statutory Audit Committee.
2. To declare a dividend.
3. To re-elect the following Non-Executive Directors who are retiring by rotation and have offered themselves for reelection:
   Sada Ladan-Baki;
   Knut Ulvmoen; and
   Abdu Dantata.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect shareholders' representatives on the Statutory Audit Committee.
6. To disclose the remuneration of managers.

Special Business

7. To fix the remuneration of the Directors.
8. To grant the Company a general mandate in compliance with the rules of the Nigerian Exchange Limited (NGX), to procure goods, services and financing, and enter into such transactions necessary for its day-to-day operations with related parties or interested persons on normal commercial terms.

Notes:

A. Proxies:

A proxy form is included in the Annual Report and available on the website. A member entitled to attend and vote is entitled to appoint a proxy or proxies, to attend and vote instead of him, and that a proxy need not be a member.

All instruments of proxy must be deposited at the office of the Registrars, Meristem Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Lagos, not later than 24 hours before the time scheduled for holding the meeting.

B. Closure of Register of Members:

The Register of Members and Transfer Books of the Company will be closed from 2 May to 8 May 2023 (both days inclusive) to enable the Registrar update its records.

C. Payment of Dividend:

If the shareholders approve the dividend recommended by the Directors at the Annual General Meeting, dividend will be paid on 26 May 2023 to shareholders whose names appear in the Register of Members at the close of business on 28 April 2023.

D. E-Dividend Registration:

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts, and CSCS accounts to receive dividend payments electronically. A list of unclaimed dividends is available on the Company's website at www.nasconplc.com. Shareholders with unclaimed share certificates or unclaimed dividends should:

• Address their claims to the registrars, at Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way,

Yaba Lagos, (or contact@meristemng.com) or

• Complete the shareholder e-mandate form in the Annual Report or at https://meristemwealth.com/mandate-form.

E. Nomination to the Statutory Audit Committee:

In accordance with the Companies and Allied Matters Act 2020, a shareholder may nominate another shareholder for appointment as a member of the Statutory Audit Committee by giving notice to the Company Secretary at least 21 days before the Annual General Meeting.

F. Rights of Securities Holders to Ask Questions:

Securities holders can ask questions at the Annual General Meeting and in writing before the meeting. Questions should be submitted to the Company Secretary at the Company's office up to one week before the Annual General Meeting.

G. Electronic

Annual Report: The electronic version of the Annual Report will be available online from the Company's website - www.nasconplc.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email.

H. Live streaming: The Annual General Meeting will be streamed live from the Company's YouTube channel (www.youtube.com/dangotegroup).

I. Voting by Interested Persons:

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on resolution 8 above.

By the Order of the Board of Directors.

Adedayo A. Samuel
Company Secretary
FRC/2016/NBA/00000015291
Nascon Allied Industries Plc
15B Ikosi Road,
Oregun, Lagos State

Dated 28 February 2023

General Mandate Circular

In compliance with the Rules of the NGX Regulation Limited Governing Related Parties or Interested Persons ('the Rules'), Nascon Allied Industries Plc ("Nascon") hereby seeks the approval of shareholders for a general mandate in respect of recurrent transactions of revenue or of a trading nature or those necessary for the day to day operations of the Company. The relevant items for consideration of the shareholders are as stated below:

i. The transactions for which this general mandate is sought are those of a trading nature and/or those which are necessary for the day to day operations of Nascon and include but are not limited to the following:

a) Technical Know-How and Support Services Agreements between Nascon and its parent company, Dangote Industries Limited ("DIL") and/or other companies or entities within the Dangote Group;
b) Trademark and Quality Control Agreements between Nascon, DIL and/or other companies or entities within the Dangote Group;
c) Distribution Agreements between Nascon, DIL and/or other companies or entities within the Dangote Group;
d) Production and Distribution Agreements between Nascon, DIL and/or other companies or entities within the Dangote Group;
e) Arrangements for the provision of specialist support to Nascon, DIL and/or other companies or entities within the Dangote Group;
f) Contract manufacturing purchase or packaging arrangements between Nascon, DIL and/or other companies or entities within the Dangote Group; and
g) Arrangements for sale and/or purchase of raw materials or finished goods, technical equipment and spare parts by or to Nascon by DIL and/or other companies or entities within the Dangote Group.

ii. The class of related parties and interested persons with which Nascon will be transacting include shareholders, employees and their family members, companies or entities, DIL and subsidiaries of the Company, etc.

iii. The rationales for the transactions are that they are necessary for the operations of Nascon, the discharge of the legal and contractual obligations currently binding on Nascon, are of strategic importance to the continued operations of Nascon, guarantee the uninterrupted supply of goods and services necessary for the operation of Nascon as a going concern, are carried out on a transparent basis and are cost effective and performed efficiently and effectively.

iv. The methods and procedures for the determining the transaction prices are based on Nascon's transfer pricing policy and are, where applicable, subject to the approval of the National Office for Technology Acquisition and Promotion (NOTAP).

v. KPMG has provided an independent financial opinion that the methods and procedures in Nascon's transfer pricing policy referred to in paragraph (iv) above are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to interests of Nascon and its minority shareholders.

vi. Nascon shall obtain a fresh mandate from the shareholders if the methods or procedures in (iv) become inappropriate.

vii. Any person identified as an interested person as defined under the Rules shall abstain and undertake to ensure that its associates abstain from voting on the resolution approving the transaction.

viii. The Board of Directors be and are hereby authorized to take any steps that may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to all the above and to settle all matters arising out of , and incidental thereto and sign all deeds, documents and applications that may be required on behalf of the Company and generally to do all acts and things that may be necessary, expedient or incidental thereto for the purposes of giving effect to the above mandate.

Corporate Information

Capital Market Information
Nascon Allied Industries Plc is listed on the main board of the NGX Regulation Limited (NGX)
Each share carries one voting right

NGX ticker symbol	NASCON
ISIN	NGNASCON0005
Bloomberg Code	Nascon:NL
Reuters Code	Nascon:LG
Date listed	20 October,1992
Market Capitalization (31/12/22)	₦29,408,765,995.80
Outstanding shares	None
Free float	28.08%

Registration Information

RC Number	11364
Date of Incorporation	30 April, 1973

Registered office
Salt City
Ijoko Ota, Ogun State

Business Office
15B Ikosi Road
Oregun, Ikeja, Lagos State

For more Information please contact:
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anthony.chiejina@dangote.com

Investor Relations
Morayo Tukuru
+234 (0) 807 049 4389
investors.nascon@dangote.com

Website
www.nasconplc.com

Directors, Officers and Professional Advisers

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Production of seasoning and processing of raw salt into refined, edible and grade salt.
Ultimate holding Company	Dangote Industries Limited (incorporated in Nigeria)

Directors

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

Company Secretary
Adedayo A. Samuel

Registered office
Salt City
Ijoko Ota
Ogun State

Auditors
PricewaterhouseCoopers
Chartered Accountants
5B Water Corporation Road, Victoria Island, Lagos

Registrar and Transfer Office
Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos
Tel: 01–8920491–2; 01–2809250–3
E-mail: info@meristemregistrars.com

Bankers
Access Bank Plc
Ecobank Limited
First Bank of Nigeria Limited
First City Monument Bank Limited
Guaranty Trust Bank Plc
Jaiz Bank Limited
Keystone Bank Limited
Stanbic IBTC Bank Plc
Sterling Bank Plc
United Bank for Africa Plc
Union Bank of Nigeria Plc
Wema Bank Plc
Zenith Bank Plc

Board and Committee Meeting Dates & Attendance

Board Meetings

Members	25/02	25/04	03/06	25/07	27/10	*22/11	15/12
'Yemisi Ayeni	✔	✔	✔	✔	✔	✔	✔
Thabo Mabe	✔	✔	✔	✔	✔	✔	✔
Fatima Aliko-Dangote	✔	X	✔	✔	✔	✔	✔
Olakunle Alake	✔	✔	✔	✔	✔	✔	✔
Halima Aliko-Dangote	✔	✔	✔	✔	✔	✔	✔
Abdu Dantata	✔	✔	✔	✔	✔	✔	✔
Sada Ladan-Baki	✔	✔	✔	✔	✔	✔	✔
Chris Ogbechie	✔	✔	✔	✔	✔	✔	✔
Knut Ulvmoen	✔	✔	✔	✔	✔	✔	✔
Fatima Wali-Abdurrahman	✔	✔	✔	✔	✔	✔	X

*Two meetings were held on 22/11 by the Board

Finance, Risk and Audit Committee

Members	21/02	22/04	22/07	21/10
Chris Ogbechie	✔	✔	✔	✔
Olakunle Alake	✔	✔	✔	✔
Halima Aliko-Dangote	✔	✔	✔	✔
Abdu Dantata	✔	✔	✔	✔
Sada Ladan-Baki	✔	✔	✔	✔

Establishment and General Purpose Committee

Members	22/02	21/04	21/07	20/10
Knut Ulvmoen	✔	✔	✔	✔
Halima Aliko-Dangote	✔	✔	✔	✔
Fatima Wali-Abdurrahman	✔	✔	✔	✔

Statutory Audit Committee

Members	23/02	26/04	25/07	21/10
Okey Nwuke	✔	✔	✔	✔
Umar Farouk	✔	✔	✔	✔
Kudaisi Ayodele Sarat	✔	✔	✔	✔
Halima Aliko-Dangote	✔	✔	✔	✔
Chris Ogbechie	✔	✔	✔	✔

KEY
✔ - Present in meeting
X - Apology

Summary of Claimed/Unclaimed Dividends as at 31 December 2022

DIVIDEND NO	DECLARED DIVIDEND	CLAIMED DIVIDEND	UNCLAIMED DIVIDEND	DATE OF PAYMENT
1	883,146,126.00	778,970,770.30	15,860,743.10	7/17/2008
2	1,059,775,351.20	932,227,943.81	21,569,872.27	5/10/2009
3	1,324,719,189.00	1,159,381,576.80	32,865,693.30	4/10/2010
4	1,324,719,189.00	1,162,696,764.15	29,590,868.70	11/7/2011
5	1,854,606,865.00	1,614,053,108.92	55,394,342.01	7/6/2012
6	2,384,494,540.20	2,083,043,345.58	71,062,820.67	12/6/2013
7	2,384,494,540.20	2,072,464,324.94	77,827,439.79	6/24/2014
8	1,324,719,189.00	1,157,773,734.60	40,630,084.00	12/6/2015
9	1,457,191,107.90	1,278,286,985.19	41,022,272.73	5/23/2016
10	1,854,606,864.60	1,626,701,284.25	46,256,166.57	8/5/2017
11	3,974,157,567.00	1,219,523,030.70	140,889,889.50	8/5/2018
12	2,649,438,378.00	2,307,046,109.20	86,860,536.40	6/17/2019
13	1,059,775,351.20	921,820,246.16	34,944,447.40	7/29/2020
14	1,059,775,351.20	914,854,727.60	41,575,009.56	5/31/2021
15	1,059,775,351.20	913,385,049.14	40,733,839.78	6/3/2022
TOTAL	**25,655,394,960.70**	**20,142,229,001.34**	**777,084,025.78**	

Affix Current Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

This service costs ₦150.00 per approved Mandate per Company.

MERISTEM

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar
Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint\Company's Signatories

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4

TICK	NAME OF COMPANY	SHARE A/C NO
	AELLA FINANCIAL SOLUTIONS BOND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CASAFINA CAPITAL LIMITED BOND	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	DEVELOPMENT BANK OF NIGERIA PLC	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FBN HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FTN COCOA PROCESSORS PLC	
	GDL INCOME FUND	
	GEO-FLUIDS PLC	
	GEREGU POWER PLC	
	IMPERIAL AFRICA PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	RADIX HORIZON FUND	
	RAEDIAL FARMS LIMITED BOND	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	TRANSPORT SERVICES LIMITED BOND	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

MERISTEM

Meristem Registrars And Probate Services Limited
Web: www.meristemregistrars.com; email: info@meristemregistrars.com

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos

Proxy Form

Nascon Allied Industries Plc Rc: 11364

The Annual General Meeting (AGM) of Nascon Allied Industries Plc. for the year ended 31 December 2022 will hold on 26 May 2023, at the Civic Center, Ozumba Mbadiwe Road, Victoria Island, Lagos at 11.00 a.m

I/WE ……………………………………………………………………………………………

Being a shareholder of Nascon Allied Industries Plc hereby appoint ……………………………………………………………………………………………… as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting to be held on 26 May 2023, and at any adjournment thereof.

SHAREHOLDER'S SIGNATURE ……………………….. DATED THIS ………DAY OF …………………………2023

I/We desire this proxy to be used in favour of, or against the resolution as indicated alongside:

SN	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1.	To declare a dividend			
2.	To re-elect or appoint Directors as follows:			
2.1	To re-elect Mr. Sada Ladan-Baki as a Director, who is retiring by rotation			
2.2	To re-elect Mr. Abdu Dantata as a Director, who is retiring by rotation			
2.3	To re-elect Mr. Knut Ulvmoen as a Director, who is retiring by rotation			
3	To authorise the Directors to fix the remuneration of the Auditors			
4.	To elect shareholders' representatives on the Statutory Audit Committee			
	SPECIAL BUSINESS			
5.	To approve the remuneration of Directors.			
6.	To approve the general mandate.			

Notes:

A. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies in his stead, to attend and vote instead of him, and such proxy/proxies need not be a shareholder of the company.
B. The proxy must produce the admission card sent with the notice of the Annual General Meeting to gain entrance to the meeting.
C. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.
D. If the shareholder is a corporation, this form must be executed under its common seal or by a duly authorized officer.
E. All duly completed and stamped proxy forms should be deposited at the office of the Registrar not later than 48 hours before the meeting.
F. In order to be valid, the proxy forms must bear the appropriate stamp duty from the Stamp Duties Office (not adhesive postage stamps).

ADMISSION CARD

Before posting this form, please tear off this part and retain it for admission to the meeting.

NAME AND ADDRESS	NUMBER OF SHARES HELD:	NUMBER OF SHAREHOLDER(S)

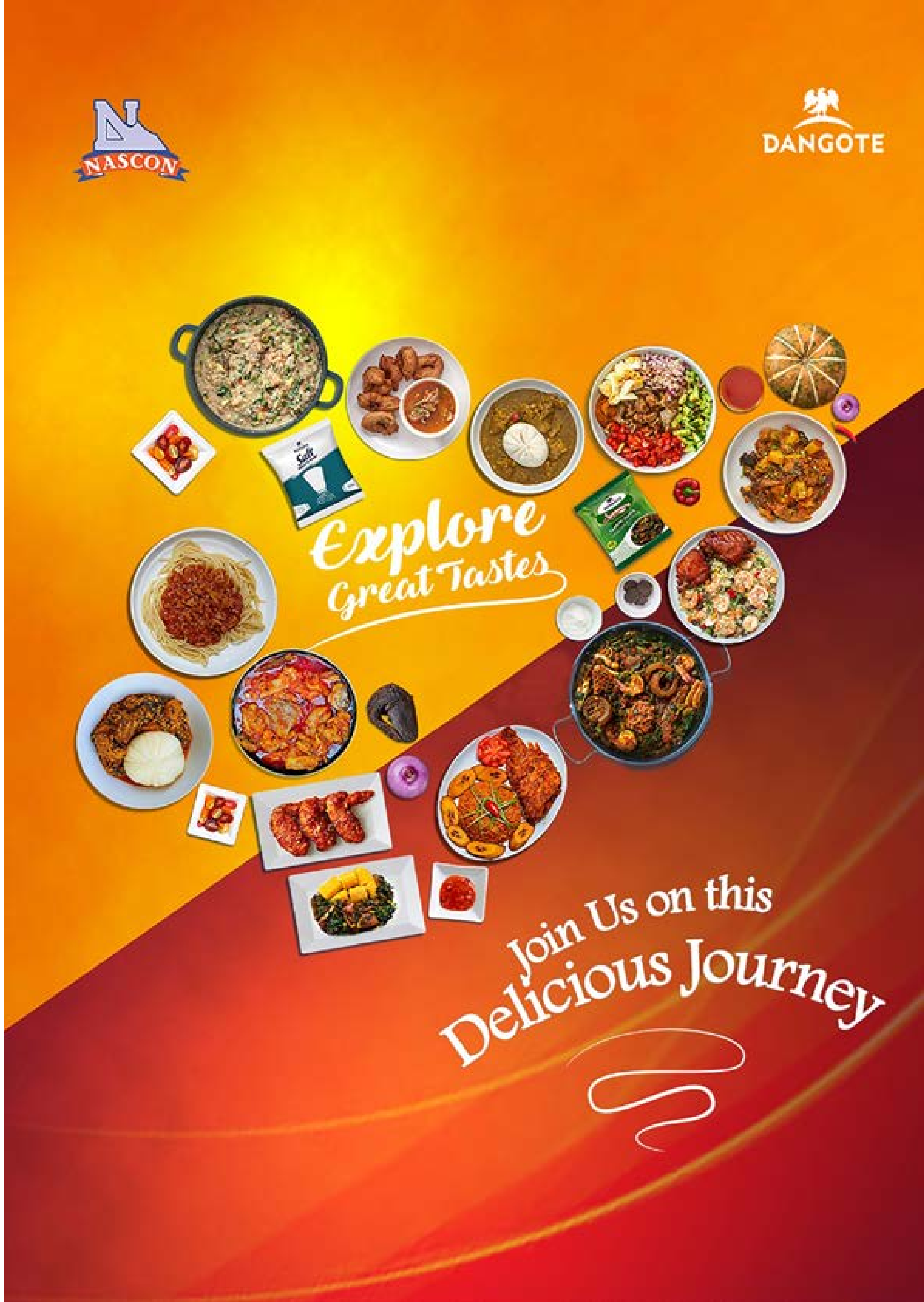
Please admit ……………………………… to the Annual General Meeting of Nascon Allied Industries Plc. holding on 26 May 2023, at the Civic Center, Ozumba Mbadiwe Road, Victoria Island, Lagos at 11.00 a.m.

Signature of person attending: ………………………………………

- The admission card should be produced by the shareholder or his/her proxy in order to obtain entrance to the Annual General Meeting
- You are requested to sign this card at the entrance in the presence of the Company Secretary or his nominee on the day of the Annual General Meeting

Please be advised that to enable a proxy gain entrance to the meeting, the Proxy Form is to be duly completed and delivered to the Registrar not later than 48 hours before the time fixed for the meeting.

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos



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Nascon Allied Industries Plc

www.nasconplc.com