



NASCON Allied Industries PLC

2020 ANNUAL REPORT

PROTECTING OUR CORE



PROTECTING OUR CORE

Our performance in the year 2020 can be captured in the above theme.

2020 was a challenging year with the rise of a global pandemic which affected businesses and people all over the world. However, we were able to protect our market share by increasing our distribution efforts to bring our products closer to the consumers.

We protected our people by making the relevant Personal Protective Equipments available to our staff, adhered strictly to the social distancing guidelines and provided staff buses to ensure all employees arrived at work safely.

We positioned our business to meet the increasing market demand by installing a state of the art salt manufacturing plant to deliver better quality products to our different stakeholders.

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OUR VISION, MISSION & CORE VALUES

Vision



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

Mission



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

Core Values

Customer Service



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

Excellence



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

Leadership



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

Entrepreneurship



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



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



Start Now!



2020 At a Glance



2020 Revenue

₦28.01bn

2019	2018	2017	2016
27.49	25.77	27.06	18.29

2020 EBITDA

₦6.36bn

2019	2018	2017	2016
5.14	7.95	9.35	4.83

2020 Operating Profit

₦4.03bn

2019	2018	2017	2016
2.90	5.98	7.63	3.82

2020 Net Profit

₦2.69bn

2019	2018	2017	2016
1.85	4.42	5.34	2.42

2020 Total Assets

₦44.30bn

2019	2018	2017	2016
38.67	30.27	30.12	24.60

2020 Total Equity

₦12.72bn

2019	2018	2017	2016
11.09	11.89	11.54	8.05

2020 Earnings per Share

₦1.02

2019	2018	2017	2016
0.70	1.67	2.02	0.91

2020 Dividend per Share

₦0.40

2019	2018	2017	2016
0.40	1.00	1.50	0.70


DANGOTE
Salt
Refined & Iodized

IT'S TIME TO
CARE
ABOUT
YOUR SALT



**Refined
Iodized
Purified**

Choose Quality, Choose Dangote Salt

Chairperson's Statement



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

Distinguished Shareholders,

On behalf of the Board of Directors, I would like to start by expressing our sympathy to all the families suffering as a result of the COVID-19 pandemic. 2020 was a year unlike any other. The pandemic presented us all with unique challenges. It was truly a time when our values as an organization were tested. I am proud of the inspiring efforts of the Board of Directors, management and staff as they responded with determination and creativity while ensuring our customers were served in innovative ways.

With the acknowledgement of the above, it is my pleasure to welcome you to the 2020 Annual General Meeting of NASCON Allied Industries Plc and presentation of the Annual Report and Accounts for the financial year ended 31st December 2020.

Chairperson's Statement

Charting Our Way Through the Pandemic

Our customer focus has been our guiding light in determining our response to the pandemic and the subsequent social and economic crisis. We prioritized the wellbeing of our staff and their families, our customers and our vendors through awareness of the impact of COVID-19 on their lives. We provided assistance to our communities through various efforts including sensitization and support. In doing so, we have built trust and strengthened loyalty in the process.

Our initial priority was to tackle the health emergency while continuing to serve our customers. We activated our business continuity plan, which provided responses for a number of scenarios with the Board of Directors and Management Teams in regular communication. In all our workplaces we introduced clear protocols, including health checks, tracking and tracing systems as stipulated by the World Health Organization (WHO) and Nigeria Center for Disease Control (NCDC).

During 2020, many manufacturing businesses faced numerous challenges associated with COVID-19 and the resulting economic downturn. While I strongly believe that these are short to medium term, we have taken decisive measures to ensure stakeholder expectations are continually satisfied. We are confident that our business model will enable us to successfully navigate global changes while seizing opportunities to continually create value for our stakeholders.

Review of 2020 Business Environment

The global business environment in 2020 was severely impacted by the unprecedented world-wide public health crisis, which disrupted economies, governments, and the societies in which we live. The year launched a historic period of civil unrest as widespread protests against racial injustice, police brutality and economic suppression unfolded around the world. As a result of these occurrences around the world, the expected growth in several economies were not achieved with a significant number of emerging economies experiencing recession. Over the past 12 months, the pandemic has negatively impacted the poor and vulnerable population and is threatening to push millions more into poverty.

In Nigeria, the economic crisis caused by the COVID-19 pandemic strongly influenced the country's economic growth. According to International Monetary Fund (IMF), the Nigerian economy retracted due to the COVID-19 outbreak, reporting a negative growth of 4.0% resulting in the GDP of (1.8%) in 2020, compared to the GDP of 2.2% in 2019.

As with most other economies in the world, Nigeria's sharp fall in GDP growth is mostly due to a slowdown in economic activity after the country resorted to a lockdown in April to contain the spread of the virus. However, the Nigerian economy has also been hampered by external factors, as the coronavirus pandemic brought economic activity to a near standstill worldwide. Inflation rose to 12.9% in 2020 but is expected to gradually decrease to 12.7% in 2021 and 11.2% in 2022.

Operational Performance

To ensure we maintain our position in the market, we regularly reviewed our strategy in line with market and economic realities. These reviews provided valuable feedback during the year to ensure adequate adjustments that have ensured we remain 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 2020, we recorded a turnover of ₦28.01bn representing a 2% increase from the previous year (2019: ₦27.49bn). Profit After Tax increased by 46% to ₦2.69bn for the year, compared to ₦1.85bn in 2019.

Earnings per share also increased to ₦1.02 in 2020 compared to ₦0.70 in 2019. The Board has recommended for your kind consideration and approval at this AGM the payment of a dividend of ₦0.40 per 50 kobo share totalling ₦1.06bn (2019: ₦1.06bn).

Focus on sustainability

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

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

In the year under review, we redefined our commitment to international best practices as we prioritized the 5 United Nations Sustainable Development Goals* (UN SDGs) that align most with our business goals and sustainability objectives. We are also solidifying our commitment to ethical labour practices, human rights, environmental sustainability and anti-corruption; all underlying principles of the United Nations Global Compact (UNGC) which our parent company, Dangote Industries Limited, is a signatory to.

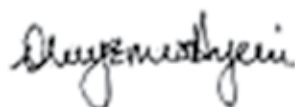
We are glad to have achieved our first Sustainability Report, which is Global Reporting Initiative (GRI) Referenced, giving us a good opportunity to begin to disclose our environmental and social stewardship to our esteemed investors and other stakeholders, annually. As we progress in our sustainability journey, we will ensure continual improvement in health and safety, community engagement and Social Investments, as our ways of building a sustainable brand.

Looking forward

2020 was a challenging year for our business and the world in general. Yet it was also a year that provided our business the opportunity to review service delivery processes, reposition the salt business based on our additional capacity and focus on our distribution models. This meant we were able to react rapidly to a changing environment, reinforcing our bonds with our customers, staff and the communities in which we live and work. It is the long-standing trust and loyalty of our shareholders that has allowed us to implement our long-term vision and benefit from the resilience it brings.

The Board of Directors wishes to extend its appreciation to all staff for their contributions and commitment in 2020. As I reflect on the past year, I am filled with pride at our achievements and feel optimistic for the years ahead.

We would also like to thank all shareholders, customers and business partners for the confidence and support they have given us, even as we look forward to the continued development of long-lasting and mutually beneficial relationships with them. Kindly accept the assurances of my highest regards.



'Yemisi Ayeni

Chairperson

* Details in Managing Director's Review on page 16

2020 ANNUAL REPORT OPERATIONS



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 people 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 Organization 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 centers strategically located to serve the Nigerian and neighbouring markets. We own a fleet of over 200 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 Nigerian Stock Exchange 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.

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.

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

We made a strategic decision in 2011 to grow the company through new product lines and changed our name to NASCON Allied Industries Plc in 2014 from National Salt

Company of Nigeria to reflect our new positioning. We took advantage of our existing site in Ota and construction activities commenced in 2012.

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

Salt

Apapa, Port Harcourt & Oregun

NASCON offers a comprehensive salt product portfolio that are sold mostly in 50kg bags 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.



Seasoning, Spices and Mixes

Ota

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



Tomato Paste

Ota

This is a thick paste made from triple concentrate. We entered into this product category in response to an identified supply gap within the Nigerian market where local production plus imports have been unable to effectively meet local demand.

Vegetable Oil

Ota

In response to the obvious supply gap in the market and the perennial shortage of vegetable oil, resulting in the influx of low quality grey imports into Nigeria, we commenced the production and sale of vegetable oil as a high grade refined product for domestic and industrial-use.

Managing Director's Review

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



Considering the challenging business environment in 2020, how would you say NASCON performed?

The major challenge in the Nigerian business environment in 2020 was the outbreak of the COVID-19 pandemic. The pandemic impacted various aspects such as the supply chain, human health and consumer purchasing power.

Despite the challenges experienced in the business environment, we achieved Revenues of ₦28.01bn and EBITDA of ₦6.36bn. Profit After Tax for the year was ₦2.69bn compared to ₦1.85bn in 2019 with Earnings per share of ₦1.02 (2019: ₦0.70). Share Price closed the year at ₦14.50 (2019: ₦12.95) which represented a 12% increase. This performance is a reflection of the team's persistence to continually deliver results despite the challenges experienced during the year.

How was NASCON able to ensure service delivery to its customers during the pandemic?

Since the start of the pandemic, we have, and will continue to put our employees' health and safety first at all times without taking our eyes off the operations and quality of service. The Management Team with the support of the Board of Directors was able to swiftly activate procedures and protocols that were critical to ensuring our business continued to operate uninterrupted.

Managing Director's Review

In March 2020, we activated our Crisis Management Committee to implement action plans from the daily feedback from business and market realities. We monitored the execution of contingency plans, segregating teams, adopted remote technology for meetings and created COVID-19 compliant shift patterns for key employees and their stand-ins.

Our technology teams enhanced systems, while also providing the necessary equipment to accommodate remote working, which proved a great success. We made sure our most strategically important suppliers had contingency plans in place as well, to ensure sustainable supply of required raw materials.

What were the main business environment challenges NASCON faced in 2020?

The major challenge in the Nigerian business environment in 2020 was the outbreak of the COVID-19 pandemic resulting in major job losses and reduced income, across the country and a looming global recession which experts say may be one of the worst global recessions in recent history.

The multiple issues of Apapa gridlock and deteriorating transport infrastructure remained a re-occurring experience when combined with unstable power supply and heavily congested ports, multiple taxation, heightened insecurity. These factors significantly impacted our ability to deliver our products to all our customers.

What were the threats to NASCON during the year? How were you able to turn them into opportunities?

The challenges we had during the year were mainly related to production, transportation and optimizing availability across channels.

Production challenges were borne out of the inability of our staff to carry out production. To ensure minimal operational disruption to the production process in a safe and sustainable manner, we modified the use of shifts on the production lines to guarantee social distancing protocols were adhered to. In addition to this, we provided additional staff busses to ensure the safety of our employees commuting to all plant

locations.

During the lockdown and nationwide curfews, we ensured our drivers were rejuvenated during their increased journey times, by providing adequate rest stops points along all our major delivery routes. This innovation ensured the drivers were re-invigorated after each delivery and were physically and mentally ready to effectively and efficiently deliver customer goods across the country. We also supplemented our fleet by hiring additional third party transporters.

The different curfew and lockdown rules across the country resulted in consumer's increased reliance on neighborhood outlets. We also optimized our route to market by deepening our product penetration while focusing on customer retention to ensure we were able to meet these demands.

What is NASCON Product Quality/Food safety review for 2020?

We are determined to be a trustworthy company for our stakeholders, by meeting the food safety and quality expectations of our customers and consumers. We aim to ensure a sustainable quality and food safety culture through the implementation, certification and continuous improvement of effective quality and food safety management compliant with ISO9001 and FSMS22000.

What is the outlook for NASCON in 2021?

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

In terms of market expansion, we have heavily invested in our new salt refinery, to be commissioned in Q1 2021. This is a state-of-the-art salt refinery plant, using best practices to produce high quality products for our discerning customers.

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

As a responsible corporate citizen, we recognize that our long term business performance is tied not just to profit but also to the way we manage our people, communities and the environment. This is why we are intensifying our focus on sustainability principles and best practices. We gained good traction in our sustainability journey in 2020. We designated a Sustainability Head that is charged with the responsibility of ensuring best environmental, social and health and safety practices across our value chain, with strong support from executive management and the Board.

In the year under review, we also demonstrated our commitment to the actualization of the United Nations' Sustainable Development Goals (SDGs). Out of the 17 Global Goals, we prioritized 5, which are Goal 2: Zero Hunger; Goal 3: Good Health and Well-being; Goal 6: Clean Water and Sanitation; Goal 12: Responsible Consumption and Production; and Goal 13: Climate Action. By prioritizing some key areas of focus that directly align with our corporate goals and sustainability objectives, we hope to make more impact as we integrate the targets into our business operations and in strategic decisions.

We are also excited that in the year under review, and as part of this Annual Report, we produced our first Sustainability Report, which is Global Reporting Initiative

(GRI) Referenced. With this milestone, we are complying with the regulatory expectations of the Nigerian Stock Exchange's Sustainability Disclosure Guidelines, while also fulfilling our responsibility of ensuring effective sustainability performance disclosure to our valued investors and other stakeholders.

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

What is the outlook for NASCON?

The future for NASCON looks very bright. We have installed our new salt refinery and as a result, established a strong platform for future growth.

I want to specifically thank our trade partners, consumers, suppliers, team members and strategic stakeholders for contributing to our success story in 2020. We look forward to continuing these mutually beneficial relationships in the future.



Paul Farrer
Managing Director



Every Taste Makers Delight



Chief Financial Officer's Review

"We maintained our market share and volumes resulting in total revenue increasing by 2% to ₦28.01bn with Salt revenue of ₦25.34bn"



Financial Highlights	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Total Revenue	28,010,059	27,487,788
Gross Profit	11,562,426	5,840,709
GP Margin (%)	41%	21%
EBITDA*	6,363,819	5,142,954
EBITDA Margin (%)	23%	19%
Operating Profit	4,027,538	2,901,372
Profit Before Tax	3,906,716	2,769,079
PBT Margin (%)	14%	10%
Net Profit	2,690,310	1,845,243
Earnings per share (₦)	1.02	0.70
Proposed Dividend per share (₦)**	0.40	0.40
Net Cash & Cash Equivalents	2,561,800	322,164
Total Assets	44,308,991	38,668,792
Total Equity	12,719,820	11,089,285

*Earnings before interest, taxes, depreciation and amortization

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

"Salt revenue increased by 35% to ₦25.34bn and contributed 90% of total revenue while Seasoning contributed 10%."

Chief Financial Officer's Review

Revenue by Product	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Salt	25,336,534	18,836,406
Seasoning	2,673,525	2,861,029
Vegetable Oil	-	1,575,956
Freight	-	4,214,397
Total Revenue	28,010,059	27,487,788

2020 was a challenging year for many businesses in Nigeria with the COVID-19 pandemic. We were able to maintain our market share and increase total revenue by 2% to ₦28.01bn {2019: ₦27.49bn} with Salt revenue increasing by 35% to ₦25.34bn {2019: ₦18.84bn}. Seasoning revenue decreased by 7% to ₦2.67bn {2019: ₦2.86bn} mainly driven by trade disruptions in the market due to the COVID-19 pandemic.

Unfortunately, the 2015 CBN Foreign Exchange policy continued to stall the importation of the necessary raw materials for both Tomato Paste and Vegetable Oil. Due to lack of raw materials, we had no production or sales of either Vegetable Oil {2019: ₦1.58bn} or Tomato Paste {2019: Nil} in the year.

Up to the period ended 31 December 2019, recovery of delivery costs for upcountry customers were separately invoiced and recognized as haulage revenue. With effect from 1 January 2020, sales prices to the customers includes the delivery of products.

Cost of Sales	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Direct material cost	13,467,658	13,921,257
Direct labour cost	923,122	1,048,885
Depreciation	702,931	1,897,331
Manufacturing expenses	1,225,265	1,135,720
Loading	128,657	124,935
Freight	-	3,518,951
Total Cost of Sales	16,447,633	21,647,079

Combined production efficiency for the year was 79% {2019: 80%}. Salt efficiency in all 3 plants (Oregun, Apapa and Port-Harcourt) reduced slightly to 80% {2019: 84%}. Seasoning efficiency decreased to 42% {2019: 66%} due to increased cubing capacity in the year. There was no production of Vegetable Oil and Tomato Paste in the year.

Cost of Sales for the year decreased by 24% to ₦16.45bn {2019: ₦21.65bn} driven by an increase in Salt ₦2.12bn and decreases in Vegetable Oil ₦2.60bn and Freight (delivery) ₦3.52bn. Vegetable Oil decrease was as a result of non-production of products in the year while Freight (delivery) expenses are reflected in Distribution expenses.

Direct material costs decreased by 3% compared to 2019 jointly due to increased global freight costs for Salt and decreased raw material purchases of Vegetable Oil. Depreciation decreased by 63% while Direct Labour decreased by 12% both due to reclassification of Freight (delivery) expenses.

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Administrative and Distribution Expenses		
Administrative Expenses	2,390,072	2,044,961
Market Activation	369,953	266,714
Branding Expenses	527,916	562,923
Delivery Expenses	4,898,760	-
Total Operating Expenses	8,186,701	2,874,598

Administrative expenses increased by 17% to ₦2.39bn {2019: ₦2.04bn} mainly driven by increased employee costs and additional staff bus rentals. The Staff bus rentals were essential in ensuring the safety of our staff during this COVID-19 pandemic.

Market Activation expenses increased by 39% to ₦0.37bn {2019: ₦0.27bn} as a result of targeted market activations and penetration to mitigate the market disruptions caused by the COVID-19 pandemic. Branding expenses decreased by 6% to ₦0.53bn {2019: ₦0.56bn} due to significant reduction in in-market consumer engagements largely driven by the restrictions on large gatherings in the markets across the country.

The Delivery expenses for the year increased by 2% to ₦4.90bn {2019: ₦4.79bn in COGS} mainly driven by additional hiring of third party transporters to mitigate the effect of non operational trucks and infrastructure challenges in Nigeria while ensuring timely delivery of all our products.

"Gross profit increased to ₦11.56bn with a 41% margin; EBITDA increased to ₦6.36bn with a 23% margin and Operating Profit increased to ₦4.03bn with a 14% margin"

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Profitability		
EBITDA	6,363,819	5,142,954
Other Income	19,895	12,804
Other Operating Gains/(Losses)	580,237	(16,338)
Depreciation and amortization	(2,936,413)	(2,238,048)
Operating Profit	4,027,538	2,901,372

Operating profit for the year increased by 39% to ₦4.03bn {2019: ₦2.90bn} and operating margin for the year was 14% {2019: 11%}. The main driver for the increase in 2020 was the Vegetable Oil profitability loss of ₦1.53bn in 2019 which did not reoccur in 2020.

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Finance Income		
Bank deposits	111	520
Fixed deposits	7,002	18,645
Treasury bills	43,963	71,353
Finance Income	51,076	90,518

Chief Financial Officer's Review

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Finance Cost		
Interest on borrowings	113,217	183,210
Lease Interest	58,681	39,601
Finance Cost	171,898	222,811

Investment income decreased by 44% to ₦0.05bn {2019: 0.09bn} as we focused our resources on investing in the new Salt refinery plant to optimize the refined salt capacity. Finance costs for the year was ₦0.17bn {2019: ₦0.22bn} driven mainly by ₦0.11bn interest on borrowings related to specific borrowings for capital projects. The average effective interest rate during the year was 9%.

The profit before tax increased by 41% to ₦3.91bn, compared to ₦2.77bn in 2019.

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Taxation		
Income Tax Expense	1,216,406	923,836
Total Tax (Charge)/Credit	1,216,406	923,836

Tax expense for the year increased by 32% to ₦1.22bn {2019: ₦0.92bn}, including a deferred tax expense of ₦0.36bn {2019: ₦0.03bn}. The effective tax rate was 31% {2019: 33%}.

The profit for the year increased to ₦2.69bn compared with ₦1.85bn in 2019. This resulted in a 46% increase in earnings per share in 2020 of ₦1.02 compared to ₦0.70 in 2019.

“Total asset grew by 15% as capital expenditure was focused on optimizing capacity and efficient delivery of our products”

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Financial Position		
Property, plant and equipment	16,698,217	15,174,724
Right of use assets	3,700,122	3,639,895
Other Current assets	21,310,282	16,193,439
Cash and bank	2,600,370	3,660,734
Total Assets	44,308,991	38,668,792

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Borrowings	38,570	3,338,570
Lease Liabilities	3,432,057	3,257,168
Other non-current liabilities	2,596,882	2,241,505
Current liabilities	25,521,662	18,742,264
Total Liabilities	31,589,171	27,579,507

	31-Dec-20	31-Dec-19
	₦'000	₦'000
Share capital	1,324,719	1,324,719
Share premium	434,037	434,037
Retained earnings	10,961,064	9,330,529
Total Equity	12,719,820	11,089,285

Total assets increased by 15% to ₦44.31bn {2019: ₦38.67bn}. This increase was driven predominantly by an increase in trade and other receivables, inventories and other assets. Cash and bank for the year decreased by 29% compared to prior year to ₦2.60bn {2019: ₦3.66bn}.

Total liabilities increased by 15% to ₦31.59bn {2019: ₦27.58bn} primarily driven by an increase in trade and other payables and a decrease in borrowings. Borrowings for the year decreased by ₦3.30bn relating to the repayment of specific borrowings for capital projects in 2019. Total equity increased year on year by 15% to ₦12.72bn {2019: ₦11.09bn}.

"The Board has proposed to maintain the dividend of ₦1.06bn for the year, representing a payout ratio of 39.2%"

Proposed dividend

On Thursday 25th of February, 2021, the Directors proposed to maintain the dividend of ₦0.40 per share {2019: ₦0.40} to be paid to shareholders on Monday 31st of May, 2021. The dividend represents a payout ratio of 39.2% {2019: 57.1%} reduced due to capital expenditure requirements in 2021. If approved, the total amount payable will be ₦1.06bn {2019: ₦1.06bn}.

Approval of Financial Statements

In compliance with the Regulatory requirement in Nigeria, the Statements of Financial Position as at 31 December, 2020 has been signed by NASCON Allied Industries Plc's Finance Controller, Tunde Iwamofe, who is a Registered Member of a Nigerian Professional Accountancy Institute.

Going Concern

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

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



Aderemi Saka

Chief Financial Officer

Dinner Time!



Management Team



P. Farrer



F. Aliko-Dangote



A. Saka



M. Zubair



O. Shosanya



O. Ajala



S. Okonmah



J. Amaechi



A. Ushie



P. Mogaha



T. Iwamofe



K Samuel



K. Balogun



K. Ejieke



A. Samuel

Management Team

1. Paul Farrer

Managing Director

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

His experience in the foods business spans 24 years in the South and West African markets; in international companies such as TGI Fridays (Americana Group), Steers Holdings – Debonairs Pizza, Famous Brands and Innscor International.

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

2. Fatima Aliko-Dangote

Executive Director, Commercial

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

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

3. Aderemi Saka

Chief Financial Officer

Aderemi has 21 years of experience working in the United States with various multinationals and publicly traded corporations. Prior to joining NASCON as CFO, Aderemi was part of the Group Corporate Strategy team at Dangote Industries Limited.

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

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

4. 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 later reassigned 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).

5. 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 and holds a Bachelor's degree in Animal Science from Obafemi Awolowo University and Post Graduate Diploma in Marketing from the University of Lagos.

6. Olusegun Ajala

Head, Marketing

Olusegun is a marketing professional with over 14 years' cognate experience in experiential marketing, consumer marketing, trade channel development, category management, shopper marketing, new product development, public relations, events and sponsorship.

He joined NASCON in 2016 having previously worked at Nigeria Bottling Company. He has a Bachelor's degree in Pure and Applied Chemistry from 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 an affiliate member of the Chartered Institute of Marketing UK.

7. Shalom Okonmah

Head, Procurement

Shalom has 22 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 the Chartered Institute of Purchasing and Supply Chain Management and Chartered Institute of Cost Management.

8. Jude Amaechi

Head, Health Safety and Environment

Jude joined NASCON in 2017 with over 14 years of valuable experience. Prior to NASCON, he was a HSE Coordinator at Ponticelli Nigeria Limited.

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

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

9. Ayokunle Ushie

Head, Risk Management

Ayokunle was 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 Masters 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.

10. Patrick Mogaha

Head, Internal Audit

Patrick began his audit career as a Financial Auditor with First Bank of Nigeria PLC and has over 20 years of experience in Internal Audit, Information Systems Audit and Fraud & Forensic Audit. Prior to joining NASCON, he was the Deputy Head of Audit for Dangote Cement. Patrick is a Fellow of the Institute of Chartered

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

11. Tunde Iwamofe

Financial Controller

Tunde is a seasoned professional with over 14 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.

12. Kolawole Samuel

Head of Operations

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

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

13. Kayode Balogun

Quality Control Lead

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

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

Management Team

14. Kingsley Ejieke

Senior Transport Manager

Kingsley has about 10 years cognate experience. A professional in the field of transportation, fleet and logistics Management. He holds a Bachelor degree in Economics from the prestigious University of Uyo, Akwa Ibom, Calabar, Nigeria.

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

15. 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 Nigerian Stock Exchange upon privatization in 1992.

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



Human Resources Report

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



Employees and COVID-19

The year 2020 came with it unprecedented challenges especially the COVID-19 pandemic and its resultant effects like lock downs and other protocols that were completely novel to us as a people.

As there was no literature or any reference material on how to deal with this new experience, we had to assist our employees and by extension their families with various ways to deal with the anxiety and uncertainty. The disruptive changes occasioned by COVID-19 has necessitated immediate embrace of digital ways of working. It has brought the future of work here and ushered in a revolution in the way we communicate and collaborate. We introduced various initiatives such as remote working, managing a virtual team, online meeting in order to continue to work seamlessly without any disruptions to our operations.

Talent Management

At NASCON, we look for talented people who are credible and diversified enough to work within our business arena, across all functions and levels. To actualize the immediate year's vision of increasing production capacity, we recruited highly-qualified automation engineers for our Salt Village Plant, since attracting talented individuals who can deliver

Human Resources Report

results from day one forms part of Human Resources Strategy.

In alignment with the innovation made to the Performance Management System (PMS), the Mid-Year Performance Review was introduced to staff, with some change management activities to drive adoption of this novel appraisal exercise. The exercise resulted in both 100% adoption and 100% compliance rates respectively, as at the scheduled deadline.

With the SuccessFactors (Digital HR) platform instituted in 2019, an additional module, the Career Development and Succession Planning (CDSP) was introduced as part of the continuous improvement initiatives on the Cloud-based HR system. A road-show was delivered to introduce the HR Community to the automated end-to-end process, which will now be followed by the establishment of a comprehensive CDSP Framework.

Career Development and Succession Planning

We continue to ensure business continuity by deliberately making functional-succession plans on key-man roles. As already commenced in 2019, a follow-up developmental program (phase 2) which was to create and implement a talent development plan for the identified successors to address skills gaps and readiness levels, was executed.

Employees were identified and grouped into various interventions as recommended by their supervisors. This was to fulfill our vision of seamless technical-succession, wherein top performers' skills are being developed and bottom performers' skills improved on.

The option of 'Internal Mobility' was explored in a number instances for both recruitment and succession purposes. This practice helped to ensure that highly-talented staff were provided with opportunities to take on other functions, in turn boosting their morale and aiding our staff retention strategy. The effort, indeed, has created more room for charting career-paths of staff at different cadres.

Employee Welfare

As we provide adequate and functional working tools for our staff, their welfare remain one of our priorities. During the year under review, we introduced a staff bus system in order to ensure social distancing while commuting to and

from work and at the same time provide them with comfort and convenience.

In addition, having known that malaria accounts for more cases of death in Nigeria than any other country in the world, we have for the second year running provided all our staff with free Insecticide-Treated Nets (ITN) to help in reducing the prevalence of this life-threatening disease.

I am pleased to report that the remuneration of our Truck drivers was reviewed upward in line with the National minimum wage. We have equally enrolled them in the contributory pension scheme which offers them dual benefit of investment and insurance cover (Group life Insurance policy).

Despite the COVID-19 restrictions, we were still able to observe all the required protocols to celebrate some of our loyal staff for putting in long but active years of service with the company. It was a memorable moment for the 76 celebrants and their families. The staff are in the following order: 20 years – 3 staff; 15 years - 30 staff; and 10 years – 43 staff.

Learning and Development

As provided in our training policy, efforts were made at addressing identified training needs of staff in 2020 and we continued to provide each staff the opportunity to meet the mandatory required training hours during the period under review.

Given the need to transition employees to virtual-work and online-trainings at the inception of the Pandemic, NASCON embarked on digital-skill expansion trainings for its staff in the second to third quarter of the year. Staff were also encouraged to take learning and development around virtual working as their personal responsibility.

In 2020, employees across all cadres and departments attended various online webinars offered by the Dangote Academy, and other personal and technical trainings offered in-house in line with our training strategy.



Murtala Zubair

Head Human Resources and Administration

Risk Management Report

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



The year 2020 was an unprecedented year across the world. On a global scale, the COVID-19 outbreak posed a unique type of threat, impacting all facets of our social interaction and how we carry out business. While on the local front, a number of socio-political protests, provided a good test for risk management structures across all forms of businesses. At NASCON, as always, one of the functions of the Board, is to promote the long term interests of the organization. This it sought to achieve during the year in the midst of the myriad of challenges it faced. These challenges ranged from supply chain related challenges to ensuring staff safety across the business, through the activation of its Business Continuity Plans.

The challenges faced during the year, however did not deter NASCON's specific and broader responsibilities to its shareholders, customers, staff and the communities in which it operates. A key part of this journey in 2021 will be continuing to develop our risk management approach, capabilities and culture to make sure that we have strong controls and can safely manage further growth. The Board is committed to the oversight of our business performance, risk management culture and the identification and promotion of enduring value.

Risk Management Report

Our Approach to Managing Risk

Risk Governance

For the proper development of the Risk Management function, NASCON has a Risk Management Framework, which is in place to ensure that the risk decisions taken are appropriate and efficient and that they are effectively controlled within the established risk appetite framework. The Head of Risk Management oversees this function within the organization, advises and challenges the Executive Line and also reports independently to the Finance, Risk & Audit Committee of the Board.



are responsible for ensuring that the risks are managed in accordance with the risk appetite defined by senior management and to foster a strong risk culture across the whole organization. They also act to provide guidance, advice and expert opinion in all key risk-related matters.

- Internal audit acts as the third line of defense. As the last layer of control, regularly assesses policies, methods and procedures to ensure they are adequate and are being implemented effectively in the management and control of all risks.

The Risk Control, Compliance and Internal Audit functions are sufficiently separated and independent from each other, and regarding other functions they control or supervise for the performance of their duties, and they have access to the Board of Directors and/or its Committees.

Management Process and Tools

In line with the Risk Management framework, we have adopted a robust process that provides enough information, capability and tools to manage our key risks. Qualitative and quantitative tools deployed to manage this process effectively include close monitoring of Credit Risk exposures, conduct of Risk and Control Self-Assessments, collation, monitoring of approved Key Risk Indicators and timely Loss Incident Reporting and adequate Insurance cover. These initiatives are supplemented with ad-hoc, on-site assessments or incident assessments when unexpected high risks are envisaged or occur.

3 Lines of Defense

The management of risk management within NASCON is made within a calculated and controlled framework that assigns clear risk roles and responsibilities represented by 'three lines of defense'. NASCON's management and control model is based on three lines of defense.

- The business functions and all support functions that generate exposure to a risk make up the first line of defense. The role of these functions is to establish a management structure for the risks that are generated as part of their activity ensuring that these remain within the approved limits.
- The second line of defense consists of the risk control function, and the compliance and conduct function. The role of these functions is to provide independent oversight and challenge the risk management activities performed by the first line of defense. These functions

To this end, the following key processes were deployed to identify, quantify, manage and monitor NASCON's key risk exposures in 2020.

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 attempts 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 these four risk types:

Risk Analysis: The process commences when a risk exposure has been identified. Appropriate analysis is carried out and relevant stakeholders notified of points of failure

requiring further analysis or risk evaluation. What constitutes appropriate analysis will vary by risk type and policies. For instance, 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: After risk exposures have been identified and analyzed, proper evaluation of its impact to NASCON whether financial or non-financial is undertaken. In determining the degree of impact, or size of risk exposure, the potential severity and likelihood of occurrence is ascertained using an impact-frequency measurement chart defined in the Risk Management framework. Management information systems are in place to allow the risk information to be used by those managing risk and business on a day-to-day basis, and at a suitably aggregated level, for senior management to understand and challenge process owners. Management information presented to senior management enables the identification of high-risk exposures, risk concentrations and holistic risk remediation to be agreed on.

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

Risk Monitoring: At NASCON, to aid the effective monitoring of our risk exposures, we have instituted fit-for-purpose tools and methodologies that would enable proper tracking of control implementation, measure adequacy of control in managing identified risk and correlated risk factors, and the likelihood of new risks emerging after treatment of identified risks. Our Key Risk Indicator Dashboard is very robust and has well defined quantitative parameters that enable these levels of monitoring.

Risk Reporting: The Risk Management Department ensures proper conduct of all risk management processes and ensures timely and accurate reporting of observed risk trends and evaluated risk exposures to all key stakeholders. By so doing, it provides independent and transparent accounts of risk events, related measurements, required treatments and risk escalation to the Board where necessary. Key requirements for risk reporting include:

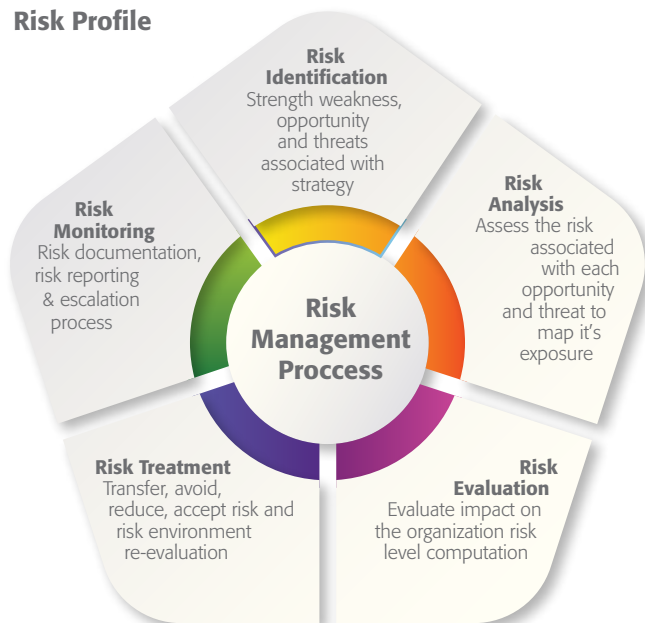
- Data Compilation and Review: Collation, analysis and evaluation of risk data from all stakeholders in the organization;
- Information Dissemination: Provide financial data, and information on operational and business activities from a risk perspective for regulatory, external, and internal reporting;
- Risk Advisory on:
 - Appropriate risk calculation and privatization methodology to adopt for financial risks;
 - Other risk measurement methodologies to deploy for measuring and appropriating non-financial risks; and
 - Stakeholder Engagement: Accurate and timely dissemination of key threats to achieving set business objectives, business opportunities unearth

Risk Type	Definition
Business Continuity	The potential that a prolonged business disruption affects critical business activities of NASCON and thus causes loss of business and/or reputational damage.
Operational Risk	The potential for risk exposures arising from the failure of people, processes, or technology or the impact of external events to crystallize and result in financial losses or reputational damage.
Financial Risk	Any potential loss(es) arising from financial risks such as counterparty defaults, adverse market price movements, liquidity (funding) issues and taxation issues.
Business and Strategic Risk	Any potential damage to the brand and loss of earnings resulting from any faulty or improper implementation of NASCON's strategic plan or adverse impact of competitors' business activities.

Risk Management Report

after review of these threats and mitigation plans to adequately manage the impact of identified threats to ensure risk ownership and accountability is built at all levels in NASCON.

Risk Profile



Credit Risk

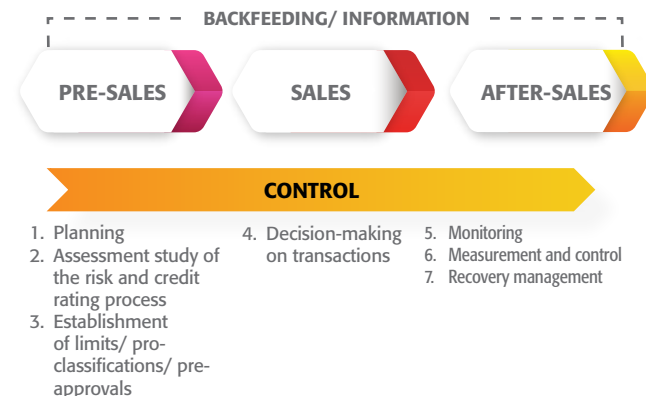
Credit risk is the risk of financial loss arising from the default or credit quality deterioration of a customer or other third party, which NASCON has provided credit to. NASCON's Credit Risk function is organized on the basis of two types of customers:

- The SMEs and commercial segment which is in turn, divided into sub segments by exposure levels, which enables risk adjusted rating to each particular customer. It also includes public sector activities in general.
- Corporate segment consists of corporate customers with specific requests in terms of product composition, packaging and delivery. This list is determined on the basis of a full analysis of the company (business type, level of geographic diversification, product types, etc.)

Credit Risk Cycle

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

Credit Risk Cycle



Operational Risk

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

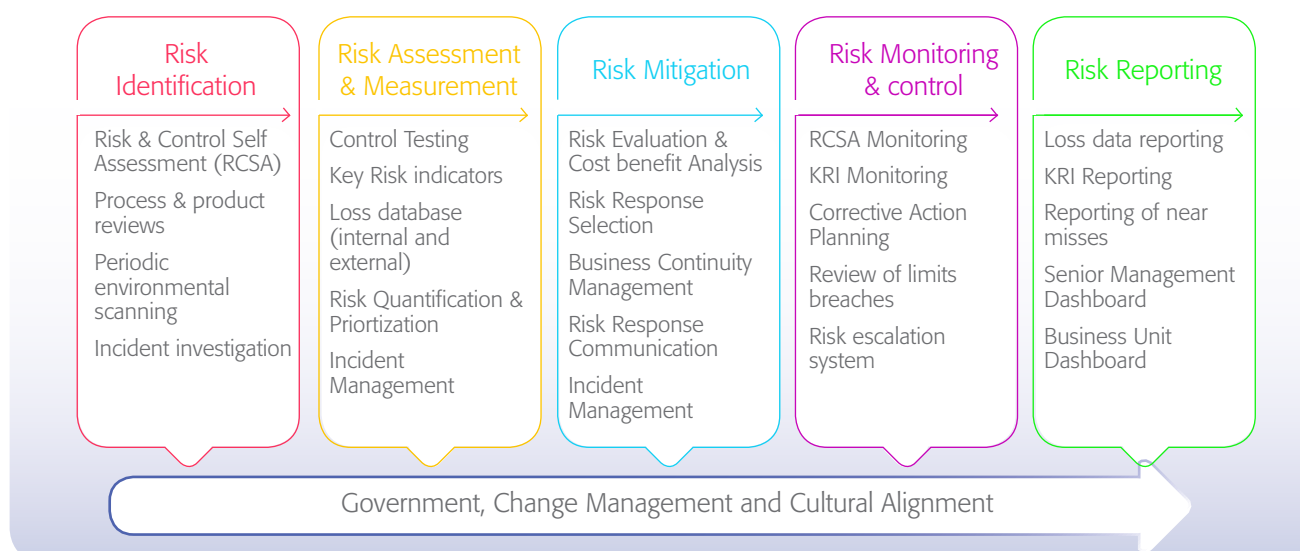
During the year 2020, the Management of NASCON had sought further improvement in its management model through a number of different initiatives designed by the Risk Management Department. These initiatives were designed to enhance operational risk management capacities through an advanced risk measurement approach, helping to reduce future exposure and losses impacting the income statement.

A series of quantitative and qualitative corporate techniques and tools have been defined to identify, measure and assess operational risk. These are combined to produce a diagnosis on the basis of the risks identified and an assessment of the area or unit through their measurement and evaluation.

Operational Risk Management Framework

The quantitative analysis of this risk is carried out mainly with tools that register and quantify the level of potential losses associated with operational risk events. Qualitative analysis seeks to assess aspects (coverage, exposure) linked to the risk profile, enabling the existing control environment to be captured.

Risk Management Report



The most important operational risk tools used by NASCON are as follows:

- **Loss Incident Database:** The objective is to capture NASCON's operational risk events. This is not restricted by thresholds (i.e. there are no exclusions for reasons of amount), and events with both accounting (including positive effects) and non-accounting impact are entered.
- **Risk and Control Self Assessments (RCSA):** RCSA identifies and assesses the material operational risks that could stop a business or support unit achieving its objectives. Once they are assessed in inherent and residual terms, and the design and working of the controls are evaluated, mitigation measures are identified if the risk levels prove to be above the tolerable profile.
- **Key Risk Indicators (KRIs):** These are various types of statistics and parameters that provide information on an institution's risk exposure and control environment. These indicators are regularly reviewed in order to flag up any changes that could reveal risk problems.
- **Audit and regulatory recommendations:** These provide relevant information on inherent risk due to internal and external factors, enabling weaknesses in the controls to be identified.
- **Customer complaints:** NASCON's increasing systemization of the monitoring of complaints and their root causes also provides relevant information for identifying and measuring risk level

Compliance Risk

The compliance and conduct function fosters the adherence of NASCON to the rules, supervisory requirements, principles and values of good conduct, by setting standards, and discussing, advising and reporting in the interest of

employees, customers, shareholders and the community as a whole. This function addresses all matters related to regulatory compliance, prevention of insider trading, consumer protection, and reputational risk.

Strategic Risk

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

Our Focus in 2021

At NASCON, the satisfaction of our customers is integral to achieving our business objectives. This ethos has made risk management a necessary and intrinsic part of how we carry out business. We accept the risks we can manage where these threats or risk exposures offer us a competitive advantage. Where that is not the case, we put in place measures to mitigate or avoid risk exposures. For this reason, we have implemented a robust risk management system that conforms with our business operating model and ensures continued business development and achievement of our set objectives.

We review our principal risks regularly because we work in a dynamic and competitive environment where new risks constantly arise. While previously identified low risk exposures may evolve to high risk exposures that crystallize in significant financial losses or reputational damage. Furthermore, the Board of NASCON needs reasonable assurance that its risk management and reporting systems remain sound so strict risk governance is upheld with

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 plans
Provide strategic direction for the business based on its approved risk appetite
Assess the organizational 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

Identify and manage risk exposures at the job function level

Internal Control 2nd Line of defense

Define and ensure proper implementation of all internal control policies and procedures

Risk Management 2nd Line of defense

Develop and implement a holistic Enterprise risk Management framework at all levels and subsidiaries of the business

Internal Audit 3rd Line of defense

Provide independent assurance of the effectiveness of the group's risk management and internal control framework

the development and implementation of a bouquet of risk management policies and procedures that ensures a healthy risk-reward balance for all stakeholders. These controls were designed to ensure a good balance between cost and effectiveness is always maintained.

additional capacity in the refined products segment. We intend to achieve this through increased monitoring of service delivery channels, strengthening of our distribution network, and continuous review of our product offering to meet customer expectations.

Risk Management Outlook for 2021

The economy is likely to return to moderate growth of 2.3% in 2021 as a recovery in the oil sector strengthens exports and the discovery of effective COVID-19 vaccines would result in a positive impact on government revenues. NASCON is positioning to take advantage of this economic growth by maximizing the opportunities and new markets that have been made available with the inclusion of our

Based on our risk assessment and outlook for the year, our core business risk exposures include foreign exchange volatility, interest rate unpredictability and threat to liquidity. To ensure risk monitoring of these exposures, ten principal risks that could have an impact on NASCON have been defined and appropriate mitigation plans put in place.



	Risks	Risk Description	Potential Impact	Mitigation Plan
1	Possible outbreak of COVID-19 within the factories	Possibility that the factory would be shut down due to an outbreak at any of the locations	Potential Impact Revenue loss resulting from the production downtimes.	<ul style="list-style-type: none"> • Maintaining World Health Organization defined plant entry protocols. • Continuous education of staff on protocols to observe when symptoms are observed. • Continuous monitoring of 50% capacity rule in all locations. • Regular deep cleaning of offices with the use of cleaning agents as specified by Health and Safety Department
2	Political Risk Exposures	Possibility of theft of goods during delivery	Reduction of margins, resulting from the replacement of goods to affected customer	<ul style="list-style-type: none"> • Adequate insurance cover for all delivery journeys • Route assessments are carried out before each trip to volatile locations and drivers are briefed on the go with security updates • All drivers have been exposed to defensive driving training
3	Possible Devaluation of The Naira	Inability of the Central Bank of Nigeria to continually defend the Naira against the USD	Devaluation would negatively impact profitability and asset quality	<ul style="list-style-type: none"> • Maintain all loans in local currency • Explore more options for increasing FX revenue
4	Industry shifts and market developments	Possibility that purchase trends within our defined markets would change adversely resulting in reduced sales	The inability to reach strategic objectives long term, leading to lower growth or lower financial performance	<ul style="list-style-type: none"> • There is a strong focus on product segmentation aiming to diversify the product portfolio and reduce dependence on individual customer segments.
5	Macro-Economic Risks	Possibility that the Nigerian economy would fall back into recession	Renewed downturn would have negative effects on disposable income of consumers	<ul style="list-style-type: none"> • Continuous review of costs to ensure the ability to absorb market fluctuations
6	Poor Market Growth	New businesses and proposed expansion do not hold their growth prospect or develop as predicted.	Negative impact on revenues, cash flows and profitability sustainability	<ul style="list-style-type: none"> • Ensure regular portfolio financial and opportunities reviews to monitor investment and cash allocation across all businesses • Target market leadership in all prime markets • Focus on industries where reach is strong
7	Loss of Market Share	Change in the business dynamic, whereby a competitor's product may lead to loss of competitive advantage	<ul style="list-style-type: none"> • Negative impact on revenues, cash flows and sustainable profitability • Inefficient distribution of physical, human and financial resources 	<ul style="list-style-type: none"> • Leverage on customer feedback, balance short-term improvements with longer-term solutions • Promote agility, benchmarking and quick market responses
8	Decline in Product Quality & Service Delivery	Technical requirements becoming more complex, and demanding with increase in customer base and preferred specifications	<ul style="list-style-type: none"> • Potential reputational damage • Loss of market share 	<ul style="list-style-type: none"> • Continuous review and stress testing of refining process • Continuous customer engagement to ensure feedback is acknowledged and addressed
9	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	<ul style="list-style-type: none"> • Inability to attract, develop and retain highly qualified management and suitably skilled employees, particularly to address our expansion initiatives • Shortage of appropriately skilled manpower 	<ul style="list-style-type: none"> • Established robust training, development, performance and rewards management programmes to retain, develop and motivate our people • Develop a Succession plan for senior management positions
10	Health, Safety & Environment (HSE) Risk	Exposures resulting from unsafe acts both within and outside the premises	<ul style="list-style-type: none"> • Increased insurance premiums • Increased legal risk exposure • Declining public perception 	<ul style="list-style-type: none"> • NASCON has instituted policies, procedures and standards for ensuring compliance with Health, Safety & Environment global best practices, and relevant local and global legal obligations or industry standards • All Management meetings feature HSE status reviews • HSE Performance indicators have been defined, are closely tracked and analysed for operations of the organization.

Kunle Ushie

Ayokunle Ushie

Head, Risk Management



Taste the Joy
of great flavours
and aroma



Great Meals, Great Moments

Health, Safety, Social and Environment Report

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



This reporting year is indeed a unique year globally. It was characterized by lots of challenges and opportunities for businesses all around the world. The year started with full enthusiasm to drive our HSSE key performance indicators but with the Covid-19 pandemic, we had to refocus our attention in a way like never before the "New Normal."

The overall purpose of the annual health, safety social and environment report is to give our internal stakeholders and interested external parties an understanding of our health, safety, social and environment management system at NASCON and provide assurances on the adequacy of health, safety, social and environment measures in place to guaranty the health and safety of staff, secure social licenses from host communities and ensure they are no environmental nonconformities from our regulators.

NASCON strengthens its management through constant training and updating of professional and management skills, paying attention to the evaluation and motivation of its employees, adherence to the ethical principles established in its HSSE Manual and the maintenance of an adequate balance between their quality of life and its business needs. We have consistently made responsible efforts to lead in the space where we operate by being the preferred choice for suppliers, consumers and products in our space.

Health, Safety, Social and Environment Report

NASCON employs close to 600 staff with many working in services operating year round. It is therefore recognized that staff are one of its greatest assets, and a skilled motivated workforce is key to achieving successful health and safety. We have kept our eyes on the safety culture of our team members, ensuring our staff do what they are employed to do and eliminate any form of accident in our operations.

We placed great importance on pursuing standards that effectively promote health and safety, social and environment, and support customers to achieve their goals whilst minimizing risks. Our diverse range of customers, services and properties has been identified by NASCON within its risk strategy and stringent approach to managing health, safety, social and environment.

The year 2020 was one characterized by events of the pandemic. These events led to the re-direction of our focus and strategy giving more attention to the health and safety of our team members, contractors, visitors and other stakeholders, our transport operation was not left out because of the critical role it plays in our business efficiency and the risk it poses to the drivers who travel long distances up north and down south to deliver our products to customers.

NASCON has set deliberate targets on health and safety of her staff, contractors and interested parties. These are reflected in the structures put in place, policies and standard operating procedures for workers on our facilities. This is why the year's slogan was "Safety! You see it! You Own it!" It is in our hearts and minds, all-inclusive to drive the spirit of the management into the workplace to form a culture that shall make the workplace free from any kind of accident, equipment damage and reputational issues.

At NASCON we place value on our staff who are the most valuable asset of our organization. The safety of our staff comes first. Hence we believe that if our staff understand and have the right culture, we shall eliminate all accidents resulting from human error. Therefore, we have set targets to upscale the safety behavior of our teams by introducing behavioral based safety training. Following this plan, we have consistently thrown in our weights behind our 15 Golden Rules which are one-stop shop for safety behavior at work. As a food manufacturing business, these golden rules are strategic in driving compliance within and outside the business. We pay attention to our product satisfaction and customer feedback, that is why a lot of our management resource is channeled to our food safety management system and quality management system.



As an FMCG, our target is zero industrial incident and customer complaints, these have made our teams to pay attention to safety details while discharging their tasks to meet their targets. The management of NASCON understands that without a well-structured HSSE system in place, there will be a lot of revenue losses. HSSE is taken very seriously and they have demonstrated these in their action and systems that "All Jobs can be performed in a safe manner" therefore all jobs must be performed within the context of HSSE.

Corporate HSSE Policy

We believe that a safe workplace is the responsibility of the management to provide, more so, the work environment must promote and support practices to eliminate occupational health issues. We communicate our policy regularly to all staff and we ensure that staff are not exposed to hazards emanating from the workplace. We treat all hazards as a singular unit, promote incident reporting and thorough root cause analysis and investigate while our feedback is cascaded. We operate a no-blame safety culture and we ensure that all host community issues are addressed adopting a dialogue system. We ensure that our interested parties are part of our business decision making process within the organization.

Corporate Strategy

Our focus is in making our system simple but detailed to

the flexibility and complexity of our business processes. This is targeted at our business continuous improvement plan. We set yearly plans that governs and directs the way we work and ensure that overlapping activities do not release hazards to the workers. We maintain a Plan-Do-Check-Act approach which plays on the systems of operation process and procedure, building culture that do not play attention only on the lagging indicators but more emphasis on leading indicators. NASCON HSSE strategy is all encompassing in the areas of occupational health hazards, elimination of physical injuries and environmental friendly focus operation and socially ensuring host communities are not left out in our process by way of engagement to acquire social license in our operational locations.

Corporate Objective

NASCON has placed high value in people, environment, asset and reputation of the organization. Our focus is to create accident and injury free operations, build a proactive safety culture where the safety and health of every employee is extremely important. We strongly believe that when employees are safe and mentally healthy, their effort in their input will result in higher productivity. Furthermore, we want 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 in our host community and making them partners in development.



Health, Safety, Social and Environment Report

Health – In NASCON, we say health is wealth and only the healthy employee can be productive. Therefore, the health of our employees is given top priority because we are a food business and cannot compromise on the quality of our products as well as the reputation of our brand or our customer loyalty. We have plans in place that caters to the health status of our staff, we perform pre-engagement medical checks and food handlers test to ensure only fit persons are engaged and to avoid cross contamination of our products.

NASCON management has demonstrated commitment by setting up a fully well-equipped clinics on all sites, manned by a professional medical team for day and night shifts. We conduct quarterly health surveillance for occupational health concerns on our staff. We have a contract with a reputable hospital for referrals during emergencies and these services are periodically audited to ensure standards are not compromised. To reinforce our employee medical alertness, we periodically conduct medical evacuation drills and these reassures employees of management's preparedness to handle medical cases on site. More so, we deliver health alerts and talks to employees and health trends are analyzed to identify areas of concerns and actions plans are developed for their management.

Safety – NASCON has set a high premium on safety making it among the highest scoring key performance indicators for the entire business. Safety in NASCON is a business case and attracts major funding from management. Management has made it mandatory to start all meetings with a safety

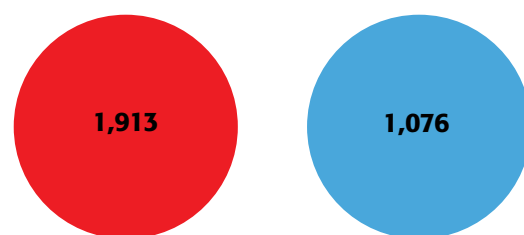
moment, safety is in the agenda of all management meetings.

The safety department is well robust, conducts training for staff to build its capacity. Safety inspections of equipment are conducted daily and before the start of each shift, a safety briefing is done (Tool Box Talk), NASCON has an active safe system of work in place which supports and promotes safety culture on site. Safety culture on site is one of the main focuses of top management. We have a system in place to record and report unsafe acts and unsafe conditions, we conduct site safety steering committee meetings to review the safety status of the plant and performance against set targets for each month. This meeting is led and chaired by the Managing Director. Quarterly site HSSE meetings are conducted, where management and employees meet to address safety, health and environment related issues. more Employee reward and recognition are performed to create / promote healthy safety competition among employees and department as well, thereby eliminating workplace accident and injury including equipment down time.

Social - We understands the complexity and dynamics of communities, including the hazards they pose to business stability and sustainability. Therefore, we completely embrace our host communities and partner with them in our business sustainability model. As a responsive and responsible business, we proactively engage our host community to create a healthy and peaceful relationship which enables our co-existence in the community and build a cordial relationship.



Unsafe Acts & Unsafe Conditions Chart



Total number of reported Acts 2989

■ Unsafe Conditions ■ Unsafe Acts

Health, Safety, Social and Environment Report

The management of NASCON sees our host community as business stakeholders and ensures they are well informed on our yearly business plans and strategy; this is an inclusiveness system to keep the community up to speed. We conduct our business in a way that there is no abuse to the environment and livelihood of the people, we have a strong policy on child labour, land acquisition and employment of indigenes of the host community.

We create room for empowerment by awarding contracts to qualified community members who are contractors. As part of our host community development, we conduct capacity building training to improve their leadership skills, project management and engagement processes including means of formal communication to their stakeholders. NASCON periodically conducts community engagement meetings and sensitization. Finally, we have put in place grievance mechanism to receive feedbacks and complaints from our host communities. We jointly conduct needs assessment to identify and prioritize host community needs before any developmental project is embarked upon.

Environment - We are passionate about her environment, we are aware of the implications and consequences when we do not pay attention to our environment. Failure to eliminate environmental hazards could cause the business very serious revenue and reputational damage. Hence we have put in place strategies to curb our environmental challenges and excesses.

NASCON conducts environmental social impact assessment before acquisition of any of her facilities, we go all out to implement the recommendations and monitor our performance on monthly and quarterly basis. We have systems in place to monitor and report our compliance level

to top management and analyzed trends of our records on the effects on employees and host communities including our interested parties.

We ensure full compliance to regulatory requirements by sending our reports for approval to our regulators, we conduct an Environmental Assessment Report (EAR) and have a robust waste management system in place to segregate and recycle waste which helps to reduce environmental menace to the society. More so, we have introduced effluent treatment plant to treat used waters and eliminate discharge to the environment, samples of water are analyzed and reported monthly.

Transport Safety - Transport and Logistics are critical components of our operations in the business and poses very high risk because of the volume and magnitude of their operations. Therefore, the HSSE department partners with Transport and Logistic teams to bring the risk to as low as reasonable practicable. We have developed and implemented strategies to control the road hazards for our transport operations.

NASCON has signed off and implemented our Journey Management Plan (JMP), this system has driven our performance on transport operations. Furthermore, we have signed off the Federal Road Safety Commission's (FRSC) Road Transport Safety Standardization Scheme (RTSSS) which exposes us to scrutiny of our processes and performance scores are issued. The FRSC assesses and evaluates all NASCON operational trucks and drivers bi-quarterly to review compliance levels. These have put our Transport and Safety teams on very high expectation to eliminate any form of accident and injury from the highway operations.



Health, Safety, Social and Environment Report

In NASCON, we have had couple of Road traffic incidents which investigations and reports initiated a new focus for the business leadership where the Board and top management have taken drastic decision to support and empower the HSSE team to ensure lessons / corrective actions from those incidents are implemented.

We conduct risk assessments on our routes to identify hot spots for our drivers and proffer most appropriate control measures to advert any incident on each route. In NASCON, we monitor and control road violations by installing speed limiters in each vehicle, monitoring and reporting of speed violations and appropriate sanction system in place for defaulters. On our routes we have institutionalized stop and rest points to eliminate driver fatigue and give room for continuous vehicle assessment / inspections. However, we have experienced downtimes from our transport operations and have learned from those experiences which has made us better by introducing stricter measures that is focused on our safety process which the Board and Top management reviews in their monthly and quarterly meetings..

As part of means to promote transport safety culture, we now have a system set aside by management for reward and recognition of drivers based on safety compliance that is strictly measured by safety key performance indicators (KPI) and is intended to improve the defensive driving skills of our drivers.

COVID-19 Safety Management

At the start of the year, precisely the 8th week of 2020, Nigeria and Lagos State recorded her first case of COVID-19. This impacted massively on the business plan and strategy and demanded so much from the HSSE team to come up with plans to keep employees and the business safe to avoid a total shutdown. As a proactive business, HSSE and top management developed strategies and came up with protocols.

What we did, how we responded to the virus

Immediately the index case was announced, we released a travel advisory following the outcome of our risk assessment, banning travels to and from countries that was classified as A, B, C which are on our watch list due to the volume and rise in confirmed cases. A reputable medical consultant was engaged to advise and train those we identified as front line workers in our business, HSSE, HRA, Security personnel and our medical team, were trained on what to do in the event of a suspected case onsite. Equipment, tools, PPE and masks were purchased for all employees to use from the entrance of our facilities, we sent out official communicate to all our contractors and pasted on our entrance gate the new policy and protocol to access our facility.

To maintain physical distancing, we introduced remote working policy and reduced number of employees physically on site and in offices, our truck drivers were all issued hand sanitizers and face masks, offices were disinfected fortnightly while the trucks are washed after every trip. However, this new normal impacted on the HSSE performance because a lot of attention was focused on ensuring that the virus did not penetrate into the business. We consistently released COVID-19 safety alerts to keep employees abreast with the current status of the plant and global statistics. These measures paid off because there were no cases recorded till late December, 2020 when we recorded our first case and only case of the year.



Jude Amaechi

Head, Health, Safety and Environment



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

Refined, Iodized & Purified



Choose Quality, Choose Dangote Salt

2020 ANNUAL REPORT

SUSTAINABILITY



Our Approach to Sustainability

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

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

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



The 7 Sustainability pillars are as follows:



FINANCIAL PILLAR

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



CULTURAL PILLAR

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



ECONOMIC PILLAR

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

Sustainability Report

**OPERATIONAL PILLAR**

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

**SOCIAL PILLAR**

Create a learning environment and platform for our employees to grow and achieve their full 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 PILLAR**

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

**INSTITUTIONAL PILLAR**

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.





Cultural Standards

Our Cultural Pillar is the foundation upon which our organizational 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 functions 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

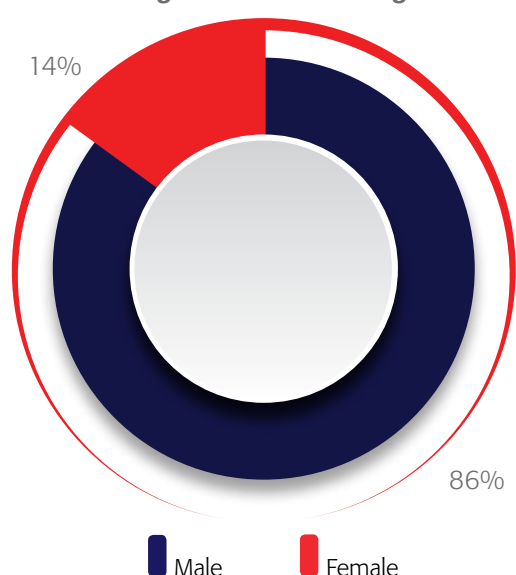
We consider our employees as the heart of our business. Since our establishment in 1973, our employees have been the driver of our sustainable business growth. They support the business to create and deliver shared value for



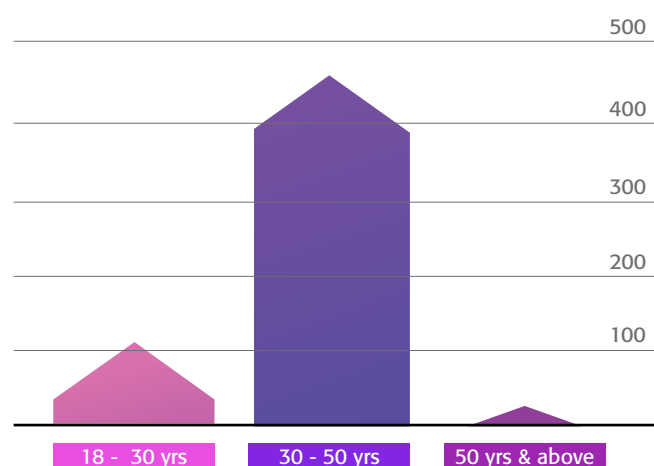
all stakeholders. As such, we take pride in creating for them opportunities for self-actualization and professional growth.

In the year under review, we had 593 employees comprising of 508 males and 85 females, representing, 86% and 14%, respectively. Our young and vibrant employees between the ages of 18 -30 years were 108; employees between the ages of 31 – 50 years were 462 and our seasoned and experienced employees from 51 years and above were 23, representing 17.6%, 78.4% and 3.94% respectively. Presently, we have 4 women on our Board of Directors. NASCON management is committed to improving gender diversity in our organization. We will make conscious efforts to increase the number of women in our workforce and assign more roles to qualified women in leadership positions.

Staff Categorisation According to Gender



Staff Categorisation according to Age



Sustainability Report



Employee Growth and Turnover

Despite the challenges posed by the COVID-19 pandemic, which resulted in socioeconomic disruptions that slowed down business activities, we adopted a proactive human resource strategy aimed at protecting our employees, providing contingency plans and ensuring that staff welfare is prioritized. In the year under review, we recruited 58 new employees, while 40 persons exited our organization, indicating a 3% growth in our workforce.



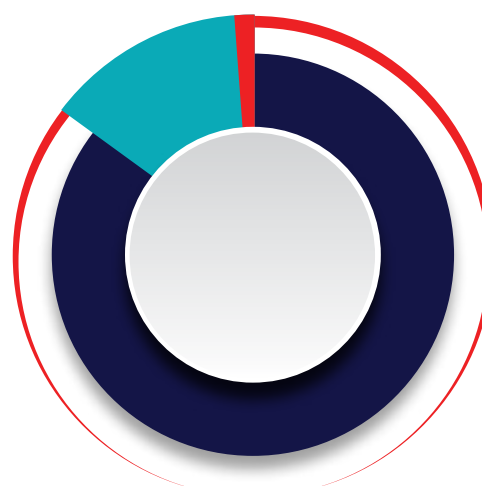
Learning and Development

We are committed to ensuring that our employees have the required capacities and competencies to excel in their job functions. In an ever-changing world where knowledge is dynamic, we endeavor to keep our employees continually updated by giving them training that are designed to match the realities of today's workplace.



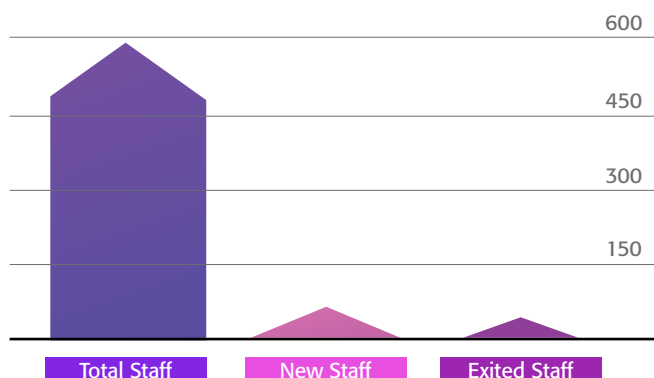
In the year under review, we undertook several training for staff across different departments and functions. Due to the pandemic, most of the training were held using virtual platforms. The training were needs based, as we endeavored to close skills gaps or enhance existing competences across operations and functions. For instance, several employees, including Store/Logistics team, Forklift and Wheel Loader Operators as well as Transport Drivers were trained on hazardous materials handling and management. In addition, we organized Permit to Work training for our staff

RATIO OF PERSONNEL WITH HSE & SUSTAINABILITY TRAINING TO THE TOTAL TRAINING



■ General Training ■ HSE Training ■ Sustainability Training

STAFF TURNOVER



in operations and maintenance departments. During the year, 28 employees participated in training on Emergency Preparedness and Response, while 27 managers and supervisors were also trained on Risk Assessments. Other training executed during the year under review are tabulated below.

Sustainability Training and Awareness Creation

To actualize our sustainability goals and objectives, we recognize the need to build knowledge, skills and competences on sustainability principles, standards and best practices. In the year under review, our staff participated in several training sessions hosted by the Group Sustainability Function. 93 NASCON employees across different departments and functions participated in Group-wide Sustainability training as shown in the table next page.

Type of Training	Participants	DEPARTMENT
Hazardous Material Handling Management	16	
Permit to Work	74	FINANCE, HR/ADMIN, HSSE, INTERNAL AUDIT, IT, LOGISTICS, MARKETING, OPERATIONS, PROCUREMENT, QC, RISK MGT, SALES, TRANSPORT
Emergency Preparedness & Response Plan	28	OPERATIONS, QC, HSSE, RISK AND PROJECTS
Forklift Operator safety	18	HSSE, WAREHOUSE & LOGISTICS
Risk Assessment	27	FLEET, QC, PRODUCTION, MAINTENANCE, STORES AND WAREHOUSE, RISK MGT, IT,
Drivers Defensive Techniques	187	HR, FLEET, PRODUCTION, SALES, MARKETING, QC, HSSE.
Logout –Tagout	17	FLEET, OPERATIONS, QC, HSSE, RISK, STORES AND WAREHOUSE, LOGISTICS.
Electrical Safety	35	OPERATION, QC, HSSE, RISK AND PROJECTS
Sustainability – The What, Why & How	39	SALES, MARKETING, FINANCE, PROCUREMENT, STORES & WAREHOUSE, LOGISTICS, PROJECTS, RISK MGT, FLEET, HR, IT, OPERATIONS.
COVID-19: Symptoms and Safety Protocols	348	FINANCE, HR/ADMIN, HSSE, INTERNAL AUDIT, IT, LOGISTICS, MARKETING, OPERATIONS, PROCUREMENT, QC, RISK MGT, SALES, TRANSPORT
Current Good Manufacturing Practices	394	FINANCE, HR/ADMIN, HSSE, INTERNAL AUDIT, IT, LOGISTICS, MARKETING, OPERATIONS, PROCUREMENT, QC, RISK MGT, SALES, TRANSPORT
HSSE Audit Methodology / Techniques	10	HSSE
Microsoft Team Usability Training	154	HR, HSSE, INTERNAL AUDIT, IT, FINANCE, LOGISTICS, RISK MGT, OPERATIONS, PROCUREMENT, PROJECTS, MARKETING, SALES, QC, TRANSPORT
Cybersecurity: Protecting yourself and Your Organization	41	FINANCE, INTERNAL AUDIT, LOGISTICS, HR, IT, HSSE, LOGISTICS, OPERATIONS, MARKETING, PROCUREMENT, QC , SALES, TRANSPORT
Stress Management Training	68	FINANCE, HR, HSSE, INTERNAL AUDIT, IT, LOGISTICS, MARKETING, OPERATIONS, PROCUREMENT, QC, RISK MGT, SALES, TRANSPORT
Working From Home- Time Management Principles & Essential Skills	25	FINANCE, HR/ADMIN, AUDIT, IT,HSSE, LOGISTICS, MARKETING, PROCUREMENT, PROJECTS, QC, RISK, SALES, TRANSPORT
Becoming A Better Virtual Worker	56	FINANCE, HR, HSSE, INTERNAL AUDIT, IT, LOGISTICS, MARKETING, OPERATIONS, PROCUREMENT, QC, RISK MGT, SALES, TRANSPORT
Mental Alertness and Managing Stress	63	FINANCE, HR/ADMIN, AUDIT, IT, HSSE, LOGISTICS, MARKETING, PROCUREMENT, PROJECTS, OPERATIONS, PROJECT, QC, SALES, TRANSPORT
Reputation Management: Protecting Our Most Valued Asset	78	HR, FINANCE, LOGISTICS, MARKETING, QC, OPERATIONS
Total	1,678	

Sustainability Report

	Training Title	Participants	Training Man-hours
Sustainability Knowledge	Building A Sustainable Business Culture – The Fundamentals	41	52
	Stakeholder Engagement: As A Modern Business Performance Management Strategy	28	48
	Sustainable Manufacturing: Managing Direct & In-Direct Environmental & Social Risks	24	32
		93	132

In addition to training, we also built sustainability awareness and acculturation among our staff through internal publications and campaigns. In the year under review, the Company-wide circulation of the Weekly Sustainability Titbits as well as the weekly quiz ensured that our workforce is increasingly knowledgeable about sustainability. Why it is an important way of doing business, and the roles that they could play in supporting NASCON to achieve its business sustainability objectives.

2020 Sustainability Week

NASCON employees alongside their counterparts in other Business Units within the Dangote Group participated in the 2020 Sustainability Week. The Sustainability Week is an annual event designed as an employee volunteering initiative to make measurable impact in host communities and improve environmental, social and economic wellbeing.

The 2020 Sustainability Week took cognizance of the COVID-19 pandemic and was aptly captioned: "COVID-19:

Staying safe together – The Dangote Way," with most of the activities focusing on sensitising community stakeholders on how to stay safe in the midst of the pandemic. In addition, PPEs such as facemasks and hand sanitisers were donated to members of host communities, including schools. Employee volunteers held the weeklong event in strict compliance with laid down COVID-19 safety protocols.

Initiatives and Programmes

COVID-19 sensitisation initiatives were held in schools, markets and motor parks around our business operations. A total of 100 volunteers participated in the kick-off sensitization program, reaching 500 people in host communities including students, and expending 400 volunteer hours.

During the week-long initiatives, an additional 436 volunteer hours was utilized by 100 volunteers and 9 third party volunteers, reaching 1,900 students in several schools. Some of the beneficiaries of these initiatives include Oregon High School, Oregon Lagos; NPA Complex, Rivers Port, Port Harcourt and Randle Senior High School, Apapa Lagos. As part of the awareness campaign, students were sensitized on staying safe during the COVID-19 pandemic. In addition, 1,000 facemasks, 1,000 notebooks, 1,000 hand sanitizers, 1,000 COVID-19 information pamphlets and desktop computers were donated to the beneficiaries.

In summary, 200 NASCON volunteers expended a total of 836 volunteer hours in four strategic initiatives reaching a total of 2,400 beneficiaries.

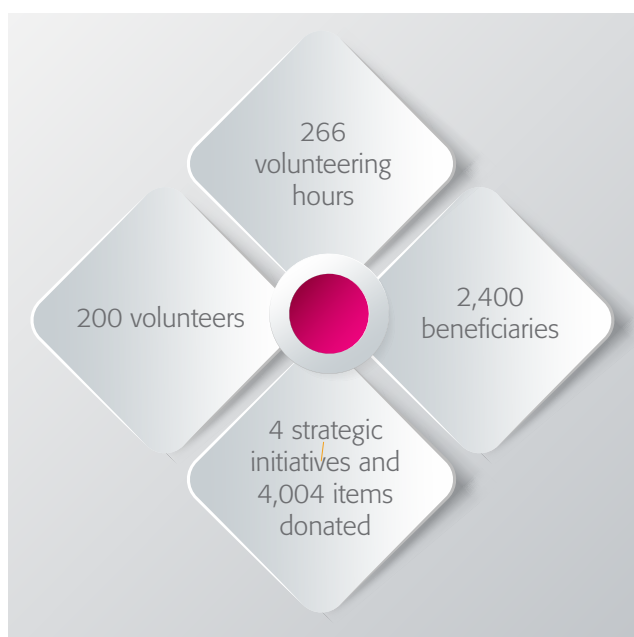
SDG Alignment of NASCON'S Sustainability Week Initiatives



COVID-19 Sensitisation



Schools/Educational Support





Contributing to Africa's long-term economic development

Economic Standards

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

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

We also support job creation and household income through the different activities across our value chain. We deliberately prioritise the patronage of local labour, suppliers, vendors and contractors as our way of building local capacity and wealth. We ensure transparency in the



taxes that we pay and other statutory payments that we make to governments and public institutions.

Contribution to Economic Development

NASCON contributes to economic development through job creation, tax payments, supply chain empowerment and value creation for key stakeholders. We empower small and medium scale businesses by availing them of entrepreneurship opportunities in the buying and selling of our products. We also support capacity building in our value chain, helping business partners to grow and create employments.

Dividend payment history

We ensure that our shareholders earn good returns on their investments. We pay dividends and communicate our financial performance to shareholders in line with regulatory requirements. In 2020, we paid ₦1,059,775,351 as dividends to our shareholders. The table below shows our dividend payment history.

DIVIDEND INFORMATION AS AT DECEMBER 31, 2020

PAYMENT NO	DIVIDEND DECLARED ₦	DATE OF PAYMENT	UNCLAIMED DIVIDEND ₦
1	883,146,126.00	7/17/2008	14,585,792.78
2	1,059,775,351.20	10/5/2009	21,797,705.97
3	1,324,719,189.00	10/4/2010	34,583,034.68
4	1,324,719,189.00	7/11/2011	30,398,118.86
5	1,854,606,865.00	6/7/2012	56,827,920.98
6	2,384,494,540.20	6/17/2013	72,594,867.63
7	2,384,494,540.20	6/24/2014	82,416,837.54
8	1,324,719,189.00	6/12/2015	42,674,593.75
9	1,457,191,107.90	5/23/2016	43,518,010.01
10	1,854,606,864.60	5/8/2017	49,110,438.90
11	3,974,157,567.00	5/8/2018	157,390,335.70
12	2,649,438,378.00	6/17/2019	95,962,438.00
13	1,059,775,351.20	7/29/2020	39,812,264.05

Sustainability Report

Community Investments:

We are committed to supporting host communities and partnering with them to achieve specific socioeconomic objectives. We prioritize community development as our way of giving back to host communities while also supporting government's sustainable development goals.

In 2020, we supported host communities to curb the spread of COVID-19 pandemic. We donated palliatives such as food and household consumables to cushion the economic effect of the lockdown. We also supported community members with PPEs, including facemasks and hand sanitizers. We will continue to partner with our host communities to deliver structured interventions in healthcare and education.

Responsible tax payments:

NASCON is committed to adhering to all regulatory requirements concerning payment of taxes and other statutory returns. As required by law, we pay our taxes to government on an annual basis. In 2020, our tax payments amounted to the sum of ₦985,901,000. Other details about our 2020 tax returns can be found in the relevant sections of this report.

History & records	2020	2019
of tax paid	₦985,901,000	₦1,676,623,000

As an organization, we believe that we are in business not only for profit, but also to create sustainable value for our stakeholders. One of the ways we achieve this is by creating jobs directly, and leveraging our business operations to boost positive multiplier effects in the larger economy. In the year under review, we increased our workforce by 58 new employees, to meet our business expansion objectives.

Employee Category	Number Employed
Senior Management	3
Managers	9
Senior staff	21
Junior staff	25
Total	58

We will continue to create employment opportunities for qualified talent and foster economic development through the employment opportunities that we create.

Summary of Our Economic Performance in 2020

SN	Economic Performance	2020	2019
1.	Economic Value Generated	₦'000	₦'000
	Net revenues	11,562,426	5,840,709
	Total capitalisation broken down in terms of debt and equity (For private sector organisations)	Debt: 24,104,358 Equity: 12,719,820	Debt: 18,987,051 Equity: 11,089,285
2.	Economic Value Distributed		
	Employee wages, salaries and benefits	2,232,442	2,042,045
	Operating costs	16,447,633	21,647,079
	Dividend paid to shareholders	1,059,775	2,649,438
	Local Procurements (All operations)	8,998,291	9,060,043



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 footprint on the physical environment.



Product Responsibility Practices

We ensure that we produce Dangote refined salt in line with applicable regulations. We align with the code of practice of the National Food and Drug Administration and Control (NAFDAC). As a leading manufacturer of refined salt, seasonings and other consumables, we are committed to producing high quality food and agro-allied products using best manufacturing practices. Our business principle is centered around quality products, services and customer satisfaction. We are therefore committed to continual improvement and periodic review of policies, objectives, processes and systems in line with the requirements of NIS ISO 9001:2015 Quality Management System Standards.

Our product responsibility strategy includes the following:

• **Product fortification**

We have taken extra measures to fortify our salt with Potassium Iodate which contains the micronutrient iodine required for the formulation of thyroid hormones which helps bone and brain development during pregnancy and infancy, among other health benefits. By doing this, we are complying with SON NIS (Nigeria Industrial Standards) on food grade salt production. The regulators who visits our factory monthly and quarterly to ensure compliance with the set standards certify us as fully compliant.

• **Responsible and healthy sourcing of raw materials**

We strive to ensure that the raw materials that we require for our productions are sourced responsibly. From the point of cultivation, harvest and throughout the value chain, we ensure that raw materials for our salt are sourced from certified suppliers possessing a Certificate of Analysis (COA), which is reviewed and documented by our team. Upon arrival into Nigeria, same review is conducted to verify the result of the initial analysis. The selection of

Sustainability Report

ship is equally considered before loading the crude salt. We also conduct in-house and external analysis to confirm adherence to required standards and ensure that supply is according to specifications.

• Product Information and Labeling

Our Salt pack is properly labeled, and all information clearly stated in complete adherence with relevant regulatory labelling format. Based on regulatory requirements, we ensure that the fortification logo indicating that our salt is fortified is strategically placed in the label. The label also indicates iodine content in mg/kg, expiry date/best before date, as well as details of our contacts as required by NAFDAC. These best practices ensure that we get a clean bill during visits by regulatory inspectors.

• Product Quality and Assurance

We apply quality assessment (QA) procedures and processes to ensure that the final product comply with local iodization standards and quality control (QC) that involves sampling and testing of the final product. During production/refining of salt, our quality team has positioned what we call 'Perquisite Plan' (PRP) and 'Operational Perquisite Plan' (OPRP) metal detectors to trap foreign bodies in the salt. We have online checkers who perform critical checks every hour. At the end of each production cycle, the product is certified safe and fit for consumption.

• Packaging practices and responsible waste management

We practice minimization of packaging materials and strive to achieve up to a near zero waste outcome. Our packaging comes from a QA/QC audited packaging company to guarantee excellent suppliers' quality management practice.

• General measures to protect public health and workers' safety in the production process

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

• Procurement Practices and Local Content

Our procurement practices are governed by strong ethical values, fairness, transparency and the commitment to support local industries and businesses. We endeavor to prioritize local contractors and vendors in our effort to grow the Nigerian economy. We also deliberately source our materials as much as is practicable, from the local market. In the year under review, our total procurement spending was ₦19.4billion, out of which ₦9.0billion was spent on local purchases, representing 46.4%. We will continue to improve on our percentage spending on local procurement as our way of supporting local industries and the larger economy.

We understand the value that we create through the patronage of local vendors, suppliers and contractors. We will continue to prioritize the local market as much as is feasible.

• Marketing and Communication Practices

We endeavor to drive marketing and communication practices that align with best practices. We abhor all forms of anti-competitive behavior and de-marketing of competitors. We ensure that our marketing communications are factual, verifiable and supports our vision of being a model brand in the Nigerian salt industry. The safe use of our products and disposal of packaging waste is effectively communicated to our esteemed consumers. In the year under review, we were not sanctioned by any regulator for breach of marketing and communication regulations. We will continue to sustain this achievement.

• Sales, Marketing and Promotional Activities

In order to increase sales and grow our market share, we engage in marketing of our products to drive awareness and promote their availability. As one of Nigeria's largest salt and seasoning manufacturers, we conduct a wide range of sales and promotional activities in different parts of the country and at different times of the year. In doing this, we are committed to responsible, ethical and customer centric sales and marketing practices for all our products.

Our sales and marketing efforts seek to accurately inform purchasing decisions and consumer choices by bringing the highest standards and level of integrity to it. We follow all applicable laws and regulations regarding the promotion, marketing and sales of our products, including ensuring

that our communication is clear and void of ambiguity, legible, truthful, accurate, balanced, fair, complete and not misleading, and is consistent with regulatory approvals for our products.

In the course of the reporting year, we held a number of sales, marketing and promotional activities as well as consumer engagement initiatives. These, and the locations where they were held are reflected in the table below.

Other Initiatives

Customer Service Week: The Customer Service Week is a yearly event dedicated to celebrating the importance of customer service and the people who serve and support customers on a yearly basis. NASCON held its 2020 Customer Service Week between October 05 and October 09, 2020. The theme of this year's commemoration was "Dream Team" and its was aimed at reflecting the importance of teamwork in providing outstanding and excellent service to all customers. Activities during the week ranged from daily quiz, practical customer engagement

sessions, importance of caring for your customers among others.

On the grand finale, we had a virtual presentation from Head HSSE/Sustainability, with the theme as "Team Beats COVID-19". We closed the session with staff making individual commitment to drive unity in service to our customers. This was followed by award and recognition of some outstanding staff. At the end, NASCON staff were once again reoriented on the need to offer excellent customer service to both internal and external customers at all times.

Customer Care Annual Report:

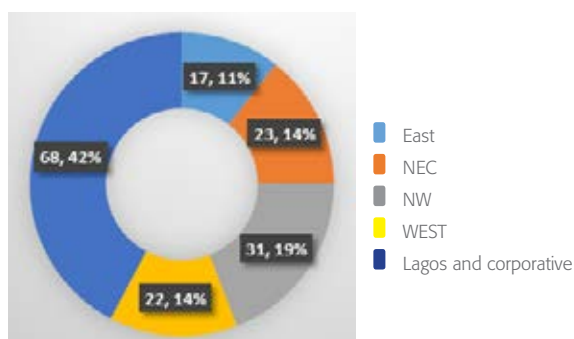
As part of our yearly activities, we document our customer care performance for each out going year using the customer care annual activities to create more awareness of our products and services, appreciate our internal and external customers and report achievement and strategy to meet our goal via the customer care platform. The report reflects key issues, impact and performance in the course of the year under review.

Activity	Description
Promotions	Wholesalers and Retailers Buy & Win
MIT	Market Impact Team
Promotions	Display & Win
Sellout Drive	Direct Commando Sales
Promotions	Trade Loader for DanQ Chicken and Market Activation
Sellout Drive	OMR-Agency Drive
NPD	New Product Launch - Dangote Classic 24x50
Consumer Engagement	Door2Door Activation for Dangote Classic
Consumer Engagement	Classic Seasoning Consumer Promo
Empowerment	Warehouse Support
Sales Conference	Sales Commercial Team Annual Event

Sustainability Report

A major highlight of the 2020 report is the number of customer service issues reported and resolved per region. In all, a total of 161 issues were reported in the year under review. The graph below indicates the number of issues reported in different regions of the country. In keeping with our promise of excellent customer service delivery at all times, all issues reported were resolved.

Customer Service issues Reported and Resolved Per Region



2020 Sales Performance

2020 saw us intensifying efforts in our sales and marketing activities activations with the aim of increasing sales volume, growing our market share and extending our tentacles to different parts of the country through expanding our distribution network. However, the disruption brought about by the COVID-19 pandemic resulting in severe economic consequences across Nigeria also affected our performance. This however did not affect our overall profitability. Our goal in the coming year is to re-strategize and increase our performance and physical presence across board.

It's Awoof Galore in the Chop Life Promo

Buy 2 Sachets of Dangote Classic Seasoning and WIN...

A Cow, A Ram, Electric Kettles, Table Top Cookers & MANY OTHER EXCITING Prizes

HOW TO WIN

Buy a minimum of 2 sachets of Dangote Classic Seasoning

Take your sachets to the nearest redemption centre to obtain a scratch card.

Scratch the card and what you see is what you WIN!

Everybody is a WINNER in Dangote Seasoning Chop Life Promo!

Terms and Conditions Apply
The promo is approved by the FICPC



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 Investments

A key aspect of our business philosophy is to support our host communities by improving human capital development index and overall wellbeing. Our key areas of focus include healthcare, education, skills and capacity building, water and sanitation, among others. We work very closely with our host communities in various ways to spur development as well as set up structures for ensuring the sustainable management of the projects that we donate.

We are committed to supporting host communities through impactful social investments.

COVID-19 Interventions

As part of efforts to cushion the economic effect of the pandemic, NASCON donated palliatives in large quantities to host community members. Facemasks, hand sanitizers, hand washing soap, among others, were also distributed.



We implemented sensitization campaigns on staying safe during the pandemic by observing practices such as personal hygiene, wearing of facemasks and observing social distancing. These community initiatives were further supported by NASCON employee volunteers as they observed the 2020 Dangote Sustainability Week. In the course of our engagement with host communities in the year under review, we observed strict COVID-19 safety protocols.

Anti-corruption

NASCON has a zero tolerance for bribery and corruption in any form. We recognize that corruption inhibits trust and negatively affects the business. Among our employees and supply chain partners, we discourage acts that could violate our code of conduct and national laws and regulations.

NASCON Anti-Bribery and Corruption Policy establishes our commitment to the highest standard of ethical conduct in all operations and business activities. We are entrenching a culture of honesty, transparency and trust among employees, and with all external parties. The policy provides clear guidelines on acceptable conduct of business activities and stipulates the need for high standard of integrity, due diligence and professionalism at all times.

Also, we adhere to the United Nations Global Compact (UNGC) principles on anti-corruption. We comply with the anti-corruption laws in the market where we do our business.

We have a whistleblowing policy that mandates that all identified cases of fraud and corruption to be reported to the relevant authority without any fear of reprisals. During trainings and onboarding sessions, we also ensure our staff are made aware of our stance on bribery and corruption.

Sustainability Report

Child Labour, Forced or Compulsory Labour

We do not condone child labour in any of our operations and within our supply chain. We consider the use of child labour as a grievous offence because we understand the long-term negative effect on our society. We do not employ children to work in any of our operations and we do not engage suppliers and vendors that engage children as workers. We adhere to the UNGC principles on child labour and the International Labour Organisation's (ILO) Standards on child labour.

In the same vein, we abhor all forms of forced or compulsory labour resulting in servitude, bonded labour or slavery, both in our operations and within our supply chain. We encourage our employees and stakeholders to report all suspected cases. In the year under review, we did not record any reported case of child labour, forced or compulsory labour. We will remain vigilant in our operations to ensure that this status is maintained.

Human Rights Assessment and Non-Discrimination

In our workplaces and in the communities where we operate, we regard respect for human rights as fundamental to our business sustainability. We conduct our business in a responsible and fair manner, with respects for the rights of all stakeholders.

We do not tolerate discrimination, harassment, bullying or abuse and we will not work with anyone, including any supplier, who does not adopt these values. We emphasize the importance of treating individuals justly and in a non-discriminatory manner, in our recruitment activities, operations, and in all engagements with communities and other key stakeholders.

Diversity and equal opportunity

At NASCON, we are building a diverse and inclusive workplace. We are an equal opportunity employer. In our recruitments, compensations, training, promotions, transfers and other business activities. We do not discriminate against persons on any basis, including gender, race, ethnicity, political affiliation, tribe, religion, age, educational background, social-economic status, etc. We recognize the uniqueness in opinions and the unique value that a diverse team brings. We therefore strive to ensure that all employees irrespective of their background and social affiliations are given equal opportunity to thrive and succeed.

We give equal opportunities to all employees in our recruitment, selection and retention practices. We also carry out our vendor selection/supplier engagement processes without any bias. Through our Dangote Women's Network, we strive to create a culture that appreciates and recognizes the female gender for the great value that they bring to our business.

In the year under review, our employees between the ages of 18 -30 years represented 17.6% of our total workforce; 31-50 years represented 78.4%; while 51 years and above represented 3.94%. We remain committed to fostering a diverse and inclusive workplace where the views of all employees are heard; their concerns are attended to; and where partiality and discrimination is out rightly discouraged.

Diversity of Leadership

We understand that one of the many ways of fostering creativity in our workplace is to promote diversity and inclusion across board, including in our leadership team. We understand that a diverse workplace is a melting pot of fresh ideas with the uniqueness in experiences and perspectives brought in by each individual. Thus, our leadership team consists of persons from diverse backgrounds including age, gender, race, nationality, experience, and educational qualifications.

In the year under review, our executive management team consisted of 15 persons including 12 males and 3 females, representing 80% and 20%, respectively. In addition, our Board of Directors consisted of 6 males and 4 females, representing 60% and 40%, respectively. We will continue to promote gender diversity in our leadership positions.

Health and Safety

Ensuring the health and safety of our employees, customers and host communities is critical to our business sustainability. We understand that this is one of the determining factors of our continuous productivity and success as an organization. We amplify awareness on safe behaviors within our workforce through continuous HSE training and awareness sessions. We have a health and safety system in place, which is guided by a comprehensive health and safety policy statement.

Our safety protocols are implemented by all cadres of staff and at all levels of operations, including our manufacturing sites, offices and by our drivers and other logistics personnel.

Key initiatives that we have implemented to ensure continuous improvement in our health and safety practices includes:

- Existence of well trained and certified NEBOSH personnel
- Establishment of a site clinic to administer first aid care to any onsite incident as well as agreement with a reputable hospital to handle very serious accident cases
- Implementation of safety inductions which capture all the responsibilities of management and employees towards their health and safety on site.
- Regular emergency preparedness drills to ensure staff preparedness for any eventuality.
- Periodic hosting of site safety meetings to communicate the performance rating of the business and plans to continuously improve staff health and safety on site.
- Fortnightly facility tours by top management to garner firsthand view of Plant equipment and elicit feedback from staff on safety status. Based on information garnered, decisions and close out actions are taken to ensure compliance with applicable safety and health standards on site.
- Providing equal opportunities for staff to express their observation and report unsafe acts and conditions on site using our risk observation cards and register. The blame culture and reprisals are discouraged as part of this initiative.

- To eliminate health issues on site, we conduct medical fitness test for all employees during entry, while working and during exit. This is to measure the impact of our business operations on the health of staff before they leave the business.
- Tracking and monitoring of all occupational health risk arising from our operations and the introduction of action points to ensure a sustainable operation that minimizes risk to the health of staff and the wellbeing of the physical environment.
- Entrenchment of the practice of commencing meetings with a health and safety moment to promote good safety culture in all management meetings, including board meetings

These measures have helped us in significantly improving our health and safety performance during the year under review, compared to previous years. The table below presents highlights of our health and safety performance in 2020.

	2020 Key Performance Indicators	Status
Health and Safety Performance	Fatality - Plant	0
	Lost Time Incidents	4
	Recordable Incidents	8
	Near Misses / Incidents	67
	Road Traffic Accidents	27
	Unsafe Acts/Unsafe Conditions	3,235
	HSSE Trainings	22
	HSSE Inductions	64



Sustainability Report

YOU CARE ABOUT THE PEPPER YOU BUY



IT'S TIME TO
CARE
ABOUT
YOUR SALT
REFINED, IODIZED, PURIFIED



Choose Quality, Choose Dangote Salt



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 footprint 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 endeavor 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 fallout from our business operations, including salt dust, CO₂ emissions, and so on. We remain committed to continually improving our environmental stewardship.

Environmental Performance

Energy consumption

One of our top priorities is to consistently improve our production processes to reduce our carbon footprint. Part of this entails increasing energy efficiency in our entire manufacturing chain. We actively create space for new ideas



and see innovation as the way we turn these ideas into business success. In the year under review, we retrofitted our facilities, and switched from conventional lights to low wattage and high lumen LEDs across our Plant.

We acknowledge the impact of our current energy consumption on our carbon footprint. We are implementing energy cost control program to reduce not just cost but our overall energy consumption. This is one of our steps towards actualising a comprehensive energy management system.

The table below represents our different sources of energy and amount consumed during the reporting year:

Energy Type	Amount Consumed
Natural Gas	117,225 M3
Diesel	363,576 liters
Purchased Electricity	1,236,426 Kwh

Water

Water is a vital resource that supports life. But it is fast becoming depleted due to human and industrial activities. At NASCON, we are conscious of the need to foster responsible water consumption and effluent management in our operations, to save this critical resource for future availability and use.

In the year under review, we undertook several water efficiency measures:

- Replacement of water tap heads across our plants with motion sensor taps, ensuring optimal water use during hand washing.
- Switching all the toilets within our operations to dual flush systems.

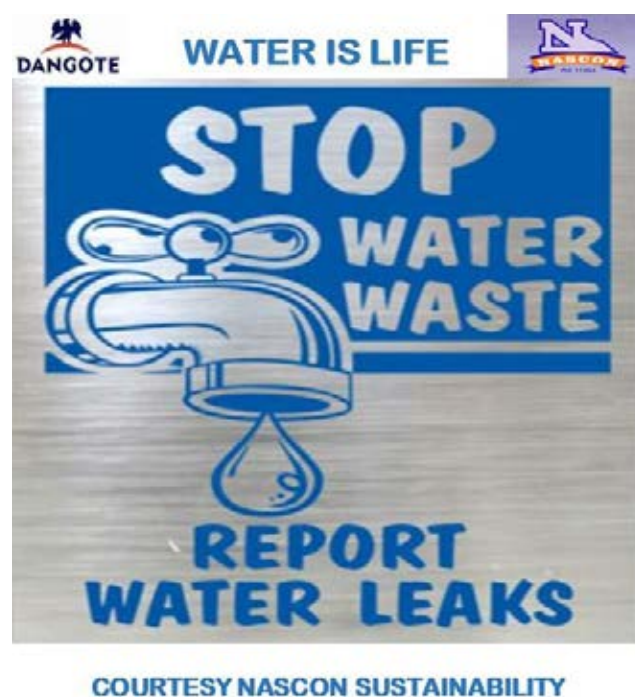
Sustainability Report

- Installation of more waterless urinals in the male restrooms at the new salt village plant.
- Installation of reverse pump on refinery centrifuge for recycling of water.
- Installation of flow meters for analyzing water usage trends.
- Use of flow trip switch in all water storage tanks to avoid water wastes through overflow spills.
- Awareness training and sensitization of staff on saving the world by responsible water usage.
- Enlisting of NASCON's sustainability champions to drive the 2020 water efficiency campaign; and placement of awareness signage at strategic locations in our Plants and Offices during the three-month initiative.

Water and Energy Efficiency Campaigns

In 2020, we implemented water and energy conservation campaigns with the aim of sensitizing staff on the need to conserve water and energy. Activities carried out during the campaign includes the placement of awareness posters in strategic locations in our Plants. Also, we encouraged workers to comply with the water and energy conservation messages through the introduction of sensor taps. Employees were enlightened on the need to switch off power sources when not in use and after close of work. We also introduced water meters to calculate water utilization from the source; and energy consumption in relation to production output. This initiative provided some insight to our management and employees on our sustainability agenda and goal.

In 2020, our total water consumption was 25,086 cubic meter; total water consumed was 994.75 cubic meter while total water discharged was 24,090 cubic meter.



Emissions

As a way of managing our emissions, we engaged a certified environmental auditor to carry out quarterly audits on our environmental performance. The report from the audit exercise is jointly reviewed by recognised federal and state environmental agencies. Also, a biennial review of our Environmental Impact Assessments (EIAs) is conducted. These reports form the basis for our performance reviews and guide our course of action in our emissions management interventions. Part of efforts at reducing emissions in the year under review include the construction of a brand new factory and retrofitting of our old burners. NASCON recorded zero cases of noncompliance with emission limits in the year under review.

Gaseous Emissions CO (ppm)	ND
SO (ppm)	ND
NO (ppm)	ND
NO ₂ (ppm)	0.1
H ₂ S (ppm)	ND
O ₂ (%)	21.7
NH ₃ (ppm)	ND
HCOH (mg/m ³)	0.06
TVOC (mg/m ³)	0.182
% LEL (ppm)	ND

Waste Management

We generate various types of waste during the production, packaging and distribution of our products. Our wastes are classified into hazardous and non-hazardous and managed in line with best practices. Hazardous wastes are handed over to government authorized waste management agencies, while non-hazardous wastes are reduced, reused, recovered and recycled; or disposed through government authorized waste brokers. We comply with the Environmental Protection and Management Regulations of Nigeria. In 2020, we did not record any case of regulatory infractions on waste management.

The table below indicates our hazardous and non-hazardous waste volume in 2020.

Waste Type	Hazardous Waste	4,032
	Non-hazardous Waste	17,976

Dust Emission

In keeping with the tenets of our HSE policy as well as our belief in protecting the health and safety of employees and wellbeing in our environment, we have put in place measures for controlling our salt dust emissions to prevent them from harming our employees, visitors and host community members. We have installed a system of dust trapping cyclones within our operating sites to prevent the dust from spreading to our surroundings. Also, our people are provided with facemasks and other required PPEs as they work in the factory. We have put in place a daily dust measurement system which enables us to monitor and evaluate trends on dust leakage. We remain committed to significantly reducing our salt dust emissions by adopting newer, more innovative management systems.



Risks and Opportunities due to Climate Change

A key risk posed by climate change that may substantively affect our operations, revenue, and expenditure is the environmental impacts resulting from increase in sea levels and how this could influence the ability to mine and process salt. This may result in inability to purchase crude salt for import and processing. We are however currently exploring other sources of Crude Salt to ensure business continuity and sustainability.



The Use of Iodized Salt *helps prevent Iodine Deficiency*



CHOOSE QUALITY, CHOOSE DANGOTE SALT



Building a global brand that is driven by governance excellence

Institutional Standards

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

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

Stakeholder Engagement

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

Stakeholder Categories

Internal Stakeholders	Employees
	Executive Management
	Board of Directors
External Stakeholders	Vendors, Suppliers and Contractors
	Host Communities
	Media and NGOs
	Distributors and Customers
	Government/Regulators.
	Financiers/Banks
	Investors and Shareholders



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

We have developed multiple channels of engagement with our diverse stakeholder base, including town hall meetings, annual general meetings, management retreats, and other formal and informal parley sessions.

In the year under review, we held the 'Project Disclosure Engagement' with Alayabiagba Community in Ajeromi-Ifelodun Local Government Area of Lagos State. The community had complete representation from all segments, including community elders, men, women and youths, trade unions, representatives of road transport union, the Local Government Chairman, Baale, Council of Chiefs, among others. Essentially, the engagement was held to acquaint members of the community with the establishment of the new NASCON Plant in the community; highlight the eco-friendly technology that will be deployed in the operation of the Plant; and the potential socioeconomic benefits that the community stands to gain as a result of NASCON's business presence in their community. The community welcomed the development and leveraged the engagement to kick-start discussions on their interests and expectations.

In addition to this, many of our employees volunteered towards community development during the year, recording significant impacts and goodwill.

Sustainability Report

INFLUENCE	HIGH	Government/ regulatory agencies		Investors/ Shareholders	
		Media	Customers/ distributors Host communities	Financiers/ Banks	Employees
		Non-Governmental Organisations/ CSOs		Suppliers/ contractors	
	LOW	External Affiliations/ Associations	Competitors		
		LOW	HIGH		
INTEREST					



NASCON Plc: How we engaged our different stakeholders in 2020

Stakeholder	Engagement Method	Frequency	Key Topics
Employees	Meetings in small groups, one-on-one engagements, notice board, emails, newsletters, sustainability reporting, surveys, awards and recognition, etc.	As required	Career growth and development, compensation and benefits, sustainability performance and reporting, equal opportunities for all employees, skill/knowledge development, health, safety, social and environment, etc.
Vendors, suppliers and contractors	Onsite / Virtual Audit and Inspection, Emails, One-on-One Engagements, Meetings, courtesy Visits.	Regular	Invoices and payments, products and service quality, health, safety, social and environment practices, pricing, aftersales support and efficiency, ESG practices, etc.
Distributors and customers	Emails, one-on-one engagements, meetings, customer service week, customer service complaints office, courtesy Visits	As required	Meeting targets, value creation, ensuring production continuity, credit line, Customer Trucks Empowerment Scheme (CTES), distributors award initiatives.
Host Communities	One-on-one engagements, Town hall meetings, interest group communications, Stakeholders engagement, focus group meetings, surveys, courtesy Visits.	As required	Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure and skill acquisitions.
(Social) Media	Press releases, media parley, sustainability report, annual financial report, conferences.	As required	Governance restructuring, Advertisement, public service announcements, social and environmental impacts
Government/Regulatory agencies	Official letters/emails, periodic assessments, compliance filing and reporting, annual financial report, sustainability report	As required	Formal notices, applications, policies and regulations, compliance, tax
Financiers/Banks	Annual financial report, sustainability report, meetings	As required	Investments opportunities, loan financing, credit negotiations, interest rates
External Affiliations/Associations	Letters, meetings, sustainability report, workshops, other foral.	Monthly, biannually, annually	Memberships subscriptions, partnerships, policy reviews
Non-Governmental Organizations/CSOs	Annual financial report, sustainability report, meetings, partnerships, courtesy Visits	As required	Community development, environmental impacts, social initiatives, partnership for sustainable development

Sustainability Report

Labor Unions	Meetings, emails, letters, sustainability report, courtesy Visits	As required	Labor laws and regulations, productivity, employees' rights & obligations, safe working conditions, compensations and benefits.
Investors/ Shareholders	Annual General Meetings, , investors relations forum, quarterly and annual financial report, sustainability report, newsletters	Continuous	Quality of leadership, business Strategy, financial performance, dividends, corporate governance, board composition, external reporting, ESG compliance.



Materiality Assessment

As part of our stakeholder engagement and sustainability reporting process in line with the GRI Standards reporting framework adopted for this report, we conducted our first materiality assessment in the year under review. Starting with our internal stakeholders, we carried out a comprehensive survey to elicit the views of employees and identify the issues that are of key relevance to them in our business operations. This is because, we consider our employees as critical part of our success story. In future, we will broaden the scope of our materiality assessment survey to include other key stakeholders such as supply chain partners, investors, and host community members.

The 2020 survey questionnaires were administered electronically, enabling our employees to respond conveniently and anonymously. A total of 77 employees across our operations responded to the survey. Of this total respondents, 57 were male while 20 were female, representing 74% and 26%, respectively. Senior level staff constituted 64% of the respondents, followed by Management level staff (19%) and Junior staff (13%). Executive management constituted 4% of the respondents. About 31% of respondents have spent above 10 years at NASCON Allied Industries Plc.

Following the outcome of the exercise, key internal and



external issues that concern our operations were ranked, according to the priorities that our employees gave to them, either as these impact them or the business. For internal social and workplace issues, twelve indicators were ranked high among all the indicators listed.

Career growth and development was the leading indicator for employees, with 61% response rate; followed by compensation and benefits at 56%. Other issues of material importance to NASCON employees include capacity/skills and knowledge development, occupational health and safety, among others. Community health and safety was the top external social issue, according to employees' views, followed by infrastructural development in host communities and educational empowerment of host communities' members. Other issues of key concern to employees are found in subsequent graphs in this report.

These critical feedbacks are put into consideration in our business decision making. They will be further reviewed and an action plan developed to address them as part of our continuous improvement efforts.

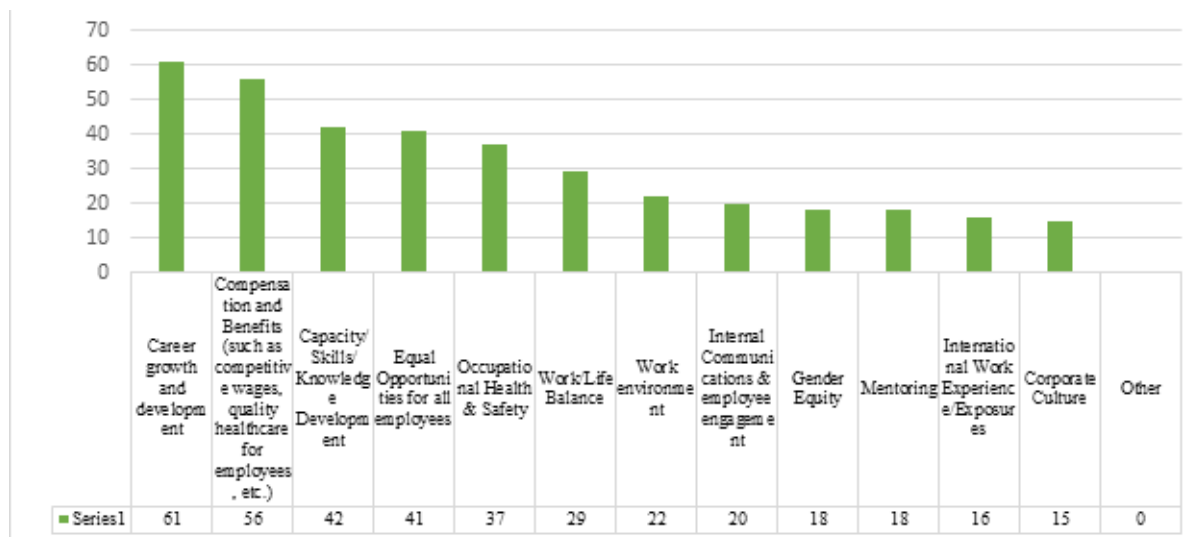
Materiality Assessment Process

The process adopted for our materiality assessment is indicated in the diagram below:

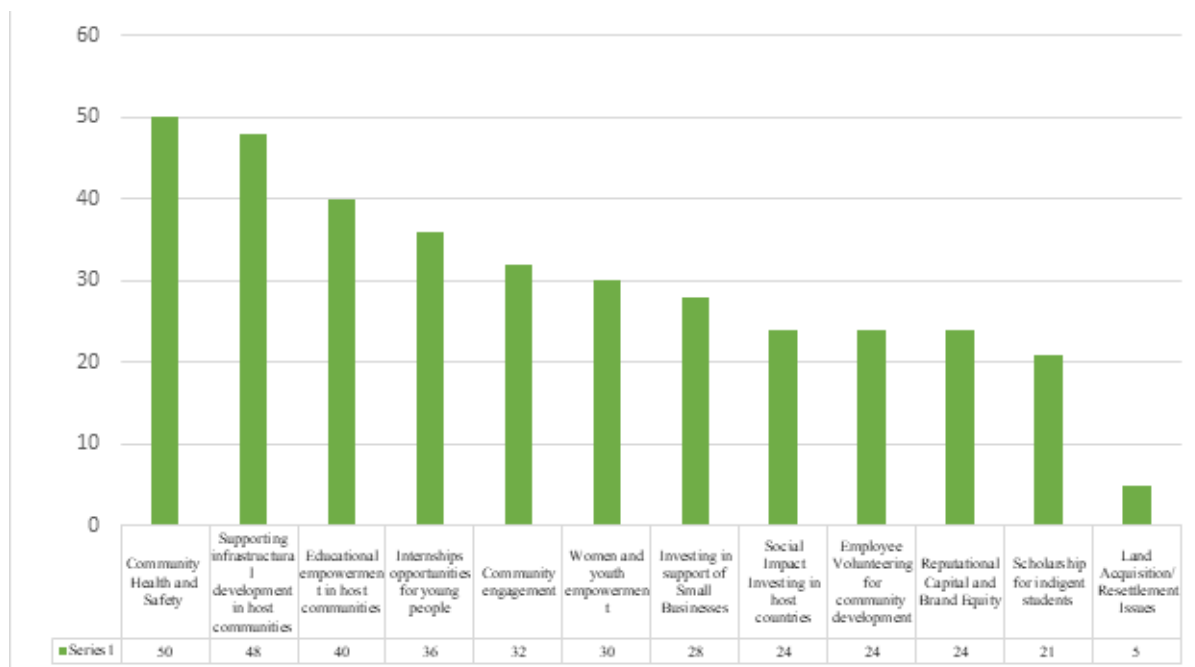


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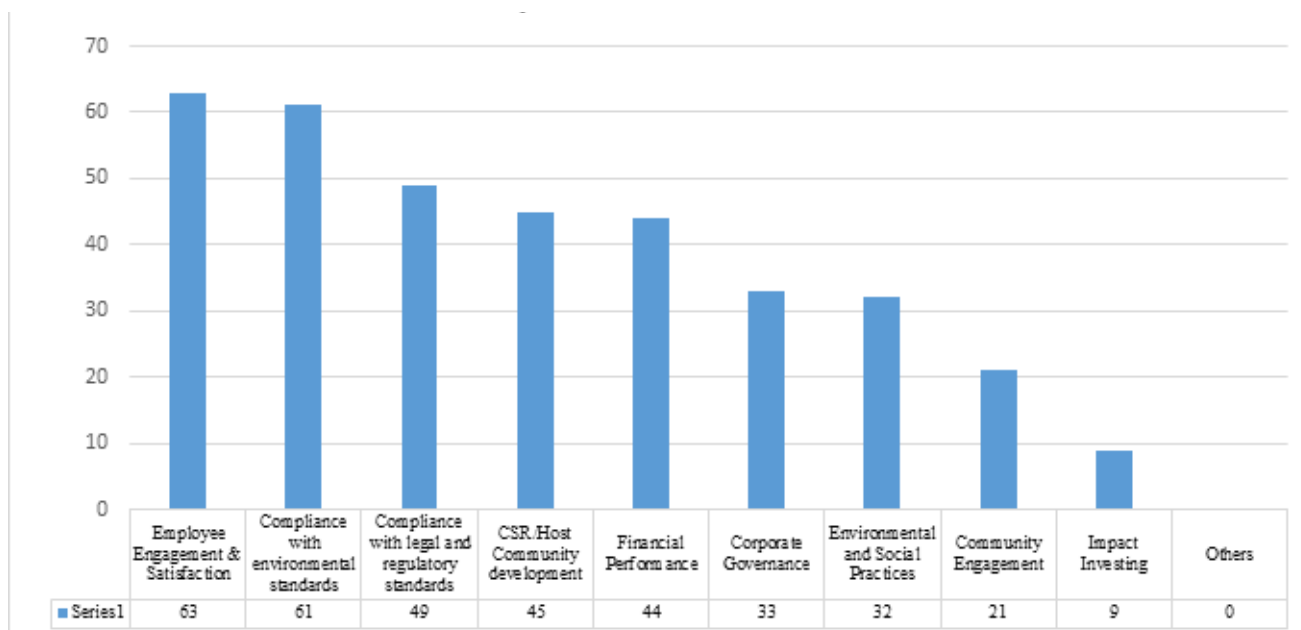
Top internal social and workplace related issues that are important to employees of NASCON Allied industries Plc



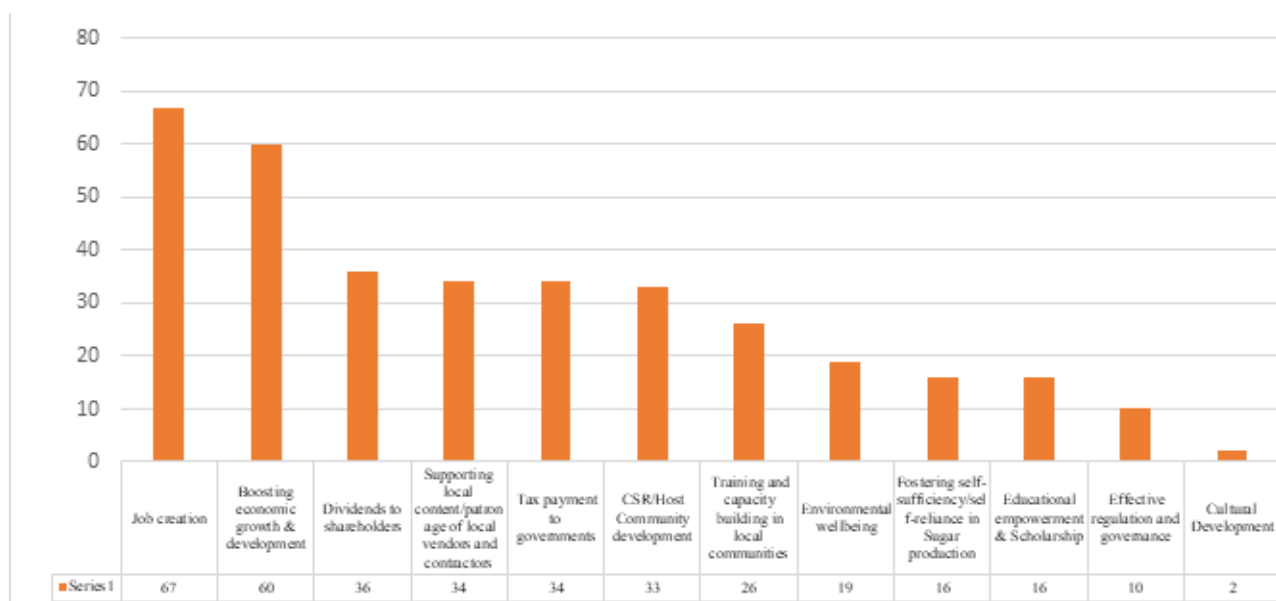
Top external social issues that are important to employees of NASCON Allied industries Plc



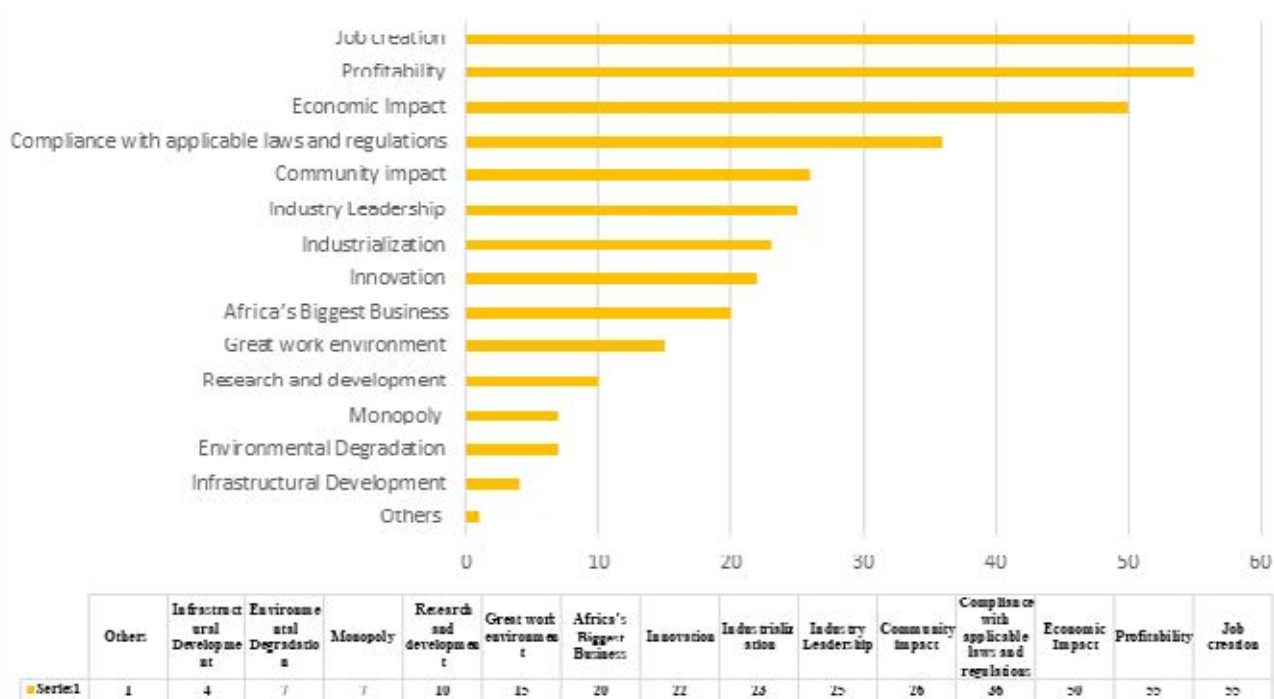
Top issues that NASCON Allied industries Plc employees think are critical for the future and sustainability of the Company's brand



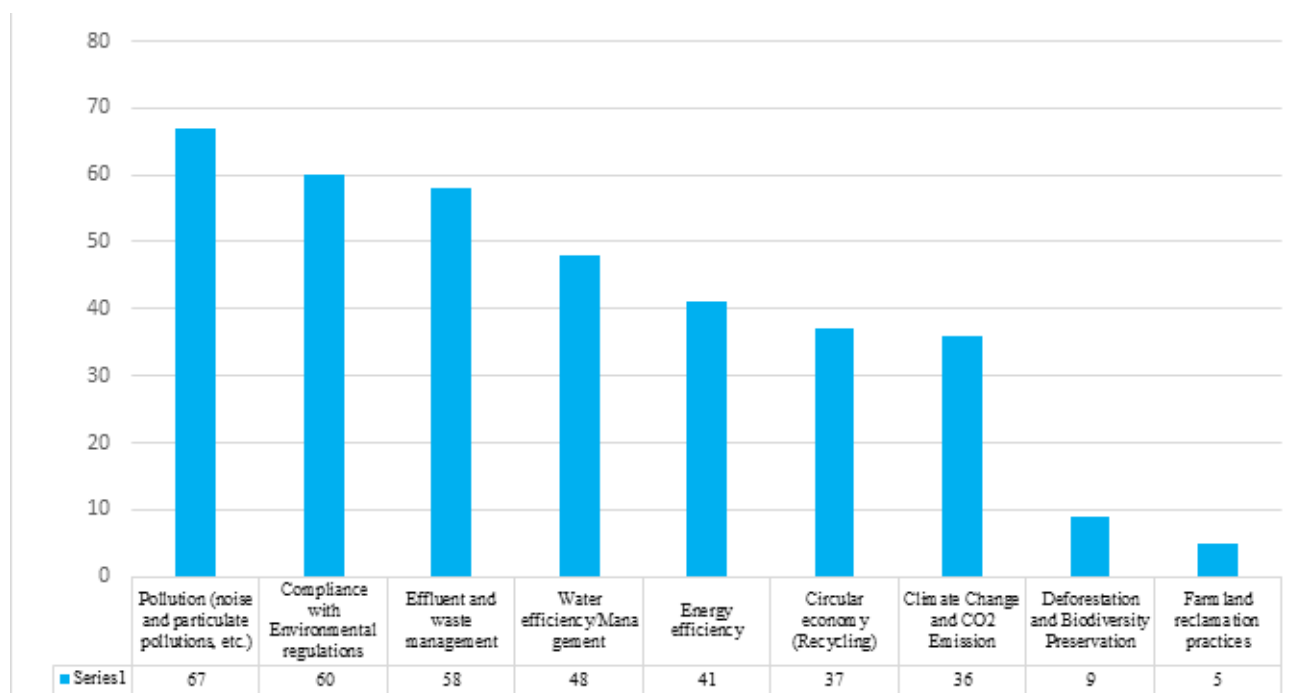
Top issues that best describe NASCON Allied industries Plc employees' perception of the impact on the Company's brand has on the country and host communities.

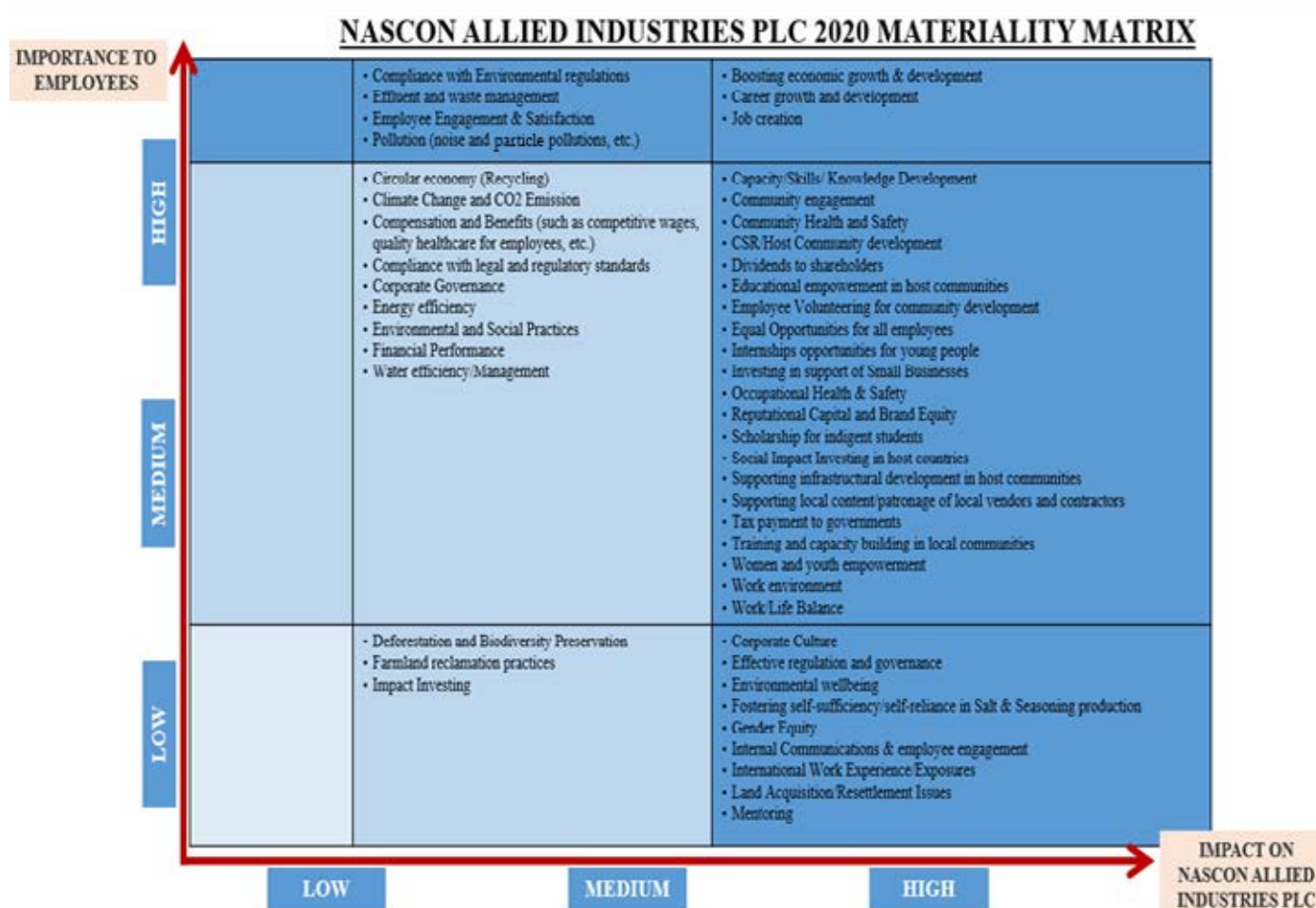


Top synonyms that come to NASCON Allied industries Plc employees' mind when Company's brand are mentioned



Top environmental issues that are important to employees of NASCON Allied industries Plc





Performance Enhancement Plans and Targets

We have adopted a practical approach to improving on our sustainability performance. With support from our Group Sustainability function, we developed a 3-year sustainability implementation roadmap in the year under review, to further define our priorities and the required actions and timelines for executing on our sustainability objectives. The roadmap is designed not only to activate our sustainability priorities but also to entrench our goal of integrating best ESG practices into every aspect of our business operations. Furthermore, we have developed a monthly sustainability performance measurement and monitoring template that enables us track how we are faring in our journey of continuous improvement. In the process of tracking and reporting, we are able to identify gaps and work towards filling them, as required.

Aligning Our Sustainability Strategy with the UN SDGs

We see the United Nations' Sustainable Development

Goals (UN SDGs) as an opportunity to respond to national challenges, leveraging a global platform that converges stakeholders, required human and economic resources, skills and competences to generate practical solutions. Like many organizations, we are on a journey to embed the SDGs into our business planning and activities, with a focus on those goals that are closely aligned with our business focus and objectives.

As part of Africa's major conglomerate, in 2020 we defined our SDG priorities and are aligning them with the principles and objectives behind our 7 Dangote Sustainability Pillars. As 2030 draws closer, and with the increasing pressure from COVID-19 pandemic which has destabilised socioeconomic wellbeing in several markets, there is no better time than now to review our SDG implementation strategy and focus on niche aspects that are material to our business line and where we have the comparative advantage to make meaningful impact. The table below captures our priority SDGs and their materiality to our organization.

Sustainability Report

**NASCON's
Priority SDGs****Importance/Materiality to NASCON Allied Industries Plc**

- Ensuring food sufficiency in our line of product, effective market penetration and distribution.
- Supporting distressed communities to fight hunger as part of our CSR initiatives.
- Providing jobs and enhanced income opportunities for indigenes of communities where the Backward Integration Projects are located.
- Support for local farmers through our Out-growers Scheme.



- Creating awareness on good housekeeping, healthy living habits and healthy use of our products in host communities and consumers.
- Supporting healthcare facilities in local communities as part of our CSR initiatives.
- Providing fortified products to help address Vitamin A deficiency.



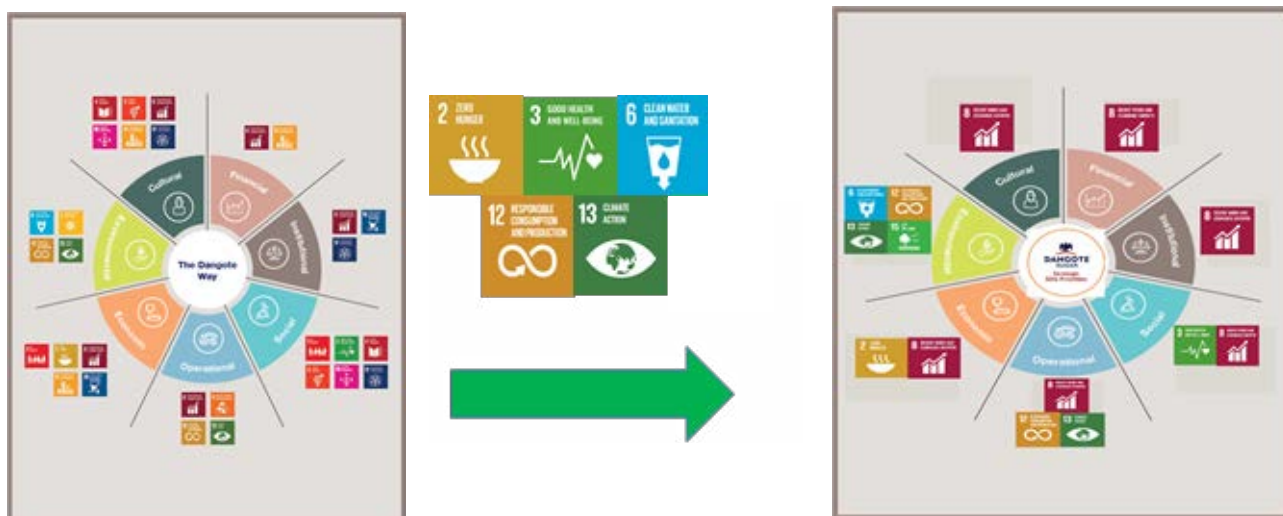
- Ensuring responsible use of water (recycling and reuse) and creating awareness among employees, communities and other stakeholders on the importance and required action for achieving water efficiency and conservation.
- Ensuring non-pollution of water ways through effective water and effluent treatment before discharge, in conformity with applicable regulations.
- Practicing the principle of Spilt Prevention, Control and Countermeasure (SPCC) in sanitary activities.
- Supporting local communities with boreholes and potable water as part of CSR initiatives.



- Ensuring Product Responsibility through best practices in sourcing and processing of raw materials, chemicals and packaging of products.
- Substantially reducing waste generation through prevention, reduction, recycling and reuse ahead of imminent Extended Producer Responsibility (EPR) regulations.
- Ensuring operational efficiency and health and safety best practices across our value chain.



- Supporting the global fight against climate change by developing and implementing strategic CO2 reduction plans.
- Commitment to reducing our environmental footprint through responsible production processes that reduce emissions to globally acceptable levels.
- Recovery of process effluent through use of the brine recovery system to recover and recycle common salt, acid and water.
- Converting waste to alternative fuel (Circular Economy) as required.



Regulatory Compliance

NASCON complies with all applicable ESG principles, guidelines and regulations in Nigeria, including:

- National Environmental Standards and Regulations Enforcement Agency (NESREA)
- Lagos State Environmental Protection Agency (LASEPA)
- Host Local Government Areas
- Federal Ministry of Environment Abuja
- Lagos State Ministry of Environment
- Industrial Training Fund (ITF)
- National Agency for Food and Drug Administration and Control (NAFDAC)
- Standards Organisation of Nigeria (SON)
- Ministry of Labour and productivity
- Nigerian Port Authority (NPA)
- Federal Road Safety Corps (FRSC)

We recorded zero incidence of ESG regulatory infractions in the reporting year.

Our Reporting Practice

This report provides an overview of the progress we are making in our sustainability journey. The data presented in this report covers our full year, spanning 1 January to 31 December, 2020. It also covers activities carried out in our business office in Lagos and other locations where we operate in the country. The report highlights our future plan and ambitions in our journey of building a sustainable business.

This Sustainability Report is structured along our 7 Dangote Sustainability Pillars, and is combined with our 2020 Annual Financial Report.

It gives insight into our stakeholder engagement approach and articulates how we have identified and managed matters that NASCON Allied Industries Plc and its key stakeholders consider to be important for our business operations in the year under review. To identify the material issues, in 2020 we deployed a comprehensive employee survey. The feedback received enabled us to determine key issues that are important to our employees and their perception of how we are performing in our sustainability journey. It also enabled us to generate NASCON's 2020 Materiality Matrix, as well as the content of this report.

GRI-Referenced Service

This Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and thus adopts the "GRI-Referenced" claim. It is our first GRI-Referenced Sustainability Report. This has guided our selection of the required indices from the Global Reporting Framework to report on – in line with our economic, social and environmental performance - and thus ensured transparency on how we have applied the standards.

Other Reporting Framework

This report has also been cross referenced with other frameworks, principles and standards for sustainable development such as the United Nations' Sustainable Development Goals (SDGs) and the United Nations Global Compact (UNGC), which our parent company (Dangote Industries Limited) is a member.

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national similarities with
this great nation of ours.



Global Reporting Initiative Content Index

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	SDGS	UNGC	NSE	PAGE
RULES AND BASIS FOR REPORTING						
GRI 101: Foundation 2016		Rules and basis for reporting				
ORGANIZATIONAL PROFILE						
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	102-3	Location of headquarters				12-13, 165-166
	102-4	Location of operations				12-13, 165-166
	102-5	Ownership and legal form				88-96, 165-166
	102-6	Markets served				12-13
	102-7	Scale of the organisation				12-13, 88-92
	102-8	Information on employees and other workers				28-29, 48-51
	102-9	Description of the supply chain	Goal 9 & Goal 12			12-13, 54-57
	102-10	Significant changes to the organisation and its supply chain				12-13, 54-57
	102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation		Environment: Principle 7		62-64
	102-12	Externally developed economic, environmental, and social statements, principles, or other initiatives adopted or endorsed by the organisation			Social, Environment	46-47
	102-13	Membership in associations and organisations				12, 76
	102-14	Statement from senior management				8-10, 14-16
	102-15	Key impacts, risk, and opportunities				30-36
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	102-17	Mechanisms for advice and concerns about ethics				70-74, 91

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	102-25	Conflicts of interest	Goal 16			98-101
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	102-31	Review of economic, environmental, and social topics				66-69, 70-74
	102-32	Highest governance body's role in sustainability reporting			Governance	88-92, 93-96, 98-101
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	102-36	Process for determining remuneration				28-29, 88-92
	102-37	Stakeholders' involvement in remuneration				28-29, 66-69, 70-74, 88-92
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	102-41	Employees under collective agreements				No data/information
	102-42	Basis for identification and selection of stakeholders involved by the organisation				28-29, 66-69, 70-74
	102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group				28-29, 66-69, 70-74
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	102-51	Date of most recent previous report (if any)				76
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	102-54	Indication of whether the report was compiled as per the GRI Standard in the Core or Comprehensive option				GRI Referenced
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2020 ANNUAL REPORT

CORPORATE GOVERNANCE



Corporate Governance Report

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



General information

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

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

Compliance

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

Board of Directors

The Board delegates the day-to-day running of the Company's affairs to the Managing Director supported in this task by an Executive Management Committee.



Corporate Governance Report

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

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

Responsibilities of the Board of Directors

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

- Ensure integrity of the Company's financial and internal control policies.
- Ensure the accurate, adequate and timely rendition of statutory returns and financial reporting to the regulatory authorities (Nigerian Stock Exchange, Corporate Affairs Commission, Securities and Exchange Commission) and shareholders.
- Ensure value creation for shareholders, employees and other stakeholders.
- Review and approve corporate policies, strategy, annual budget and business plan
- Monitor implementation of policies and the strategic direction of the Company.
- Set performance objectives, monitor implementation and corporate performance.
- Review and approve all major capital expenditure of the Company.
- Ensure that the statutory rights of shareholders are protected at all times.

Meeting of the Board of Directors

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

Record of Directors' meetings

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

Board meeting attendance:

The Committee held seven (7) meetings in 2020

'Yemisi Ayeni	7/7
Paul Farrer	7/7
Fatima Aliko-Dangote	6/7
Olakunle Alake	6/7
Halima Aliko-Dangote	6/7
Abdu Dantata	7/7
Sada Ladan-Baki	7/7
Chris Ogbechie	7/7
Knut Ulvmoen	7/7
Fatima Wali-Abdurrahman	7/7

Key activities of the Board:

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

Board Committees

The Board delegated some of its responsibilities to standing committees that consists of Executive Directors and Non-Executive Directors. These are the Establishment and General Purpose Committee and Finance, Risk and Audit Committees. The Committees report to the Board of Directors on their activities and decisions which are ratified by the full Board, at a meeting.

In compliance with the practices of good corporate governance, the Chairperson of the Board is not a member of either of these committees.

The Finance, Risk and Audit Committee

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

The Committee is comprised of seven (7) Directors:

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

Key matters of the committee:

- Reviewed the 2019 annual reports and accounts
- Reviewed the 2020 quarterly financial reports
- Reviewed the critical accounting policies applied in the preparation of the financial statements
- Reviewed the reports on key operational risks and the related controls and processes to manage and mitigate said risks

Finance, Risk and Audit Committee attendance:

The Committee held five (5) meetings in 2020

Chris Ogbechie	5/5
Paul Farrer	5/5
Fatima Aliko-Dangote	4/5
Olakunle Alake	4/5
Halima Aliko-Dangote	4/5
Abdu Dantata	5/5
Sada Ladan-Baki	5/5

The Establishment and General Purpose Committee

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

The committee is comprised of five (5) Directors:

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

Key matters of the committee:

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

Establishment & General Purpose Committee attendance:

The Committee held four (4) meetings in 2020

Knut Ulvmoen	4/4
Paul Farrer	4/4
Fatima Aliko-Dangote	3/4
Halima Aliko-Dangote	3/4
Fatima Wali-Abdurrahman	4/4

The Statutory Audit Committee

The Committee is made up of six (6) members, three (3) representatives of Shareholders and three (3) members of the Board of Directors. The members are elected annually at General Meetings. The Committee, in compliance with the requirement of good corporate governance practices is chaired by a representative of the Shareholders and include:

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

Statutory Audit Committee attendance:

The Committee held four (4) meetings in 2020

Okey Nwuke	4/4
Umar Farouk	4/4
Kudaisi Ayodele Sarat	4/4
Halima Aliko-Dangote	3/4
Abdu Dantata	4/4
Chris Ogbechie	3/4

Corporate Governance Report

Key matters of the Committee:

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

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

Code of Business Conduct and Code of Governance

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

Whistle Blowing Policy

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

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

Employees and other stakeholders are encouraged to report incidents of misconduct in a confidential and anonymous manner through the internal reporting channels (i.e. Line Manager, Head of Department, and Managing Director) and/or the outsourced KPMG Ethics Line. The Board subscribed to the KPMG Ethics Line to strengthen confidence in our Whistle Blowing Policy. The KPMG Ethics

Line contact details are: 0703 000 0026, 0703 000 0027, 0808 822 8888, 0708 060 1222, 0809 993 6366 or kpmgethicsline@ng.kpmg.com.

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

Security Trading Policy

In accordance with Rule 17 of the NSE 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 NSE 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 2020 financial year. There is no case of non-compliance with the Policy. Furthermore, the compliance of the Company Directors with the listing rules and the anti-insider trading policy will continue to be disclosed in the Company's quarterly and other financial reports.

Complaints management

The Company has adopted a complaints management policy in accordance with the requirements of the Securities and Exchange Commission's rules relating to the Complaints Management Framework of the Nigerian Capital Markets.

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

Conflict of Interest and related-party transactions

The Board maintains procedures to ensure that related-party transaction and potential conflicts of interest are identified, disclosed and managed. Details of the related-party transactions during the year is set out on page 155.

Shareholders' Interest and Relations

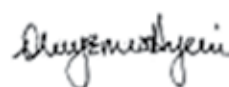
The Board ensures the protection of the statutory and general rights of shareholders at all times particularly their rights to vote at the general meetings. All shareholders, regardless of volume of shareholding or social status are treated equally. The Company has an Investor Relations team that manages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

Annual General Meeting (AGM)

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

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

The Annual General Meeting to discuss this 2020 Annual Report will be held at the Civic Centre, Victoria Island, Lagos, at 11.00am on Friday 28th May 2021 and the meeting will be virtual.



Yemisi Ayeni
Chairperson



Board & Committee Structure

10 Board of Directors

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

5 Establishment and General Purpose Committee

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

6 Statutory Audit Committee

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

7 Finance, Risk and Audit Committee

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

15 Management Committee

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

Board of Directors



■ Y. Ayeni



■ P. Farrer



■ F. Aliko-Dagote



■ O. Alake



■ H. Aliko-Dangote



■ A. Dantata



■ S. Ladan-Baki



■ C. Ogbechie



■ K. Ulvmoen



■ F. Wali-Abdurrahman

Board of Directors

1. 'Yemisi Ayeni
Chairperson

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

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

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

2. Paul Farrer
Managing Director

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

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

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

3. Fatima Aliko-Dangote
Executive Director, Commercial

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

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

4. Olakunle Alake
Director

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

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

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

5. Halima Aliko-Dangote
Director

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

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

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

6. Abdu Dantata
Director

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

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

7. Sada Ladan-Baki

Director

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

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

8. Chris Ogbachie

Independent Director

Chris has wide experience in marketing, strategy and corporate governance derived from his work as Head of Marketing/Sales at Nestle Nigeria and from his consulting work with Nigerian, Ghanaian and Kenyan firms over the years.

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

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

9. Knut Ulvmoen

Director

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

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

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

10. Fatima Wali-Abdurrahman

Director

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

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

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

www.nasconplc.com



Meals taste better with



Report of the Directors

“The Board is satisfied that the Annual Report represents a fair, balanced and realistic view of events during the 2020 financial year”



The Directors are pleased to submit their report together with the audited financial statements of the Company for the year ended 31 December, 2020. Having considered all the matters reviewed and brought before the Board, the Board is satisfied that the Annual Report represents a fair, balanced and realistic view of events during the 2020 financial year.

Legal form

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

Principal Activities

The principal activities of the Company during the year include processing of Raw Salt into Refined, Edible and Industrial-use Salts and Seasoning.

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 the Companies and Allied Matters Act, LFN 2020. In doing so, they ensure that:

- proper accounting records are maintained;
- applicable accounting treatments are followed;

Report of the Directors

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

Directors

The appointment, removal or re-appointments of Directors is governed by the Company's Articles of Association and the Companies and Allied Matters Act (CAMA), LFN 2020. These documents also set out the rights and obligations of the Directors. The Company has ten (10) Directors. Their biographies are contained in pages 95 to 96.

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

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

Company Distributors

The Company's products are distributed by distributors 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, Spices and Mixes are sold under the brand name Dan-Q, Dangote Classic Seasoning, Dangote Stew Mix and Dangote Curry.

Suppliers

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

Business Review

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

- Chairperson's Statement on page 8 - 10
- Managing Director's Review on pages 14 - 16
- Chief Financial Officer's Review on pages 18 - 22
- Human Resources Report on pages 28 - 29
- Risk Management Report on pages 30 - 36
- HSE Report on pages 38 - 43
- Corporate Governance Report on pages 88 - 92

Results of the Year and Dividend

Total revenue of the Company was ₦28.01 billion {2019: ₦27.49 billion}. Profit for the year was ₦2.69 billion {2019: ₦1.85 billion}. Proposed final dividend for 2020 is ₦0.40 {2019: ₦0.40} per share amounting to ₦1.06 billion {2019: ₦1.06 billion}.

Events after the reporting period

There were no significant developments since the balance sheet date which could have had a material effect on the state of affairs of the Company as at 31 December, 2020 and the profit for the year ended on that date, which have not been adequately recognized.

Unclaimed Dividends

The total amount outstanding as at 31 December, 2020 is ₦741.67 million. A summary of the report is on page 168. The list of unclaimed dividends is available on the company website - www.nasconplc.com. The Company notes that some dividend warrants have remained unclaimed, therefore all shareholders with unclaimed dividends should address their claims to the Registrars - Meristem Registrars and take advantage of the e-dividend by completing the form included in page 169.

Rotation of Directors

By virtue of Section 285 (1) & (2) of the Companies And Allied Matters Act, LFN 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, Chris Ogbechie, Olakunle Alake and Sada Ladan-Baki are retiring by rotation and being eligible, offer themselves for re-election. No Director has a service contract not determinable within five years.

Director's Shareholding Interests	As at December 31, 2019	As at December 31, 2020	As at 25 February, 2021
1. 'Yemisi Ayeni	-	200,000	200,000
2. Paul Farrer	-	-	-
3. Fatima Aliko-Dangote	-	-	-
4. Olakunle Alake	4,419,959	4,419,959	4,419,959
5. Halima Aliko-Dangote	-	-	-
6. Abdu Dantata	2,000,000	2,000,000	2,000,000
7. Sada Ladan-Baki	1,159,005	1,028,497	1,028,497
8. Chris Ogbechie	100,000	100,000	100,000
9. Knut Ulvmoen	-	-	-
10. Fatima Wali Abdurrahman	-	-	-

Director's Shareholding Interests

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

Substantial interest in shares

The Registrar has advised that according to the Register of Members on December 31, 2020 Dangote Industries Limited (62.19%) with 1,647,763,557 ordinary shares of 50 kobo each and Stanbic IBTC Nominees Limited (8.63%) with 228,519,832 ordinary shares of 50 kobo each held more than 5% of the issued share capital of the Company. Analysis of shareholdings are summarised in the table below.

Analysis of shareholdings as at 31 December 2020

Range	No. of Holders	Holders %	Units	Units %
1 - 1,000	21,789	64.17	8,307,006	0.31
1,001 - 5,000	6,177	18.19	15,485,938	0.58
5,001 - 10,000	2,040	6.01	14,625,846	0.55
10,001 - 50,000	2,938	8.65	62,945,446	2.38
50,001 - 100,000	485	1.43	35,926,937	1.36
100,001 - 500,000	394	1.16	80,156,125	3.03
500,001 - 1,000,000	69	0.20	49,817,180	1.88
1,000,001 - 5,000,000	43	0.13	87,147,599	3.29
5,000,001 - 10,000,000	10	0.03	64,184,938	2.42
10,000,001 and above	11	0.03	2,230,841,363	84.20
	33,956	100	2,649,438,378	100.00

Free Float

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

Share Capital History

All issued shares are fully paid and no additional shares were issued in 2020. Details of the share capital history are set out on page 161.

Corporate Governance

- The Company is committed to the best practice and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.
- Members of the Board of Directors hold quarterly meetings to decide on policy matters and direct the

Report of the Directors

affairs of the Company, review its performance, its operations, 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, LFN 2020, the record of Directors' attendance at Boarding 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 out of which two (2) are Independent.
- Appointment to the Board is made by shareholders at the Annual General Meeting upon retirement of a Director.
- The Board, from time to time, routinely empowers committees to examine and deliberate on finance and establishment related issues.

Non-current assets

Movements in Property, Plant and Equipment during the year are shown in Note 20 (pg 140) 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.

General Mandate Circular

In compliance with the rules of the Nigerian Stock Exchange governing transactions with related or interested persons, the General Mandate circular in respect of all recurrent transactions that may be entered into with a related party or interested person which are of a revenue and trading nature or are necessary for the Company's operations including but not limited to the procurement of goods and services on normal commercial transactions terms as contained in the circular on page 164 will be considered for approval at the Annual General Meeting.

Evaluation of the impact of COVID-19

Despite the exceptional challenges brought about by the COVID-19 pandemic on the different socio-economic factors during the year 2020, the priority of the NASCON Board and Management was ensuring the welfare of all stakeholders. We developed a mechanism that ensured regular monitoring of the company's financial position throughout the peak periods of the pandemic, and also during the socio-political disruptions that occurred alongside the pandemic. The focus of the Board and Management

was on mitigating the impact of the COVID-19 on the business.

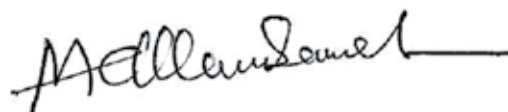
Statutory Audit Committee

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

Independent Auditors

PricewaterhouseCoopers (Chartered Accountants) have indicated their willingness to continue in office as the Company's Auditors in accordance with section 408(6) of the Companies' and Allied Matters Act, LFN 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
25th February, 2021



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2020 ANNUAL REPORT
FINANCIALS



Statutory Audit Committee Report

This report is provided by the audit committee appointed in respect of the 2020 financial year of NASCON Allied Industries Plc.

1. Members of the Statutory Audit Committee

The Audit Committee is made up of six (6) members, three (3) representatives of Shareholders and three (3) members of the Board of Directors. Members of the Audit Committee are elected annually at General Meetings. The Committee in compliance with the requirement of corporate governance practice is chaired by a representative of the Shareholders and include:

Name Position

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

2. Meetings held by the Statutory Audit Committee

The committee held four (4) scheduled meetings during 2020.

Name	20-Mar-20	20-Apr-20	24-Jul-20	28-Oct-20
Okey Nwuke	Yes	Yes	Yes	Yes
Umar Farouk	Yes	Yes	Yes	Yes
Kudaisi Ayodele Sarat	Yes	Yes	Yes	Yes
Halima Aliko-Dangote	Yes	Yes	No	Yes
Abdu Dantata	Yes	Yes	Yes	Yes
Chris Ogbechie	Yes	Yes	No	Yes

3. Statutory Audit Committee Responsibilities

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

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

4. Security Trading Policy

In accordance with Rule 17 of the Nigerian Stock Exchange 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 NSE Listing Rules.

Statutory Audit Committee Report

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 2020 financial year. There is no case of non-compliance with the Policy.

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

5. External Auditors

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

5 February, 2021

Members of the Committee

Umar Farouk

Kudaisi Ayodele Sarat

Halima Aliko-Dangote

Abdu Dantata

Chris Ogbechie

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements for the year ended 31 December 2020

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 2020, 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 and in the manner required by Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, the Financial Reporting Council Of Nigeria Act.

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

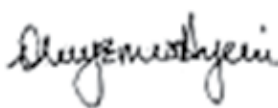
- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient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

The Directors' are responsible for:

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

The financial statements of the Company set out on pages 114 to 159, for the year ended 31 December 2020, were approved by the Board of Directors on 25 February, 2021

Signed on behalf of the Board of Directors By:



Yemisi Ayeni

Chairperson

FRC/2013/IODN/0000073173



Paul Farrer

Managing Director

FRC/2016/IODN/0000015797

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 2020.

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 2020.
- Certified that the company's internal control are effective.
- There are no deficiencies in the design or operation of internal control 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 control 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 control or factors that could significantly affect internal controls subsequent to the date of our evaluation.



Paul Farrer

Managing Director

FRC/2016/IODN/0000015797



Tunde Iwamofe

Financial Controller

FRC/2013/ICAN/0000002247



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

Report on the audit of the financial statements

Our opinion

In our opinion, NASCON Allied Industries Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

NASCON Allied Industries Plc's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2020;
 - the statement of financial position as at 31 December 2020;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended;
 - the accounting policies; and
 - the notes to the financial statements
-

Basis for opinion

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

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

Independence

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





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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of property, plant and equipment</i></p> <p>Included in property, plant and equipment are cash generating units for the vegetable oil plant and tomato paste plants with aggregate carrying value of ₦1.5 billion. These assets have remained idle due to the company's inability to obtain feedstock required for production at commercially viable volumes.</p> <p>Due to the existence of this impairment indicator, the directors have carried out an impairment assessment on the plants to determine the recoverable amount of the plants, based on the depreciated replacement value. Depreciated replacement value is a fair valuation method which involves determining the current cost of replacing an asset less deductions for depreciation, which reflects the guidance of IAS 36 – Impairment of assets.</p> <p>The depreciated replacement value requires significant use of judgement, as well as assumptions and inputs, such as market information, current macro-economic and monetary indices and condition of the assets. Changes in these assumptions and inputs could have a significant impact on the determination of the recoverable amount, and hence the amount of impairment loss, if any, to be recognized. There was no impairment loss on both the vegetable oil and tomato paste plants.</p> <p>Refer to accounting policies 2.8, 2.10.2 and 3.1.1. The carrying value of the plants have been included in the value of property, plant and equipment disclosed in Note 20.3 to the financial statements.</p>	<p>We carried out substantive audit procedures over the impairment assessment carried out by the directors. In particular:</p> <ul style="list-style-type: none"> • With the assistance of our independent valuation experts, we challenged the directors on the depreciated replacement value model used; • We checked the current market information, current macro-economic and monetary indices utilized in preparing the depreciated replacement value, against independent external sources for consistency; • We challenged management on their assessment of the condition of the assets, and physically inspected the assets; • We compared the depreciated replacement values to the carrying amounts; and • We reviewed the disclosures for reasonableness.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of trade receivables</i></p> <p>Trade receivables from third parties and related parties net of loss allowance amounted to ₦12.9 billion. We focused on this area because of the significant value of trade receivables and because the directors make significant and subjective judgement over the timing, estimation and recognition of the related loss allowance.</p> <p>IFRS 9 "Financial Instruments" deals with the expected credit loss (ECL) model, which requires significant judgement. The directors have adopted the simplified approach in assessing the loss allowance for trade receivables. Significant judgement exercised by the directors include:</p> <ul style="list-style-type: none"> • definition of default and significant increase in credit risk adopted by the company. • methodology used to determine the loss rates for the calculation of the lifetime ECL. • incorporating forward looking information in the ECL model. <p>Refer to accounting policies 2.13 and 3.1.3. The carrying value of trade receivables has been disclosed in Note 23 to the financial statements.</p>	<p>We adopted a substantive approach to test this balance. Specifically, we:</p> <ul style="list-style-type: none"> • Checked the reasonableness of the criteria identified in the definition of default and significant increase in credit risk; • Selected a sample of customer accounts to check the sales and settlement pattern used in developing the loss rates; • Checked the forward-looking information used in the ECL model to externally available macroeconomic information and assessed reasonableness of the macroeconomic indices used; and • Reviewed the IFRS 9 disclosures for reasonableness.



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 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 2020 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 2020 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 the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

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

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

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

Report on other legal and regulatory requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's statement of financial position and statement of profit

Oladele Oladipo

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria



26 February 2021

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

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020

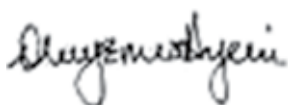
	Note(s)	2020 N'000	2019 N'000
Revenue from contracts with customers	5	28,010,059	27,487,788
Cost of sales	7	(16,447,633)	(21,647,079)
Gross profit		11,562,426	5,840,709
Other income	8	19,895	12,804
Other operating gains/(losses)	9	580,237	(16,338)
Movement in credit loss allowances	10	51,681	(61,205)
Distribution costs	11.1	(5,796,629)	(829,637)
Administrative expenses	11.2	(2,390,072)	(2,044,961)
Operating profit		4,027,538	2,901,372
Investment income	12	51,076	90,518
Finance costs	15	(171,898)	(222,811)
Profit before taxation		3,906,716	2,769,079
Taxation	17	(1,216,406)	(923,836)
Profit for the year		2,690,310	1,845,243
Other comprehensive income		-	-
Total comprehensive income for the year		2,690,310	1,845,243
Earnings per share			
Per share information			
Basic and diluted earnings per share (Kobo)	19	102	70

The accounting policies on pages 118 to 129 and the notes on pages 130 to 159 form an integral part of the financial statements.

Statement of Financial Position as at 31 December 2020

	Note(s)	2020 '000	2019 N'000
Assets			
Non-Current Assets			
Property, plant and equipment	20	16,698,217	15,174,724
Right of use assets	21	3,700,122	3,639,895
		20,398,339	18,814,619
Current Assets			
Inventories	22	5,159,451	4,428,658
Trade and other receivables	23	13,362,101	10,543,379
Other financial assets	24	667,506	590,350
Other assets	25	2,121,224	631,052
Cash and cash equivalents	26	2,600,370	3,660,734
		23,910,652	19,854,173
Total Assets		44,308,991	38,668,792
Equity and Liabilities			
Equity			
Share capital	27	1,324,719	1,324,719
Share premium	28	434,037	434,037
Retained earnings	29	10,961,064	9,330,529
		12,719,820	11,089,285
Liabilities			
Non-Current Liabilities			
Borrowings	31	38,570	3,338,570
Finance lease liabilities	32	3,432,057	3,257,168
Retirement benefit obligation	33	152,424	158,529
Deferred tax	18	2,444,458	2,082,976
		6,067,509	8,837,243
Current Liabilities			
Trade and other payables	34	23,097,507	15,586,893
Finance lease liabilities	32	136,594	465,153
Contract liabilities	35	1,500,383	1,772,063
Current tax payable	17	787,178	918,155
		25,521,662	18,742,264
Total Liabilities		31,589,171	27,579,507
Total Equity and Liabilities		44,308,991	38,668,792

The financial statements and the notes on pages 114 to 159, were approved by the board on the 25 February 2021 and were signed on its behalf by:



Yemisi Ayeni

Chairperson

FRC/2013/IODN/0000073173



Paul Farrer

Managing Director

FRC/2016/IODN/0000015797



Tunde Iwamofe

Finance Controller

FRC/2013/ICAN/0000002247

The accounting policies on pages 118 to 129, and the notes on pages 130 to 159 form an integral part of the financial statements.

Statement of Changes in Equity as at 31 December 2020

	Share capital ₦'000	Share premium ₦'000	Total share capital ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance at 1 January 2019	1,324,719	434,037	1,758,756	10,134,724	11,893,480
Profit for the year	-	-	-	1,845,243	1,845,243
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,845,243	1,845,243
Dividends	-	-	-	(2,649,438)	(2,649,438)
Total contributions by and distributions to owners of company recognized directly in equity	-	-	-	(2,649,438)	(2,649,438)
Balance at 1 January 2020	1,324,719	434,037	1,758,756	9,330,529	11,089,285
Profit for the year	-	-	-	2,690,310	2,690,310
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,690,310	2,690,310
Dividends	-	-	-	(1,059,775)	(1,059,775)
Total contributions by and distributions to owners of company recognized directly in equity	-	-	-	(1,059,775)	(1,059,775)
Balance at 31 December 2020	1,324,719	434,037	1,758,756	10,961,064	12,719,820

The accounting policies on pages 118 to 129 and the notes on pages 130 to 159 form an integral part of the financial statements.

Statement of Cash Flows as at 31 December 2020

	Note(s)	2020 ₦'000	2019 ₦'000
Cash flows from operating activities			
Cash generated from operations	36	9,012,930	7,806,314
Tax paid	17	(985,901)	(1,676,623)
Retirement benefit obligation paid	33	(6,105)	(39,302)
Net cash from operating activities		8,020,924	6,090,389
Cash flows from investing activities			
Purchase of property, plant and equipment	20	(4,038,187)	(5,538,185)
Proceed from sale of property, plant and equipment	20	195	2,285
Investment Income	12	51,076	90,518
Net cash from investing activities		(3,986,916)	(5,445,382)
Cash flows from financing activities			
Borrowings	31	-	3,300,000
Repayments of loans and borrowings	31	(3,300,000)	-
Dividends paid	30	(1,059,775)	(2,649,438)
Finance costs	15	(13,498)	(222,811)
Payment on Lease liabilities	32	(721,099)	-
Net cash from financing activities		(5,094,372)	427,751
Total cash and cash equivalents movement for the year		(1,060,364)	1,072,758
Cash and cash equivalents at the beginning of the year		3,660,734	2,587,976
Total cash and cash equivalents at end of the year	26	2,600,370	3,660,734

The accounting policies on pages 118 to 129 and the notes on pages 130 to 159 form an integral part of the financial statements.

Accounting Policies

Corporate information

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

The financial statements for the year ended 31 December 2020 were authorized for issue in accordance with a resolution of the directors on Thursday, 25 February 2021.

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 privatized in April, 1992 and became listed on the 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 that owns 62.19% of the issued share capital, while the remaining 37.81% is held by the general public.

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

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

1.1 The principal activity

Principal activities of the Company during the year include processing of raw salt into refined, edible and grade salt. The company also produces Seasoning and Vegetable Oil. 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 2020 to 31 December 2020 with comparatives for the year ended 31 December 2019.

1.3 Going concern status

The Company has consistently turned in Profits since 2007. The Directors' believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these Financial Statements

are prepared on a going concern basis.

2 Significant accounting policies

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

2.1 Statement of Compliance with IFRS

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

2.2 Basis of measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized 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 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.

2.3.1 Foreign currency transactions

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

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized 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 recognized in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any foreign exchange component of that gain or loss is recognised in profit or loss as other operating gains/(losses).

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency

amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.4 Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary

course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and considerations are identifiable.

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

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

Up to the periods ended 31 December 2019, recovery of delivery costs for upcountry customers were separately invoiced and recognized as haulage revenue. With effect from 1 January 2020, sales to the customers includes the delivery of products.

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 after they have been delivered.

Sale occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer

has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

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

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

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

2.5 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 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 short-term 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 obligation

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 benefit 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.

2.7 Taxation

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

Current tax

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

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the reporting date. Education tax is assessed at 2% of the assessable profits as defined by the tertiary Education Tax Act.

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Accounting Policies

net basis.

Current and deferred tax are recognised in Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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 fixtures	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 capitalized and determined to be directly required to bring the asset to the location and condition for intended use and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets,

commences when the assets are ready for their intended use.

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

2.8.4 Derecognition

An item of property, plant and equipment is derecognized 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, buildings (residential apartments) and warehouses. 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 recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

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

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

The lease payments are discounted using the company's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the

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rate that NASCON would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as 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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset where applicable.

Right of use assets

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

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

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

Short-term lease and leases of low-value assets

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

Extension and termination options

Extension and termination options are included in the Company's lease arrangements. These are used to maximize 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 Intangible assets

The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.10.1 Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

2.10.2 Impairment of Non-financial assets excluding goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of raw materials, packaging materials, work in progress, oil and lubricants, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of standard costs adjusted for variances. Standard costs are periodically reviewed to approximate actual costs.

Goods in transit are valued at the invoice price. Cost of inventories comprises of all costs of purchase, conversion cost (materials, labour and overhead) and other costs incurred to bring inventories to their present location and condition.

Finished goods, which include direct labour and factory overheads, are valued at standard cost adjusted at year-end on an actual cost basis.

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

2.12 Provisions

Provisions are recognised when:

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

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

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

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

2.12.1 Environmental costs

Costs incurred that result in future economic benefits, such as extending useful lives, increasing capacity or safety, and those costs incurred to mitigate or prevent future environmental contamination are capitalized. When the Company's management determine that it is probable that a liability for environmental costs exists and that its resolution will result in an outflow of resources, Management's best judgment/estimate of the future remediation cost is recorded as a provision without contingent insurance

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recoveries being offset (only virtually certain insurance recoveries are recognized as an asset on the statement of financial position). When the Company does not have a reliable reversal schedule or when the effect of the passage of time is not significant, the provision is calculated based on undiscounted cash flows.

Environmental costs, which are not included above, are expensed as incurred.

2.13 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 equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

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
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This

classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

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 derecognized 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:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT 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.

Impairment

The company recognizes a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through the use of a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance (note 10).

Write off policy

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

Credit risk

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

Derecognition

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

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains/(losses) on financial assets at amortised cost line item (note 9).

Trade and other payables

Classification

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

Recognition and measurement

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

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

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

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appropriate) a shorter period, to the amortised cost of a financial liability.

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

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

Derecognition

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

Cash and cash equivalents

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

Bank overdrafts

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs

Derecognition

Financial assets

The company derecognizes 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 recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

Financial liabilities

The company derecognizes 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 derecognized 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.

2.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until such time as 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.

2.15 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

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

2.16 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 company in which they are declared.

2.17 Earnings per share

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

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

3 Critical accounting judgement and key sources of estimation uncertainty

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

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

3.1 Key sources of estimation uncertainty

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

3.1.1 Impairment testing

The recoverable amounts of the vegetable oil and tomato paste plants 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 vegetable oil and tomato paste plants.

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.

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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 Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or NASCON becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee.

Notes to the Financial Statements

4. New Standards and Interpretations

4.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after January 1, 2021 or later periods:

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 unaudited financial statements.

IFRS 17 Insurance Contracts

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

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 2021 unaudited financial statements.

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

5. Revenue from contracts with customers

	2020 ₹'000	2019 ₹'000
Sale of goods	28,010,059	23,273,391
Rendering of services	-	4,214,397
	28,010,059	27,487,788

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.

Notes to the Financial Statements

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 EBITDA. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non recurring event. The measure also excludes the effects of unrealized 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. The information presented includes a reconciliation of the company's EBITDA to net profit before tax and discontinued operations.

2020

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

2019

	Revenue		
	Total segment revenue	Segment cost of sales	Segment gross profit/ (loss)
	₦'000	₦'000	₦'000
Salt	18,836,406	(12,308,027)	6,528,379
Seasoning	2,861,029	(1,857,723)	1,003,306
Tomato Paste	-	(19,811)	(19,811)
Vegetable Oil	1,575,956	(2,673,091)	(1,097,135)
Freight income	4,214,397	(4,788,427)	(574,030)
Total	27,487,788	(21,647,079)	5,840,709

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 are not considered to be segment assets and are not allocated to segments.

Notes to the Financial Statements

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 40.1 relate to the Salt segment.

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

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

2020

	Total assets	Total liabilities
	₦'000	₦'000
Salt	37,768,937	27,993,059
Seasoning	4,628,957	999,230
Tomato Paste	129,012	-
Vegetable oil	1,782,085	-
Total	44,308,991	28,992,289
Unallocated		
Retirement benefit obligation	-	152,424
Deferred tax	-	2,444,458
Total as per statement of financial position	44,308,991	31,589,171

2019

	Total assets	Total liabilities
	₦'000	₦'000
Salt	29,258,184	18,781,952
Seasoning	3,843,689	1,717,613
Tomato Paste	181,266	-
Vegetable oil	1,967,466	-
Freight	3,418,187	4,838,437
Total	38,668,792	25,338,002

Unallocated

Retirement benefit obligation	-	158,529
Deferred tax	-	2,082,976
Total as per statement of financial position	38,668,792	27,579,507

Notes to the Financial Statements

Geographical information

	2020 Revenue by location of customer ₦'000	2019 Revenue by location of customer ₦'000
East	1,982,227	1,695,294
West	7,207,318	7,015,837
North	18,820,514	18,776,657
Total	28,010,059	27,487,788

7. Cost of sales

	2020 ₦'000	2019 ₦'000
Raw materials consumed	13,467,658	13,921,257
Employee costs (Note 16)	923,122	1,048,885
Depreciation and impairment	702,931	1,897,331
Manufacturing expenses	1,225,265	1,135,720
Loading	128,657	124,935
External haulage	-	3,518,951
Total	16,447,633	21,647,079

8. Other income

	2020 ₦'000	2019 ₦'000
Sale of scrap	19,196	3,751
Insurance claim	699	9,053
Total	19,895	12,804

9. Other operating (losses)/ gains

	2020 ₦'000	2019 ₦'000
Gains/(losses) on disposals, scrappings and settlements		
Property, plant and equipment (Note 20.5)	195	(16,301)
Foreign exchange (losses)/gains		
Net foreign exchange gains/(losses)	580,042	(37)
Total other operating gains/(losses)	580,237	(16,338)

10. Movement in credit loss allowances

Trade receivables		
Increase in impairment charge on trade receivable	13,735	7,996
Related party receivables		
Decrease in impairment charge on intercompany receivables	(65,414)	53,246
Staff loans and advances		
Decrease in impairment charge on staff loans and advances	(2)	(37)
Total	(51,681)	61,205

11. Operating expenses**11.1 Distribution cost**

	2020 ₦'000	2019 ₦'000
Market activation	369,953	266,714
Branding expenses	527,916	562,923
Delivery expenses	2,986,648	-
Depreciation and impairment for trucks	1,912,112	-
Total	5,796,629	829,637

11.2 Administrative expenses

	2020 ₦'000	2019 ₦'000
Management fees	133,300	109,040
Auditors remuneration	20,000	17,400
Bank charges	45,951	56,846
Cleaning	23,908	20,164
Consulting and professional fees	43,277	43,333
Depreciation (Note 13)	305,680	332,996
Depreciation right of use assets (Note 13)	15,690	7,721
Directors' remuneration (Note 39)	163,879	186,225
Employee costs (Note 16)	1,145,441	806,935
Entertainment	26,061	37,808
Business Development	15,122	24,115
Insurance	14,833	55,633
Petrol and oil	21,122	22,631
Printing and stationery	16,116	20,752
Repairs and maintenance	41,287	45,636
Secretarial fees	47,601	46,161
Security	38,475	29,450
Staff welfare	94,850	93,860
Telephone and fax	85,632	47,113
Travel - local	88,355	34,557
Travel - overseas	3,492	6,585
Total	2,390,072	2,044,961

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

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

No non-audit services were provided by our auditors.

Notes to the Financial Statements

12. Investment income**Investments in financial assets:**

	2020	2019
	₦'000	₦'000
Bank balance	111	520
Fixed deposit	7,002	18,645
Treasury bills	43,963	71,353
Total investment income	51,076	90,518

This represents short-term investment in treasury bills. The Company holds these financial assets to collect contractual cash flows when due. The contractual cash flows represent solely payments of principal and interest. Investment income on all other financial assets has been reclassified in compliance with IFRS 9.

13. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

Depreciation

	2020	2019
	₦'000	₦'000
Property, plant and equipment (Note 20)	2,740,087	2,050,158

Amortisation

Depreciation right of use assets (Note 21)	196,326	187,889
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Total depreciation, amortisation and impairments

Depreciation and impairments (Administrative expenses Note 11.2)	321,370	340,717
Depreciation and impairments (Cost of sales Note 7)	702,931	1,897,331
Depreciation and impairment (Distribution cost Note 11.1)	1,912,112	-
Total	2,936,413	2,238,048

14. Auditors' remuneration

	2020	2019
	₦'000	₦'000
Fees	20,000	17,400

15. Finance costs

	2020	2019
	₦'000	₦'000
Interest on borrowings	113,217	183,210
Lease Interest	58,681	39,601
Total finance costs	171,898	222,811

16. Employee costs

The following items are included within employee benefits expense:

Direct labour costs

	2020 ₦'000	2019 ₦'000
Basic	615,463	712,645
Medical aid - company contributions	10,682	10,514
Other payroll levies	5,525	5,245
Leave pay provision charge	21,441	20,704
Short term benefit	220,904	255,201
Other short term costs	1,361	448
Post-employment benefits - Pension - Defined contribution plan	47,746	41,556
Termination benefits	-	2,572
Direct labour costs (Note 7)	923,122	1,048,885

Indirect employee costs

	2020 ₦'000	2019 ₦'000
Basic	691,016	455,593
Bonus	97,881	64,726
Medical aid - company contributions	3,770	3,205
Other payroll levies	41,725	11,041
Leave pay provision charge	31,660	27,249
Short term benefit	223,453	197,389
Other short term costs	13,858	11,076
Post-employment benefits - Pension - Defined contribution plan	42,078	36,656
Administrative cost (Note 11.2)	1,145,441	806,935
Total employee costs		
Direct employee costs	923,122	1,048,885
Indirect employee costs	1,145,441	806,935
Total	2,068,563	1,855,820

Notes to the Financial Statements

Average number of persons employed during the year

	2020 Number	2019 Number
Management	54	48
Senior staff	207	186
Junior staff	332	332
Total	593	566

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

₦'000	2020 Number	2019 Number
₦1 - ₦5,000	557	534
₦5,001 - ₦10,000	28	26
₦10,001 - ₦15,000	8	6
Total	593	566

17. Taxation**Major components of the tax expense****Current**

	2020 ₦'000	2019 ₦'000
Local income tax	673,571	802,569
Education tax	113,274	98,572
Police Trust Fund Levy	195	138
Adjustments recognised in the current year in relation to tax of prior year	67,884	(8,590)
Total	854,924	892,689
Deferred		
In respect of current year (Note 18)	361,482	31,147
Total	1,216,406	923,836

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 and the Education Tax Act CAP E4, LFN 2004. Company tax and education tax is calculated at 30% and 2% respectively of the estimated taxable profit for the year. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

17. Taxation (continued)**Reconciliation of tax expense**

There are no deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets is recognised in the statement of financial position.

	2020 ₦'000	2019 ₦'000
Current tax liabilities in the statement of financial position		
At 1 January	918,155	1,702,089
Charge for the year	854,924	892,689
Payment during the year	(985,901)	(1,676,623)
At 31 December	787,178	918,155

18. Deferred tax

	2020 ₦'000	2019 ₦'000
Deferred tax liability	(2,553,520)	(2,210,529)
Deferred tax asset	109,062	127,553
Total net deferred tax liability	(2,444,458)	(2,082,976)
Reconciliation of deferred tax asset / (liability)		
At January 1	(2,082,976)	(2,051,828)
Temporary difference movement in the year	(382,485)	10,878
Adjustments recognised in the current period in relation to the deferred tax of prior year	21,003	(42,026)
At 31 December	(2,444,458)	(2,082,976)

Analysis of deferred tax is made up of 31 December 2020

Deferred tax (asset) or liability in relation to:

	At 1 January 2020 ₦'000	Recognize in profit or loss ₦'000	Recognize in other comprehensive income ₦'000	At 31 December 2020 ₦'000
Property, plant and equipment	1,946,297	136,148	-	2,082,445
Allowance for doubtful debt	(127,553)	18,491	-	(109,062)
Unrealized exchange difference	264,232	126,085	-	390,317
IFRS 16 Leases	-	80,758	-	80,758
Total	2,082,976	361,482	-	2,444,458

31 December 2019 Deferred tax (asset) or liability in relation to:

	At 1 January 2019 ₦'000	Recognize in profit or loss ₦'000	Recognize in other comprehensive income ₦'000	At 31 December 2019 ₦'000
Property, plant and equipment	1,894,151	52,146	-	1,946,297
Allowance for doubtful debt	(106,567)	(20,986)	-	(127,553)
Unrealized exchange difference	264,244	(12)	-	264,232
Total	2,051,828	31,148	-	2,082,976

Notes to the Financial Statements

19. Earnings per share**Basic earnings per share**

	2020	2019
From continuing operations (kobo per share)	102	70

Reconciliation of profit or loss for the year to basic earnings

	₦'000	₦'000
Profit or loss for the year	2,690,310	1,845,243
	2,690,310	1,845,243
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- inprogress ₦'000	Total ₦'000
Cost									
Balance at									
1 January 2019	-	1,463,311	497,027	6,153,727	155,686	7,274,053	135,465	2,664,035	18,343,304
Addition	-	24,983	81,670	40,832	10,059	1,761,893	8,465	3,610,283	5,538,185
Disposal	-	(3,770)	(22,478)	(4,624)	(51,333)	(431,983)	(40,095)	-	(554,283)
Reclassification	70,000	(70,000)	-	-	-	-	-	-	-
Balance at									
31 December 2019	70,000	1,414,524	556,219	6,189,935	114,412	8,603,963	103,835	6,274,318	23,327,206
Addition	-	45,558	55,029	317,589	7,846	1,757,999	11,227	2,307,696	4,502,944
Disposal	-	-	-	-	-	(6,921)	-	-	(6,921)
Reclassification	-	1,523	5,589	1,158,024	-	-	-	(1,165,136)	-
Adjustments	-	-	-	-	-	-	-	(239,364)	(239,364)
Balance at									
31 December 2020	70,000	1,461,605	616,837	7,665,548	122,258	10,355,041	115,062	7,177,514	27,583,865
Accumulated depreciation									
Balance at									
1 January 2019	-	164,048	226,854	1,977,419	99,857	4,065,873	103,970	-	6,638,021
Charge for the year	-	29,461	126,876	418,225	21,788	1,437,668	16,140	-	2,050,158
Disposal -	-	(3,774)	(22,477)	(4,622)	(51,324)	(413,405)	(40,095)	-	(535,697)
Balance at									
31 December 2019	-	189,735	331,253	2,391,022	70,321	5,090,136	80,015	-	8,152,482
Charge for the year	-	29,077	112,213	493,220	18,844	2,071,060	15,673	-	2,740,087
Disposal	-	-	-	-	-	(6,921)	-	-	(6,921)
Balance at									
31 December 2020	-	218,812	443,466	2,884,242	89,165	7,154,275	95,688	-	10,885,648
Carrying amount									
Balance as at									
31 December 2020	70,000	1,242,793	173,371	4,781,306	33,093	3,200,766	19,374	7,177,514	16,698,217
Balance as at									
31 December 2019	70,000	1,224,789	224,966	3,798,913	44,091	3,513,827	23,820	6,274,318	15,174,724

Notes to the Financial Statements

20. Property, plant and equipment (continued)**20.1 Capital work-in-progress**

Work-in-progress comprises amounts expended on Salt village refinery project and Vegetable Oil tank farm in Apapa. Included in the capital work-in-progress during the year is ₦169.6 million (2019: ₦96.9 million) interest on financing facility of ₦1.5 billion working capital for Salt Village from Dangote Industries Limited.

20.2 Adjustments to capital work-in-progress

The adjustment represents rehabilitation of Port Harcourt warehouse.

20.3 Asset pledged as security

None of the Company's assets were pledged as security for any liabilities as at 31 December 2020 (2019:Nil).

20.4 Impairment Assessment

Included in property, plant and equipment are assets related to vegetable oil and tomato paste plants with carrying values of ₦1.342 billion and ₦122.4 million respectively as at 31 December 2020. These cash generating units (CGUs) did not operate optimally during the year, and were loss making. The Directors considered these to be indicators of impairment. These CGUs were subjected to impairment assessment using the depreciated replacement cost model of valuation, with assumptions regarding the condition of the assets, market information and macro-economic indices. The recoverable amounts of both CGUs exceeded their carrying values. Accordingly, no impairment charges have been recognized in these financial statements as at 31 December 2020. (2019:Nil).

20.5 Sale of Property, plant and equipment

	2020 ₦'000	2019 ₦'000
Net book value of disposed assets	-	18,587
Proceeds from sales	(195)	(2,286)
Losses on disposals	(195)	16,301

21. Right of use assets

This note provides information for leases where the Company is a lessee.

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right of use assets

	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2020	3,132,298	695,486	3,827,784
Additions during the year	-	370,490	370,490
Modification	-	(113,937)	(113,937)
Closing balance as at 31 December 2020	3,132,298	952,039	4,084,337
Depreciation			
Opening balance as at 1 January 2020	-	187,889	187,889
Charge for the year	-	196,326	196,326
Closing balance as at 31 December 2020	-	384,215	384,215
Net book value as at 31 December 2020	3,132,298	567,824	3,700,122

21. Right of use assets (continued)**Right of use assets**

	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2019	-	-	-
Effect of initial application of IFRS 16 -	660,610	660,610	
Restated opening balance as at 1 January 2019	-	660,610	660,610
Additions during the year	3,132,298	34,876	3,167,174
Closing balance as at 31 December 2019	3,132,298	695,486	3,827,784
Depreciation			
Opening balance as at 1 January 2019	-	-	-
Charge for the year	-	187,889	187,889
Closing balance as at 31 December	-	187,889	187,889
31 December 2019	3,132,298	507,597	3,639,895

21.1 Modification to right of use assets

The modification to right of use assets relate to changes in scope and consideration of some existing lease contract during the year (Note 32). The net impact has been recognised in the statement of profit or loss.

22. Inventories

	2020 ₦'000	2019 ₦'000
Raw materials	2,910,412	3,170,047
Work in progress	17,577	7,146
Finished goods	646,578	192,418
Spare parts and consumables	570,532	348,584
Oil and lubricants	89,748	92,083
Packaging materials	924,604	618,380
Total	5,159,451	4,428,658

During the year, there were no inventory written down/reversal to net realisable value (2019: Nil).

The cost of inventories recognised as an expense during the year in respect of continuing operations was ₦13.468 billion (2019: ₦10.921 billion).

22.1 Inventory pledged as security

No inventory was pledged as security for any liability (2019: Nil).

23. Trade and other receivables**Financial instruments:**

	2020 ₦'000	2019 ₦'000
Trade receivables	708,207	428,097
Trade receivables - related parties (Note 39.1)	12,323,559	10,120,884
Loss allowance	(146,060)	(197,741)
Trade receivables at amortised cost	12,885,706	10,351,240
Other receivables	419,005	173,477
Non-financial instruments:		
VAT	33,115	4,279
Employee loans and advances	24,275	14,383
Total trade and other receivables	13,362,101	10,543,379

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2020 ₦'000	2019 ₦'000
At amortised cost	13,304,711	10,524,717
Non-financial instruments	57,390	18,662
Total	13,362,101	10,543,379

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

Expected credit loss rate:

	2020 Estimated gross carrying amount at default ₦'000	2020 Loss allowance (Lifetime expected credit loss) ₦'000	2019 Estimated gross carrying amount at default ₦'000	2019 Loss allowance (Lifetime expected credit loss) ₦'000
Trade receivables				
Outstanding for 0 - 3 months: 4.6% (2020: 12.3%)	665,576	(37,372)	388,422	(26,922)
Outstanding for 4 - 6 months: 61.9% (2020: 67.3%)	9,800	(7,918)	9,790	(7,557)
Outstanding for 7 - 9 months: 84.2% (2020: 84.6%)	1,797	(1,775)	-	-
Outstanding for 10 - 12 months: 96.3% (2020: 98.3%)	-	-	-	-
Outstanding over 1 year: 100% (2020: 100%)	31,034	(31,034)	29,885	(29,885)
Total	708,207	(78,099)	428,097	(64,364)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	2020 ₦'000	2019 ₦'000
Opening balance in accordance with IFRS 9	(197,741)	(136,536)
Provision raised on new trade receivables	(13,735)	(61,242)
Provisions reversed on settled trade receivables	65,416	37
Closing balance	(146,060)	(197,741)

The reconciliation of gross carrying amount for NASCON is as follows:

	2020 ₦'000	2019 ₦'000
Gross carrying amount as at 1 January	10,548,981	8,455,622
Revenue from third parties	28,010,058	27,487,788
Receipts from third parties	(27,210,184)	(27,791,493)
Rebates receivable from related party	3,926,753	2,397,064
Rebates received from related party	(2,243,842)	-
Gross carrying amount as at 31 December	13,031,766	10,548,981

Notes to the Financial Statements

	2020 ₦'000	2019 ₦'000
24. Other financial assets		
Loans and receivables		
Treasury bills with maturity of less than 90 days	667,506	590,350
Current assets		
Securities held at amortised cost	667,506	590,350

25. Other assets

	2020 ₦'000	2019 ₦'000
Prepayments:		
Rent prepaid	8,019	-
Insurance prepaid	481	5,330
Prepayment-Others (Medical)	2,269	3,009
Deposit for import	1,948,437	489,519
Promotional items	162,018	133,194
Total	2,121,224	631,052

26. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020 ₦'000	2019 ₦'000
Cash on hand	3,065	2,354
Bank balances	2,597,305	3,658,380
Total	2,600,370	3,660,734

27. Share capital

	2020 ₦'000	2019 ₦'000
Authorised		
4,000,000,000 Ordinary shares of 50k each	2,000,000	2,000,000
Issued and fully paid		
2,649,438,378 ordinary shares of 50k each	1,324,719	1,324,719

28. Share premium

	2020 ₦'000	2019 ₦'000
Issued		
Share premium	434,037	434,037

29. Retained earnings

	2020	2019
	₦'000	₦'000
At 1 January	9,330,529	10,134,724
Profit for the year	2,690,310	1,845,243
Dividend declared and paid	(1,059,775)	(2,649,438)
At 31 December	10,961,064	9,330,529

At the Annual General Meeting held on 27 July 2020, the shareholders approved that dividend of 40 kobo per ordinary share amounting to ₦1.060 billion be paid to shareholders for the year ended 31 December 2019. In respect of the current year, the Directors' propose that a dividend of 40 kobo per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements. The total estimated dividend to be paid is ₦1.060 billion

30. Dividend payable

	2020	2019
	₦'000	₦'000
At 1 January	-	-
Dividend declared	1,059,775	2,649,434
Payments - Meristem Registrars	(1,059,775)	(2,649,434)
At 31 December	-	-

31. Borrowings

	2020	2019
Held at amortised cost	₦'000	₦'000
At 1 January	3,338,570	38,570
Loans (repayment)/obtained during the year	(3,300,000)	3,300,000
At 31 December	38,570	3,338,570

At the time of privatisation in 1992, the debt owed the Federal Government of Nigeria by the Company (₦38.570 million) was restructured by the Bureau for Public Enterprise. The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria.

Notes to the Financial Statements

32. Finance lease liabilities

Lease liabilities	Land ₦'000	Building ₦'000	Total ₦'000
Opening Balance as at 1 January 2020	3,253,196	469,126	3,722,322
Additions	-	370,490	370,490
Interest expenses	-	332,112	332,112
Payments made during the year	-	(721,099)	(721,099)
Modification	-	(135,174)	(135,174)
Balance 31 December 2020	3,253,196	315,455	3,568,651

Lease liabilities	Land ₦'000	Building ₦'000	Total ₦'000
Effect of initial application of IFRS 16	-	493,699	493,699
Restated opening balance as at 1 January 2019	-	493,699	493,699
Additions	3,253,196	34,876	3,288,072
Interest expenses	-	39,601	39,601
Payments made during the year	-	(99,050)	(99,050)
Balance 31 December 2019	3,253,196	469,126	3,722,322

Lease liabilities			
Current	29,629	106,965	136,594
Non-current	2,925,426	506,631	3,432,057
Total	2,955,055	613,596	3,568,651

32.1 Modification to lease liabilities

The modification to lease liabilities relate to changes in scope and consideration of some existing lease contract during the year (Note 21). The net impact has been recognised in the statement of profit or loss.

33. Retirement benefits obligation**33.1 Movement in gratuity**

	2020 ₦'000	2019 ₦'000
At 1 January	158,529	197,831
Current service cost	-	-
Benefit paid out	(6,105)	(39,302)
At 31 December	152,424	158,529

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, 2020 represents what is owed to staff who are still in service from the old scheme. As at December 31, 2020 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

	2020 ₦'000	2019 ₦'000
Contributions during the year	189,679	141,142
Remittance in the year	(189,679)	(141,142)
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 ₦105.23 million (2019: ₦78.50 million) represents contributions payable to this plan by the Company as at 31 December 2020.

34. Trade and other payables**Financial instruments:**

	2020 ₦'000	2019 ₦'000
Trade payables	3,945,958	2,634,731
Amounts due to related parties (Note 39.1)	18,028,167	11,875,509
Withholding tax payable	27,911	37,444
Unclaimed dividend	667,506	590,350
Accrued audit fees	10,120	8,820
Accrued expenses	371,432	422,045
Other payables	46,413	17,994
Total	23,097,507	15,586,893

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.

Notes to the Financial Statements

35. Contract liabilities**Summary of contract liabilities**

	2020 ₹'000	2019 ₹'000
Sales of finished goods	1,500,383	1,772,063
Reconciliation of contract liabilities		
Opening balance	1,772,063	622,425
Revenue recognised on delivery of goods/services previously paid for	(1,772,063)	(622,425)
Payments received in advance of delivery of performance obligations	1,500,383	1,772,063
Total	1,500,383	1,772,063

36. Cash generated from operations

	2020 ₹'000	2019 ₹'000
Profit before taxation	3,906,716	2,769,079
Adjustments for:		
Depreciation (Note 20)	2,740,087	2,050,159
Depreciation Right of Use (Note 21)	196,326	187,889
(Gains)/losses on disposals of property, plant and equipments (Note 9)	(195)	16,301
Lease Modification charged to P/L	(21,236)	-
Investment income (Note 12)	(51,076)	(90,518)
Finance costs (Note 15)	171,898	222,811
Impairment charge/(reversal) for credit losses	(51,681)	61,205
Prepayment adjustment (IFRS 2019 conversion)	-	(166,668)
Changes in working capital:		
Inventories	(730,793)	(58,279)
Trade and other receivables	(2,818,722)	(1,655,503)
Other financial assets	(77,156)	(156,917)
Prepayments	(1,490,172)	1,654,430
Trade and other payables	7,510,614	1,822,687
Contract liabilities	(271,680)	1,149,638
Cash generated from operations	9,012,930	7,806,314

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:

	2020 N'000	2019 N'000
Other liabilities (Note 31)	38,570	3,338,570
Finance lease liabilities (Note 32)	3,568,651	3,722,322
Trade and other payables (Note 34)	23,097,507	15,586,893
Total debts	26,704,728	22,647,785
Cash and cash equivalents (Note 26)	(2,600,370)	(3,660,734)
Net debts	24,104,358	18,987,051
Equity	12,719,820	11,089,285
Gearing ratio	190 %	171 %

37.2 Financial risk management

Risk management roles and responsibilities are assigned to stakeholders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors' through the Establishment and General Purpose and Finance, Risk and Audit Committees.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk framework. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

The Company monitors and manages financial risks relating to its operations through an internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

37.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparty and obtaining sufficient collateral where appropriate (bank guarantees 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.

Notes to the Financial Statements

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 92% (2019: 94%) of the trade receivables are due from Bulk Commodities Limited, a related party, for rebate on purchase of Salt. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analyzed at each reporting date on an individual basis for corporate and individual customers.

The maximum exposure to credit risk is presented in the table below:

	Note	2020			2019		
		Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost / fair value N'000	Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost / fair value N'000
Trade and other receivables	23	13,450,771	(146,060)	13,304,711	10,722,458	(197,741)	10,524,717
Cash and cash equivalents	26	2,600,370	-	2,600,370	3,660,234	-	3,660,234
Total		16,051,141	(146,060)	15,905,081	14,382,692	(197,741)	14,184,951

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 Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimize 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 2020 N'000	31 December 2019 N'000
A+	591,190	355,297
AA	995,212	1,827,364
AA-	445,714	672,882
BBB-	273,879	362,467
BB+	23,113	49,882
Not rated	268,197	390,488
Total	2,597,305	3,658,380

37.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the statement of financial position date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2020

	Note(s)	0-3 months N'000	3-6 months N'000	2 to 5 years N'000	Total N'000	Carrying amount N'000
Non-current liabilities						
Borrowings	31	-	-	38,570	38,570	38,570
Finance lease liabilities	32	143,270	291,114	2,997,673	3,432,057	3,432,057
Current liabilities						
Trade and other payables	34	9,240,860	4,310,135	9,546,512	23,097,507	23,097,507
Finance lease liabilities	32	136,594	-	-	136,594	136,594
Total		9,520,724	4,601,249	12,582,755	26,704,728	26,704,728

2019

	Note(s)	0-3 months N'000	3-6 months N'000	2 to 5 years N'000	Total N'000	Carrying amount N'000
Non-current liabilities						
Other liabilities	31	3,000,000	300,000	38,570	3,338,570	3,338,570
Finance lease liabilities	32	81,150	700,601	2,475,417	3,257,168	3,257,168
Total		3,081,150	1,000,601	2,513,987	6,595,738	6,595,738
Current liabilities						
Trade and other payables	34	12,690,420	2,896,473	-	15,586,893	15,586,893
Finance lease liabilities	32	-	-	465,153	465,153	465,153
Total		12,690,420	2,896,473	465,153	16,052,046	16,052,046
Total		15,771,570	3,897,074	2,979,140	22,647,784	22,647,784

Notes to the Financial Statements

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:

	2020 ₦'000	2019 ₦'000
US Dollar exposure:		
Current assets:		
Trade and other receivables	12,254,052	10,016,914
Current liabilities:		
Trade and other payables	(13,791,031)	(9,349,283)
Net US Dollar exposure	(1,536,979)	667,631

37.6.2 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 3%, increase and decrease in Naira against USD currency. Management believes that a 3% movement in either direction is reasonably possible at the statement of financial position date. The sensitivity analyses below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 3% against the USD. For a 3% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

	2020 ₦'000	2019 N '000
Impact on profit or loss:		
Naira strengthens by 3% against the US dollar Profit / (loss)	(46,109)	20,029
Naira weakens by 3% against the US dollar Profit / (loss)	46,109	(20,029)
	-	-

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. Its cash and cash equivalents with financial institutions have fixed interest rates.

38. Fair value information

Except 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	
	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000
Financial asset				
Trade and other receivables	13,362,101	10,543,379	13,362,101	10,543,379
Cash and bank	2,600,370	3,660,734	2,600,370	3,660,734
Financial liabilities				
Trade and other payables	23,097,507	15,586,893	23,097,507	15,586,893
Borrowings	38,570	3,338,570	38,570	3,338,570

The book value of the trade and other receivables is arrived at by factoring allowances for doubtful debts on trade receivables and other receivables.

The carrying amount of bank overdrafts and loans is approximately equal to their fair value.

Notes to the Financial Statements

39. Related parties**39.1 Related party balances**

	2020 ₦'000	2019 ₦'000
Intercompany receivables		
Other related party receivables		
Aliko Dangote Foundation	-	3,473
Greenview Development Nigeria Limited	-	8,827
Dangote Cement Plc (Benue Plant)	7,200	5,833
Dancom Technologies Limited	64	26,756
West African Popular Foods*	62,243	62,243
Bulk Commodities Limited	12,254,052	10,013,752
Total	12,323,559	10,120,884
Intercompany payables		
Parent and ultimate controlling party		
Dangote Industries Limited (Parent)	1,526,353	879,315
Other related party payables		
Dangote Sugar Refinery Plc	164,270	121,667
Dangote Cement Plc. (Obajana Plant)	24,195	24,194
Aliko Dangote Foundation	33,893	-
Dangote Agrosack Limited	146,294	129,601
Dangote Transport Limited	22,962	22,962
Dangote Industries Limited (Central Stores)	297,426	181,446
Dangote Cement Plc (Head Office)	2,844,312	2,558,022
Dangote Oil Refining Company Limited	14,711	14,711
Dangote Cement Plc. (Benue Plant)	77,602	77,602
Dangote Cement Plc. (Benue Plant Truck scheme)	273,702	273,702
Dangote Cement Plc. (Ibese Plant)	3,467	-
Dangote Sinotruck West Africa Limited	2,014,564	1,457,500
Bulk Commodities Limited	10,584,416	6,134,787
Total	18,028,167	11,875,509

*The balance due from West African Popular Foods has been fully provided for.

39. Related parties (continued)**39.2 Purchases, sales, promotional support, other services and dividend**

	Transaction Value		Balance due (to)/from	
	2020 ₦'000	2019 ₦'000	2020 ₦'000	2019 ₦'000
Purchases, promotional support and other services				
Ultimate parent	-	(33,904)	(1,415,539)	(879,315)
Other related parties	(16,284,957)	(19,870,462)	(18,013,004)	(9,660,621)
Technical services fees				
Other related parties	(57,852)	(76,539)	-	-
Dividend payable				
Other related parties	(1,059,775)	(1,647,683)	-	-
Total	(17,402,584)	(21,628,588)	(19,428,543)	(10,539,936)
Sales and other services				
Other related parties	634,376	269,659	12,314,810	10,120,883
Total	634,376	269,659	12,314,810	10,120,883

Relationships

Dangote Cement Plc, Gboko Plant	Fellow subsidiary, provides trucks for NASCON
Bulk Commodities Limited	Affiliate, purchases raw salt for NASCON
Dangote Industries Limited (Central Stores)	Parent company, Nascon purchases spare parts
DANCOM Technologies Limited	Fellow subsidiary, provides internet services and IT support
Dangote Agrosacks Limited	Fellow subsidiary, produces empty sacks for NASCON
Dangote Cement Plc	Fellow subsidiary, buys Crude Salt from NASCON and procures trucks on behalf of NASCON
Aliko Dangote Foundation	Affiliate, engages in philanthropy
Dangote Industries Limited	Ultimate controlling party
Dangote Oil Refining Company Limited	Affiliate, NASCON purchases equipment
Dangote Sugar Refinery Plc.	Fellow subsidiary, buys crude salt from NASCON and provides warehouse facility to NASCON
Dangote Transport Limited	Fellow subsidiary, provides haulage services to NASCON
Greenview Development Nigeria Limited	Fellow subsidiary, provides port and terminal services to NASCON
Dangote Cement Plc, (Obajana Plant)	Fellow subsidiary, NASCON provides haulage services
West African Popular Foods	Joint venture with Unilever, purchased and sold Annapurna Salt
Dangote Sinotruck West Africa Limited	Fellow subsidiary, Nascon purchases trucks and spare parts

Dangote Industries Limited (DIL) performed certain administrative services for the Company for which a management fee of ₦133.3 million (2019: ₦109.0 million) was charged, being an appropriate allocation of costs incurred by relevant administrative departments.

Notes to the Financial Statements

39. Related parties (continued)

	2020	2019
	₦'000	₦'000
Compensation to directors and other key management		
Short-term employee benefits	163,879	186,225
Total	163,879	186,225
Directors fee and expenses		
Directors Fees	5,500	20,500
Directors Expenses	158,379	165,725
Total	163,879	186,225

Key management personnel are Board of directors and management team.

The number of Directors excluding the Chairman with gross emoluments within the bands stated

below were:

	2020	2019
₦ '000	Number	Number
₦1 – ₦15,000	-	-
₦15,001 – ₦30,000	8	8
₦30,001 – and above	2	2
Total	10	10

40. Commitments

The Company's total capital commitments as at 31 December 2020 amounted to N2.19 billion in respect of Salt village refinery project (2019: ₦3.39 billion).

41. Contingent assets and Contingent liabilities**41.1 Pending litigation and claims.**

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to ₦13.0 million as at December 31, 2020 (2019 - ₦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 claim, thus no provision has been made in these financial statements.

41.2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

42. Events after the reporting period

There were no events after the reporting period that could have had a material effect on the financial statements of the Company as at 31 December 2020 that have not been taken into account in these financial statements.

43. Approval of Financial statements

The Board of Directors approved the financial statements during its meeting of 25 February 2021.

Other National Disclosures - Value Added Statement

	2020 ₦'000	2020 %	2019 ₦'000	2019 %
Value Added				
Turnover	28,010,059		27,487,788	
Investment income	51,076		90,518	
Other operating income	19,895		12,804	
Other operating gains (losses)	580,237		(16,338)	
Bought - in materials and services				
- Local	(8,998,291)		(9,060,043)	
- Foreign	(10,415,507)		(11,181,541)	
Total Value Added	9,247,469	100	7,333,188	100
Value Distributed				
To Pay Employees				
Staff salaries and directors emoluments	2,232,442		2,042,045	
	2,232,442	24	2,042,045	28
To Pay Providers of Capital				
Finance costs	171,898		222,811	
	171,898	2	222,811	3
To Pay Government				
Income tax	854,924		892,689	
	854,924	9	892,689	12
To be retained in the business for expansion and future wealth creation:				
Depreciation, amortisation and impairments	2,936,413		2,299,253	
Deferred tax	361,482		31,147	
	3,297,895	36	2,330,400	32
Value retained				
Retained profit	2,690,310		1,845,243	
	2,690,310	29	1,845,243	25
Total Value Distributed	9,247,469	100	7,333,188	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

	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000
Statement of Financial Position					
Assets					
Non-current assets	20,398,339	18,814,619	11,705,283	9,421,041	6,399,575
Current assets	23,910,652	19,854,173	18,565,146	20,702,206	18,203,692
Total assets	44,308,991	38,668,792	30,270,429	30,123,247	24,603,267
Liabilities					
Non-current liabilities	6,067,509	8,837,243	2,288,229	1,972,705	1,432,087
Current liabilities	25,521,662	18,742,264	16,088,720	16,615,330	15,124,953
Total liabilities	31,589,171	27,579,507	18,376,949	18,588,035	16,557,040
Equity					
share capital and premium	1,758,756	1,758,756	1,758,756	1,758,756	1,758,756
Retained income	10,961,064	9,330,529	10,134,724	9,776,456	6,287,471
Total equity	12,719,820	11,089,285	11,893,480	11,535,212	8,046,227
Total equity and liabilities	44,308,991	38,668,792	30,270,429	30,123,247	24,603,267

Statement of Profit or Loss and Other Comprehensive Income

Revenue	28,010,059	27,487,788	25,769,352	27,064,325	18,291,792
Cost of sales	(16,447,633)	(21,647,079)	(17,988,663)	(17,070,310)	(12,374,098)
Gross profit	11,562,426	5,840,709	7,780,689	9,994,015	5,917,694
Other income	19,895	12,804	29,265	11,296	18,484
Other operating gains/(losses)	580,237	(16,338)	841,845	(1,868)	(22,171)
Other operating expenses	(8,135,020)	(2,935,803)	(2,670,793)	(2,376,588)	(2,095,332)
Operating profit	4,027,538	2,901,372	5,981,006	7,626,855	3,818,675
Investment income	51,076	90,518	468,379	354,745	55,328
Finance costs	(171,898)	(222,811)	-	(72,113)	(357,671)
Profit before taxation	3,906,716	2,769,079	6,449,385	7,909,487	3,516,332
Taxation	(1,216,406)	(923,836)	(2,029,168)	(2,565,896)	(1,101,148)
Profit for the year	2,690,310	1,845,243	4,420,217	5,343,591	2,415,184
Retained income for the year	2,690,310	1,845,243	4,420,217	5,343,591	2,415,184

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Share Capital History

AUTHORIZED NOMINAL VALUE			ISSUED AND PAID-UP					
Year	Shares '000	Amount ₦'000	Other than by bonus		Bonus issue		Total	
			Shares '000	Amount ₦'000	Shares '000	Amount ₦'000	Shares '000	Amount ₦'000
1991	40,000	20,000	-	-	-	-	14,110	7,055
1992	40,000	20,000	-	-	-	-	14,110	7,055
1993	40,000	20,000	-	-	-	-	14,110	7,055
1994	40,000	20,000	-	-	-	-	14,110	7,055
1995	80,000	40,000	-	-	-	-	14,110	7,055
1996	80,000	40,000	65,847	32,923	-	-	79,957	39,978
1997	200,000	100,000	-	-	-	-	79,957	39,978
1998	200,000	100,000	-	-	-	-	79,957	39,978
1999	200,000	100,000	-	-	-	-	79,957	39,978
2000	200,000	100,000	-	-	-	-	79,957	39,978
2001	200,000	100,000	-	-	-	-	79,957	39,978
2002	200,000	100,000	-	-	-	-	79,957	39,978
2003	200,000	100,000	-	-	-	-	79,957	39,978
2004	200,000	100,000	-	-	-	-	79,957	39,978
2005	200,000	100,000	-	-	-	-	79,957	39,978
2006	4,000,000	2,000,000	-	-	-	-	79,957	39,978
2007	4,000,000	2,000,000	2,127,909	1,063,954	-	-	2,207,865	1,103,932
2008	4,000,000	2,000,000	-	-	441,573	220,787	2,649,438	1,324,719
2009	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2010	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2011	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2012	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2013	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2014	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2015	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2016	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2017	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2018	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2019	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2020	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719

Notice of Annual General Meeting

THE NOTICE IS HEREBY GIVEN THE that the ANNUAL GENERAL MEETING of NASCON ALLIED INDUSTRIES PLC. (NASCON) for the year ended 31st December 2020 will hold on Friday 28th May 2021 at the CIVIC CENTER, Ozumba Mbadiwe Road Victoria Island Lagos at 11 am prompt to transact the following business:

1. To lay before the Meeting the audited financial statements for the year ended 31st December 2020 along with the Directors report, the reports of the Auditors and the Statutory Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect the following non-Executive Directors retiring by rotation and have offered themselves for re-election.
 - a. Mr. Olakunle Alake
 - b. Professor Ogbechie
 - c. Alhaji Ladan Baki
4. To re-appoint the Company's Auditors.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To elect Shareholder members of the Statutory Audit Committee.

SPECIAL BUSINESS

7. To fix the remuneration of the Directors for the year ending 31st December 2021
8. To consider and if thought fit pass the following as an ordinary Resolution.

"That in compliance with the rules of the Nigerian Stock Exchange governing transactions with related or interested persons, the General Mandate circular in respect of all recurrent transactions that may be entered into with a related party or interested person which are of a revenue and trading nature or are necessary for the Company's operations including but not limited to the procurement of goods and services on normal commercial transaction terms as contained in the circular contained on page 164 of the 2020 Annual Report be and is hereby approved"

NOTES

PROXY

1. A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. In view of the current COVID-19 pandemic, the directives to minimize social contacts by restricting the number of persons at public gatherings and in accordance with the Corporate Affairs Commission's approval and Guidelines

on Holding of Annual General Meetings (AGM) of Public Companies by taking advantage of Section 254(1) of the Companies and Allied Matters Act (CAMA) 2020 using Proxies, all members are hereby advised that attendance for the meeting shall be by PROXY.

3. Shareholders are therefore advised to kindly appoint proxies to represent them at the meeting, as the Company is bound by the directives on the maximum number of people permitted in a public gathering.
4. Consequently, members are required to appoint a proxy of their choice from the following list of proposed proxies to represent them at the meeting:
 - a. Mrs. 'Yemisi Ayeni
 - b. Mr. Olakunle Alake
 - c. Mr. Paul Farrer
 - d. Professor Chris Ogbechie
 - e. Sir Sunny Nwosu
 - f. Mrs. Bisi Bakare
 - g. Mr. Nornah Awoh
 - h. Mr. Adeolu Akinsanya
 - i. Dr. Okey Nwuke
 - j. Dr. Umar Faruk
 - k. Alhaja Kudaisi Ayodele

Dividend

If the dividend recommended by the Directors is approved, dividend will be paid on Monday 31st May 2021 to shareholders whose names appear in the Register of Members at the close of business on Thursday 22nd April 2021

E-Dividend

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend payment in line with the Securities and Exchange Commission (SEC) directives. Detachable application forms for the e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their bank accounts to the Registrar as soon as possible. The e-dividend form is also available on the website of our Registrar www.meristemregistrars.com

Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed on Friday 23rd April 2021 to enable the Registrar update its records.

Nominations for the Audit Committee

In accordance with Section 404(6) of the Companies and

Notice of Annual General Meeting

Allied Matters Act, 2020 Laws of the Federation of Nigeria, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commission's Code of Corporate Governance for Public Companies have indicated that members of the Audit Committee should have basic financial literacy and should be able to read financial statements. Therefore, a copy of the nominee's curriculum vitae should accompany nominations.

Unclaimed Dividends

Shareholders are hereby informed that a number of dividend warrants have been returned to the Registrars as "unclaimed". Any member affected by this notice is advised to contact the Registrars, Meristem Registrars Ltd at No 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos.

The list of unclaimed dividends can be accessed via the Company's website: www.nasconplc.com or the Registrar's website www.meristemregistrars.com

Right to Ask Questions

It is the right of shareholders to ask questions not only at the Annual General Meeting but also in writing prior to the meeting. Such questions should be addressed to the Company Secretary and submitted at the registered office of the Company not later than one week before the Annual General Meeting.

Directors' Profile

The profiles of the Directors, including those for re-election, are enclosed in the Annual Report and can be found on the Company's website: www.nasconplc.com

Electronic Annual Report

The electronic version of the Annual Report will be available online for viewing and download 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.

Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report should request for it via email to the registrar www.meristemregistrars.com.

Live Streaming of the Meeting Proceedings

The Annual General Meeting will be streamed live from the following social media channels:

- a. Website: <https://www.nasconplc.com/investor-relations>
- b. Youtube: <https://www.youtube.com/dangotegroup>



BY ORDER OF THE BOARD

A. A. SAMUEL

Company Secretary

FRC/2016/NBA/00000015291

Dated this 6th day of April 2021

NASCON Allied Industries

Union Marble House

1, Alfred Rewane Road

Falomo, Ikoyi,

Lagos, Nigeria.

General Mandate Circular

In compliance with the provisions of Clause 6 of the Rules of the Nigerian Stock Exchange Governing Related Parties or Interested Persons ("the Rules"), NASCON Allied Industries Plc ("NASCON") hereby seeks the approval of Shareholders for a general mandate in respect of recurrent transactions of revenue or of a trading nature or those necessary for the day to day operations of the Company

The relevant items for consideration of the shareholders are as stated below:

- i. The transaction for which this general mandate is sought are those of a trading nature and/or those which are necessary for the day to day operations of NASCON and include but are not limited to the following:
 - a) Technical Know-How and Support Services Agreements between NASCON and its Parent Company, Dangote Industries Limited ("DIL") and/or other companies or entities within the Dangote Group;
 - b) Trademark and Quality Control Agreement between NASCON and its parent Company, DIL and/or other companies or entities within the Dangote Group;
 - c) Distribution Agreements between NASCON and its parent company, DIL and/or other companies or entities within the Dangote Group;
 - d) Production and Distribution Agreements between NASCON and its Parent Company, DIL and/or other companies or entities within the Dangote Group;
 - e) Arrangements for the provision of specialist support to NASCON by its Parent Company, DIL and/or other companies or entities within the Dangote Group;
 - f) Contract manufacturing purchase or packaging arrangements between NASCON and its parent Company, DIL and/or other companies or entities within the Dangote Group; and
 - g) Arrangements for sale and/or purchase of raw materials or finished goods, technical equipment and spare parts by or to NASCON by its parent Company, DIL and/or other companies or entities within the Dangote Group.
- ii. The class of related parties and interested persons with which NASCON will be transacting include shareholders, employees and their family members, companies or entities within the Parent Company DIL and subsidiaries of the company, etc.
- iii. The rationale for the transactions are that they are necessary for the operations of NASCON, the discharge of the legal and contractual obligations currently binding on NASCON, are of strategic importance to the continued operations of NASCON, guarantee the uninterrupted supply of goods and services necessary for the operation of NASCON as a going concern, are carried out on a transparent basis and are cost effective and performed efficiently and effectively.
- iv. The methods and procedures for the determining the transaction prices are based on Nascon's transfer pricing policy and are, where applicable, subject to the approval of the National Office for Technology Acquisition and Promotion (NOTAP).
- v. Messrs. Deloitte & Touche has provided independent financial opinion that the methods and procedures in NASCON's transfer pricing policy referred to in paragraph (iv) above are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to interests of NASCON and its minority shareholders.
- vi. NASCON shall obtain a fresh mandate from the shareholders if the methods or procedures in (iv) become inappropriate.
- vii. Any person identified as an interested person as defined under the Rules shall abstain and undertake to ensure that its associates abstain from voting on the resolution approving the transaction.
- viii. The Board of Directors be and are hereby authorized to take any steps that may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to all the above and to settle all matters arising out of , and incidental thereto and sign all deeds, documents and applications that may be required on behalf of the Company and generally to do all acts and things that may be necessary, expedient or incidental thereto for the purposes of giving effect to the above mandate.

Corporate Information

Capital Market Information

NASCON Allied Industries Plc is listed on the main board of the Nigerian Stock Exchange (NSE)

Each share carries one voting right

NSE ticker symbol	NASCON
ISIN	NGNASCON0005
Bloomberg Code	NASCON:NL
Reuters Code	NASCON:LG
Date listed	20 October, 1992
Market Capitalization (31/12/20)	N 38,416,856,481
Outstanding shares	2,649,438,378
Free float	37.81%

Registration Information

RC Number	11364
Date of Incorporation	30 April, 1973

Registered office

Salt City
Ijoko Ota, Ogun State

Business Office

15B Ikosi Road
Oregun, Ikeja, Lagos State

For more Information please contact:

Corporate Communications

Anthony Chiejina
+234 (1) 448 0815
anthony.chiejina@dangote.com

Investor Relations

Morayo Tukur
+234 (0) 807 049 4389
investors.nascon@dangote.com

Website

www.nasconplc.com

Directors, Officers and Professional Advisers

Country of incorporation and domicile	Nigeria	
Nature of business and principal activities	Principal activities of the Company during the year include processing of raw salt into refined, edible and grade salt. The company also produces Seasoning and Vegetable Oil.	
Ultimate holding company	Dangote Industries Limited (incorporated in Nigeria)	
Directors	'Yemisi Ayeni Paul Farrer Fatima Aliko Dangote Olakunle Alake Halima Aliko Dangote Abdu Dantata Sada Ladan-Baki Chris Ogbechie Knut Ulvmoen Fatima Wali-Abdurrahman	Chairperson Managing Director Executive Director Director Director Director Director Independent Director Director 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 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	24/01	20/03	24/04	27/07	26/10	23/10	21/12
'Yemisi Ayeni	✓	✓	✓	✓	✓	✓	✓
Paul Farrer	✓	✓	✓	✓	✓	✓	✓
Fatima Aliko-Dangote	X	✓	✓	✓	✓	✓	✓
Olakunle Alake	✓	✓	X	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	X	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓	✓	✓	✓
Sada Ladan-Baki	✓	✓	✓	✓	✓	✓	✓
Chris Ogbechie	✓	✓	✓	✓	✓	✓	✓
Knut Ulvmoen	✓	✓	✓	✓	✓	✓	✓
Fatima Wali-Abdurrahman	✓	✓	✓	✓	✓	✓	✓

Finance, Risk and Audit Committee

Members	23/01	19/03	23/04	23/07	23/10
Chris Ogbechie	✓	✓	✓	✓	✓
Paul Farrer	✓	✓	✓	✓	✓
Fatima Aliko-Dangote	X	✓	✓	✓	✓
Olakunle Alake	✓	✓	X	✓	✓
Halima Aliko-Dangote	✓	✓	✓	X	✓
Abdu Dantata	✓	✓	✓	✓	✓
Sada Ladan-Baki	✓	✓	✓	✓	✓

Establishment and General Purpose Committee

Members	23/01	22/04	22/07	22/10
Knut Ulvmoen	✓	✓	✓	✓
Paul Farrer	✓	✓	✓	✓
Fatima Aliko-Dangote	X	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓
Fatima Wali-Abdurrahman	✓	✓	X	✓

Statutory Audit Committee

Members	20/03	20/03	24/07	28/10
Okey Nwuke	✓	✓	✓	✓
Umar Farouk	✓	✓	✓	✓
Kudaisi Ayodele Sarat	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	X	✓
Abdu Dantata	✓	✓	✓	✓
Chris Ogbechie	✓	✓	X	✓

KEY

- ✓ - Present in meeting
- X - Absent from meeting

Summary of Claimed/Unclaimed Dividends as at 31 December 2020

DIVIDEND NO	DECLARED DIVIDEND	CLAIMED DIVIDEND	UNCLAIMED DIVIDEND	DATE OF PAYMENT
1	883,146,126.00	868,560,333.22	14,585,792.78	7/17/2008
2	1,059,775,351.20	1,037,977,645.23	21,797,705.97	10/5/2009
3	1,324,719,189.00	1,290,136,154.32	34,583,034.68	10/4/2010
4	1,324,719,189.00	1,294,321,070.14	30,398,118.86	7/11/2011
5	1,854,606,865.00	1,797,778,944.02	56,827,920.98	6/7/2012
6	2,384,494,540.20	2,311,899,672.57	72,594,867.63	6/17/2013
7	2,384,494,540.20	2,302,077,702.66	82,416,837.54	6/24/2014
8	1,324,719,189.00	1,282,044,595.25	42,674,593.75	6/12/2015
9	1,457,191,107.90	1,413,673,097.89	43,518,010.01	5/23/2016
10	1,854,606,864.60	1,805,496,425.70	49,110,438.90	5/8/2017
11	3,974,157,567.00	3,816,767,231.30	157,390,335.70	5/8/2018
12	2,649,438,378.00	2,553,475,940.00	95,962,438.00	6/17/2019
13	1,059,775,351.20	1,019,963,087.15	39,812,264.05	7/29/2020
TOTAL	23,535,844,258.30	22,794,171,899.45	741,672,358.85	

**Affix
Current
Passport**

(To be stamped by Bankers)

Write your name at the back of
your passport photograph

**This service costs ₦150.00 per
approved Mandate per Company.**



E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Please complete all sections of this form to make it eligible for processing
and return to the address below

The Registrar

Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to
me/us from my/our holdings in all the companies ticked at the right hand
column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	ACAP INCOME FUND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FREE RANGE FARMS PLC	
	FTN COCOA PROCESSORS PLC	
	GEO-FLUIDS PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	MUTUAL BENEFITS ASSURANCE PLC	
	NASSARAWA STATE GOVT BOND	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

**Help Desk Telephone No/Contact Centre Information for Issue resolution or
clarification: 01-2809250-4**



Meristem Registrars And Probate Services Limited

Web: www.meristemregistrars.com; email: info@meristemregistrars.com

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos



NASCON Allied Industries Plc Rc: 11364

Proxy Form

The 2020 Annual General Meeting to be held at the Civic Centre, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, on Friday 28th May 2021 at 11am

I/WE being a Shareholder/s of NASCON Allied Industries Plc hereby appoint Mrs. Yemisi Ayeni failing her, Mr Paul Farrer failing him, Professor Chris Ogbechie failing him, Sir Sunny Nwosu, failing him Mrs. Bisi Bakare failing her, Mr. Adeolu Akinsanya failing him, Mr. Nonah Awo failing him, Dr. Okey Nwuke failing him, Dr. Umar Faruk failing him, and Alhaja Kudaisi Ayodele as my/our Proxy to act and vote for me/us on my/our behalf at the 2020 Annual General Meeting to be held on, Friday 28th May 2021 at 11am and at any adjournment thereof.
DATED THISDAY OF2021 SHAREHOLDER'S SIGNATURE

	NO	ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out whichever is not required)	1	To receive the audited Financial Statements for the year ended 31st December 2020, the Reports of Directors, Auditors, and the Audit Committee thereon;		
	2	To declare a dividend		
	3	To re-elect the following retiring Directors: • Mr Olakunle Alake • Professor Chris Ogbechie • Alhaji Sada Ladan- Baki		
	4	To authorize the Directors to fix the remuneration of the Auditors.		
	5	To elect the members of the Audit Committee		
		SPECIAL BUSINESS		
	6	To approve the remuneration of all the non-executive Directors for the year ending December 31, 2021.		
	7	To approve the general mandate circular in respect of all recurrent transactions with related party or interested person which are of a revenue and trading nature or are necessary for the Companies operations including but not limited to the procurement of goods and services on normal commercial transactions terms as contained in the 2020 Annual Report.		

Please indicate with x in the appropriate column how you wish to cast your votes on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his or her discretion

Note:

- A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
- In view of the current COVID-19 pandemic, the directives to minimize social contacts by restricting the number of persons at public gatherings and in accordance with the Corporate Affairs Commission's approval and Guidelines on holding of Annual General Meetings (AGM) of Public Companies by taking advantage of Section 254(1) of the Companies and Allied Matters Act (CAMA) 2020 using Proxies, all members are hereby advised that attendance for the meeting shall be by PROXY.
- Shareholders are therefore advised to kindly appoint proxies to represent them at the meeting, as the Company is bound by the directives on the maximum number of people permitted in a social/public gathering.
- A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed and duly stamped for the purposes of this meeting. The Company has made arrangements at its cost for the stamping of the duly completed proxy forms which must be deposited at the office of the Registrar, Meristem Registrars Ltd at No 213 Herbert Macaulay Way Adekunle. Yaba Lagos. or by email to registrars www.meristemregistrars.com, not less than 48 hours before the time fixed for the meeting.

ADMISSION CARD

Before posting this form, please tear off this part and retain it for admission to the meeting.

NAME AND ADDRESS	NUMBER OF SHARES HELD:	NUMBER OF SHAREHOLDER(S)
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Please admit to the Annual General Meeting of NASCON Allied Industries plc to be held at the CIVIC Centre ,Ozumba Mbadiwe Avenue, Victoria Island Lagos on Friday 28TH May 2021 at 11am

Signature of person attending:

- The admission card should be produced by the shareholder or his/her proxy in order to obtain entrance to the Annual General Meeting
- You are requested to sign this card at the entrance in the presence of the Company Secretary or his nominee on the day of the Annual General Meeting

Please be advised that to enable a Proxy gain entrance to the meeting, the Proxy Form is to be duly completed and delivered to the Company Secretary not later than 48 hours before the time fixed for the meeting.



The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]

NOTES

This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.



NASCON Allied Industries PLC

www.nasconplc.com