

Tanzania Cigarette Public  
Limited Company (TCC Plc)  
Rasilimali ya Tanzania

TCC

# Integrated Report

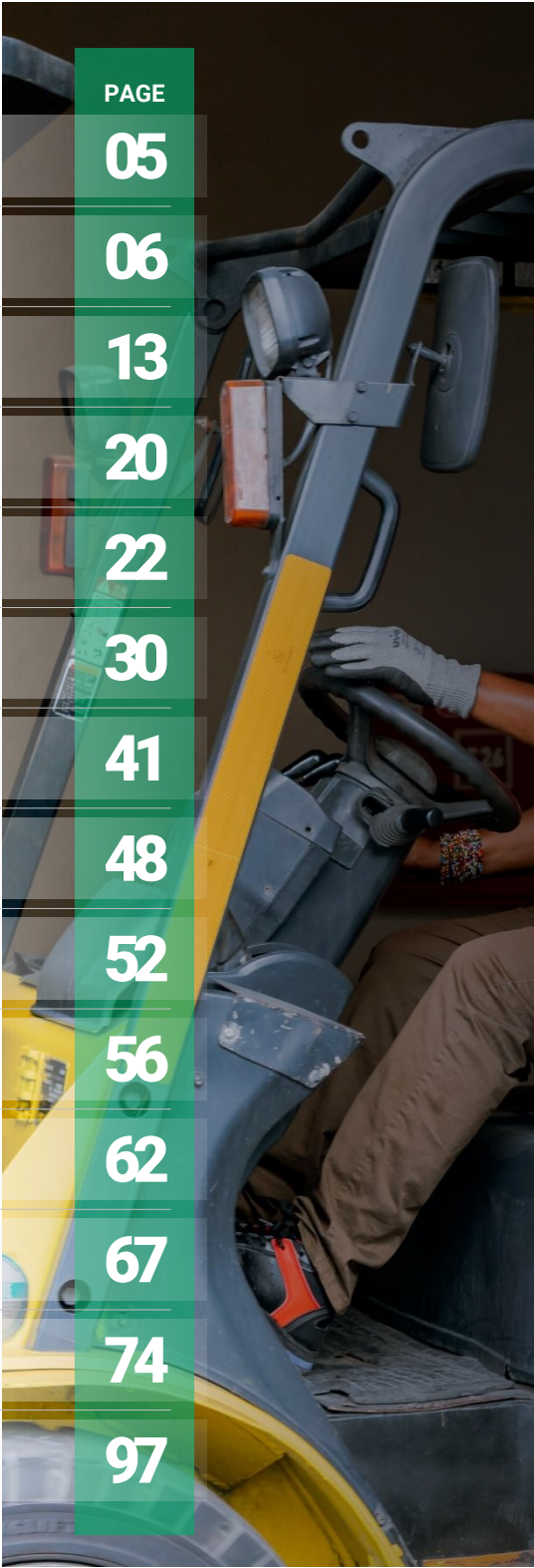
Our continued  
journey

For the year ended December 31, 2024



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# Yaliyomo Kwenye ripoti



Glossary of abbreviations

Acronym	Description
ATE	Association of Tanzania Employers
CBA	Collective Bargaining Agreement
CSR	Corporate Social Responsibility
CTI	Confederation of Tanzania Industries
DSE	Dar es Salaam Stock Exchange
ESG	Environmental, Social, and Governance
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
IIRC	International Integrated Reporting Council
JTI	Japan Tobacco International
JTI CoC	JTI Code of Conduct
JTI OGL	JTI Operating Guidelines
NBS	National Bureau of Statistics
NWOW	New Ways of Working
OSHA	Occupational Safety and Health Authority
PWD	People with Disabilities
SDGs	Sustainable Development Goals
TASUBA	Taasisi ya Sanaa na Utamaduni Bagamoyo
TCC Plc	Tanzania Cigarette Public Limited Company
TECC	Tanzania Entrepreneurship & Competitiveness Center
TFRS	Tanzania Financial Reporting Standard
TPSF	Tanzania Private Sector Foundation
TZS	Tanzania Shilling





# 01 About this report

**This Integrated Report covers our financial year from January 1, 2024, to December 31, 2024, providing a comprehensive overview of our actions, opportunities, and challenges within Tanzania and beyond.**

**As we strive to create meaningful impact across society, business, and government, this report reflects our commitment to transparency, accountability, and sustainable value creation.**

Our primary focus is on our operations in Tanzania, guided by the Global Reporting Initiative (GRI) Standards and the Integrated Reporting Framework. Through this approach, we emphasize value creation across the six capitals, ensuring a holistic view of our contributions to economic, social, and environmental sustainability. While this report centers on our activities in Tanzania, select sections also highlight our parent company's broader sustainability efforts and their role in driving long-term value.

As we continue to refine our Integrated Reporting practices, we are committed to expanding the depth and scope of our disclosures. Future reports will integrate more comprehensive data and insights, further strengthening our commitment to transparent and impactful reporting.

## Scope and boundary

The goal of this report is to provide information that is relevant, material, comprehensive, and comparable, ensuring clarity and consistency to our stakeholders.

The scope of this Integrated Report is TCC Plc's operations in Tanzania. Material aspects relating to key stakeholder groups: consumers, employees, shareholders, and local communities are addressed as well.



## Our reporting standards

This report has been prepared in reference to the GRI Standards (2021) and the International Integrated Reporting Council (IIRC) Integrated Framework to ensure transparency, accountability, and alignment with global best practices in sustainability and corporate reporting.

At TCC Plc, we remain steadfast in our commitment to advancing our reporting standards and continuously enhancing our integrated reporting practices. As we navigate this journey, our objective is to produce a report that fully aligns with the GRI Standards, reflecting our dedication to responsible business conduct, sustainable growth, and value creation for our stakeholders.

To facilitate accessibility and enhance usability, this report includes a GRI Index at the end, providing a clear reference to our sustainability disclosures.

## Responsibility for our reporting

The Board maintains ultimate responsibility for embedding sustainability within our business strategy. Comprehensive details regarding our governance framework and accountability structures can be found in the Corporate Governance section of this report. We are committed to upholding the highest standards of integrity in this Integrated Report, ensuring that our progress toward a more sustainable future is presented with accuracy, transparency, and impartiality.

For more information, visit [tcc.tz](https://tcc.tz)

# 02

## Our fundamentals

Guided by purpose driven by impact, TCC Plc's purpose is "Creating fulfilling moments. Creating a better future." serves as our guiding principle, influencing every decision and action.



It is the foundation of TCC Plc's strategy, ambition, and corporate identity, shaping both our brand and culture while reinforcing the Company's commitment to long-term value creation.

With a steadfast dedication to enhancing consumer experiences, TCC Plc strives to anticipate evolving preferences, develop superior products, and create moments of enjoyment. This commitment is deeply rooted in the Company's core values and its responsibility to society at large. Through continuous innovation and product diversification, TCC Plc aims to redefine industry standards, elevate the total product experience, and deliver lasting value to consumers and stakeholders alike.

### Vision

**TCC Plc's vision is to continue to be the number one tobacco company in Tanzania.**

### Regional presence

TCC Plc operates across the entire country, with a presence in 16 regions and a dedicated team in each.

Dar es Salaam, Mwanza, Moshi, Dodoma, Songea, Mtwara, Bukoba, Kigoma, Arusha, Iringa, Morogoro, Musoma, Shinyanga, Tanga, Mbeya and Zanzibar.







### Management principles

Under the 4S model, TCC Plc strives to fulfil the Company's responsibilities to its valued consumers, shareholders, employees, and the wider society, carefully considering the respective interests of these four key stakeholder groups and exceeding their expectations wherever the Company can.



#### Consumers

The Company provides exceptional products and services that deliver value beyond fulfilment of diverse needs and preferences. To keep doing so, TCC Plc will upgrade its innovation capabilities by leveraging the JT Group's.



#### Shareholders

TCC Plc aims to enhance shareholder returns by delivering medium- and long-term profit growth, prioritizing at the same time striking a balance between profit growth through business investments and shareholder returns.



#### Employees

TCC Plc aims to be an appealing, highly esteemed Company for which its employees are proud to work. While evaluating employees fairly and transparently and supporting their personal growth, the Company aims to foster a corporate culture that respects and embraces diverse values.



#### Society

To fulfil the Company's responsibility as a member of society and contribute to the sustainable development of society through the business, TCC Plc will work with a wide range of stakeholders and strive to resolve various issues together.

# 01

## Kuhusu ripoti hii

**Ripoti hii Jumuishi inahusu mwaka wa fedha unaoanzia Januari 1, 2024 hadi Desemba 31, 2024. Inatoa muhtasari wa kina kuhusu hatua tulizochukua, fursa tulizotumia, na changamoto tulizokabiliana nazo ndani ya Tanzania na nje ya mipaka yake.**

**Kupitia ripoti hii, tunaonesha dhamira yetu ya kuleta athari chanya kwa jamii, biashara, na serikali, sambamba na kujikita katika misingi ya uwazi, uwajibikaji, na kuchochea thamani endelevu.**

Mtazamo wetu mkuu umeelekezwa kwenye shughuli zetu hapa Tanzania, tukiongozwa na Viwango vya Mpango wa Kimataifa wa Uwasilishaji wa Taarifa (GRI) pamoja na Mfumo wa Uwasilishaji wa Taarifa Jumuishi. Kupitia njia hii, tunasisitiza uundaji wa thamani katika nguzo sita, kwa kuhakikisha mtazamo jumuishi wa mchango wetu katika maendeleo endelevu ya kiuchumi, kijamii na kimazingira. Ingawa ripoti hii inaangazia shughuli zetu hapa Tanzania, sehemu maalum pia zinaonyesha juhudi pana za kampuni mama katika kusukuma mbele ajenda ya maendeleo endelevu na uundaji wa thamani ya muda mrefu.

Tunapoendelea kuboresha mbinu zetu za Uwasilishaji wa Taarifa Jumuishi, tumejizatiti katika kupanua wigo na kina cha taarifa tunazotoa. Ripoti zijazo zitajumuisha data na maarifa ya kina zaidi, hatua ambayo itaimarisha zaidi dhamira yetu ya kutoa taarifa kwa uwazi na zenye athari chanya.

### Mipaka na wigo

Lengo kuu la ripoti hii ni kutoa taarifa zinazohusiana moja kwa moja na masuala muhimu, zenye uzito, za kina, na zinazoweza kulinganishwa, kwa madhumuni ya kuhakikisha uwazi na mwendelezo wa taarifa kwa wadau wetu wote. Wigo wa Ripoti hii Jumuishi unahusu shughuli za Kampuni ya Sigara Tanzania zinazofanyika ndani ya nchi. Vilevile, ripoti hii inagusia masuala muhimu yanayohusu makundi ya wadau wakuu, wakiwemo watumiaji wa bidhaa, wafanyakazi, wanahisa, na jamii kwa ujumla.



### Viwango vyetu vya kuripoti

Ripoti hii imeandaliwa kwa kurejelea Viwango vya Mpango wa Kimataifa wa Uwasilishaji wa Taarifa (GRI) vya mwaka 2021, pamoja na Mfumo wa Uwasilishaji wa Taarifa Jumuishi wa Baraza la Kimataifa la Uwasilishaji wa Taarifa Jumuishi (IIRC), na pia kwa kuzingatia Kiwango cha Kwanza cha Uandishi wa Ripoti za Fedha vya Tanzania (TFRS 1). Lengo ni kuhakikisha utoaji wa taarifa kwa uwazi na uwajibikaji, sambamba na kuendana na viwango bora vya kimataifa katika utoaji wa taarifa kuhusu maendeleo endelevu na taarifa za kampuni.

Katika Kampuni ya Sigara Tanzania (TCC Plc), tunaendelea kuwa thabiti katika dhamira yetu ya kuboresha viwango vyetu vya uwasilishaji wa taarifa na kuimarisha kwa hatua endelevu mbinu zetu za uwasilishaji wa taarifa jumuishi. Tunapoendelea na safari hii, lengo letu ni kuzalisha ripoti inayooana kikamilifu na Viwango vya Mpango wa Kimataifa wa Uwasilishaji wa Taarifa (GRI), ikiwa ni uthibitisho wa kujitolea kwetu katika kufanya biashara kwa uwajibikaji, kukuza maendeleo endelevu, na kuunda thamani kwa wadau wetu.

Ili kuwezesha upatikanaji rahisi na kuongeza uelewa wa ripoti hii, tumetoa Kiashiria cha GRI mwishoni mwa ripoti, ambacho kinaelekeza wazi taarifa zetu kuhusu maendeleo endelevu. Aidha, Ripoti yetu Jumuishi ni chombo muhimu cha mawasiliano kinachoonesha maendeleo, utendaji, na dhamira yetu ya muda mrefu kwa uwazi na kwa namna ya kimuundo.

### Wajibu wa uwasilishaji wa taarifa zetu

Bodi ya Wakurugenzi inabeba jukumu la juu kabisa katika kuhakikisha kuwa masuala ya maendeleo endelevu yanajumuishwa kikamilifu katika mikakati yetu ya biashara. Maelezo ya kina kuhusu mfumo wetu wa utawala na miundo ya uwajibikaji yanapatikana katika sehemu ya Utawala wa Kampuni ya ripoti hii. Tumejizatiti kuzingatia viwango vya juu kabisa vya uadilifu katika Ripoti hii Jumuishi, kwa kuhakikisha kuwa maendeleo yetu kuelekea mustakabali endelevu yanaoneshwa kwa usahihi, uwazi, na bila upendeleo

Kwa taarifa zaidi, tembelea [tcc.tz](https://tcc.tz)



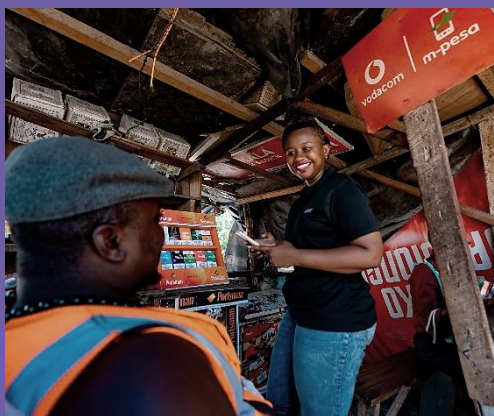
**“Lengo kuu la ripoti hii ni kutoa taarifa zinazohusiana moja kwa moja na masuala muhimu, zenye uzito, za kina, na zinazoweza kulinganishwa, kwa madhumuni ya kuhakikisha uwazi na mwendelezo wa taarifa kwa wadau wetu wote.”**



02

# Misingi yetu

Tukiongozwa na dhamira na kuhamasishwa na matokeo chanya, dhamira ya Kampuni ya Sigara Tanzania ni: “Kujenga nyakati za kuridhisha kwa ajili ya mustakabali bora.”



Dhamira hii ndiyo sababu kuu ya uwepo wetu, na inaathiri kila uamuzi na hatua tunayochukua. Ni msingi wa mkakati, matarajio, na utambulisho wa kampuni, ikiunda chapa yetu na utamaduni wetu huku ikithibitisha dhamira ya kampuni katika kuunda thamani ya muda mrefu.

Kwa kujitolea kwa dhati katika kuboresha uzoefu wa wateja, Kampuni ya Sigara inalenga kutanguliza mabadiliko ya ladha na matakwa ya wateja, kuendeleza bidhaa bora zaidi, na kuunda hali za kuridhisha. Dhamira hii imejikita katika nguzo kuu za kampuni na uwajibikaji wake kwa jamii kwa ujumla. Kupitia ubunifu endelevu na utofauti wa bidhaa, Kampuni inalenga kufafanua upya viwango vya sekta, kuinua uzoefu wa bidhaa kwa ujumla, na kuwasilisha thamani ya kudumu kwa wateja na wadau kwa pamoja.

## Dira

**Dira ya Kampuni ya Sigara Tanzania ni kuendelea kuwa kampuni ya sigara namba moja nchini Tanzania.**

### Uwepo kikanda

Kampuni ya Sigara inafanya kazi nchini kote, ikiwa na ofisi za tawi katika mikoa 16 na timu ya wafanyakazi mahususi katika kila mkoa.

Dar es Salaam, Mwanza, Moshi, Dodoma, Songea, Mtwara, Bukoba, Kigoma, Arusha, Iringa, Morogoro, Musoma, Shinyanga, Tanga, Mbeya na Zanzibar.







## Kanuni za usimamizi

Kupitia mtazamo wa muundo wa 4S, Kampuni ya Sigara Tanzania inajitahidi kutekeleza majukumu yake kwa watumiaji wake wa bidhaa, wanahisa, wafanyakazi, na jamii kwa ujumla. Kampuni inazingatia kwa umakini maslahi ya makundi haya manne muhimu ya wadau, na kujitahidi kuzidi matarajio yao kila inapowezekana.



### Watumiaji

Kampuni inatoa bidhaa na huduma bora zinazozidi kutimiza mahitaji na matakwa mbalimbali ya wateja wake. Ili kuendelea kufanya hivyo, Kampuni ya Sigara Tanzania itaendeleza uwezo wake wa ubunifu kwa kutumia uzoefu uliopo ndani ya JT Group.



### Wanahisa

Kampuni ya Sigara Tanzania inalenga kuongeza thamani kwa wanahisa kwa kuhakikisha ukuaji wa faida wa muda wa kati na mrefu. Wakati huohuo, kampuni inatilia mkazo umuhimu wa kusawazisha kati ya ukuaji wa faida kupitia uwekezaji wa kibiashara na mapato ya wanahisa.



### Wafanyakazi

Kampuni ya Sigara Tanzania inaendelea kujenga mazingira ya kazi yanayovutia na yenye heshima, ambapo wafanyakazi wake wanajivunia kuwa sehemu ya taasisi hiyo. Kupitia mifumo ya tathmini ya haki na uwazi, pamoja na mipango ya kuendeleza ukuaji binafsi wa wafanyakazi, kampuni inalenga kukuza utamaduni jumuishi wa shirika unaothamini, kuheshimu, na kukumbatia utofauti wa maadili, mitazamo na uzoefu miongoni mwa wafanyakazi wake.



### Jamii

Ili kutekeleza wajibu wake kama mshiriki wa jamii na kuchangia katika maendeleo endelevu ya jamii kupitia biashara yake, Kampuni ya Sigara Tanzania inashirikiana na wadau mbalimbali na kujitahidi kushughulikia changamoto mbalimbali kwa Pamoja.



# TCC Plc

A legacy of transformation and growth

**At TCC Plc, our journey is deeply woven into the fabric of Tanzania’s history. As a member of the Japan Tobacco International (JTI) Group, we have evolved alongside the nation, growing from a local tobacco company into a leading industry player with a strong regional presence.**

Our story began in 1961 as East African Tobacco, with our factory being officially inaugurated by Mwalimu Julius K. Nyerere on December 4 of that year.

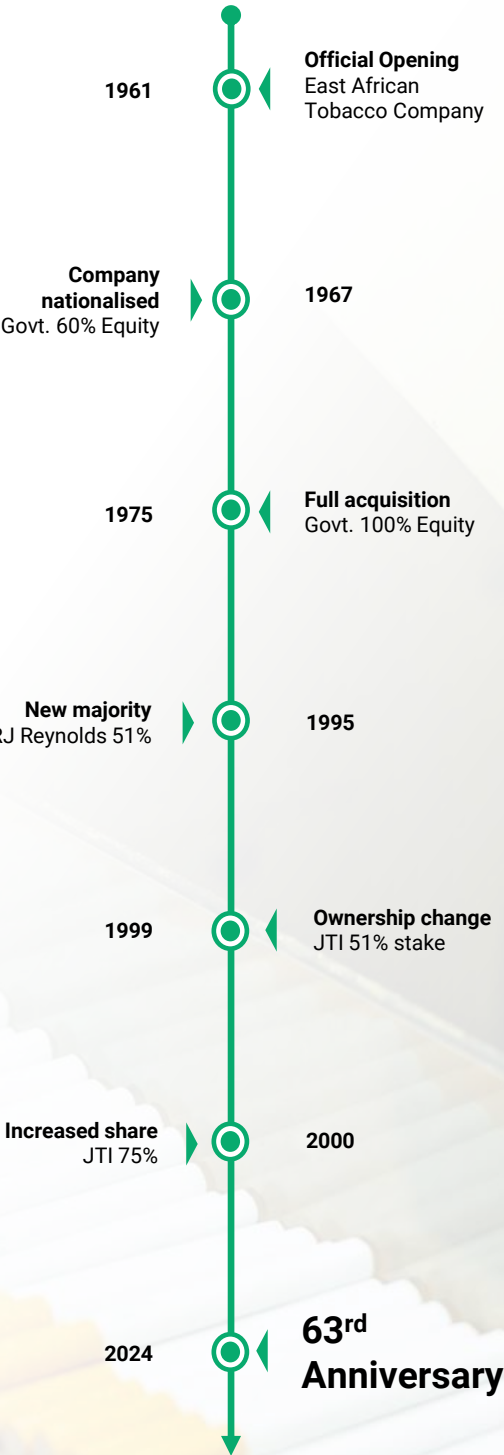
A major turning point came in 1967 when the Government of Tanzania acquired a 60% stake from British American Tobacco as part of a nationalization strategy. By 1975, full government ownership was realized, resulting in the establishment of Tanzania Cigarette Company Limited (TCC); a name that would soon become synonymous with quality and excellence.

A new era of transformation began in 1995 when R.J. Reynolds Tobacco of USA acquired a 51% stake, marking the beginning of TCC’s privatization. This transition laid the foundation for international integration, culminating in 1999 when Japan Tobacco Inc. (JTI) acquired all non-US operations of R.J. Reynolds Tobacco, including TCC.

In 2000, TCC Plc became a publicly listed company on the Dar es Salaam Stock Exchange, further strengthening our position as a corporate leader. JTI later increased its shareholding from 51% to 75%, underscoring its commitment to our long-term success.

Today, TCC Plc operates across 16 regions in Tanzania, driven by our shared aspiration for excellence, innovation, and sustainability. We are more than just a company; we are a trusted partner in economic growth, committed to delivering exceptional value to our consumers, stakeholders, and the communities we serve.

Today, TCC Plc stands as a leader in the Tanzanian market, aligning its aspirations with the nation’s vision for prosperity, progress, and global recognition. With a strong operational presence across 16 regions, the TCC Plc continues to shape the industry through innovation, excellence, and a deep-rooted connection to the people and communities it serves.







## 03 Recognition and accolades in 2024

In the FY 2024, TCC Plc achieved remarkable milestones, earning three prestigious recognitions that highlight its unwavering commitment to both corporate excellence and societal progress.



### 1. Presidential recognition certificate for continued investment in the country

TCC Plc was honoured as the overall winner at the President's Manufacturer of the Year Awards (PMAYA), organized by the Confederation of Tanzanian Industries (CTI). This prestigious recognition emphasizes TCC Plc's significant contributions to Tanzania's industrial sector. The awards ceremony, held in November 2024, saw TCC Plc taking first place.

This award acknowledges TCC Plc's outstanding performance in creating a work environment that not only supports its employees but also extends its impact to the community. The CSR criteria for this award focus on how companies integrate corporate social responsibility into their core operations.



### Key contributions

#### Ongoing community investment

TCC Plc has consistently demonstrated its commitment to the socio-economic development of local communities by:

- Investing in educational initiatives, such as college and higher education scholarships.
- Empowering women and adult youths with entrepreneurial skills, capital boost and material support to expand their businesses;
- Contributing to local water infrastructure projects that enhance community living standards;
- Protecting natural environment; and
- Support for people with special needs particularly people with disabilities.

#### Strategic partnerships

Our community investment strategy involves:

- Collaborating with local government bodies and community organizations;
- Aligning its projects with national development priorities, thereby amplifying their impact; and
- Promoting sustainable development through projects that address both immediate needs and long-term growth.

#### National endorsement

Receiving the presidential recognition certificate from the President not only validates our continuous community efforts but also positions the company as a role model in corporate citizenship. The recognition emphasizes:

- The importance of public-private partnerships in driving national development; and
- Our leadership in leveraging business resources to foster meaningful social change.

### Impact

This award is a testament to our unwavering dedication to community development. It highlights the tangible benefits that arise when a business prioritizes social investment, creating a lasting impact on education, healthcare, and infrastructure in local communities.



## 2. 2024 Employer of the Year Award (EYA) – Corporate Social Responsibility (CSR) Criteria

This award acknowledges TCC Plc's outstanding performance in creating a work environment that not only supports its employees but also extends its impact to the surrounding community. The CSR criteria for this award focus on how companies integrate corporate social responsibility into their core operations.

### Key areas of excellence

#### Employee wellbeing and development

TCC Plc has instituted comprehensive programs aimed at enhancing employee skills, promoting career growth, and ensuring workplace safety. Initiatives include:

- Ongoing training and development workshops;
- Mentorship programs designed to foster leadership; and
- Robust health, safety, and wellness protocols that go beyond standard industry requirements.

#### Innovative CSR activities

Our approach to CSR involves a strategic mix of internal and external initiatives:

- Internal Initiatives: Programs that promote diversity, inclusion, and a balanced work-life culture; and
- External Initiatives: Active participation in community upliftment through partnerships, volunteer programs, and support for local projects.

#### Sustainable practices

We are recognized for integrating sustainability into our operations. Our efforts include:

- Implementing environmentally friendly practices.
- Engaging in transparent governance that ensures ethical decision-making.
- Encouraging employee participation in community service projects, reinforcing a culture of social responsibility.

### Impact

This recognition not only celebrates our excellence as an employer but also highlights how TCC Plc CSR initiatives contribute to a more sustainable and inclusive business environment, both within the company and in the broader community.

Together, these accolades illustrate our dual commitment to being an employer of choice and a proactive contributor to societal progress, reinforcing our role as a leader in both industrial excellence and community development in Tanzania.







### 3. Occupational Safety and Health Authority (OSHA) manufacturing category

The Occupational Safety and Health Authority (OSHA) in Tanzania honors workplaces, including those in the manufacturing sector, for their dedication to exemplary safety and health management through the prestigious Awards for Occupational Safety and Health (AOSH).

#### Key areas of excellence

##### Compliance with OSH management systems

TCC Plc demonstrated adherence to frameworks and guidelines which emphasize systematic risk assessment, hazard prevention, and continuous improvement. This included documented risk assessments, hazard control programs, and employee training on occupational and health safety.

##### Hazard prevention and control

- TCC Plc demonstrated it had identified and addressed top workplace hazards through preventive measures and safety protocols;
- The award recognizes novel approaches to safety challenges, such as ergonomic solutions, automation to reduce manual handling, or community-focused initiatives which TCC Plc had demonstrated for the FY 2024.

#### Impact

Recognition under Tanzania's OSHA framework signals commitment to ethical practices, aligning with global sustainability trends highlighted in reports like ITC's 2024 Sustainability Report. This could enhance brand reputation, attract socially responsible investors, and strengthen partnerships with clients prioritizing ESG (Environmental, Social, Governance) criteria.



# TCC Plc

Urithi wa mabadiliko na ukuaji

**Katika Kampuni ya TCC Plc, safari yetu imefungamana kwa kina na historia ya Tanzania. Kama mshirika wa Japan Tobacco International (JTI) Group, tumekua sambamba na taifa, kutoka kuwa kampuni ya ndani ya sigara hadi kuwa mdau mkuu wa sekta mwenye uwepo thabiti katika ukanda.**

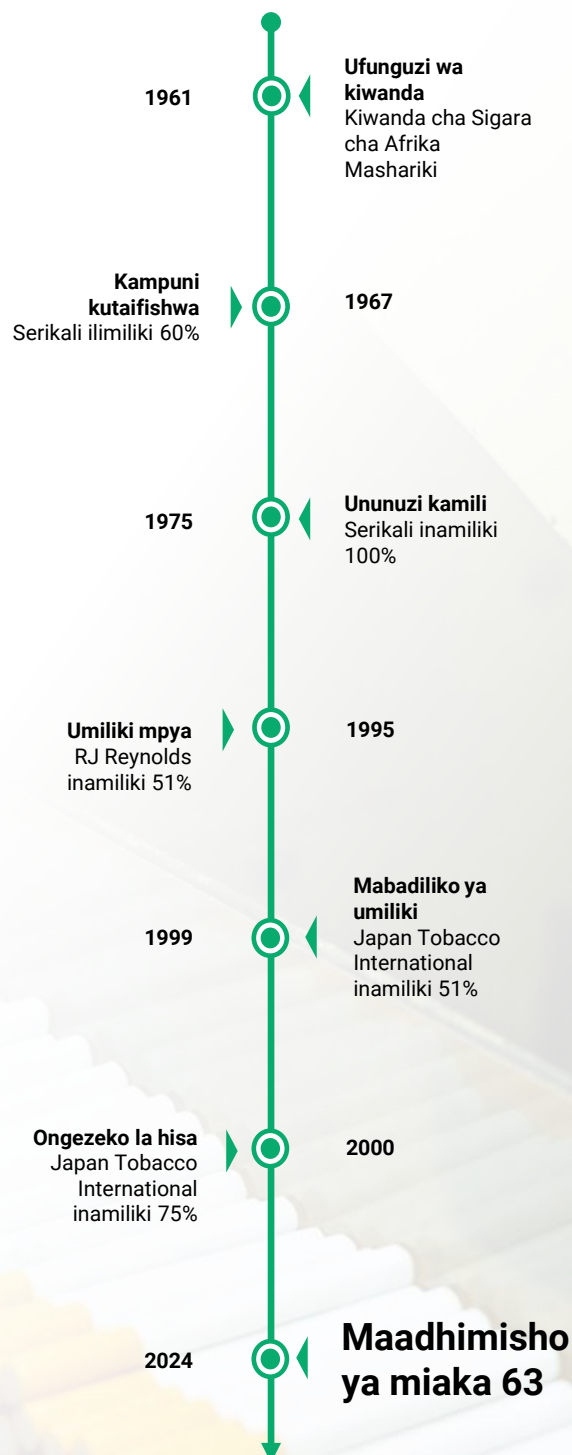
Hadithi yetu ilianza mwaka 1961 kama Kampuni ya Sigara ya Afrika Mashariki, ambapo kiwanda chetu kilizinduliwa rasmi na Mwalimu Julius K. Nyerere mnamo Desemba 4 ya mwaka huo. Hatua kubwa ya mabadiliko ilifikiwa mwaka 1967, wakati Serikali ya Tanzania ilipotwaa hisa 60% kutoka British American Tobacco kama sehemu ya mkakati wa kitaifa wa kutaifisha mashirika. Kufikia mwaka 1975, umiliki kamili wa serikali ulikamilika, na kusababisha kuanzishwa kwa Tanzania Cigarette Company Limited (Kampuni ya Sigara ya Tanzania), jina ambalo baadaye lilipewa hadhi ya kuwa kielelezo cha ubora na umahiri.

Enzi mpya ya mageuzi ilianza mwaka 1995 wakati R.J. Reynolds Tobacco iliponunua hisa 51%, hatua ambayo ilianzisha mchakato wa ubinafsishaji wa Kampuni ya Sigara Tanzania. Mabadiliko haya yaliweka msingi wa kuunganishwa kimataifa, na kufikia mwaka 1999, Japan Tobacco Inc. (JTI) iliponunua shughuli zote zisizo za Marekani za R.J. Reynolds Tobacco, ikiwemo Kampuni ya Sigara Tanzania.

Mwaka 2000, Kampuni ya Sigara Tanzania ilianza kuorodheshwa kwenye Soko la Hisa la Dar es Salaam na hivyo kubadilishwa jina kuwa Tanzania Cigarette Public Limited Company – TCC Plc, hatua iliyoziid kuimarisha nafasi yake kama kiongozi wa kimkakati katika sekta. Baadaye, JTI iliongeza umiliki wake wa hisa kutoka 51% hadi 75%, ikionesha dhamira yake ya dhati katika mafanikio ya muda mrefu ya kampuni.

Leo, Kampuni ya Sigara Tanzania inafanya kazi kote Tanzania Bara na Zanzibar, ikiongozwa na dhamira ya pamoja ya ubora, ubunifu, na uendeleu. Sisi ni zaidi ya kampuni ya biashara; ni mshirika anayeaminika katika kukuza uchumi, tukiwa tumekikita katika kutoa thamani ya kipekee kwa watumiaji wetu, wadau, na jamii tunazozihudumia.

Kwa sasa, Kampuni inasimama kama kinara katika soko la Tanzania, ikiwa na malengo yanayoendana na dira ya taifa ya ustawi, maendeleo na kutambulika kimataifa. Ikiwa na uwepo madhubuti wa kiutendaji kote nchini kupitia ofisi za matawi katika mikoa 16, Kampuni inaendelea kuunda mwelekeo wa sekta kupitia ubunifu, ubora, na uhusiano wa karibu na watu pamoja na jamii inazozihudumia.







## 03 Utambuzi na tuzo kwa mwaka 2024

Katika Mwaka wa Fedha 2024, Kampuni ya Sigara ilipata mafanikio makubwa, na kupata tuzo tatu za kifahari zinazoangazia dhamira yake isiyoyumba kwa ubora wa kampuni na maendeleo ya jamii.



### 1. Tuzo ya Kutambuliwa na Rais kwa Uwekezaji Endelevu nchini

Kampuni ya Sigara Tanzania ilitunukiwa tuzo ya mshindi wa jumla katika Tuzo za Rais za Mtengenezaji Bora wa Mwaka (PMAYA), zinazoratibiwa na Shirikisho la Viwanda Tanzania (CTI). Heshima hii ya kifahari inaonesha mchango mkubwa wa Kampuni ya Sigara Tanzania katika sekta ya viwanda nchini. Sherehe ya utoaji wa tuzo hizo ilifanyika Novemba 2024, ambapo Kampuni ya Sigara Tanzania ilishika nafasi ya kwanza.

Tuzo hii inatambua mafanikio makubwa ya Kampuni ya Sigara Tanzania katika kuendeleza mazingira ya kazi yanayowaunga mkono wafanyakazi wake, huku ikiendeleza mchango wake chanya kwa jamii. Vigezo vya tuzo hii chini ya CSR (Wajibu wa Kijamii wa Kampuni) vinazingatia jinsi kampuni inavyohusisha wajibu wa kijamii kama sehemu ya msingi ya uendeshaji wake wa kila siku.



### Michango muhimu

#### Uwekezaji endelevu kwenye jamii

Kampuni ya Sigara Tanzania imeendelea kuonesha dhamira yake thabiti katika kuendeleza maendeleo ya kijamii na kiuchumi ya jamii asilia kwa:

- Kuwekeza katika mipango ya elimu, kama vile ufadhili wa masomo ya vyuo vya kati na vyuo vikuu;
- Kuwawezesha wanawake na vijana kwa kuwapatia ujuzi wa ujasiriamali, kuongeza mitaji, na msaada wa vifaa ili kupanua biashara zao;
- Kuchangia miradi ya miundombinu ya maji katika ngazi ya jamii inayoboresha maisha ya wananchi;
- Kulinda mazingira ya asili; na
- Msaada kwa watu wenye mahitaji maalum hasa watu wenye ulemavu.

#### Ubia wa kimkakati

Mkakati wetu wa uwekezaji wa jumuiya unahusisha:

- Kushirikiana na mashirika ya serikali za mitaa na mashirika ya jamii;
- Kuoanisha miradi yake na vipaumbele vya maendeleo ya kitaifa, na hivyo kuongeza matokeo chanya; na
- Kukuza maendeleo endelevu kupitia miradi inayoshughulikia mahitaji ya haraka na ukuaji wa muda mrefu.

#### Uidhinishaji wa kitaifa

Kupokea Cheti cha Kutambuliwa kutoka kwa Mheshimiwa Rais si tu kwamba kunathibitisha juhudi zetu endelevu kwa jamii, bali pia kunaipa Kampuni nafasi ya kuwa mfano bora wa uwajibikaji wa makampuni katika jamii. Kutambuliwa huku kunasisitiza:

- Umuhimu wa ushirikiano wa sekta ya umma na binafsi katika kuendeleza maendeleo ya taifa; na
- Uongozi wetu katika kutumia rasilimali za biashara ili kukuza mabadiliko ya kijamii yenye tija.

#### Matokeo

Tuzo hii ni uthibitisho wa dhamira yetu thabiti katika kuendeleza jamii. Inaonesha manufaa halisi yanayotokana na kampuni kuipa kipaumbele jamii kupitia uwekezaji wa kijamii, na hivyo kuleta athari chanya na ya kudumu katika maeneo ya elimu, shughuli za kiuchumi, na miundombinu ya maji ndani ya jamii za maeneo tunakofanya kazi.



## 2. 2024 Tuzo ya mwajili bora wa mwaka (EYA)- Wajibu wa Kampuni kwa Jamii

Tuzo hii inatambua utendaji bora wa Kampuni katika kuunda mazingira ya kazi ambayo si tu yanawaunga mkono wafanyakazi wake, bali pia yana athari chanya kwa jamii inayowazunguka. Vigezo vya Uwajibikaji wa Kijamii wa Kampuni kwa tuzo hii vinaangazia jinsi kampuni zinavyohusisha uwajibikaji wa kijamii kama sehemu muhimu ya shughuli zao kuu za kiutendaji.

### Maeneo muhimu ya ubora

#### Ustawi na maendeleo ya wafanyakazi

Kampuni imeanzisha programu jumuishi zinazolenga kuboresha ujuzi wa wafanyakazi, kukuza maendeleo ya kazi, na kuhakikisha usalama mahali pa kazi. Baadhi ya mikakati inayotekelezwa ni pamoja na:

- Warsha endelevu za mafunzo na maendeleo ya wafanyakazi;
- Mipango ya ushauri iliyoundwa ili kukuza uongozi; na
- Itifaki thabiti za afya, usalama na ustawi ambazo zinavuka mahitaji ya kawaida ya tasnia.

#### Miradi bunifu ya wajibu wa kijamii wa kampuni

Mbinu yetu ya Wajibu wa Kijamii wa Kampuni (CSR) inajumuisha mipango mkakati ya ndani na ya nje ya kampuni:

- Mipango ya Ndani: Mipango inayohamasisha wafanyakazi kushiriki katika shughuli za Wajibu wa Kijamii wa Kampuni kwa jamii; na
- Mipango ya Nje: Ushiriki wa moja kwa moja katika kuinua jamii kupitia ushirikiano, mipango ya kujitolea, na kusaidia miradi ya maendeleo ya kijamii.

#### Utekelezaji endelevu

Tunatambuliwa kwa kuunganisha maendeleo endelevu katika uendeshaji wa shughuli zetu. Jitihada zetu zinajumuisha:

- Kuweka katika utekelezaji mbinu rafiki kwa mazingira;
- Kufuata utawala wenye uwazi unaohakikisha maamuzi ya kimaadili; na
- Kuhamasisha ushiriki wa wafanyakazi katika miradi ya kuhudumia jamii, kwa kuimarisha utamaduni wa uwajibikaji kwa jamii.

### Matokeo

Tuzo hii haitambui tu ubora wetu kama waajiri bali pia inaangazia jinsi juhudi za Kampuni ya Sigara Tanzania katika Uwajibikaji wa Kijamii wa Kampuni (CSR) zinavyochangia katika mazingira endelevu na jumuishi ya biashara, ndani ya kampuni na katika jamii kwa ujumla. Tuzo hizi zinaakisi dhamira ya Kampuni katika kukuza mazingira jumuishi ya ajira na kuchangia maendeleo ya kijamii kwa namna endelevu. Kupitia mafanikio haya, Kampuni inaendelea kuthibitisha nafasi yake kama kiongozi katika ubora wa viwanda na mshirika wa kweli katika ustawi wa jamii nchini Tanzania.







### 3. Mamlaka ya Usalama na Afya Mahali pa Kazi – Kitengo cha Uzalishaji Viwandani

Mamlaka ya Usalama na Afya Mahali pa Kazi nchini Tanzania hutambua kampuni zinazojitokeza kwa viwango vya juu vya usalama na afya mahali pa kazi kupitia Tuzo za Usalama na Afya Mahali pa Kazi.

#### Maeneo muhimu ya ubora

##### Usalama na Afya Mahala pa Kazi

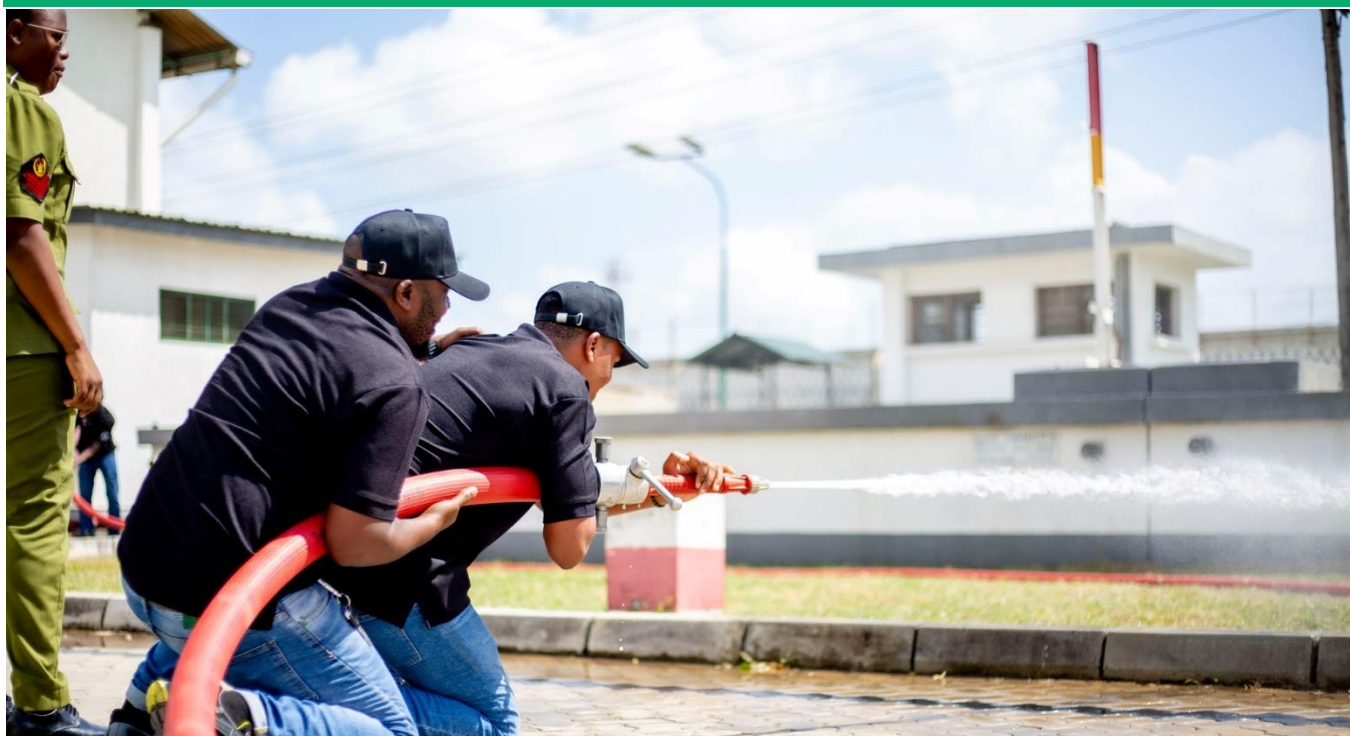
Kampuni ya Sigara Tanzania ilionesha uzingatiaji wa mifumo na miongozo inayotilia mkazo tathmini ya hatari kwa njia za kimfumo, kinga dhidi ya vihatarishi, na maboresho endelevu. Utekelezaji huo ulihusisha maandiko ya tathmini za vihatarishi, mipango ya udhibiti wa hatari, pamoja na mafunzo kwa wafanyakazi kuhusu usalama na afya mahali pa kazi.

##### Kuzuia na kudhibiti hatari

- Kampuni ya TCC Plc ilionyesha kuwa imetambua na kushughulikia hatari kubwa za mahali pa kazi kupitia hatua za kinga na itifaki za usalama.
- Tuzo hii inatambua mbinu bunifu za kukabiliana na changamoto za usalama, kama vile suluhisho za kimuundo, matumizi ya mashine kupunguza kazi za mikono, au miradi ya kijamii inayolenga usalama— ambapo Kampuni ya Sigara Tanzania ilionesha utekelezaji wake katika Mwaka wa Fedha 2024.

#### Matokeo

Utambuzi huu wa mfumo wa Usalama na Afya Mahala pa Kazi wa Tanzania unaashiria msimamo thabiti wa Kampuni katika kuzingatia maadili ya kazi salama na endelevu. Kwa kuonisha juhudi hizi na mitazamo ya kimataifa ya uendelevu kama inavyoainishwa katika Ripoti ya Uendelevu ya ITC ya mwaka 2024, Kampuni inaendelea kujiweka kama kiongozi wa sekta anayejali mazingira, jamii, na utawala bora. Mafanikio haya yanaimarisha hadhi ya chapa, kuvutia wawekezaji wanaowajibika kijamii, na kuendeleza ushirikiano wa kimkakati na wadau wanaothamini biashara endelevu.



# TCC Plc at a glance

**TZS 115B**

Net income FY 2024

**TZS 454B**

Revenue FY 2024

**TZS 374B**

TCC total assets

**63**

Years in operation in Tanzania

**16**

Branch offices

**18.4%**

Local shareholding

**458**

Employees

**21%**

Women representation

Products







# Kampuni ya Sigara kwa muhtasari

## TZS 115B

Mapato halisi kwa mwaka wa fedha 2024

## TZS 454B

Mapato kwa mwaka wa fedha 2024

## TZS 374B

Jumla ya mali ya kampuni

# 63

Miaka ya uendeshaji nchini Tanzania

# 16

Matawi

## 18.4%

Wanahisa wa ndani



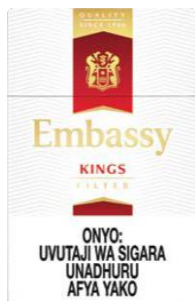
## 458

Wafanyakazi

## 21%

Uwakilishi wa wanawake

### Bidhaa za TCC Plc



05

# Board

Chairperson's statement



“

The last year can be characterized by two words **growth, and resilience.**”

*Mohamed  
Chande*

Board Chairperson



# Reflections on 2024

On behalf of the TCC Plc Board of Directors, I am pleased to present an overview of TCC Plc's performance for the year ending December 31, 2024.

The last year can be characterized by two words: growth, and resilience. Despite the tightened regulatory and competitive environment, we remained unwavering in our commitment to sustainable growth and responsible corporate stewardship, ensuring that we deliver value to our shareholders, employees, and the broader society.

NET INCOME

**TZS 115B**

FY24

DIVIDEND

**TZS 850 / SHARE**

FY24

VOLUNTEER HOURS

**710**

FY24

Excellence in action

Our unwavering dedication to quality and customer satisfaction earned us prestigious industry accolades. TCC Plc emerged as the Overall Winner at the President's Manufacturer of the Year Awards (PMAYA), a testament to our leadership in industrial excellence. Furthermore, our deep-rooted commitment to corporate social responsibility (CSR) was recognized with the Employer of the Year Award in the CSR category, affirming our role as a business that integrates social impact into its core strategy.

Guided by the Global JTI purpose "Creating fulfilling moments. Creating a better future" we continue to anticipate consumer needs, enhance stakeholder experiences, and elevate industry standards. Our focus on innovation and diversification strengthens our market position, ensuring we lead in product experience and value delivery.

Financial and business performance

In 2024, our collective efforts and commitment to excellence propelled us to a year of record high net income of TZS 115 Billion. This success underscores our capacity to effectively navigate market and operational challenges, while steadfastly upholding financial discipline.

The key driver of this performance was our pricing adjustment, a strategy implemented following the 20% excise tax hike in July 2023, and years of maintaining prices at the same level despite continuous increases in operating and manufacturing costs. From 2022 to 2023, we saw a decline in net income, and we are now proud that through this carefully planned strategy we return to growth.





### Creating sustainable value beyond profits

At TCC Plc, our success is defined not only by financial gains but also by the positive impact we create for our stakeholders and society. We are committed to delivering strong returns to our shareholders while ensuring our operations drive sustainable development. By integrating long-term value creation into our business model, we aim to create wealth for our investors while contributing positively to the environment and society.

Our sustainability strategy is rooted in three core pillars: innovating products, empowering people, and protecting the planet. At the heart of our mission is the conviction that a better future starts with the products we design, focusing on innovation and incorporating circularity. In addition to products innovation, we prioritize empowering individuals, including employees and women entrepreneurs' groups to positively impact their lives and livelihoods. Furthermore, we are committed to protecting the planet by tackling climate change and preserving nature, recognizing these efforts as vital for a thriving world today and tomorrow.



### Empowering and modernizing our workforce

At TCC Plc, we recognize that our employees are the driving force behind our success and are committed to fostering a culture of engagement, continuous learning, and modernization. In 2024, we intensified our efforts to shift mindsets, upskill our workforce, and embrace new ways of working while staying true to our company's history. Our focus on employee development included extensive upskilling and training programs designed to equip our workforce with future-ready skills. Leadership development and diversity initiatives played a crucial role in strengthening inclusivity, while digital transformation and process modernization enhanced efficiency.

We continued to honour the Collective Bargaining Agreement (CBA) with the Trade Union for mutual benefit of employees and the company by providing extended benefits such as leave allowances, medical support, retirement benefits and other initiatives to improve employee welfare. To further cultivate a strong sense of community, we prioritized employee engagement initiatives such as Family Day, which fosters connection outside the workplace, and the Champion Summit, which celebrates outstanding contributions.

Our modernization strategy ensures that TCC Plc remains agile, competitive, and equipped to meet the evolving demands of the industry while valuing and empowering our workforce.

### Community investment

In 2024, TCC Plc reaffirmed its commitment to social responsibility by investing significantly in impactful community development initiatives across Tanzania mainland and Zanzibar. These projects aimed at fostering sustainable growth, improving livelihoods, and enhancing the well-being of local communities.

Apart from financial contributions, our employees played a pivotal role in bringing these initiatives to life, collectively dedicating 710 volunteer hours to project implementation. This hands-on engagement highlights our deep-rooted commitment to creating meaningful and lasting change, ensuring that our corporate social responsibility efforts go past financial support to active participation in community empowerment.

### Commitment to regulatory engagement

As part of our responsible corporate governance approach, we actively engage with policymakers and regulatory bodies to advocate for fair and balanced regulations. In addition, we continue to collaborate with government agencies to combat illicit trade in tobacco products, ensuring a competitive and transparent market environment.



### Giving back to our shareholders

Following our excellent financial performance during the year, the board of directors proposes a payment of final ordinary dividend of TZS 550 per share for the accounting year ended December 2024. This is on top of interim ordinary dividend of TZS 300 per share paid to shareholders in October 2024. Dividend distribution at a level of 73% of our net profits as a return to our shareholders.

Final ordinary dividend is subject to approval by shareholders at the 60th Annual General Meeting of the company in April 2025 and will be paid in May 2025.

### Satisfying our consumers

Understanding evolving consumer preferences is at the core of our business strategy. In 2024, we enhanced our consumer experience initiatives through improved route to market excellence ensuring the product is available where and when the consumer wants it and maintaining a strong product portfolio offering. By integrating feedback mechanisms and strengthening our engagement strategies, we reinforced trust and loyalty among our consumers, positioning ourselves as a brand of choice.

### Business challenges and strategies

Like many global businesses, we faced multiple industry and economic challenges. Global tobacco shortages, economic instability, and regulatory pressures created hurdles in raw material availability, pricing, and compliance. However, we remained committed to our strategic priorities, focusing on ensuring a stable supply chain through strengthened partnerships with our international suppliers, enhancing operational efficiencies to mitigate cost pressures and sustained competitive advantage while navigating regulatory changes through proactive engagement with stakeholders and policymakers. Lastly, strengthening market positioning with ensuring product availability and consumer-centric marketing strategies. By adopting these measures, TCC Plc has maintained business stability while advancing long-term growth.

### Outlook for 2025

Our long-term success is deeply intertwined with our commitment to environmental, social, and governance (ESG) principles. Sustainability is no longer an option but an imperative, and in 2024, we made significant strides in reducing our carbon footprint, optimizing energy use, and strengthening responsible sourcing practices. We advanced our efforts in water conservation and waste reduction, while also enhancing community engagement through impactful corporate social responsibility programs. By embedding sustainability into our core strategy, we continue to create shared value for all stakeholders.

Looking forward, TCC Plc is strategically positioned to capitalize on the increasing demand within Tanzania's tobacco products market. We remain focused on product innovation to enhance consumer satisfaction and market differentiation, operational efficiencies to optimize production processes and reduce costs, and strengthening distribution networks to enhance market accessibility and competitiveness. As we navigate economic challenges, including inflation, currency fluctuations, and evolving regulatory landscapes, we will uphold our financial resilience while maintaining our commitment to sustainability. With these strategic priorities in place, we are confident in our ability to sustain growth, reinforce our leadership in Tanzania's tobacco industry, and drive long-term value for all stakeholders.

### Appreciation

As we conclude another successful year, I extend my heartfelt appreciation to all our stakeholders for their unwavering support. A special thank you to our parent company, JTI, our dedicated management team and employees, the Government and its agencies, and business associations for their invaluable contributions. Your commitment and collaboration have been instrumental in our continued success.

Together, we look forward to an even more prosperous and impactful 2025.

“

**Our collective efforts and unwavering commitment to excellence propelled us to another extraordinary year of growth.”**

*Mohamed Chande*

**Board Chairperson**



05

# Tamko

Ia Mwenyekiti wa Bodi



“

Mwaka uliopita unaweza kuelezwa  
kwa maneno mawili ambayo ni,  
**ukuaji na ustahimilivu.”**

*Mohamed  
Chande*

Mwenyekiti wa Bodi





# Tafakari ya 2024

**Kwa niaba ya Bodi ya Wakurugenzi ya Kampuni ya Sigara Tanzania (TCC Plc), nina furaha kuwasilisha muhtasari wa utendaji wa Kampuni kwa mwaka uliomalizika tarehe 31 Desemba 2024.**

Mwaka uliopita unaweza kuelezewa kwa maneno mawili ambayo ni, ukuaji na ustahimilivu. Licha ya mazingira ya ushindani kuzidi kuimarika, tuliendelea kusimama imara katika dhamira yetu ya kukuza maendeleo endelevu na uongozi wenye uwajibikaji wa Kampuni, tukihakikisha tunaleta thamani kwa watumiaji wetu, wanahisa, wafanyakazi, na jamii kwa ujumla.

MAPATO HALISI  
**TZS 115B**  
MF 24

GAWIO  
**TZS 850 /  
HISA**  
MF 24

MASAA YA KUJITOLEA  
**710**  
MF 24

## Ubora katika vitendo

Katika mwaka wa 2024, Kampuni ya TCC Plc ilipokea tuzo kubwa za kitaifa kutokana na utekelezaji wake thabiti wa ubora wa viwanda na uwajibikaji kwa kijamii. Kampuni ilitangazwa kuwa Mtengenezaji Bora wa Mwaka kupitia Tuzo za Rais za Mtengenezaji Bora wa Mwaka (PMAYA), ikithibitisha nafasi yake kama kiongozi katika sekta ya viwanda. Aidha, kwa kuonesha dhamira ya kweli ya kutoa mchango kwa jamii, TCC Plc ilitunukiwa Tuzo ya Mwajiri Bora wa Mwaka katika kipengele cha Uwajibikaji wa Kijamii wa Kampuni. Mafanikio haya yanadhihirisha nguvu ya mikakati ya kampuni ambayo inaunganisha ukuaji wa kibiashara na athari chanya kwa jamii, kwa kuendeleza mazingira endelevu ya kazi, kubuni bidhaa bora, na kushirikiana kwa karibu na wadau katika ngazi zote.

Tukiongozwa na lengo letu la msingi, “Kuunda nyakati za kuridhisha kwa ajili ya mustakabali bora,” tunaendelea kutabiri mahitaji ya wateja, kuboresha uzoefu wa wadau, na kuinua viwango vya sekta. Mkazo wetu uko katika kuimarisha nafasi yetu sokoni kwa kuhakikisha tunakuwa kinara katika utoaji wa bidhaa zenye ubora wa hali ya juu na thamani kwa wateja wetu.

## Mafanikio katika Fedha na Biashara

Mwaka 2024 uliashiria mafanikio makubwa kwa kampuni,

ambapo juhudi zetu za pamoja na kujitolea kwa ubora zilituwezesha kufikia rekodi ya juu ya mapato halisi ya Shilingi Bilioni 115. Mafanikio haya yanadhihirisha uwezo wetu wa kukabiliana kikamilifu na changamoto za soko na uendeshaji huku tukidumisha nidhamu madhubuti ya kifedha. Mchango mkubwa katika mafanikio haya umetokana na marekebisho ya bei ya bidhaa zetu, mkakati tuliouanzisha kufuatia ongezeko la 20% la kodi ya bidhaa mwezi Julai 2023, baada ya miaka kadhaa ya kudumisha bei zilezile licha ya kuongezeka kwa gharama za uendeshaji na uzalishaji. Kuanzia mwaka 2022 hadi 2023 tulishuhudia kushuka kwa mapato halisi, na sasa tunajivunia kurejea kwenye ukuaji kupitia mkakati huu uliopangwa kwa umakini.

Tukiangazia siku zijazo, Kampuni ya Sigara Tanzania imejizatiti kuendeleza usawa kati ya shinikizo la gharama za uendeshaji na utafutaji wa fursa mpya za ukuaji wa biashara. Kupitia usimamizi thabiti wa kifedha na utekelezaji wa mikakati yenye ufanisi wa kiutendaji, kampuni inalenga kuendelea kuunda thamani endelevu kwa wanahisa wake na kuimarisha nafasi yake kama kinara wa sekta ya tumbaku nchini Tanzania. Dhamira hii inaendana na malengo ya muda mrefu ya kuhimiza ukuaji wa kijamii na kiuchumi kupitia uwajibikaji wa kampuni kwa wadau wake.

**“Tunaendelea kutabiri mahitaji ya wateja, kuboresha uzoefu wa wadau, na kuinua viwango vya sekta”**

**Mohamed Chande**  
Mwenyekiti wa Bodi



### Kuunda Thamani Endelevu yenye Faida

Katika Kampuni ya TCC Plc, mafanikio yetu yanafanuliwa sio tu kutokana na faida za kifedha bali pia na matokeo chanya tunayounda kwa wadau wetu na jamii. Tumejitolea kuleta faida kubwa kwa wanahisa wetu huku tukihakikisha shughuli zetu zinasukuma maendeleo endelevu. Kwa kujumuisha uundaji wa thamani wa muda mrefu katika mtindo wetu wa biashara, tunalenga kutengeneza utajiri kwa wawekezaji wetu huku tukichangia vyema kwenye mazingira na jamii.

Mkakati wetu wa uendelevu umejikita katika nguzo tatu kuu: kubuni bidhaa, kuwawezesha watu na kulinda sayari. Kiini cha dhamira yetu ni imani kwamba maisha bora ya baadaye huanza na bidhaa tunazobuni, tukizingatia uvumbuzi. Mbali na uvumbuzi wa bidhaa, tunatoa kipaumbele kwa kuwawezesha watu binafsi, ikiwa ni pamoja na wafanyakazi na vikundi vya ujasiriamali vya wanawake ili kuwa na athiri chanya katika maisha na mustakabali wao. Zaidi ya hayo, tumejitolea kulinda sayari kwa kukabiliana na mabadiliko ya hali ya hewa na kuhifadhi asili, tukitambua juhudi hizi kuwa muhimu kwa ulimwengu unaostawi leo na kesho.



### Kuwezesha na kuboresha nguvu kazi yetu

Katika Kampuni yetu TCC Plc, tunatambua kwamba wafanyakazi wetu ndio nguvu kazi inayowezesha mafanikio na tumejitolea kukuza utamaduni wa ushiriki, mafunzo endelevu, na usasa. Mwaka 2024, tulizidisha juhudi zetu za kubadilisha mawazo, kuongeza ujuzi wa wafanyakazi wetu, na kukumbatia njia mpya za kufanya kazi sambamba na historia ya kampuni yetu. Mtazamo wetu katika maendeleo ya wafanyakazi ulijumuisha uboreshaji wa kina na programu za mafunzo za kuwawezesha wafanyakazi wetu kupata ujuzi wa kina. Mafunzo ya uongozi yalichukua nafasi muhimu katika kuimarisha ujumuishaji, wakati mabadiliko ya kidigitali na uboreshaji wa mifumo ukiimarisha ufanisi. Tuliendelea kuheshimu Makubaliano ya Mkataba wa Hari Boara baina Manajimenti na Chama cha Wafanyakazi kwa manufaa ya pande zote za wafanyakazi na kampuni kwa kutoa marupurupu ya nyongeza kama vile posho za likizo, usaidizi wa matibabu, marupurupu ya kustaafu na mipango mingine ya kuboresha maslahi ya wafanyakazi. Ili kukuza hisia dhabiti za jamii, tulitanguliza juhudi za kushirikisha wafanyakazi kama vile Siku ya Familia, ambayo hudumisha uhusiano nje ya mahali pa kazi, na Mkutano wa Mabingwa yaani wafanyakazi wa Kampuniya Sigara, ambao huadhimisha michango bora.

Mkakati wetu wa uboreshaji wa kisasa unahakikisha kuwa Kampuni ya Sigara inasalia kuwa chapa, yenye ushindani, na iliyotayarishwa ili kukidhi mahitaji yanayobadilika ya sekta hiyo huku ikithamini na kuwawezesha wafanyakazi wetu.

### Uwekezaji kwenye jamii

Mwaka 2024, Kampuni ya Sigara ilithibitisha tena dhamira yake ya uwajibikaji wa kijamii kwa kuwekeza kwa kiasi kikubwa katika miradi ya maendeleo ya jamii yenye manufaa makubwa kote Tanzania Bara na Zanzibar. Miradi hii lilenga kukuza ukuaji endelevu, kuboresha maisha ya wananchi, na kuboresha ustawi wa jamii.

Mbali na michango ya kifedha, wafanyakazi wetu walichukua jukumu muhimu katika kutekeleza miradi hii kwa kujitolea jumla ya masaa 710 katika utekelezaji wa miradi. Ushiriki huu wa moja kwa moja unasisitiza dhamira yetu thabiti ya kuleta mabadiliko yenye maana na ya kudumu, na kuhakikisha kwamba juhudi zetu za uwajibikaji wa kijamii hazishii tu katika msaada wa kifedha bali pia katika ushiriki wa moja kwa moja katika uwezesaji wa jamii.

### Dhamira ya kushirikiana na mamlaka za kisheria

Kama sehemu ya mbinu yetu ya utawala bora wa kampuni, tunashirikiana kikamilifu na wadau wetu ikiwemo watunga sera na mamlaka za udhibiti ili kutetea kanuni za haki na usawa. Aidha, tunaendelea kushirikiana na mamlaka husika za serikali ili sio tu kupambana na biashara haramu ya bidhaa za sigara, bali pia kuongeza uhamasishaji kuhusu madhara ya biashara haramu ya sigara, kuhakikisha mazingira wazi ya soko yenye ushindani, haki na uwazi.



## Mgao kwa wanahisa wetu

Kufuatia utendaji mzuri wa kifedha katika mwaka husika, bodi ya wakurugenzi inapendekeza ulipaji wa gawio la mwisho la kawaida la shilingi 550 kwa kila hisa kwa mwaka wa fedha ulioishia Desemba 2024. Hii ni juu ya mgao wa awali wa kawaida wa shilingi 300 kwa kila hisa uliolipwa kwa wanahisa mwezi Oktoba 2024. Mgao huu wa faida unawakilisha 73% ya faida halisi ya kampuni kwa mwaka, kama sehemu ya juhudi zetu za kuwarudishia wanahisa thamani ya uwekezaji wao.

Mgao wa mwisho wa kawaida wa faida unategemea kuidhinishwa na wanahisa katika Mkutano Mkuu wa Mwaka wa 60 wa Kampuni unaotarajiwa kufanyika Aprili 2025, na utalipwa mwezi Mei 2025.

## Kuwaridhisha wateja wetu

Kuelewa mabadiliko ya ladha na mapendeleo ya wateja ni msingi wa mkakati wetu wa biashara. Katika mwaka 2024, Kampuni iliimarisha mikakati ya kuboresha uzoefu wa mteja kupitia uboreshaji wa mbinu za usambazaji wa bidhaa, kuhakikisha bidhaa inapatikana mahali na wakati unaohitajika na mteja, sambamba na kuendeleza mkusanyiko imara wa bidhaa. Kupitia mifumo ya kupokea mrejesho na kuimarisha mikakati ya ushirikishwaji, Kampuni iliimarisha uaminifu na uaminifu wa wateja, hivyo kujipambanua kama chapa inayochaguliwa na wateja

## Changamoto na mikakati ya kibiashara

Kama ilivyo kwa kampuni nyingi za kimataifa, Kampuni ya Sigara ilikumbana na changamoto mbalimbali za kisekta na kiuchumi, ikiwemo uhaba wa tumbaku duniani, kuyumba kwa uchumi, na shinikizo la kisheria vilivyosababisha vikwazo katika upatikanaji wa malighafi, upangaji wa bei, na uzingatiaji wa kanuni. Licha ya changamoto hizi, Kampuni ya Sigara iliendelea kushikilia vipaumbele vyake vya kimkakati kwa kuhakikisha uthabiti wa mlolongo wa ugavi kupitia ushirikiano na wasambazaji wa kimataifa, kuboresha ufanisi wa kiutendaji ili kupunguza gharama, na kudumisha ushindani wa kibiashara. Aidha, kampuni ilishirikiana kwa karibu na wadau na watunga sera kukabiliana na mabadiliko ya kisheria, sambamba na kuimarisha nafasi yake sokoni kwa kuhakikisha upatikanaji wa bidhaa na kutumia mikakati ya uuzaji inayomlenga mtumiaji. Kupitia hatua hizi, Kampuni ya Sigara imeendelea kudumisha uthabiti wa biashara

na kuchochea ukuaji wa muda mrefu.

## Matarajio ya 2025

Kwa mwaka 2024, mafanikio ya muda mrefu ya Kampuni ya Sigara Tanzania yaliakisiwa na maendeleo makubwa katika utekelezaji wa vigezo vya mazingira, kijamii na utawala bora. Kampuni ilipunguza kiwango cha utoaji wa hewa ya ukaa, kuboresha matumizi ya nishati, na kuimarisha uwajibikaji katika mlolongo wa ugavi. Aidha, hatua madhubuti zilichukuliwa katika uhifadhi wa maji, kupunguza uzalishaji wa taka, na kuimarisha ushirikiano na jamii kupitia programu za Uwajibikaji wa Kijamii wa Kampuni. Kwa kuendelea kuunganisha uendeleu katika mkakati wa biashara, Kampuni iliweza kuongeza thamani ya pamoja kwa wadau wake na kuchangia maendeleo endelevu ya taifa.

Kwa kuangazia siku zijazo, Kampuni ya Sigara Tanzania imejipanga kimkakati kunufaika na kuongezeka kwa mahitaji ya bidhaa za tumbaku katika soko la Tanzania. Kampuni inaendelea kujikita katika ubunifu wa bidhaa ili kuongeza kuridhika kwa watumiaji na kujitofautisha sokoni, pamoja na kuboresha ufanisi wa uzalishaji kwa kupunguza gharama. Vilevile, Kampuni inaendelea kuimarisha mitandao ya usambazaji ili kuongeza upatikanaji wa bidhaa sokoni na kuimarisha ushindani. Katika kukabiliana na changamoto za kiuchumi, zikiwemo mfumuko wa bei, mabadiliko ya viwango vya ubadilishaji wa fedha, na mazingira yanayobadilika ya kisheria, Kampuni itaendelea kudumisha uimara wa kifedha sambamba na kujitolea kwake katika uendeleu. Kupitia vipaumbele hivi vya kimkakati, Kampuni ina imani ya kuendeleza ukuaji, kuimarisha nafasi yake ya uongozi katika sekta ya tumbaku nchini, na kuleta thamani ya muda mrefu kwa wadau wake wote.

## Shukrani

Tunapokamilisha mwaka mwingine wa mafanikio, napenda kutoa shukrani za dhati kwa wadau wetu wote kwa ushirikiano wao usioyumba. Shukrani za kipekee zinaelekezwa kwa kampuni yetu mama, JTI, timu ya menejimenti na wafanyakazi wetu waliojitolea, Serikali na taasisi zake, pamoja na mashirikisho ya biashara kwa mchango wao wa thamani. Uaminifu na ushirikiano wenu vimekuwa nguzo muhimu katika mafanikio yetu endelevu.

Kwa pamoja, tunatazamia mwaka 2025 wenye mafanikio zaidi na mchango chanya kwa jamii.

“

**Juhudi zetu za pamoja na kujitolea kwa ubora zilituwezesha kufikia rekodi ya juu.”**

*Mohamed Chande*

Mwenyekiti wa Bodi



06

# Chief

Executive Officer's statement



“

We have achieved solid growth by focusing on **customer satisfaction** and **operational excellence**.”

*Roy Manalili*

Chief Executive Officer







# Dear shareholders,

**As I reflect on the year 2024, I am proud of the progress we have made at TCC Plc in strengthening our position as a leader in the tobacco industry.**

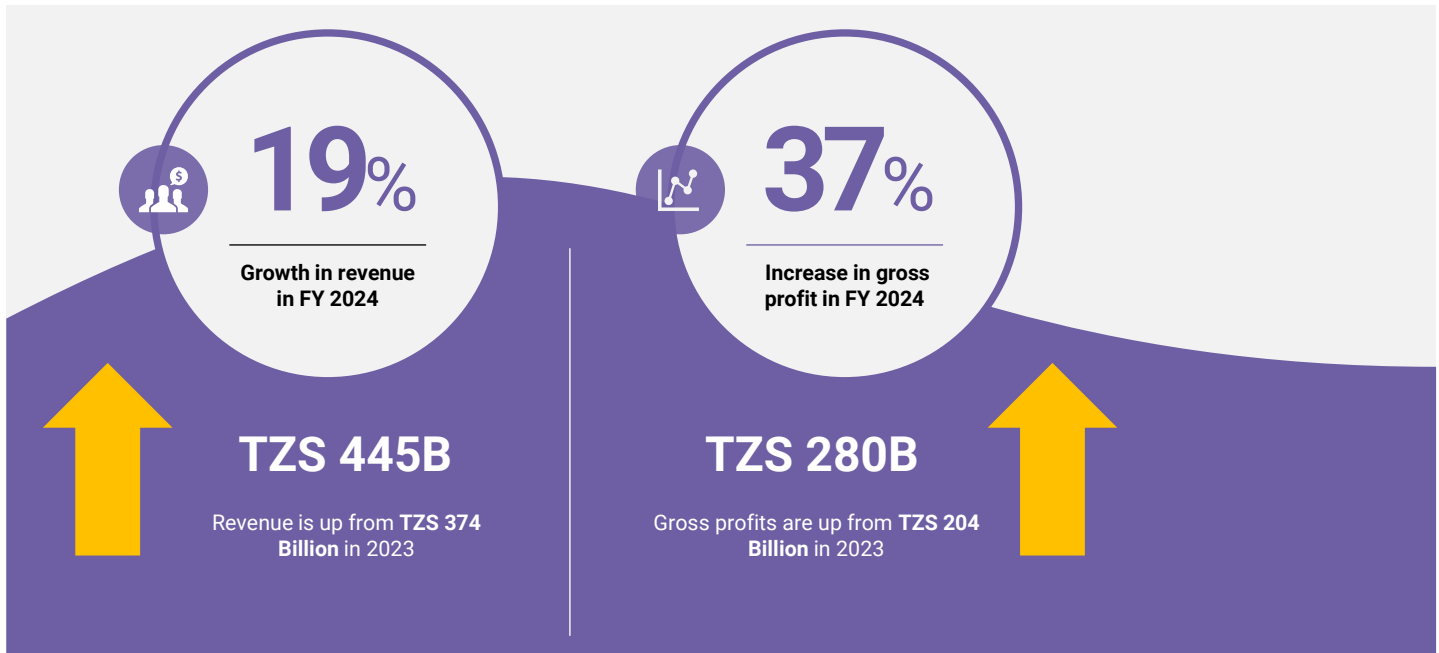
Our commitment to delivering long-term value to stakeholders while upholding the highest standards of sustainability and corporate responsibility has been at the core of everything we do. We have achieved solid growth by focusing on customer satisfaction and operational excellence. Despite challenges such as a dynamic economic landscape and evolving regulatory requirements, we have successfully navigated these obstacles while maintaining our commitment to responsible business practices and stakeholder engagement. Our efforts have not only enhanced our financial performance but also contributed positively to the broader community and our employees.



## Performance highlights

This year, TCC Plc demonstrated resilience and strength, recording a steady increase in revenue to TZS 445 billion, up from TZS 374 billion in 2023. Our gross profit also rose to TZS 280 billion up from TZS 204 billion in the previous year. These results reflect our focus on operational efficiency, cost management, and a strong brand portfolio. Additionally, we maintained our strong market leadership position,

underscoring the effectiveness of our business strategy and our ability to meet evolving consumer needs. In addition to financials, our growth story is deeply intertwined with consumer satisfaction. We remain committed to delivering high-quality products that align with shifting consumer preferences, ensuring that our offerings remain relevant and appealing. We have solidified our market position while adapting to changing regulatory landscapes and economic challenges.





**“This year has underscored the importance of innovation and adaptability in driving business success”**



#### **Innovation and responsiveness**

This year has underscored the importance of innovation and adaptability in driving business success. Our ability to evolve in a rapidly changing marketplace, respond to shifting consumer trends, and enhance our product offerings has been central to our continued growth. The recognition of TCC Plc as the winner of the prestigious President’s Manufacturer of the Year Awards (PMAYA) reflects our commitment to innovation, economic contribution, and our unwavering dedication to maintaining the highest standards in everything we do.

As we look ahead, our focus will remain on expanding our reach, driving operational excellence, and ensuring that we remain consumer centric. We are committed to implementing strategies that not only fuel growth but also ensure that our business is sustainable for the long term, while also maintaining responsible production practices.

#### **Engaging employees and embracing modernization**

A crucial aspect of our success is the transformation taking place within our workforce. At TCC Plc, modernization extends past technology and processes to how we engage, develop, and empower our employees. As the business environment evolves, so must our mindset. Investing in upskilling, diversity, and inclusive leadership ensures that our team is equipped to thrive in the future. Our employees are the driving force behind our success, and their growth and adaptability remain essential to our long-term sustainability.

While we embrace modernization, we do so with a deep respect for our rich history and the strong foundation laid by those who came before us. This balance allows us to integrate progressive strategies while staying true to the values that define our organization.





## Advancing sustainability and ESG commitment

Sustainability is integral to our long-term strategy. Beyond minimizing our environmental impact, we aim to ensure the health and safety of our consumers, create value for our employees, and make meaningful contributions to the communities where we operate.

We are proud of the progress we have made in FY 2024, from reducing our carbon footprint and improving energy efficiency to expanding our corporate social responsibility initiatives.

We are equally focused on advancing our Environmental, Social, and Governance (ESG) agenda. Our commitment to water conservation, waste reduction, and community development remains at the forefront of our operations. By maintaining the highest ethical standards and ensuring transparency in all our dealings, we are positioning TCC Plc as a responsible corporate citizen, building a more sustainable and prosperous future for all.

**“To our stakeholders, we reaffirm our commitment to delivering robust financial performance and responsible business practices.”**

We will continue to prioritize transparent communication, actively engage with our communities, and drive sustainable growth that benefits all stakeholders. Together, we can continue to build a resilient, forward-thinking future for TCC Plc.

### Looking ahead

Looking ahead, we remain optimistic about the opportunities before us. As we continue to navigate the complexities of the modern marketplace, our focus will be on embracing change and innovation, while remaining grounded in the values that have defined our success. Our commitment to sustainability, employee engagement, and consumer satisfaction will guide us in adapting to the demands of the future, and we are excited to explore new growth avenues, product innovations, and market expansions.



# Infinite gratitude

FY 2024 has been a year of transformation, growth, and reflection for TCC Plc. We have strengthened our sustainability journey, achieved strong financial results, and set the stage for continued improvement. While we take pride in our history and accomplishments, our focus remains firmly on the future.

On behalf of the Board of Directors and the entire TCC Plc team, I want to extend our deepest gratitude to all our stakeholders for your unwavering support. Together, we will continue to contribute to the social and economic development of Tanzania and build a sustainable future for all.

Thank you for your continued trust and partnership.

*Roy*



06

# Tamko

Ia Afisa Mtendaji Mkuu



Ukurasa 35

“

Tumefanikisha ukuaji imara  
kwa kuzingatia **kuridhisha**  
**wateja** na **ubora wa**  
**uendeshaji**.

*Roy*  
*Manalili*

Afisa Mtendaji Mkuu

TCC

# Wadau wetu,

## Ninapotafakari mwaka wa 2024, najivunia mafanikio tuliyoyapata katika kuimarisha nafasi yetu kama kinara wa sekta ya tumbaku.

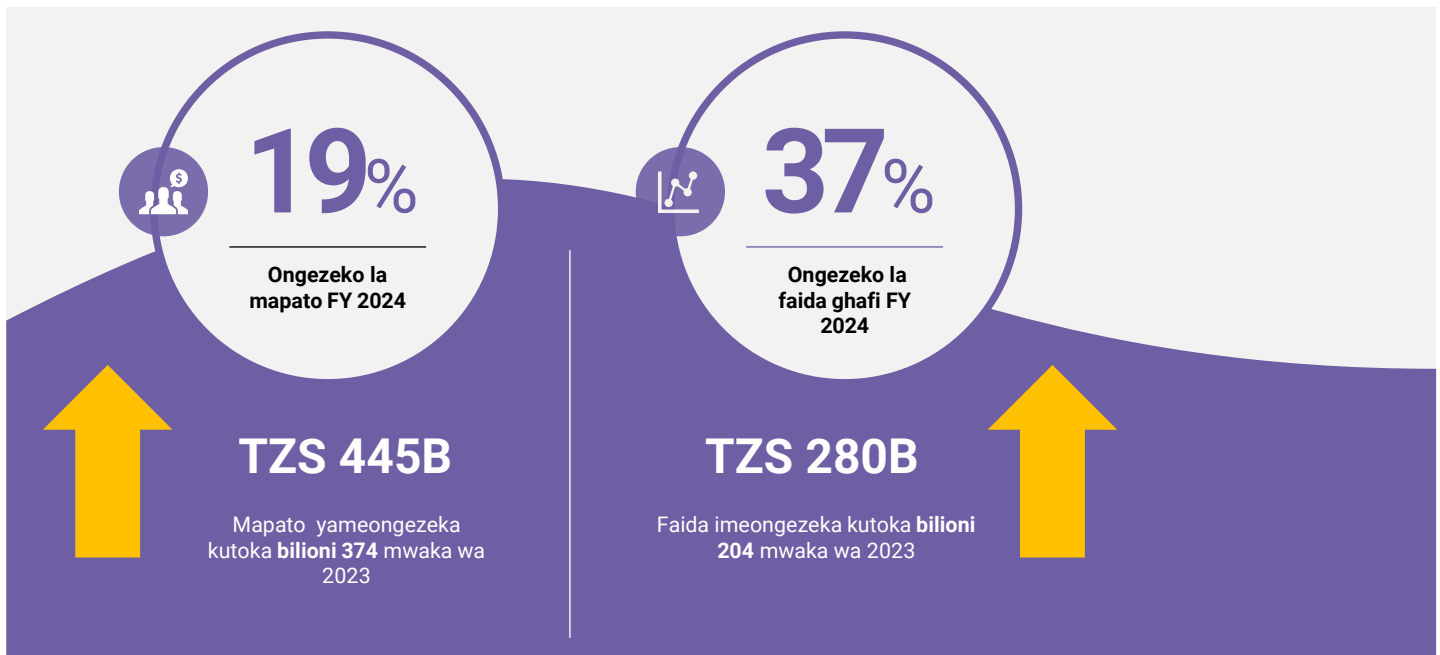
Dhamira yetu ya kutoa thamani ya muda mrefu kwa wadau imekuwa kiini cha kila tunachofanya. Tumefanikisha ukuaji imara kwa kuzingatia kuridhisha wateja na ubora wa uendeshaji. Licha ya changamoto kama vile hali tete ya uchumi na mabadiliko ya mara kwa mara katika kanuni za udhibiti, tumeweza kuzikabili kwa mafanikio huku tukidumisha uwajibikaji wa kibiashara na ushirikishwaji wa wadau. Jitihada hizi zimeboresha sio tu matokeo yetu ya kifedha bali pia zimechangia kwa kiasi kikubwa katika maendeleo ya jamii kwa ujumla na ustawi wa wafanyakazi wetu.



### Vipengele vya utendaji

Mwaka uliopita, kampuni ilionesha ustahimilivu na uimara kwa kurekodi ongezeko thabiti la mapato hadi kufikia **Shilingi Bilioni 445** kutoka **Shilingi Bilioni 374 mwaka 2023**, huku faida ghafi ikiongezeka hadi **Shilingi Bilioni 280** kutoka **Shilingi Bilioni 204** mwaka uliopita. Matokeo haya yanaakisi mkazo wa kampuni katika ufanisi wa kiutendaji, usimamizi wa gharama, na uimara wa chapa zake, sambamba na

kuendeleza nafasi ya uongozi wa soko kama uthibitisho wa mafanikio ya mkakati wa kibiashara na uwezo wa kukidhi mahitaji ya wateja yanayoendelea kubadilika. Mbali na mafanikio ya kifedha, ukuaji huu umejikita katika kuridhika kwa wateja kupitia utoaji wa bidhaa za hali ya juu zinazokidhi ladha na matarajio ya wateja wa sasa, hatua iliyosaidia kuimarisha nafasi ya kampuni sokoni huku ikijibadilisha kwa ufanisi dhidi ya changamoto za kiuchumi na mabadiliko ya mazingira ya kisheria.







**“Mwaka 2024, ulionesha kwa kiasi kikubwa umuhimu wa ubunifu na uwezo wa kubadilika katika kufanikisha mafanikio ya biashara.”**



#### Ubunifu na mwitikio

Mwaka 2024, ulionesha kwa kiasi kikubwa umuhimu wa ubunifu na uwezo wa kubadilika katika kufanikisha mafanikio ya biashara. Uwezo wetu wa kubadilika kulingana na soko linalobadilika kwa kasi, kujibu mitazamo ya wateja inayobadilika, na kuboresha bidhaa zetu umekuwa msingi wa ukuaji wetu endelevu. Kutambuliwa kwa kampuni kuwa Mtengenezaji Bora wa Mwaka kupitia Tuzo za Rais ni uthibitisho wa dhamira yetu ya dhati katika ubunifu, kuchangia katika maendeleo ya kiuchumi, na kudumisha viwango vya juu vya ubora katika kila tinalofanya.

Tunapoangazia mbele, lengo letu litaendelea kuwa ni kupanua wigo wa biashara yetu, kuimarisha ubora wa uendeshaji, na kuhakikisha kuwa tunaendelea kuwa kampuni inayomjali mteja. Tumejizatiti kutekeleza mikakati inayochochea ukuaji huku tukihakikisha biashara yetu inakuwa endelevu kwa muda mrefu, sambamba na kudumisha uzalishaji unaozingatia uwajibikaji.

#### Kushirikisha wafanyakazi na kukumbatia usasa

Jambo muhimu katika mafanikio yetu ni mabadiliko yanayoendelea ndani ya nguvu kazi yetu. Katika Kampuni ya Sigara Tanzania, uboreshaji wa kisasa hauhusiani tu na teknolojia na mifumo, bali pia na namna tunavyowahusisha, kuwaendeleza na kuwawezesha wafanyakazi wetu. Kadri mazingira ya biashara yanavyobadilika,

ndivyo mtazamo wetu unavyopaswa kubadilika. Kuwekeza katika kuongeza ujuzi, utofauti na uongozi jumuishi kunahakikisha kuwa timu yetu iko tayari kustawi katika siku zijazo. Wafanyakazi wetu ndio nguzo ya mafanikio yetu, na ukuaji wao pamoja na uwezo wa kuendana na mabadiliko ni msingi wa uendelevu wetu wa muda mrefu.

Katika jitihada zake za kuendelea na mabadiliko ya kisasa, Kampuni ya Sigara Tanzania imeendelea kuheshimu historia yake tajiri na misingi imara iliyowekwa na waanzilishi wake. Mizani hii kati ya maendeleo ya kiteknolojia na uendelevu wa maadili ya msingi imeiwezesha kampuni kuunganisha mikakati bunifu ya kisasa bila kupoteza utambulisho wake wa kihistoria. Hali hii imekuwa chachu ya mafanikio endelevu na uimara wa taasisi katika soko linalobadilika kwa kasi.



# Kuendeleza maendeleo endelevu na utekelezaji wa kanuni za Mazingira, Jamii na Utawala

Katika mwaka wa fedha 2024, Kampuni ya Sigara Tanzania iliendelea kutekeleza mikakati ya kuimarisha uendeleo kama sehemu ya msingi ya malengo yake ya muda mrefu.

Kampuni ilichukua hatua madhubuti za kupunguza athari za mazingira kwa kupunguza utoaji wa hewa ukaa na kuboresha matumizi ya nishati katika shughuli zake za uzalishaji.

Sambamba na hayo, Kampuni iliongeza juhudi zake katika utekelezaji wa miradi ya uwajibikaji kwa jamii kwa lengo la kuimarisha ustawi wa jamii zinazozunguka maeneo ya uzalishaji. Kampuni pia ilijikita katika kuhakikisha afya na usalama wa wateja wake pamoja na kuendelea kuwekeza katika ustawi wa wafanyakazi wake, ikiwa ni sehemu ya dhamira yake ya kuleta thamani kwa wadau wote na kuchangia katika maendeleo endelevu ya taifa.

Kampuni ya Sigara Tanzania imeendelea kuimarisha utekelezaji wa ajenda yake ya Mazingira, Jamii, na Utawala Bora kama sehemu muhimu ya mikakati yake ya uendeleo. Dhamira ya kampuni katika kuhifadhi vyanzo vya maji, kupunguza taka, na kuchangia maendeleo ya jamii inaendelea kuwa kitovu cha shughuli zake. Kwa kuzingatia viwango vya juu vya maadili na kuhakikisha uwazi katika kila hatua ya uendeshaji wa biashara, Kampuni inajijengea nafasi kama kampuni inayowajibika kwa jamii, ikichangia katika kujenga mustakabali endelevu na wenye mafanikio kwa vizazi vya sasa na vijavyo.

**“Kwa wadau wetu, tunathibitisha tena dhamira yetu ya kuendeleza utendaji imara wa kifedha na kuendesha biashara kwa uwajibikaji.”**

Tutaendelea kutoa kipaumbele kwenye mawasiliano ya wazi, kushirikiana kikamilifu na jamii zetu, na kusukuma mbele ukuaji endelevu unaowanufaisha wadau wote. Kwa pamoja, tunaweza kujenga mustakabali imara na wenye mtazamo wa mbali kwa ajili Kampuni ya Sigara Tanzania.

## Yajayo

Katika kutazamia miaka ijayo, Kampuni ya Sigara Tanzania inaendelea kuwa na mtazamo chanya kuhusu fursa za ukuaji zilizopo katika soko. Tunatambua umuhimu wa kujiandaa kwa ajili ya mabadiliko ya haraka ya mazingira ya biashara, hivyo tutaendelea kuwekeza katika ubunifu, teknolojia, na mikakati inayoweza ufanisi wa kiutendaji. Kwa kuongozwa na maadili yetu ya msingi na dhamira ya kuleta maendeleo endelevu, kampuni itazingatia kuridhisha wateja, kuwashirikisha na kuwawezesha wafanyakazi, pamoja na kuhakikisha kuwa shughuli zetu zina manufaa kwa jamii na mazingira. Dhamira hii itatuwezesha kuendelea kuwa kinara katika sekta ya tumbaku nchini, huku tukijenga msingi thabiti kwa mafanikio ya muda mrefu.





# Shukrani isiyo na kifani

Katika mwaka wa fedha 2024, Kampuni ya Sigara Tanzania imeendelea kujidhihirisha kama taasisi inayojitahidi kuleta mabadiliko chanya kwa jamii na wadau wake. Mwaka huu umekuwa wa mageuzi, ukuaji, na tathmini ya mafanikio, ambapo kampuni imeimarisha safari yake ya maendeleo endelevu, kufanikisha matokeo thabiti ya kifedha, na kuweka msingi madhubuti wa maboresho ya kudumu.

Tukiwa na fahari ya historia yetu, tunabaki tukiangazia kwa makini mustakabali wetu kwa kuendelea kuwekeza katika mikakati inayolenga ukuaji endelevu, ushirikishwaji wa wadau, na utendaji wa kijamii unaowiana na misingi ya utawala bora.

Kwa niaba ya Bodi ya Wakurugenzi na timu nzima ya Kampuni ya Sigara Tanzania, napenda kutoa shukrani za dhati kwa wadau wetu wote kwa usaidizi wenu usioyumba. Kwa pamoja, tutaendelea kuchangia maendeleo ya kijamii na kiuchumi ya Tanzania na kujenga mustakabali endelevu kwa vizazi vya sasa na vijavyo.

Asanteni kwa kuendelea kutuamini na kushirikiana nasi.

*Roy*





**“Katika kutazamia miaka ijayo, Kampuni ya Sigara Tanzania inaendelea kuwa na mtazamo chanya kuhusu fursa za ukuaji zilizopo katika soko”**

Tunatambua umuhimu wa kujiandaa kwa ajili ya mabadiliko ya haraka ya mazingira ya biashara, hivyo tutaendelea kuwekeza katika ubunifu, teknolojia, na mikakati inayoweza ufanisi wa kiutendaji.



## Board of Directors' profiles



**Mr. Paul Makanza**

**Board chairperson FY 2024**

Mr. Paul Makanza is a seasoned professional with over two decades of senior-level management experience in various sectors. He served as Chairperson of TCC Plc for a period of seven years until 31st December 2024 when he resigned. Mr. Makanza also leads several other esteemed boards including, ABSA Bank Tanzania Ltd, Serengeti Breweries Limited, and the Tanzania Start-Up Association. In addition, he holds the Vice Chairperson position at Tanzania Petroleum Development Corporation (TPDC). Mr Makanza also held high ranking leadership positions at the Confederation of Tanzania Industries (CTI) and at the Tanzania Private Sector Foundation (TPSF). Mr. Makanza also serves as a Board member of the East African Business Council.



**Retired Chief Justice  
Mohamed Chande  
Othman**

**Incumbent Board  
Chairperson**

CJ (Rtd) Mohamed Chande Othman has extensive experience in the legal fraternity. He served as the Chief Justice of Tanzania for a period of 6 years from December 2010 till January 2017 when he retired. Prior to that, Justice Mohamed Chande occupied several other high-ranking positions in the judiciary including Justice of Appeal in the Court of Appeal of Tanzania and Judge of the High Court of Tanzania. Justice Chande has held and also holds several other instrumental roles at regional and international platforms.



**Mr. Onesmo Makombe**

Mr. Onesmo Makombe is the Head of Financial Consumer Protection Department at the Bank of Tanzania (BOT), a role served from 2022.

Prior to the current position, Mr. Onesmo has held various positions in the public service including; The Commissioner and Chief Executive Officer of the Financial Intelligence Unit (FIU) from 2015 to 2021, The Chair of the Eastern and Southern Anti – Money Laundering Group (ESAAMLG) Task Force ( 2017- 2018), Acting Commissioner FIU ( 2013), Assistant Commissioner FIU ( 2011), Financial and Intelligence Analyst under Ministry of Finance (2007- 2011), Bank Examiner with the Bank of Tanzania (BoT) (1997-2007).

Mr. Makombe was a nominee of the Government of the United Republic of Tanzania representing the minority shareholders on the Board of TCC Plc. His tenure at the Board expired on April 22, 2024.



**Mr. Bakari Mbaruku Makulo**

Mr. Makulo is an experienced academician with enormous experience of over 35 years. Prior to his retirement he served as the VETA Regional Director central zone based in Dodoma (2014 - 2016), Zonal vocational training centers coordinator for central zone (2008-2013) and lake zone (2001- 2008). Prior to that he served as an academician in several institutions.

Mr. Bakari joined the TCC Plc Board as a nominee of the Government of the United Republic of Tanzania representing the minority shareholders.



**Mr. Takashi Araki**

Mr. Takashi Araki has over 30 years' experience in various leadership positions in JT Group with increasing responsibility. He is currently the General Manager of JTI Japan. Prior that, he served as the General Manager of TCC Plc until 30th September 2024 when he relocated from Tanzania. He also worked as Corporate Business Development & Corporate Strategy Vice President of the JT Group based in Japan.

Mr. Araki served as a Board Director of TCC Plc for two years until September 30, 2024 when he resigned from the position following his relocation to another JTI market.



**Ms. Biljana Ivosevic**

Biljana Ivosevic is the Finance and Managing Director for JTI Dutch Holdings since 2022. She has extensive experience and expertise in finance field from her various roles within JTI for over the past 15 years.

In her various positions in JTI, Biljana served as Regional Tax Director EE & Americas in 2020, Regional Tax Director WE & Americas (2018 - 2020), Tax Director JTI SA (2016 - 2018), Indirect Tax Director JTI SA (2014 - 2016), JTI SA Controlling and Reporting Manager (2012 –2014) and Finance Controller Adriatica (2008 to 2012).

Before joining JTI, Biljana started her career in BAT Serbia where she worked for 6 years in different finance positions. After BAT she moved to Coca Cola Hellenic Bottling Company Serbia where she was responsible for Accounting and Financial reporting for distribution entities and factories in Serbia.

Biljana was appointed to the TCC Plc Board of Directors on January 01, 2024.





**Ms. Sevgi Denge  
Mcneill**

Sevgi is the JTI Regional Finance Vice President for MENEAT as of January 2024.

Sevgi has worked in various senior positions in JTI for the past 25 years. Her previous roles within JTI include Corporate Strategy Director in 2020, Finance Director Turkey from 2018 to 2020, JTI HQ Geneva's Global Finance Transformation Director from 2017 to 2018, Global Functions Finance Director from 2014 to 2017, Global Leaf Finance Operations Director from 2011 to 2014, Global Supply Chain Finance Director from 2009 to 2011, Project Management Office Lead from 2006 to 2008, Global IT Finance Controller from 2004 to 2006, JTI Turkey's Process Improvement Manager from 2003 to 2004, Financial Planning and Analysis Manager from 2000 to 2003, and Accounting from 1998 to 1999.

Sevgi was appointed to the TCC Plc Board of Directors on January 01, 2024.



**Mr. Roy Manalili**

Roy is the current General Manager of TCC Plc. A position he has held since October 1, 2024.

Prior to that Roy served as the General Manager of JTI Cambodia from January 2020. He also served as the Vice President Sales and Marketing of JTI Indonesia from April 2018 to December 2019, General Manager of JTI Myanmar from November 2015 to March 2018, JTI Philippines Marketing Director from October 2012 to October 2015. Roy also has extensive experience in tobacco business by working with another tobacco manufacturer, Phillip Morris where he held various positions including Director of Marketing for six years before joining JTI.

Roy was appointed to the TCC Plc Board of Directors with effect from October 1, 2024.



**Mr. Manhe Nkwabi  
Jonathan**

Mr. Manhe Nkwabi Jonathan is the newly appointed Board Director of TCC Plc representing the Government of the United Republic of Tanzania on the TCC Board. He currently serves as Senior Loan Officer and Partnerships Executive at the Higher Education Students Loan Board (HESLB), leading strategic planning, project management and stakeholder engagements since 2016.

He also serves as an Operations Specialist for the World Bank's Higher Education for Economic Transformation (HEET) project and is a key member of the HESLB Delivery Unit and National Task Force under Ministry of Education. Mr. Manhe has also played a pivotal role in coordinating various national events.

With expertise in financial management, Mr. Manhe brings extensive experience from both the public and private sectors.

His appointment to the Board is effective as of March 25, 2025.

07

# Muhtasari

Wa wajumbe wa bodi ya  
Kampuni ya Sigara



## Wasifu wa Bodi ya Wakurugenzi



**Bw. Paul Makanza**

**Mwenyekiti wa bodi  
mwaka wa 2024**

Bw. Paul Makanza ni mtaalamu aliyebobea na mwenye uzoefu wa zaidi ya miongo miwili ya usimamizi wa ngazi za juu katika sekta mbalimbali. Alikuwa Mwenyekiti wa TCC Plc kwa kipindi cha miaka saba hadi tarehe 31 Desemba 2024 alipojiuzulu. Bwana Makanza pia anaongoza bodi nyingine zikiwemo, ABSA Bank Tanzania Ltd, Serengeti Breweries Limited, na Tanzania Start-Up Association. Aidha, anashika nafasi ya Makamu Mwenyekiti katika Shirika la Maendeleo ya Petroli Tanzania (TPDC). Makanza pia alishika nyadhifa za juu za uongozi katika Shirikisho la Viwanda Tanzania (CTI) na Taasisi ya Sekta Binafsi Tanzania (TPSF). Bw. Makanza pia anahudumu kama mjumbe wa Bodi ya Baraza la Biashara la Afrika Mashariki.



**Jaji Mkuu Mstaafu  
Mohamed Chande  
Othman**

Jaji Mkuu Mstaafu Mohamed Chande Othman ana uzoefu mkubwa katika wigo wa kisheria. Aliwahi kuwa Jaji Mkuu wa Tanzania kwa kipindi cha miaka 6 kuanzia Desemba 2010 hadi Januari 2017 alipostaafu. Kabla ya hapo, Jaji Mohamed Chande alishika nyadhifa nyingine kadhaa za juu katika mahakama zikiwemo Jaji wa Rufani katika Mahakama ya Rufani ya Tanzania na Jaji wa Mahakama Kuu ya Tanzania.

Jaji Chande ameshikilia majukumu mengine kadhaa muhimu katika majukwaa ya kikanda na kimataifa.



**Bw. Onesmo Makombe**

Bw. Onesmo Makombe ni Mkuu wa Idara ya Ulinzi wa Wateja wa Kifedha katika Benki Kuu ya Tanzania (BOT), jukumu alilotumikia kuanzia 2022.

Kabla ya nafasi hiyo ya sasa, Bw. Onesmo amewahi kushika nyadhifa mbalimbali katika utumishi wa umma zikiwemo; Kamishna na Afisa Mtendaji Mkuu wa Kitengo cha Ujasusi wa Kifedha (FIU) kuanzia 2015 hadi 2021, Mwenyekiti wa Kikosi Kazi cha Kupambana na Utakatishaji Fedha Mashariki na Kusini (ESAAMLG) (2017-2018), Kaimu Kamishna FIU (2013), Kamishna Msaidizi FIU (2011 chini ya Wizara ya Fedha na Ushauri wa Fedha). (2007-2011), Mkaguzi wa Benki katika Benki Kuu ya Tanzania (BoT) (1997-2007).

Mheshimiwa Makombe alikuwa mteule wa Serikali ya Jamhuri ya Muungano wa Tanzania akiwakilisha wanahisa wachache kwenye Bodi ya Kampuni ya Sigara. Muda wake katika Bodi uliisha tarehe 22 Aprili 2024.

**Bw. Bakari Mbaruku Makulo**

Bw. Makulo ni msomi mwenye uzoefu na tajriba kubwa ya zaidi ya miaka 35. Kabla ya kustaafu aliwahi kuwa Mkurugenzi wa VETA kanda ya kati yenye makao yake makuu Dodoma (2014 - 2016), mratibu wa vituo vya mafunzo ya ufundi kanda ya kati (2008-2013) na kanda ya ziwa (2001- 2008). Kabla ya hapo aliwahi kuwa msomi katika taasisi kadhaa.

Bw. Bakari alijiunga na Bodi ya Kampuni ya Sigara kama mteule wa Serikali ya Jamhuri ya Muungano wa Tanzania akiwakilisha wanahisa wachache.

**Bw. Takashi Araki**

Bw. Takashi Araki ana tajriba ya zaidi ya miaka 30 katika nyadhifa mbalimbali za uongozi katika JT Group kwa uwajibikaji unaoongezeka. Kwa sasa ni Meneja Mkuu wa JTI Japan. Kabla ya hapo, alikuwa Meneja Mkuu wa TCC Plc hadi tarehe 30 Septemba 2024 alipohama kutoka Tanzania. Pia alifanya kazi kama Makamu wa Rais wa Maendeleo ya Biashara na Mkakati wa Biashara wa JT Group iliyoko Japani.

Bw. Araki alihudumu kama Mkurugenzi wa Bodi ya Kampuni ya Sigara kwa miaka miwili hadi Septemba 30, 2024 alipojiuzulu wadhifa huo kufuatia kuhamishwa kwenda soko lingine la JTI.

**Bi. Biljana Ivosevic**

Biljana Ivosevic ni Mkurugenzi wa Fedha na Msimamizi wa Kampuni ya Japan Tobacco International Dutch Holdings tangu 2022. Ana uzoefu na utaalamu wa kina katika nyanja ya fedha kutokana na majukumu yake mbalimbali ndani ya JTI kwa zaidi ya miaka 15 iliyopita.

Katika nyadhifa zake mbalimbali katika JTI, Biljana alihudumu kama Mkurugenzi wa Kodi wa Kanda WE & Americas mwaka wa 2020, Mkurugenzi wa Kodi wa Kanda WE & Amerika (2018 - 2020), Mkurugenzi wa Kodi JTI SA (2016 - 2018), Mkurugenzi wa Kodi ya Moja kwa Moja JTI SA (2014 - 2016), Mdhhibiti wa Fedha wa JTI SA (2012 - 2014), Mdhhibiti wa Fedha Adriatica (2008 hadi 2012).

Kabla ya kujiunga na Japan Tobacco International, Biljana alianza kazi yake BAT Serbia ambako alifanya kazi kwa miaka 6 katika nyadhifa tofauti za kifedha. Baada ya BAT alihamia Kampuni ya Coca Cola Hellenic Bottling Serbia ambako aliwajibika kwa Uhasibu na kutoa taarifa ya fedha kwa mashirika na viwanda vya usambazaji nchini Serbia.

Biljana aliteuliwa kuwa Mjumbe wa Bodi ya Wakurugenzi ya TCC Plc mnamo Januari 01, 2024.



**Bi. Sevgi Denge Mcneill**

Sevgi ndiye Makamu wa Rais wa Fedha wa Kanda ya JTI MENEAT kuanzia Januari 1, 2024.

Sevgi amefanya kazi katika nyadhifa mbalimbali za juu katika JTI kwa miaka 25 iliyopita. Majukumu yake ya awali ndani ya JTI ni pamoja na Mkurugenzi wa Mikakati ya Biashara mwaka 2020, Mkurugenzi wa Fedha JTI Uturuki kuanzia 2018 hadi 2020, Mkurugenzi wa Mabadiliko ya Fedha wa JTI Makao Makuu Geneva kutoka 2017 hadi 2018, Mkurugenzi wa Fedha wa Global Functions kuanzia 2014 hadi 2017, Mkurugenzi wa Global Leaf Finance Operations kutoka 2011 hadi 2014. Mkurugenzi wa Global Finance Operations kutoka 2009 hadi 2011, Ofisi ya Usimamizi wa Miradi. Kutoka 2006 hadi 2008, Mdhidhi wa Fedha wa Tehama wa Kimataifa kutoka 2004 hadi 2006, Meneja wa Uboreshaji wa Mchakato wa JTI Uturuki kutoka 2003 hadi 2004, Meneja wa Mipango na Uchanganuzi wa Kifedha kutoka 2000 hadi 2003, na Uhasibu kutoka 1998 hadi 1999.

Sevgi aliteuliwa kuwa kwenye Bodi ya Wakurugenzi ya TCC Plc mnamo Januari 01, 2024.



**Bw. Roy Manalili**

Roy ndiye Meneja Mkuu wa sasa wa TCC Plc, nafasi ambayo ameshikilia tangu Oktoba 1, 2024.

Kabla ya hapo, Roy alikuwa Meneja Mkuu wa JTI Cambodia kuanzia Januari 2020. Pia aliwahi kuwa Makamu wa Rais wa Mauzo na Masoko wa JTI Indonesia kutoka Aprili 2018 hadi Desemba 2019, Meneja Mkuu wa JTI Myanmar kutoka Novemba 2015 hadi Machi 2018, na Mkurugenzi wa Masoko wa JTI Philippines kutoka Oktoba 2012 hadi Oktoba 2015.

Roy ana uzoefu mkubwa katika biashara ya tumbaku kwa kufanya kazi na mtengenezaji mwingine wa bidhaa za tumbaku, Phillip Morris, ambapo alishikilia nyadhifa mbalimbali, ikiwemo Mkurugenzi wa Masoko kwa miaka sita kabla ya kujiunga na JTI.

Roy aliteuliwa kuwa kwenye Bodi ya Wakurugenzi ya Kampuni ya Sigara kuanzia tarehe 1 Oktoba 2024.



**Bw. Manhe Nkwabi Jonathan**

Bw. Manhe Nkwabi Jonathan ndiye Mkurugenzi mpya wa Bodi ya Kampuni ya Sigara aliyeteuliwa hivi karibuni akiwakilisha Serikali ya Jamhuri ya Muungano wa Tanzania kwenye Bodi ya TCC. Kwa sasa ni afisa Mwandamizi wa mikopo na mtendaji mkuu wa ushirikiano katika Bodi ya Mikopo ya Wanafunzi wa Elimu ya Juu Tanzania tangu 2016.

Anahudumu pia kama Mtaalamu wa Operesheni kwa mradi wa Elimu ya Juu kwa Mabadiliko ya Kiuchumi wa Benki ya Dunia na ni mwanachama muhimu wa Kitengo cha Uwasilishaji cha HESLB na Kikosi Kazi cha Kitaifa chini ya Wizara ya Elimu. Bw. Manhe pia amekuwa na jukumu muhimu katika kuratibu matukio makubwa ya kitaifa.

Kwa utaalamu wake katika usimamizi wa fedha, Bw. Manhe analeta uzoefu mkubwa kutoka sekta za umma na binafsi.

Uteuzi wa Bw. Manhe katika Bodi hiyo ulianza rasmi tarehe 25 Machi, 2025.





**“The Company is governed by a diverse Board of Directors, consisting of members with varied international and local industry experience, as well as professional expertise.”**



**TCC**

# 08 Our

Management Team



“

**Our** management team is entrusted with **overseeing** day-to-day operations.”





We have a **skilled and seasoned executive management team** comprising **seven (7) heads of function.**

The heads of functions report directly to the CEO, except for the Manufacturing Operations lead, who reports to the Regional Supply Chain Vice President-MENEAT, and the Director of Legal Affairs, who reports to the Vice President and Associate General Counsel Regions, Legal MENEAT.

Tuna timu ya **usimamizi mkuu wenye uzoefu mkubwa** inayojumuisha wakuu wa idara saba (7).

Wakuu wa Idara huripoti moja kwa moja kwa Mkurugenzi Mtendaji, isipokuwa Kiongozi wa Uzalishaji, anayewasiliana moja kwa moja na Makamu wa Rais wa Mlolongo wa Ugavi wa Kanda ya MENEAT, na Mkurugenzi wa Masuala ya Kisheria, ambaye huripoti kwa Makamu wa Rais na Wakili Mkuu Mshiriki wa Kanda, Kitengo cha Kisheria MENEAT.









**“Our employees are the driving force behind our success, and their growth and adaptability remain essential to our long-term sustainability.”**

**TCC**



09

# What sets TCC Plc apart







### Crafting moments of fulfilment while creating a sustainable future

As we reflect on the milestones achieved in 2024, we are inspired to share our story that encapsulates our unique identity and the values that set us apart in the industry.

Rooted in the rich heritage of Tanzania, TCC Plc has been a cornerstone of quality and trust for decades. Our diverse portfolio of products is a testament to our dedication to meeting the evolving preferences of our consumers. Each product is crafted with precision, ensuring that we deliver unparalleled quality that our customers have come to expect.



### Empowering our people

Our employees are the heartbeat of TCC Plc. We believe that investing in our people is paramount to our success. In 2024, we continued to foster a culture of inclusivity and growth, providing opportunities for professional development and personal fulfilment. Our commitment to diversity and equal opportunity ensures that every team member feels valued and empowered to contribute their best.



### Sustainability at the core

Aligning with the sustainability targets of our parent company, Japan Tobacco International (JTI), TCC Plc is dedicated to minimizing our environmental footprint. We have set ambitious goals, including a 33% reduction in water withdrawal and achieving zero factory waste to landfills by 2030. These initiatives reflect our dedication to conserving nature and promoting a healthier planet.



### Innovation and growth

Innovation is the driving force behind our growth strategy. Embracing the vision outlined in JTI's Business Plan 2024, we are investing in research and development to introduce products that cater to the changing needs of our consumers. By prioritizing investment in Reduced-Risk Products (RRP), we aim to provide alternatives that align with global health trends and consumer preferences.



### Community engagement

Our responsibility extends beyond our business operations. TCC Plc is deeply committed to uplifting the communities we serve. Through various social initiatives, we support education, healthcare, and economic development, striving to make a positive impact on society. Our efforts are guided by the 4S model; serving our consumers, shareholders, employees, and society at large.



### Financial resilience

In a dynamic economic landscape, TCC Plc has demonstrated robust financial performance. Our strategic resource allocation and prudent financial management have ensured sustainable profit growth, enabling us to deliver consistent value to our shareholders. We remain focused on achieving mid- to high-single-digit annual average adjusted operating profit growth, as projected in JTI's Business Plan 2024.



### Looking ahead

As we move forward, TCC Plc remains committed to upholding the highest standards of quality, integrity, and sustainability. Guided by the principles and strategic direction of our parent company, we are poised to navigate the challenges of the future, creating fulfilling moments for our consumers and contributing to a better future for all.

09

## Kinacho – tofautisha TCC Plc



**Kujenga maisha yenye kuridhisha huku tukitengeneza mustakabali endelevu.**

Tunapotafakari mafanikio yaliyopatikana mwaka 2024, tunapata msukumo wa kusimulia hadithi inayobeba utambulisho wetu wa kipekee na maadili yanayotofautisha katika tasnia ya tumbaku. Tukiwa tumekita mizizi katika urithi wa kihistoria wa Tanzania, tumejiingeneza sifa ya kuaminika na ubora wa hali ya juu kwa miongo kadhaa. Utofauti wa bidhaa zetu unaonesha dhamira yetu ya dhiti ya kukidhi matakwa yanayobadilika ya wateja. Kila bidhaa hutengenezwa kwa umakini na ubunifu, kuhakikisha ubora wa kipekee unaoendana na matarajio ya wateja wetu.

**Kuwawezesha watu wetu**

Wafanyakazi wetu ndio moyo wa Kampuni. Tunaamini kuwa kuwekeza kwa watu wetu ndio msingi wa mafanikio yetu. Mwaka 2024, tuliendelea kuimarisha utamaduni jumuishi na ukuaji, tukitoa fursa za maendeleo ya kitaaluma na utimilifu binafsi. Ujitoleaji wetu katika tofauti na usawa wa fursa inahakikisha kwamba kila mshiriki wa timu anahisi kuthamaniwa na kuwezesha kutoa mchango wake bora kazini.

**Uendelevu kama kiini cha mkakati wetu**

Kwa kuendana na malengo ya uendelevu ya kampuni yetu mama, Japan Tobacco International (JTI), Kampuni ya Sigara Tanzania imejikita katika kupunguza kwa kiasi kikubwa athari za kimazingira kutokana na shughuli zake. Tumejiwekea malengo makubwa, yakiwemo kupunguza matumizi ya maji kwa 33% na kuhakikisha hakuna taka kutoka kiwandani zinazotupwa kwenye dampo ifikapo mwaka 2030. Mikakati hii inaonesha dhamira yetu ya kulinda mazingira na kuunga mkono ustawi wa sayari kwa manufaa ya kizazi cha sasa na kijacho.

**Kukidhi mahitaji ya wateja**

Kukidhi mahitaji ya wateja wetu ndio msingi wa mkakati wetu. Tunalenga kuboresha kwa kuzingatia mahitaji maalum ya mteja.

**Uwekezaji katika Jamii**

Wajibu wetu unaenda zaidi ya shughuli za biashara. Kampuni ya Sigara imejikita kwa dhiti katika kuinua jamii tunapofanyia kazi. Kupitia miradi mbalimbali ya kijamii, tunaunga mkono watu wenye ulemavu, tunahamasisha uwezesaji wa kiuchumi, sanaa za maonesho na uigizaji, pamoja na uhifadhi wa mazingira ya asili, tukijitahidi kuleta athari chanya katika jamii.

**Ustahimilivu wa kifedha**

Katika mazingira ya kiuchumi yanayobadilika, Kampuni ya Sigara imeonesha utendaji thabiti wa kifedha. Ugawaji wa rasilimali kwa mkakati madhubuti na usimamizi makini wa fedha umehakikisha ukuaji endelevu wa faida, hivyo kutuwezesha kuendelea kuwapatia wanahisa wetu thamani ya kudumu. Tunaendelea kujikita katika kufanikisha ukuaji wa wastani wa faida ya uendeshaji kila mwaka.

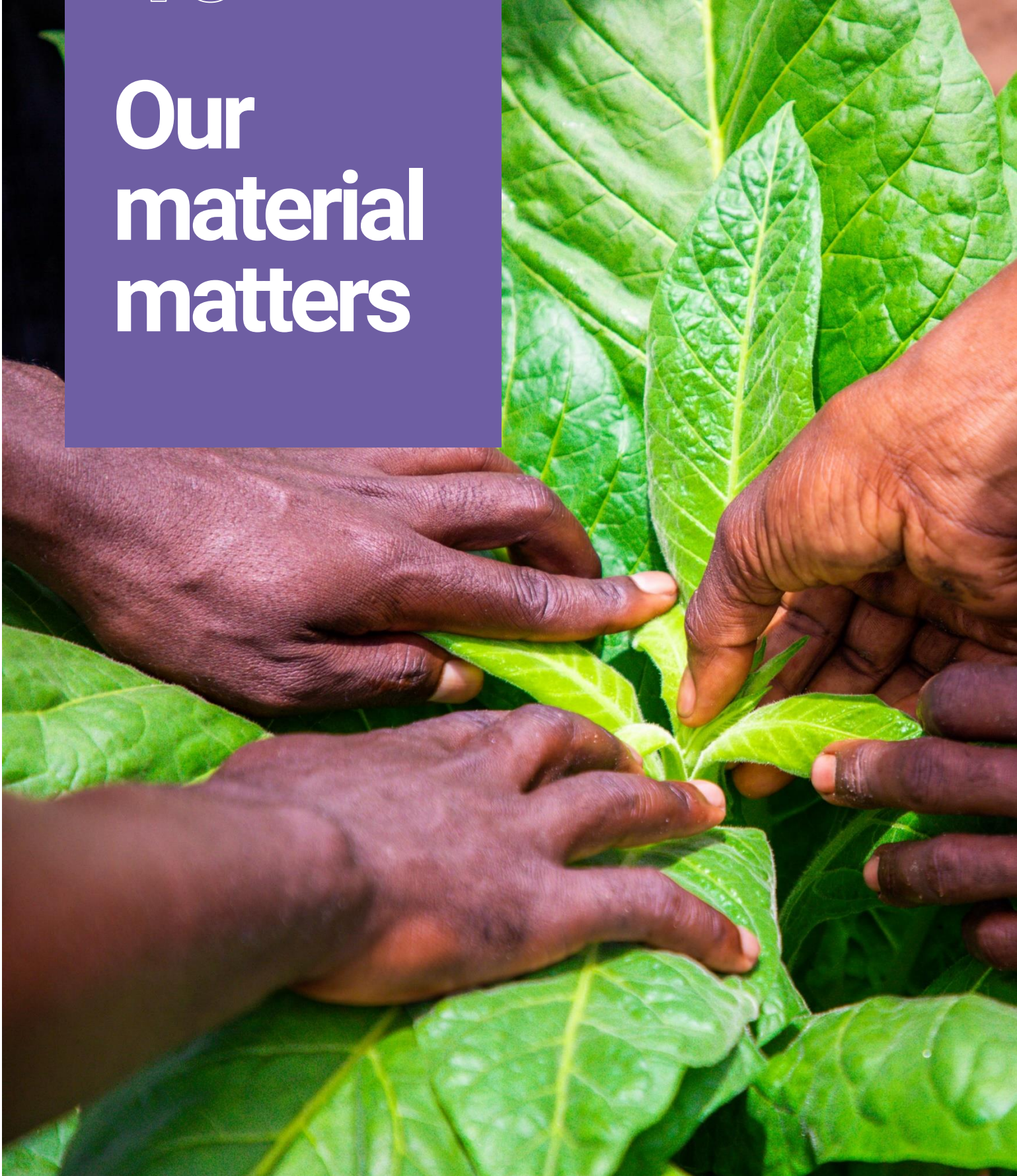
**Tukiangazia siku zijazo**

Kadri tunavyoendelea kusonga mbele, Kampuni ya Sigara Tanzania inasalia na dhamira thabiti ya kudumisha viwango vya juu vya ubora, uadilifu, na uendelevu. Tukiwa tumeongozwa na misingi na mwelekeo wa kimkakati kutoka kwa kampuni mama yetu, tunaendelea kujiandaa kukabiliana na changamoto za siku zijazo, huku tukileta furaha kwa wateja wetu na kuchangia kujenga mustakabali bora kwa wote.



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# Our material matters







# At TCC Plc, our approach to materiality is deeply rooted in our commitment to long-term sustainability, responsible business practices, and stakeholder engagement.

As part of the Japan Tobacco International (JTI) Group, we align our materiality assessment with global best practices, ensuring that our business decisions reflect both our operational realities and the evolving expectations of our stakeholders.

Material topics are those that significantly impact our economy, environment, and people, including their human rights. These can be intended or unintended, positive or negative, and short- or long-term in nature. By identifying and prioritizing these issues, we ensure that our Environmental, Social, and Governance (ESG) remains focused on the areas where we can drive the most meaningful change.

TCC Plc’s materiality assessment draws upon the well-established JT Tobacco Business Sustainability Materiality Framework, which has evolved over the years to reflect the changing business landscape. Our approach follows the principle of double materiality, meaning we assess both the impact of external factors on our business and the impact of our business on society and the environment.

For the financial year 2024, our materiality validation process involved a thorough review of internal policies, governance structures, and

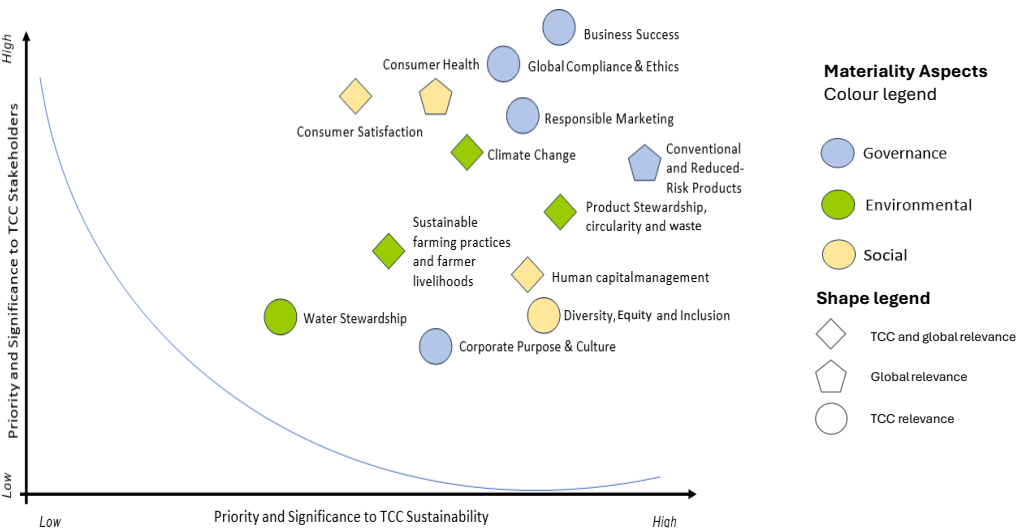
industry benchmarks, including:

- TCC Plc ESG strategy and governance framework;
- HR & people policies, wage structures, and learning & development plans;
- Occupational Health & Safety (OSHA) reports & escalation procedures;
- Procurement policies & supplier manuals;
- Anti-corruption & anti-bribery policies; and
- Community investment reports & inclusion policies

To ensure alignment with global standards, we benchmarked TCC Plc’s material priorities against leading ESG disclosures in the tobacco and manufacturing sectors worldwide. The outcome of this process is a Materiality Priority Matrix, which provides clear guidance on where we must focus to maximize our impact.

## TCC Plc materiality priority matrix

This is how the key issues translate in GRI classified Materiality Topics for TCC Plc:





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# Masuala muhimu kwetu







## Katika Kampuni ya Sigara, mtazamo wetu kuhusu masuala muhimu unajikita katika dhamira yetu ya uendeleu wa muda mrefu, uendeshaji wa biashara kwa uwajibikaji, na ushirikishwaji wa wadau.

Kama sehemu ya Japan Tobacco International Group, tunalinganisha tathmini yetu ya masuala muhimu na viwango bora vya kimataifa, tukihakikisha kwamba maamuzi yetu ya biashara yanaakisi uhalisia wa uendeshaji wetu pamoja na matarajio yanayobadilika ya wadau wetu.

Masuala muhimu ni yale yenye athari kubwa kwa uchumi wetu, mazingira, na watu, ikijumuisha haki zao za binadamu. Athari hizi zinaweza kuwa za kukusudia au zisizokusudiwa, chanya au hasi, na za muda mfupi au mrefu. Kwa kutambua na kuweka kipaumbele katika masuala haya, tunahakikisha kuwa mikakati yetu ya Mazingira, Jamii, na Utawala inazingatia maeneo ambayo tunaweza kuleta mabadiliko faafu zaidi.

Tathmini ya masuala muhimu ya Kampuni ya Sigara inategemea Mfumo Imara na Endelevu wa Biashara ya Tumbaku wa JT ambao umeendelea kubadilika kwa miaka ili kuakisi mabadiliko katika mazingira ya biashara. Mtazamo wetu unafuata kanuni ya umuhimu maradufu, ikimaanisha tunatathmini athari za mambo ya nje kwa biashara yetu pamoja na athari za biashara yetu kwa jamii na mazingira.

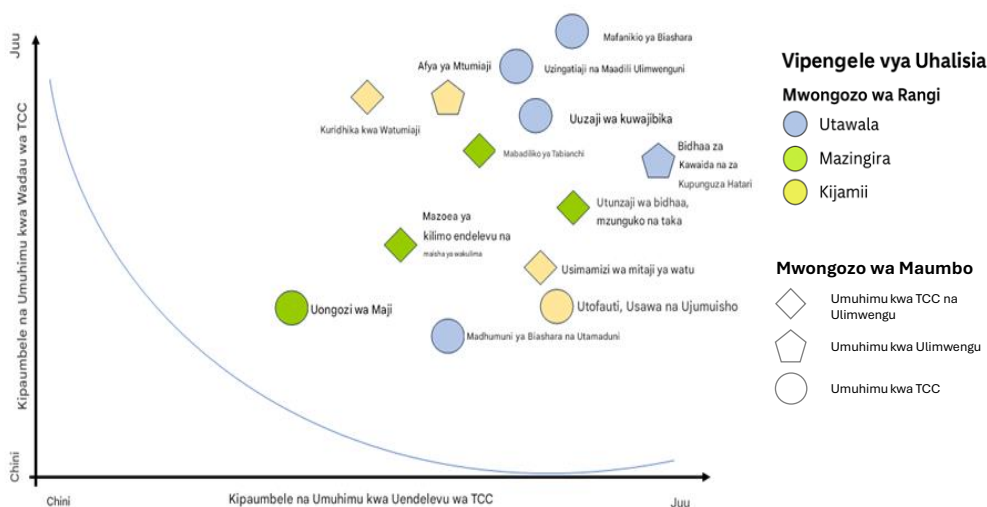
Kwa mwaka wa fedha 2024, mchakato wetu wa uthibitishaji wa masuala muhimu ulijumuisha mapitio ya kina ya sera za ndani, miundo ya utawala, na viwango vya sekta.

- Mkakati wa Mazingira, Jamii, na Utawala bora na Mfumo wa Utawala wa Kampuni ya Sigara
- Sera za Rasilimali Watu na Wafanyakazi, Miundo ya Mishahara, na Mipango ya Mafunzo na Maendeleo
- Ripoti za Afya na Usalama Mahali pa Kazi na Taratibu za Uwasilishaji wa Masuala Muhimu
- Sera za Ununuzi na Mwongozo wa Wasambazaji
- Sera za Kupambana na Ufisadi na Rushwa
- Ripoti za Uwekezaji wa Jamii na Sera za Ujumuishaji

Ili kuhakikisha ulinganifu na viwango vya kimataifa, tulilinganisha vipaumbele muhimu vya Kampuni ya Sigara na taarifa bora za Mazingira, Jamii, na Utawala katika sekta za tumbaku na utengenezaji kote ulimwenguni. Matokeo ya mchakato huu ni Mchoro wa Vipaumbele vya Uhalisia, ambao unatoa mwongozo wazi kuhusu maeneo tunayopaswa kutilia mkazo ili kuongeza athari zetu kwa kiwango cha juu.

### Mchoro wa vipaumbele vya uhalisa wa kampuni ya sigara

Hivi ndivyo masuala muhimu yanavyotafsiriwa katika Mada za Uhalisia zilizowekwa na Mpango wa Kimataifa wa Uwasilishaji wa Taarifa kwenye Kampuni ya Sigara:





# Our key material priorities

TCC Plc's materiality assessment falls within five core pillars, reflecting our responsibility to our stakeholders and our long-term vision:



## Living with the planet

Addressing climate change and promoting sustainable product stewardship.



## Value creation that exceeds consumer expectations

We enhanced our consumer experience initiatives by ensuring product availability and maintaining a strong product portfolio offering



## Investing in people and providing motivation

Strengthening human capital management to create an inclusive and high-performing workforce.



## Responsible supply chain management



## Good governance

Upholding transparency, accountability, and regulatory compliance in all aspects of our business.

Our material topics are strategically aligned with JTI's global ESG ambitions and the United Nations Sustainable Development Goals (SDGs) and by focusing on what truly matters, we continue to build a resilient, responsible, and forward-thinking organization that creates value for all.



# Vipaumbele vyetu muhimu vya kimsingi

Tathmini ya uhalisia ya Kampuni ya Sigara inajikita katika nguzo tano kuu, ikionesha uwajibikaji wetu kwa wadau wetu na maono yetu ya muda mrefu:



## Kuishi kulingana na dunia

Kukabiliana na mabadiliko ya tabianchi na Kukuza usimamizi endelevu wa bidhaa.



## Uundaji wa thamani inayozidi matarajio ya wateja

Tumeimarisha mipango yetu ya uzoefu wa wateja kwa kuhakikisha upatikanaji wa bidhaa na kudumisha mkusanyo imara wa bidhaa tunazotoa.



## Kuwekeza kwa watu na kutoa hamasa

Kuimarisha usimamizi wa rasilimali watu ili kujenga wafanyakazi wenye ujumuishaji na utendaji kazi wa hali ya juu.



## Usimamizi faafu wa mlolongo wa ugavi



## Utawala bora

Kudumisha uwazi, uwajibikaji, na uzingatiaji wa kanuni katika nyanja zote za biashara yetu.

Mada zetu muhimu zinalingana kimkakati na Malengo Endelevu ya Mazingira, Jamii, na Utawala ya Japan Tobacco International na Malengo ya Maendeleo Endelevu ya Umoja wa Mataifa. Kwa kujikita katika mambo yenye umuhimu wa kweli, tunaendelea kujenga shirika lenye uthabiti, uwajibikaji, na mtazamo wa mbele, linaloleta thamani kwa wadau wetu wote na kuchangia maendeleo endelevu ya jamii na mazingira tunamofanya kazi.



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# Our business model



**“ For over six decades, TCC Plc has been more than just a business; it has been a key player in Tanzania’s economic and social transformation.”**

From its humble beginnings in 1961 as East African Tobacco to becoming a publicly listed company and a proud member of the Japan Tobacco International (JTI) Group, our journey has been defined by resilience, innovation, and commitment to excellence.

What truly sets TCC Plc apart is not just our longevity, it’s the way we create value, not only for our shareholders but for our employees, customers, communities, and the environment. Our business is built on a foundation of sustainability, responsible growth, and forward-thinking innovation, ensuring we remain a leader in the industry while making a positive impact on society.



**Creating sustainable value**

At TCC Plc, success is measured not just by financial gains but by the lasting impact we create for our stakeholders and the world around us. Our value creation journey is built on innovation, responsibility, and shared prosperity, ensuring that our growth is sustainable, inclusive, and impactful.

**Driving economic value**

We are committed to financial resilience and long-term growth, delivering strong returns for our shareholders while reinvesting in innovation and expansion. Through job creation and employee development, we contribute to economic stability and prosperity, empowering individuals and strengthening communities.



**Creating social impact**

Our business is deeply intertwined with the well-being of the communities we serve. Through targeted community investment programs, we drive social development, while our responsible marketing practices and customer-centric approach foster trust, brand loyalty, and consumer confidence.

**Championing environmental stewardship**

At TCC Plc, success is measured not just by financial gains but by the lasting impact we create for our stakeholders and the world around us. Our value creation journey is built on innovation, responsibility, and shared prosperity, ensuring that our growth is sustainable, inclusive, and impactful.





## Muundo wa biashara yetu



**“Kwa zaidi ya miongo sita, Kampuni ya Sigara imekuwa zaidi ya biashara tu; imekuwa mhimili muhimu katika mabadiliko ya kiuchumi na kijamii nchini Tanzania.”**

Kuanzia mwanzo wake mdogo mnamo 1961 kama East African Tobacco hadi kuwa kampuni iliyoorodheshwa kwenye soko la hisa na kuwa mwanachama wa heshima wa Japan Tobacco International Group, safari yetu imejengwa kwa uimara, uvumbuzi, na kujitolea kwenye ubora.

Kinachoitofautisha kweli Kampuni ya Sigara si muda wake mrefu wa uwepo pekee, bali ni jinsi tunavyounda thamani—si kwa wanahisa wetu tu, bali pia kwa wafanyakazi wetu, watumiaji, jamii, na mazingira. Biashara yetu imejengwa juu ya msingi wa uendelevu, ukuaji thabiti, na uvumbuzi wa kimkakati, tukihakikisha kwamba tunaendelea kuwa kinara wa sekta huku tukiwa na athari chanya kwa jamii.



### Kuunda thamani endelevu

Katika Kampuni ya Sigara, mafanikio hayapimwi tu kwa faida za kifedha bali kwa athari ya kudumu tunayoleta kwa wadau wetu na dunia inayotuzunguka. Safari yetu ya kuunda thamani inajengwa juu ya uvumbuzi, uwajibikaji, na ustawi wa pamoja, tukihakikisha kwamba ukuaji wetu ni endelevu, shirikishi, na wenye athari chanya.

### Kuchochea thamani ya kiuchumi

Tumejizatiti katika kuhakikisha uimara wa kifedha na ukuaji wa muda mrefu, tukitoa faida thabiti kwa wanahisa wetu huku tukiwekeza upya katika uvumbuzi na upanuzi. Kupitia uundaji wa ajira na maendeleo ya wafanyakazi, tunachangia katika uthabiti wa kiuchumi na ustawi, kuwawezesha watu binafsi na kuimarisha jamii.



### Kuleta athari chanya kwa Jamii

Biashara yetu imefungamana kwa kina na ustawi wa jamii tunazozihudumia. Kupitia programu mahsusi za uwekezaji katika jamii, tunachochea maendeleo ya kijamii, huku mbinu zetu faafu za uuzaji na mtazamo unaomweka mteja mbele zikikuza uaminifu, utiifu kwa chapa, na imani ya wateja.

### Kuendeleza usimamizi endelevu wa mazingira

Uendelevu ni msingi wa shughuli zetu. Tumejizatiti kupunguza athari zetu kwa mazingira kupitia upatikanaji endelevu wa malighafi, uzalishaji wenye uwajibikaji, na mipango inayolenga kupunguza utoaji wa hewa chafuzi na taka. Kwa kujumuisha mbinu rafiki kwa mazingira katika mnyororo wetu wa thamani, tunahakikisha kuwa biashara yetu inachangia ustawi wa sayari kwa vizazi vijavyo. Katika Kampuni ya Sigara, hatuendeshi tu biashara—tunaunda thamani ya kudumu inayowanufaisha watu wetu, jamii zetu, na mazingira, tukihakikisha mustakabali ambapo ukuaji na uwajibikaji vinakwenda sanjari.







**“Kinachoitofautisha kweli Kampuni ya Sigara si muda wake mrefu wa uwepo pekee, bali ni jinsi tunavyounda thamani - si kwa wanahisa wetu tu, bali pia kwa wafanyakazi wetu, watumiaji, jamii, na mazingira.”**

Biashara yetu imejengwa juu ya msingi wa uendelevu, ukuaji thabiti, na uvumbuzi wa kimkakati, tukihakikisha kwamba tunaendelea kuwa kinara wa sekta huku tukiwa na athari chanya kwa jamii.

# How we create sustainable value through our six capitals

**At TCC Plc, we embrace an integrated business model that leverages the six capitals framework.**

This framework drives sustainable growth, ensure long-term resilience, and create lasting value for our stakeholders. Our approach is holistic, focusing on the inputs, outputs, and outcomes that shape our journey towards excellence.



01

## Financial capital

We strategically invest in our future while delivering strong financial performance.

- **Inputs:** Equity investments, reinvested earnings, access to credit;
- **Outputs:** Net Income to **TZS 115B** up from **TZS 66 B**, dividend payments, reinvestment in operations; and
- **Outcomes:** Increased shareholder value, financial stability, and capacity for expansion.

02

## Manufactured capital

Our infrastructure and technology enable efficient production and high-quality offerings:

- **Inputs:** Modern manufacturing facilities, advanced machinery, distribution networks, 16 operational branches;
- **Outputs:** Premium tobacco products, optimized logistics, efficient production; and
- **Outcomes:** Market competitiveness, productivity gains, enhanced consumer satisfaction.

03

## Intellectual capital

Innovation and brand strength drive our market leadership.

- **Inputs:** Proprietary formulations, R&D, brand reputation; and
- **Outputs:** New product innovations, enhanced brand equity; and
- **Outcomes:** Competitive advantage, market differentiation, increased consumer trust.





**“Our approach is holistic, focusing on the inputs, outputs, and outcomes that shape our journey towards excellence.”**

04

### Human capital

We invest in our employees to foster growth and a culture of excellence.

- **Inputs:** Skilled workforce, training programs for staff at a cost of TZS 382 M employee benefits, 458 employees;
- **Outputs:** Low attrition rate of 5%, professional development, a motivated team; and
- **Outcomes:** Organizational excellence, strong leadership, improved productivity.

05

### Social and relationship capital

We build trust and contribute positively to society.

- **Inputs:** Strong partnerships with communities and NGOs for CSR programs with a total spend of TZS 424 M ethical business practices;
- **Outputs:** Community engagement, transparent stakeholder communication, supplier collaborations; and
- **Outcomes:** Corporate goodwill, sustainable supply chain relationships, social license to operate.

06

### Natural capital

Environmental responsibility is at the heart of our operations.

- **Inputs:** Sustainable raw material sourcing, energy-efficient processes, waste reduction initiatives.
- **Outputs:** Lower carbon footprint, compliance with environmental regulations, conservation efforts.
- **Outcomes:** Long-term sustainability, resource efficiency, and industry leadership in environmental stewardship.

### Human capital

At TCC Plc, our people are the driving force behind our success. We are committed to fostering a fair, inclusive, and empowering work environment that supports employee well-being, professional growth, and engagement. Employee engagement and recognition are central to our corporate culture and our commitment to being an employer of choice. This is reflected in our multiple accolades from the Association of Tanzania Employers (ATE), recognizing excellence in governance, leadership, occupational health & safety, and corporate social responsibility. Please refer to the employee engagement section on page 79. At TCC Plc, we continue to invest in our people, fostering a workplace where everyone thrives and contributes to sustainable business success.

### Financial capital

Our financial strength is the foundation of our sustainable growth. Through sound financial management, we continue to generate strong revenues and profits, enabling us to reinvest in our operations, support our stakeholders, and drive long-term value creation. Please refer to the financials section from page 122 onwards.

### Manufactured capital

TCC Plc takes pride in its state-of-the-art manufacturing facilities, which are designed to ensure efficiency, quality, and consistency in every product. Our manufacturing process involves transforming processed tobacco leaves (lamina and stem) into cigarettes through key stages such as blending, conditioning, cutting, drying, making and packing. By continuously upgrading our infrastructure and embracing innovation, we enhance our competitiveness and adapt to evolving consumer expectations.

Maintaining compliance with health, safety, and environmental standards is integral to our operations. Our manufacturing processes are designed not only to ensure product safety and quality but also to minimize waste and reduce environmental impact, reinforcing our commitment to sustainable and responsible production.

TCC Plc's distribution network plays a crucial role in ensuring product availability across various wholesale and retail channels, including supermarkets, convenience stores, retail outlets, and specialized tobacco shops. To drive product uptake and foster consumer loyalty, TCC Plc employs a combination of direct sales, strategic partnerships with retailers, and targeted promotional campaigns.

### Intellectual capital

Our strong brand reputation and commitment to innovation set us apart in the market. Through strategic insight, we continuously analyse consumer insights and industry trends to ensure our products align with evolving preferences and regulatory requirements. Making use of our group R&D serves as a key driver of innovation, supporting every stage of our value chain from sourcing high-quality raw materials through procurement to transforming them into finished products through manufacturing. Marketing enhances brand presence and product awareness, while sales ensure effective product distribution to consumers. Consumer surveys are centred on understanding market dynamics, meeting consumer needs, and maintaining compliance with health regulations.

### Social and relationship capital

We value the trust and relationships we have built with our stakeholders. Whether it's through corporate social responsibility

initiatives, or partnerships with regulators and suppliers, we remain committed to making a positive impact beyond our business operations. Please refer to the social section on page 78 for our social performance.

### Natural capital

Sustainability is at the heart of our operations. We actively work to minimize our environmental footprint by responsibly sourcing raw materials, optimizing resource efficiency, and aligning with global sustainability best practices. Please refer to the environmental section on page 75 for our environmental performance.

By integrating these capitals into our business model, we ensure that TCC Plc remains resilient, responsible, and future-ready creating shared value for our employees, consumers, shareholders, and the society.

“

To drive product uptake and foster consumer loyalty, TCC Plc employs a combination of direct sales, strategic partnerships with retailers, and targeted promotional campaigns.”







**“TCC Plc takes pride in its state-of-the-art manufacturing facilities, which are designed to ensure efficiency, quality, and consistency in every product.”**

Our manufacturing process involves transforming processed tobacco leaves (lamina and stem) into cigarettes through key stages such as blending, conditioning, cutting, drying, making and packing.

# Jinsi tunavyounda thamani endelevu kupitia nguzo zetu sita

## Katika Kampuni ya Sigara, tunatekeleza mfano wa biashara jumuishi unaotumia nguzo sita ili kukuza ukuaji endelevu.

Hizi nguzo sita hukuza ukuaji endelevu, kuhakikisha ustahimilivu wa muda mrefu, na kuunda thamani ya kudumu kwa washirika wetu. Njia yetu ni ya kina, ikilenga malighafi, matokeo, na athari zinazochoea safari yetu kuelekea kwenye ubora.



01

### Nguzo ya kifedha

Tunawekeza kimkakati kwa ajili ya mustakabali wetu huku tukihakikisha utendaji imara wa kifedha.

- **Malighafi:** Uwekezaji wa hisa, faida zilizowekezwa upya, upatikanaji wa mikopo;
- **Matokeo:** Mapato halisi ya Bilioni za Kitanzania 115 kutoka kwenye Bilioni 66, malipo ya gawio, uwekezaji upya katika shughuli za kampuni; na
- **Athari:** Thamani iliyoongezeka kwa wanahisa, uthabiti wa kifedha, na uwezo wa kupanua biashara.

02

### Nguzo ya mitambo

Miundombinu na teknolojia yetu inawezesha uzalishaji bora na utoaji wa bidhaa zenye ubora wa juu.

- **Malighafi:** Viwanda vya kisasa vya uzalishaji, mashine za hali ya juu, mitandao ya usambazaji, matawi 16 yanayofanya kazi;
- **Matokeo:** Bidhaa za tumbaku za kiwango cha juu, usafirishaji ulioboreshwa, uzalishaji wenye ufanisi; na
- **Athari:** Ushindani wa soko, ongezeko la uzalishaji, na uboreshaji wa kuridhisha kwa wateja.

03

### Nguzo ya maarifa

Ubunifu na uimara wa chapa yetu vinatuwezesha kuwa vinara sokoni.

- **Malighafi:** Mifumo ya kipekee ya utengenezaji wa bidhaa, utafiti na maendeleo, na taswira imara ya chapa;
- **Matokeo:** Ubunifu wa bidhaa mpya, uthabiti wa chapa, na teknolojia zilizo na hati miliki; na
- **Athari:** Ushindani wa kipekee, utofauti wa soko, na kuimarika kwa imani ya watumiaji.





**“Njia yetu ni ya kina, ikilenga malighafi, matokeo, na athari zinazochochea safari yetu kuelekea kwenye ubora.”**

## 04

### Nguzo ya watu

Tunawekeza kwa wafanyakazi wetu ili kukuza maendeleo na utamaduni bora.

- **Malighafi:** Wafanyakazi wenye ujuzi, mipango ya mafunzo yenye thamani ya Shilingi za Kitanzania Milioni 382, mafao ya wafanyakazi, na jumla ya wafanyakazi 458;
- **Matokeo:** Kiwango cha chini cha kuondoka kwa wafanyakazi cha 5%, maendeleo ya kitaaluma, na timu yenye motisha; na
- **Athari:** Ubora wa shirika, uongozi imara, na kuimarika kwa tija.

## 05

### Nguzo ya jamii na mahusiano

Tunajenga imani na kuchangia kwa njia chanya katika jamii.

- **Malighafi:** Ushirikiano imara na jamii pamoja na mashirika yasiyo ya kiserikali kwenye programu za CSR, kwa jumla ya matumizi ya Milioni 410 za Kitanzania, pamoja na maadili bora ya biashara;
- **Matokeo:** Ushirikishwaji wa jamii, mawasiliano wazi na wadau, na ushirikiano na wasambazaji; na
- **Athari:** Heshima ya kampuni, mahusiano endelevu katika mlolongo wa ugavi, na uhalali wa kijamii wa kuendesha shughuli.

## 06

### Nguzo ya asili

Uwajibikaji katika mazingira ndio msingi wa shughuli zetu.

- **Malighafi:** Upatikanaji endelevu wa malighafi, michakato yenye ufanisi wa nishati, na mipango ya kupunguza taka;
- **Matokeo:** Kupunguza kiwango cha kaboni, uzingatiaji wa kanuni za mazingira, na juhudi za uhifadhi; na
- **Athari:** Uendelevu wa muda mrefu, utumiaji bora wa rasilimali, na uongozi wa tasnia katika usimamizi wa mazingira.

### Nguzo ya Watu

Katika Kampuni ya Sigara, watu wetu ndio nguzo kuu ya mafanikio yetu. Tumejitolea kuendeleza mazingira ya kazi yenye usawa, ujumuishi, na uwezeshaji, yanayounga mkono ustawi wa wafanyakazi, ukuaji wa kitaaluma, na ushirikishwaji. Ushirikishwaji na kutambua mchango wa wafanyakazi ni kiini cha utamaduni wetu wa shirika na dhamira yetu ya kuwa mwajiri chaguo bora. Hii inaakisiwa na tuzo mbalimbali kutoka Shirikisho la Waajiri Tanzania, zinazotambua ubora katika utawala, uongozi, afya na usalama kazini, pamoja na uwajibikaji wa kijamii wa kampuni. Tafadhali rejelea sehemu ya ushirikishwaji wa wafanyakazi ukurasa wa 80-82. Katika Kampuni ya Sigara, tunaendelea kuwekeza kwa watu wetu, tukikuza mazingira ya kazi yanayowezesha kila mtu kustawi na kuchangia mafanikio endelevu ya biashara.

### Nguzo ya Kifedha

Nguvu yetu ya kifedha ni msingi wa ukuaji wetu endelevu. Kupitia usimamizi madhubuti wa fedha, tunaendelea kuzalisha mapato na faida imara, hivyo kuwezesha uwekezaji upya katika shughuli zetu, kusaidia wadau wetu, na kuendesha uundaji wa thamani wa muda mrefu. Tafadhali rejelea sehemu ya masuala ya kifedha kuanzia ukurasa wa 122 kuendelea.

### Nguzo ya vifaa

Kampuni ya Sigara inajivunia na vifaa vyake vya kisasa vya uzalishaji, vilivyoundwa kuhakikisha ufanisi, ubora, na usawa katika kila bidhaa. Mchakato wetu wa uzalishaji unahusisha kubadilisha majani ya tumbaku yaliyoshughulikiwa (lamina na shina) kuwa sigara kupitia hatua kuu kama vile kuchanganya, kuweka sawa, kukata, kukausha, kutengeneza, na kupakia. Kwa kuboresha miundombinu yetu mara kwa mara na kukubali ubunifu, tunaboresha ushindani wetu na kujiandaa na mabadiliko ya matarajio ya watumiaji.

Kuhakikisha utii wa viwango vya afya, usalama, na mazingira ni sehemu muhimu ya shughuli zetu.

Michakato yetu ya uzalishaji imeundwa si tu kuhakikisha usalama na ubora wa bidhaa, bali pia kupunguza taka na kupunguza athari kwa mazingira, huku tukithibitisha dhamira yetu ya uzalishaji endelevu na wenye kuwajibika.

Mtandao wa usambazaji wa Kampuni ya Sigara una jukumu muhimu katika kuhakikisha upatikanaji wa bidhaa kupitia njia mbalimbali za jumla na rejareja, ikiwemo maduka makubwa, maduka rahisi, maduka ya rejareja, na maduka maalum ya tumbaku. Ili kuhamasisha upokeaji wa bidhaa na kukuza uaminifu wa wateja, Kampuni ya Sigara hutumia mchanganyiko wa mauzo ya moja kwa moja, ushirikiano wa kimkakati na wauzaji, na kampeni za matangazo maalum.

### Nguzo ya maarifa

Sifa imara ya chapa na dhamira yetu ya ubunifu vinatufanya kuwa tofauti sokoni. Kupitia maarifa ya kimkakati, tunaendelea kuchambua maoni ya watumiaji na mwelekeo wa sekta ili kuhakikisha bidhaa zetu zinakidhi mapendeleo yanayobadilika na mahitaji ya kisheria. Utafiti ni kiungo muhimu cha ubunifu, kinachounga mkono kila hatua ya mlolongo wetu wa thamani kutoka kwenye upatikanaji wa malighafi bora kupitia ununuzi hadi kuzibadilisha kuwa bidhaa zilizokamilika kupitia uzalishaji. Masoko yanakuza uwepo wa chapa na uhamasishaji wa bidhaa, wakati mauzo yanahakikisha usambazaji wa bidhaa kwa ufanisi kwenda kwa wateja. Katika Kampuni ya Sigara, juhudi zetu za Utafiti na Maendeleo zinajikita katika kuelewa mabadiliko ya soko, kukidhi mahitaji ya watumiaji, na kudumisha utii wa kanuni za afya.

### Nguzo ya jamii na mahusiano

Tunathamini imani na mahusiano tunayoyajenga na wadau wetu. Iwe ni kupitia mipango ya uwajibikaji wa kijamii wa kampuni, au ushirikiano na wadhibiti na wasambazaji, bado tupo tayari kujitolea ili kuwa na mabadiliko chanya zaidi ya shughuli zetu za kibiashara.

Tafadhali rejelea sehemu ya kijamii kwenye ukurasa wa 90 kwa ajili ya utendaji wetu katika jamii.

### Nguzo ya asili

Uendeleu ni msingi wa shughuli zetu. Tunajitahidi kwa makusudi kupunguza athari zetu kwa mazingira kwa kupata malighafi kwa njia inayoheshimu mazingira, kuboresha ufanisi wa rasilimali, na kuzingatia mifumo bora ya uendeleu duniani. Tafadhali rejelea sehemu ya mazingira kwenye ukurasa wa 87 kwa utendaji wetu wa kimazingira.

Kwa kujumuisha nguzo hizi katika muundo wetu wa biashara, tunahakikisha kwamba Kampuni ya Sigara inabaki kuwa imara, yenye uwajibikaji, na ipo tayari kwa ajili ya siku zijazo, tukianzisha thamani ya pamoja kwa wafanyakazi wetu, watumiaji, wanahisa, na jamii kwa ujumla.

“

Ili kuhamasisha upokeaji wa bidhaa na kukuza uaminifu wa wateja, Kampuni ya Sigara hutumia mchanganyiko wa mauzo ya moja kwa moja, ushirikiano wa kimkakati na wauzaji, na kampeni za matangazo maalum.”





# 13 Our ESG impact

Companies today face increasing pressure to build sustainable business models and adapt their value chains to ensure long-term success.



**Failure to do so can hinder growth, elevate supply chain risks, and impact financial performance. With rising expectations from consumers, shareholders, employees, and society, businesses are expected to be purpose-driven, prioritizing positive social and environmental impact alongside profitability.**

JTI is committed to responsible and sustainable business practices. With the collective support of every market, function, team, and employee, JTI integrates sustainability into its operations to drive meaningful change. To maximize impact, JTI conducted extensive research to identify the areas where there is most significant difference. This led to the development of the Sustainability Impact Framework, which shapes the strategy across three key pillars: innovating products, empowering people, and protecting the planet.

At TCC Plc, we are dedicated to building a sustainable and responsible future, aligning our operations with global sustainability goals, and creating a positive, lasting impact. Our future strategy is anchored around JTI's three core pillars that reflect our commitment not only to business growth but also to enhancing the lives of our stakeholders and protecting the environment.

## 1. Innovating products

We are focused ensuring that our products meet international regulatory standards. Our commitment extends to responsible marketing and the design of products with circularity in mind, that is, utilising recyclable or reusable packaging and incorporating recycled content wherever possible.

## 2. Empowering people

Our people are at the heart of TCC Plc's success. We are dedicated to attracting talent and fostering an inclusive work environment, with a focus on gender equality aiming at achieving 30% women in leadership positions. We focus on nurturing a people-centric organization by providing an outstanding experience for our people, throughout their entire journey with TCC Plc.

## 3. Protecting the planet

As we tackle the critical issue of climate change, we have made significant strides in reducing greenhouse gas emissions from both our operations and our supply chain. In addition, we are committed to conserving nature through efforts such as reducing water usage and minimising waste in our operations.

Through these strategic initiatives, TCC Plc is not just focused on financial growth, but also on making a meaningful, positive difference to the environment, our people, and the communities where we operate. This approach ensures that we remain a responsible corporate leader while contributing to a sustainable future for all.

# Our environmental performance

## 1. Biodiversity and forestry

At TCC Plc, we operate within a designated industrial zone along Nyerere Road in Dar es Salaam, a key urban hub. This strategic location ensures that our factory does not interfere with primary biodiversity areas or water sources, allowing us to minimize our environmental footprint. Our parent company, Japan Tobacco International (JTI), sources tobacco through trusted leaf aggregators, who are held accountable to strict supplier criteria. This approach ensures that ethical and sustainable sourcing practices are upheld throughout our supply chain.

## 2. Natural environment

Our commitment to environmental conservation during the year 2024 was highlighted through several impactful initiatives. We successfully hosted our annual clean-up event at Coco Beach, with support from the local government and CCIJT. Together, 250 dedicated volunteers removed over 50 bags of plastic waste and debris from the shores of the Indian Ocean, making a tangible impact on our coastal environment. In collaboration with The Recycler, we installed a waste trap at Selander Bridge to intercept waste from inland rivers before it reaches the ocean, helping to reduce marine pollution. Additionally, we distributed 140 upcycled trash bins to municipalities in Dar es Salaam and Zanzibar, promoting sustainable waste management in urban areas.

## 3. Environmental Supplier Screening

### Environmental and social screening criteria

TCC Plc integrates environmental and social considerations into its supplier selection framework. We actively assess suppliers and vendors based on predefined environmental and social parameters. These include:

- **Environmental impact: Evaluation of pollution levels and other**

### environmental risks associated with the supplier's operations.

**Social responsibility:** Assessment of social programs, such as adherence to minimum wage policies and fair labor practices;

These parameters contribute 10%-20% of the total selection criteria weighting, reflecting TCC Plc's commitment to responsible procurement while ensuring operational efficiency.

- **Due diligence process**

TCC Plc conducts environmental and social due diligence on both new and existing suppliers. This due diligence is carried out at the time of selection, ensuring that suppliers meet TCC Plc's environmental and social expectations before onboarding. However, post-selection follow-up is only performed if stipulated in the contract, highlighting the need for predefined compliance mechanisms in vendor agreements.

- **Governance and oversight**

Due diligence assessments are conducted by a competent in-house team, ensuring that evaluations align with TCC Plc's internal sustainability and risk management policies. At present, TCC Plc has not formally defined "Significant Actual Negative Environmental Impact" or "Significant Actual Negative Social Impact", which presents an opportunity to refine the organization's ESG risk framework further.

- **Standard operating procedures**

While TCC Plc follows an established vendor selection process, there is no formally documented Standard Operating Procedure (SoP) specific to ESG-related supplier screening.

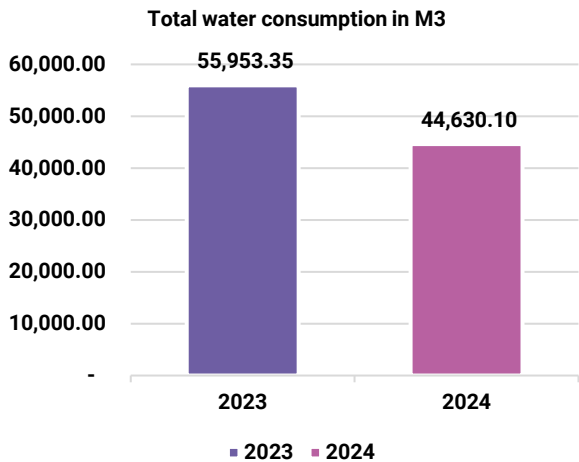






4. Water

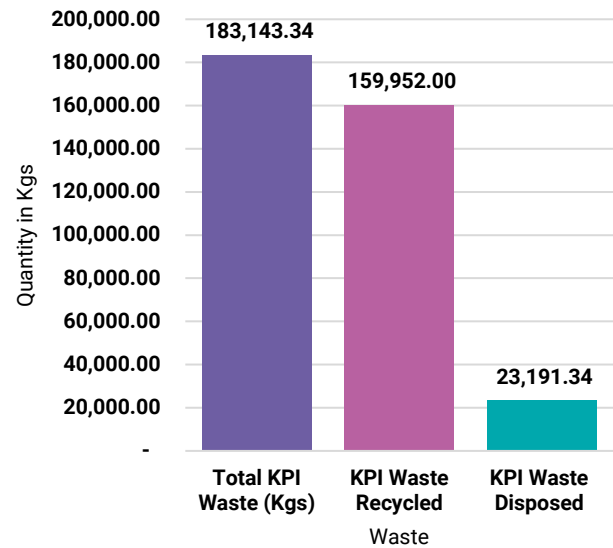
TCC Plc has achieved a significant reduction in its water withdrawal, aligning with its commitment to sustainability and environmental stewardship. In the fiscal year 2023, the company withdrew 55,953.35 cubic meters of water, primarily sourced from municipal supplies and boreholes. By the fiscal year 2024, this figure decreased to 44,630.10 cubic meters, marking a notable 20% reduction in total water withdrawal. This substantial decrease not only reflects TCC Plc’s efforts to optimize water usage but also supports broader environmental conservation goals. This achievement is part of TCC Plc’s broader strategy to enhance sustainability, which includes initiatives like water treatment and recycling, as evidenced by its successful water treatment plant that allows for the reuse of water in irrigation systems.



We treat factory water on site following local and international standards as per corporate sustainability targets. The treated water is then used for gardening at the factory premises.

It should be noted the amount of water withdrawal reported in the FY 2023 was only for factory operations and did not include water withdrawn for market operations. The figure in this report has been restated to include the market operations.

Waste recycled and disposed in kgs



At TCC Plc we are proud to demonstrate our strong commitment to sustainable waste management practices, as evidenced by the below data on waste disposal and recycling performance. Our waste management strategy is firmly aligned with core ESG principles, focusing on waste reduction, resource efficiency, and the promotion of circular economy practices.

Recycling and waste diversion efforts

In FY 2024, TCC Plc achieved a remarkable milestone by successfully recycling approximately 87% of its total waste, significantly minimizing the volume of waste sent to disposal. This represents a substantial improvement from the 69% of waste recycled in FY 2023. This impressive recycling achievement underscores our proactive approach to sustainable waste management, reflecting our dedication to reducing environmental impact and fostering a more circular economy.

Our effective waste minimization strategy resulted in only 23,191.34 kgs (13%) of waste being disposed of, showcasing our commitment to reducing environmental impact while aligning with circular economy principles by reintegrating materials into productive use. This approach not only supports environmental sustainability but also contributes to a more responsible and efficient use of resources, reinforcing our position as a leader in sustainable practices within our industry.

# Carbon footprint

TCC Plc continues to demonstrate its commitment to sustainability and environmental stewardship, aligning its operations with global and industry standards, as we work towards our ambitious carbon-neutral and Net-Zero Greenhouse Gas (GHG) emission targets.

TCC Plc has set ambitious goals in line with the JT Tobacco Business Target, aiming to become carbon neutral by 2030 and achieve Net-Zero Greenhouse Gas emissions across our entire value chain by 2050. This aligns with global climate commitments and supports our long-term vision of sustainable business practices.

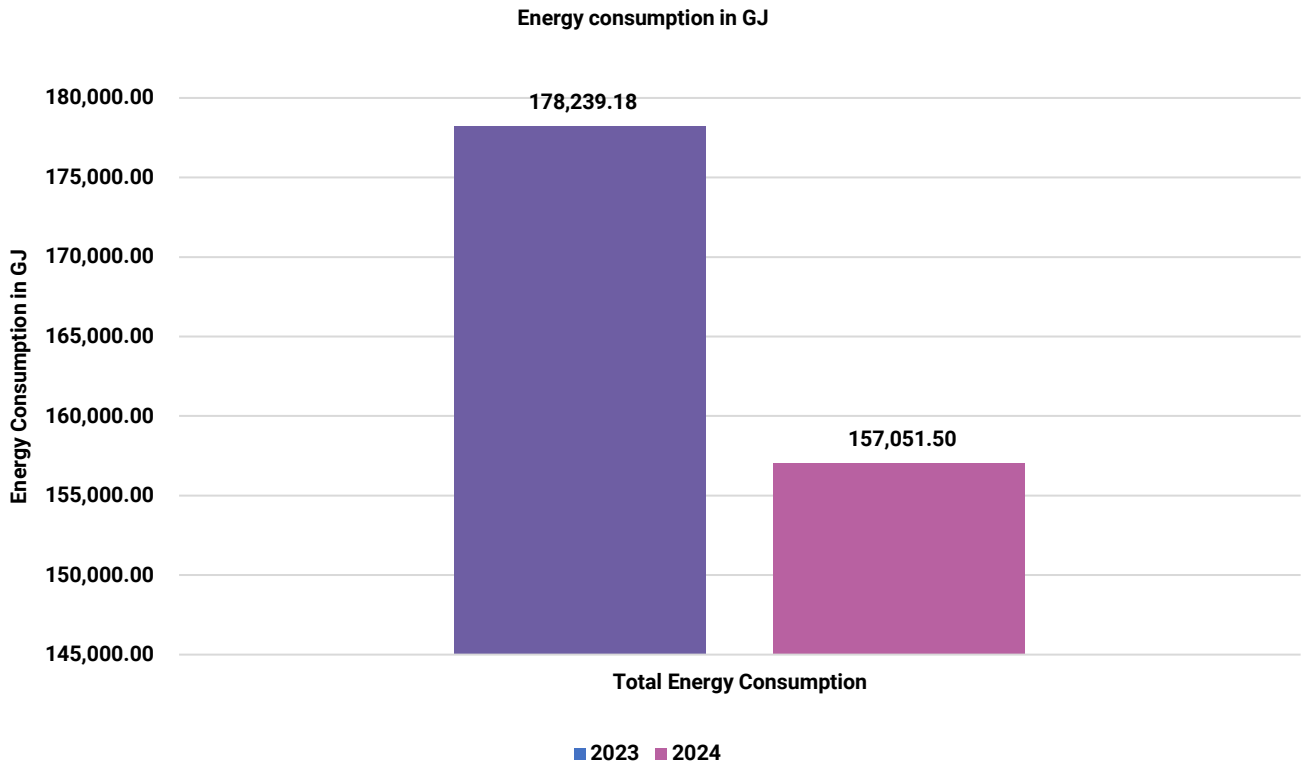
For the financial year 2024, TCC Plc recorded a total of 7,468.74 CO2e tons (Scope 1&2) across its operations. While these figures highlight our current carbon footprint, TCC Plc remains committed to reducing our environmental impact through targeted initiatives aimed at improving energy efficiency, transitioning to renewable energy, and integrating circular economy principles into our value chain.

In FY 2024, TCC Plc’s total energy consumption reached 157,051.5 GJ, marking a remarkable decrease from 178,239.18 GJ in FY 2023. Notably, the majority of the energy consumed was derived from non-renewable sources, underscoring the company’s reliance on traditional energy inputs.

### Operational energy breakdown

- **Factory operations** - Factory operations accounted for 61% of the total energy consumption, reflecting the energy-intensive nature of manufacturing processes; and
- **Market operations** - The remaining 39% of the energy was utilized for market-related activities, including distribution and sales support.

Energy consumption for TCC Plc is monitored through a global reporting tool (CR 360). To reduce overall energy consumption, we have implemented several energy-saving initiatives, including the use of solar, the installation of energy-saving LED lights, motion sensor lighting, and energy-efficient AC (inverter AC), as well as employee training on energy conservation.







## Our social performance

**For FY 2024, we at TCC Plc have adopted a structured local community engagement approach for our CSR programs, ensuring they align with the needs of the communities we serve.**

Our initiatives focus on economic empowerment, protecting of natural environmental, supporting people with special needs including people with disabilities, and promoting arts and culture Across mainland Tanzania and its islands, we actively collaborate with organizations such as SHIVYAWATA, TECC higher learning institutions like DUCE, TASUBA, and local government authorities. We engage with communities through face-to-face meetings, email correspondence, and field visits, reaching diverse groups including persons with disabilities, students, artists, and environmental advocates. By taking this inclusive and hands-on approach, we ensure that our CSR programs create meaningful, lasting impact.

### Customer relationship

At TCC Plc, building and maintaining strong customer relationships is at the heart of our business. Over the years, we have established robust customer relationship management practices to ensure trust, transparency, and security in all our interactions. We take customer privacy and data protection seriously. In the past year, we recorded zero substantiated complaints related to breaches of customer privacy, as well as no data leaks, thefts, or losses. Additionally, there have been no historical breaches from previous years. To uphold these high standards, we continuously strengthen our mechanisms to prevent data breaches and have a comprehensive data protection policy in place to safeguard sensitive customer information. Beyond customer security, we also uphold ethical and sustainable business practices in our vendor selection and supplier assessments. Environmental and social considerations play a key role in our procurement process, ensuring that our partners align with our commitment to sustainability and responsible business conduct. At TCC Plc, our dedication to transparency, security, and ethical business practices remains unwavering, reinforcing the trust our customers and stakeholders place in us.

## Community investment

### Empowering mobility

At TCC Plc, we are committed to creating an inclusive society where everyone can thrive. As part of our ongoing efforts to support people with disabilities and partnership with SHIVYAWATA, we distributed assistive devices in the Kilimanjaro region, including: tricycles, crutches and white canes. These essential tools are helping individuals with mobility impairments regain independence, participate more actively in their communities, and lead productive lives.

### Economic empowerment

At TCC Plc, we are committed to creating sustainable livelihoods by equipping individuals with the skills and resources they need to thrive. To support women food vendors nationwide, we distributed 2,350 clean energy cooking stoves, promoting healthier cooking practices while reducing environmental impact. In Mbeya, we invested in the weaving project by providing a local weaving center with essential materials and rent assistance, enabling students per rotation to receive hands-on weaving training and develop valuable skills. In Tanga, we held TCC Fanikisha Biashara Team Challenge to foster youth entrepreneurship. In collaboration with the Tanzania Entrepreneurship and Competitiveness Center (TECC), we provided capital support to youth groups, helping them grow and sustain their businesses. To empower local tailors and entrepreneurs, we partnered with the local government to distribute 100 sewing machines across Kigoma, Pwani, Tanga, Kilimanjaro, and Dar es Salaam, promoting self-reliance and economic independence. Additionally, in Zanzibar, we organized a five-day training program for 100 tour guides in partnership with the State University of Zanzibar, the Ministry of Information, Culture, Arts and Sports and the Ministry of Natural resources and Tourism. This initiative aimed to equip participants with the skills to unlock new income-generating opportunities in the tourism sector.

### Visual and performing arts

At TCC Plc, we believe in the power of creativity to transform lives. We nurture young creative talent by offering scholarships in visual and performing arts in collaboration with Bagamoyo College of Arts (TASUBA) to support aspiring artists. In 2024, we enrolled 25 young adults for a short course in arts and culture, equipping them with essential skills to enhance their artistic expression and pursue sustainable careers in the creative industry. In Zanzibar, we extended our commitment by training 100 artists through an intensive five-day program, helping them unlock new income-generating opportunities and strengthen their professional foothold in the arts.

## Strengthening cultural and educational ties with Japan

We celebrate the power of cultural exchange and education in shaping a brighter future. In collaboration with the Japanese Society of Dar es Salaam, CCIJT and Japanese companies in Tanzania, we successfully hosted the Japanese Summer Festival 'Natsumari' in Dar es Salaam. This vibrant event, attended by over 500 guests and graced by the Ambassador of Japan to Tanzania, Mr. Yasushi Misawa, fostered meaningful connections between Japanese and Tanzanian communities.

Beyond cultural engagement, we are committed to empowering future leaders through education. Through our global scholarship program in partnership with the Embassy of Japan, we provide Tanzanians with opportunities to pursue master's degree studies in Japanese universities. Currently, one of our scholars is advancing their education at Akita University. Through these initiatives, TCC Plc continues to champion cross-cultural connections and academic excellence ensuring a lasting impact on individuals and communities alike.

### Disaster management (JTI Foundation)

To support flood-affected communities in the Rufiji District, a post-flood recovery project was launched, benefiting 270 households comprising 1,088 family members. The first phase of support included distributing early maturing crop and vegetable seeds such as maize, pumpkin, okra, and mchicha (amaranth leaves) to 150 registered households, enabling them to rebuild their livelihoods. Additionally, food supplies were provided to 150 households, benefiting 744 individuals. This project also focused on enhancing local disaster preparedness and management capacities to mitigate future flood impacts, ensuring long-term resilience within the affected communities.

### Accolades

TCC Plc was recognized for its efforts, receiving the 2024 Employer of the Year Award (EYA) in the CSR category.

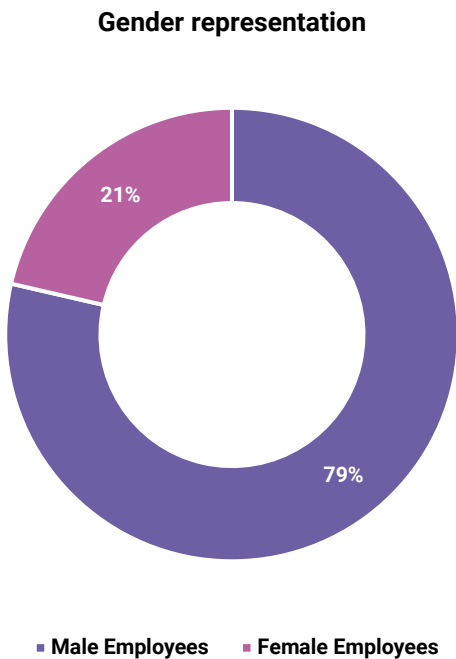
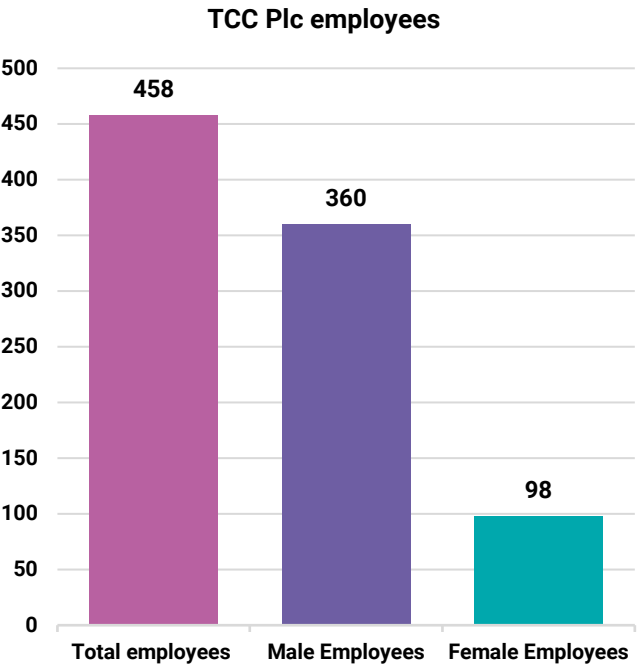
### Employee engagement

At TCC Plc, we recognize that our employees are at the heart of our success. We are committed to fostering a fair, inclusive, and empowering work environment that supports employee well-being, professional growth, and engagement. As part of our commitment to diversity, equity, and inclusion, we have a total workforce of 458 employees, comprising both male and female staff.





# Our employee profile



Our collective bargaining agreement (CBA), established in collaboration with the Tanzania Union of Industrial and Commercial Workers (TUICO), ensures a transparent and equitable workplace. The CBA defines employee rights, responsibilities, and benefits, covering key areas such as family leave, remuneration, and allowances. This framework promotes open dialogue and mutual respect between management and employees, reinforcing our commitment to a harmonious work culture.

As part of our commitment to fair labour practices and employee rights, we track the coverage of our workforce under the CBA and a total of **455 employees** (99%) are covered.

Only 3 employees (1%) are not covered by collective bargaining agreements, all of whom are expatriates.

**A workplace where everyone belongs and thrives**

At TCC Plc, we believe that diversity, equity, and inclusion (DE&I) are not just policies, they are the foundation of a thriving, innovative, and high-performing organization. We are committed to fostering a

workplace where everyone feels valued, respected, and empowered to contribute.

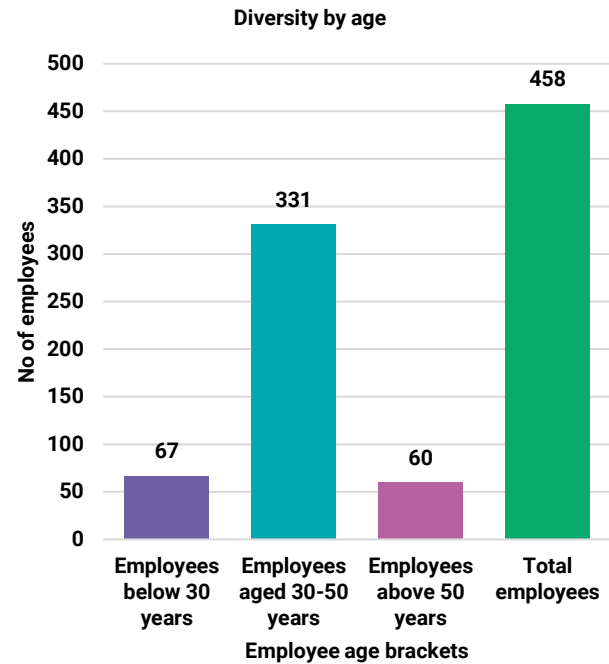
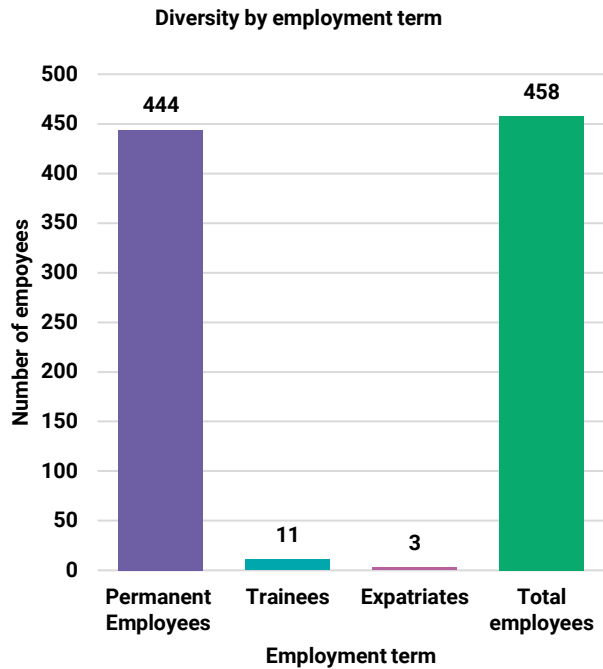
**Driving diversity and inclusion with impact**

- **Gender representation** - Currently, women make up 21% of our workforce, and we are actively working towards achieving 30% by 2030. Out of the 8 directors, 3 are female, representing 38%, which exceeds the 30% target for female representation at the leadership level;
- **People with disabilities (PWDs)** - We have a bold goal of reaching 3% by 2025;
- **New ways of working (NWOW)** - Flexibility is key to employee well-being. Our 50:50 hybrid work policy and flex hours (9 AM - 2 PM core hours) ensure a healthy work-life balance; and
- **Employee wellness** - A dedicated wellness team drives initiatives such as wellness days, monthly webinars on personal finance, work-life balance, vaccinations and ergonomics to support holistic employee well-being.



### Equity in action

We recognize that true inclusion goes beyond representation, it requires action. Through our 2024 DE&I Support Campaign (employees-led initiative), we provided assistive devices including wheelchairs and prosthetic leg to support people with disabilities. This initiative, backed by monetary contributions from employees, is a testament to our culture of compassion and shared responsibility.



### Employee engagement and recognition

At TCC Plc, we recognize that our people are at the heart of our success. We are committed to fostering a motivated, engaged, and high-performing workforce by creating an environment where employees feel valued, celebrated, and empowered.

Our annual engagement events strengthen our workplace culture by fostering connection and collaboration. Family Day brings employees and their families together, reinforcing a sense of community, while the Champion Summit (End-of-Year event) honours outstanding contributions, inspiring a culture of excellence and teamwork. We also engage our employees through International Women's Day, International Men's Day, Learning and Wellness days and May Day.

As an employer of choice, we continuously strive to enhance our reputation as a top workplace in Tanzania. Our efforts were recognized at the 2024 Association of Tanzania Employers (ATE) Awards, where we received multiple accolades, including:

- 1st runner up private sector
- Governance and leadership
- Corporate social responsibility
- Occupational health and safety
- Private sector excellence
- Local employer & local content awards
- Club of the best performers

These achievements reflect our unwavering commitment to employee welfare, ethical leadership, and sustainable business practices. At TCC Plc, we continue to build a workplace where our people thrive, grow, and contribute to lasting value creation.





## Employee benefits

As part of our commitment to social responsibility and employee well-being, our organization provides a comprehensive benefits package designed to promote financial security, health, and work-life balance. Our policies ensure that all employees receive equitable access to essential benefits, fostering a workplace culture of inclusivity, fairness, and sustainability.

### Equality and non-discrimination

TCC Plc is committed to fairness in benefits distribution, ensuring that all employees receive equitable support based on their diverse needs and capabilities. While benefits are provided to all, they are tailored to reflect individual circumstances, including considerations for disability, to promote an inclusive and supportive work environment where everyone is treated with dignity.

### Work-life balance and family support

Recognizing the importance of family and personal well-being, we offer family (maternity and paternity) leave of up to 20 weeks within a rolling 36-month period. This benefit applies equally to both male and female employees, emphasizing our commitment to gender equality and parental support.

### Retirement and long-term security

We believe in providing long-term financial stability for our employees. Upon reaching the age of 55 to 60, employees become eligible for an attractive retirement package, in addition to covering full transportation costs for the employee, their family, and personal belongings. This initiative underscores our commitment to supporting employees beyond their active working years.

### Additional benefits and employee recognition

In alignment with our dedication to employee satisfaction and motivation, we extend several additional benefits, including housing allowance, education allowance, annual performance bonuses, meals and meal allowances, leave and transport allowances, long service awards. These initiatives reinforce our focus on employee engagement, retention, and workplace sustainability, aligning with the broader principles of ESG by ensuring a supportive and inclusive work environment.

### Our grievance mechanism

To maintain a fair and just workplace, we have implemented a structured grievance procedure that enables employees to voice concerns without fear of victimization. The process, which can be formal or informal, is designed for swift and effective resolution at the point of origin. Clear departmental directives ensure employees are well-informed about their rights and the appropriate channels for addressing grievances.

# Marketing and labelling



**TCC Plc remains committed to responsible marketing and product labelling, ensuring adherence to industry regulations and ethical standards.**

## Product information and labelling

TCC Plc follows established guidelines on product and service information, prioritizing consumer awareness and regulatory compliance. While the company does not disclose the sourcing of product components, it clearly indicates tar and nicotine levels on product packaging, aligning with health and safety requirements. The organization continues to refine its labelling strategies to provide essential product details while adhering to legal and industry standards.

## Marketing compliance

In the fiscal year 2024, TCC Plc recorded zero incidents of non-compliance related to marketing communications, including violations of regulations or voluntary codes. This reflects our strict adherence to advertising guidelines, ensuring all promotional activities remain ethical, responsible, and compliant with governing bodies' expectations.

TCC Plc remains committed to maintaining high ethical standards in its marketing and labelling practices, prioritizing consumer transparency and compliance with local and international regulations.

## Human rights compliance

TCC Plc upholds human rights principles by ensuring fair labour practices, preventing discrimination, and eliminating risks of child and forced labour within its operations and supply chain. The company's adherence to international labour standards and national regulations reinforces its commitment to ethical business conduct.





# Child and forced labour policies

## Non-discrimination

TCC Plc maintains a workplace free from discrimination, promoting equality and inclusivity across all levels. In 2024, no incidents of discrimination were reported. The company continuously monitors workplace practices to uphold fair treatment and prevent bias in employment, promotion, and compensation.

## Child labour

TCC Plc strictly prohibits child labour in its operations and supply chain. In 2024, no cases of child labour or young workers exposed to hazardous conditions were identified. Additionally, no suppliers or business partners were found to be at risk of child labour violations. These findings affirm the company's compliance with labour laws and ethical sourcing practices.

## Forced labour

The company remains vigilant against forced labour, ensuring that all employees work voluntarily under fair conditions. In 2024, no cases of forced labour were reported, and no suppliers were identified as being at risk of forced labour practices. TCC Plc enforces strict policies to prevent any form of coerced or involuntary work.

Through these measures, TCC Plc continues to prioritize human rights, ensuring a safe, fair, and ethical work environment while maintaining compliance with global labour standards.







**“At TCC Plc, building and maintaining strong customer relationships is at the heart of our business.”**

Over the years, we have established robust customer relationship management practices to ensure trust, transparency, and security in all our interactions.

The TCC logo, consisting of the letters 'TCC' in a bold, white, sans-serif font.

# 13

## Kuhusu mazingira, jamii na utawala

Katika Kampuni ya Sigara, tumejitolea kujenga mustakabali endelevu na wenye uwajibikaji, tukilinganisha shughuli zetu na malengo ya kimataifa ya uendelevu na kuleta athari chanya na ya kudumu.



**Mkakati wetu wa siku zijazo umejikita katika nguzo tatu kuu za Japan Tobacco International, zinazoakisi dhamira yetu sio tu kwa ukuaji wa biashara bali pia kwa kuboresha maisha ya wadau wetu na kulinda mazingira.**

### 1. Kubuni bidhaa

Tumejikita katika kuhakikisha kwamba bidhaa zetu zinakidhi viwango vya kimataifa vya udhibiti. Dhamira yetu inajumuisha masoko yenye uwajibikaji na ubunifu wa bidhaa kwa kuzingatia mzunguko endelevu, yaani, kutumia vifungashio vinavyoweza kurejelewa au kutumika tena na kujumuisha nyenzo za kuchakata pale inapowezekana.

### 2. Kuwawezesha watu

Watu wetu ndio msingi wa mafanikio ya Kampuni yetu. Tumejitolea kuvutia vipaji na kukuza mazingira ya kazi jumuishi, kwa kipaumbele katika usawa wa kijinsia, tukilenga kufikia 30% ya wanawake katika nafasi za uongozi. Tunazingatia kuendeleza shirika linalowajali watu kwa kutoa uzoefu bora kwa wafanyakazi wetu katika safari yao yote ndani ya Kampuni ya Sigara.

### 3. Kulinda mazingira

Tunapokabiliana na changamoto kubwa ya mabadiliko ya tabianchi, tumepiga hatua kubwa katika kupunguza uzalishaji wa gesi joto kwenye shughuli zetu na mlolongo wetu wa ugavi. Zaidi ya hayo, tumejitolea kuhifadhi mazingira kupitia juhudi kama vile kupunguza matumizi ya maji na kupunguza taka katika shughuli zetu.

Kupitia mipango hii ya kimkakati, Kampuni ya Sigara haizingatii tu ukuaji wa kifedha bali pia inalenga kuleta mabadiliko chanya na yenye maana kwa mazingira, watu wetu, na jamii tunazofanyia kazi. Mtazamo huu unahakikisha kuwa tunasalia kuwa kiongozi mwenye uwajibikaji wa shirika huku tukichangia mustakabali endelevu kwa wote.



# Utendaji wetu wa kimazingira

## 1. Bioanuwai na misitu

Katika Kampuni ya Sigara, tunafanya kazi ndani ya eneo maalum la viwanda kando ya Barabara ya Nyerere jijini Dar es Salaam, jiji kuu la kibiashara. Eneo hili la kimkakati linahakikisha kuwa kiwanda chetu hakiingilii maeneo ya msingi ya bioanuwai au vyanzo vya maji, hivyo kupunguza athari za kimazingira. Kampuni yetu mama, Japan Tobacco International, inanunua tumbaku kupitia wakusanyaji wa majani wanaoaminika, ambao wanawajibika kwa vigezo madhubuti vya usambazaji. Mbinu hii inahakikisha kuwa taratibu za ununuzi wa mazao zinafuata viwango vya maadili na uendelevu katika mlolongo wetu wa ugavi.

## 2. Mazingira asili

Dhamira yetu ya kuhifadhi mazingira mwaka 2024 ilidhihirishwa kupitia miradi kadhaa yenye athari kubwa. Tulifanikiwa kuandaa tukio letu la kila mwaka la usafi katika Ufukwe wa Coco kwa kushirikiana na serikali ya mtaa na CCIJT. Kwa pamoja, wahusika 250 waliojitolea waliondoa zaidi ya mifuko 50 ya taka za plastiki na uchafu kutoka kwenye mwambao wa Bahari ya Hindi, na hivyo kuleta athari chanya kwa mazingira yetu ya pwani. Kwa kushirikiana na The Recycler, kampuni iliweka mtego wa taka kwenye Daraja la Selander ili kukamata taka zinazotoka sehemu mbalimbali kabla ya kufika baharini, na hivyo kusaidia kupunguza uchafuzi wa mazingira ya bahari. Aidha, kampuni iligawa vikapu 140 vya taka vilivyotengenezwa upya kwa halmashauri za Dar es Salaam na Zanzibar, ikiwa ni hatua ya kukuza usimamizi endelevu wa taka katika maeneo ya mijini.

## 3. Uhakiki wa kimazingira kwa wasambazaji

### Vigezo vya uhakiki wa kimazingira na kijamii

Kampuni ya Sigara inajumuisha vigezo vya kimazingira na kijamii katika mfumo wake wa uteuzi wa wasambazaji. Tunafanya tathmini ya kina kwa wasambazaji na wauzaji kulingana na vigezo maalum vya kimazingira na kijamii. Vigezo hivi vinajumuisha:

- **Athari za mazingira: tathmini ya viwango vya uchafuzi na hatari nyingine za kimazingira zinazohusiana na shughuli za**

### msambazaji;

Wajibu wa kijamii: Tathmini ya programu za kijamii, ikiwa ni pamoja na uzingatiaji wa sera za mshahara wa kima cha chini na taratibu za haki za wafanyakazi. Vigezo hivi vinachangia kati ya 10 – 20% ya jumla ya uzito wa kigezo cha uteuzi, ikidhihirisha dhamira ya Kampuni ya Sigara kwa ununuzi wenye uwajibikaji huku ikidumisha ufanisi wa kiutendaji;

### – Mchakato wa kina wa uhakiki

Kampuni ya Sigara hufanya uhakiki wa kina wa kimazingira na kijamii kwa wasambazaji wapya na waliopo. Uhakiki huu unatekelezwa wakati wa mchakato wa uteuzi ili kuhakikisha kuwa wasambazaji wanakidhi matarajio ya Kampuni kuhusu mazingira na masuala ya kijamii kabla ya kushirikishwa rasmi. Hata hivyo, ufuatiliaji baada ya uteuzi hufanyika tu endapo umetajwa katika mkataba, jambo linalosisitiza umuhimu wa kuwa na mifumo ya uzingatiaji wa sheria iliyoainishwa mapema katika mikataba ya wauzaji.

### – Utawala na usimamizi

Tathmini za uhakiki wa kina hufanywa na timu ya ndani yenye ujuzi, ili kuhakikisha kuwa mchakato wa tathmini unalingana na sera za Kampuni kuhusu uendelevu na usimamizi wa hatari. Hadi sasa, Kampuni ya Sigara haijatao tafsiri rasmi ya "Athari Kubwa Halisi na Hasi za Kimazingira" au "Athari Kubwa Halisi na Hasi za Kijamii," hali inayotoa fursa ya kuboresha zaidi mfumo wa usimamizi wa hatari za Mazingira, Jamii, na Utawala ndani ya shirika.

### – Taratibu za kawaida za uendeshaji

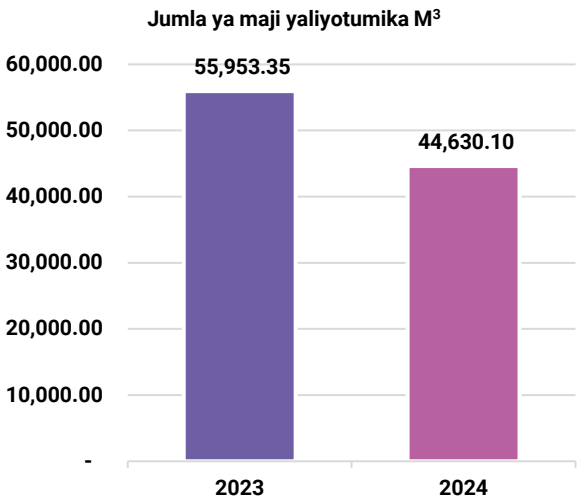
Ingawa Kampuni ya Sigara inafuata mchakato uliowekwa wa uteuzi wa wauzaji, hakuna Taratibu Sanifu za Uendeshaji zilizoandikwa rasmi zinazohusiana mahsusi na uchunguzi wa wasambazaji kuhusu Mazingira, Jamii, na Utawala.





4. Maji

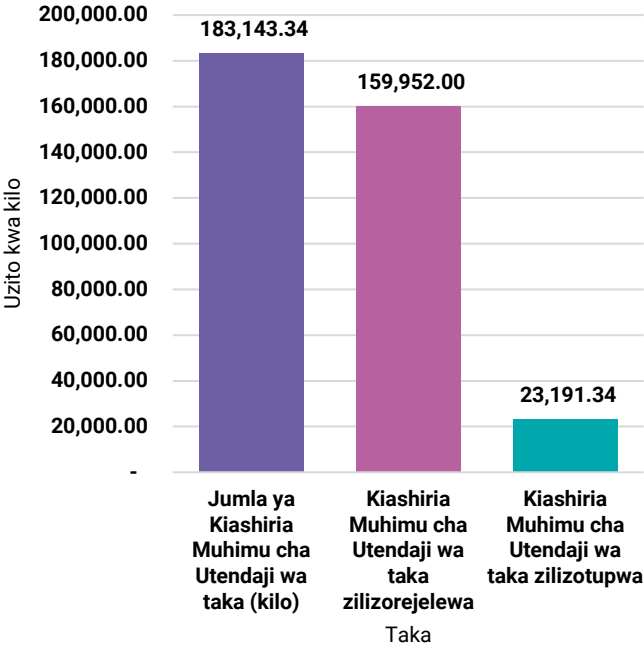
Sambamba na dhamira yake ya uendeleu na utunzaji wa mazingira, Kampuni ya Sigara imepata upunguzaji mkubwa wa matumizi ya maji. Katika mwaka wa fedha 2023, kampuni ilitumia jumla ya mita za ujazo 55,953.35 za maji, ambazo zilipatikana hasa kutoka kwa huduma za manisipaa na visima. Kufikia mwaka wa fedha 2024, kiwango hiki kilipungua hadi mita za ujazo 44,630.10, ikimaanisha upunguzaji wa 20% katika matumizi ya maji. Upunguzaji huu mkubwa sio tu kwamba unaakisi juhudi za kampuni katika kuboresha matumizi ya maji bali pia unachangia malengo mapana ya uhifadhi wa mazingira. Mafanikio haya ni sehemu ya mkakati mpana wa kampuni wa kuimarisha uendeleu, ikijumuisha miradi kama usafishaji maji na urejelezaji wa maji, kama inavyodhihirishwa na mtambo wake wa kisasa wa kusafisha maji unaowezesha matumizi upya ya maji katika mifumo ya umwagiliaji.



Tunasafisha maji ya kiwandani katika eneo la kiwanda kwa kufuata viwango vya ndani na vya kimataifa kulingana na malengo endelevu ya kampuni. Maji yaliyosafishwa hutumika kwa ajili ya umwagiliaji katika maeneo ya kiwanda.

Ikumbukwe kwamba kiasi cha maji kilichoripotiwa kwa mwaka wa fedha 2023 kilihusiana tu na shughuli za kiwandani na hakikujumuisha maji yaliyotumika kwenye shughuli za soko. Takwimu katika ripoti hii zimesahihishwa ili kujumuisha matumizi ya maji katika shughuli za soko pia.

Taka zilizorejelewa na zilizotupwa



Kampuni ya Sigara inajivunia kuonyesha dhamira yake thabiti katika utekelezaji wa mbinu endelevu za usimamizi wa taka, kama inavyoonyeshwa na takwimu zifuatazo kuhusu utupaji taka na utendaji wa urejelezaji. Mkakati wetu wa usimamizi wa taka unalingana kikamilifu na kanuni kuu za mazingira, jamii na utawala bora, kwa kuzingatia upunguzaji wa taka, matumizi bora ya rasilimali, na kukuza mifumo ya uchumi wa mviringo.

Juhudi za urejelezaji na uelekezaji wa taka mbali na madampo

Katika mwaka wa fedha 2024, Kampuni ilifikia hatua muhimu kwa kufanikiwa kurejeleza takriban 87% ya jumla ya taka zake, hivyo kupunguza kwa kiasi kikubwa kiasi cha taka kilichopelekwa kutupwa. Haya ni maendeleo makubwa ikilinganishwa na 69% ya taka zilizorejelewa katika mwaka wa fedha 2023. Mafanikio haya ya urejelezaji yanaonesha mtazamo wetu wa kimkakati katika usimamizi endelevu wa taka, yakidhihirisha dhamira yetu ya kupunguza athari za kimazingira na kukuza uchumi wa mviringo.

Mkakati wetu madhubuti wa kupunguza taka ulisababisha utupaji wa tani kilogramu 23,191.34 (13%) pekee, ukidhihirisha dhamira yetu ya kupunguza athari za kimazingira huku tukizingatia kanuni za uchumi mzunguko kwa kurejesha nyenzo katika matumizi yenye tija. Mbinu hii haichangii tu uendeleu wa mazingira bali pia inahimiza matumizi yenye uwajibikaji na ufanisi wa rasilimali, ikiimarisha nafasi yetu kama kiongozi wa vitendo endelevu ndani ya sekta yetu.

# Athari ya hewa ukaa

**Tunapofanya kazi kuelekea malengo yetu ya kupunguza kabisa uzalishaji wa hewa ukaa na kufikia kiwango cha asilimia sifuri ya utoaji wa gesi chafuzi, Kampuni ya Sigara inaendelea kudhihirisha dhamira yake ya kuendeleza shughuli endelevu na kulinda mazingira. Shughuli zetu zinaendeshwa kwa kuzingatia viwango vya kimataifa pamoja na miongozo ya sekta husika.**

Kampuni ya Sigara imeweka malengo makubwa yanayolingana na dira ya Biashara ya Tumbaku ya JT, ikiwa ni pamoja na kuwa kampuni isiyozalisha hewa ukaa ifikapo mwaka 2030, na kufikia kiwango cha asilimia sifuri ya utoaji wa gesi chafuzi katika mlolongo mzima wa thamani ifikapo mwaka 2050. Malengo haya yanaendana na makubaliano ya kimataifa ya kukabiliana na mabadiliko ya tabianchi, na yanasaidia katika kufanikisha maono yetu ya muda mrefu ya kuendesha biashara kwa njia endelevu.

Kwa mwaka wa fedha 2024, Kampuni ya Sigara ilisajili jumla ya tani 7,468.74 za kiwango sawa cha dioksidi ya kaboni (kiwango cha 1 na 2) katika shughuli zake zote. Ingawa takwimu hizi zinaonesha kiwango chetu cha sasa cha uzalishaji wa hewa ukaa, Kampuni ya Sigara inaendelea kuwa na dhamira ya kupunguza athari zake kwa mazingira kupitia mikakati maalum inayolenga kuboresha ufanisi wa matumizi ya nishati, kuhama kwenda kwenye vyanzo vya nishati mbadala, na kuingiza kanuni za uchumi mviringo katika mnyororo wetu wa thamani..

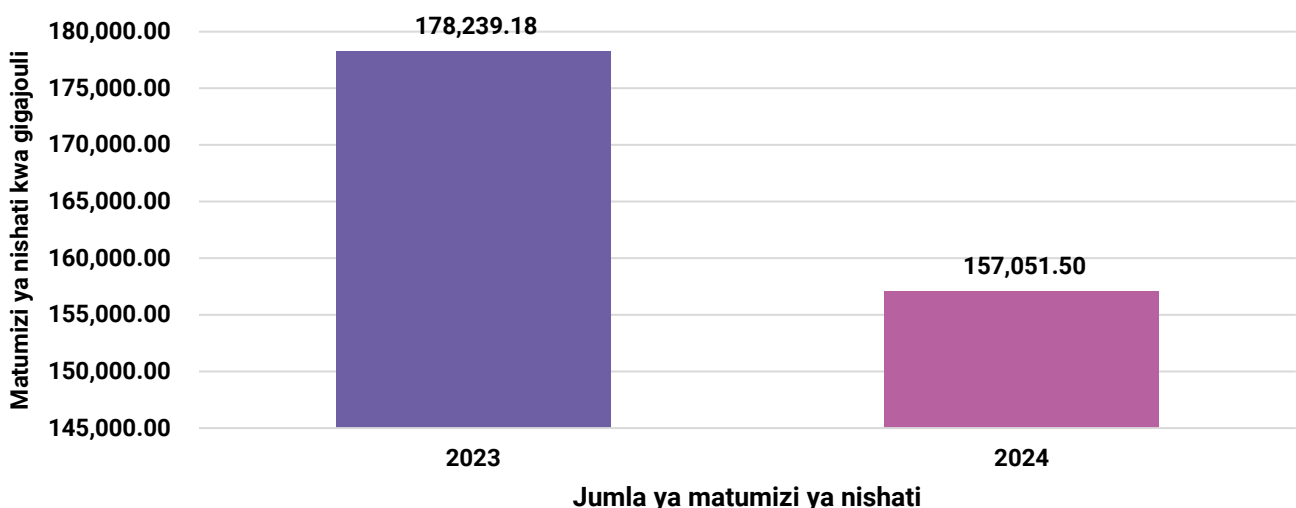
Katika mwaka wa fedha 2024, Kampuni ya Sigara ilisajili jumla ya matumizi ya nishati ya gigajouli 157,051.5, ikionesha upungufu mkubwa ikilinganishwa na matumizi ya gigajouli 178,239.18 yaliyorekodiwa katika mwaka wa fedha 2023. Pamoja na mafanikio haya katika kupunguza matumizi ya jumla ya nishati, ripoti inaonesha kuwa sehemu kubwa ya nishati iliyotumika ilitokana na vyanzo visivyoweza kurejelewa, hali inayoashiria utegemezi wa kampuni kwa nishati za kawaida (za jadi). Kampuni ya Sigara inaendelea kuchukua hatua madhubuti za kupunguza utegemezi huu kwa kuhamasisha matumizi ya vyanzo vya nishati inayoweza kurejelewa, ikiwa ni sehemu ya mkakati mpana wa uendelevu wa kimazingira.

## Mgawanyo wa matumizi ya nishati katika shughuli za uendeshaji

- **Shughuli za kiwandani:** Shughuli za kiwandani zilichangia 61% ya matumizi yote ya nishati katika mwaka wa fedha husika. Hii inaonesha wazi kiwango kikubwa cha matumizi ya nishati kinachohusiana na shughuli za uzalishaji, jambo linalothibitisha kuwa taratibu za kiwanda ni kati ya maeneo yenye matumizi makubwa ya nishati ndani ya kampuni..
- **Shughuli za masoko:** 39% ya nishati iliyobaki ilitumika katika shughuli zinazohusiana na masoko, zikiwemo usambazaji wa bidhaa na msaada wa mauzo. Matumizi haya yanahusiana moja kwa moja na shughuli za kiutendaji zinazolenga kufikia wateja na kuhakikisha bidhaa zinapatikana kwa wakati katika maeneo mbalimbali ya soko.

Kampuni ya Sigara hufuatilia matumizi yake ya nishati kupitia mfumo wa kimataifa wa kuripoti uitwao CR 360, ambao huwezesha uchambuzi wa kina wa matumizi ya nishati katika shughuli mbalimbali za kampuni. Ili kupunguza matumizi ya jumla ya nishati, kampuni imetekeleza mikakati kadhaa ya kuokoa nishati, ikiwa ni pamoja na matumizi ya umeme wa jua, usimikaji wa taa za LED zinazotumia nishati kwa ufanisi, matumizi ya taa zenye vichunguzi vya mwendo, pamoja na usimikaji wa viyoyozi vya teknolojia ya invata vinavyotumia nishati kwa ufanisi mkubwa. Aidha, kampuni imeendesha mafunzo kwa wafanyakazi kuhusu mbinu za kuokoa nishati na umuhimu wa matumizi bora ya rasilimali za nishati. Mikakati hii inalenga kupunguza athari za mazingira huku ikiboresha utendaji wa kiwanda na shughuli za masoko kwa ujumla.

Matumizi ya nishati kwa vipimo vya gigajouli







## Utendaji wetu wa kijamii

**Katika mwaka wa fedha 2024, Kampuni ya Sigara ilitekeleza mkakati wa ushirikishwaji wa jamii kwa njia iliyo rasmi na yenye mpangilio mahususi kwa ajili ya programu zake za Uwajibikaji wa Makampuni kwa Jamii.**

Mkakati huu umehakikisha kuwa shughuli zetu za kijamii zinaendana kikamilifu na mahitaji halisi ya jamii tunazozihudumia. Miongoni mwa maeneo ya kipaumbele katika utekelezaji wa miradi yetu ni pamoja na uwezeshaji wa kiuchumi, uhifadhi wa mazingira asilia, kusaidia watu wenye mahitaji maalum wakiwemo watu wenye ulemavu, pamoja na kukuza sanaa na utamaduni.

Kampuni ya Sigara imetekeleza shughuli hizi katika maeneo mbalimbali ya Tanzania Bara na Visiwani, kwa kushirikiana na taasisi mbalimbali zikiwemo SHIVYAWATA, Kituo cha Ujasiriamali na Ushindani cha Tanzania, taasisi za elimu ya juu kama DUCE na Taasisi ya Sanaa na Utamaduni Bagamoyo, pamoja na mamlaka za serikali za mitaa. Ushirikiano wetu na jamii unatekelezwa kupitia mikutano ya ana kwa ana, mawasiliano ya barua pepe, na ziara za moja kwa moja katika maeneo husika. Njia hizi zimetuwezesha kuwafikia makundi mbalimbali wakiwemo watu wenye ulemavu, wanafunzi, wasanii, na wanaharakati wa mazingira. Kupitia mtazamo huu shirikishi na wa karibu, Kampuni ya Sigara inahakikisha kuwa programu zake za Wajibu wa Kijamii wa Kampuni zinazaa matokeo chanya, ya maana, na yenye kuleta mabadiliko ya kudumu katika jamii.

### Mahusiano na wateja

Katika mwaka wa fedha 2024, Kampuni ya Sigara iliendelea kuweka mahusiano na wateja wake kama nguzo kuu ya mafanikio ya biashara. Kampuni imejenga na kuimarisha mifumo madhubuti ya usimamizi wa mahusiano na wateja ili kuhakikisha kunakuwepo na uaminifu, uwazi, na usalama katika mawasiliano yote na wateja. Faragha na usalama wa taarifa za wateja ni kipaumbele kikubwa kwa kampuni, ambapo kwa mwaka huu hakukuwa na malalamiko yoyote yaliyothibitishwa kuhusu ukiukwaji wa faragha ya wateja, wala matukio ya kuvuja, kuibiwa au kupotea kwa taarifa. Vilevile, hakuna historia ya uvunjifu wa taarifa katika miaka ya nyuma. Ili kudumisha viwango hivi vya ulinzi, kampuni imeendelea kuimarisha mifumo ya kuzuia uvujifu wa taarifa na kutekeleza sera kamili ya ulinzi wa taarifa ili kulinda taarifa nyeti za wateja. Mbali na ulinzi wa taarifa, Kampuni inazingatia viwango vya maadili na uendelevu katika uteuzi wa wasambazaji na wakandarasi wake. Vigezo vya mazingira na kijamii ni sehemu ya mchakato wa manunuzi, kuhakikisha kuwa washirika wa biashara wanaendana na maadili ya kampuni ya kufanya biashara kwa uwajibikaji na kwa njia endelevu. Kwa njia hii, Kampuni ya Sigara inaendelea kuimarisha imani ya wateja na wadau wengine kwa kudumisha viwango vya juu vya uwazi, usalama na maadili ya kibiashara.

## Uwekezaji kwenye jamii

### Kuwezesha harakati za kijamii

Katika mwaka wa fedha 2024, Kampuni ya Sigara iliendelea kutekeleza juhudi zake za kuijenga jamii jumuishi na salama kwa wote. Kupitia ushirikiano wake wa kimbakati na SHIVYAWATA, kampuni ilisambaza vifaa saidizi kwa watu wenye ulemavu katika mkoa wa Kilimanjaro, vikiwemo baiskeli za mikono (tricycles), magongo ya kutembelea (crutches), na fimbo nyeupe kwa watu wenye uoni hafifu. Utoaji wa vifaa hivi umechangia kwa kiasi kikubwa kuongeza uhuru wa harakati kwa walemavu, kuwawezesha kushiriki kikamilifu katika shughuli za kijamii na kiuchumi, na kuendesha maisha yenye tija.

### Uwezeshaji kiuchumi

Kampuni ya Sigara imeendelea kujidhatiti katika kuimarisha maisha endelevu kwa kuwawezesha wananchi kupata stadi na rasilimali muhimu kwa maendeleo ya kiuchumi. Ili kuwaunga mkono wanawake wanaojishughulisha na biashara ya chakula nchini, kampuni ilisambaza majiko safi ya kupikia 2,350, yakilenga kuboresha afya i na kupunguza athari kwa mazingira. Katika mkoa wa Mbeya, Kampuni ya Sigara iliwekeza katika sekta ya ufumaji kwa kusaidia kituo cha ufumaji kwa vifaa na eneo la kufanyia kazi, hivyo kuwezesha wanafunzi kupata mafunzo ya vitendo na kukuza ujuzi. Mkoani Tanga, kupitia shindano la TCC Fanikisha Biashara Team Challenge na ushirikiano na Kituo cha Ujasiriamali na Ushindani cha Tanzania, vikundi vya vijana waliwezesha kwa mitaji ili kukuza na kuendeleza biashara zao. Kupitia ushirikiano na serikali za mitaa, mashine 100 za kushona zilisambazwa kwa mafundi cherehani na wajasiriamali katika Kigoma, Pwani, Tanga, Kilimanjaro na Dar es Salaam, hatua iliyolenga kukuza kujitegemea na uhuru wa kiuchumi. Zaidi ya hayo, visiwani Zanzibar, Kampuni ya Sigara kwa kushirikiana na Chuo Kikuu cha Taifa cha Zanzibar, Wizara ya Habari, Utamaduni, Sanaa na Michezo pamoja na Wizara ya Maliasili na Utalii, waliandaa mafunzo ya siku tano kwa waongozaji watalii 100. Mafunzo hayo yalilenga kuwawezesha washiriki kupata maarifa na stadi za kufungua fursa mpya za kipato katika sekta ya utalii.

### Sanaa za maonesho na sanaa za kuigiza

Katika Kampuni ya Sigara, tunaamini katika nguvu ya ubunifu kubadilisha maisha ya watu. Kwa lengo la kukuza vipaji vya vijana katika sanaa, tumeendelea kuunga mkono maendeleo ya wasanii chipukizi kwa kutoa ufadhili wa masomo katika sanaa za maonesho na kuigiza kwa kushirikiana na Taasisi ya Sanaa na Utamaduni Bagamoyo. Mwaka 2024, tulisajili vijana 25 katika kozi fupi ya sanaa na utamaduni, ambapo walipatiwa ujuzi muhimu ili kuboresha uelekezaji wao wa kisanaa na kujijengea misingi ya kazi endelevu katika tasnia ya ubunifu. Visiwani Zanzibar, tuliendeleza juhudi hizi kwa kutoa mafunzo ya siku tano kwa wasanii 100, yaliyolenga kuwawezesha kufungua fursa mpya za kipato na kuimarisha nafasi yao kitaaluma katika sekta ya sanaa za maonesho na kuigiza.

## Kuimarisha mahusiano ya kitamaduni na kielimu na Japan

Kampuni ya Sigara inaendelea kuimarisha mahusiano ya kimataifa kupitia ushirikiano wa kitamaduni na kielimu kati ya Tanzania na Japan. Mwaka 2024, kwa kushirikiana na Jumuiya ya Kijapani ya Dar es Salaam, CCIJT, na kampuni za Kijapani zilizopo nchini, Kampuni ya Sigara iliandaa Tamasha la Kijapani la Majira ya Joto (Natsumari), lililofanyika jijini Dar es Salaam na kuhudhuriwa na zaidi ya wageni 500, akiwemo Balozi wa Japan nchini Tanzania, Mheshimiwa Yasushi Misawa. Tamasha hili lilitoa jukwaa la kuimarisha uelewa wa kitamaduni kati ya jamii za Kijapani na Kitanzania.

### Usimamizi wa maafa (JTI Foundation)

Kampuni ya Sigara, kupitia JTI Foundation, iliendesha mradi wa kurejesha kwenye jamii zilizoathirika na mafuriko katika Wilaya ya Rufiji, ikiwa ni sehemu ya juhudi za kusaidia wahanga wa maafa. Jumla ya kaya 270 zenye wanachama wa familia 1,088 zilinufaika na mpango huu. Katika awamu ya kwanza ya utekelezaji, jumla ya kaya 150 zilizosajiliwa zilipewa mbegu za mazao ya chakula na mboga zinazokomaa mapema, zikiwemo mahindi, maboga, bamia, na mchicha, ili ziweze kuanza upya shughuli zao za kilimo na kujijengea maisha endelevu. Vilevile, msaada wa chakula ulitolewa kwa kaya 150, na kufanikisha kuwafikia watu 744. Mbali na msaada wa moja kwa moja, mradi huu uliweka msukumo katika kuimarisha uwezo wa jamii katika maandalizi na usimamizi wa maafa ya baadaye, kwa lengo la kujenga ustahimilivu wa muda mrefu katika maeneo yaliyoathirika.

### Tuzo na heshima

Kampuni ya Sigara imetambuliwa kwa juhudi zake katika kuwajibika kwa jamii na maendeleo endelevu, na kutunukiwa Tuzo ya Mwajiri Bora wa Mwaka 2024 katika kipengele cha Uwajibikaji wa Kampuni kwa Jamii. Tuzo hii ni ushahidi wa dhamira thabiti ya Kampuni ya Sigara katika kuchangia ustawi wa jamii na kuzingatia viwango bora vya kijamii katika shughuli zake za kila siku.

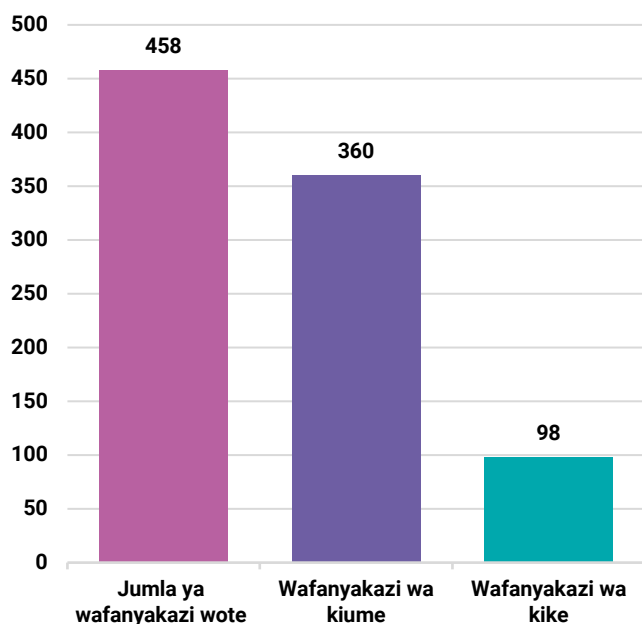
### Ushirikishwaji wa wafanyakazi

Kampuni ya Sigara inatambua kuwa wafanyakazi wake ndiyo msingi wa mafanikio yake. Kwa kutambua hilo, kampuni imejikita katika kujenga mazingira ya kazi yenye usawa, jumuishi, na yenye kuwezesha wafanyakazi kustawi. Tunahakikisha kuwa ustawi wa wafanyakazi, ukuaji wao wa kitaaluma, pamoja na ushirikishwaji wao katika shughuli za kampuni ni mambo yanayopewa kipaumbele. Kupitia sera na programu mbalimbali, Kampuni ya Sigara inaendelea kuimarisha mahusiano ya kikazi na kuchochea motisha kwa lengo la kuongeza tija na ufanisi wa kazi.

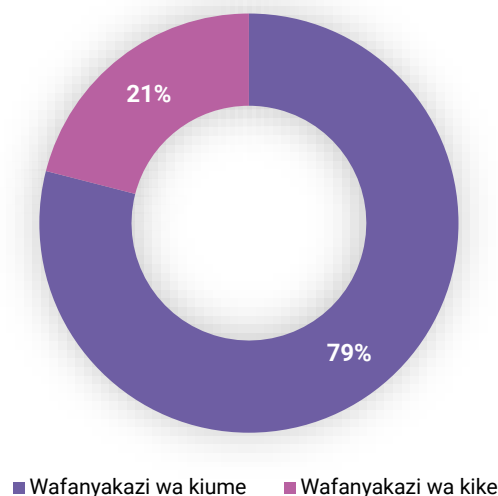
Kwa kuendeleza dhamira ya Kampuni katika masuala ya utofauti, usawa na ujumuishaji, kampuni ina jumla ya wafanyakazi 458, wakiwemo wanaume na wanawake. Muundo huu wa rasilimali watu unaakisi jitihada za kampuni kuhakikisha uwakilishi jumuishi na mazingira ya kazi yenye usawa kwa wote.

# Wasifu wa wafanya kazi wetu

Wafanyakazi wa TCC



Uwiano wa jinsia



Kampuni ya Sigara, kwa kushirikiana na Chama cha Wafanyakazi wa Viwanda na Biashara Tanzania, imeanzisha Mkataba wa Majadiliano ya Wafanyakazi unaolenga kuhakikisha mazingira ya kazi yenye uwazi na usawa. Mkataba wa Majadiliano ya Wafanyakazi unaainisha haki, majukumu, na mafao ya wafanyakazi, ukijumuisha maeneo muhimu kama likizo za kifamilia, malipo ya mshahara, na posho. Mfumo huu unakuza mazungumzo ya wazi na heshima ya pande zote kati ya menejimenti na wafanyakazi, na hivyo kuimarisha dhamira yetu ya kuwa na utamaduni wa kazi wa mshikamano.

Kama sehemu ya dhamira yetu ya kuzingatia haki za wafanyakazi na utekelezaji wa taratibu za kazi za haki, Kampuni ya Sigara hufuatilia uwiano wa wafanyakazi wanaofaidika na Mkataba wa Majadiliano ya Wafanyakazi. Jumla ya wafanyakazi 445, ambao ni 97.2% ya nguvu kazi yote, wamefaidika na mkataba huo.

**Ni wafanyakazi watatu tu** (sawa na 1%) ambao hawajanufaika na Mkataba wa Majadiliano ya Wafanyakazi, na wote ni raia wa kigeni.

## Mahali pa kazi panapomhusisha kila mtu na kukuza ufanisi wake

Kampuni ya Sigara inaamini kwamba utofauti, usawa, na ujumuishaji si sera tu, bali ni msingi wa shirika linaloendelea, bunifu, na lenye utendaji wa juu. Tumejikita katika kuendeleza mahali pa kazi ambapo kila mtu anajisikia kuthaminiwa, kuheshimiwa, na kuwezesha kuchangia kikamilifu.

## Kuchochea utofauti na ujumuishaji kwa ufanisi

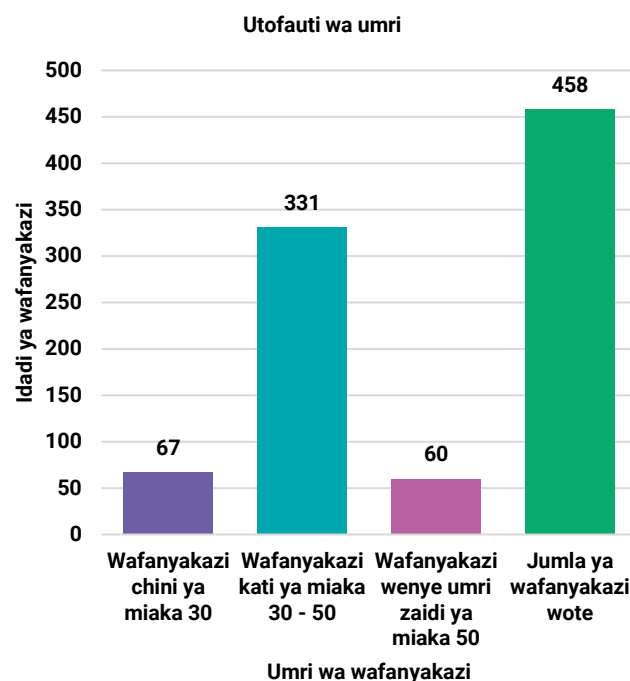
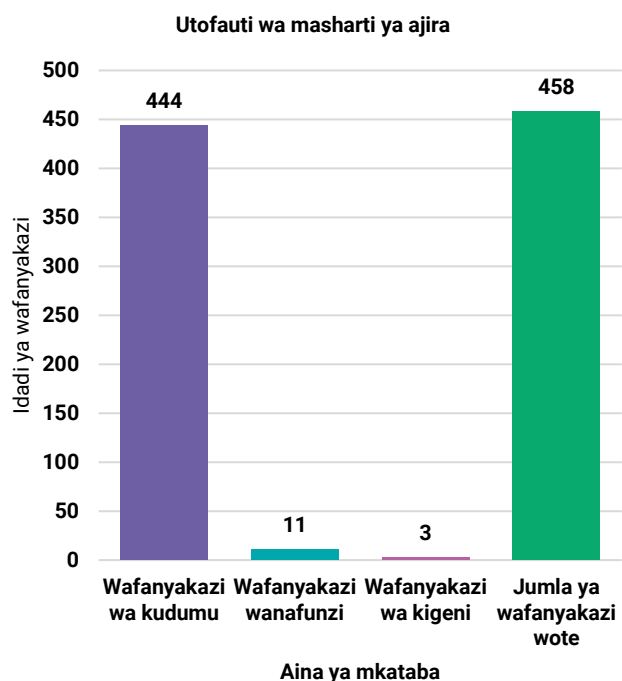
- **Uwiano wa kijinsia:** Hivi sasa, wanawake wanawakilisha 21% ya nguvu kazi ya Kampuni, na tunaendelea kuchukua hatua madhubuti ili kufikia uwiano wa 30% ifikapo mwaka 2030.
- **Watu wenye ulemavu (WWU):** Tuna lengo thabiti la kufikia 3% mwaka 2025.
- **Njia mpya za kufanya kazi:** Urahisi wa mpangilio wa kazi ni jambo muhimu kwa ustawi wa wafanyakazi. Kampuni ya Sigara imeanzisha sera ya kazi mseto kwa uwiano wa 50:50 pamoja na saa za kazi zinazobadilika, ambapo saa kuu za kazi ni kati ya saa 3:00 asubuhi hadi saa 8:00 mchana. Mpangilio huu unalenga kuhakikisha usawa kati ya kazi na maisha binafsi ya wafanyakazi.
- **Ustawi wa wafanyakazi:** Kampuni ya Sigara ina timu maalum ya ustawi inayosimamia utekelezaji wa mipango mbalimbali ya kuimarisha afya na ustawi wa wafanyakazi kwa ujumla. Miongoni mwa mipango hiyo ni pamoja na siku za ustawi, midahalo ya kila mwezi kuhusu masuala ya fedha binafsi, usawa kati ya kazi na maisha, chanjo za afya, pamoja na elimu kuhusu mazingira bora ya kazi.





### Usawa katika vitendo

Tunatambua kwamba ujumuishaji wa kweli unazidi uwakilishi tu – unahitaji vitendo. Kupitia Kampeni yetu ya Msaada wa Utofauti, Usawa na Ujumuishaji ya mwaka 2024 (mpango unaoongozwa na wafanyakazi), tulitoa vifaa vya msaada ikiwa ni pamoja na viti vya magurudumu na mguu wa bandia kwa ajili ya kuwasaidia watu wenye ulemavu. Mpango huu, uliungwa mkono na michango ya kifedha kutoka kwa wafanyakazi, ni ushahidi wa utamaduni wetu wa huruma na uwajibikaji wa pamoja.



### Ushiriki na utambuzi wa wafanyakazi

Kama kampuni, tunatambua kwamba watu wetu ndio msingi wa mafanikio yetu. Tumejikita katika kukuza nguvu kazi yenye motisha, ushiriki, na utendaji wa hali ya juu kwa kuunda mazingira ambayo wafanyakazi wanajisikia kuthaminiwa, kusherehekewa, na kuwezesha.

Shughuli zetu za kila mwaka za ushiriki zinakuza utamaduni wetu wa mahali pa kazi kwa kukuza uhusiano na ushirikiano. Siku ya Familia inawaleta pamoja wafanyakazi na familia zao, ikisisitiza hisia ya jamii, wakati wa Kongamano la Mashujaa (sherehe ya Mwisho wa Mwaka) tunatambua michango ya kipekee, tukisisitiza utamaduni wa ubora na kazi ya pamoja. Pia tunawashirikisha wafanyakazi wetu kupitia Siku ya Wanawake Duniani, Siku ya Wanaume Duniani, Siku za Kujifunza na Ustawi, na Siku ya Wafanyakazi. Kama mwajiri wa chaguo, tunaendelea kujitahidi kuboresha sifa yetu kama sehemu bora ya kazi nchini Tanzania. Juhudi zetu zilitambuliwa katika Tuzo za Shirikisho la Waajiri Tanzania za mwaka 2024, ambapo tulipokea tuzo nyingi, ikiwemo:

- Usimamizi na uongozi
- Kampuni inayowajibika kwa jamii
- Afya na usalama mahali pa kazi
- Sekta binafsi bora
- Tuzo za mwajiri wa kitaaluma na maudhui ya ndani
- Klabu ya wafanyakazi bora

Mafanikio haya yanaonesha dhamira yetu thabiti katika ustawi wa wafanyakazi, uongozi wa kimaadili, na mbinu endelevu za biashara. Katika Kampuni ya Sigara, tunaendelea kujenga mahali pa kazi ambapo watu wetu wanastawi, wanakua, na wanachangia katika uundaji wa thamani endelevu.



## Manufaa ya wafanyakazi

Kama sehemu ya dhamira yetu ya uwajibikaji wa kijamii na ustawi wa wafanyakazi, Kampuni inatoa kifurushi kamili cha faida kilichoundwa ili kukuza usalama wa kifedha, afya, na usawa kati ya kazi na maisha binafsi. Sera zetu zinahakikisha kwamba wafanyakazi wote wanapata upatikanaji sawa wa manufaa muhimu, na kukuza utamaduni wa mahali pa kazi wa ujumuishaji, haki, na uendelevu. Kifurushi hiki kinajumuisha huduma za afya, malipo ya pensheni, na faida zingine zinazosaidia ustawi wa wafanyakazi wetu, na ni sehemu ya juhudi zetu za kutoa mazingira ya kazi bora ambapo wafanyakazi wetu wanaweza kufanikiwa, kuwa na usalama wa kifedha, na kuishi maisha yenye usawa.

### Afya na ustawi

Kipaumbele chetu ni afya na usalama wa wafanyakazi wetu, na tunatoa bima ya maisha bure kwa wafanyakazi, ambapo gharama zote zinachukuliwa na kampuni. Zaidi ya hayo, tunatoa bima ya afya ya kiwango cha juu inayopatikana kwa wafanyakazi wote kwa usawa. Ili kuboresha upatikanaji wa huduma za afya, pia tunayo kliniki katika eneo la kazi inayohudumia mahitaji ya matibabu ya wafanyakazi wetu, na kuimarisha mtazamo wetu wa kimkakati katika ustawi wa wafanyakazi.

### Usawa na kutokukubali ubaguzi

Kampuni ya Sigara inajitolea kwa haki katika ugawaji wa mafao. Mafao yote yanatolewa kwa usawa kwa wafanyakazi wote, bila ubaguzi au faida za ziada kulingana na ulemavu au hali ya kutokuwa na uwezo. Hii inaonesha msimamo wetu kuhusu usawa mahali pa kazi, kuhakikisha kwamba kila mtu anahudumiwa kwa heshima na anapata msaada sawa bila kujali hali ya kimwili.

### Usawa kati ya kazi na maisha na msaada kwa familia

Kwa kutambua umuhimu wa familia na ustawi binafsi, Kampuni ya Sigara inatoa likizo ya familia (likizo ya uzazi kwa mama na baba) ya hadi wiki 20 ndani ya kipindi cha miezi 36. Manufaa haya yanatolewa kwa usawa kwa wafanyakazi wa kiume na kike, ikisisitiza dhamira yetu ya usawa wa kijinsia na msaada kwa wazazi.

### Ustaafu na usalama wa muda mrefu

Kampuni ya Sigara inaamini katika kutoa uthabiti wa kifedha wa muda mrefu kwa wafanyakazi wetu. Wafanyakazi wanapofikia umri wa miaka 55 hadi 60, wanastahili kupata kifurushi cha kuvutia cha ustaafu, ambacho kinajumuisha kugharamia gharama zote za usafiri

kwa mfanyakazi, familia yake, na mali binafsi. Hii ni sehemu ya dhamira yetu ya kuwasaidia wafanyakazi wetu na kutoa msaada zaidi hata baada ya kumaliza miaka yao ya kazi ya kawaida, na kuimarisha usalama wa kifedha wa wafanyakazi wetu katika maisha yao ya baada ya kustaafu.

### Manufaa mengine na utambuzi wa wafanyakazi

Kwa kuendana na dhamira yetu ya kuhakikisha wafanyakazi wetu wanaridhika na kuwa na motisha, Kampuni ya Sigara inatoa manufaa mbalimbali ya ziada ikiwemo posho ya makazi, posho ya elimu, bonasi za utendaji kila mwaka, chakula na posho ya chakula, posho za likizo na usafiri, pamoja na zawadi kwa wafanyakazi wa muda mrefu. Mafanikio haya yanasisitiza juhudi zetu za kuongeza ushirikishwaji wa wafanyakazi, kuwahifadhi katika ajira kwa muda mrefu, na kuimarisha ustawi mahali pa kazi. Hatua hizi pia zinaendana na misingi ya kijamii, kimazingira na utawala bora kwa kuhakikisha mazingira ya kazi yenye usaidizi na ujumuishi.

### Mfumo wetu wa kushughulikia malalamiko

Ili kudumisha mazingira ya kazi yenye haki na usawa, Kampuni ya Sigara imeanzisha utaratibu maalum wa kushughulikia malalamiko unaowawezesha wafanyakazi kueleza wasiwasi wao bila hofu ya kubaguliwa au kudhulumiwa. Mchakato huu, ambao unaweza kuwa rasmi au wa kawaida, umebuniwa kuhakikisha malalamiko yanatatuliwa kwa haraka na kwa ufanisi mahali yalipoanzia. Maelekezo ya wazi katika kila idara yanahakikisha kuwa wafanyakazi wanafahamu haki zao na njia sahihi za kuwasilisha na kushughulikia malalamiko yao.

# Masoko na uwekaji wa lebo



**Kampuni ya Sigara imeendelea kuwa na dhamira ya kufanya masoko sahihi na kuweka lebo za bidhaa kwa kuzingatia viwango vinavyotakiwa.**

## Taarifa za bidhaa na uwekaji wa lebo

Kampuni ya Sigara inafuata miongozo rasmi ya utoaji wa taarifa kuhusu bidhaa na huduma zake, kwa kuzingatia uelewaji wa watumiaji na uzingatiaji wa kanuni za kisheria. Katika kipindi cha mwaka wa ripoti, kampuni iliendelea kuonesha viwango vya nikotini na mabaki ya tumbaku kwenye vifungashio vya bidhaa zake, kwa kuzingatia mahitaji ya afya na usalama. Ingawa taarifa kuhusu chanzo cha vipengele vya bidhaa haitolewi kwa sasa, kampuni inaendelea kuboresha mikakati ya uwekaji wa lebo ili kuhakikisha uwazi, uaminifu, na ulinganifu na viwango vya sekta na sheria husika.

## Uzingatiaji wa kanuni za masoko

Katika mwaka wa fedha 2024, Kampuni ya Sigara haikurekodi tukio lolote la kutokufuata masharti kuhusiana na mawasiliano ya masoko, ikiwa ni pamoja na ukiukaji wa kanuni za kisheria au misimbo ya hiari. Hili linaonesha uzingatiaji wetu madhubuti wa miongozo ya matangazo, na kuhakikisha kuwa shughuli zote za

uendelezaji wa bidhaa zinafanyika kwa maadili, uwajibikaji, na kwa kuendana na matarajio ya mamlaka husika.

Kampuni ya Sigara inaendelea kudhihirisha dhamira yake ya kudumisha viwango vya juu vya maadili katika masoko na uwekaji wa lebo za bidhaa, kwa kuonesha uwazi kwa watumiaji na kuhakikisha uzingatiaji wa kanuni zote za kisheria na viwango vya kimataifa vinavyohusika.

## Uzingatiaji wa haki za binadamu

Kampuni ya Sigara imejikita katika kuheshimu na kulinda haki za binadamu kwa kuzingatia viwango vya kitaifa na vya kimataifa vya kazi. Kupitia sera na taratibu zake za ndani, kampuni inahakikisha kuwa hakuna aina yoyote ya ajira ya watoto au kazi za kulazimishwa ndani ya shughuli zake au mlolongo wa ugavi. Vilevile, kampuni inatekeleza sera za ajira zenye usawa na zisizo na ubaguzi, ikiwa ni sehemu ya dhamira yake ya kuendesha biashara kwa misingi ya maadili, uwajibikaji, na uendeleu wa kijamii.





## Sera dhidi ya ajira ya watoto na kazi za kulazimishwa

### Sera ya kutokubagua

Katika mwaka wa fedha 2024, Kampuni ya Sigara iliendeleza mazingira ya kazi yanayozingatia usawa na ujumuishaji kwa kuhakikisha kuwa hakuna tukio lolote la ubaguzi lililoriipotiwa. Kampuni inaendesha sera ya kutokubagua inayokataza aina zote za ubaguzi—ikiwemo wa kijinsia, kabila, umri, ulemavu, dini, au hali ya kijamii—katika muktadha wa ajira, kupandishwa vyeo, na utoaji wa malipo. Ufuatiliaji wa ndani wa sera na utaratibu thabiti wa kushughulikia malalamiko unahakikisha kuwa haki na usawa vinaendelezwa kikamilifu, sambamba na kujenga mazingira jumuishi na yenye haki kwa wafanyakazi wote.

### Ajira za watoto

Katika mwaka wa fedha 2024, Kampuni ya Sigara iliendeleza msimamo wake thabiti dhidi ya ajira ya watoto kwa kuhakikisha kuwa hakuna visa vilivyoriipotiwa vya watoto au wafanyakazi vijana waliowekwa katika mazingira hatarishi ndani ya shughuli za kampuni au mlolongo wake wa ugavi. Tathmini za ndani na ukaguzi wa wasambazaji hazikubaini hatari yoyote ya ukiukwaji wa haki za watoto miongoni mwa washirika wa biashara. Matokeo haya yanadhihirisha utii wa Kampuni ya Sigara kwa sheria za kazi za kitaifa na viwango vya kimataifa, na yanaonesha dhamira yake ya kuendesha biashara kwa kuzingatia maadili na uendelevu.

### Kazi za kulazimishwa

Katika mwaka wa fedha 2024, Kampuni ya Sigara iliendeleza juhudi zake dhidi ya ajira shurutishi kwa kuhakikisha kuwa wafanyakazi wote wanafanya kazi kwa hiari na katika mazingira ya haki. Hakuna kesi yoyote ya ajira shurutishi iliyoriipotiwa katika kipindi hicho, na hakuna msambazaji yeyote aliyebainika kuwa katika hatari ya kushiriki katika vitendo hivyo. Kampuni inaendelea kutekeleza sera kali zinazopiga marufuku aina yoyote ya kazi ya shuruti au isiyo ya hiari.

Kupitia hatua hizi, Kampuni ya Sigara inaonesha wazi dhamira yake ya kulinda haki za binadamu na kuhakikisha mazingira ya kazi yanayozingatia usalama, usawa, na maadili, sambamba na kufuata viwango vya ajira vya kitaifa na kimataifa





# Annual report

and audited financial  
statements





# ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

## Corporate information

Directors	Shareholders	Shareholding
Hon. Mohamed C Othman (Chairperson)*	JT International Holding B.V.	75.0%
Mr. Onesmo Makombe***	General Public	6.8%
Ms. Sevgi Denge Mc Neill*	Kingsway Fund	5.0%
Ms. Biljana Ivošević*	Public Service Social Security Fund	4.7%
Mr. Bakari Mbaruku Makulo*	The United Republic of Tanzania	2.2%
Mr. Takashi Araki**	Umoja Unit Trust Scheme	2.2%
Mr. Roy Manalili	African Lions Fund Limited	1.2%
Mr. Paul Makanza**	National Social Security Fund	1.1%
Mr. Manhe Nkwabi Jonathan*	iTRUST Finance Limited	1.0%
*Non-executive Directors	TCCIA investment Company Limited	0.3%
**Resigned	Allan Gray Africa EX-SA Equity Fund Limited	0.3%
***Retired	Sayed H. Kadri &/or Basharat Kadri &/or Mehboob &/or Khalid &/or Muzammil Kadri	0.2%
	<b>Total</b>	<b>100%</b>

Principal bankers	Shareholding classification by location	Shareholding
Standard Chartered Bank Tanzania Limited	Local	18.5%
CRDB Bank PLC	Foreign	81.5%
NMB Bank PLC	<b>Total</b>	<b>100%</b>
Citibank Tanzania Limited	<b>Holding and ultimate holding companies</b>	
ABSA Tanzania Limited	Japan Tobacco Inc (JT)	Ultimate holding
National Bank of Commerce Ltd (NBC)	JT International Holding B.V	Holding

Secretary, Registered Office and Principal place of business	Auditors
<b>Mr. Godson Killiza</b> 20 Nyerere Road P.O. Box 40114 Dar es Salaam Tanzania Tel: +255 22 216 6000/1	<b>Deloitte &amp; Touche</b> Certified Public Accountants (Tanzania) 3rd Floor, ARIS House, Plot 152 Haile Selassie Road, Oysterbay P.O. Box 1559 Dar es Salaam Tanzania



## Report by Those Charged with Governance for the year ended December 31, 2024

### 1. Incorporation

The Company was incorporated in 1961 under the Companies Ordinance, Cap 212 which was repealed by the Companies Act, 2002 with registration number 3542 and is listed on the Dar es Salaam Stock Exchange (DSE). The registered office and principal place of business are disclosed on corporate information page.

### 2. Vision, mission and core principles

The Company's vision is to continue to be the number one tobacco Company in Tanzania. Its mission is to grow profit while defending market share by delivering quality brands and maximizing consumer and customer satisfaction through innovation, employees' engagement, integrity, and excellence in execution. Our core principles are openness about the risks of smoking, transparency about our products, youth access prevention, accommodating smokers and non-smokers and respect for local norms and cultures.

### 3. Company operations

The Company's principal activities include manufacturing, distribution, marketing, and sale of cigarettes for the domestic market of Tanzania. In addition, the Company also manufactures and sells cigarettes in export business to Democratic Republic of Congo, South Africa and Namibia. Brands produced and sold include international brands under sub-license from group companies such as Winston and Camel, and Local brands are Embassy, Crescent and Star, Portsmen and Sweet Menthol.

### 4. Capital structure and treasury policy

The Company's capital structure for the year under review is as follows:

Capital structure	Shareholding classification by location	2024 TZS Million	2023 TZS Million
Authorised	125,000,000 ordinary shares of TZS 20 each	2,500	2,500
Issued and fully paid up	100,000,000 ordinary shares of TZS 20 each	2,500	2,500

The Company's shareholding structure as of December 31, 2024, is shown on **page 98**.

JT International Holding B.V. is the majority shareholder in the Company, owning 75% of the issued and paid-up ordinary shares (75 million shares). Local institutions, the public and other foreign investors own the remaining 25% (25 million shares).

#### 4.1 Directors' interest in the issued capital

The Directors of the Company do not hold any material interest in the issued share capital of the Company.

#### 4.2 Funding mix

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The plan is to utilize the internal resources to meet the Company's working capital requirements and incorporate financing arrangements only when a need arises. In 2024 the Company undertook short term finance to cater for foreign currency shortage in Tanzania, which was subsequently fully repaid during the year. Otherwise, the Company does not foresee extending the credit line rather and instead prefers to optimize from the existing working capital.

#### 4.3 Dividend

During the year an interim ordinary gross dividend of **TZS 30 billion or TZS 300 per share** was declared by the Directors for the year 2024, which was paid in October 2024 (**2023: TZS 30 billion or TZS 300 per share**). After year-end, the Directors have proposed the declaration of a final ordinary gross dividend of **TZS 55 billion or TZS 550 per share** (**2023: TZS 20 billion or TZS 200 per share**). The final ordinary dividends payout is subject to adoption by shareholders at the Annual General Meeting.

#### 4.4 Treasury policies

##### Objectives

- Compliance with regulatory requirements and any banking and loan covenants.
- Mitigating to minimize financial risk exposure like interest rate fluctuations, currency exchange rate volatility, and credit risk.
- Ensure sufficient liquidity.
- Optimize the use of cash when available; and
- Setting limits on exposure to specific investments or counterparties

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 4. Capital structure and treasury policy (continued)

#### 4.5 Implementation of treasury policies

- **Internal controls** - The Company has established a structured internal control framework aligned with Company's policies and risk appetite. Controls are embedded in key processes, monitored through a SharePoint under internal controls team, and regularly reviewed (locally and globally) to ensure compliance and effectiveness;
- **Audit committee oversight** - The Audit Committee, as part of the Board, plays a crucial role in overseeing policy implementation. It provides an independent oversight on the internal controls, financial reporting, and risk management, ensuring adherence to governance and compliance standards;
- **Internal audit reports to the board** - Internal audit functions as an independent assurance mechanism, conducts periodic reviews to assess the effectiveness of policy implementation. Audit findings and recommendations are reported to the Board, enabling informed decision-making and necessary corrective actions;
- **Control environment** - Our control environment is driven by a strong tone at the top, with management committed to ethical business practices, regulatory compliance, and operational efficiency. Regular training, communication, and reinforcement of policies ensures that employees at all levels understand and adhere to them.
- **Disciplinary actions for non-compliance** - To uphold policy adherence, the Company has established clear disciplinary measures for violations. Depending on the severity of non-compliance, actions range from formal warnings to suspensions, or termination. Severe breaches, such as fraud or gross misconduct may also lead to legal action.

#### 4.6 Major financing transactions

The Company has an overdraft facility with Standard Chartered Bank (Tanzania) Limited with a limit of **TZS 20,000 million** to meet its working capital requirements. The effective interest rate for the facility is the 91 days treasury bills plus **2.7% p.a.** and is charged daily on the overdrawn amount.

The Company operates a Manufacture Under Bond (MUB) facility which ensures export goods are produced. The facility enables the Company to import raw materials for export manufacture duty free. The facility is guaranteed by Japan Tobacco International S.A. through Standard Chartered Bank Tanzania Limited. The bank guarantee facility is currently limited at **TZS 38,000 million** with a charge of **0.8% p.a.**

During the year, the Company has received an inter-company short term loan of **TZS 23,139 million (2023 TZS.48,392 million)** with interest rate of Secured Financing Overnight Rate (SORF) **5.33+2% margin** and **5.315 +2% margin** from JT International Holding B.V. The Loan is for general corporate and working capital requirement activities.

### 5. Performance for the year

The Company's revenue grew by **21.7% (TZS 454.62 billion)** from **9.7% (373.53 billion)** in the prior year. Similar growth trend has also been observed in the gross profit with an increment of **37%** and net profit of **74% (from 204.09 billion to 280.08 billion and TZS 66.23 billion to TZS 115.27 billion respectively)**. The performance was mainly attributed by price adjustments in the Company's products.

The Company's assets grew by a net of **TZS 23.56 billion** mostly from higher inventory balances and investments in enhancement of factory Health, Safety, and Environment (HSE) facilities. During the year, the Company was able to fully repay its short-term loan of **TZS 23.14 billion**.

Net cash during the year decreased by **TZS 4.56 billion (from an increase of TZS 20.6 billion in the prior year)**. Although the Company's operating activities were able to generate more cashflow than a year before (**TZS 84.1 billion in 2023 to TZS 100.6 billion 2024**) a good part of this was used to finance higher investments in property, plant and equipment, financing of the Company's short-term borrowing, prepayments, and payments of dividends to the shareholders.

There was an existing revolving credit facility equivalent to **TZS 72 billion** which ended in September 2024. Full repayment was done during the year, and no new line of credit was extended.

The market and the Company continued to experience foreign currency deficit, especially US Dollars, the situation improved toward the end of the year.

The Company is determined to address challenges around operating and environmental costs to maintain and sustain growth momentum in creating value to the shareholders and stakeholders on both corporate and social aspects.

The Company's future and sustainability strategy is built on three key pillars which are product and services, people, and regulatory engagements. The Company's investment approach is sustainable that takes into account Environmental, Social and Governance (ESG) factors as well as financial return to shareholders.

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 5. Performance for the year(continued)

#### Key performance indicators for the company

KPI	Definition and formula	2024	2023	Purpose
Dividend per share (TZS)	Total Dividends/Total Number of Shares	850	670	Indicates value in TZS shareholders get as a dividend for each share held.
Earnings per share (TZS)	Net profit/Total Number of Shares	1,153	662	Indicates how much profit each share has earned during the year
<b>Profitability</b>				
Profit Margin	(Net Income/Revenue) *100%	25%	18%	Percentage of profit generated by the Company to its total revenues.
Return on equity	(Net Income/Average Shareholders Equity) *100%	60%	42%	Indicates how efficiently the business generates profits from its shareholders' equity.
EBITDA margin	(EBITDA/Net sales) * 100% Note: EBITDA = Operating income + depreciation and amortization	43%	31%	Assesses the value of the Company earnings generated through active operation excluding impact of interests, taxes, depreciation, and amortization.
Operating income margin	(Operating Profit (Profit before interest and forex)/Net sales) * 100%	40%	28%	Ability of the Company to generate income relative to costs. This excludes interest cost and foreign exchange impact.

### 6. Corporate governance

#### 6.1 Board of directors

The Company is governed by a diverse Board of Directors, consisting of members with varied international and local industry experience, as well as professional expertise. The Board is composed of one Executive Director and five Non-Executive Directors, with two Non-Executive Directors representing minority shareholders. The Board receives support from a Company Secretary.

Meetings of the Board are held at least twice a year to address various matters. Supporting the Board are the Nomination and Audit Committees, both convening at least twice annually.

Key responsibilities of the Board include identifying and mitigating risks, ensuring the implementation of effective policies, procedures, and internal controls, maintaining compliance with sound corporate governance principles, approving, and overseeing investments and other significant business decisions, and reviewing the performance of management's business plans and budgets.

The Directors of the Company at the date of this report and who served since January 1, 2024, except where otherwise stated, are:

Name	Position	Qualification	Nationality	Age	Appointed / Retired	Date	Gender
Paul Makanza	Director (Non-executive)	B. Com, MBA	Tanzanian	57	Resigned	December 31, 2024	Male
Onesmo Makombe	Director (Non-executive)	MBA, Certified Public Accountant	Tanzanian	54	Retired	April 22, 2024	Male
Sevgi Denge Mc Neill	Director (Non-executive)	Master of Marketing & Finance	Turkish	52	Appointed	January 1, 2024	Female
Biljana Ivosevic	Director (Non-executive)	Master of International Corporate Tax and LLM	Serbian	50	Appointed	January 1, 2024	Female
Bakari Mbaruku Makulo	Director (Non-executive)	Advance Diploma in Management Studies	Tanzanian	68	Appointed	January 1, 2023	Male



## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 6. Board of directors (continued)

Name	Position	Qualification	Nationality	Age	Appointed / Retired	Date	Gender
Takashi Araki	Director (Executive)	BA Psychology	Japanese	53	Resigned	September 30, 2024	Male
Roy Manalili	Director (Executive)	Bachelor of Science in Business Administration	Filipino	51	Appointed	October 1, 2024	Male
Mohamed Chande Othman	Chairperson (Non-executive)	Master of Arts	Tanzanian	73	Appointed	January 1, 2025	Male
Manhe Nkwabi Jonathan	Director (Non-executive)	Master of Business Administration	Tanzanian	35	Appointed	March 25, 2025	Male

### 6.2 Audit committee

The Audit Committee addresses all key accounting, internal controls, and financial reporting matters in close collaboration with internal and external auditors. Further, the committee reviews the effectiveness of the Company's internal controls and risk management processes. The Audit Committee constituted three non-Executive members as indicated below:

Name	Position
Biljana Ivosevic	Committee chairperson
Sevgi Denge Mc Neill	Member
Onesmo Makombe	Member (retired)

The Committee held its two scheduled meetings as per plan on March 26, 2024, and August 22, 2024. All permanent Committee members were in attendance.

Among other pertinent audit and risk management responsibilities carried out by the Committee this year, the Committee recommended for approval and adoption of the financials as well as respective press releases for the approval and adoption of dividends. The Committee continued to define the scope of internal audit and followed up on the remediation measures of the previous findings. The Committee as well reviewed and updated the Audit Committee charter and assessed the internal audit framework and was satisfied with the established controls.

### 6.3 Nomination committee

The Nomination Committee identifies individuals qualified to become members of Tanzania Cigarette Public Limited Company's Board of Directors and its Committees. It recommends to the Board candidates for the Board and its Committees and identifies individuals qualified to become senior executives of the Company. It also develops and recommends to the Board a set of corporate governance principles and performs a leadership role in shaping the Company's corporate governance policies.

The Committee comprised four non-Executive members as provided below:

Name	Position
Sevgi Denge Mc Neill	Committee Chairperson
Paul Makanza	Member (resigned)
Biljana Ivosevic	Member
Bakari Makulo	Member

The Committee held its two scheduled meetings as per plan on March 26, 2024, and August 22, 2024.

During this year's Committee meetings, the Nomination Committee discussed and resolved on pertinent issues such as the confirmation of independence of non-executive directors, succession planning and talent management as well as the board evaluation

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 6. Board of directors (continued)

#### 6.4 Management team

The details of the management team have been disclosed on **page 48 - 50**

#### 6.5 Performance evaluation and reward

The Company utilizes the findings from market surveys to align salaries/fees and benefits with current market trends, taking into account the value of each employee's contributions and performance within the Company. Details of remuneration of the Directors and Key Management personnel are disclosed in Note 28 to the financial statements.

#### 6.6 Key policies and procedures

The Company has established a comprehensive framework for ethical conduct and operational guidance, consisting of the JTI Code of Conduct (CoC), Operating Guidelines (OGL), and various policies and procedures. All employees are obligated to adhere to these core policy guidelines, and any non-compliance is considered a serious breach that may lead to disciplinary measures, including termination of employment.

The JTI Code of Conduct outlines the expected ethical business conduct and behaviours for all employees during business operations. Additionally, employees have the avenue to report concerns about suspected violations of the code of conduct either through their supervisors or anonymously via the YOUR VOICE platform.

The Company's Operating Guidelines, known as JTI Operating Guidelines (JTI OGL), play a crucial role in the internal control structure and corporate governance framework. These guidelines reflect the delegation of decision-making authority from the parent Company, JTI, to the Company, along with the necessary approvals required for various business decisions.

Key policies and procedures found in the JTI CoC and JTI OGL include:

- **Know Your Supplier (KYS)** - Suppliers are selected objectively and impartially, based on various criteria that include integrity, quality, performance, commercial terms, and commitment to safety and environmental protection. All key suppliers are formally certified to ensure they meet the Company's Supplier Standards;
- **Product quality** - Only products that meet the Company's stringent quality standards reach the Company's customers. The Company manufactures products with stringent specifications using consistently high-quality supplies of tobacco and non-tobacco material from certified suppliers. Quality is assured throughout all stages of sourcing, manufacturing, storage, distribution and customer service, in full compliance with regulatory and legal requirements;
- **Know Your Customer (KYC)** - The Company rigorously analyses all its customers periodically, to ensure it does business with legitimate and law-abiding customers only;
- **Responsible marketing** - The Company is dedicated to responsible product marketing, ensuring adherence to all national laws and regulations. It upholds the Global Marketing Principles governing its product marketing practices. In case of any conflict between the Global Marketing Principles and local laws with more restrictive provisions, the Company applies the stricter standard. Emphasizing a commitment to health, the Company firmly believes that minors should not smoke or have access to tobacco products. Additionally, the Company advocates for informing adult smokers about the health risks associated with smoking before they decide to smoke; and
- **Anti-corruption** - The Company does not tolerate any form of bribery or corruption. Business partners are expected to comply fully with the Company's position on anti-corruption as a condition for doing business. The Company prohibits the provision of money, gifts, entertainment or anything of value to any Government or public official for the purpose of obtaining a business advantage. The Company does not permit facilitation payments or fees requested by Government officials to facilitate the performance of routine Government action.

#### 6.7 Risk management and internal controls

Non-compliance with the JTI Code of Conduct, Operating Guidelines, or Policies and Procedures poses significant risks, including fraud, operational issues, and financial consequences that could harm the business and its reputation. To mitigate these risks, the following measures are put in place:

- **Enforcement of codes and guidelines** - The Chief Compliance Officer, who also serves as the Head of Legal Affairs, oversees the strict implementation of the JTI Code of Conduct, Operating Guidelines, and Policies and Procedures. This enforcement is carried out with the assistance of respective Functional Heads. All employees are mandated to sign a declaration confirming their understanding and commitment to abide by the Code of Conduct;
- **Internal audit** - The Company had outsourced its Internal Audit function to a contractor. The Internal Audit function is responsible for planning and executing a risk-based Internal Audit plan which reports to the Chairman of the Audit Committee. The Internal Auditor's charter, annual audit plan, and findings are subject to review and/or approval of the Committee. The Audit Committee monitors audit execution, evaluates findings and recommendations, and ensures the implementation of recommendations by Management;

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 6. Board of directors (continued)

#### 6.7 Risk management and internal controls (continued)

- **Management oversight** - Management is tasked with developing, managing, and enhancing internal financial and operational control systems. Although no internal control system can guarantee absolute assurance against misstatements or losses, the Company's systems are designed to provide the Board with reasonable assurance of their effectiveness; and
- **Board responsibility** - The ultimate responsibility for risk management and ensuring the presence of appropriate and effective internal control systems lies with the Board. This comprehensive approach ensures a robust framework for compliance and risk mitigation throughout the organization. The Board, through its Audit Committee, assessed the internal control systems throughout the financial year ended December 31, 2024, and is of the opinion that they met accepted criteria.

### 7. Operating model

Operating Model refers to the organizational structure adopted to service a market, covering all required operational functions. This model is designed to optimize efficiency, improve processes, and enhance the overall experience for employees, consumers, and other stakeholders. The key inputs in the Company's Operating Model are configured around resources on which the entity depends on in several ways. These resources include human resources, technology resources, financial resources, and operational processes.

Below is how the key inputs relate to the resources of the entity:

- **Human resources** - The model relies on skilled employees to execute various functions. This includes training and development programs to ensure employees are well-equipped to perform their roles effectively;
- **Technology resources** - Leveraging advanced technology is crucial for optimizing processes and improving efficiency. This includes the use of digital tools and platforms to support operations and enhance productivity;
- **Financial resources** - Adequate funding is necessary to support the entity's activities, including investments in technology, employee development, and operational improvements; and
- **Operational processes** - Standardized and efficient processes are essential for smooth operations. This includes clear roles and responsibilities, streamlined workflows, and effective communication channels.

These inputs are interdependent and collectively contribute to the overall effectiveness and success of the entity's operations.

#### 7.1 Key operating activities

The key operating activities for TCC Plc include the following:

- **Sales and distribution** - Managing the distribution network to ensure products reach the market effectively and efficiently;
- **Marketing and brand management** - Promoting TCC Plc and JTI Global Flagship Brands and products to maintain market presence and customer loyalty;
- **Regulatory compliance** - Ensuring all operations comply with local and international regulations and standards;
- **Sustainability initiatives** - Implementing practices to reduce environmental impact and promote sustainability within the supply chain;
- **Employee wellbeing and development** - Focusing on the holistic wellbeing of employees, including financial, mental, emotional, and physical health, as well as career development and training opportunities;
- **Diversity, Equity, and Inclusion (DEI)** - Creating an inclusive workplace environment that supports all employees; and
- **Corporate governance** - Maintaining strong governance practices to ensure ethical and responsible business operations.

These activities are designed to support TCC Plc strategic goals and ensure long-term profitability and sustainable growth.

TCC Plc approaches the need to innovate through several key strategies:

- **Consumer-centric innovation** - TCC Plc focuses on understanding evolving consumer behaviour and anticipating their needs. This involves product and experience design innovation processes to create relevant and meaningful products;
- **Quality and excellence** - TCC Plc maintains a commitment to high-quality standards and excellence in service to consumers;
- **Sustainability and responsibility** - TCC Plc integrates sustainability into its processes and operations, focusing on reducing harm and contributing to social change through multi-dimensional sustainability-led programs and diversity & inclusion initiatives;
- **Agility and adaptability** - TCC Plc leverages new technologies and adopts flexible working models to enhance efficiency and employee satisfaction. This includes hybrid working arrangements and creating inclusive workspaces that cater to diverse preferences.
- **Employee empowerment** - TCC Plc empowers its employees to drive innovation by fostering a culture of creativity and collaboration. This includes providing opportunities for professional development and encouraging a one-team mindset.



## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 7. Operating model (continued)

#### 7.1 Key operating activities (continued)

- **Quality and excellence** - TCC Plc maintains a commitment to high-quality standards and excellence in service to consumers;
- **Sustainability and responsibility** - TCC Plc integrates sustainability into its processes and operations, focusing on reducing harm and contributing to social change through multi-dimensional sustainability-led programs and diversity & inclusion initiatives;
- **Agility and adaptability** - TCC Plc leverages new technologies and adopts flexible working models to enhance efficiency and employee satisfaction. This includes hybrid working arrangements and creating inclusive workspaces that cater to diverse preferences; and
- **Employee empowerment** - TCC Plc empowers its employees to drive innovation by fostering a culture of creativity and collaboration. This includes providing opportunities for professional development and encouraging a one-team mindset.

These strategies collectively enable TCC Plc to stay ahead in the market by continuously innovating and evolving to meet consumer and societal needs. The elements collectively enable TCC Plc to remain resilient and adaptable in a dynamic business landscape.

#### 7.2 Key products and services

TCC Plc products and services include the following:

- **Tobacco products** - TCC Plc produces and sells globally recognized tobacco and cigarette brands such as Winston, Mevius, Camel, and LD. These brands are known for their quality and have loyal followings worldwide. It also has heritage local products, known and trusted by customers for ages. They include Portsman, Sweet Menthol, Crescent and Star and Club; and
- **Innovation and quality** - TCC Plc continuously innovates and evolves its product offerings to meet changing consumer preferences and maintain high-quality standards.

These products and services are designed to cater to diverse consumer needs and preferences, ensuring TCC Plc remains competitive in the global market.

The key outcomes of TCC Plc's operating model include the following:

- Enhanced flexibility and work-life balance;
- Improved employee experience;
- Inclusive and adaptive workspaces;
- Optimized operating model;
- Sustainability and responsibility; and
- Agility and adaptability.

These outcomes collectively enable TCC Plc to remain resilient and adaptable in a dynamic business landscape. While TCC Plc Operating Model has many positive outcomes, there can be some potential negative outcomes as well, including:

- **Adjustment challenges** - Some employees face difficulties adjusting to the new hybrid working model, especially those who are accustomed to traditional office environments;
- **Communication barriers** - Remote working can sometimes lead to communication challenges, such as reduced face-to-face interactions, which might affect team cohesion and collaboration if not addressed effectively;
- **Technology dependence** - The reliance on digital tools and technology for remote working can pose challenges, especially if there are technical issues or if employees are not adequately trained to use these tools efficiently;
- **Inclusion and equity concerns** - Ensuring that all employees, including those with disabilities or those who prefer traditional working methods, feel included and supported in the new model can be challenging. There is a need to continuously monitor and address any disparities that may arise.

These potential negative outcomes highlight the importance of ongoing support, training, and communication to ensure a smooth transition and effective implementation of the new Operating Model.

The Government of Tanzania is making efforts to establish a conducive investment climate within the country. The ongoing Regulatory Reforms Blueprint is among key steps that the Government has taken to support improvement of the overall investment landscape. The prevailing peace and stability further provide investors with confidence in a sustainable operational environment.

Of particular benefit to local cigarette manufacturers is the **75% Domestic Tobacco Content (DTC) Incentive**. This incentive rewards manufacturers utilizing a minimum of 75% locally sourced tobacco, playing a pivotal role in sustaining the whole tobacco supply chain.

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 7. Operating model (continued)

#### 7.3 Resources

Apart from those items that are reflected in the statement of financial position, the Company's intangible assets include the equity of its brands, the quality of its products, highly motivated employees, and the strength of its wide distribution network. Below are the details of key resources and how they are managed:

Type of resource	Input	Outcome
<b>Financial resource</b>	<ul style="list-style-type: none"> <li>Shareholders' investment</li> <li>Short term borrowings</li> </ul>	<p>The Company maintains a strong and stable financial position and ability to meets its maturing obligation to stakeholders (employees, vendor, authorities, and shareholders).</p> <p>The Company has sustained reasonable return to its shareholders and can afford also maintains sufficient reserves to finance its future projects and growth initiatives.</p>
<b>Human resources</b>	<p>The Company has highly motivated employee work force of total of 458 employee with 361 male and 97 females.</p> <p>The Company is part of JTI Group of companies with experienced and competent management and board of Directors from inside and outside Tanzania.</p>	<p>Improved Decision Making</p> <p>Enhanced decision-making based on risk assessment and those that enable growth to the company.</p>
<b>Brands</b>	<p>The Company markets diverse and strong brand portfolio which includes local and heritage brands such as Embassy, Portsman, Sweet Menthol and Crescent &amp; Star and are sold all over Tanzania and some neighbouring countries including Congo DRC, Angola, South Africa. JTIs Global Flagship brands are sold in over 130 Locations worldwide including Camel and Winston.</p>	<p>Satisfied market due to wide offering for different market niche and clusters and price ranges and tastes.</p>
<b>Distribution network</b>	<p>The company has strong distribution network all over Tanzania which enables easy access of our products to customers all over the country. The network comprises of zones, branches in 16 Regions (Tanzania mainland and Zanzibar) selling to a network of wholesalers, key accounts, and retailers.</p>	<p>Remains a market leader since company's inception. The Company can distribute its products to all regions in Tanzania.</p> <p>The Company also exports to neighboring countries mostly in DRC, South Africa, and Namibia.</p>

#### 7.4 Market forces

While consumer brand preferences are influenced by disposable income, which is one of the factors that dictates the choice of tobacco products, the industry faces challenges from the growing illicit trade and the widespread use of traditional alternatives. The impact of rising inflation also exerts pressure on demand.

Maintaining a strong product portfolio offering and a robust nationwide supply network to ensure a consistent availability of TCC Plc's products throughout the country, the Company continued to command an impressive market share in Tanzania, boasting a network of approximately 16 branches strategically positioned across the country. TCC Plc's primary distribution channel involves collaboration with wholesalers, who in turn serve the retail sector directly or through motorcycle salesmen.

In addition, the Company reach extends beyond borders, with successful cigarette export operations to Democratic Republic of Congo, South Africa and Namibia in financial year 2024.

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 7. Operating model (continued)

#### 7.4 Market forces (continued)

##### 7.4.1 Macro and microeconomic overview

Tanzania has endured relatively high growth in its economy this year. The Gross Domestic Product (GDP) grew by an average of **5.3%** (as per National Bureau of Statistics (NBS) quarter three report) which was driven by private consumption growth and investment spending on infrastructure, including mega-projects such as the East African Crude Oil Pipeline Project (EACOP), phased development of cross-border railways with Rwanda, power projects and road network expansion.

Reports from the Ministry of Agriculture indicate that the tobacco sector has seen significant growth in Tanzania over recent years. However, during 2023/2024 tobacco production decreased from **122,858 metric tonnes** to **117,464 metric tonnes**.

Whilst the increase in GDP was pleasing, the primary drivers for business performance were strong sales performance for both domestic and export markets. Further, a relatively stable consumer price inflation (**below 5%**) also positively impacted on affordability. However, the 2023/24 Finance Act came with a **20% increment of excise duty** on tobacco products, effective July 1, 2023, which had a significant impact on the Company's costs.

##### 7.4.2 Regulatory environment

The tobacco sector, given its sensitivity, potential, and significant value chain contribution, operates within a highly regulated framework. As a responsible corporate entity within this industry, TCC Plc is committed to actively participating in shaping national-level policies, fostering a fair and balanced regulatory environment for tobacco.

The Company's dedication to contributing on these matters is rooted in a genuine, fair, and honest approach. This approach not only enhances but also strengthens our collaboration with the Government, public sector, and relevant stakeholders. The Company firmly believe that engaging in open dialogue and sharing expertise in regulatory discussions is pivotal for the prosperity of both businesses and communities. TCC Plc's key sustainability objectives are to safeguard our involvement in public policy debates. By doing so, the Company aspires to influence regulations that strike a balance between addressing societal concerns and supporting the sustainable growth of our business.

##### 7.4.3 Political environment

The stable political environment fostered by the existing peace has enabled the Government to focus on development agenda. This further underpins a robust growth outlook for the private sector and an accelerated economic growth which is driven by trade and service sector, mining sector and public infrastructure mega-projects including Julius Nyerere Hydropower Project, Standard Gauge Railway and a crude oil pipeline between Uganda and Tanzania.

##### 7.4.4 Competitive position

Tanzania provides an open and competitive market environment for TCC Plc operations with competitors including domestic producers and international tobacco companies (import through distributors). All players in the industry sell Ready-Made Cigarettes (RMC) with focus on full flavour, lights, menthol and flavour on demand products. In recent years, competitors have introduced flavoured cigarettes featuring chocolate and vanilla flavours. While Ready-Made Cigarettes (RMC) have dominated the market, there is an indication of opportunity for growth of other nicotine categories such as RRP (Reduced Risk Products), RYO (Roll Your Own), MYO (Make Your Own), Nicotine Pouch and Shisha.

TCC Plc constantly monitors its market performance on key brand health indicators such as product quality, brand awareness, brand loyalty, research & development, innovation, packaging, customer service, marketing, distribution pricing, and exploratory studies to secure its market leadership position. Periodical trade surveys conducted by TCC Plc indicate, in 2024, that TCC Plc brands have retained a strong leadership position across all brand value indicators compared to competitors and across all consumer segments.

Lastly, as a local producer TCC Plc can successfully leverage on the inclusion rule, put in place by the Government of Tanzania. This inclusion rule is designed to support farmers and local value addition and benefits local manufacturers, like TCC Plc, that use 75% of Tanzanian tobacco.

##### 7.4.5 Technological change

Technological change has significantly impacted JTI's operations and markets by leveraging technology to use of electronic devices and technology in the marketplace, measure and reduce environmental risks in its supply chain, supporting its commitment to sustainability, employees learning and development platforms and labelling and stamping of products.

In overall, the speed of technological change has necessitated a proactive approach from JTI to leverage these advancements for operational efficiency, consumer engagement, and sustainability.



## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 8. Principal risks and uncertainties

The Company considers risk management an essential component of its business operations. Risk assessment is integrated into both strategic and operational decision-making processes. The primary risks that could significantly impact the Company's strategies and development include strategic risks, commercial risks and operational risks. TCC Plc further considers climate change related risks which are considered in the Enterprise Risk Management Process. The following outlines the description of these risks and measures.

Broad risk category	Principal risks	Context	Likelihood	Magnitude / Impact	Risk	Risk measures
Strategic risks	Illicit trade	The growth of counterfeit and smuggled cigarettes continues to threaten market share, reduce tax revenues, and increase regulatory scrutiny, impacting both financial performance and brand reputation.	Possible	High	High	TCC Plc continues to strengthen its anti-illicit measures, work well with law enforcement, and perform periodic workshops / trainings to all relevant stakeholders.
	Climate Risk	Changes in weather patterns, prolonged droughts, floods, and extreme climate events in Tanzania may disrupt tobacco farming and cigarette distribution, increase production costs, and impact long-term supply sustainability. Regulatory pressures on environmental sustainability could also affect operations.	Possible	High	High	The Company has implemented sustainable sourcing practices, continue to improve energy efficiency in manufacturing, reduce carbon emissions and engage in environmental conservation initiatives.
	Reputation Risk	Potential for negative publicity, public perception on TCC Plc's image and brand value regarding the company's business practices and associations. There are health concerns related to smoking, litigation, or unethical practices.	Low	High	Significant	TCC Plc upholds strict regulatory compliance, engages in responsible marketing, invests in CSR initiatives, maintains transparent stakeholder communication, and proactively manage public relations.
	Market Entry and Competition Pressures	The threat of new market entrants may force the Company to re-evaluate its long-term strategy, product portfolio, and investments.	Possible	Significant	Significant	The Company is still strengthening brand loyalties, invests in products innovations, optimizes price strategies, and expands market reach through distribution networks.

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 8. Principal risks and uncertainties (Continued)

Broad risk category	Principal risks	Context	Likelihood	Magnitude / Impact	Risk	Risk measures
Commercial risks	Credit Risks	This refers to the risk of financial loss due to unmet or delayed payments from distributors and retailers. Increased financial exposure due to delayed payments from distributors and retailers could impact cash flow and financial stability.	Possible	Significant	Significant	The Company has ensured strict adherence to the credit approval process, conducts thorough KYC checks, continuously monitor customer payments and collection and requires cash collaterals to secure credits.
	Distribution and Market Access	Disruptions in distribution channels, whether due to regulatory changes, supply chain issues or shifts in consumer buying behaviour can limit market reach and affect sales.	Unlikely	High	Significant	The Company has strengthened distributor relationships optimized logistics and diversifies sales channels.
	Financial Risk	Rising taxation, inflation, and changes in interest rates pose financial challenges that could impact overall business performance. Market risk refers to the possibility that the value of the Company investments will decrease due to changes in key market variables such as interest rates, currency exchange rates, equity prices and commodity prices.	Unlikely	High	Significant	The Company has implemented strong cost controls, continuously optimize cash flow management, hedge against currency fluctuations and ensures compliance with financial regulations.
	Currency and Liquidity Risk	Foreign exchange volatility and liquidity constraints could affect cash flow management, financial planning, and investment capacity. Liquidity risk refers to the possibility that the Company will encounter difficulties in meeting its obligations associated with financial liabilities.	Possible	High	High	The Company has various initiatives done; hedges currency exposure, maintains a strong liquidity position, and optimizes working capital management.

Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

8. Principal risks and uncertainties (Continued)

Broad risk category	Principal risks	Context	Likelihood	Magnitude / Impact	Risk	Risk measures
Operational risks	Supply Chain and Raw Materials Costs	Fluctuations in the cost and availability of key inputs (tobacco leaf, packaging materials and manufacturing equipment) could impact manufacturing efficiency and profitability.	Possible	High	High	TCC Plc has secured long-term supplier contracts, monitors commodity price trends and diversifies sourcing of materials.
	Manufacturing and Quality Control	Ensuring product quality and compliance with evolving regulatory standards remains critical to maintaining consumer trust and avoiding legal implications.	Possible	High	High	The Company has implemented rigorous quality assurance processes, invests in advanced manufacturing technologies, conducts regular audits, trains employees on quality standards and maintains strong supplier relationships.
	Business Continuity	Operational disruptions due to unforeseen events, such as cyberattacks, regulatory changes, or supply shortages could impact production and distribution.	Unlikely	Significant	Significant	The Company has been maintaining a strong business continuity plan, invests in cybersecurity and conducts regular risk assessments and awareness sessions (stakeholder response).
	Fraud Risk	The risk of unexpected financial, material, or reputational loss because of fraudulent activities or misconduct by an internal or external person(s). Risks related to financial misstatements, business partner fraud or internal misconduct could lead to financial losses and reputational damage.	Unlikely	High	Significant	The Company is enforcing strict internal controls, conducts regular audits, policy updates, implements robust fraud detection systems, promotes a strong ethical culture, and has established a clear whistleblowing mechanism.



## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 9. Stakeholder engagement and management

Effective communication is a vital element of our business operations. TCC Plc recognizes that the success and sustainability of our business hinge on the input and involvement of our stakeholders in various aspects. Being a public limited company, TCC Plc is dedicated to making concerted efforts to engage with its stakeholders. This commitment is guided by its business integrity principles and the 4S Model. The business integrity principles offer guidance on how the Company interact and manage relationships with government, and regulatory bodies. The table below demonstrates how the Company engages various stakeholders to create value and allow a mutually beneficial relationship.

Stakeholder	How TCC engages	Key focus	The company's efforts in 2024
<b>Employees</b>	<ul style="list-style-type: none"> <li>- Routine safety meetings.</li> <li>- Professional development.</li> <li>- Internal communication programs.</li> <li>- One-on-one meetings.</li> </ul>	<ul style="list-style-type: none"> <li>- Gathering employees' opinions in all aspects within our working environment i.e. Company Purpose, Our Way, Rewards, EHS and Compliance.</li> <li>- Engaging employees and their family members.</li> <li>- Embracing One Team spirit between our two functions within TCC (Market and Factory).</li> </ul>	<ul style="list-style-type: none"> <li>- Conducted employee engagement survey in September 2024. The last EES results in 2024 for TCC the level of employee satisfaction was 80%. Each department has active action plans to address all the matters raised in the survey.</li> <li>- Conducted a family day event that brought together the employees with their family members to socialize and engage with each other.</li> <li>- Organized and facilitated various trainings for our employees.</li> <li>- Organized an annual event that unites employees from the factory and market with the aim of recognizing and celebrating our achievements.</li> <li>- Conducted townhalls where we shared the company direction and performance and get feedback from employees and answer their questions.</li> </ul>
<b>Consumers</b>	<ul style="list-style-type: none"> <li>- Social media.</li> <li>- Survey via 1-2-1 activation and events.</li> <li>- Consumer studies.</li> </ul>	<ul style="list-style-type: none"> <li>- Improve consumer satisfaction and reduce health effects.</li> </ul>	<ul style="list-style-type: none"> <li>- Platforms that allow consumers to best interact with our brand and assets at point of sale and during their leisure time (social media) hence generates brand loyalty and Equity.</li> <li>- Carried out a study that highlights consumer partners on brand purchase, age, social economic status etc.</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>- Customer satisfaction surveys.</li> </ul>	<ul style="list-style-type: none"> <li>- Improve Customer satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>- Wholesalers' business forums: a Forum with our wholesalers to acknowledge and receive feedback about business environment and performance during the year and strategize on areas of improvements for the year ahead.</li> <li>- Market visits by Company management, ExCom and Global to engage and understand customers and their situations and discuss their business including exchange of feedback and recommendations.</li> <li>- Seasonal tokens to our customers for promotional materials.</li> </ul>
<b>Government, Regulators and Business Associations</b>	<ul style="list-style-type: none"> <li>- Factory visits and inspections.</li> <li>- Courtesy visits.</li> <li>- Forums and workshops</li> <li>- One to one engagement with various government stakeholders, formally and informally.</li> </ul>	<ul style="list-style-type: none"> <li>- Building, strengthening relationships and addressing business issues.</li> <li>- Compliance and delivering value to all stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>- TCC organized courtesy visits year-round to foster new connections and enhance existing relationships with key stakeholders.</li> <li>- TCC arranged factory tours for government officials, parliamentary committees, ministries, and business associations, allowing them to explore the factory and gain insights into our operations.</li> <li>- Facilitated a range of awareness sessions, training programs, workshops, and forums for key stakeholders, providing a platform for them to share their experiences and seek solutions to various business-related challenges.</li> <li>- Participated in different forums organised by business associations such EABC, CTI, TPSF and ZNCC.</li> </ul>

**Report by Those Charged with Governance for the year ended December 31, 2024 (continued)**

## 9. Stakeholder engagement and management(Continued)

Stakeholder	How TCC engages	Key focus	The company's efforts in 2024
<b>Shareholders</b>	Annual General Meetings General Publications.	Providing long term business growth and return on investments	<ul style="list-style-type: none"> <li>- We hold an Annual General Meeting each year to provide our shareholders with key business updates and to let them approve the financials of the previous year, to approve dividend and to inquire on any matters pertaining to the business. The Annual General Meeting for the year ended December 31, 2023, was held on April 23, 2024.</li> <li>- Published management accounts of each quarter on our website as well as on the DSE website. Also, TCC publishes its Interim results each August and full year financial statements in the first quarter of each year on print media with wide circulation. The publications also present the declared interim and final dividends respectively. The 2024 interim results were published on August 23, 2024, and 2024 full year audited results will be published on March 26, 2025.</li> <li>- Each year TCC publishes its integrated report containing sustainability information and annual audited accounts for information of shareholders.</li> </ul>

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 9. Stakeholder engagement and management(Continued)

#### 9.1 Needs and interests of key stakeholders

The Company places stakeholders' interests at the core of its operations. This commitment is demonstrated through the provision of a safe and healthy working environment, coupled with offering attractive and equitable remuneration for its employees. Additionally, the Company employs a consumer-centric approach to produce high-quality products that deliver an exceptional consumer experience. Adherence to all legal and regulatory requirements is a priority, ensuring long-term business growth.

#### 9.2 Contractual arrangements

The Company has various contractual arrangements which are mainly categorized as follows:

1. Employment contracts with employees;
2. Contracts with suppliers of goods and services to the Company; and
3. Contracts with customers.

### 10. Employee welfare

#### 10.1 Employees

TCC Plc being an equal opportunity employer, does not discriminate based on gender, religion, or disability. All current and potential employees are entitled to equal opportunity and treatment in terms of recruitment, compensation and benefit, succession planning, performance appraisal and reward, and disciplinary process. The Company has various initiatives to improve employees' performance and productivity through continuous professional development. The safety of employees, their families and business continuity continued to be key priorities for the Company in 2024.

The Company retains development oriented and sustainable employee relations as an equal opportunity employer who strives to continuously level the workforce gender gap and raise female participation in core governance bodies and providing fair pay and allowances i.e. transport, per diem, meals, and children education.

#### 10.2 Gender parity / diversity

TCC Plc has shown increased efforts to hire more women and effectively ensure female participation in organizational governance bodies considering the rising number of female workforces share as well as new hires. In addition, a cross-functional Diversity, Equity & Inclusion Committee supports the Company-wide initiatives of an inclusive, multi-cultural, and ideal workplace. There is full adherence to the Human Rights guidelines, and discrimination practices of any sort are strictly intolerable. The Diversity, Equity & Inclusion committee helps the Company focus on providing equal access and opportunities by embracing all employees irrespective of race, religion, gender, nationality, and other action plans. More details on social responsibility are described on item 5 of this Report by Those Charged with Governance.

#### 10.3 Talent management, learning and development

TCC Plc's core strategic objectives in Talent Management revolve around identifying, attracting, developing, and retaining individuals with the right skills, poised to tackle future challenges and embrace exciting opportunities within the organization. The Company's method for Talent Management (TM) is meticulously organized, providing employees with an optimal platform to nurture their careers and make meaningful contributions to the Company.

#### 10.4 Medical assistance

The Company extends a comprehensive medical insurance scheme to its staff members, encompassing a maximum of five dependents, with coverage facilitated by Strategies Insurance Tanzania. Additionally, there is an employee wellness program aimed at fostering awareness and educating employees on preventive measures for common ailments such as diabetes, hypertension, obesity, malaria, cancer, and HIV/AIDS. Presently, this service is outsourced and administered by Aris Risk and Insurance Solution Limited.

#### 10.5 Financial assistance to staff

Management encourages staff to join Mkombozi Savings and Credit Co-operative Society (SACCOS) to assist in promoting the welfare of its employees. The Company also provides education allowance for its eligible employees.

#### 10.6 Compensation and benefits

The remuneration process is governed under the Global Rewards department in JTI HQ who are responsible to provide the overall guideline and reward/remuneration structure, however the local markets (i.e. TCC) are responsible in ensuring the remunerations are in line with governing laws, business environment, Company affordability, labour market (competitiveness) etc.



## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 10. Employee welfare (Continued)

#### 10.7 Diversity, equity and inclusion

The Company has established a partnership with Comprehensive Community Based Rehabilitation Tanzania (CCBRT) Hospital, which is a locally registered non-governmental organization (NGO) providing specialized healthcare services operating in Dar es Salaam and Moshi, Tanzania. The partnership focuses on various initiatives to address Diversity, Equity, and Inclusion (DE&I) matters. Notable initiatives include fostering a culture of readiness for TCC Plc staff to live and work alongside people with disabilities (PWDs), conducting assessments of office premises to enhance workplace accessibility, and actively recruiting PWDs, among other efforts.

TCC Plc's dedicated DE&I team, which incorporates a member with a disability, plays a crucial role in shaping inclusivity agendas during the formulation of policies and initiatives at all levels. Currently, the Company has a goal of achieving **3%** by 2025. There are ongoing commitments and plans to recruit more in accordance with existing legislation, available vacancies, and training opportunities. To address DE&I challenges, the Company collaborates closely with People & Culture vendors to ensure the recruitment of PWDs.

A past initiative, introduced in the financial year 2022 "New Ways of Working," was further implemented in this financial year 2024. Under this initiative the Company implemented and operationalized a policy that empowers employees to choose how, when, and where they work. This policy includes financial support for employees to establish home-based offices conforming to ergonomic guidelines. Acknowledging the paramount importance of employee comfort, productivity, motivation, and health and safety, Phase 1 of our New Ways of Working Policy focuses on employees in market and factory divisions. Data collected during this stage, including behavioural trends and staff experiences, will inform Phase 2, involving our direct workforce in sales, field-force, and the factory shopfloor.

### 12. Societal matters

#### 12.1 Social and community issues

Having invested **TZS 424 million (2023: TZS 410 million)** through various community investment programs TCC Plc effectively supports sustainable transformation of livelihoods. The Company supports communities directly and indirectly through partnerships with social and cultural partners by supporting community investment programs.

#### 12.2 Human rights

The Company's commitment towards human rights is enforced at the Board level through our 4S Management Model (which is further detailed on page 7 of this report) and is managed at departmental levels. The concept of human rights is integrated into the Company's culture and allows a fair and accessible mechanism encouraging employees and suppliers to speak up for human rights without any fear of retribution. The Company addresses human rights issues through tailor-made corrective measures implemented via the human rights action plans which are incorporated in TCC Plc's code of conduct and community investment policy.

#### 12.3 Environmental health and safety

The Company actively oversees its environmental impact and fosters ongoing improvements through its Environment, Health, and Safety (EHS) policy, standards, procedures, guidance, training, and management tools. All employees are mandated to adhere to the Company's health and safety standards, participate in relevant health and safety training, follow the Company's procedures and safe working practices, and promptly report any unsafe conditions, accidents, near accidents, or unsafe behaviour.

##### 12.3.1 Environmental challenges

The Company recognizes the ongoing environmental and societal concerns prevalent in the current era. Over the past decade, a surge in adverse climate change, including the melting of ice caps, rising sea levels, and an escalation in the frequency of extreme weather conditions have been witnessed.

In response to these challenges, the Company has adopted sustainable business practices aimed at conserving resources, minimizing waste (while maximizing industrial symbiosis), effectively managing both financial and non-financial costs for reinvestment, and actively reducing our greenhouse gas (GHG) emissions.

### 13. Corporate social responsibility

The Company, through its purpose "Creating Fulfilling Moments. Creating A Better Future" has embraced corporate social responsibility from an all-round environmental, social and governance perspective and has in the spirit of SDG 17, of partnership, provided a variety of volunteer opportunities to its employees.

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 14. Promoting a safe environment

The Company is committed to fostering a work environment that is both safe and conducive. Safety is not just a practice; it's ingrained in our processes and the spaces we inhabit. Our steadfast belief is that no one should suffer harm due to a workplace accident. Aligned with the ISO 45001:2018 – Occupational Health and Safety standards, our internal occupational health and safety policy establishes the minimum standards to safeguard employees within our organization. Crafted for seamless integration into our management processes, our health and safety policy prioritize flexibility, accountability, and reporting. Embracing a risk-based approach, the policy ensures ongoing effectiveness through continuous improvement cycles, adapting to our evolving risk portfolios. This includes comprehensive reporting and management of people-related concerns within the workplace, as well as addressing on-the-ground workplace matters.

### 15. Political and charitable donations

The Company did not make any political and charitable donations during the year (2023: Nil). The Company does not make political contributions, as it is in contrary to its Code of Conduct..

### 16. Community investment

TCC Plc's Community Investment program aims to enhance the inclusivity of the communities where we operate, fostering an environment where everyone can thrive and actively contribute to society. This initiative is aligned with the Company's commitment to doing the right thing, and it serves to fulfil the volunteering and community investment sustainability targets, in alignment with the Company's Vision 2030.

Community Investment stands as a pivotal component of TCC Plc's sustainability strategy, reflecting our corporate responsibility to people and society at large. Through the Company's various community investment projects and initiatives, TCC Plc seek to promote inclusion as defined by the United Nations.

The 2024 community investment spent is **TZS 424 million (from TZS 410 Million in 2023)** and **720 hours of volunteering (360 hours in 2023)**, which addressed livelihood transforming activities to people with disabilities, fostered economic empowerment, promoted learning through a scholarship program and attained environmental objectives through natural environment programs.

### 17. Related party transactions and balances

All related party transactions and balances are disclosed in Note 28 to these financial statements.

### 18. Tax compliance

Committed to upholding its obligation under the country's tax laws, the Company consistently advocates for a high level of tax compliance. All relevant taxes, as stipulated by Tanzanian tax laws, are diligently paid to the Tanzania Revenue Authority.

### 19. Future development plans

TCC Plc is focused on living up to its purpose of "Creating Fulfilling Moments. Creating A Better Future" by honouring its ESG commitments, continuously monitoring its brand health and reinventing its product offerings. In doing so the Company seeks to achieve sustainable growth of not only its bottom line, but also its workforce talents, customer base and impact in the communities around the Company's operations.

### 20. Solvency

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Directors consider the Company to be solvent within the meaning ascribed by the Companies Act, 2002.

### 21. Auditors

The auditors, Deloitte & Touche, having expressed their willingness, continue in office in accordance with section 170 (2) of the Companies Act, 2002.

Deloitte & Touche with PF No 025 and Taxpayer Identification Number (TIN) 100-148-692 is an audit firm registered with the National Board of Accountants and Auditors of Tanzania (NBAA).

## Report by Those Charged with Governance for the year ended December 31, 2024 (continued)

### 22. Responsibility by those charged with governance

Those charged with governance are responsible to prepare financial statements of the entity which show a true and fair view in accordance with applicable standards, rules, regulations and legal provisions.

This responsibility covers the period from 1 January 2024 to the date of approval of the audited financial statements and it covers all those charged with governance who acted in this capacity during any part of the period covered by financial statements.

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Approved and authorized for issue by the Board of Directors on March 25, 2025, and signed on its behalf by:.




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CJ (Rtd) Mohamed C Othman  
**Chairperson**  
March 25, 2025




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Mr. Roy Manalili  
**Chief Executive Officer**  
March 25, 2025



## Statement of Directors' Responsibilities for the year ended December 31, 2024

The Companies Act, 2002 (the "Act") of Tanzania requires the Directors to prepare financial statements for each financial year that present fairly the state of affairs of the Company and its operating results for that year. The Act also requires the Directors to ensure that the Company maintains proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company taking reasonable steps for the prevention and detection of fraud, error, and other irregularities. The Directors are responsible for the preparation of financial statements that present fairly in all material respects the financial position and results of the Company in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002 of Tanzania, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board and in the manner required by the Companies Act. The Directors are of the opinion that the financial statements present fairly the state of the financial affairs of the Company and of its profit in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002 of Tanzania.

The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.




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CJ (Rtd) Mohamed C Othman  
**Chairperson**  
March 25, 2025




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Mr. Roy Manalili  
**Chief Executive Officer**  
March 25, 2025

## Declaration by the Head of Finance for the year ended December 31, 2024

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as set out in the Statement of Directors' Responsibilities on an earlier page.

I, Rachel Thomas, being the Finance Director of Tanzania Cigarette Public Limited Company hereby acknowledge my responsibility of ensuring that financial statements for the year ended

December 31, 2024, have been prepared in compliance with IFRS Accounting Standards as issued by International Accounting Standards Board and statutory requirements.

I thus confirm that the financial statements comply with IFRS Accounting Standards as issued by International Accounting Standards Board and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.




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Ms Rachel Thomas,  
**Finance Director**  
NBAA Membership No: TACPA 6395  
March 25, 2025



Deloitte & Touche  
 Certified Public Accountants  
 Registered Auditors  
 ARIS House  
 3<sup>rd</sup> Floor,  
 Haile Selassie Road, Oysterbay  
 PO Box 1559  
 Dar es Salaam  
 Tanzania

Tel: +255 (22) 216 9000  
 Fax: 255 (22) 211 6379  
 Email: deloitte@deloitte.co.tz

www.deloitte.com

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANZANIA CIGARETTE PUBLIC LIMITED COMPANY

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Tanzania Cigarette Public Limited Company (the "Company" or "TCC") set out on pages 122 to 165, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002.

#### 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 are independent of the Company in accordance with the National Board of Accountants and Auditors (NBAA) Code of Ethics which is consistent with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.



Partners: F.J. Kibiki M. R. Richard Y. Kasenge

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## Report on the Audit of the Financial Statements (continued)

## Key Audit Matters (continued)

The key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of defined benefit obligation:</b></p> <p>The Company operates an unfunded defined benefit retirement plan for its employees. Significant judgement is required by the Directors in determining the defined benefit obligation. We identified the valuation of defined benefit obligation as representing a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgement and estimation uncertainty associated with determining the amounts.</p> <p>The determination of the present value of the defined benefit obligation, and the related current service cost and past service cost recorded involves a significant estimation process.</p> <p>In any actuarial assessment there is inherent uncertainty associated with the results as assumptions are made about future events. Those assumptions include discount rates, inflation rate, and nominal salary increase rate.</p> <p>The liability is calculated by the Company's appointed external actuaries.</p> <p>As at 31 December 2024, the defined benefit obligation was T25 20,250 million (2023: T25 13,479 million) as per note 26 of the financial statements.</p>	<p>Our audit procedures involved, amongst others;</p> <ul style="list-style-type: none"> <li>• We assessed the competence, capabilities and objectivity of the Company's external actuaries, and verified their qualifications and experience. In addition, we discussed the scope of their work and reviewed their terms of engagement to determine that there were no matters that affected their independence and objectivity or imposed scope limitations upon them. We confirmed that the approach they used is consistent with industry norms.</li> <li>• We involved our actuarial specialists in evaluating the Directors and their valuer's judgements and, in particular the models used. Our actuarial experts counterchecked the data used for calculation and the output from the calculation of the defined benefit obligation as prepared and presented by management.</li> <li>• We performed an analysis of the significant assumptions made by the actuaries so as to evaluate the extent of impact on the liability and assessed the appropriateness of the Company's disclosures in compliance with IAS 19.</li> <li>• In addition, we tested a selection of data inputs underpinning the defined benefit obligation valuation, including total annual salary, percentage salary increase in a year, average age of employees, number of employees, average pensionable service, discount rates and inflation rate against appropriate supporting documentation, to assess the accuracy, reliability and completeness thereof.</li> </ul> <p>We concluded that the assumptions and judgements used in the valuation of the defined benefit obligation were reasonable to support the amounts presented in the financial statement. We also found that the models used for the valuation of the defined benefits obligation to be appropriate. In addition, the disclosures in the financial statements pertaining to the valuation and measurement of the defined benefits obligation were found to be in compliance with IAS 19.</p>

## Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company information, Chairman's statement, Chief Executive Officer's Statement, Integrated Report, the Report by Those Charged with Governance and Appendices but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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, 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.

## Responsibilities of the Directors 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 IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act 2002, and for such internal controls as Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Report on the Audit of the Financial Statements (continued)

#### 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 skepticism throughout the audit. We also:

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

We communicate with the Directors 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 the directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, 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 Requirements

As required by the Tanzania Companies Act, 2002 we report to you, based on our audit, that:

- i) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position (balance sheet) and statement of profit and loss and other comprehensive income (profit and loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is F.J. Kibiki.

Deloitte & Touche  
Certified Public Accountants (Tanzania)



17 April 2025

Signed by: F.J. Kibiki  
NBAA Registration No. ACPA-PP 3214  
Dar es Salaam

## Statement of profit or loss and other comprehensive income for the year ended December 31, 2024

		2024	2023
	Notes	TZS Million	TZS Million
Revenue	6(a)	454,629	373,527
Cost of sales	7	(174,544)	(169,430)
<b>Gross profit</b>		<b>280,085</b>	<b>204,097</b>
Selling, marketing and distribution expenses	8(a)	(40,832)	(45,954)
Administration expenses	8(b)	(56,860)	(52,364)
Other expenses		(13,102)	(5,386)
Impairment losses		26	5
Other income	9	2,148	1,123
Interest income	10	1,015	885
Interest expense	11	(4,068)	(3,322)
<b>Profit before tax</b>		<b>168,412</b>	<b>99,083</b>
Income tax expense	13(a)	(53,139)	(32,850)
<b>Profit for the year</b>		<b>115,273</b>	<b>66,233</b>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Defined benefit actuarial (loss)/gain	26	(5,018)	4,697
Tax (credit)/expense relating to components of other comprehensive income	13(c)	1,505	(1,409)
		(3,513)	3,288
<b>Total comprehensive income for the year</b>		<b>111,760</b>	<b>69,521</b>
<b>Earnings per share</b>			
Basic and diluted (TZS per share)	14	1,153	662

\*Other expenses comprise of foreign exchange gains and losses which totaled **TZS 12,235 million (2023: TZS 4,366 million)** and miscellaneous expenses which totaled **TZS 867 million (2023: 1,020 million)**.



## Statement of financial position as at December 31, 2024

		2024	2023
	Notes	TZS Million	TZS Million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	91,648	83,593
Right-of-use assets	17	292	494
<b>Total non-current assets</b>		<b>91,940</b>	<b>84,087</b>
<b>Current assets</b>			
Inventories	19	188,423	166,862
Income tax asset	13(d)	-	2,503
Trade and other receivables	20	58,896	57,681
Cash and cash equivalent	21	35,411	39,976
<b>Total current assets</b>		<b>282,730</b>	<b>267,022</b>
<b>Total assets</b>		<b>374,670</b>	<b>351,109</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	22	2,000	2,000
Defined benefit reserve		4,025	7,538
Retained earnings		218,459	153,186
<b>Total equity</b>		<b>224,484</b>	<b>162,724</b>
<b>Non-current liabilities</b>			
Deferred tax liability	23	3,850	2,322
Defined benefit obligation	26	20,250	13,479
Lease liability	27	15	20
<b>Total non-current liabilities</b>		<b>24,115</b>	<b>15,821</b>
<b>Current liabilities</b>			
Trade and other payables	24	115,455	127,766
Provisions	25	8,048	11,390
Lease liability	27	4	193
Inter-company borrowing	31	-	33,215
Income tax liability	13(d)	2,564	-
<b>Total current liabilities</b>		<b>126,071</b>	<b>172,564</b>
<b>Total liabilities</b>		<b>150,186</b>	<b>188,385</b>
<b>Total equity and liabilities</b>		<b>374,670</b>	<b>351,109</b>

The financial statements on **pages 122 to 165** were approved and authorized for issue by the Board of Directors on March 25, 2025 and were signed on its behalf by the following Directors:



CJ (Rtd) Mohamed C Othman  
**Chairperson**  
March 25, 2025



Mr. Roy Manalili  
**Chief Executive Officer**  
March 25, 2025

## Statement of changes in equity for the year ended December 31, 2024

		Share capital	Defined benefit reserve	Retained earnings	Total
	Notes	TZS Million	TZS Million	TZS Million	TZS Million
At January 01, 2023		2,000	4,250	153,953	160,203
Profit for the year		-	-	66,233	66,233
Other comprehensive income		-	3,288	-	3,288
Dividend paid (2022 final and 2023 interim)	15	-	-	(67,000)	(67,000)
<b>At December 31, 2023</b>		<b>2,000</b>	<b>7,538</b>	<b>153,186</b>	<b>162,724</b>
At January 01, 2024		2,000	7,538	153,186	162,724
Profit for the year		-	-	115,273	115,273
Other comprehensive loss		-	(3,513)	-	(3,513)
Dividend paid (2023 final and 2024 interim)	15	-	-	(50,000)	(50,000)
<b>At December 31, 2024</b>		<b>2,000</b>	<b>4,025</b>	<b>218,459</b>	<b>224,484</b>

## Statement of cash flows for the year ended December 31, 2024

		2024	2023
	Notes	TZS Million	TZS Million
<b>Cash flows from operating activities</b>			
Profit before tax		168,412	99,083
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	16	11,816	11,144
Depreciation of right use-of-asset	17	419	558
Defined benefit expense	26	826	1,178
Interest expense	11	4,068	3,322
Interest income	10	(1,015)	(885)
Impairment charge of inventory		422	72
Impairment (reversal)/charge of receivables		(26)	(5)
Foreign exchange (gain)/loss		(3,745)	2,558
Other gain on property, plant and equipment	12	(672)	-
(Reversal)/increase in provisions		(3,342)	2,136
Gain on disposal of property, plant and equipment	9	(149)	(101)
<b>Operating profit before working capital changes</b>		<b>177,014</b>	<b>119,060</b>
<i>Working capital changes:</i>			
Increase in inventories		(21,983)	(47,506)
Increase in trade and other receivables		(1,741)	(576)
(Decrease)/increase in trade and other payables		(8,121)	51,658
<b>Net cash generated from operations</b>		<b>145,169</b>	<b>122,636</b>
Defined benefit paid	26	(835)	(1,876)
Interest received	10	1,015	885
Interest paid	31	(2,979)	(1,302)
Current tax paid	13(d)	(45,039)	(37,891)
<b>Net cash generated by operating activities</b>		<b>97,331</b>	<b>82,452</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	16	(19,755)	(15,509)
Proceeds from disposal of property, plant and equipment		705	513
<b>Net cash used in investing activities</b>		<b>(19,050)</b>	<b>(14,996)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	15	(50,000)	(67,000)
Inter-company repayments	31	(55,670)	(27,555)
Inter-company borrowing received	31	23,139	48,392
Lease rentals paid	27	(422)	(611)
<b>Net cash used in financing activities</b>		<b>(82,953)</b>	<b>(46,774)</b>
Net (decrease)/increase in cash and cash equivalents		(4,672)	20,682
Net foreign exchange differences on cash and cash equivalents		107	2,191
Cash and cash equivalents at the beginning of the year		39,976	17,103
<b>Cash and cash equivalents at the end of the year</b>	21	<b>35,411</b>	<b>39,976</b>



Notes to the financial statements  
for the year ended December 31,  
2024

1.General information

The financial statements of Tanzania Cigarette Public Limited Company for the year ended December 31, 2024 were authorised for issue in accordance with a resolution of the Directors on March 25, 2025.

Tanzania Cigarette Public Limited Company ("The Company") is a limited liability public company incorporated in the United Republic of Tanzania. The address of its registered office and principal place of business is disclosed in the corporate information on **page 98** of this report. The principal activities of the Company are described in the Report by Those Charged with Governance.

2. Adoption of new and revised IFRS accounting standards

a) New standards and amendments to published standards effective for the year ended 31 December 2024

The following were new and revised IFRS Accounting Standards that have been effective in the current year. The Company's application of the new and revised standards did not have significant impact to these financial statements.

<b>Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)</b>	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current
<b>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</b>	<p>The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.</p> <p>Lease Liability in a Sale and Leaseback requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.</p>
<b>Non-current Liabilities with Covenants (Amendments to IAS 1)</b>	<p>The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.</p> <p>The amendments:</p> <ul style="list-style-type: none"><li>- Specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period (the reporting date) for the purposes of classifying a liability as current or non-current; and</li><li>- For non-current liabilities subject to conditions, an entity is required to disclose information about:<ul style="list-style-type: none"><li>i. The conditions (for example, the nature of and date by which the entity must comply with the condition);</li><li>ii. Whether the entity would comply with the conditions based on its circumstances at the reporting date; and</li><li>iii. Whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested.</li></ul></li></ul>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 2. Adoption of new and revised IFRS accounting standards (Continued)

#### a) New standards and amendments to published standards effective for the year ended 31 December 2024) (Continued)

<b>International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)</b>	<p>The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.</p> <p>The amendments are:</p> <ul style="list-style-type: none"> <li>– An exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. An entity has to disclose that it has applied the exception;</li> <li>– A disclosure requirement that an entity has to disclose separately its current tax expense (income) related to pillar two income taxes;</li> <li>– A disclosure requirement that state that in periods in which pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to pillar two income taxes arising from that legislation;</li> <li>– The requirement that an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with IAS 8.</li> </ul>
<b>Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)</b>	<p>The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Entities will have to disclose the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk.</p>

#### b) New standards and amendments and interpretation in issue but not effective for the year ended December 31, 2024

Standard or amendment	Description	Effective date
IFRS S1	General requirements for disclosure of sustainability-related financial Information	1 January 2025
IFRS S2	Climate-related disclosures	1 January 2025
IFRS 18	Presentation and disclosures in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability - Disclosures	1 January 2027
Amendments to IAS 21	Lack of exchangeability (Amendments to IAS 21)	1 January 2025
Amendments IFRS 9 and IFRS 7	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual IFRS improvement - Volume 11	Annual Improvements to IFRS accounting standards – Volume 11	1 January 2026

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 2. Adoption of new and revised IFRS accounting standards (Continued)

#### c) Impact of new and amended standards and interpretations in issue but not yet effective in the year ended December 31, 2024

##### i) IFRS S1 - General Requirements for disclosure of sustainability-related financial information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

Application of IFRS S1 is optional however the National Board of Accountants and Auditors of Tanzania (NBAA) has mandated application of this standard in Tanzania. The NBAA has mandated application of the standard effective for accounting periods beginning on or after 1 January 2025. The Directors are still evaluating the impact of application of this standard to the financial statements.

##### ii) IFRS S2 - Climate-related disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

Application of IFRS S2 is optional however the National Board of Accountants and Auditors of Tanzania (NBAA) has mandated application of this standard in Tanzania. The NBAA has mandated application of the standard effective for accounting periods beginning on or after 1 January 2025. The Directors are still evaluating the impact of application of this standard to the financial statements.

##### iii) IFRS 18 - Presentation and disclosures in financial statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss;
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

##### iv) IFRS 18 - Presentation and Disclosures in Financial Statements(Continued)

The Directors of the Company anticipate that the application of these amendments may have an impact on the financial statements in future periods.

##### v) IFRS 19 - Subsidiaries without public accountability - Disclosures

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets),or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 2. Adoption of new and revised IFRS accounting standards (Continued)

#### v) IFRS 19 - Subsidiaries without Public Accountability: Disclosures (Continued)

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The Directors of the Company do not anticipate that IFRS 19 will be applied for purposes of the financial statements.

#### vi) Lack of exchangeability (Amendments to IAS 21)

The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency;
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing; and
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

The amendments to IAS 21 are effective for accounting periods beginning on or after 1 January 2025 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

#### vii) Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The International Accounting Standards Board (IASB) has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'.

The amendments clarify that a financial liability is de-recognised on the 'settlement date' and introduce an accounting policy choice to de-recognise financial liabilities settled using an electronic payment system before the settlement date.

The amendments to IFRS 9 and IFRS 7 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

#### viii) Annual improvements to IFRS accounting standards - Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	Amendment
<b>IFRS 1 First-time adoption of international financial reporting standards</b>	<b>Hedge accounting by a first-time adopter.</b> The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.
<b>IFRS 7 Financial instruments - Disclosures</b>	<b>Gain or loss on de-recognition.</b> The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 2. Adoption of new and revised IFRS accounting standards (Continued)

#### viii) Annual improvements to IFRS accounting standards - Volume 11 (Continued)

Standard	Amendment
<b>IFRS 7 Financial instruments - Disclosures (implementation guidance only)</b>	<p><b>Disclosure of deferred difference between fair value and transaction price.</b> The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.</p> <p><b>Introduction and credit risk disclosures.</b> The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.</p>
<b>IFRS 9 Financial instruments</b>	<p><b>Lessee derecognition of lease liabilities.</b> The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.</p> <p><b>Transaction price.</b> The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.</p>
<b>IFRS 10 Consolidated financial statements</b>	<p><b>Determination of a 'de facto agent'.</b> The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.</p>
<b>IAS 7 Statement of cash flows</b>	<p><b>Cost method.</b> The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.</p>

The annual improvement volume 11 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

#### d) Early adoption of standards

The Company did not early-adopt any new or revised standards in 2024.

### 3. Material accounting policies

#### 3.1 Statement of compliance

The financial statements have been prepared in accordance with and comply with IFRS Accounting Standards as issued by International Accounting Standards Board. For the Tanzanian Companies Act, 2002 reporting purposes, in these financial statements the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the financial statements as statement of profit or loss and other comprehensive income.

#### 3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of financial instruments that are measured at revalued amounts or fair values as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are stated in Tanzanian Shillings (TZS), rounded to the nearest million.

The Company has an investment in TCC (Kenya) Limited, a wholly owned subsidiary, which is incorporated in Kenya under the Kenyan Companies Act. The Company has determined that the investment is not material and has no impact on the reported profit or loss and its statement of financial position. The Group (Tanzania Cigarette Public Limited Company) and Company numbers are the same after taking into account the investment in the dormant subsidiary.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.3. Revenue recognition

The Company derives its revenue from the sale of cigarettes to domestic and export customers.

Revenue is recognized based on the following five-step approach;

- **Step 1:** Identify the contract with customer;
- **Step 2:** Identify the performance obligations in the contract;
- **Step 3:** Determine the transaction price;
- **Step 4:** Allocate the transaction price to the performance obligation in the contract; and
- **Step 5:** Recognize revenue when the entity satisfies a performance obligation.

Revenue is recognized upon delivery of product because the customer obtains control of the product upon delivery by which the Company evaluates that the performance obligation is satisfied. Revenue is measured at the consideration promised in a contract with customer, less discounts, rebates, amounts collected on behalf of third parties and taxes. The excise taxes and other transaction in which the Company is involved as an agency are excluded from revenue. The amount after deducting the excise taxes and other transactions is presented as revenue in the statement of profit or loss and other comprehensive income.

##### 3.3.1 Sale of cigarettes to domestic customers

Revenue for sales of goods to domestic customers is recognized when control of the goods has transferred, being at the point the customer purchases the goods. Payment of the transaction price is due immediately at the point the customer purchases the goods for cash customers and for credit customers based on the agreed credit periods with the Company as stipulated in the contracts.

##### 3.3.2 Sales of cigarettes to export customers

Revenue from sales of goods to export customers is recognized when control of the goods has transferred, being when the goods have been shipped to the customer's specific delivery location.

A receivable is recognised by the Company when the goods are shipped to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due

#### 3.4. Foreign currency translation

These financial statements are presented in Tanzania Shillings, which is also the functional currency of the Company. Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using the closing rates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowing.

#### 3.5. Retirement benefits obligations

The voluntary agreement between management and the trade union created a defined benefit plan. The Company operates an unfunded and unvested defined benefit scheme for its employees. Provision is made in the financial statement for the estimated cost of the future benefits under the scheme. No employee contributions are made to the scheme. Payments to the scheme are recognized as an expense in profit or loss when employees have rendered service entitling them to the scheme with actuarial valuations being carried out at the end of each reporting period. Actuarial gains or losses are fully recognized in other comprehensive income. Past service costs are recognized immediately in profit or loss.

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for actuarial gains and losses. The present value of the defined benefit obligation is determined by discounting the estimated future cash out flows using various factors as described in the Note 26 of these financial statements.

The Company and its employees also make statutory contributions to the National Social Security Fund (NSSF). The Company's obligations with respect to contributions are 10% of the employees' emoluments. The Company's contributions with respect to these retirement benefits obligations are charged to the profit or loss in the period to which they relate.



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.6. Taxation

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

##### 3.6.1. Current Corporate tax

The current corporate tax charge in profit or loss is based on statutory income tax rate of 30% applied on taxable profit for the year under review. The taxable profit is arrived at after taking into consideration relevant provisions of IAS 12 and the Income Tax Act of 2004 together with its subsequent amendments through the Finance Acts as enacted by the Parliament of United Republic of Tanzania.

Taxable profit differs from account profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in different accounting periods (temporary differences) and items that are never taxable or deductible (permanent differences). 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.

##### 3.6.2. Deferred taxation

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, the written down value. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit or for transactions that, on initial recognition, does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 net basis

##### 3.6.3. Current and deferred tax for the period under review

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

##### 3.6.4. Value Added Tax (VAT)

The revenues, expenses and assets are recognized at amounts net of VAT. However, in the event that VAT incurred on a purchase of assets or services is not claimable as input VAT as provided in the VAT Act, 2014 together with its subsequent amendments and regulations, the VAT is recognized as part of cost of acquisition of the assets or part of the expense item as appropriate.

Any unpaid or uncollected amounts due to suppliers or due from customers are stated and reported as gross amounts including VAT.

The net (Output VAT less Input VAT) amount of VAT payable to Tanzania Revenue Authority at the year-end is included in trade and other payables.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.6. Taxation (Continued)

##### 3.6.5 Excise duty

The excise duty paid/payable to Tanzania Revenue Authority is determined by applying specific rates as provided in the Excise (Management and Tariff) Act, Cap 147 together with its subsequent amendments. The current specific excise duty rates which are applicable as at year end are as follows:

- Cigarettes without filter tip and containing domestic tobacco exceeding 75% is **TZS 14,936** per **1,000 cigarettes (2023: TZS 14,936)**;
- Cigarettes with filter tip and containing domestic tobacco exceeding 75% is **TZS 35,310** per **1,000 cigarettes (2023: TZS 35,310)**;
- Other cigarettes not mentioned in first and second bullet above is **TZS 67,076** per **1,000 cigarettes (2023: TZS 67,076)**; and
- Other manufactured tobacco locally produced containing domestic tobacco exceeding 75% is **TZS 9,600.00** per kg **(2023: TZS 9,600)**.

The amount of excise duty payable to Tanzania Revenue Authority at the year-end is included in the trade and other payables.

#### 3.7. Inventories

The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition.

Inventories are stated at the lower of cost and net realizable value. Cost of raw materials and consumable stores are determined by the weighted average cost method. Cost of finished goods and work in progress are valued at direct raw material cost and include a portion of manufacturing overhead expenses, determined on a weighted average basis. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made where necessary for the obsolete, slow moving and defective inventories.

#### 3.8. Leases

##### 3.8.1 The company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.8.1 The company as lessee (Continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated on straight line basis over the tenor of leased asset. The useful lives for the right of use assets are 2,3 and 10 years. The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### 3.9. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to prepare for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs may include:

- Interest expense calculated using the effective interest method as described in IFRS 9 Financial Instruments;
- Finance charges in respect of leases recognised in accordance with IFRS 16; and
- Exchange differences arising from foreign currency borrowings and other financing costs to the extent that they are regarded as an adjustment to interest costs.

#### 3.10. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis, over the estimated useful life to the estimated residual value. Useful life, residual values and depreciation methods are reviewed on an annual basis with the effect of any changes in estimate accounted for on a prospective basis. Residual values are measured as the estimated amount currently receivable for an asset if the asset were already of the age and condition expected at the end of its useful life.



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.10. Property, plant and equipment (Continued)

Each significant component included in an item of property, plant and equipment is separately recorded and depreciated. Capital work in progress is not depreciated. The estimated useful life of assets at time of acquisition is assumed as follows:

	Years
Permanent buildings	50
Temporary buildings	3
Plant and machinery	5 - 20
Other equipment	3 - 10
Motor vehicles	4

Maintenance and repairs, which neither materially add to the value of the assets nor appreciably prolong their useful lives, are recognised as an expense in the period incurred. Minor plant and equipment items are also recognised as an expense during the period incurred.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Profits or losses on the retirement or disposal of property, plant and equipment, determined as the difference between the actual proceeds and the carrying amount of the assets, are recognised in profit or loss in the period in which they occur. The date of disposal is determined as the date on which the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the proceeds on the sale can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 3.11. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the asset, from the date that it is available for use. The estimated useful life and amortisation method are reviewed at the end of each financial year with any changes being accounted for on prospective basis.

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 recognized in profit or loss when the asset is derecognised. The estimated useful life from year of acquisition is estimated to be 10 (ten) years.

#### 3.12. Impairment of tangible and intangible assets

Assets that have an indefinite useful life and intangible assets not available for use are tested annually for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized if the recoverable amount of an asset is less than its carrying amount. The impairment loss is recognized as an expense in profit or loss immediately. The recoverable amount of an asset is the higher of the asset's fair value less cost of disposal and its value in use.

The fair value represents the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.12. Impairment of tangible and intangible assets (Continued)

The value in use of an asset represents the expected future cash flows from continuing use and disposal that are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The impairment loss is allocated to reduce the carrying amount of the assets of the cash-generating unit, first to goodwill in respect of the cash generating unit, if any, and then to the other assets on a pro-rata basis based on their carrying amounts. The carrying amount of individual assets are not reduced below the higher of its value in use, zero or fair value less cost of disposal.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase. No goodwill impairment losses are reversed.

After the recognition of an impairment loss, any depreciation or amortization charge for the asset is adjusted for future periods to allocate the asset's revised carrying amount, less its estimated residual value, on a systematic basis over its remaining useful life.

#### 3.13. Dividends

Dividends payable on ordinary shares are charged to retained earnings in the period in which they are declared.

#### 3.14. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

#### 3.15. Financial assets

##### 3.15.1. Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

##### 3.15.2. Subsequent measurement

The Company's principal financial assets are trade and other receivables and cash and cash equivalents.

Financial assets are recognised and derecognised on trade-date where the purchase or sale of the financial asset is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned.

All financial assets are initially measured at amortised cost or fair value, depending on the classification of financial assets.

##### 3.15.3. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.15.3. Amortised cost and effective interest method (Continued)

##### a) Trade and other receivables

Trade and other receivables are stated at invoice amounts less expected credit losses. Expected credit loss is established using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the trade and other receivables.

##### b) Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents include cash on hand, in banks and investments in money market instruments and duly reconciled to the related items in the statement of financial position.

#### 3.15.4. Impairment of financial assets

With respect to financial assets measured at amortized cost, the Company recognizes an allowance for doubtful accounts for expected credit losses (ECLs). The expected credit losses are calculated based on historical loss experience or future recoverable amounts.

An allowance for doubtful accounts for trade receivables is always recognized in an amount equal to the full lifetime expected credit losses. In principle, with respect to financial assets except for trade receivables, an allowance for doubtful accounts is measured at an amount equal to the 12-month expected credit losses. However, the allowance for doubtful accounts is measured at an amount equal to the full lifetime expected credit losses if a credit risk on the financial asset has increased significantly since initial recognition.

The Company assesses whether a credit risk on a financial asset has increased significantly based on a change of the default risk considering past due information, financial difficulties of obligors or downgrades of the internal credit rating. The Company assesses a whole or part of the financial asset which is deemed extremely difficult to be collected as a default and recognizes it as a credit-impaired financial asset. If the Company reasonably determines that a whole or part of the financial asset is uncollectible, the carrying amounts of financial assets are written-off directly.

An allowance for doubtful accounts for financial assets is recognized in profit or loss. If an event which causes a reduction in the allowance for doubtful accounts occurs, a reversal of an allowance for doubtful accounts is recognized in profit or loss.

#### 3.15.5. De-recognition of financial assets

The Company de-recognises 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 entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss.

### 3.16. Financial liabilities

#### 3.16.1 Initial recognition and measurement

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. The Company determines the classification at initial recognition.

All financial liabilities are measured at fair value at initial recognition. However, financial liabilities measured at amortized cost are measured at cost after deducting transaction costs that are directly attributable to the financial liabilities. The Company's financial liabilities include trade and other payables.



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 3. Material accounting policies (Continued)

#### 3.16. Financial liabilities (Continued)

##### 3.16.2. Subsequent measurement

After initial recognition, financial liabilities are measured based on the following classifications:

##### a) Financial liabilities measured subsequently at amortised cost

After initial recognition, financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method. Amortization under the effective interest method and gains or losses on derecognition are recognized as profit or loss in the consolidated statement of income. After initial recognition, financial guarantee contracts are measured at the higher of:

The amount of an allowance for doubtful accounts calculated in accordance with "Impairment of Financial Assets" above, and

The amount initially measured less cumulative revenue recognized in accordance with IFRS 15 "Revenue from Contracts with Customers".

##### b) De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

#### 3.17. Offset

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 3.18. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present 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.

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

### 4. Critical accounting judgements and key sources of estimation uncertainties

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. These estimates are based on management's best knowledge of current events and actions they may undertake in the future, but the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are regularly reviewed and revisions to accounting estimates are recognized 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. The areas of critical judgements and key sources of estimation uncertainty are as set out below:

#### Expected credit loss

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for the customers. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs involves estimation. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 4. Critical accounting judgements and key sources of estimation uncertainties (Continued)

#### 4.1 Expected credit loss (Continued)

When measuring expected credit losses, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

#### 4.2. Taxation

The Company is subjected to numerous taxes and levies by various government and quasi-government regulatory bodies. Generally, the Company recognises liabilities with regard to anticipated taxes and levies payable with utmost care and diligence. However, significant judgement is required in the interpretation and application of those taxes and levies. In the event that management assesses that the initially recorded liability was erroneous, the differences are charged to the profit and loss account in the period in which the differences are determined.

#### 4.3. Defined benefit plan

The Company operates an unfunded defined benefit retirement plan for all employees. Employees do not contribute to the plan the Company bears all cost. A provision is made in the financial statements for the estimated cost of the future benefits. The accuracy and completeness of such provisions is confirmed periodically by an independent actuarial valuation. Refer to Note 26 of the financial statements for uncertainty and sensitivity disclosure.

#### 4.4. Provisions for pending litigations

The Company is currently involved in various legal cases. Management regularly reviews the status of these cases and, in consultation with legal counsel, estimates the probable liabilities that could be incurred in the event that the Company loses the cases. In determining whether to process the provisions in the financial statements, management critically evaluates the probability of losing these cases and only makes provision for the cases in which it is probable that future outflow of resources will be required to settle the obligations.

### 5. Operating segments

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments. The Company has two operating segments namely domestic and export markets. The domestic market has reported revenue from both external customers and intersegment sales or transfers, of 85 percent (2023: 82 percent) of the combined revenue of all operating segments, thus qualifying as reportable segment.

The chief operating decision maker (Chief Executive Officer) monitors the operating results of business segments separately for the purpose of performance assessment and decision making on resource allocation. The accounting policies of the operating segments are the same as those described in the summary of material accounting policies.

The domestic market segment is carrying on the business of manufacturing and selling of cigarettes in Tanzania. Brands sold in domestic market include Camel, Winston, Club, Embassy, Portsman, Sweet Menthol, Safari and Crescent & Star.

Export markets include Democratic Republic of Congo, Namibia and Southern Africa. The export brands include Camel, Winston, Aspen, Monte Carlo and LD. Export markets reported revenue of **15%** of the combined revenue (**2023:18%**).

#### 5.1 Information about transactions with major customers

Below is the revenue from top ten domestic customers.

	2024	2023
	TZS Million	TZS Million
Revenue from top ten customers	132,722	123,143

The domestic segment has about 1000 active customers.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 5. Operating segments (Continued)

#### Segment revenues and results

The following is an analysis of the Company's revenue and results from operations by reportable segment.

	Segment revenue		Segment gross profit	
	2024	2023	2024	2023
	TZS Million	TZS Million	TZS Million	TZS Million
Domestic Market	385,216	307,904	273,763	195,281
Export Market	69,413	65,623	6,322	8,816
	<b>454,629</b>	<b>373,527</b>	<b>280,085</b>	<b>204,097</b>
Distribution cost-Export market			(1,407)	(10,559)
Domestic market			(39,425)	(35,395)
Administration expenses			(56,860)	(52,364)
Other expenses			(13,102)	(5,386)
Expected credit loss			26	5
Other gains			2,148	1,123
Interest income			1,015	885
Interest expense			(4,068)	(3,322)
<b>Profit before tax</b>			<b>168,412</b>	<b>99,083</b>

The following is an analysis of the operating segment revenue by brands, inclusive of excise duty from its major products in domestic market:

	Domestic revenue		Export revenue	
	2024	2023	2024	2023
	TZS Million	TZS Million	TZS Million	TZS Million
Embassy	52,315	35,993	-	-
Club	9,459	8,595	-	549
Portsman	43,022	27,140	29,344	22,692
Sweet Menthol	19,038	14,033	-	-
Winston	223,290	199,579	3,333	2,047
Others	38,092	22,564	203	5,747
Monte Carlo	-	-	36,168	33,480
LD	-	-	365	1,108
	<b>385,216</b>	<b>307,904</b>	<b>69,413</b>	<b>65,623</b>



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 5. Operating segments (Continued)

#### Segment revenues and results (Continued)

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to the domestic market.

	2024	2023
	TZS Million	TZS Million
<b>Segment assets</b>		
Property, plant and equipment	91,648	83,593
Right-of-use assets	292	494
<b>Total segment non-current assets</b>	<b>91,940</b>	<b>84,087</b>
Inventories	188,423	166,862
Trade and other receivables	58,896	57,681
Income tax asset	-	2,503
Cash and cash equivalents	35,411	39,976
<b>Total segment current assets</b>	<b>282,730</b>	<b>267,022</b>
<b>Total assets</b>	<b>374,670</b>	<b>351,109</b>

	2024	2023
	TZS Million	TZS Million
<b>Segment liabilities</b>		
Deferred tax liability	3,850	2,322
Defined benefit obligation	20,250	13,479
Lease liabilities	15	20
<b>Total segment non-current liabilities</b>	<b>24,115</b>	<b>15,821</b>
Trade and other payables	115,455	127,766
Provisions	8,048	11,390
Lease liabilities	4	193
Inter-Company Borrowing	-	33,215
Income tax liability	2,564	-
<b>Total segment current liabilities</b>	<b>126,071</b>	<b>172,564</b>
<b>Total liabilities</b>	<b>150,186</b>	<b>188,385</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 6. Revenue from contract with customers

#### (a) Revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	2024	2023
	TZS Million	TZS Million
<b>Types of goods or services</b>		
Sale of cigarettes- Domestic Market	385,216	307,904
Sale of cigarettes- Export Market	69,413	65,623
<b>Total revenue from contracts with customers</b>	<b>454,629</b>	<b>373,527</b>

The performance obligation relating to sale of cigarette is satisfied upon delivery of cigarette and payment is generally due within 7 days from delivery. For export customers, control of the goods passes to the customer when the delivery truck crosses the border and payment is due within 60 to 90 days from delivery.

### 7. Cost of sales

	2024	2023
	TZS Million	TZS Million
Direct costs	131,012	124,714
Depreciation on property, plant and equipment	7,020	6,644
Stock adjustments	884	1,835
Overheads	35,628	36,237
	<b>174,544</b>	<b>169,430</b>

### 8. Selling, marketing and distributions expenses / administrative expenses

a) Selling, marketing and distributions expenses	2024	2023
	TZS Million	TZS Million
Advertising and promotion cost	4,676	5,597
Depreciation and amortization	2,260	2,263
Employee's benefits expense*	21,466	21,806
Operating expenses	1,168	4,665
Logistic cost	5,478	6,732
Marketing research and strategic costs	5,784	4,891
	<b>40,832</b>	<b>45,954</b>

\* Employee benefit expenses includes service cost relating to the retirement obligation.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 8. Selling, marketing and distributions expenses / administrative expenses (Continued)

b) Administrative expenses	2024	2023
	TZS Million	TZS Million
Depreciation and amortization	2,536	2,796
Employee's benefits expense	21,588	22,232
Managerial & technical expense	24,954	19,817
Operating expenses	4,833	4,983
Logistic cost cost	1,814	1,674
Communication	866	609
Auditors 'remuneration-audit service	269	253
	<b>56,860</b>	<b>52,364</b>

### 9. Other income

	2024	2023
	TZS Million	TZS Million
Sundry income *	1,999	1,022
Gain on sale of property, plant, and equipment	149	101
	<b>2,148</b>	<b>1,123</b>

\* Sundry income includes income from sale of rejected boxes and scrap metal.

### 10. Interest income

	2024	2023
	TZS Million	TZS Million
Interest income on bank deposits	1,015	855
	<b>1,015</b>	<b>855</b>

### 11. Interest expenses

	2024	2023
	TZS Million	TZS Million
Interest expense on defined benefit pension (note 26)	1,762	1,693
Interest on lease liability (note 27)	11	11
Customer collateral	3	-
Interest expense on intercompany borrowing (note 31)	2,292	1,618
	<b>4,068</b>	<b>3,322</b>



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 12. Profit before tax

Profit before tax has been arrived at after charging/(crediting) the following:

	2024	2023
	TZS Million	TZS Million
Key management and Directors' emoluments	5,021	4,432
Depreciation of property, plant and equipment (note 16)	11,816	11,145
Depreciation of right use-of-asset (note 17)	419	558
Technical and management service fees	24,954	18,824
Auditor's remuneration	269	253
Donations	369	373
Insurance proceeds	(170)	-
Gain on disposal of property, plant and equipment	(149)	(101)
Other gain on property, plant and equipment	(672)	-
Realised foreign exchange loss	15,889	-
Unrealised foreign exchange (gain)/loss	(3,745)	6,252
<b>Employee benefits</b>		
Short term benefits		
Salaries	24,367	27,855
Bonus	8,825	11,489
Fringe benefits	11,885	5,102
Vacation benefits	960	2,246
Other staff costs	613	756
<b>Long term benefits</b>		
Defined benefit expense	2,588	2,871
NSSF and PSSSF contributions	3,637	2,922
<b>Other statutory contributions:</b>		
-Skills and Development Levy (SDL)	1,607	1,558
Workers Compensation Fund (WCF)	24	148
	<b>54,506</b>	<b>54,947</b>

Of the total depreciation expense for the year, TZS 7,020 million (2023: TZS 6,644 million) has been included in cost of sales. Part of employee benefit amounting to TZS 20,405 million (2023: TZS 19,493 million) are charged to cost of sales.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 13. Income tax

a) Income tax expense		2024	2023
		TZS Million	TZS Million
<b>Income tax</b>	– with respect of current year	48,169	31,074
	– with respect of prior years	1,937	2,664
		<b>50,106</b>	<b>33,738</b>
Deferred tax	– charge/(credit) with respect of current year (note 23)	3,363	(747)
	– credit with respect of prior years (note 23)	(330)	(141)
		<b>3,033</b>	<b>(888)</b>
		<b>53,139</b>	<b>32,850</b>

Tax expense represents the sum of current tax and deferred tax.

b) Reconciliation of accounting profit to income tax expense		2024	2023
		TZS Million	TZS Million
<b>Profit before tax</b>		<b>168,412</b>	<b>99,083</b>
Tax charge at 30%		50,523	29,725
Income not subject to tax		(10)	-
Effect of disallowable expenditure		1,019	602
Current tax relating to prior years		1,937	2,664
Prior years over provision of deferred tax		(330)	(141)
<b>Income tax expense</b>		<b>53,139</b>	<b>32,850</b>

c) Tax expense/(credit) on other comprehensive income		2024	2023
		TZS Million	TZS Million
<b>Deferred tax credit/(expenses) - Defined benefit plan actuarial loss/(gain)</b>		<b>(1,505)</b>	<b>1,409</b>

d) Income tax liability (asset)		2024	2023
		TZS Million	TZS Million
At beginning of the year		(2,503)	1,650
Charge for the year (Note 13(a))		50,106	33,738
Current tax paid		(45,039)	(37,891)
<b>Balance at end of year</b>		<b>2,564</b>	<b>(2,503)</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 14. Earnings per share

The earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders for the year by the weighted average number of ordinary shares in issue during the year.

	2024	2023
	TZS Million	TZS Million
Profit for the year attributable to ordinary shareholders (TZS M)	115,273	66,233
Weighted average number of ordinary shares in issue (million)	100	100
<b>Earnings per share (TZS)</b>	<b>1,153</b>	<b>662</b>

There were no potential dilutive shares outstanding at December 31, 2024 and at December 31, 2023.

### 15. Dividends

	2024	2023
	TZS Million	TZS Million
Current year final dividend	55,000	30,000
Current year interim dividend	30,000	37,000
<b>Total</b>	<b>85,000</b>	<b>67,000</b>
Number of ordinary shares in issue (million)	100	100
Dividend per share (TZS)	850	670

During the year, the Directors declared for 2023, a final ordinary gross dividend of TZS 20 billion or TZS 200 per share (2022: TZS 37 billion or TZS 370 per share). Later in the year, the Directors declared for 2024, an interim ordinary gross dividend of TZS 30 billion or TZS 300 per share, which was paid in October 2024 (2023: TZS 30 billion or TZS 300 per share).

The Directors propose a final ordinary gross dividend of TZS 55 billion or TZS 550 per share (2023: TZS 20 billion or TZS 200 per share). The final ordinary dividend is subject to adoption by shareholders at the Annual General Meeting.

The total gross dividend in the current year was TZS 85 billion or TZS 850 per share (2023: TZS 67 billion or TZS 670 per share).



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 16. Property, plant and equipment

	Buildings	Plant and machinery	Other equipment	Motor vehicles	Capital work in progress	Total
	TZS Million	TZS Million	TZS Million	TZS Million	TZS Million	TZS Million
<b>Cost</b>						
At January 1, 2023	45,799	142,094	15,491	15,459	1,952	220,795
Additions	640	2,664	857	3,105	8,243	15,509
Transfers in/(out)	157	1,690	226	-	(2,073)	-
Disposals	-	(822)	(1,720)	(2,273)	-	(4,815)
<b>At December 31, 2023</b>	<b>46,596</b>	<b>145,626</b>	<b>14,854</b>	<b>16,291</b>	<b>8,122</b>	<b>231,489</b>
Additions	2,606	6,384	1,683	5,891	3,191	19,755
Transfers in/(out)	3,492	3,194	191	388	(7,265)	-
Disposals	(1,510)	(1,099)	(951)	(3,460)	-	(7,020)
Cost alignment	1,216	4,466	114	-	24	5,820
<b>At December 31, 2024</b>	<b>52,400</b>	<b>158,571</b>	<b>15,891</b>	<b>19,110</b>	<b>4,072</b>	<b>250,044</b>
<b>Accumulated depreciation</b>						
At January 1, 2023	17,139	103,203	12,427	8,386	-	141,155
Charge for the year	1,778	5,344	1,587	2,435	-	11,144
Disposals	-	(798)	(1,637)	(1,968)	-	(4,403)
<b>At December 31, 2023</b>	<b>18,917</b>	<b>107,749</b>	<b>12,377</b>	<b>8,853</b>	<b>-</b>	<b>147,896</b>
Charge for the year	1,514	5,783	2,026	2,493	-	11,816
Disposals	(1,510)	(1,087)	(950)	(2,917)	-	(6,464)
Depreciation alignment	1,261	4,466	93	-	-	5,820
Disposal adjustment	(538)	(552)	10	408	-	(672)
<b>At December 31, 2024</b>	<b>19,644</b>	<b>116,359</b>	<b>13,556</b>	<b>8,837</b>	<b>-</b>	<b>158,396</b>
<b>Net book value</b>						
<b>At December 31, 2024</b>	<b>32,756</b>	<b>42,212</b>	<b>2,335</b>	<b>10,273</b>	<b>4,072</b>	<b>91,648</b>
<b>At December 31, 2023</b>	<b>27,679</b>	<b>37,877</b>	<b>2,477</b>	<b>7,438</b>	<b>8,122</b>	<b>83,593</b>

Capital work in progress relates to the cost of various capital expenditure items which were under construction or were not received at year end.

Depreciation of TZS 7,020 (2023: TZS 6,644) was included under cost of sales as direct cost. There were no idle assets included in property, plant, and equipment.

Cost alignment relates to alignment of costs and accumulated depreciation as per the Group. The cost alignment process did not impact the carrying value, assessment of an asset's useful life, residual value, or impairment consideration.

No items of property, plant and equipment have been pledged as collateral for liabilities.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 17. Right-of-use assets

The Company has lease contracts for office space and residential houses with lease terms of between 1 and 6 years. These lease arrangements have been accounted for in accordance with IFRS 16. The lease contracts include extension and termination options.

	2024	2023
	TZS Million	TZS Million
<b>Cost</b>		
At January 1	923	1,121
Lease termination	(151)	(932)
Additions	217	734
<b>At December 31</b>	<b>989</b>	<b>923</b>
At January 1	429	803
Lease termination	(151)	(932)
Charge for the year	419	558
<b>At December 31</b>	<b>697</b>	<b>429</b>
<b>Net book value</b>	<b>292</b>	<b>494</b>

Under derecognition are the cancelled and expired leases during the year. The maturity analysis of lease liabilities is disclosed in Note 27.

### 18. Intangible assets

	2024	2023
	TZS Million	TZS Million
<b>Cost</b>	<b>2,646</b>	<b>2,646</b>
<b>Accumulated amortization</b>		
At January 1	2,646	2,646
Charge for the year	-	-
At December 31	<b>2,646</b>	<b>2,646</b>
<b>Net book value</b>	<b>-</b>	<b>-</b>

The intangible assets relate to acquired cigarette trademarks. The estimated useful life from year of acquisition was estimated at 10 (ten) years. There are no intangible assets resulting from internal developments or business combinations.

### 19. Inventories

	2024	2023
	TZS Million	TZS Million
Raw materials	125,151	70,422
Work in progress	1,243	1,436
Consumable stores	6,926	7,595
Goods in transit	11,412	31,472
Finished goods	46,166	57,990
	<b>190,898</b>	<b>168,915</b>
Allowance for obsolete inventories	(2,475)	(2,053)
	<b>188,423</b>	<b>166,862</b>

No inventory has been pledged as collateral for liabilities.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 19. Inventories (Continued)

Below is the movement of the allowances for obsolete inventory.

	2024	2023
	TZS Million	TZS Million
At January 1	(2,053)	(1,981)
Increase in allowance	(10,130)	(72)
Reversals and write-offs during the year	9,708	-
<b>At December 31</b>	<b>(2,475)</b>	<b>(2,053)</b>

### 20. Trade and other receivables

	2024	2023
	TZS Million	TZS Million
Trade receivables	7,335	4,562
Amounts due from related companies (Note 28(iv))	42,645	44,887
Prepayments and other receivables	10,425	9,767
	<b>60,405</b>	<b>59,216</b>
Expected credit loss	(1,509)	(1,535)
	<b>58,896</b>	<b>57,681</b>

Trade receivables are non-interest bearing and are generally on terms of 9 days domestic sales and 90days for export. The transaction with related parties has been disclosed under Note 28(ii).

Movement in the allowance for expected credit losses on trade receivables:

	2024	2023
	TZS Million	TZS Million
At January 1	1,535	1,540
Recoveries	(389)	(692)
Increase in allowance	363	687
<b>At December 31</b>	<b>1,509</b>	<b>1,535</b>

### 21. Cash and cash equivalent

	2024	2023
	TZS Million	TZS Million
<b>Bank balances</b>	<b>35,411</b>	<b>39,976</b>

### 22. Share capital

	2024	2023
	TZS Million	TZS Million
<b>Authorised</b>		
125,000,000 Ordinary shares of TZS 20 each	2,500	2,500
<b>Issued and fully paid</b>		
100,000,000 Ordinary shares of TZS 20 each	2,000	2,000



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 22. Share capital (Continued)

There were no movements in the share capital of the Company during the year. The Company has one class of ordinary shares, which carries no fixed right to income. The ownership structure of the Company is as set out below:

	2024	2023
	Ordinary Shares Million in%	Ordinary Shares Million in%
<b>Resident shareholders</b>		
General public	6.8	6.3
Public Service Social Security Fund	4.7	4.7
The United Republic of Tanzania	2.2	2.2
Umoja Unit Trust Scheme	2.2	2.2
TCCIA investment Company Limited	0.3	0.3
Sayed H. Kadri &/or Basharat Kadri &/or Mehboob &/or Khalid &/or	0.2	0.2
Judith Munne Kessi	-	0.2
Mohamed Gulam Dewji	-	0.2
National Social Security Fund	1.1	-
ITRUST Finance Limited	1.0	-
	<b>18.5</b>	<b>16.3</b>
<b>Non-resident shareholders</b>		
JT International Holding B.V*-Holding Company	75.0	75.0
Kingsway Fund	5.0	8.2
Allan Gray Africa EX-SA Equity Fund Limited	0.3	0.3
African Lions Fund Limited	1.2	0.2
	<b>81.5</b>	<b>83.7</b>
<b>Total ordinary shares in issue</b>	<b>100</b>	<b>100</b>

### 23. Deferred tax liability

Deferred taxes are calculated on all temporary differences under the liability method, using the enacted tax rate of 30%.

	2024	2023
	TZS Million	TZS Million
The net deferred tax liability is attributable to the following:		
Accelerated capital allowances	11,396	10,408
Provisions	(9,110)	(4,172)
Defined benefit obligation provision	1,564	(3,914)
	<b>3,850</b>	<b>2,322</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 23. Deferred tax liability (Continued)

The movement on the deferred tax account is as follows:

2024	Opening balance	Recognized in P&L	Recognized in OCI	Closing balance
	TZS Million	TZS Million	TZS Million	TZS Million
<b>Deferred tax liabilities/(assets) in relation to:</b>				
Property, plant and equipment	10,408	988	-	11,396
Provisions and other temporary differences	(4,172)	(4,938)	-	(9,110)
Defined benefit obligation	(3,914)	6,983	(1,505)	1,564
	<b>2,322</b>	<b>3,033</b>	<b>(1,505)</b>	<b>3,850</b>
<b>2023</b>				
<b>Deferred tax liabilities/(assets) in relation to:</b>				
Property, plant and equipment	10,266	142	-	10,408
Provisions and other temporary differences	(3,440)	(732)	-	(4,172)
Defined benefit obligation	(5,025)	(298)	1,409	(3,914)
	<b>1,801</b>	<b>(888)</b>	<b>1,409</b>	<b>2,322</b>

### 24. Trade and other payables

	2024	2023
	TZS Million	TZS Million
Trade payables	17,010	21,971
Amounts due to related companies (Note 28(iii))	51,266	65,909
Excise duty and VAT payable	16,831	13,906
Other duties and taxes payable	6,654	9,164
Customer deposits	3,308	2,523
Trade allowance payable	290	731
Dividends payable	2,996	2,880
Other liabilities and accruals*	17,100	10,682
	<b>115,455</b>	<b>127,766</b>

\* Other liabilities and accruals includes contributions payable to National Social Security Fund, marketing accruals and accruals for goods and services received at year end but not invoiced.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 25. Provisions

	2024	2023
	TZS Million	TZS Million
Bonus provision	7,419	9,051
Litigation	629	1,616
Other	-	723
	<b>8,048</b>	<b>11,390</b>

2024	Opening balance	Utilized/ reversed	Raised	Closing balance
	TZS Million	TZS Million	TZS Million	TZS Million
Bonus provision	9,051	(9,051)	7,419	7,419
Litigation	1,616	(987)	-	629
Other	723	(723)	-	-
	<b>11,390</b>	<b>(10,761)</b>	<b>7,419</b>	<b>8,048</b>

2023	Opening balance	Utilized/ reversed	Raised	Closing balance
	TZS Million	TZS Million	TZS Million	TZS Million
Bonus provision	7,263	(7,263)	9,051	9,051
Litigation	1,301	(50)	365	1,616
Other	690	(690)	723	723
	<b>9,254</b>	<b>(8,003)</b>	<b>10,139</b>	<b>11,390</b>

Employees are entitled for annual bonuses which are performance based. The company recognizes a liability and an expense for bonuses, based on a formula that takes into consideration individual's achievement on the pre-agreed annual targets. The Company recognised a provision of TZS 9,051 million (2022: TZS 7,263 million). Expected payment is between January to March the following year.

As at December 31, 2023, the Company had pending legal cases whereby the Company was a defendant and outstanding disputes for which the directors have considered it probable that the outcome will be unfavourable to the Company and could result into an estimated loss. Based on advice from legal experts, a provision amounting to TZS 629 million (2023: TZS 1,616 million) has been placed for these cases.

According to the nature of such disputes the timing of settlement is uncertain. Contingent liabilities relating to litigation and other claims have been disclosed in Note 30.

### 26. Retirement benefits

#### Statutory retirement benefits

The Company has an obligation to make statutory contributions for retirement benefits of its employees. All eligible employees of the Company are members of the National Social Security Fund (NSSF), which is defined contribution plan. This plan is prescribed by law. All employees must be a member of National Social Security Fund (NSSF). The Company and employees both contribute 10% of the employees' gross salaries to the NSSF. The Company's contributions are charged to the profit or loss when incurred. During the year ended December 31, 2024, the Company's contributions to the funds amounted to TZS 3,637 million (2023: TZS 2,922 million).



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 26. Retirement benefits (Continued)

#### Defined benefit obligation

The Company operates an unfunded defined benefit plan for qualifying employees. Under the plan, the employees are entitled to retirement benefits of one-month salary for every year of continuous service for 1 to 9 years and an additional 10% for every additional year of continuous service beyond 9 years.

The Company provides for retirement benefit cost based on assessments made by independent actuaries. The most recent actuarial valuation was carried out at December 31, 2024 by Towers Watson, Fellow of the Institute and Faculty of Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2024	2023
	Percentage	Percentage
Discount rate	12.4	12.8
Salary inflation	9.5	7.0
Cost of living increase	4.0	4.0

Amount recognized in statement of profit or loss and other comprehensive income in respect of this defined benefit obligation:

	2024	2023
	Percentage	Percentage
Current service cost	826	1,178
Interest cost	1,762	1,693
Actuarial loss/(gain) recognized in other comprehensive income	5,018	(4,697)
<b>Net charges/(credit) for the year</b>	<b>7,606</b>	<b>(1,826)</b>

The movement in the Company retirement benefit obligation was as follows:

	2024	2023
	TZS Million	TZS Million
<b>Balance at January 1</b>	<b>13,479</b>	<b>17,181</b>
Current service cost	826	1,178
Interest cost	1,762	1,693
Actuarial loss/(gain)/ recognized	5,018	(4,697)
Benefits paid	(835)	(1,876)
<b>Balance at December 31</b>	<b>20,250</b>	<b>13,479</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 26. Retirement benefits (Continued)

#### Sensitivities

##### Salary rate sensitivity

	Carrying amount 9.50% TZS Million	0.5% Increase 10.00% TZS Million	0.5% Decrease 9.00% TZS Million
Defined benefit obligation	20,250	21,325	19,227
Gross service costs excluding interest	1,338	1,434	1,250
Expense / net interest cost	2,615	2,761	2,478
% change in defined benefit obligation		5.31%	-5.05%
% change in gross service costs		7.15%	-6.64%
% change in expense / net interest cost		5.55%	-5.27%

##### Discount rate sensitivity

	Carrying value 12.40% TZS Million	0.5% Increase 12.90% TZS Million	0.5% Decrease 11.90% TZS Million
Defined benefit obligation	20,250	19,236	21,302
Gross service costs excluding interest	1,338	1,252	1,431
Expense / net interest cost	2,615	2,579	2,646
% change in defined benefit obligation		-5.01%	5.20%
% change in gross service costs		-6.49%	6.92%
% change in expense / net interest cost		-1.40%	1.18%

### 27. Lease liability

Liabilities arising from a lease are initially measured on a present value basis of contractual payments associated with lease contract. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee 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.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. 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.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 27. Lease liability (Continued)

	2024	2023
	TZS Million	TZS Million
<b>Maturity analysis</b>		
Due within 1 year	4	193
Due in more than 1 year and no later than 2 years	9	20
Due in more than 2 years	6	-
<b>Less: Discount (unearned interest)</b>	-	-
	<b>19</b>	<b>213</b>
<b>Movement analysis</b>		
Balance as at 1 January	213	79
Additions	217	734
Interest expense	11	11
Lease rentals paid	(422)	(611)
<b>At 31 December</b>	<b>19</b>	<b>213</b>
<b>Classification</b>		
Current	4	193
Non-current	15	20
<b>Additions</b>	<b>19</b>	<b>213</b>

### 28. Related party transactions and balances

#### Related companies

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company transacts with the ultimate holding Company and other companies related to it by virtue of common shareholding.

During the year, the following transactions were entered into with related parties:

#### Contracts with related parties

The Company has agreements with JT International SA and JT International Holding B.V. for provision of managerial, technical and administrative services since January 1, 2008. Amounts payable under these agreements are included under purchase of goods and services below. The charge for the year is TZS 24,827 million (2023: TZS 17,394 million).



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 28. Related party transactions and balances (Continued)

I) Purchase and sales of goods and services	2024	2023
	TZS Million	TZS Million
<b>Purchase from related parties</b>		
JTI Leaf Services Limited*	13,666	8,389
JT International Holding B.V.**	23,427	17,064
JT International SA*	36,296	33,044
JTI Tutun Urunleri Sanayi A.S. *	461	1,298
PJSC "JT International Ukraine"*	788	-
JTI Services Switzerland SA*	4,776	4,512
JT International South Africa (Pty) Limited*	4	220
Japan Tobacco Inc.	22	43
JTI GBS Poland Sp. z o.o.*	272	1,451
JTI Leaf Zambia Limited*	-	286
JTI GBS Philippines Inc	28	6
Others	191	-
	<b>79,931</b>	<b>66,313</b>

	2024	2023
	TZS Million	TZS Million
<b>i) Sales to related parties</b>		
JT JT International SA	1,668	999
JTI Cigarette*	-	200
Etoile Du Congo SAU*	67,613	58,611
JTI Leaf services	-	1,804
BEP1 Tabaknatie Subcontracting	53	-
National Tobacco Enterprise (Ethiopia)	238	-
Other.*	1,811	5,246
	<b>71,383</b>	<b>66,860</b>
<b>ii) Inter-company borrowing</b>		
JT International Holding B.V.*** (inter-company borrowing) (Note 31)	-	33,215
Interest expense - (Note 11)	2,292	1,618
	<b>2,292</b>	<b>34,833</b>
<b>iii) Related party balances</b>		
Payables to related parties (Note 24)		
JT International S.A*	11,095	42,679
JTI Tutun Urunleri Sanayi A.S. *	-	1,282
JTI GBS Poland Sp. z o.o.*	126	728
JT International Holding B.V.**	39,151	21,206
Others	894	14
	<b>51,266</b>	<b>65,909</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 28. Related party transactions and balances (Continued)

	2024 TZS Million	2023 TZS Million
<b>iv) Receivable from related parties (Note 20)</b>		
Etoile Du Congo SAU*	38,157	37,190
Others*	207	3,350
JTI Cigarette*	3,744	3,684
JTI Leaf services*	537	663
	<b>42,645</b>	<b>44,887</b>

\*Sister companies | \*\* Holding companies

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognized in the year for bad and doubtful debts in respect of the amounts owed by related parties.

#### iii) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all Directors.

The Company does not have the following schemes for its key management personnel.

- Post-employment benefits;
- Other longer-term benefits; and
- Termination benefits.

The remuneration of Directors and other key members of management during the year were as follows:

	2024 TZS Million	2023 TZS Million
Key management remuneration	4,952	4,364
Non-executive director's emoluments	69	68
	<b>5,021</b>	<b>4,432</b>

The cost of remuneration has been recognised under other expenses in the statement profit or loss and other comprehensive income.

### 29. Commitments

	2024 TZS Million	2023 TZS Million
<b>i) Capital commitments</b>		
Authorized but not contracted for	6,720	1,086
Authorized and contracted for	4,257	6,889
	<b>10,977</b>	<b>7,975</b>

The capital commitments relate to purchase of properties, plant and equipment to enhance safety, production capacity, operational efficiency and product quality as well as improvement of the distribution fleet and employee welfare.

#### ii) Other commitments

As at December 31, 2024, the Company had a commitment for purchase of leaf tobacco totalling TZS 3,938 million (2023: TZS 32,171 million).

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 30. Contingent liabilities

The Company is currently involved in several lawsuits. However, in the opinion of the Directors, other than those disclosed under note 25, they do not expect the outcome of the pending litigations to have material effect on the Company financial performance.

### 31. Bank overdraft, Inter-company borrowing and other facilities

#### i) Bank overdraft

The Company has an overdraft facility with Standard Chartered Bank (Tanzania) Limited up to a limit of TZS 20,000 million to meet its working capital requirements. The facility is secured by a guarantee from the ultimate parent company Japan Tobacco Inc. The effective interest rate for the facility is the 91 Days Treasury Bills plus 2.7% p.a. and is charged on daily overdrawn amount. As at December 31, 2024 and during the year there were no drawdowns made by the company on this facility (2023: NIL).

#### ii) Manufacture under bond

The Company operates a Manufacture Under Bond (MUB) facility under which export goods are produced. The facility enables the Company to import raw materials for export manufacture duty free. The facility is guaranteed by Japan Tobacco International S.A. through Standard Chartered Bank Tanzania Limited. The bond is limited to TZS 38,000 million with commission on bank guarantee charged at 0.8% p.a.

#### iii) Inter-company borrowing

During the year, the Company has received an inter-company short term loan of TZS 26,367 million (2023 TZS.48,392 million) with interest rate of Secured Financing Overnight Rate (SORF) 5.33+2% margin from JT International Holding B.V. The Loan is for general corporate and working capital requirement activities, including capital expenditures. The loan is subjected to withholding taxes on interest, payable to Tanzania Revenue Authority subject to the loan limit, drawdowns under this agreement can be made in instalments with no minimum or maximum amount applying. Interest payment shall be made in the currency of the corresponding draw down and should be paid on the earlier of the maturity date or on the termination date.

The movement of the inter-company borrowing during the year is as follows:

	2024	2023
	TZS Million	TZS Million
At January 1	33,215	12,048
Drawdowns for the year	23,139	48,392
Repayment	(55,670)	(27,555)
Interest paid	(2,976)	(1,302)
Interest accrued	2,292	1,618
Foreign exchange difference	-	14
<b>At December 31</b>	<b>-</b>	<b>33,215</b>



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 32. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in foreign currency exchange rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and services offered. The Company, through its training, standards and procedures management, aims to maintain a disciplined and constructive control environment, in which all employees and stakeholders understand their roles and obligations.

The most important types of risks are credit risk, liquidity risk and market risk which is mainly due to foreign exchange risk and interest rate risk. A description of the significant risk factors is given below together with the risk management policies applicable.

#### Credit risk management

Potential concentration of credit risk consists principally of short-term cash and cash equivalent investments, and trade and other receivables. Trade receivables comprise a large and widespread customer base and the Company performs ongoing credit evaluations on the financial condition of its customers. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the credit loss assessment model developed base on past experience and the current economic environment. The carrying amount of financial assets represents the maximum credit exposure.

The amount that best represents the Company's maximum exposure to credit risk as at December 31, 2024 without taking account of the value of any collateral obtained was:

	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				TZS Million	TZS Million	TZS Million
Trade receivables	N/A	Performing	Lifetime ECL	7,335	(1,509)	5,826
Amounts due from related companies	N/A	Performing	Lifetime ECL	42,645	-	42,645
Bank balances	Fitch	Performing	Lifetime ECL	35,411	-	35,411
<b>Total credit exposure</b>				<b>85,391</b>	<b>(1,509)</b>	<b>83,882</b>

The amount that best represents the Company's maximum exposure to credit risk as at December 31, 2023 without taking account of the value of any collateral obtained was:

	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				TZS Million	TZS Million	TZS Million
Trade receivables	N/A	Performing	Lifetime ECL	4,563	(1,535)	3,028
Amounts due from related companies	N/A	Performing	Lifetime ECL	44,887	-	44,887
Bank balances	Fitch	Performing	Lifetime ECL	39,976	-	39,976
<b>Total credit exposure</b>				<b>89,426</b>	<b>(1,535)</b>	<b>87,891</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 32. Financial risk management objectives and policies (Continued)

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

As at December 2024	Total	< 30 days	60 days	60-90 days	>90 days
Gross amount (TZS 'million')	7,335	5,909	30	27	1,369
ECL rate (%)		1.4%	100%	100%	100%
<b>ECL (TZS 'million')</b>	<b>1,509</b>	<b>83</b>	<b>30</b>	<b>27</b>	<b>1,369</b>
As at December 2023	Total	< 30 days	60 days	60-90 days	>90 days
Gross amount (TZS 'million')	4,562	3,137	373	179	873
ECL rate (%)		3.5%	100%	100%	100%
<b>ECL (TZS 'million')</b>	<b>1,535</b>	<b>110</b>	<b>373</b>	<b>179</b>	<b>873</b>

The Company has applied the simplified approach in IFRS 9 on receivables to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss and future economic conditions.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts already recognized in the books.

#### Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The Directors may from time to time at their discretion raise or borrow monies for the Company as they deem fit. There are no borrowing limits in the articles of association of the Company.

Maturity analysis for financial liabilities as at December 31, 2024 showing the remaining contractual maturities:

	< 1 Month	1-5 Months	5-12 Months	> 1 Year	Total
	TZS Million	TZS Million	TZS Million	TZS Million	TZS Million
Trade payables (Note 24)	-	17,010	-	-	17,010
Other payables	-	17,100	-	-	17,100
Amounts due to related companies (Note 28)	-	51,266	-	-	51,266
	-	<b>85,376</b>	-	-	<b>85,376</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 32. Financial risk management objectives and policies (Continued)

Maturity analysis for financial liabilities as at December 31, 2023 showing the remaining contractual maturities:

	< 1 Month	1-5 Months	5-12 Months	> 1 Year	Total
	TZS Million	TZS Million	TZS Million	TZS Million	TZS Million
Trade payables (Note 24)	-	21,971	-	-	21,971
Other payables	-	10,682	-	-	10,682
Inter-Company borrowing	-	-	33,215	-	33,215
Amounts due to related companies (Note 28)	-	65,909	-	-	65,909
	-	<b>98,562</b>	<b>33,215</b>	-	<b>131,777</b>

Maturity analysis for financial assets as at December 31, 2024 showing the remaining contractual maturities:

	< 1 Month	1-5 Months	5-12 Months	> 1 Year	Total
	TZS Million	TZS Million	TZS Million	TZS Million	TZS Million
Trade receivables	3,027	-	-	-	3,027
Amount due from related companies	-	44,887	-	-	44,887
Bank balances	39,976	-	-	-	39,976
<b>TOTAL</b>	<b>43,003</b>	<b>44,887</b>	-	-	<b>87,890</b>

### Market risk management

#### i) Interest rate risk

The Company is not exposed to interest rate risk because it does not have floating interest borrowing or investments. During the year, the Company received interest income amounting to **TZS 1,015 million (2023: TZS 885 million)** from its short-term bank deposits.

#### ii) Foreign exchange risk

Foreign exchange risk arises on financial instrument that are denominated in a currency other than Tanzania Shillings (TZS). The Company's costs and expenses are principally incurred in Tanzanian Shillings (TZS) and US Dollars (USD). The Company did not enter into formal hedging transactions in respect of these transactions. Volatility in the exchange rate of USD against TZS would make the Company's costs and results less predictable than when exchange rates are stable.

At December 31, 2024, if the TZS had strengthened or weakened by 5% against the USD with all the other variables held constant, the impact on the pre-tax profit for the year would have been lower or higher by **TZS 2,197 million (2023: TZS 685 million)**. The carrying amounts of the Company's material foreign currency denominated monetary assets and liabilities that will have an impact on profit or loss when exchange rates change, as at December 31, 2024 are as follows:

	2024	2023
	TZS Million	TZS Million
Cash and bank balances in USD	10,989	4,548
Trade and other receivables in USD	41,444	40,599
Trade and other payables in USD	(96,364)	(58,853)
<b>Open position</b>	<b>(43,931)</b>	<b>(13,706)</b>



## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 32. Financial risk management objectives and policies (Continued)

#### Financial instruments categorisation

	Financial assets carried at amortized costs	Financial liabilities carried at amortized costs	Non financial liabilities or assets or equity	Total
	TZS Million	TZS Million	TZS Million	TZS Million
<b>As at December 31, 2024</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	-	-	91,648	91,648
Right-of-use assets	-	-	292	292
	-	-	<b>91,940</b>	<b>91,940</b>
<b>Current assets</b>				
Trade and other receivables	48,471	-	10,425	58,896
Inventories	-	-	188,423	188,423
Income tax receivable	-	-	-	-
Bank balances	35,411	-	-	35,411
	<b>83,882</b>	-	<b>198,848</b>	<b>282,730</b>
<b>Total assets</b>	<b>83,882</b>	-	<b>290,788</b>	<b>374,670</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital	-	-	2,000	2,000
Retained earnings	-	-	218,459	218,459
Defined benefit reserve	-	-	4,025	4,025
	-	-	<b>224,484</b>	<b>224,484</b>
<b>Non-current liabilities</b>				
Deferred tax liability	-	-	3,850	3,850
Defined benefit obligation	-	-	20,250	20,250
Lease liabilities	-	15	-	15
	-	<b>15</b>	<b>24,100</b>	<b>24,115</b>
<b>Current liabilities</b>				
Trade and other payables	-	85,376	30,079	115,455
Provisions	-	-	8,048	8,048
Lease liabilities	-	4	-	4
Inter-Company borrowing	-	-	-	-
Income tax liability	-	-	2,564	2,564
	-	<b>85,380</b>	<b>40,691</b>	<b>126,071</b>
	-	<b>85,395</b>	<b>289,275</b>	<b>374,670</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 32. Financial risk management objectives and policies (Continued)

#### Financial instruments categorisation (Continued)

	Financial assets carried at amortized costs	Financial liabilities carried at amortized costs	Non financial liabilities or assets or equity	Total
	TZS Million	TZS Million	TZS Million	TZS Million
<b>As at December 31, 2023</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	-	-	83,593	83,593
Right-of-use assets	-	-	494	494
	-	-	<b>84,087</b>	<b>84,087</b>
<b>Current assets</b>				
Trade and other receivables	49,450	-	8,231	57,681
Inventories	-	-	166,862	166,862
Income tax receivable	-	-	2,503	2,503
Bank balances	39,976	-	-	39,976
	89,426	-	177,596	267,022
<b>Total assets</b>	<b>89,426</b>	<b>-</b>	<b>261,683</b>	<b>351,109</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital	-	-	2,000	2,000
Retained earnings	-	-	153,186	153,186
Defined benefit reserve	-	-	7,538	7,538
	-	-	<b>162,724</b>	<b>162,724</b>
<b>Non-current liabilities</b>				
Deferred tax liability	-	-	2,322	2,322
Defined benefit obligation	-	-	13,479	13,479
Lease liabilities	-	20	-	20
	-	<b>20</b>	<b>15,801</b>	<b>15,821</b>
<b>Current liabilities</b>				
Trade and other payables		98,562	29,204	127,766
Provisions		-	11,390	11,390
Lease liabilities	-	193	-	193
Inter-Company borrowing	-	33,215	-	33,215
Income tax liability	-	-	-	-
	-	131,970	40,594	172,564
	-	<b>131,990</b>	<b>219,119</b>	<b>351,109</b>

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 33. Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company is composed of financial liabilities, including debt and leases, and equity attributable to the Company's equity holders.

The Board of Directors reviews the capital structure on a regular basis. As part of this review, the board considers the cost of capital and the risks associated with each class of capital. Based on the review, the Company analyses and assesses the gearing ratio to determine the level and its optimality, through balancing its overall capital structure in payment of dividends and issue of new debt or the redemption of existing debt.

The Company's overall strategy remains unchanged from 2024. The constitution of capital managed by the Company is as shown below:

	2024	2023
	TZS Million	TZS Million
Share capital	2,000	2,000
Defined benefit reserve	4,025	7,538
Retained earnings	218,459	153,186
<b>Equity</b>	<b>224,484</b>	<b>162,724</b>
Intercompany borrowing (Note 31)	-	33,215
Lease liabilities (Note 27)	19	213
Total debt	19	33,428
Less: Cash and bank balances (Note 21)	(35,411)	(39,976)
Net debt	(35,392)	(6,548)
<b>Total capital</b>	<b>189,092</b>	<b>156,176</b>
<b>Gearing ratio</b>	<b>N/A</b>	<b>N/A</b>

During the year the Company was financed by inter-company loan of TZS. 23,139 that was paid before year end hence at December 31, 2024 the Company had no debt.

### 34. Fair value measurement

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The Company specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

## Notes to the financial statements for the year ended December 31, 2024 (Continued)

### 34. Fair value measurement (Continued)

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

**a) Fair value of the Company financial assets and financial liabilities that are measured at fair on recurring basis** - The Company had no financial assets or financial liabilities that are measured at fair value on recurring basis at December 31, 2024 (2023: none); and

**b) Fair value of the Company financial assets and financial liabilities that are not measured at fair on recurring basis** - The Company's financial assets and liabilities are measured at amortised cost; their carrying amounts are reasonable approximation of their fair value.

### 35. Functional and presentation currency

The Company's functional and presentation currency is Tanzanian Shillings (TZS).

### 36. Events subsequent to the year end

At the date of signing the financial statements, the Directors are not aware of any other matter or circumstance arising since the end of the financial period, not otherwise dealt with in these financial statements, which significantly affected the financial position of the Company and results of its operation.



## GRI CONTENT INDEX

### 1.0 Universal

GRI INFORMATION / SOURCE GOVERNANCE TOPICS	DISCLOSURE NAME	DISCLOSURE
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2-2	Entities included in the organization's sustainability reporting	Page 5
2-3	Reporting period, frequency and contact point	Page 5
2-4	Restatements of information	Page 76
2-5	External assurance	-
2-6	Activities, value chain and other business relationships	Page 67-70
2-7	Employees	Page 79- 82
2-8	Workers who are not employees	Page 81
2-9	Governance structure and composition	Page 41-50
2-10	Nomination and selection of the highest governance body	Page 41, 101-102
2-11	Chair of the highest governance body	Page 41, 101
2-12	Role of the highest governance body in overseeing the management of impacts	Page 101
2-13	Delegation of responsibility for managing impacts	Page 102
2-14	Role of the highest governance body in sustainability reporting	-
2-15	Conflicts of interest	-
2-16	Communication of critical concerns	-
2-17	Collective knowledge of the highest governance body	Page 41-47
2-18	Evaluation of the performance of the highest governance body	Page 102
2-19	Remuneration policies	Page 103
2-20	Process to determine remuneration	Page 103
2-21	Annual total compensation ratio	-
2-22	Statement on sustainable development strategy	-
2-23	Policy commitments	Page 103
2-24	Embedding policy commitments	Page 57, 78
2-25	Processes to remediate negative impacts	-
2-26	Mechanisms for seeking advice and raising concerns	Page 82
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2-28	Membership associations	-
2-29	Approach to stakeholder engagement	Page 111
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3-2	List of material topics	Page 57
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## GRI CONTENT INDEX

### 2.0 Governance

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Economic performance (Business success)		
201-1	Direct economic value generated and distributed	Page 122
201-2	Financial implications and other risks and opportunities due to climate change	-
201-3	Defined benefit plan obligations and other retirement plans	Page 119
201-4	Financial assistance received from government	-
Responsible marketing		
417-1	Requirements for product and service information and labelling	Page 83
417-2	Incidents of non-compliance concerning product and service information and labelling	-
417-3	Incidents of non-compliance concerning marketing communications	-
Customer privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-
Anti-corruption (Ethics)		
205-1	Operations assessed for risks related to corruption	Page 103
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
Employment (Culture)		
401-1	New employee hires and employee turnover	Page 68
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 82
401-3	Parental leave	Page 82

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### 2.0 Governance

GRI INFORMATION / SOURCE GOVERNANCE TOPICS	DISCLOSURE NAME	DISCLOSURE
<b>Labour / Management relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	-
<b>Non-Discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	Page 82
<b>Freedom of association and collective bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>Child labour</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 84
<b>Forced / Compulsory labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
<b>Security practices</b>		
410-1	Security personnel trained in human rights policies or procedures	-

### 3.0 Environment

GRI INFORMATION / SOURCE GOVERNANCE TOPICS	DISCLOSURE NAME	DISCLOSURE
<b>Materials (Product stewardship)</b>		
301-3	Materials used by weight or volume	-
302-3	Recycled input materials used	Page 76
301-3	Reclaimed products and their packaging materials	-
<b>Energy (Climate change)</b>		
302-1	Energy consumption within the organization	Page 77
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	-
302-4	Reduction of energy consumption	Page 77
302-5	Reductions in energy requirements of products and services	-
<b>Water and effluents (Water stewardship)</b>		
303-1	Interactions with water as a shared resource	-
303-2	Management of water discharge-related impacts	-
303-3	Water withdrawal	-
303-4	Water discharge	-
303-5	Water consumption	Page 76

## GRI CONTENT INDEX

### 3.0 Environment

GRI INFORMATION / SOURCE GOVERNANCE TOPICS	DISCLOSURE NAME	DISCLOSURE
<b>Biodiversity (Climate change)</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
304-2	Significant impacts of activities, products and services on biodiversity	-
304-3	Habitats protected or restored	-
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
<b>Emission (Climate change)</b>		
305-1	Direct (Scope 1) GHG emissions	Page 77
305-2	Energy indirect (Scope 2) GHG emissions	Page 77
305-3	Other indirect (Scope 3) GHG emissions	-
305-4	GHG emissions intensity	-
305-5	Reduction of GHG emissions	Page 77
305-6	Emissions of ozone-depleting substances (ODS)	-
305-7	Emissions of ozone-depleting substances (ODS)	-
<b>Waste (Product stewardship)</b>		
306-1	Waste generation and significant waste-related impacts	-
306-2	Management of significant waste-related impacts	-
306-3	Waste generated	Page 76
306-4	Waste diverted from disposal	Page 76
306-5	Waste directed to disposal	Page 76
<b>Supplier environmental assessment (Sustainable farming)</b>		
308-1	New suppliers that were screened using environmental criteria	-
308-2	Negative environmental impacts in the supply chain and actions taken	-
<b>Local community (Sustainable farming)</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	Page 78
413-2	Operations with significant actual and potential negative impacts on local communities	-



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### 3.0 Environment

GRI INFORMATION / SOURCE GOVERNANCE TOPICS	DISCLOSURE NAME	DISCLOSURE
<b>Supplier social assessment (Sustainable farming)</b>		
414-1	New suppliers that were screened using social criteria	-
414-2	Negative social impacts in the supply chain and actions taken	-
<b>Occupational health and safety (Human capital management)</b>		
403-1	Occupational health and safety management system	Page 115
403-2	Hazard identification, risk assessment, and incident investigation	-
403-3	Occupational health services	-
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 15
403-5	Worker training on occupational health and safety	Page 15
403-6	Promotion of worker health	Page 82
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-
403-8	Workers covered by an occupational health and safety management system	Page 115
403-9	Work-related injuries	-
403-10	Work-related ill health	-
<b>Training and education (Human capital management)</b>		
404-1	Average hours of training per year per employee	-
404-2	Programs for upgrading employee skills and transition assistance programs	-
404-3	Percentage of employees receiving regular performance and career development reviews	-
<b>Diversity and equal opportunity (Human capital management)</b>		
405-1	Diversity of governance bodies and employees	Page 80-81
405-2	Ratio of basic salary and remuneration of women to men	-
<b>Customer health and safety (Consumer health and satisfaction)</b>		
416-1	Assessment of the health and safety impacts of product and service categories	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-

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**TANZANIA CIGARETTE PUBLIC  
LIMITED COMPANY(TCC Plc)**

**Registered office**

20 Nyerere Road, P.O. Box 40144, Dar Es Salaam, Tel: +255 22 216  
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