



Tanzania Portland Cement
Public Limited Company

2023 Annual Report

Prevent. Protect. Perform.

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Letter of Transmittal

The Shareholders

Tanzania Portland Cement Public Limited Company

Letter of Transmittal

The Directors of the Company have the pleasure to submit to you the Annual Report for the Company for the year ended 31 December 2023 in accordance with section 166 of the Companies Act, 2002.

The report contains the Chairman's Statement, Managing Director's Statement, Sustainability Report, The Report of Those Charged with Governance, Independent Auditors' Report on the Accounts and the Annual Accounts.

The Directors recommend a final dividend of TZS 390 per share (2022: TZS 390). There was no interim dividend paid for the year ended 31 December 2023.

Mr. Hakan Gurdal

Chairman

Tanzania Portland Cement Public Limited Company

Kwa Wanahisa

Tanzania Portland Cement Public Limited Company

Barua ya Kuwasilisha

Wakurugenzi wa Kampuni wanayo furaha kuwasilisha kwenu Taarifa ya Mwaka ya Kampuni kwa kipindi cha mwaka ulioishia Decemba 31, 2023, kwa mujibu wa ibara ya 166 ya Sheria ya Kampuni ya mwaka, 2002.

Taarifa hii inajumuisha, Taarifa ya Mwenyekiti, Taarifa ya Mkurugenzi Mtendaji, Ripoti ya Uendelevu, Ripoti ya Wale Wanaohusika na Uongozi, Ripoti ya Wakaguzi kuhusu hesabu na Hesabu za mwaka.

Bodi ya Wakurugenzi inapendekeza gawio la TZS 390 kwa kila hisa kwa mwaka 2023 (2022: TZS 390). Hakukuwepo na gawio la awali lililolipwa kwa mwaka 2023.

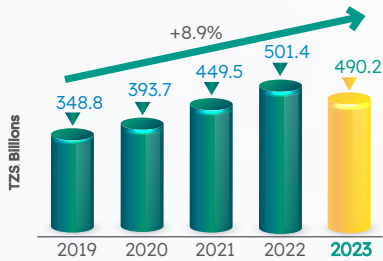
Mr. Hakan Gurdal

Mwenyekiti

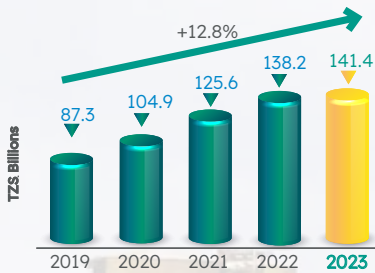
Tanzania Portland Cement Public Limited Company

TPCPLC 5 Years Outlook

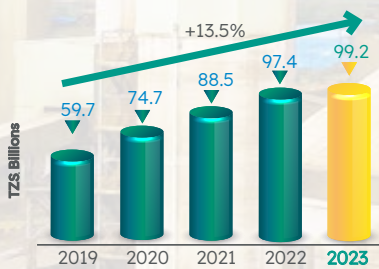
Revenue Development



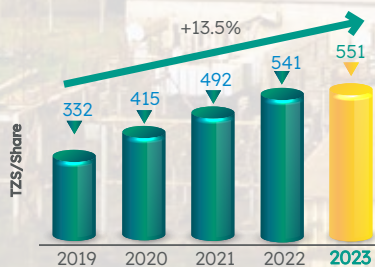
Operating Profit



Profit for the Year



Earnings Per Share









*CAGR - Compound Annual Growth Rate

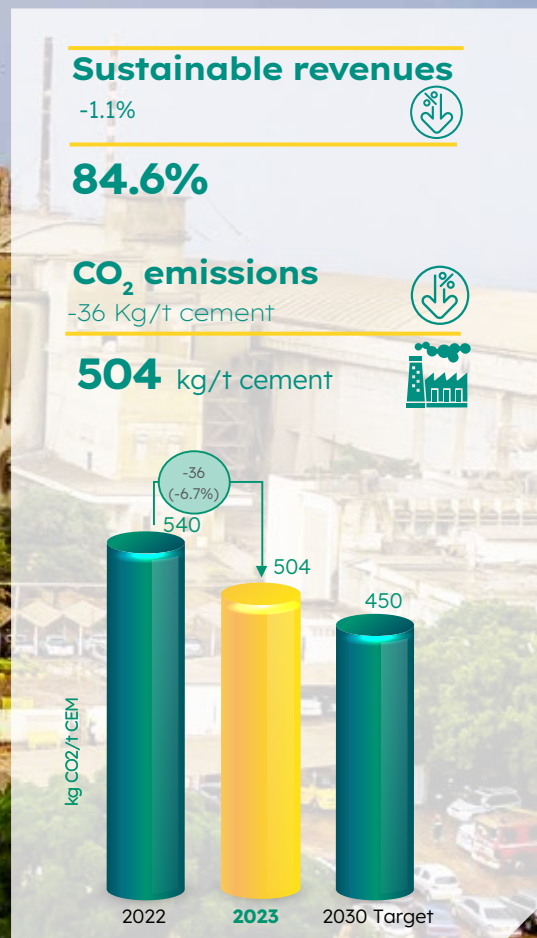
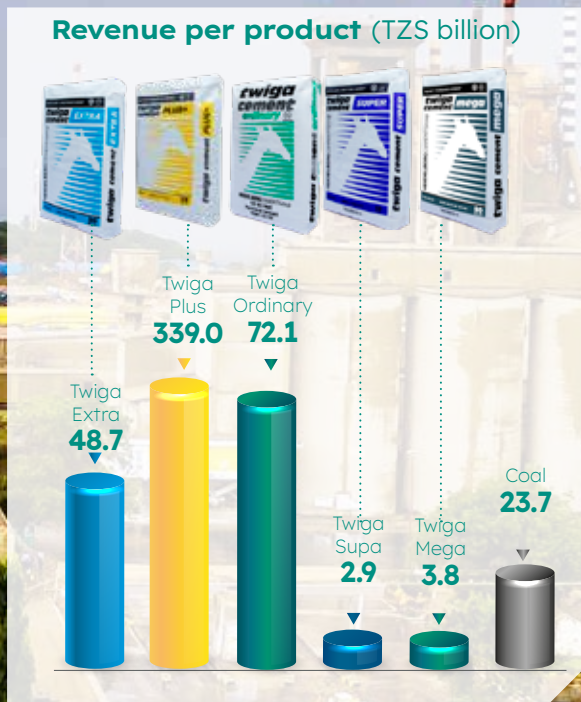
“Year after year, we’ve strengthened our business core by making sustainability central to our operations. With a focus on the health and safety of our employees, contractors and other stakeholders and reducing our environmental footprint, we’re ensuring responsible growth.”

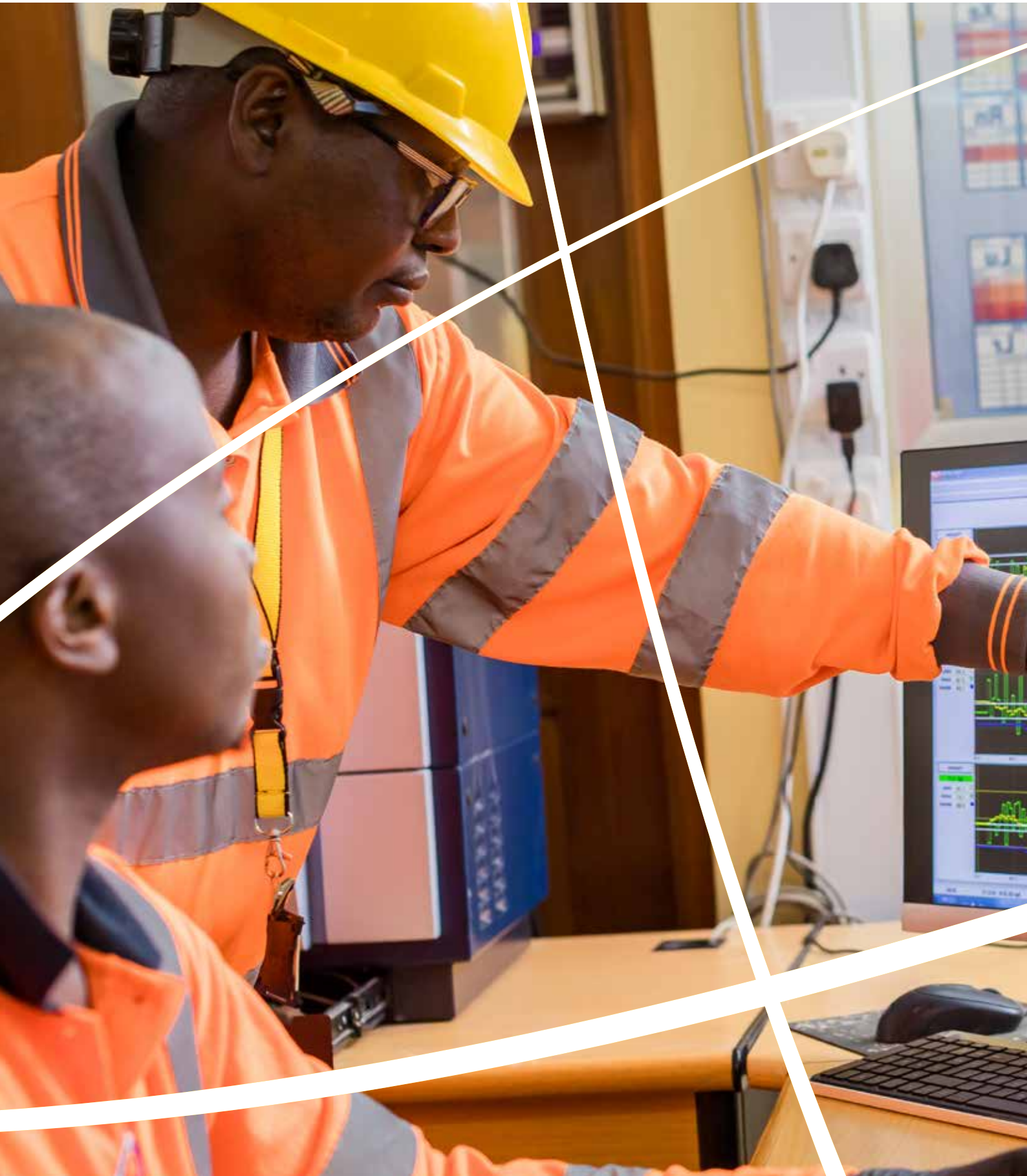


TPCPLC 2023 Business Performance

“ TPCPLC achieved record-high Operating Profit and Profit for the year, despite lower sales volumes and revenues compared to the previous year. ”

<p>Revenue -2.8%</p> <hr/> <p>TZS 490.2 billion</p>		<p>Return on equity -2.3% percentage points</p> <hr/> <p>TZS 30.2 billion</p>	
<p>Operating Profit +2.3%</p> <hr/> <p>TZS 141.4 billion</p>		<p>Return on revenue +0.8% percentage points</p> <hr/> <p>TZS 20.2 billion</p>	
<p>Profit for the Year +2.3%</p> <hr/> <p>TZS 99.2 billion</p>		<p>Dividend Per Share</p> <hr/> <p>TZS 390 per Share</p>	





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Chairman and Managing Director Statement

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Chairman's Statement

Dear Shareholders,

Dear Employees, Dear Friends of the Twiga Cement family,

The year 2023 has been a good year for us in many ways. As the Chairman of the Board, I am privileged and honoured to present this statement on behalf of the Twiga Cement family and the Board of Directors.

I convey my sincere gratitude to all our employees and partners, especially our frontline workers who consistently demonstrate exceptional commitment to ensuring the safety of our people and maintaining the strong performance of our business operations. Notably, our teams have remained steadfast in tackling the challenge of climate transformation by implementing sustainable measures including the further developments of alternative fuel-feeding systems and utilizing alternative raw materials to reduce clinker incorporation, thus reducing our carbon footprint on the environment.

Our high-performance culture has enabled us to achieve strong operating results in 2023, despite fierce competition in the cement manufacturing industry. The sustainable market position that TPCPLC holds today indicates the dedication and hard work of the entire team. I am immensely proud of each one of our employees and stakeholders, and I extend my sincere thanks for their extraordinary commitment.

TPCPLC has continued to benefit from the best practice experiences of the HM Group through its global improvement programs, CIP and AEM Brainstorming.

The implementation of CIP has led to specific actions that have further optimized our costs and processes. Our dedication to learning from these best practices not only distinguishes us but also enhances the needed training and development of our employees. The AEM Brainstorming initiative has provided a valuable platform for our employees to share their innovative ideas, demonstrating the creativity and dedication of our team. Congratulations on these remarkable achievements.

Economic and Business Environment

The Tanzanian economy has continued to grow at about 5.3% in the quarter ending September 2023 compared to 3.6% in the quarter ending 2022 (Source: TNBS). Fuel prices in the country remain at a surge due to the Russia-Ukraine war.

The Tanzanian Shilling has experienced a depreciation against major foreign currencies throughout 2023. This depreciation has led to inflationary pressures, particularly impacting energy and fuel costs.

The cement market has seen significant shifts, characterized by existing over-capacities, the entry of new competitors, and consequent pricing pressures. These dynamics have necessitated a robust response from TPCPLC's management structures, putting to the test the efficiency of the cost reduction plans which are also crucial to maintaining competitiveness.



Financial Performance

TPCPLC achieved an operating profit of TZS 141.4 billion, a 2.3% increase over 2022, despite a 2.2% decline in turnover. This profit growth was driven by disciplined cost control measures, offsetting the reduced market demand.

Additionally, TPCPLC's cash flow performance remained strong compared to the previous year. This improvement was primarily a result of enhancements in working capital management.

+2.3%

TZS 141.4 billion



Operating Profit

Prospects



It is a very competitive market, but with the anticipated catchup of growth in cement demand, we believe that TPCPLC can continue to benefit from the company’s strategic investments, the continued focus on customer service and the relentless pursuit of optimising production efficiency within a safe operating environment for our employees. We believe these factors continue to allow TPCPLC to meet the objective of maintaining and extending its leadership position in the market, leaving TPCPLC well-positioned for sustainable and profitable growth in the future.



Dividend

TZS 390 per share

The Board remains focused on building shareholders’ value and we are confident that by following our strategies, we will achieve this. The Board, therefore, proposed a dividend for 2023 of TZS 390 per share. This is planned to be paid in June 2024.



Corporate Citizenship

TPCPLC is fully committed to environmental sustainability as well as Corporate Social Responsibility and continues to take all necessary measures to improve its performance with regard to the health and safety and human rights of its employees, good governance and the protection of the environment.

TPCPLC remains a major contributor to the Tanzanian economy and society through government taxes, technology improvements, new investments, compliance with international business standards, community development programs, fair employment and leading the industry in performance and most importantly, in building the Nation.

Appreciation

On behalf of the Board, I want to express sincere appreciation to all of TPCPLC’s stakeholders. Despite the challenges we encountered during the year 2023, your unwavering trust and support were instrumental in our continued success.

Partners and Customers: Thank you for your continued collaboration and loyalty. Your commitment to TPCPLC fuels our dedication to delivering high-quality products and services.

Employees: Your dedication and hard work are the foundation of our achievements. We are incredibly grateful for your contributions and unwavering commitment.

Shareholders: We appreciate your continued faith in TPCPLC. We are committed to delivering strong performance and creating long-term value for you.

Looking ahead, we are confident that TPCPLC will continue to thrive thanks to the ongoing support of our entire stakeholder community.

Hakan Gurdal
Chairman of the Board



Taarifa ya Mwenyekiti

Ndugu Wanahisa,

Ndugu Wafanyakazi, Marafiki wa familia ya Twiga,

Mwaka wa 2023 umekuwa mwaka mzuri kwetu kwa njia nyingi. Kama Mwenyekiti wa Bodi, nina heshima na fahari kubwa kuwasilisha taarifa hii kwa niaba ya familia ya Twiga Cement na Bodi ya Wakurugenzi.

Natoa shukrani zangu za dharti kwa wafanyakazi wetu wote na washirika, hasa wafanyakazi wetu wa mstari wa mbele ambao daima wanaonyesha kujitolea kwa kipekee kuhakikisha usalama wa watu wetu na kudumisha utendaji mzuri wa shughuli zetu za biashara. Kwa umuhimu maalum, timu zetu zimeendelea kukabiliana na changamoto ya mabadiliko ya tabianchi kwa kutekeleza hatua endelevu, ikijumuisha maendeleo zaidi ya mifumo ya kutumia nishati mbadala na kutumia malighafi mbadala ili kupunguza matumizi ya klinka, hivyo kupunguza athari yetu ya kaboni kwenye mazingira.

Utamaduni wetu wa utendaji wa hali ya juu umetuwezesha kupata matokeo mazuri ya uendeshaji mwaka 2023, licha ya ushindani mkali katika sekta ya uzalishaji saruji. Nafasi endelevu ya soko ambayo TPCPLC inashikilia leo inaonyesha kujitolea na bidii ya timu nzima. Ninajivunia sana kila mmoja wa wafanyakazi wetu na wadau, na ninatoa shukrani zangu za dharti kwa kujitolea kwao kwa kipekee.

TPCPLC imeendelea kufaidika na uzoefu wa mbinu bora za Kikundi cha HM kupitia programu zake za kuboresha kimataifa zinazoitwa CIP na AEM Brainstorming. Utekelezaji wa CIP umesababisha hatua mahususi ambazo zimeboresha zaidi gharama na michakato yetu.



Dhamira yetu ya kujifunza kutoka kwa mbinu hizi bora haitutofautishi tu bali pia inaboresha mafunzo na maendeleo muhimu ya wafanyakazi wetu. Mpango wa AEM Brainstorming umetoa jukwaa muhimu kwa wafanyakazi wetu kushiriki mawazo yao bunifu, ikionyesha ubunifu na kujitolea kwa timu yetu. Hongereni kwa mafanikio haya ya ajabu.

Mtazamo wa Uchumi na Biashara

Uchumi wa Tanzania umeendelea kukua kwa takriban 5.3% katika robo ya mwisho wa Septemba 2023 ikilinganishwa na 3.6% katika robo ya mwisho wa 2022 (Chanzo: TNBS). Bei za mafuta nchini zimeendelea kupanda kutokana na vita vya Urusi na Ukraine.

Shilingi ya Tanzania imekuwa ikiporomoka dhidi ya sarafu kuu za kigeni katika mwaka mzima wa 2023. Kushuka huku kumesababisha shinikizo la mfumuko wa bei, hususan likiathiri gharama za nishati na mafuta.

Soko la saruji limeona mabadiliko makubwa, yakichochea na uwezo wa ziada uliopo, kuingia kwa washindani wapya, na shinikizo la bei. Mienendo hii imesababisha haja ya mwitikio thabiti kutoka kwa miundo ya usimamizi ya TPCPLC, kuweka ufanisi wa mipango ya kupunguza gharama ambayo pia ni muhimu kwa kudumisha ushindani.



Utendaji wa Kifedha

TPCPLC ilipata faida ya uendeshaji ya TZS bilioni 141.4, ikiwa ni ongezeko la 2.3% ikilinganishwa na mwaka wa 2022, licha ya kushuka kwa mapato kwa 2.2%. Ukuaji huu wa faida uliendeshwa na hatua za nidhamu katika kudhibiti gharama, zilizosaidia kufidia kupungua kwa mahitaji ya soko.

Aidha, utendaji wa mtiririko wa fedha wa TPCPLC ulibaki kuwa imara ikilinganishwa na mwaka uliopita. Uboreshaji huu ulitokana hasa na maboresho katika usimamizi wa mtaji wa kazi.

+2.3%
TZS bilioni 141.4



Faida ya uendeshaji

Matarajio



Ni soko lenye ushindani mkubwa, lakini kwa matarajio ya ukuaji wa mahitaji ya saruji, tunaamini kwamba TPCPLC inaweza kuendelea kufaidika na uwekezaji wa kimkakati wa kampuni, kuendelea kuzingatia huduma kwa wateja na jitihada zisizoisha za kuboresha ufanisi wa uzalishaji katika mazingira salama ya kazi kwa wafanyakazi wetu. Tunaamini kwamba mambo haya yataendelea kuruhusu TPCPLC kufikia lengo la kudumisha na kupanua nafasi yake ya uongozi sokoni, na hivyo kuiacha TPCPLC ikiwa na nafasi nzuri kwa ajili ya ukuaji endelevu na wenye faida katika siku zijazo.

Gawio



TZS 390
per share

Bodi inabaki na mtazamo wa kujenga thamani kwa wanahisa na tuna imani kwamba kwa kufuata mikakati yetu, tutafanikiwa katika hili. Kwa hivyo, Bodi inapendekeza gawio la mwaka 2023 la TZS 390 kwa kila hisa. Hili linapangwa kulipwa mwezi Juni 2024.

Uraia Mwema



TPCPLC imejitolea kabisa kwa uhifadhi wa mazingira pamoja na Uwajibikaji wa Jamii wa Kikampuni na inaendelea kuchukua hatua zote muhimu za kuboresha utendaji wake kuhusiana na afya na usalama na haki za binadamu za wafanyakazi wake, utawala bora, na ulinzi wa mazingira.

TPCPLC inabaki kuwa mchango muhimu kwa uchumi na jamii ya Tanzania kupitia kodi za serikali, maboresho ya teknolojia, uwekezaji mpya, kufuata viwango vya biashara vya kimataifa, mipango ya maendeleo ya jamii, ajira za haki, na kuongoza katika tasnia kwa utendaji na, muhimu zaidi, katika kuijenga Taifa

Shukrani

Kwa niaba ya Bodi, ningependa kutoa shukrani za dhati kwa wadau wote wa TPCPLC. Licha ya changamoto tulizokutana nazo ndani ya mwaka 2023, imani na uungaji mkono wenu usiyo na kifani ulikuwa muhimu katika mafanikio yetu endelevu.

Washirika na Wateja: Asanteni kwa ushirikiano wenu na uaminifu wenu unaodumu. Dhamira yenu kwa TPCPLC inachochea azma yetu ya kutoa bidhaa na huduma za ubora wa juu.

Wafanyakazi: Bidii yenu na kazi ngumu ni msingi wa mafanikio yetu. Tunashukuru sana kwa mchango wenu na dhamira yenu isiyoyumba.

Wanahisa: Tunathamini imani yenu endelevu katika TPCPLC. Tumejitolea kutoa utendaji imara na kujenga thamani ya muda mrefu kwenu.

Tukiangalia mbele, tunayo imani kwamba TPCPLC itaendelea kufanikiwa kutokana na msaada endelevu wa jumuiya yetu nzima ya wadau.

Hakan Gurdal

Mwenyekiti wa Bodi



Managing Director Statement

“Leading the Way in Sustainability and Resilient Growth”

Dear Shareholders,

2023 has been a remarkable year for TPCPLC, highlighted by resilience and innovation. Despite a challenging market environment, we have achieved notable success in both financial performance and sustainability initiatives.

In 2023, we delivered a strong financial performance, despite cement production and sales declined by 13% and 12% respectively. Clinker production remained at a similar level to the previous year.

The year 2023, was marked with stable energy costs, in terms of electricity and gas, though highly volatile for fuel and freights as a result of ongoing international conflicts.

In 2023 we continue to improve our alternative fuels usage commitment by improving feeding and storage systems. Our energy substitution rate rose by 10.6% compared to the previous year, giving us further breakthroughs in our road towards sustainability. Our progress in sustainability is of equal significance to our financial performance goals.

We have improved our raw material mix and optimize clinker usage as we strive to produce eco-friendly cement, we succeeded in reducing CO2 emissions further by 7.1% compared to the previous year.

Our strong customer base and approach through customer centricity is a critical pillar of our strategy, making possible the achievement of our ambitious commercial targets in all Tanzanian territories and exports.

We are highly confident in our teams, products and services, to find together with our customers the best solutions in such a competitive environment to ensure continuous value creation for our stakeholders.

Revenue Performance

In 2023 TPCPLC’s cement revenue was reduced by 2.2% compared to 2022, due to an overall market decline and finalization of the Government infrastructure projects, in which Twiga played a pivotal role in supplying cement.

Despite the challenging market environment, we have managed to maintain our market position through efficient operations, innovation, commitment to quality, and customer-centric approaches by keeping customer satisfaction as the focus of our distribution strategies.

The cement industry in Tanzania includes six integrated plants and several grinding facilities with a production capacity reaching around 11 million tons by the end of 2023, as a result, the utilization capacities in general are low, but TPCPLC is at the higher level of utilization compared to other plants in Tanzania.

Twiga sales team is collaborating closely with our distributors to position our products in every market segment within Tanzania and neighbouring countries. The overcapacity in the Tanzanian cement industry represents around 4 million tons of excess supply, furthermore, the entry of new players in the market has intensified competition further.

Exporting to neighbouring countries will continue to be essential in reducing excess supply in the domestic market and promoting regional integration within the East African Community.



141.4 billion

Faida ya uendeshaji

TZS 555
Earnings Per Share

Operations Performance

In 2023 TPCPLC remained in the same strong position in the production of clinker, however, cement production has lagged behind the previous year due to a reduction in cement demand.

Most of the critical operational key metrics for the year show a positive trend in quality and plant performance overall, confirming once more the need to focus on efficiency improvement and reducing production costs to remain competitive.

Kilns and mills operating coefficients have improved, as well as the fuel efficiency. The expert system implementation and better power monitoring are contributing to avoiding idle running hours, and improving the performance of our equipment, maximizing capacity utilization is a top priority for our technical team.

The efforts made throughout the year on the operational side to increase clinker production, combined with the focus on producing high-quality cement products at the same time, maintaining strong customer relationships and service excellence, have allowed TPCPLC to improve operating results compared to previous years.

Financial Performance

In the year 2023, TPCPLC managed to achieve an Operating Profit of TZS 141.4 billion, 2.3% above 2022, despite revenue declining by 2.2% mainly due to cost control improvements and initiatives. In 2023, TPCPLC recorded a profit of TZS 99.2 billion after taxes, representing a 1.9% increase compared to the previous year. Earnings per share also increased from TZS 541 to TZS 555 in the same period.

Cash flow from operating activities increased to TZS 95.6 billion from TZS 79.2 billion, an increase of 20.7% compared to the previous year. This improvement can be attributed, among other factors, to a decrease in inventories.

Our balance sheet remains robust and healthy mainly due to higher current assets, particularly higher cash, and

cash equivalents, making it possible to deliver high, stable and predictable dividends to our shareholders one more year.

Digitalization

Our focus on digitalization remains, as a means of enhancing our overall productivity and better serving our customers and stakeholders. In 2023 digitalization has continued to help us to optimize new technologies that would improve the raw material mix, thus reducing CO2 emissions and improving energy consumption, as well as improving the overall performance of our employees in various departments.

Digitalization continues to be one of our main pillars in creating more opportunities in our changing business environment. Applying it further from production and maintenance departments to administration departments and to sales departments will ensure optimal performance and growth as well as cost optimization.

Our ESG Strategy in Action Environment



TPCPLC carried out various environment programs as per our environment management plan. Several environment training programs were facilitated during the year by the company, conducted within our Wazo quarry, participants were stakeholders from NGOs, municipalities, universities, government institutions & diplomatic missions, primary, secondary, and higher learning institutions, TPCPLC employees and contractors.

These trainings or workshops carried out were about quarry rehabilitation

and the promotion of urban forestry concepts in cement factories. In 2023, 23,243 tree seedlings were donated for greening activities from our tree nursery, and 3,198 valuable trees were planted for quarry rehabilitation within the factory.

The key focus topics related to TPCPLC's environment management are alternative fuels (energy substitution), CO2 emissions reduction, and municipality waste management (RDF).

TPCPLC goes beyond environmental regulations and is fully committed to reducing CO2 emissions. The alternative fuels (biomass) energy substitution systems have situated us to lead the Tanzanian cement industry into a better route for sustainability.

Through these innovative systems, we are reducing our reliance on gas, decreasing our carbon footprint and working to preserve the environment for future generations. We believe that sustainability is not only good for the environment, but it's also a critical aspect of our business strategy. By prioritizing sustainability, we can create value for our stakeholders, enhance our brand reputation, and contribute to the long-term development of the Tanzanian economy.

Overall, our commitment to sustainability and reducing CO2 emissions have positioned us as leaders in sustainable cement production in Tanzania.

Corporate Social Responsibility (CSR)

The company continued to support non-profit organizations, schools and government institutions working to advance education, protect the environment, and strengthen communities around the country.

Also, a large number of engineers participated in training programs at the factory, a special mention to the mining, maintenance, health and safety, and quality control programs. Infrastructure-related support in the form of cement and expertise was also given to various schools and institutions within the country.

Health and Safety

In late December 2023, we had a tragic fatality of one contractor, this has been a deeply impactful experience for all of us at TPCPLC. Despite the great achievement of previous years, 2023, was challenging in Health and Safety despite our strong commitments.

These incidents have further solidified our unwavering commitment to maintaining a safe and healthy working environment for everyone. In response, we have rigorously reviewed and enhanced all safety measures to prevent such occurrences in the future. At TPCPLC, the health and safety of our teams are our utmost priority.

I extend my sincere gratitude to all our employees and contractors for their dedicated vigilance and adherence to our safety policies and procedures. Your commitment and dedication to safety are crucial, and together, we will continue to strive for excellence in creating a safer workplace for all.



Future Ahead

The cement industry will continue to face intense competition due to idle cement capacities above cement demand. Despite these challenges, TPCPLC remains optimistic in its commitment to overcome these challenges through strategic volume management and cost optimizations.

Aligned with our Group's CO2 roadmap, we are dedicated to improving our environmental footprint. We will continue to support Tanzania's growth by developing high-quality products that are accessible across all regions, despite inflationary pressures. Our focus on sustainability not only benefits the environment but also strengthens our market position.

To maintain our competitive edge, we will prioritize production cost reduction initiatives and process improvement programs, maximizing our capacities. Ensuring the health and safety of our teams remains our top priority. TPCPLC will uphold the highest industry standards, ensuring our customers and stakeholders reap the benefits of our efforts and innovations.

We are committed to delivering quality products and value-added services that meet the evolving needs of our customers. We are deeply grateful for the unwavering

support of our stakeholders throughout the year. With your continued support, we are confident that TPCPLC will deliver substantial value to our shareholders and drive sustainable growth in the coming year.

The Tanzanian cement industry faces an oversupply challenge due to new production capacities exceeding market demand. TPCPLC remains confident in its ability to navigate this competitive landscape. We will achieve this through strategic efficient resource allocation, and cost optimization initiatives. This will strengthen our competitive edge and allow us to offer accessible, high-quality products.

Furthermore, TPCPLC remains committed to environmental responsibility, aligning with our Group's CO2 roadmap for emission reduction. We believe that sustainability is not just an environmental imperative, but also a strategic advantage. By focusing on alternative fuels and innovative production processes, we will minimize our environmental footprint while maintaining product quality and affordability.

Safety remains our top priority. We will continue to uphold the highest industry standards to ensure a safe working environment for all employees and contractors.





Commitment to Our Shareholders

At TPCPLC, we remain committed to our strong dividend policy. As such, we're proposing to distribute a dividend of TZS 390 per share at the upcoming Annual General Meeting, which is the same high level as in 2022. In 2022, we spent around TZS 77 billion on dividends, reflecting our payback policy and commitment to shareholder value.

Looking ahead, we remain focused on delivering strong financial results while driving sustainable growth. We believe this combination will create significant value for our shareholders over the long term. We are grateful for your continued support and look forward to partnering with you for TPCPLC's future success.

Alfonso Velez

Managing Director

Taaifa ya Mkurugenzi Mtendaji

“Kuongoza Njia katika Uendelevu na Ukuaji Imara.”

Ndugu wanahisa,

Mwaka 2023 umekuwa wa kipekee kwa TPCPLC, ukionyesha uthabiti na ubunifu. Licha ya mazingira magumu ya soko, tumefanikiwa sana katika utendaji wa kifedha na miradi ya uendelevu.

Katika mwaka wa 2023, tulipata utendaji mzuri wa kifedha, ingawa uzalishaji wa saruji ulipungua kwa 13% na mauzi kwa 12%. Uzalishaji wa klinka uliendelea kuwa kwenye kiwango sawa na mwaka uliopita.

Mwaka wa 2023, ulikuwa na gharama thabiti za nishati, kwa upande wa umeme na gesi, ingawa zilikuwa na

mabadiliko makubwa kwa mafuta na usafirishaji kutokana na migogoro ya kimataifa inayoendelea.

Mwaka wa 2023, tumeendelea kuboresha ahadi yetu ya kutumia nishati mbadala kwa kuboresha mifumo ya kuhifadhi na kutoa nishati. Kiwango chetu cha kubadilisha nishati kiliongezeka kwa 10.6% ikilinganishwa na mwaka uliopita, na hivyo kupata mafanikio zaidi katika safari yetu kuelekea endelevu. Maendeleo yetu katika suala la endelevu ni muhimu kama malengo yetu ya kifedha.

Tumefanya maboresho katika mchanganyiko wa malighafi yetu na kuboresha matumizi ya klinka tunapojitahidi kuzalisha saruji rafiki wa mazingira. Tumefanikiwa kupunguza uzalishaji wa CO2 kwa 7.1% zaidi ikilinganishwa na mwaka uliopita.

Msingi wetu imara wa wateja na mbinu yetu inayomlenga mteja ni nguzo muhimu ya mkakati wetu, hii inawezesha kufikia malengo yetu ya kibiashara yenye malengo makubwa katika maeneo yote ya Tanzania na mauzo ya nje.

Tuna imani kubwa kwa timu zetu, bidhaa na huduma zetu, ili kwa pamoja na wateja wetu tupate suluhisho bora katika mazingira yenye ushindani mkubwa kuhakikisha uundaji wa thamani endelevu kwa wadau wetu.

Utendaji wa Mauzo

Katika mwaka wa 2023, mapato ya saruji ya TPCPLC yalipungua kwa 2.2% ikilinganishwa na mwaka wa 2022, kutokana na kushuka kwa soko kwa ujumla na kukamilika kwa miradi ya miundombinu ya Serikali, ambapo Twiga ilichukua jukumu muhimu katika kusambaza saruji.

Licha ya mazingira magumu ya soko, tumeweza kudumisha nafasi yetu sokoni kupitia uendeshaji mzuri, ubunifu, kujitolea kwa ubora, na mbinu zinazomlenga mteja kwa kuweka kuridhika kwa wateja kama kitovu cha mikakati yetu ya usambazaji.

Sekta ya saruji nchini Tanzania inajumuisha viwanda sita vya uzalishaji na viwanda kadhaa vya kusaga saruji, na uwezo wa uzalishaji kufikia takriban tani milioni 11 kufikia mwishoni mwa mwaka 2023. Hii inasababisha matumizi ya uwezo kwa ujumla kuwa ya chini, lakini TPCPLC iko kwenye kiwango cha juu cha matumizi ikilinganishwa na viwanda vingine nchini Tanzania.

Timu ya mauzo ya Twiga inashirikiana kwa karibu na wasambazaji wetu ili kuweka bidhaa zetu katika kila sehemu ya soko ndani ya Tanzania na nchi jirani. Uwepo wa uwezo mkubwa kupita kiasi katika sekta ya saruji nchini Tanzania unawakilisha takriban tani milioni 4 za usambazaji ziada. Aidha, kuingia kwa washiriki wapya katika soko kumechochea ushindani zaidi.

Usafirishaji wa bidhaa kwenda nchi jirani utaendelea kuwa muhimu katika kupunguza usambazaji uliopita kiasi katika soko la ndani na kukuza ujumuishaji wa kikanda ndani ya Jumuiya ya Afrika Mashariki..



bilioni 141.4

Operating Profit

TZS 555

Mapato kwa kila hisa

Utendaji wa Uendeshaji

Katika mwaka wa 2023, TPCPLC ilibakia kwenye nafasi ile ile imara katika uzalishaji wa klinka, hata hivyo, uzalishaji wa saruji umeshuka ikilinganishwa na mwaka uliopita kutokana na kupungua kwa mahitaji ya saruji.

Zaidi ya hayo, viashiria vingi muhimu vya uendeshaji kwa mwaka huo vinaonyesha mwenendo mzuri katika ubora na utendaji wa kiwanda kwa ujumla, na kuthibitisha tena hitaji la kuzingatia kuboresha ufanisi na kupunguza gharama za uzalishaji ili kubaki na ushindani.

Viwango na tija katika uendeshaji wa matanuru na mitambo ya kusaga saruji vimeboreshwa, sambamba na ufanisi kwenye matumizi ya nishati ya mafuta. Utekelezaji wa mfumo wa wataalamu na ufuatiliaji bora wa umeme unachangia kuepuka masaa ya kukimbia bure na kuboresha utendaji wa vifaa vyetu, kuongeza matumizi ya uwezo ni kipaumbele cha juu kwa timu yetu ya kiufundi. Jitihada zilizofanywa kwa muda wote wa mwaka katika upande wa uendeshaji ili kuongeza uzalishaji wa klinka, pamoja na kuzingatia uzalishaji wa bidhaa za saruji zenye ubora wa hali ya juu, kudumisha uhusiano imara na wateja na kutoa huduma bora, hii imewezesha TPCPLC kuboresha matokeo ya uendeshaji ikilinganishwa na miaka iliyopita.

Ufanisi wa Fedha

Katika mwaka wa 2023, TPCPLC iliweza kupata Faida ya Uendeshaji ya TZS bilioni 141.4, ikiwa ni ongezeko la 2.3% ikilinganishwa na mwaka wa 2022, licha ya mapato kupungua kwa 2.2% hasa kutokana na maboresho na mipango ya kudhibiti gharama. Katika mwaka wa 2023, TPCPLC ilirekodi faida ya TZS bilioni 99.2 baada ya kodi, ambayo ni ongezeko la 1.9% ikilinganishwa na mwaka uliopita. Mapato kwa kila hisa pia yaliongezeka kutoka TZS 541 hadi TZS 555 katika kipindi hicho.

Mtiririko wa fedha kutoka shughuli za uendeshaji uliongezeka hadi TZS bilioni 95.6 kutoka TZS bilioni 79.2,

ongezeko la 20.7% ikilinganishwa na mwaka uliopita. Uboreshaji huu unaweza kuhusishwa, miongoni mwa mambo mengine, na kupungua kwa mizigo ya bidhaa.

Mizania yetu inabakia imara na yenye afya hasa kutokana na ongezeko la mali za sasa, hususan pesa taslimu na sawa na pesa taslimu, na kufanya iwezekane kutoa gawio la juu, thabiti na linalotarajiwa kwa wanahisa wetu kwa mwaka mwingine.

Kidijitali

Mwelekeo wetu wa kidijitali unabaki kuwa muhimu, kama njia ya kuongeza tija yetu kwa ujumla na kuhudumia wateja wetu na wadau wetu kwa ufanisi zaidi. Katika mwaka wa 2023, kidijitali kumeendelea kutusaidia kuboresha teknolojia mpya ambazo zingeboresha mchanganyiko wa malighafi, hivyo kupunguza utoaji wa CO2 na kuboresha matumizi ya nishati, pamoja na kuboresha utendaji wa jumla wa wafanyakazi wetu katika idara mbalimbali.

udijitali unaendelea kuwa moja ya nguzo zetu kuu katika kuunda fursa zaidi katika mazingira yetu ya biashara yanayobadilika. Kutumia teknolojia hii zaidi kutoka idara za uzalishaji na matengenezo hadi idara za utawala na mauzo kutahakikisha utendaji bora na ukuaji pamoja na uboreshaji wa gharama.



Mkakati wetu wa ESG katika Vitendo

Mazingira

TPCPLC ilitekeleza programu mbalimbali za mazingira kulingana

na mpango wetu wa usimamizi wa mazingira. Programu kadhaa za mafunzo kuhusu mazingira zilifanikishwa na kampuni wakati wa mwaka, zilizofanyika katika kiwanda chetu cha Wazo, washiriki walikuwa wadau kutoka mashirika yasiyo ya kiserikali (NGOs), Mamlaka za serikali za mitaa, vyyuo vikuu, taasisi za serikali na balozi za kidiplomasia, taasisi za elimu ya msingi, sekondari na elimu ya juu, wafanyakazi na wakandarasi wa TPCPLC.

Mafunzo haya au warsha zilikuwa kuhusu urekebishaji wa mawe ya kuchimba na kuhamasisha dhana ya misitu ya mijini katika viwanda vya saruji. Katika mwaka 2023, mbegu 23,243 za miti zilitolewa kwa shughuli za upandaji miti kutoka kwenye shamba letu la miche, na zaidi ya miti 3,198 yenye thamani ilipandwa kwa ajili ya urekebishaji wa mawe ya kuchimba ndani ya kiwanda.

Mada muhimu zinazohusiana na mazingira ni matumizi ya nishati mbadala, kupunguza uzalishaji wa CO2, na usimamizi wa taka za manisipaa (RDF).

TPCPLC inaenda zaidi ya sheria za mazingira na imejitolea kabisa kupunguza uzalishaji wa CO2. Kupitia mfumo wa kubadilisha nishati kwa kutumia nishati mbadala (biomass), tumeweka wenyewe katika nafasi ya kuongoza sekta ya saruji nchini Tanzania kuelekea njia bora zaidi ya uendelevu.

Kupitia mifumo hii ya ubunifu, tunapunguza tegemezi letu kwa gesi na kupunguza alama yetu ya kaboni, na tunafanya kazi ya kuhifadhi mazingira kwa ajili ya vizazi vijavyo. Tunaamini kuwa uendelevu si tu mzuri kwa mazingira, bali pia ni sehemu muhimu ya mkakati wetu wa biashara. Kwa kuweka kipaumbele kwa uendelevu, tunaweza kuunda thamani kwa wadau wetu, kuboresha ufanisi wetu, na kujenga sifa nzuri katika soko. Sifa ya chapa, na kuchangia katika maendeleo ya muda mrefu ya uchumi wa Tanzania.

Kwa ujumla, dhamira yetu ya uendelevu na kupunguza uzalishaji wa CO2 imetuweka katika nafasi ya kuongoza katika uzalishaji endelevu wa saruji nchini Tanzania

Majukumu ya Jamii ya Kampuni (CSR)

Kampuni iliendelea kuunga mkono juhudi za mashirika yasiyo ya kiserikali (NGOs), taasisi za elimu, taasisi za kiserikali zinazofanya kazi ya kutoa elimu ya mazingira, kutunza mazingira pamoja na kuimarisha jamii katika taifa letu.

Pia idadi kubwa ya wakandarasi ilishiriki katika programu za mafunzo mbalimbali kiwandani, ikiwemo ya machimbo, matengenezo, afya na usalama na programu za udhitibi wa ubora. Kiwanda kilitoa saruji pamoja na msaada wa kitaalamz kwa shule na taasisi mbalimbali nchini.



Afya na Usalama

Mwishoni mwa Desemba 2023, tulipata msiba wa mmoja wa wakandarasi wetu, tukio hili limekuwa na athari kubwa kwa wote katika TPCPLC. Licha ya mafanikio makubwa ya miaka iliyopita, mwaka wa 2023 ulikuwa na changamoto katika Afya na Usalama licha ya ahadi zetu thabiti.

Matukio haya yameimarisha zaidi dhamira yetu isiyotetereka ya kudumisha mazingira salama na yenye afya kwa kila mtu. Kwa kujibu, tumepitia upya na kuboresha hatua zote za usalama kwa kina ili kuzuia matukio kama haya siku zijazo. Katika TPCPLC, afya na usalama wa timu zetu ni kipaumbele chetu cha juu kabisa.

Natoa shukrani zangu za dhati kwa wafanyakazi wetu wote na wakandarasi kwa umakini wao wa kujitolea na kufuata sera na taratibu zetu za usalama. Utekelezaji wenu na kujitolea kwenu kwa usalama ni muhimu, na kwa pamoja, tutaendelea kujitahidi kwa ubora katika kuunda mahali pa kazi salama kwa wote.



Matarajio

Sekta ya saruji itaendelea kukabiliana na ushindani mkali kutokana na uwezo wa uzalishaji wa saruji uliozidi mahitaji. Licha ya changamoto hizi, TPCPLC inabaki na matumaini katika dhamira yake ya kushinda changamoto hizi kupitia usimamizi wa kimkakati wa kiasi cha uzalishaji na uboreshaji wa gharama.

Tukiwa sambamba na ramani ya CO2 ya Kikundi chetu, tumejitolea kuboresha athari zetu kwa mazingira. Tutaendelea kusaidia ukuaji wa Tanzania kwa kuendeleza bidhaa za ubora wa juu ambazo zinapatikana katika kanda zote, licha ya shinikizo la mfumuko wa bei. Mwelekeo wetu juu ya uendeleu haufaidi tu mazingira bali pia unaimarisha nafasi yetu sokoni.

Ili kudumisha ukingo wetu wa ushindani, tunaipa kipaumbele mipango ya kupunguza gharama za uzalishaji na programu za kuboresha michakato, na kutumia uwezo wetu kwa kiwango cha juu. Kuhakikisha afya na usalama wa timu zetu inabaki kuwa kipaumbele chetu cha juu. TPCPLC itazingatia viwango vya juu zaidi vya tasnia, kuhakikisha wateja wetu na wadau wanapata manufaa ya jitihada na uvumbuzi wetu.

Tumejitolea kutoa bidhaa za ubora na huduma zenye thamani zinazokidhi mahitaji yanayobadilika

ya wateja wetu. Tunashukuru sana kwa msaada thabiti wa wadau wetu mwaka mzima. Kwa msaada wenu unaoendelea, tuna imani kwamba TPCPLC itatoa thamani kubwa kwa wanahisa wetu na kuendesha ukuaji endelevu katika mwaka ujao.

Sekta ya saruji ya Tanzania inakabiliwa na changamoto ya ziada ya uzalishaji kutokana na uwezo mpya wa uzalishaji kuzidi mahitaji ya soko. TPCPLC inabaki na imani katika uwezo wake wa kuhimili mazingira haya ya ushindani. Tutafanikisha hili kupitia mgao wa rasilimali kwa ufanisi wa kimkakati na mipango ya uboreshaji wa gharama. Hii itaongeza ukingo wetu wa ushindani na kutuwezesha kutoa bidhaa za ubora wa juu zinazopatikana kwa urahisi.

Zaidi ya hayo, TPCPLC inabaki na ahadi ya uwajibikaji wa mazingira, ikilingana na ramani ya CO2 ya Kikundi chetu kwa kupunguza uzalishaji. Tunaamini kwamba uendeleu sio tu hitaji la mazingira bali pia ni faida ya kimkakati. Kwa kuzingatia nishati mbadala na michakato mipya ya uzalishaji, tutapunguza athari zetu kwa mazingira huku tukidumisha ubora na bei nafuu za bidhaa zetu.

Usalama unabaki kuwa kipaumbele chetu cha juu. Tutaendelea kushikilia viwango vya juu zaidi vya tasnia ili kuhakikisha mazingira salama ya kazi kwa wafanyakazi na wakandarasi wote.



Dhamira yetu kwa wanahisa wetu

TPCPLC, tunaendelea kuzingatia sera yetu imara ya gawio la faida. Kwa hivyo, tunapendekeza kugawa gawio la TZS 390 kwa kila hisa katika Mkutano Mkuu ujao wa Kawaida, ambalo ni kiwango kile kile cha juu kama mwaka wa 2022. Mwaka wa 2022, tulitumia takriban TZS bilioni 77 kwa gawio la faida, ikionyesha sera yetu ya kurudisha fedha na dhamira yetu ya kuongeza thamani kwa wanahisa.

Tukiangalia mbele, tunaendelea kuzingatia kutoa matokeo mazuri ya kifedha wakati tunahimiza ukuaji endelevu. Tunafikiri kuwa mchanganyiko huu utaleta thamani kubwa kwa wanahisa wetu kwa muda mrefu. Tunashukuru kwa msaada wako endelevu na tunatarajia kushirikiana nawe kwa mafanikio ya baadaye ya TPCPLC.

Alfonso Velez

Mkurugenzi Mtendaji



03

Sustainability

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“Our Sustainable Alternatives”



25,795 
Trees seedlings were raised during the year

3,198 
Trees were planted during the year

This is part of the Company’s commitment to environmental protection. The trees seedlings are planted in various areas around the quarry, keeping forestation cover of our quarried areas.

TPCPLC’s reforestation initiative (raising trees seedlings and planting trees) is a great example of how we contribute to environmental protection.



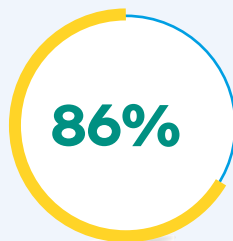
“Health and Safety of our Employees and Contractors is our top priority”



“Taking Our Industrial Operations to the Next Level of Sustainability”

CSR & Donations Spend

TZS **165** million CSR spending during the year in education and infrastructure.



Of the total purchases were sourced locally

TZS **2.7** billion
Paid relating to Levies and Royalties

42 Students
Enrolled internship program

TZS **85.1** billions
Taxes and Duties paid during the year



Scope of our Sustainability Report

The Sustainability Report 2023 for Tanzania Portland Cement PLC will provide a comprehensive overview of the company's sustainability performance and initiatives, highlighting its efforts to reduce its environmental impact, promote social sustainability, and support local economic development.

The report covers the company's financial performance, governance structure and policies, and its commitment to transparency and accountability. It will also detail the company's efforts to ensure sustainability across its supply chain, including its relationships with suppliers and efforts to promote sustainable sourcing practices. Through this report, Tanzania Portland Cement PLC aims at demonstrating its commitment to aligning with the 2030 sustainable development goals (SDGS).

Statement of the Managing Director on Sustainability

TPCPLC has seen significant advancements in all key performance indicators, including business and product innovation, health and safety, environment, community development, and human resources in 2023. These achievements prompt continuous evaluation of targets to align with TPCPLC's sustainability roadmap through to 2030.

Financial Year 2023 Highlights

The financial year 2023 was marked by the further improvements of our alternative fuel plant, boosting alternative fuels substitution rate up to 20% capacity. This green energy source is sustainable and can also recycle municipal waste. Our collaboration with the government and local municipalities in Dar es Salaam will be mutually beneficial. We aim to reduce cement CO2 emissions by more than 15% by 2030, contributing to a better environment and community wellbeing in the region.

TPCPLC has continued with its program aimed at rehabilitating the limestone quarry from which we extract our raw material. The Quarry Rehabilitation and Renaturation Project (QRRP) aims to restore the mined quarry, enhance urban environmental conservation activities, and promote community awareness and capacity building. In 2023, we planted 3,198 trees, and raised 25,795 seedlings.

Occupational health and safety, social responsibility and employees have been key pillars of our sustainability strategy. We invest in these pillars to make our plant a safe place for employees, contractors and all other stakeholders. Despite the great achievement of previous years, 2023, was challenging in Health and Safety despite our strong commitments.

In late December 2023, we had a tragic fatality of one contractor, this has been a deeply impactful experience for all of us at TPCPLC. These incidents have further solidified our unwavering commitment to maintaining a safe and healthy working environment for everyone. In response, we have rigorously reviewed and enhanced all safety measures to prevent such occurrences in the future. At TPCPLC, the health and safety of our teams are our utmost priority.



Looking Forward

We are committed to enhancing our sustainability reporting and continuing to advance the sustainability agenda. We assure all stakeholders that we remain steadfast in our pursuit of achieving the 2030 targets.

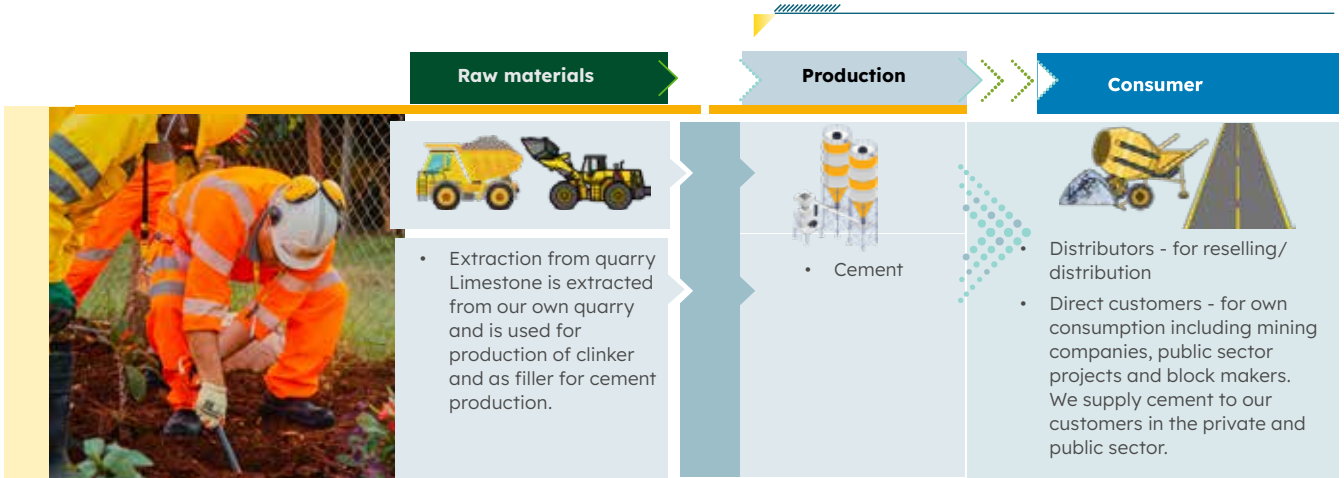
Mr. Alfonso Velez
Managing Director

25,795

Trees seedlings were raised
during the year





Value Chain



Continuous improvement program (CIP)

- CO2 reduction
- Product innovation
- Recycling

The goal of our CIP is to provide our customers with the innovative range of products, reduce CO2 , emission, minimise energy consumption by improving processes.

Procurement

- Raw materials
- Spare parts
- Energy
- Logistics

Approximately 86% (2022: 77%) of our goods and services are procured locally within Tanzania, while the remaining 14% (2022: 23%) is sourced from outside the country.



86%

goods and services procured locally

Strategy and Management

Vision and mission

It is our objective to develop a strong identity in the marketplace by providing customers with high quality products and services within the required standards and continuously improve our services to meet our customers' expectations as well as demonstrate leadership in the cement manufacturing sector. This will not only ensure sustainable growth in terms of profitability and operations. All these initiatives will be attained by embedding a performance framework that integrates environment conservation, community, and employees. In addition, we strive to ensure health and safety to all our employees and contractors. These are the key pillars in our operations.

Our vision

To develop a strong identity, be the market leader and the first choice amongst cement consumers in Tanzania.

Our mission

Tanzania Portland Cement Public Limited Company (TPCPLC) mission is to satisfy customers by providing them with a high-quality product and service at an affordable price.



Our quality statement

We are successful only when our customers are successful. TPCPLC contributes to customers' success by supplying them with the products they want and need. We strive to achieve customer satisfaction by ensuring that the quality of our products is within the required standards and services are consistent and are continuously improved to meet our customer's expectations. It is the declared goal of every employee to make TPCPLC and Twiga Cement brands recognized by the world for cement quality. This position allows us to achieve market leadership.



Sustainability Commitments 2030

Our sustainability commitments 2030 defines the principles, roadmap and strategies to year 2030. TPCPLC as an integral part of HeidelbergMaterials group, believes in the principles outlined in the Sustainability Commitments 2030 for HeidelbergMaterials group, which are as follows:

- Driving profitability and innovation;
- Achieving excellence in occupational health and safety
- Reducing our ecological footprint;
- Enabling the circular economy
- Being a good neighbour;

Ensuring compliance and creating transparency Through our Sustainability Commitments 2030, we are supporting the UN Sustainable Development Goals. In doing so, we aim to help address social, economic, and environmental challenges at a global level. In this report, TPCPLC will analyse its

contributions to the sustainability commitments.

We strive to preserve the natural environment, which is the basis for our activities. Conserving resources, reducing emissions and minimizing the environmental impact of our operations are our objectives.

Our long-term success depends on sustainable business practices as well as building long lasting relationships with our communities, suppliers of goods and services, business partner, and employees.

Environmental protection, responsible land use, water conservation, occupational health and safety and social responsibility are among the key cornerstones and strategy of our Sustainability Commitments 2030. TPCPLC made a remarkable achievement in these areas in 2023 building on progress made in 2022.

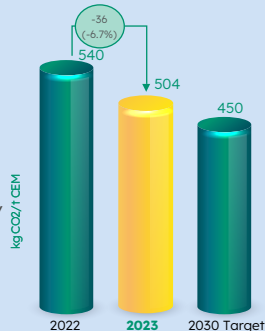


The Focal Points of Our Sustainability Strategy until 2030

Principles	Our Goals	Sustainable Development Goals (SDGs)
Driving profitability, innovation and digitalization	<ul style="list-style-type: none"> Efficiency on the usage of resources Provide low carbon products Investment in processes improvement and technology 	 
Occupational health and safety excellence	<ul style="list-style-type: none"> Achieve zero fatalities Achieve zero LTI 	 
Reducing ecological footprints	<ul style="list-style-type: none"> Increase the alternative fuel rate to 15 by the year 2030 Reduce CO emission to reach 500kg/ton of cement in 2030 Quarry rehabilitation and naturalization program Approved mine closure plan Support research in environment and biodiversity management 	     
Enabling circular economy	<ul style="list-style-type: none"> Substitution of natural raw materials by using by-products and recycled materials 	  
Being a good neighbour	<ul style="list-style-type: none"> Improve the wellbeing of the neighbouring communities Open and transparent communication about our activities 	 
Compliance and transparency	<ul style="list-style-type: none"> Ensure compliance with the labour laws, anti-corruption through internal controls and risks management systems 	  

Significant reduction in emissions

In 2023, we have achieved CO₂ emissions level of 489 kg/t, below 2025 target. We have achieved this by optimising the raw materials mix including use of alternative cement additives/ ingredients like pozzolana or calcined clays and use of alternative fuels.



Responsibility and organisation

We have a team that is committed to drive the 2030 Sustainability Agenda in all areas of our operations. The Board, management team and staff are critical resources in our organization structure and the systems that help to ensure a continual process of

improvement in accordance with our sustainability strategy. We have defined areas of responsibility, monitoring and reporting structure in the areas of occupational health and safety, compliance, and sustainability.

Occupational health and safety is one of the pillars of our Company, and it is an area for which all management levels at TPCPLC are accountable. Our occupational safety organisation is the unit under the Managing Director. Our Occupational Health and Safety Manager is responsible for supervision and monitoring day to day occupational health and safety activities and directly reports to the Managing Director. In addition, all employees, customers, suppliers, contractors, and visitors are responsible for following the occupational safety rules and regulations.



Sustainability and Environmental protection

Our responsibility for the environment is central to everything we do. The Company complies with all applicable environmental laws, regulations, standards and other legal requirements. TPCPLC engages actively in sustainable, social and ecological development. We are proactively handling all challenges to improve environmental protection, always taking a long-term perspective to prevent potential pollution and continuously improve our contribution to environmental protection.

Sustainability Management at TPCPLC

Managing Board



Management Team

- Managing Director
- Compliance & Quality Assurance Manager
- Procurement Director
- Human Resources Director
- Environment Manager
- Health and Safety Manager
- Commercial Director
- Plant Manager
- Technical Director
- Technical Support & Performance Manager

Challenges

- Health and safety
- Energy and emission
- Supply of raw materials and conserving resources
- Nature and species conservation



Stakeholder engagement

Our plant and quarry are situated in Wazo Hill within Dar es Salaam city and are surrounded by communities. It is therefore prudent for the Company to maintain regular contact with the respective community, government agencies, non-governmental organisations, municipalities, universities, government institutions, diplomatic missions, schools, TPCPLC employees and contractors to inform them about our activities and planned projects at the location. Plant production, occupational health and safety, quality assurance, environmental protection management teams are generally responsible for such stakeholder relationships.



Relations with local stakeholders

Our business operations have a strong local focus, and to achieve long-term success, it is crucial to maintain good cooperative relationships with various stakeholders in society. We are committed to building trustworthy engagement with all relevant groups at the local, national, and international levels. This exchange of ideas and opinions enables us to identify critical issues early and gain greater acceptance for our activities. Stakeholder engagement

Along with personal discussions, we use different other means of communication to keep local stakeholder groups informed and enter into engagement with them – ranging from training, workshops, safety week, and a variety of public participation concepts and awards. We addressed concerns raised by the stakeholders in a transparent manner.



Relations with workers and other interested parties

TPCPLC takes Occupational Health and Safety (OHS) seriously and ensures that workers are informed about potential hazards and trained to mitigate risks. OHS issues are discussed through weekly management and monthly safety meetings, as well as Occupational Health and Safety representative meetings, ad hoc incident reporting, safety conversations, and near miss reports.

The company engages in effective truck inspections with the police force to mitigate risks associated with transportation of goods. Safety week involves training on various topics, including health and safety awareness, traffic management, defensive driving, plant safety, firefighting, and first aid. It provides an opportunity to reinforce company standards for health and safety.



As a part of its representation in dialogues with the government and public, TPCPLC participates in diverse associations and initiatives. Members exchange ideas and discuss sector challenges in these forums. TPCPLC is affiliated with the Confederation of Tanzania Industries (CTI).

Stakeholder dialogue at a national and international level

TPCPLC plays a significant role in the economic and social development of Tanzania. It contributes through tax payments, technological advancements, investments, adherence to global business standards, community development initiatives, and equitable employment practices. Moreover, TPCPLC leads the industry in performance and national building. The company also maintains a positive relationship with policymakers.

Direct exchange with political decision makers

Suppliers - play a crucial role in the plant's operations by providing raw materials, services, and spare parts. The company fosters sustainability by providing equal opportunities through tendering, supplier forums, site visits, and favourable terms.

Local communities – The Company is committed to addressing community concerns and participates in

various initiatives to support education, healthcare, and women and children's welfare. The Company is actively engaged in Corporate Social Responsibility programs, with a focus on women, healthcare, education, and children.

Government and Regulators – The government and regulators are responsible for policies, permits, and licenses that the company adheres to. Through industry bodies and public forums, the company maintains close ties with these entities. The company has implemented programs to comply with laws and regulations regarding the environment, health, and safety. Moreover, the Company's operations contribute to economic and industrial growth in the country.

Dialogue with non-governmental organisations

In adherence to our principles, we provide transparent responses to all requests made by non-governmental organizations and interest groups. Moreover, we view critical inquiries as chances to educate individuals about our sustainability efforts and engage in discussions. Our interactions with non-governmental organizations are based on our central areas of corporate social responsibility (CSR), which include education and training, environmental initiatives, community and biodiversity, infrastructure and building, and emerging events.



Business and Compliance

TPCPLC is committed to responsible corporate governance. The Company aims to its business objectives whilst complying with applicable laws and international standards and by using socially and environmentally responsible methods. We believe this is the only way to ensure sustainable success.

Legal compliance

The Company respects and comply with applicable laws of the country. Management of TPCPLC ensures compliance with all applicable laws, regulations and standards. The Company is committed to incorporate in its day-to-day operations and strategy processes that observe labour standards, human rights, environmental protection, and corruption prevention. In our Company, for example, contracts with the employees and contractors/suppliers include or cover subjects such as human rights, code of conduct all these principles are key in the labour standards. We expect our employees and business partners to comply with these central guidelines and recommendations. In addition, our suppliers are also obliged to comply with our Code of Business Conduct.

Legal compliance

We create jobs both directly at our production site and indirectly in upstream and downstream business sectors. As good citizens we promote economic development with our salaries and wages, investment, procurement, and taxes.

Compliance with laws and regulations

Responsible tax strategy

We understand that tax revenues are important for financing government investments and expenditures. As part of our corporate responsibility, we strive to ensure that we comply with applicable tax laws and regulations and pay applicable taxes. Our Tax Principles set out values and principles that guide our actions with respect to taxation. We have designed our internal control processes and procedures to ensure that the Company complies with tax laws and avoid any violations of applicable laws and mitigate any reputational risk.

Our business transactions are organized on the basis of sound legal, commercial grounds and facts, and do not use any aggressive or artificial tax arrangements.

Mining and environmental compliance

TPCPLC complies with relevant laws, regulations, and standards, incorporating labor standards, human rights, environmental protection, and anti-corruption measures into daily operations. Contracts with employees and contractors/suppliers also include or cover human rights and a code of conduct.

All these principles are key in the labour standards. We expect our employees and business partners to comply with these central guidelines and recommendations. In addition, our suppliers are also obliged to comply with our Code of Business Conduct.

As a Company, we acknowledge the environmental impact of our quarrying activities and allocate resources towards complying with existing laws and regulations. To rehabilitate the mined areas, we have implemented programs and operate a tree nursery that raises seedlings. These seedlings are not only planted within our mining areas but also donated to external stakeholders. Additionally, we utilize our tree nursery for training purposes and research aimed at promoting sustainable ecosystems

Compliance management

Our Company's compliance program, deeply ingrained in the TPCPLC culture, is a comprehensive framework managed by the compliance department that establishes and enforces compliance guidelines.

This program, rooted in our Code of Conduct, is led by the Internal Auditor/Quality Assurance Manager and addresses all compliance topics relevant to TPCPLC's operations, including competition law, anti-corruption, and human rights. While all employees are responsible for ensuring compliance with applicable laws and regulations, management provides training and distributes the code of conduct to staff to ensure adherence to these principles.

The Board and management have set a zero-tolerance policy on violations of laws and regulations, making compliance a top priority across all stakeholders.

“Employees can report any violation of laws and regulations through unanimous call channel, an internet-based system known as “SpeakUp”.”





Compliance activities

In 2023, the Company concentrated its efforts on training of our employees. The training was focused on preventing corruption, code of conduct, compliance basics, competition law, and anti-money laundry (AML). These trainings were due to their high risk profile at our Company. Our Company registered 136 employees for compliance training. We also intensified our efforts to protect human rights in our supply chain.

E-learning Completion Rates

	2022 H1	2022 H2	2023 H1	2023 H2
Compliance Basics				
Nb total still active users assigned#	5	37	124	45
Completed	5	37	124	45
Completion rate of total assigned users	100%	100%	100%	100%
Competition law				
Nb total still active users assigned#	4	34	16	11
Completed	4	34	16	11
Completion rate of total assigned users	100%	100%	100%	100%
Preventing corruption				
Nb total still active users assigned#	5	75	36	104
Completed	5	75	36	104
Completion rate of total assigned users	100%	100%	100%	100%

*H1 = As in Compliance Report January-June

*H2 = As in Compliance Report July-December

Figures refer to the repetition cycle of two years between main roll-outs of each compliance course.

Production and Supply Chain

TPCPLC focuses its sustainability strategy on environmental responsibility, ensuring permanent availability of resources and climate protection. Our production processes operate sustainably, and we aim to make our suppliers and business partners aware of and adhere to our standards through our Code of Business Conduct.



Environmental management

TPCPLC’s Board of Directors has integrated environmental protection into the company’s business strategy. The management team is responsible for reporting all matters related to the sustainability agenda to the Board, and the Managing Director oversees the entire sustainability agenda with the help of the management team. Guidelines and goals are created to assist operating units in implementing practical sustainability initiatives and improving areas of concern, and action plans are coordinated to ensure the successful implementation of these initiatives.

The Environment Manager is responsible for the proper recording and transmission of data related to production, operations, consumption, and emissions, as well as the day-to-day operations of environment-related activities and compliance with legal and regulatory requirements.

In the reporting year, TPCPLC did not violate any environmental protection laws during its business activities. The company continues to maintain its ISO 14001:2015 Environmental Management Systems (EMS) certification, and a renewal audit was conducted in 2019. TPCPLC strives to improve its Environmental Management Systems by following planned Environmental Monitoring Programmes as per national and Heidelberg Cement requirements and keeping up with environmental trends.

ISO 14001: 2015 Environmental Management Systems (EMS) certified

Our plant renewed its certification on environmental management systems in 2019

Energy and climate protection

The production of cement requires a significant amount of energy to generate the high temperatures necessary for burning limestone, which results in CO2 emissions from combustion. The calcination process, where the raw material is heated to temperatures as high as 1,450°C, also produces process-related CO2 emissions from the limestone. TPCPLC is committed to climate protection and reducing its carbon footprint in accordance with its sustainability commitments for 2030. To achieve this, the Company has surpassed its target of achieving 10% by achieving 13.6% substitution rate. TPCPLC is currently focusing to achieve 20% substitution rate by 2025. By utilizing waste materials and by-products from other industries as raw materials and fuels, TPCPLC is promoting a circular economy.

	2021	2022	2023
Specific net CO2 emissions	523	539	504
Alternative fuel rate	0.5%	3.1%	13.6%

Reduction of Scope 2 emissions

Alternative fuels

Our Company values waste materials and by-products from other industries as valuable resources in the production of cement, serving as substitutes to fossil fuels and natural raw materials which are limited. This approach not only conserves these finite resources, but also addresses waste disposal challenges while reducing our CO2 emissions. In 2022, our Company utilized waste-based biomass as a substitute for traditional fuel, contributing to 3% of our alternative fuel mix. By using these waste materials, we promote a circular economy and reduce our environmental impact while supporting overall sustainable practices in the Tanzanian economy.



Alternative fuels to replace natural resources

To assist Heidelberg Material in achieving their goal of reducing CO2 emissions to almost half of 1990 levels by 2030, our Company is increasing the use of alternative fuels. The Alternative Fuels Project is led by a team of experts from various departments. As of 2023, the proportion of alternative fuel in the mix was 13.6%, and we aim to increase it to 20% by 2025 through our Alternative Master Plan, thus achieving our CO2 reduction targets.

Use of hazardous materials

Our Company contributes to the Country's hazardous waste disposal by utilizing cement plants. This is one of the safest methods for disposing of hazardous waste, as our kilns operate at high temperatures of over 1,400°C, ensuring complete destruction of all harmful components. We offer this service as needed, and it is an essential aspect of the country's waste disposal process.

Land use and biodiversity

Currently, our Company operates a quarry situated at Wazo Hill from where we extract the raw materials necessary for the production of cement and clinker. Our mining activities strictly adhere to the legal framework governing mining and environmental regulations. We comply with the Mining Acts 2010 and Mining Regulations 2010, including any revisions or amendments related to them.

Quarry Rehabilitation and Renaturation

TPCPLC's Quarry Rehabilitation and Renaturation Project (QRRP) began in 2010. The project involves selecting, planting, and caring for trees and vegetation within the Wazo Hill quarry. It aims to support urban greening and environmental conservation activities, as well as to raise environmental awareness and build capacity to promote environmental conservation in Tanzania.

Indicator	Unit	2022	2023
Seedling raised in quarry	#	12,609	25,795
Total trees planted in the quarry	#	3,393	3,198
Total trees donated to stakeholders	#	25,165	23,243
Survival rate of seedlings raised in the nursery	%	85.48%	171.98%
Survival rate of trees planted in the quarry	%	52.81%	80.3%
Training workshops / seminar / awareness	#	5	2

Quarry rehabilitation and renaturation is an on-going exercise and it is integrated into the Company's operations. This is a requirement that the Company is committed to comply.

Biodiversity management at our quarry

Life is continually coming back within the quarry through biodiversity enhancement as a result of project implementation. The biodiversity is in the various forms of flora and fauna species. While the fauna species include a good representation of all key taxa of wildlife including birds, reptiles, amphibians, mammals and invertebrates; the vegetation component is characterized by the enhancement secondary vegetation catalyzed by the ongoing rehabilitation and renaturation efforts as well as the continuous emergent of the natural vegetation. It was noted that between 2018 – 2023, the number of bird species increased to 125 from 108.



Local Environmental Impact

Quarry Life Award - 2022

The Quarry Life Award, a research and education competition, is participated by TPCPLC as part of the Group's initiatives. It is open to researchers, university students, non-governmental organizations, and local communities surrounding our Company's quarry. The competition aims to generate feasible ideas or solutions for the ecosystem at our quarry. In the 2022 competition, 6 research entries were presented, including 3 scientific and 3 community-based projects.

Air pollutants and noise

The Company's Sustainability Commitments 2030 includes managing and controlling emissions from the plant, including those related to dust and noise. To mitigate the impact of our activities on the environment and neighbouring communities, we have installed filters to suppress emissions of air pollutants. We ensure that the emissions are within the national legal limits and have pledged to reduce air pollutants.

Waste materials

Our focus in waste management is mainly on kiln dust, a byproduct of clinker production. Kiln dust is removed from the kiln systems to prevent any disturbance to proper kiln operation. The Company takes advantage of kiln dust's unique properties and uses it as an alternative raw material in cement production.

Water management

TPCPLC has committed to minimizing the impact of its operations on natural water resources by reusing 40% of the water it uses. To achieve this, water is stored in reserve tanks and circulated to cool machinery. The resulting hot water is then sent to the chiller for cooling before being returned to the reserve tanks for recirculation. The Company also adheres to environmental regulations to ensure that its quarrying activities do not pose a risk to surface water or groundwater resources in the local area.

The water used by the Company is supplied by DAWASA, stored in reserve tanks, and circulated for cooling machines. To minimize water consumption, the Company recycles 40% of the water. Waste water from Company buildings is disposed of through the municipal waste water system in compliance with environmental regulations.



Management of supplier relations

TPCPLC procured goods and services with a total value of TZS 311.9 billion. This is equivalent to 63% of total revenue.

Our Company is committed to ensuring supply chain sustainability by adhering to relevant standards. Our purchasing guidelines cover supplier relations and purchasing processes, with the Supplier Code of Conduct being a critical tool. This code incorporates key elements of international social accountability and environmental standards, as well as the principles of the International Labour Organization. Suppliers who fail to comply with the Code and correct identified deficiencies may have their contracts terminated. We communicate our sustainable supply chain standards to suppliers and hold discussions to address requirements beyond the Code of Conduct.

86%

of our procurement volume
is from local supplies

Occupational Health and Safety

The safety and health of everyone involved in our operations remain a top priority for TPCPLC. We invest in health and safety to create a safe work environment and prevent accidents that may result in fatalities, injuries, disabilities or illnesses. Our occupational health and safety policy outlines our commitment to protecting our employees and stakeholders.

Key Health and Safety highlights for year 2023

	2021	2022	2023
Lost time injury employees	1	0	0
Lost time injury contractors	0	0	1
Lost time injury frequency rate	2	0	0
OH&S expenditure (TZS' Billion)	1.64	1.59	2.25



Occupational safety as a management task

At TPCPLC, the management of health and safety is a top priority, and the company invests in appropriate tools and standards to ensure a safe work environment for all stakeholders. The Occupational Health and Safety (OH&S) Policy, OH&S standards, and Occupational Health and Safety Management Systems (OHSMS) are used as risk management strategies. The company is ISO 45001:2018 certified, and it complies with local, regional, national, and international OH&S legislation.

The Health and Safety department monitors OH&S activities, ensures that employees and subcontractors comply with rules, and implements measures such as training, risk assessments, and health and safety reporting. Employees have a platform to record safety matters through support from the HC Group. TPCPLC also fulfills legal requirements by conducting medical surveillance, which includes annual fitness to work medical examinations covering general physical examination, vision test, blood pressure measurement, lung function test, and hearing test.

As of December 2023, the Company has got one (1) Loss Time Injuries (LTI) of a contractor and one (1) fatality of a contractor. These setbacks in 2023, posed a challenging health and safety environment, TPCPLC has rigorously assessed its processes and made changes to make sure, as our historical achievement, we continue to attain highest standards on health and safety for our employees and contractors.

Health and Safety Week 2023

The Company's annual safety awareness program involves various activities related to occupational health and safety. Its objective is to promote a culture of health and safety in the workplace and increase awareness among workers and other stakeholders such as transporters, health insurance providers, customers, and neighboring communities. The theme for the 2023 Health and Safety Week was Dynamic Risk Assessment is Life-saving, and all the activities conducted during the week were based on this theme.

Activity	Topic	Measurement	Impact
Training	Defensive driver's training	Number of drivers trained	162
	Safety Induction	Number of FTE & contractors trained	4970
	First Aid training	Number of FTE & contractors trained	169
	Basic fire fighting training	Number of FTE & contractors trained	434
	LOTOTO training	Number of FTE & contractors trained	3352

Employees and Employment

With 259 employees, TPCPLC acknowledges that their success is attributed to the staff's efforts, enabling them to become one of the leading cement industry companies. In recognition of this, the Company prioritizes creating an appealing work environment for its employees. Being a manufacturing entity, the Company places a high emphasis on the health and safety of their workers.

Highlights

Number of trainees and retention trends for Tanzania Portland Cement PLC.

	2021	2022	2023
Employee headcount (Full time employees)	260	257	259
Number of FTE seconded to other countries	2	-	-
Number of trainees	39	44	43

Principles

TPCPLC believes that a sound personnel policy should value and respect the Company's employees, who bring with them a wide range of extensive experience and talents. To achieve this, the Company is obligated to provide a conducive environment that enables employees to work with dedication and efficiency. This includes fair compensation and a non-discriminatory workplace that empowers employees to reach their full potential. As a manufacturing company, TPCPLC also prioritizes the occupational safety and health protection of its employees.

Talent management

TPCPLC values qualified and motivated employees for their role in the Company's success. The personnel policy focuses on identifying and developing talented employees to maintain competitiveness. Performance and potential are assessed for strategic development and succession planning. Reviews are ongoing to identify talent and support development for critical roles.

Employment and co-determination

Development of the number of employees

In 2023, the number of employees increased to 259 compared to 257 in 2022.

Dialogue with employee representatives

TPCPLC has a positive relationship with its employees who are members of the Tanzania Union of Industrial and Commercial Workers (TUICO). A constructive relationship between TUICO and management is maintained, and a fair and transparent dialogue is upheld, as outlined in our Code of Business Conduct. The relationship between management and employees is governed by a voluntary agreement established between TUICO and the Company.

In the event of a reorganisation leading to job losses, we work in close consultation with TUICO to find a socially responsible solution. The affected employees are made aware of any development and decisions. If all options to retain the employee fail, terminal benefits are considered for those employees impacted by reorganization

TPCPLC upholds core labor standards and guidelines with employees and stakeholders, expecting compliance from all. Employees receive booklets on the company's code of business conduct and ethics training. Social committees, supported by TPCPLC, are open to all staff, including women's groups and sports activities.

Remuneration policy and working time regulation

TPCPLC's remuneration systems are structured to reward employees based on their qualifications and, more significantly, their performance. This system is made up of two components: a fixed element governed by an individual employment contract or collective bargaining agreement, and a variable element based on both the individual's and Company's performance. To be eligible for the variable element, both the financial and sustainability targets, including CO2 reduction, must be met.

Personnel costs and social benefits

Expenditure on personnel costs increased by 8.5% compared to the previous year, amounting to TZS 24.2 billion (2022: TZS 22.3 billion), which includes salaries, wages, post-employment, and social security contributions. TPCPLC also provides other benefits to its employees, such as transportation to and from the office, canteen services, medical coverage, and long-service awards.

Training

The Company places great emphasis on talent development, with formal training courses such as the Young Engineers Talent, Middle Managers, and Senior Manager Programs. Furthermore, the Company supports its employees in pursuing professional qualifications in their respective fields. TPCPLC also cooperates with the government to provide practical training to graduates.



As of 31 December 2023, the percentage of retained trainees at TPCPLC was 5%, and the trend of trainees is shown below.

Number of trainees and retention trends for TPCPLC

	2021	2022	2023
Trainees	39	44	43
Retained	5	2	3
Rate	13%	5%	7%

Diversity management

Diversity as a factor for success

TPCPLC's personnel policy seeks to build a team with a variety of experiences, skills, and personalities. Diversity is regarded as an asset to the company, including gender, age, cultural, and ethnic origin. This diversity, along with a strong corporate culture, has a positive impact on innovation and enhances overall company performance. A primary objective of the company is to attract and promote highly skilled and dedicated employees who can bring diverse professional and social skills to the organization, thereby contributing to its success.

Women in leadership positions

TPCPLC is making significant strides towards its sustainability objective of increasing the proportion of women in its workforce.

This criterion is taken into account when recruiting candidates for different positions within the company, promoting diversity and inclusivity.

As of December 31, 2023, the number of women in leadership positions remained unchanged at 9, the same as in 2022.

Furthermore, there is one woman who serves as a member of the Board of Directors, representing 16.7% of the current Board consisting of six (6) Directors.



Society and Corporate Responsibility

Social responsibility

Businesses worldwide are recognizing the importance of their role in promoting social development, and corporate social responsibility (CSR) goes beyond just business processes. TPCPLC is dedicated to making a positive impact in this regard. As a responsible corporate entity, TPCPLC interacts actively with nearby and local communities and encourages a lively and dynamic society through volunteer initiatives. While meeting local needs, TPCPLC ensures it respects and preserves cultures and identities.

TPCPLC’s social responsibility and the sustainability ambition 2023

TPCPLC’s Corporate Social Responsibility (CSR) strategy outlines its objectives and focus for 2023, aimed at ensuring efficient coordination of voluntary activities that involve both employees and stakeholders. The management is responsible for deciding on the specific actions to be taken and the external partners to collaborate with, based on Heidelberg Materials and TPCPLC’s leadership principles, code of conduct, corporate citizenship policy, and other compliance standards. The strategy aligns with the Company’s commitment to responsible business practices and community engagement.



TPCPLC’s social responsibility areas of focus

TPCPLC supports projects, organizations and initiatives that are based in Tanzania and aligned with TPCPLC’s Code of Business Conduct, other compliance standards, the Leadership Principles and the sustainability ambition 2023 to create long term benefits and value for the society and have a high profile within the society and meet the legal regulations.

Key areas of focus	Our progress
Building, architecture and infrastructure	Providing practical help in the construction of buildings and infrastructure for the benefit of society.
Environment, climate and biodiversity	Cooperating with partners in order to preserve and protect environment by promoting climate protection and biological diversity.
Education, training and culture	Improving children’s chances of succeeding in education by promoting the physical, cognitive, linguistic and socio- emotional development of students. Promoting culture helps increase creativity, diversity and quality of life.
Emerging events	Contributing to numerous emerging activities if the budget allows and if the events are in line with the areas of focus of our CSR strategy.

Achieving the goals

The CSR initiatives complement Heidelberg Cement Group’s Sustainable Ambitions 2030 program. The 2023 program focuses on projects aimed at environmental preservation and people’s well-being, which aligns with our corporate responsibility. The highest priority areas of the program are health and safety, biodiversity, sustainable construction, waste management, climate protection, and reducing environmental impacts. TPCPLC will utilize its management expertise to oversee the projects and employ monitoring and evaluation techniques to ensure that beneficiaries receive maximum benefits.

Our CSR collaborations in pictures

Volunteering and Sponsoring



TPCPLC Champions Environmental Responsibility: Protecting Our Oceans

As part of its commitment to protecting life on land and water, TPCPLC's environmental department has taken a leading role in creating environmental awareness. They've launched impactful beach cleaning initiatives focused on the Indian Ocean. Since its inception in 2023, this program has mobilized TPCPLC employees to actively participate in removing plastic waste and other debris, such as cabbages, from the coastline.



TPCPLC proudly recognizes and supports young talents, paving the way for a bright future. Collins Saliboko, comes from a poor background but he is very enthusiastic, optimistic and passionate about swimming and expects to participate and qualify for the Olympics to be held in Paris 2024. Collins has won more than 100 medals and dozens of trophies having participated in world recognized swimming competitions games including in the common wealth games, FINA world youth commonwealth games, CANA championships, and the recent 'Cana Zone IV Championship held in Zambia in April 2022. The Company is supporting Collins with training camp fees, flights and upkeep expenses for the year 2023 leading to the Olympics in 2024.

"Collins Saliboko"

Our CSR collaborations in pictures

Education and Charity



Boko secondary school has more than 1000 students from form 1 to form 4. Twigacement has worked and supported the school for many years since its inception into the community. During the year TPCPLC supported the school with cement for the schools renovation and repairs of its classrooms as well as sanitary towels for girls donated on womens day. Apart from cement, the company also supported the school with expertise training such as career day and character development for teens led by our HR team

"Boko Secondary School"



Since 2022, TPCPLC has proudly partnered with Farm For the Future, a visionary organization dedicated to supporting children and small farmers in rural communities. Through this collaboration, TPCPLC is supplying cement to aid in the construction of the center's buildings. This vital center, expected to be completed by 2024-2025, will serve a critical role. It aims to:

- Empower Children: Provide education and support to over 300 children from underprivileged families in more than 10 nearby villages.
- Uplift Small Farmers: Address the challenges faced by local farmers through extension services, knowledge sharing on crop nutrition, and practical farming solutions derived from research and field work.

By supporting Farm For the Future, TPCPLC is committed to creating a lasting positive impact. The center will not only nurture the potential of future generations but also empower local farmers, fostering a more sustainable and prosperous future for these rural communities.

"Farm For the Future Project- Iringa"

Education and Charity

As a part of its CSR efforts, the Company strives to provide support to schools and orphanages located near the factory and other locations across Tanzania. The Company extends assistance to schools and orphanages by providing general support and cement for the construction and renovation of classrooms and dormitories.



To honor our theme of 'being a good neighbor', during the year 2023 the company donated 'Soma Twiga school bags' for the children at the center is registered and managed under the Msata Catholic archdiocese located in Bagamoyo. **"Sycamore Children's home"**



Located in Kibaha, Dar es Salaam. This newly built center will be a home to more than 100 street children. This is a new construction and cement of 200bags was contributed to the center during the year. The center is registered and will be managed under the Kibaha Catholic Archdiocese, in assistance with the Vatican embassy **"Mount Horeb Children's Home- Orphanage"**



TPC PLC continues to partner and work with institutions that assist with water issues in various villages. This year, Twiga Cement is working with an NGO under the Catholic Diocese of Singida, that is helping the community to build water tanks in Sakaa and Misughaa villages, in singida region **"Water Tank Project - Singida"**










04

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The Report By Those Charged With Governance

The directors present their report and the audited financial statements for the financial year ended 31 December 2023 which disclose the state of affairs of Tanzania Portland Cement Public Limited Company (“the Company” or “TPCPLC”).

 1. Incorporation <p>The Company is incorporated in Tanzania under the Tanzanian Companies Act, 2002 as a Public Company limited by shares.</p>	 2. Our Vision <p>To develop a strong identity, be the market leader and the first choice amongst cement consumers in Tanzania.</p>	 3. Our Mission <p>To satisfy customers by providing them with high-quality products and services at an affordable price.</p>
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4 Company Operations

Principal Activities
The Company’s principal activity during the year was manufacturing cement at its plant at Tegeta-Wazo Hill, Dar Es Salaam, Tanzania and selling cement both inside and outside Tanzania.

5. Economic and Market Environment

Economic Environment
Throughout 2023, the worldwide economy experienced a substantial decline in comparison to the previous year. Numerous nations saw a notable increase in energy and fuel prices due to geopolitical tensions such as the Russia-Ukraine conflict, which also caused a surge in global food prices and caused supply chain issues.

Tanzania saw annual average inflation for 2023 improved to 3.8% compared to the previous year’s average of 4.3% explained by a rebound in the tourism sector, gradual improvement in supply chains and reforms to support economic activities, as well as the annual GDP growth for the quarter ending September 2023 has improved to 5.3% compared to 3.6% for the quarter ending Dec 2022.

Market Environment
Tanzania’s cement market operates within a dynamic environment with more cement manufacturer capacities compared to available market demand.

Tanzania’s construction sector has witnessed consistent growth due to increased construction activities. The government’s emphasis on infrastructure development has fuelled demand for cement products. Despite the growth, the cement market remains fiercely competitive.

The last quarter of 2023 saw a contraction in the cement market. Factors contributing to this decline include weather conditions and broader economic challenges. However, recovery is expected in 2024, as construction activities continue to pick up.

Operational Environment
Within the operational sphere, TPCPLC faces high production costs mainly in energy costs which constitute a significant portion of production expenses, the escalating prices for raw materials further strain profitability.

The regulatory operation framework is continuing to evolve with more topics in the pipeline, we continue to work closely with various authorities to ensure full compliance and resolutions.

6. Business Model

As a major cement producer in the country, TPCPLC has a strong sales record. Our products cater to the increasing demands for housing, transportation, and economic development in Tanzania and East Africa by supporting the construction of residential, commercial, and industrial facilities. We are also committed to achieving carbon neutrality in cement manufacturing and are working towards sustainable and intelligent cement technologies while offering digital solutions to our customers.











Our business model covers the entire value chain from the extraction of raw materials to the processing of cement and distribution to customers. Our operations are supported by Central Competency Centers for Technology, which are owned by our main shareholder. We carry out geological exploration of raw material reserves, assess environmental impact, extract raw materials, rehabilitate extracted areas, and produce cement as part of our operational processes.



Products

Cement is our core product. We classify our high-quality cement based on its early and final strength and composition. Our clients for our top-notch cement range from regular constructions and government infrastructure projects to producers of ready-mix concrete, and the general public through our distributorship network. Our cement products are packaged in bags, big bags, and bulk.

In simple terms, below is the list of our top-notch products;

	Twiga Ordinary (CEM I 42.5N)	 Mainly used for high-quality concrete, and overall building of large buildings, dams, and bridges.
	Twiga Plus+ (CEM II B-L 42.5N)	 Mainly used for building blocks, large and medium size buildings, dams and bridges, etc.
	Twiga Extra (CEM II B-L 32.5 R)	 Mainly used for the overall building of houses and block making etc.
	Twiga Super (CEM II B-L 32.5N)	 Mainly used for the improvement of soil binding strength, most especially road constructions, etc.
	Twiga Jenga (MC 22.5 X)	 Mainly used for installation of tiles, minor house improvements, building blocks, etc.

The significance of integrating sustainability into the business model

We aim to make a significant impact in reducing the environmental impact of our business operations and decreasing our carbon footprint. As one of the leading cement manufacturers in the country, we acknowledge our responsibility to lead the way in driving sustainable practices across the industry. Our goal is to contribute significantly towards sustainable cement production and achieving carbon neutrality through prioritizing social and environmental responsibility as well.

Climate protection is an essential element of our business strategy to achieve our objective. We understand that cement production generates a significant amount of CO₂ due to the chemical processes required for clinker burning, which is why we are increasing our use of alternative raw materials and fuels to reduce CO₂ emissions.

We are also working to optimize our production processes to increase energy efficiency while promoting circularity and a strong circular economy to reduce the consumption of primary raw materials. At the product level, we prioritize low-carbon cement compositions, the use of recycled materials, and the adoption of new technologies to support our goal of achieving carbon neutrality.

External factors of influence

Apart from weather conditions and economic and population growth, the operational and economic development of TPCPLC is primarily impacted by fluctuations in energy and raw material prices in both local and global markets, changes in the regulatory environment, and competition within the markets where we operate

Digitalisation




Digitalisation – including digital products and applications plays a crucial role throughout our entire value chain, from raw materials mining, production, and logistics to the final interaction with our customers. TPCPLC has set itself the target of becoming the leading tech company in the cement industry. We aim to use digital solutions to contribute to Company growth and increase efficiency in production and administration. Our digital transformation strategy in sales is to cover more than 75% of our sales volume via digital interfaces to customers (customer portal app) in 2023.

Corporate Portfolio

Our customer portfolio is diversified, including both developed and growth markets, and we consider it to be a strength. We aim to simplify the portfolio through active management and prioritize the strongest market positions based on defined financial and non-financial criteria.

We plan to expand our presence in markets with growth potential, while also vertically integrating along the value

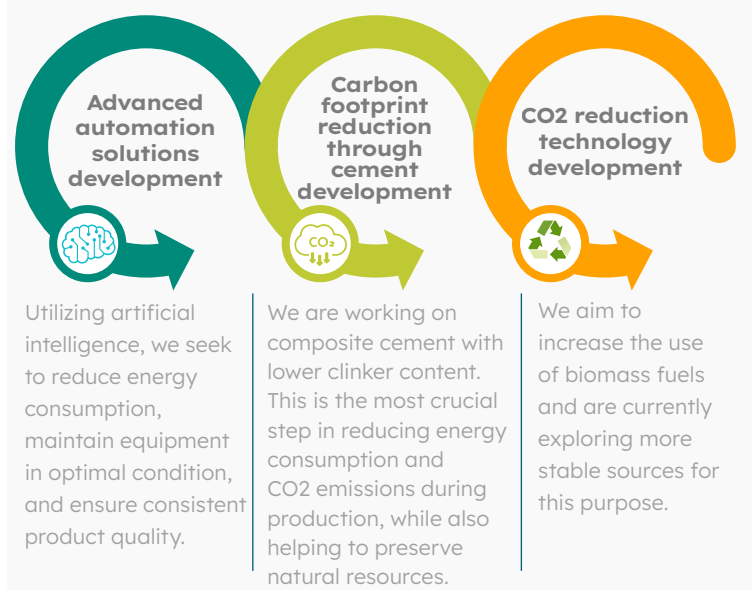
chain in markets where we can achieve strong synergy effects and strengthen our positions. Furthermore, we will continue to invest in sustainability and digitalization, which we see as transformative areas, and expand our portfolio in these areas

Value we Created	Benefits to Stakeholders
Operating Profit  TZS 141.4bn 2022: TZS 138.2bn	To our Shareholders: Returns and growth
Profit After Tax  TZS 99.2bn 2022: TZS 97.4bn	To our Customers: Quality products
Operating Cash Flow  TZS 95.6bn 2022: TZS 79.2bn	To Government: Taxes and quality products for infrastructure development To Society: People career development and better built environment

Research and development

TPCPLC’s research and development (R&D) efforts aim to create innovative products, develop new product formulations, and improve processes in order to lower energy consumption, conserve resources, strengthen the circular economy, reduce CO2 emissions and costs, and enhance customer satisfaction.

Our Research and Development Focus



Business Model Continued

Value creation for our shareholders

To achieve sustainable value and measure our business success, we have established key performance indicators that are relevant for management. These include the result of the current operation (RCO), return on invested capital (ROIC), and net CO2 emissions. In addition, we also use revenue development, the result of the current operation before depreciation (RCOBD) margin, and leverage ratio as supporting information.

To evaluate and achieve our strategic goals, we have implemented a value-oriented management system. This system involves annual operational planning, management and control throughout the year, monthly management meetings, and regular departmental meetings.

We employ a comprehensive system of standardized reports to manage and control the company throughout the year. These reports cover TPCPLC's assets, cash position, and earnings position, with the indicators used being uniform throughout the company. Weekly reports on cash

inflow and outflow are prepared, and monthly reports cover operating profit, production, and maintenance.

Detailed financial reports are provided at the end of each month and quarter. During quarterly management meetings, TPCPLC's key management personnel and main shareholder's cluster managers discuss business developments, including target achievement, the outlook for the fiscal year, and any necessary measures based on TPCPLC's quarterly forecasts

Operational Performance

TPCPLC outlook in numbers.

Figures in TZS Millions	2023	2022	Change%
Income statement			
Revenue	490,172	501,369	-2.2%
Operating profit	141,433	138,214	+2.3%
Profit for the financial year	99,184	97,359	+1.9%
Earnings per share (TZS)	551	541	+1.9%
Dividend per share (TZS)	390	390	0.0%
Investments in Tangible Assets & PPE			
	11,966	14,611	-18.1%
Depreciation and amortisation			
	21,819	20,645	+5.7%
Balance sheet			
Non-current assets	138,555	149,032	-7.0%
Current assets	307,132	269,861	+13.8%
Equity	328,557	299,738	+9.6%
Non-current liabilities	20,706	20,420	+1.4%
Current liabilities	96,424	98,734	-2.3%
Balance Sheet Total	445,687	418,893	+6.4%
Ratios			
Operating Income (OI) Margin	28.9%	27.5%	+1.4%
Return on total assets before taxes ⁹	31.5%	32.7%	-1.2%
Return on equity ¹⁰	30.2%	32.5%	-2.3%
Return on revenue ¹¹	20.2%	19.4%	+0.8%
Non-Financial Figures:			
Number of employees at year-end	257	260	-1.2%

Extensive operating results information is found from page 104.

⁹ Result before tax from continuing operations + interest expenses / balance sheet total

¹⁰ Net income from continuing operations/equity

¹¹ Net income from continuing operations/revenue

Operational Performance *Continued*

Revenue and results

Clinker production in 2023 remained similar to 2022. However, cement production declined by 12% compared to 2022 contributed by a similar decline in sales volumes. We are committed to continued improvement and maintenance of machines to ensure optimal production capacities.

The turnover also declined from TZS 501.4 billion to TZS 490.2 billion in 2023, a decline of 2%. This is attributed to the overall shrinkage in the cement market growth especially in the last quarter of 2023 and increasing fierce competition. The cost of sales improved by 1% compared to 2022, mainly as a result of overall improvements made by continued cost optimizations, and reduction in production due to lower sales volumes.

Despite the decline in sales compared to the previous year, TPCPLC attained an improvement of 2% in the operating profit for the year compared to the previous year (2023: TZS 141.4 billion compared to 2022: TZS 138.2 billion). The profit for the year was TZS 99.2 billion (2022: TZS 97.4 billion). Total comprehensive income amounted to TZS 99. billion (2022: TZS 97.7 billion).

The Board of Directors will propose to the shareholders a dividend distribution of TZS 390 per share (2022: TZS 390 per share).

Cash flow position

Despite the challenging market environment and in the context of the significantly higher prices for energy and raw materials and challenging lead times compared with the previous year, the cash inflow from operating activities in the 2023 financial year was above the level of the previous year at TZS 95.6 billion (2022: TZS 79.2 billion), an improvement of TZS 16.4 billion. The improvement in cash flow from operating activities was mainly attributed to improvements in working capital compared to the previous year.

With the attainment of a net change in cash of TZS 18.5 billion (2022: TZS 9.6 billion), our cash and cash equivalent balance grew from TZS 105.5 billion to TZS 131.4 billion.

Earnings anticipation

We anticipate a modest growth in cement revenue in 2024, even though there is a projected uneven increase in the costs of raw materials, consumables, and supplies as well as a moderate increase in other operating expenses, we expect the operating results for the financial year 2024 to be slightly better than 2023 following expected improvement in market conditions compared to the previous year

Future Prospects Of The Company

The cement market in Tanzania and the East African region has been growing steadily over the past years. TPCPLC has invested in expanded capacity, rehabilitated old clinker lines, and identified strategic sources of raw materials to secure its operations. Additional focus continues to be placed on projects that will reduce CO2 emissions through the utilization of biomass and alternative energy sources in burning clinker.

The Alternative fuels project, completed in 2022, is supporting TPCPLC to progress further towards becoming a carbon-neutral company through improving alternative fuel consumption, thus reducing our CO2 footprint in the environment. The management is projecting to attain above 20% of biomass and alternative fuels utilization by 2025.

Solvency Evaluation

The Directors have reviewed the current financial position of the Company and the existing short-term borrowings. Based on this review together with the current business plan, the Directors are satisfied that the Company is a solvent going concerned within the meaning ascribed by the Companies Act, 2002 of the Laws of Tanzania and IFRS Accounting Standards.

Major Events

There were no major events during the year.



CONDITION BASED MONITORING

CONDITION ANALYSIS
Condition monitoring of rotating machinery

Electrical faults

... (various charts and diagrams)

Corporate Governance

“TPCPLC adheres to strict Corporate Governance standards to ensure the Company’s long-term value and success while considering the interests of its diverse stakeholder groups, including shareholders, customers, suppliers, employees, and the communities where TPCPLC conducts its operations.”

TPCPLC has three institutions: the Annual General Meeting, the Board of Directors, and the Audit Committee. The tasks and responsibilities of these institutions are primarily based on Stock Exchange Regulations and the company’s Articles of Association. The Board of Directors is of the opinion that the Company complies with principles of good Corporate Governance as required by the Stock Exchange Regulations.

The shareholders exercise their rights before or during the Annual General Meeting and thereby exercise their voting right. The ordinary Annual General Meeting is normally held in the first five months of the financial year. A company proxy bound by instructions is also available to shareholders to exercise their voting rights at the Annual General Meeting.

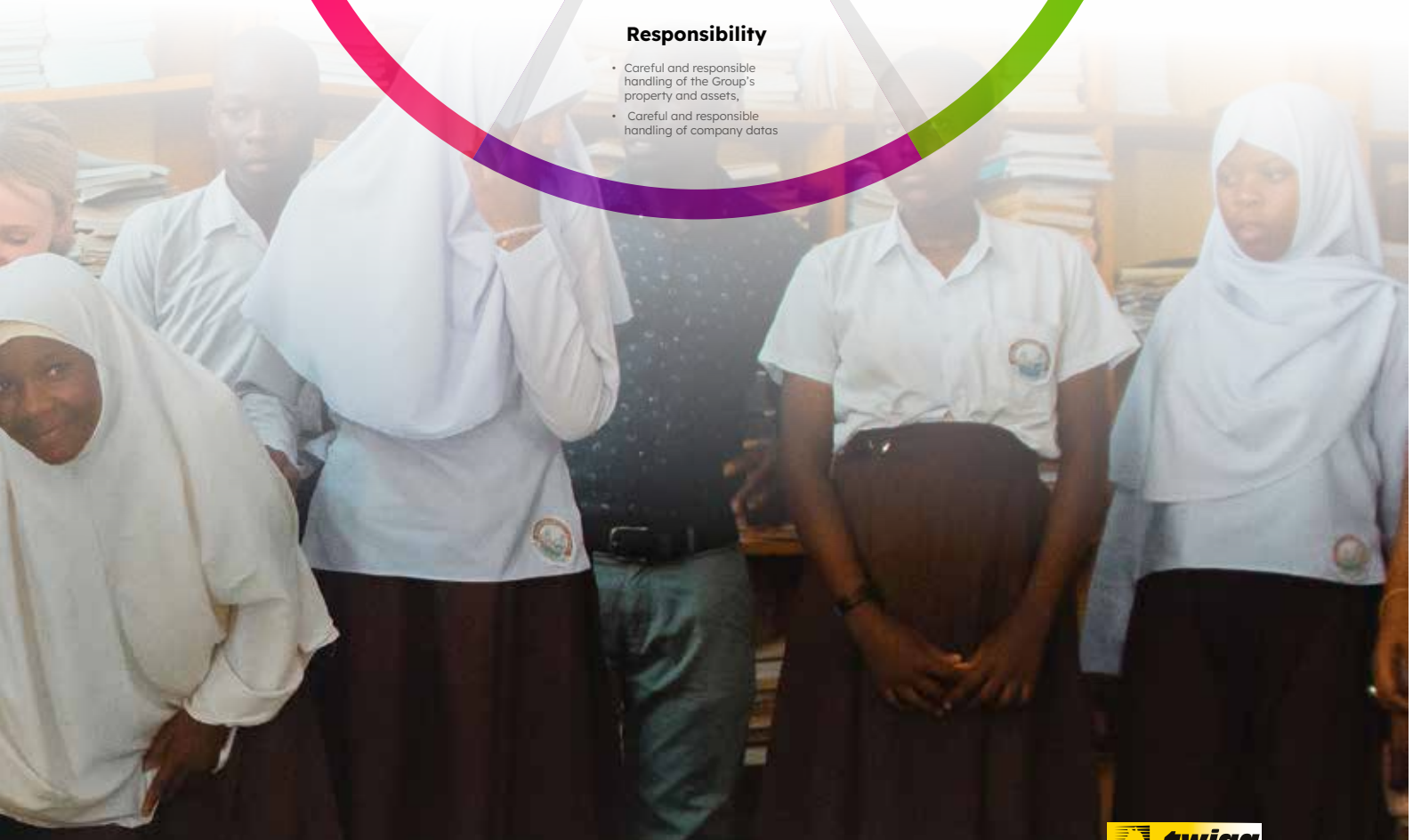
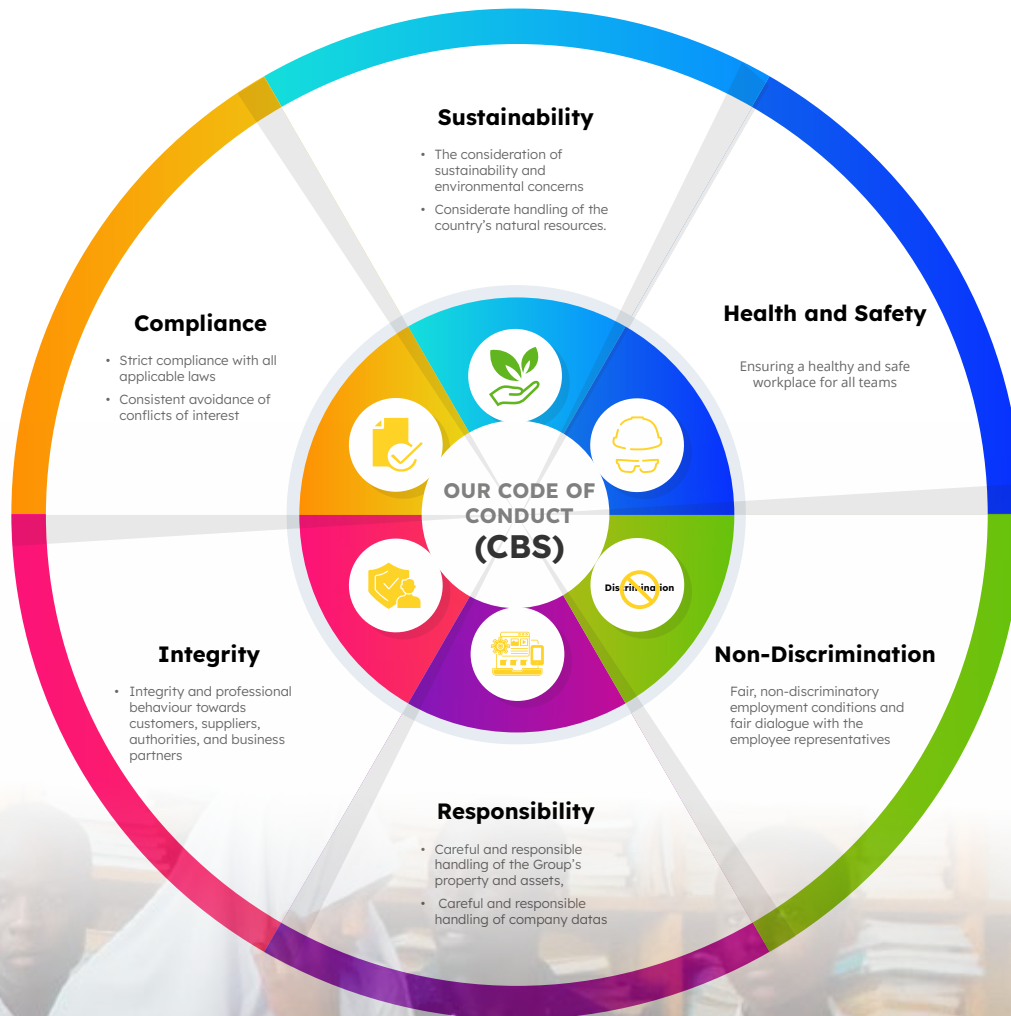
Our 3 main Corporate Governance institutions:

1. The Annual General Meeting
2. The Board of Directors
3. The Audit Committee

twiga
cement
Heidelberg Materials



Our Code of Business Conduct (CBC)



Our Board of Directors



Mr. Hakan Gurdal
Chairman

Initial Appointment: 23 Aug 2016
Nationality: Turkish
Age: 55

Mr. Hakan Gurdal appointed Chairman of TPCPLC Board in August 2016. He studied mechanical engineering at the Yildiz Technical University in Istanbul and holds an MBA in International Management from the University of Istanbul.

He joined Canakkale Cimento (today part of the joint venture Akcansa) in 1992. He is a member of the Managing Board since 2016; in charge of the Africa-Eastern Mediterranean Basin Group area and Purchasing.



Mr. Alfonso Velez
Managing Director

Initial Appointment: 29 Aug 2017
Nationality: Spanish
Age: 55

Mr. Alfonso Velez was appointed as the Managing Director of TPCPLC from August 2016. In August 2017 he was appointed as the General Manager for Central and South-East Africa operations which comprised of Tanzania, Congo DRC, Mozambique and South Africa.

Alfonso holds a Phd of Economics and Business Organization from University of Granada, MBA in Corporate Finance from University of Dallas.

He has a vast experience in cement industry and related companies in Europe before joining HeidelbergMaterials Group in 2013 as the Managing Director of CIMBENIN.



Mr. Oswald Martin Urassa
Director

Initial Appointment: 25 May 2016
Nationality: Tanzanian
Age: 59

Mr. Oswald Urassa, is a CFO of Tanzania Mortgage Refinance Co. Ltd. He studied finance at the University of Dar es Salaam and he is registered by the National Board of Accountants and Auditors (NBAA) in the category of Certified Public Accountant in Public Practice (CPA-PP).

He has been a member of the board to various organizations including Government Employees Provident Fund (GEPF), National Board of Accountants and Auditors (NBAA), Tanzania Association of Accountants (TAA), Investment Trust Board (ITB) and Evangelical Lutheran Church of Tanzania, Eastern and Coastal Diocese (ELCT-ECD).





Mr. Francesco Brambilla
Director

Initial Appointment: 25 Apr 2018
Nationality: Italian
Age: 52

Mr. Francesco Brambilla was appointed as TPCPLC board member in April 2018. He studied Civil Engineering at Pavia university (IT) and holds an MBA from Essec Business School (FRA) and Mannheim Business School (GER).

He joined Heidelberg Cement in 2016 as Market Intelligence and Sales Processes Director for Africa and Eastern Mediterranean Basin Group area.

With a vast experience in the cement business, prior to his current role he has covered several managerial positions both in operations and in strategy & business development, in Europe and in Africa.



Mrs. Ruth Henry Zaipuna
Director

Initial Appointment: 25 May 2016
Nationality: Tanzanian
Age: 50

Mrs. Ruth Zaipuna, Tanzanian national, is the CEO at NMB Bank PLC, responsible for driving the Bank's corporate strategy to deliver sustainable business growth.

Prior to joining NMB Bank PLC, She had worked with Standard Chartered Bank Tanzania and PricewaterhouseCoopers (PwC).

She holds a Master of Business Administration (MBA) in Finance and a Bachelor of Commerce (B.Com) degree in Accounting, both from the University of Dar es Salaam and she holds an Associate Certified Public Accountant (ACPA (T)) certification.



Mr. Dominik Michel
Director

Initial Appointment: 24 Nov 2021
Nationality: German
Age: 47

Mr. Dominik Michel, a German national was appointed as TPCPLC board member of TPCPLC Board in November 2021. Mr. Dominik has served as a member of the TPC PLC Audit Committee since 2015.

He has served on various Boards and Audit committees in different cement plants within the group having gained finance and management experience of more than 15 years in senior positions including Finance Director/CFO in Sierra Leone, Ghana, and Egypt, respectively. He is currently the Area Director, Financial Planning & Analysis for the Groups Area Africa and the Eastern in Mediterranean (AEM) Basin in Heidelberg Materials.

Corporate Governance Continued

b. The Board of Directors

The Board currently comprises six directors: five Non-Executive Directors and the Managing Director. The roles of the Chairman and Managing Director are separate to achieve a balance between management and control. The Board is responsible to shareholders for corporate governance of the Company, for setting strategy and policies, monitoring of operational performance, risk management processes, and setting of authority levels. The Board is scheduled to meet 3 times during the financial year.

The directors of the Company who served during the year, and to the date of this report, are:

Name	Title	Nationality	Age	Qualification	Initial Appointment
Bw. Alfonso Velez	Managing Director	Spanish	55	MBA	29 Aug 2017
Bw. Dominik Michel	Director	German	47	Bachelor BA	24 Nov 2021
Bw. Francesco Brambilla	Director	Italian	52	Engineer	25 Apr 2018
Bw. Hakan Gurdal	Chairman	Turkish	55	Engineer, MBA	23 Aug 2016
Bw. Oswald Martin Urassa	Director	Tanzanian	59	B.com, MBA, CPA(T)	25 May 2016
Bi. Ruth Henry Zaipuna	Director	Tanzanian	50	B.com, MBA, CPA(T)	25 May 2016

All current Directors are non-executive except for the Managing Director.

The Company Secretary during the year ended 31 December 2023 was Mr. Brian Kangetta (Kenyan), 46 years old.

The Directors' Interest in the Shares of the Company.

	Number of shares	
	2023	2022
Mr. Oswald Martin Urassa	500	500

Board Meetings.

The table presented below displays the board members' attendance record for the ordinary scheduled board meetings during the year.

Name	12 Apr 2023	12 Jul 2023	30 Nov 2023
Mr. Hakan Gurdal	√	√	√
Mr. Dominik Michel	√	√	√
Mr. Alfonso Velez	√	√	√
Mr. Oswald Martin Urassa	√	√	√
Mrs. Ruth Henry Zaipuna	√	√	x
Mr. Francesco Brambilla	√	√	√

√ → Attended X → Excused

C. The Audit Committee

The Board is assisted in the discharge of its responsibilities related to financial reporting, compliance, risk management, accounting, and information systems management by the Audit Committee. The Audit Committee is chaired by one of the Non-Executive Directors. Meetings are held throughout the year and are attended by senior management and the Company's auditors where necessary. The Audit Committee met 3 times in 2023 (2022: 3 times).



Corporate Governance *Continued*

Audit Committee Members

The Audit Committee members who served during the year, and to the date of this report, are:

Name	Title	Nationality	Qualification
Mr. Dominik Michel	Member	German	Bachelor BA
Mr. Oswald Martin Urassa *	Chairman	Tanzanian	B.com, MBA, CPA(T)
Mrs. Ruth Henry Zaipuna	Member	Tanzanian	B.com, MBA, CPA(T)

Audit Committee Meetings

The table presented below displays audit committee members' attendance records for the ordinary scheduled meetings during the year

Name	25-Apr- 2023	12-Jul- 2023	08-Dec-2023
Mr Dominik Michel	✓	✓	✓
Mrs. Ruth Henry Zaipuna	✓	✓	✓
Mr. Oswald Martin Urassa	✓	✓	✓

✓ → Attended X → Excused

d. Performance evaluation and reward

The Company has implemented an evaluation and bonus system for its managers and employees. Rewards in the form of yearly bonuses are linked to the Company's overall financial performance, production, health and safety, and individually set performance targets.

e. Risk management and internal control

TPCPLC faces several risks due to its business operations, and effective risk management is crucial for sound corporate governance. The company's robust risk management framework facilitates early identification and systematic evaluation of potential risks, ensuring targeted risk management. Additionally, TPCPLC has an internal control system that includes both independent and integrated control measures through its internal audit function.

The Internal Auditor is responsible for establishing and implementing a yearly internal audit plan whereby compliance with policies and procedures, the adequacy of internal controls and risk management, and the potential for improvements are assessed. In addition, the Company benefits from regular reviews by the internal audit team of the main shareholder

f. Business ethics and organizational integrity

The issues of good governance and ethical conduct are critical to counterparty and investor perceptions of a listed Company. The Company strives to ensure that its integrity and professional conduct are always beyond reproach. The Company has developed ethical guidelines for its employees to limit the cost of unethical behaviour to its stakeholders. The Company has adopted the main shareholder's business code of conduct and anti-corruption guidelines. Hence every employee has signed a declaration to comply with these rules.

g. Management reporting, financial reporting, and auditing.

The Company has established management reporting procedures which include the preparation of annual strategic plans and budgets. Actual results are reported monthly against approved budgets and forecasts and compared to the prior year. Financial reporting is done according to IFRS Accounting Standards and published quarterly in accordance with the requirements of the Dar es Salaam Stock Exchange. The accounts for each financial year are audited by the Company's external auditors.

Our Key Management Team

“Our leadership team that served during the year ended 31 December 2023 and drove the Company towards new record heights in both business growth and towards sustainability”

1. Mr. Ahmed Elsayy
Plant Manager

2. Mr. Gregory Ndimbo
Internal Audit and Quality Assurance Manager

3. Mrs. Evaline Mushi
Director of Human Resources

4. Mr. Alfonso Velez
Managing Director

5. Mr. Gilles Covello
Technical Director

1

2

3

4

5



6. Mr. Peter James
Finance Director

**7. Mr. Jerome
Mwakabaga**
Health & Safety Manager

8. Mr. Yves Mataire
Commercial Director

7. Mr. Ali Ahmed
Director of Procurement



12. Directors' Remuneration

The Company paid a total of TZS 64.3 million (2022: TZS 108.7 million) for services rendered by the Directors of the Company and members of the Audit Committee.

The remuneration for services rendered by the directors was as follows::

Estimates in TZS'000	2023	2022
Chairperson of the Board	0	10,393
Other directors	64,263	98,345

13. Key Management Personnel of The Company

The key management personnel who served the Company during the year ended 31 December 2023 were:

Name	Position
Mr. Alfonso Velez	Managing Director
Mr. Peter James	Finance Director
Mrs. Evaline Mushi	Director of Human Resources
Mr. Yves Mataigne	Commercial Director
Mr. Gilles Covello	Technical Director
Mr. Ahmed Elsayy	Plant Manager
Mr. Jerome Mwakabaga	Health & Safety Manager
Mr. Ali Ahmed	Procurement Director

*The Company has an independent internal audit function reporting directly to the Board audit committee. The Internal Audit and Quality Assurance Manager is Gregory Ndimbo.



14. Risk Management

Operating within a dynamic environment, TPCPLC is subject to a range of external, operational, and financial risks. To manage these risks, the company has implemented a comprehensive framework for Risk Management and Internal Control, which is supported by appropriate governance and tools. By adopting this process, the company can identify, assess, mitigate, and monitor its overall risk exposure, while integrating forward-looking risk analysis into all strategic decision-making. This approach helps to minimize the probability and impact of any potential adverse events.

The Board has the final responsibility for the risk management and internal control systems of the Company. The Board has tasked the company management to ensure adequate internal financial and operational control systems are developed, maintained, and functional on an ongoing basis in order to provide reasonable assurance of the effectiveness and efficiency of operations.

This will ensure that

- The Company's assets are safeguarded,
- Compliance with the applicable laws and regulations,
- Reliability of the accounting records,
- Business sustainability, and
- Responsible behaviour towards all stakeholders.

Identification and Assessment of Risks

Management and the internal control department regularly engage in the process of identifying risks, using various sources of information such as general macroeconomic data, industry-specific risk information, and identification tools and techniques. Additionally, they refer to an internal risk catalogue that documents financial and non-financial risk categories.

For each defined risk category, the likelihood is assessed with a minimum threshold of 10% and considering the expected impact, taking into account any risk mitigation measures already in place. A 12-month operational planning cycle is utilized to estimate the likelihood, and the effects on key parameters such as results from current operations (RCO), profit for the financial year, and cash flow are used as benchmarks to assess the potential impact. The risks are considered net of any mitigation measures.

The underlying scaling for the short-term risks incorporated into the planning cycle is as follows.

Likelihood	
Unlikely	0% to 20%
Seldom	>20% to 40%
Possible	>40% to 60%
Likely	>60% to 100%

Risk Areas

We categorize risks that could have a significant impact on our assets, finances, and earnings into five categories: financial risks, strategic risks, operational risks, legal and compliance risks, and climate risks. These categories are based on our internal risk catalogue and establishment from our main shareholder. We will focus our risk assessment only on those risks that are deemed significant for our organization.

Risk Management Continued

Below is the change in risks in comparison to the previous year.

Financial risks	↑
Strategic risks	
Economic risks	→
Political and social risks	→
Natural disasters/pandemics	→
Raw material shortages	→
Digitalisation	→
Skills shortages	→
Operational risks	↑
Legal and compliance risks	↑
Climate risks	→
Market and reputational risks	→

Increased ↑ Stable →

Financial risks

Our significant financial risk is currency risk and liquidity risk, as well as tax risks. We manage these risks primarily as part of our ongoing business and financing activities and, when required, by using derivative financial instruments. These risk areas are monitored continuously by the Company treasury department in coordination with the treasury department of our main shareholder.

Currency Risk

The most significant risk position with respect to financial risks is the currency risk, particularly the translation risk. The Company's functional currency (TZS) is exposed to fluctuation in the international currency market. This exposes the Company to foreign currency exchange risks. Management is constantly monitoring this risk and making appropriate decisions so that its impact is minimised. More details on foreign currency risk are included in Note 42 to the financial statements.

Liquidity Risk

Liquidity risk exists when a company is not able to procure or generate funds necessary to fulfil operational obligations or obligations entered in connection with financial instruments. For this case, the treasury department keeps close control and planning of cash flows depending on monthly plans and uncertainties that might come up or are expected to arise as well as ensuring diversification of funding sources, this includes proper management of credit risk, ensuring adequate control on the creditworthiness of our customers and optimum coverage of credit risk through bank guarantees, accredited letters of credit and others.

Strategic Risks

The global and country economic and social environment is constantly changing due to worldwide trends, such as climate change, demographic development, pandemics, digitalisation, and new technologies. These trends present both risks and opportunities. A company's ability to adapt to changes determines the impact of these trends on it. Risks arising from the changing trends may affect demand, price levels, and costs, and therefore the company's earnings. In the following, we describe and assess these risks and indicate measures taken to mitigate their impact.

Economic risks

The economic outlook is currently influenced by considerable risks. The baseline forecast is for global growth to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the historical (2000–19) average of 3.8%. Despite the world economic decline, Tanzania's annual GDP growth for the quarter ending September 2023 has improved to 5.3% compared to 3.6% for the quarter ending Dec 2022. Fuel prices in the country remain at a surge.

In case of a recession and a decrease in construction activity, the company may face a decline in demand and price pressure. We believe that the risk situation has tightened compared to last year. However, TPCPLC can partially mitigate this risk thanks to its diversified market portfolio and diversified sources of raw materials and spare parts which reduces dependence



Risk Management Continued

Political and social risks

The instability in the economic, social, or political landscape, such as shifts in government or heightened political tensions, civil unrest, and internal or international conflicts, can have significant effects on our assets, business, environment, and reputation. These impacts can be either direct, such as security repercussions, or indirect, such as economic unpredictability. Furthermore, they may increase our vulnerability to a wide range of risks, such as compliance, tax, access to raw materials, and reduced cash flow.

In recent years, Tanzania has experienced impressive political and economic progress and has made notable improvements in social welfare. Although the political situation has been relatively stable over time, sudden changes in the political or social landscape can directly affect the Company's performance by impeding market outreach or obstructing the sourcing of raw materials or energy. As a result, TPCPLC conducts a systematic assessment of these risks to ensure prompt mitigation in the event of their occurrence.

Natural disasters/pandemics (Unforeseen external incidents)

Our business performance could be adversely affected by unforeseeable external incidents, such as natural disasters or pandemics. Typically, natural disasters and pandemics occur suddenly. However, after careful evaluation, we have determined that there is no significant risk of such incidents significantly impacting our operations.

Raw material shortages

The availability of raw materials has a significant impact on the cost and overall operations of our company, and consequently, it can significantly influence our financial results. We consider raw material shortages to be an industry-specific risk that could gradually affect our company. We believe that the risk outlook has remained the same compared to last year. To mitigate this risk, TPCPLC continuously monitors our raw material reserves, and local availability, and secures alternative raw materials wherever feasible.

Digitalisation

The business world is undergoing fundamental changes due to the digital transformation. The rise of new digital and networked technologies, as well as increasing automation, may challenge existing business models and create opportunities for new ones. The construction and

building materials industry is also gradually changing due to digitalization, which could aid in achieving climate neutrality in building design and construction. This shift could result in the construction of more energy-efficient and long-lasting buildings with lower emissions, potentially reducing cement consumption. Digitalization could also increase efficiency and productivity, such as real-time data analysis from networked systems, predictive maintenance, and better inventory and production process management.

Insufficient progress in digitalization may lead to a loss of efficiency and competitiveness. We consider digitalization as a general risk with a potential impact on the company, gradually occurring over time. We assess the risk level to be unchanged from the previous year. TPCPLC proactively explores and invests in new technologies to capitalize on new digital developments as early as possible.

Skills shortage

As our experienced employees age, there is a possibility of a shortage of experienced and qualified workers, which may lead to lower productivity and increased personnel expenses, ultimately raising production costs. We expect the risk level to remain unchanged from the previous year. To mitigate this risk, TPCPLC implements personnel development programs to attract and retain employees, such as cross-departmental or transnational career paths through our main shareholder.

Operational Risks

Operational risks mainly comprise risks concerning the development of energy and raw material costs and their availability. We also consider regulatory risks related to environmental constraints, as well as production, quality, and IT risks. Operational risks have risen compared to the previous year.

Energy prices and availability

Energy is key in the operational activities of the Company and thus, reliable power and gas supply and prices represent a considerable risk to the Company.

The Company depends heavily on the power supply from Tanzania Electric Supply Company Limited (TANESCO). Over the years, there have been significant improvements in power supply, though power cuts still pose a significant impact on operations.

Natural gas is used in the clinker-burning process, to produce

Risk Management Continued

our clinker. The company heavily depends on natural gas and thus any significant price changes or shortages have a detrimental impact on the company's operations and production. In recent years, natural gas costs have continued to increase beyond the market development.

We consider this risk to be of a medium to high risk with a high likelihood and a significant impact.

Availability of raw materials and additives

To produce cement, TPCPLC needs substantial quantities of raw materials, which are primarily obtained from its deposits. The limestone quarry owned by TPCPLC marks the starting point of the cement manufacturing process. Limestone is mixed with a proportional amount of red soil to create the raw meal, which is finely blended and fed into kilns to produce clinker. The availability of limestone is critical for uninterrupted operations, and the Company ensures that it has sufficient limestone deposits to meet its needs.

Production-related risks

The cement industry involves complex technology for processing and storing raw materials, additives, and fuels, and is considered an asset-intensive industry. There is a risk of personal injury, material damage, and environmental damage due to accidents and operating risks, which may cause disruptions in operations. TPCPLCs has a risk transfer strategy that sets deductibles for insurance programs based on failure analyses spanning several years.

Although the risk of insufficient insured amounts in the event of damage, particularly from rare and severe types of damage like natural disasters, is present, it is deemed to be low. To prevent the possibility of damage and its consequences, we rely on various surveillance and security systems in our plant, integrated management systems that include high safety standards, as well as regular checks, maintenance, and servicing. We offer appropriate training to all employees to increase their awareness of potential dangers. Overall, production-related risks are deemed to be low and unlikely, with a low impact.

Quality risks

Cement is subject to strict standardisation. If supplied products do not meet the prescribed standards or the customer's quality requirements, we risk losing sales volumes, facing claims for damages, and/or damaging our customer relationships. TPCPLC ensures compliance with the standards from our main shareholder and third-party laboratories utilizing fine-meshed quality assurance in parallel with every process step as well as final inspections. Quality assurance controls are also carried out by independent experts as part of the extensive quality assurance programmes already in place. Overall, we consider the quality risks as a low and unlikely risk with a low impact. The Company ensures compliance with the standards at its laboratory and standard certification by the Tanzania Bureau of Standards (TBS) (ISO 9001 Certification).

IT risks

Our business processes, communication, sales, logistics, and production are supported by IT systems, which can pose two main areas of risk: the unavailability of IT systems due to failures or human error, and the threat of deliberate harmful actions by both external and internal actors.

To minimize IT systems availability-related risks:

We have implemented backup procedures and standardized IT infrastructures and processes. Our internal software development teams work with IT experts from our main shareholder to use agile, iterative processes that prioritize identifying and managing risks. For sensitive use cases that interact with our transactional ERP solutions, we conduct small pilot tests with trusted partners in a structured manner to quickly identify and address risks in the early stages of development.

To minimise external and internal cyberattacks:

Given the current geopolitical situation and the growing trend of cyberattacks as a business model, both internal and external cyberattacks pose a significant threat. To address this, we have implemented a zero-trust strategy and are increasing security mechanisms in multiple areas. Our cybersecurity team, with the



Risk Management Continued

support of our main shareholder, is taking measures to enhance the security of our identification mechanisms, thereby securing user identities. Additionally, we have started using automated methods to analyse unusual user behaviour.

To minimize the threat of external and internal cyberattacks:

Given the current geopolitical situation and the growing trend of cyberattacks as a business model, both internal and external cyberattacks pose a significant threat. To address this, we have implemented a zero-trust strategy and are increasing security mechanisms in multiple areas. Our cybersecurity team, with the support of our main shareholder, is taking measures to enhance the security of our identification mechanisms, thereby securing user identities. Additionally, we have started using automated methods to analyse unusual user behaviour.

In general, the threat level has increased, leading us to consider the risk of system or application outages as a medium risk (compared to the previous year's low risk) with a moderate impact (similar to the previous year's moderate impact) and an unlikely likelihood (but still possible).

Legal and compliance risks

Our important legal and compliance risks include risks from ongoing proceedings and investigations, as well as risks arising from changes in the regulatory environment and the non-observance of compliance requirements. We are closely monitoring ongoing legal proceedings from a legal standpoint, and we have made appropriate financial provisions as per the legislative requirements to cover any potential negative impact from these proceedings.

Based on our compliance risk assessments, we have determined that TPCPLC faces a moderate compliance risk. However, the financial risk associated with compliance violations is considered low, based on the compliance cases reported and confirmed during the reporting period.

Climate Risks

In Tanzania, where our operations are based, the climate plays a crucial role in the cement industry. Extreme weather patterns, such as heavy rainfall or winds, can significantly affect both the availability and accessibility

of raw materials essential for cement production and sales distribution. However, Tanzania enjoys a generally stable climate with predictable weather patterns, which mitigates some of the risk. Unlike regions prone to frequent storms or temperature fluctuations, Tanzania's relatively consistent climate provides a favourable operating environment for cement production. Furthermore, stable climatic conditions contribute to consistent construction activity throughout the year, as adverse weather events that could halt construction projects are uncommon and seasonal.

Thus, while we acknowledge the influence of climate on cement demand and sourcing, we assess the associated risk as stable within the Tanzanian context. Thus, while we acknowledge the influence of climate on cement demand and sourcing, we assess the associated risk as stable within the Tanzanian context.

Market and reputational risks

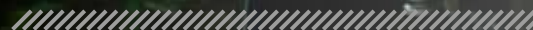
One of the primary market risks for TPCPLC is competition, which is increasing in the Tanzanian market, recently with the inclusion of imported cement in the market. However, TPCPLC is well-positioned to maintain its competitive edge by relying on its high-quality cement, strong brand, skilled workforce, and effective management practices.

As the transition to a low-emission economy continues, there is a market risk associated with changes in consumer preferences. This could result in an increased substitution of cement with other building materials that are perceived to have a lower carbon footprint. Additionally, there is a risk of rising costs for raw materials, which may be partly driven by the transition to a low-emission economy.

To ensure future production, we are taking steps to secure sufficient quantities of alternative fuels and raw materials. In addition, we recognize that failure to meet our sustainability targets promptly may result in negative feedback from certain stakeholders, which could pose a reputational risk to the company. Effective communication can help mitigate these risks. Overall, we consider market and reputational risks to be general risk that could have a gradual impact on TPCPLC. We believe that the risk outlook is stable compared to the previous year.

Overall risk assessment

The Board of Directors has evaluated TPCPLC's overall risk situation by consolidating all major and individual risks. Based on this examination, the Board is confident that there are no significant risks that would pose a threat to the company's status as a going concern, either independently or in combination with other risks. There have been no significant changes to TPCPLC's risk situation between the reporting date and the preparation of the 2023 financial statements. The company has a robust financial foundation, and its liquidity position is strong or in combination with other risks. There have been no significant changes to TPCPLC's risk situation between the reporting date and the preparation of the 2023 financial statements. The company has a robust financial foundation, and its liquidity position is strong.



15. Key Strengths, Strategies, And Resources

In pursuit of our objectives, the key strengths, and resources (both intangible and tangible) available to the Company are:

Competent Management and Personnel

The most important singular resource of the Company is its human capital. The Company's operations are managed by competent and qualified management teams who drive the day-to-day activities to achieve the Company's objectives. The management team is supported by committed and highly skilled employees who are well experienced in cement technology and industry. The Company employs qualified and competent personnel and also invests in their training.

Strong Brand and Quality Products

Twiga Cement is a well-known cement brand in the market and is synonymous with high quality. The brand and quality of TPCPLC products give the Company a competitive advantage in the market. To meet the quality demand of the market, the Company produces four cement products i.e., Twiga Ordinary (CEM I 42.5N), Twiga Plus (CEM IIB-L 42.5N), Twiga Extra (CEM IIB-L 32.5R), Twiga Jenga (MC-22X), Twiga Super (CEM IIB-L 32.5N) and Twiga Mega (CEM III/B-SR 42.5N). The quality of finished goods produced is maintained through consistent quality testing of all the raw materials at every stage of production and the finished goods produced.

Strong Distribution Network

With a well-defined, diversified distribution network and the fleet of trucks owned by the distributors of the Company, our products can reach remote parts of the country. The Company also exports its products to various countries in the Central and East African Sub-Region.

Market Position

Twiga Cement is the preferred brand in the market and thus gives TPCPLC a competitive position. TPCPLC's market competitiveness is reinforced by its proximity to the main Dar es Salaam market.

Technical Support

Heidelberg Cement AG, which is the ultimate Holding Company, is the global market leader in aggregates and a prominent player in the fields of cement, concrete, and other related downstream activities, making it one of the world's largest manufacturers of building materials. TPCPLC benefits from worldwide technical support in the cement business.

High-Quality Limestone Reserves

Limestone is the main material in cement production; the Company has adequate reserves for the cement production capacity.



16. Stakeholders' Relationship

Employees – the company put in place programs and initiatives that focus on the improvement of the employee's welfare, keeping priorities on the health and safety and training of employees. Furthermore, the company works closely with the employee's union (TUICO) to ensure that all issues relating to employees are addressed. The company has maintained a good relationship with TUICO.

Customers – The company is customer-oriented and is fully committed to providing value-added services, experience, and quality products to customers. Our team is determined to keep a competitive edge in our operations as well as in the market

Suppliers – provide raw materials, services, spare parts, etc., that are key to the operation of the plant. The company provides an opportunity to all through the tendering process, supplier forums, site visits, and favourable terms to ensure the sustainability of operations.

Local communities – the company is engaged in several initiatives that ensure that matters about the communities are addressed. The company ensures that it budgets for community initiatives in the areas of education, health care, women, and children.

Government and Regulators – these are responsible for the provision of policies, permits, and licenses. The company continues to work closely with the government and regulators through industry bodies, and public forums. The company has in place programs to ensure that its operations comply with the various laws and regulations including environment, health, and safety. Furthermore, the company ensures that its operations promote economic and industrial development in the country.

18. Political Donations

The Company did not make donations to any political parties or political causes during the year.

19. Corporate Social Investment

During the year under review, the Company demonstrated its commitment to social responsibility by donating and contributing TZS 164.7 million (2022: TZS 646.1 million). These contributions were made both in monetary terms and in-kind targeting children, women, health care, and education.

20. Dividends

The Directors recommend payment of TZS 70.17 billion (TZS 390 per share) to shareholders as the final dividend for the year 2023. The final dividend will be approved in the annual general meeting and paid in June 2023. During the year the Company paid TZS 70.17 billion (TZS 390 per share) as the final dividend for the financial year 2022.

There was no payment of interim dividend relating to the year ended 31 December 2023. In making this proposal, the Directors have taken into account the financial situation of the Company and its future needs for implementing replacement and improvement projects.

21. Subsequent Events

There are no other events after the reporting period which require adjustment to, or disclosure, in the financial statements.



22. Related Party Transactions

The ultimate Parent Company of TPCPLC is HeidelbergCement AG, listed on the Frankfurt Stock Exchange in the Federal Republic of Germany. Heidelberg Cement AG owns indirectly 100% of Scancem International DA of Norway, which in turn owns 69.25% of the TPCPLC shares.

During the year, the Company transacted with related parties, this mainly includes the importation of raw materials from HC Trading Asia and Pacific PTE Limited and the export of coal to HC Trading GMBH. Details of related party transactions are shown in Note 38 of the financial statements.

23. Share Capital

The total issued share capital of the Company amounts to 179,923,100 ordinary shares (2022: 179,923,100 ordinary shares). There is no change in the issued share capital. The capital structure of the Company is outlined in Note 27.

The shareholding of the Company is as stated below:

Name	2023	2022
	% Shareholding	% Shareholding
Scancem International DA	69.25	69.25
General Public	22.78	22.78
Government Pension funds	7.75	7.75
Wazo Hill Saving and Credit Cooperative Society	0.22	0.22
	100.00	100.00

24. Accounting Policies

The financial statements are prepared on the underlying assumptions of a going concern. The accounting policies which are laid out in Note 3 to the financial statements are subject to annual review to ensure continuing compliance with IFRS Accounting Standards.

25. Shareholders Of The Company

The total number of shareholders as at 31 December 2023 was 9,273 shareholders (2023: 9,310 shareholders), with 179,923,100 ordinary shares (2022: 179,923,100 ordinary shares). The following were the ten largest shareholders of the Company:

Name	Nationality	2023 % of Shareholding	2022 % of Shareholding
Scancem International DA	Norwegian	69.25	69.25
Public Service Social Security Fund	Tanzanian	6.16	6.16
Standard Chartered Bank Uganda	Ugandan	5.28	5.28
National Social Security Fund	Tanzanian	1.24	1.24
African Lions Fund LTD	Tanzanian	1.03	0.93
Umoja Unit Trust Scheme	Tanzanian	0.99	0.99
Murtaza Basheer Nasser	Tanzanian	0.90	0.90
Said Salim Awadh Bakhresa	Tanzanian	0.77	0.77
Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/Khalid/Muzammil Kadri	Tanzanian	0.59	0.52
Gak Patel & Co. LTD	Tanzanian	0.36	0.30

26. Stock Exchange Information

On 29 September 2006, the Company went public, and its shares started to trade at the Dar es Salaam Stock Exchange. During the year 2023, shares of the Company were continuously traded in the secondary market through auctions organised by the Dar es Salaam Stock Exchange (DSE). In the year 2023, the performance of the Company's shares in the secondary market was as follows: Market capitalisation as at 31 December 2023 was TZS 766.5 billion (2022: TZS 683.7 billion). The share price prevailing as at 31 December 2023 was TZS 4,260 per share, compared to TZS 3,800 per share, one year earlier. The IPO price was TZS 435 per share).

27. Serious Prejudicial Matters

During the year, there were no serious judicial matters to report as required by the Tanzania Financial Reporting Standard No. 1 (Report by those charged with Governance).

28. Statement Of Compliance

The Report by those charged with governance has been prepared in compliance with the Tanzania Financial Reporting Standard No. 1 "TFRS 1" (The Report by those charged with governance).

Auditors

Details

The information of the Company's auditors for the period covered by the report is:

PricewaterhouseCoopers
Pemba House
369 Toure Drive
Oyster Bay
P.O. Box 45
Dar es Salaam, Tanzania

Website: <https://www.pwc.co.tz/>

Firms' PF Number: PF 047

TIN: 100212285

The engagement partner who was in charge of the audit of the Company during the period has registration number: ACPA-PP 1981

Appointment for 2023

PricewaterhouseCoopers (PwC) was appointed to be the Company's auditor for the year 2023. PwC has also expressed willingness to continue with the appointment and is eligible to apply for a re-appointment. A resolution proposing the appointment of the auditor for the next financial year will be put in the Annual General Meeting.

30. Responsibility Of The Auditor

The Auditor is responsible for providing assurance of the correctness and consistency of all information contained in the report by those charged with governance with those provided in the financial statements.

31. Responsibility By those Charged With Governance

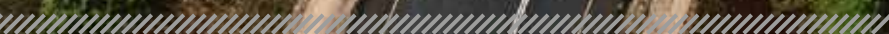
The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations, and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislation relevant to the Company.

By order of the Board of those charged with Governance

Approved by the Board of Directors on **26th April 2024** and signed on its behalf by:

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: OSWALD URASSA Title: DIRECTOR Signature: 






Prevent • Protect • Perform



Ripoti ya Wale Wanaohusika na Uongozi

Wakurugenzi wanawasilisha ripoti na taarifa za fedha zilizokaguliwa kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2023 ambazo zinafanua hali ya Kampuni ya Tanzania Portland Cement Public Limited ("Kampuni" au "TPCPLC").

 1. Usajili Kampuni imesajiliwa nchini Tanzania chini ya Sheria ya Makampuni ya Tanzania, 2002 kama Kampuni inayomilikiwa kwa hisa	 2. Dira Yetu Kujenga chapa imara, kuwa kinara katika soko na kuwa chaguo la kwanza kwa watumiaji wa saruji Tanzania.	 3. Malengo Yetu Kuwaridhisha wateja kwa kuwapa bidhaa na huduma zenye ubora wa kiwango cha juu kwa gharama nafuu..
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4. Operesheni za Kampuni Shughuri Kuu Shughuli kuu ya Kampuni katika mwaka huo ilikuwa ni uzalishaji wa saruji katika kiwanda chake kilichopo Tegeta-Wazo Hill, Dar Es Salaam, Tanzania na uuzaji wa saruji ndani na nje ya Tanzania. 5. Mazingira ya Kiuchumi na Soko Mazingira ya Kiuchumi Katika kipindi cha mwaka 2023, uchumi wa dunia nzima ulipungua kwa kiasi kikubwa ikilinganishwa na mwaka uliopita. Mataifa mengi yalishuhudia ongezeko kubwa la bei za nishati na mafuta kutokana na mvutano wa kijiografia na kisiasa kama vile mzozo kati ya Urusi na Ukraine, ambao pia ulisababisha kupanda kwa bei za vyakula duniani na kusababisha matatizo katika masuala ya ugavi. Tanzania ilishuhudia mfumuko wa bei wa wastani wa kila mwaka kwa 2023 ukiboreshwa hadi asilimia 3.8 ikilinganishwa na wastani wa mwaka uliopita wa asilimia 4.3 Hii ilitokana na kurejea kwa sekta ya utalii, maendeleo taratibu katika minyororo ya usambazaji, na mageuzi ya kusaidia shughuli za kiuchumi. Aidha, ukuaji wa Pato la Taifa kwa robo ya mwisho ya Septemba 2023 uliboreshwa hadi asilimia 5.3 ikilinganishwa na asilimia 3.6 kwa robo ya mwisho ya Desemba 2022. Mazingira ya Soko	<p>Soko la saruji nchini Tanzania linaendesha katika mazingira yanayobadilika mara kwa mara, huku uwezo wa wazalishaji wa saruji ukiwa mkubwa kuliko mahitaji ya soko.</p> <p>Sekta ya ujenzi nchini Tanzania imekuwa ikishuhudia ukuaji thabiti kutokana na ongezeko la shughuli za ujenzi. Kipaumbele cha serikali katika maendeleo ya miundombinu kimechochea mahitaji ya bidhaa za saruji. Licha ya ukuaji huu, soko la saruji linabaki kuwa lenye ushindani mkali.</p> <p>Katika robo ya mwisho ya mwaka 2023, kulishuhudiwa kupungua kwa soko la saruji. Sababu zilizochangia kupungua huko ni pamoja na hali ya hewa na changamoto za kiuchumi kwa ujumla. Hata hivyo, inatarajiwa kurejea kwa ukuaji katika mwaka 2024, kwani shughuli za ujenzi zinaendelea kuimarika.</p> Mazingira ya Utendaji Ndani ya upeo wa uendeshaji, TPCPLC inakabiliwa na gharama kubwa za uzalishaji hasa katika gharama za nishati ambazo zinaunda sehemu kubwa ya matumizi ya uzalishaji, bei inayoongezeka ya malighafi inaongeza shinikizo kwa faida. <p>Mfumo wa uhibitaji wa shughuli unaendelea kubadilika na mada zaidi zinakuja, tunaendelea kushirikiana kwa karibu na mamlaka mbalimbali kuhakikisha utekelezaji kamili na suluhisho.</p>
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6. Mfumo wa Biashara

Kama mzalishaji mkubwa wa saruji nchini, TPCPLC ina rekodi nzuri ya mauzo. Bidhaa zetu zinakidhi mahitaji yanayoongezeka ya makazi, usafiri, na maendeleo ya kiuchumi nchini Tanzania na Afrika Mashariki kwa kusaidia ujenzi wa majengo ya makazi, biashara, na viwanda. Pia, tumejitolea kufikia usawa wa kaboni katika utengenezaji wa saruji na tunafanya kazi kuelekea teknolojia endelevu na za akili za saruji huku tukitoa suluhisho za kidijitali kwa wateja wetu.

Muundo wetu wa biashara unajumuisha muunganiko wa thamani kutoka kwenye uchimbaji wa malighafi hadi usindikaji wa saruji na usambazaji kwa wateja. Shughuli zetu zinaungwa mkono na Vituo vya Umahiri vya Kati kwa Teknolojia, ambavyo vinamilikiwa na mbia wetu mkuu. Tunafanya utafiti wa kijiolojia wa akiba za malighafi, tunatathmini athari za mazingira, tunachimba malighafi, tunakarabati maeneo yaliyochimbwa, na kuzalisha saruji kama sehemu ya mchakato wetu wa uendeshaji



Mfumo wa Biashara Continued

Bidhaa

Saruji ni bidhaa yetu kuu. Tunagawanya saruji yetu ya ubora wa juu kulingana na nguvu yake toka mwanzo wa uzalishaji, pamoja na muundo wake. Wateja wetu wa saruji ya kiwango cha juu wanatoka katika miradi ya ujenzi ya kawaida, miradi ya miundombinu ya serikali, wazalishaji wa zege, na rejareja kwa njia ya mtandao wetu wa usambazaji. Bidhaa zetu za saruji zinapatikana katika mifuko midogo, mifuko mikubwa, na kwa wingi.

Kwa maneno rahisi, rejea hapo chini orodha ya bidhaa zetu za viwango vya juu;

	Twiga Ordinary (CEM I 42.5N)		Hasa hutumika kwa ajili ya kufanya zege ya ubora wa juu na ujenzi wa jumla wa majengo makubwa, mabwawa, na madaraja.
	Twiga Plus+ (CEM II B-L 42.5N)		Hasa hutumika kwa ujenzi wa matofali, majengo makubwa na ya kati, mabwawa na madaraja, n.k..
	Twiga Extra (CEM II B-L 32.5 R)		Hasa hutumika kwa ujenzi wa nyumba na utengenezaji wa matofali, n.k.
	Twiga Super (CEM II B-L 32.5N)		Hasa hutumika kuboresha nguvu ya kushikamana kwa udongo, hasa katika ujenzi wa barabara, n.k..
	Twiga Jenga (MC 22.5 X)		Hasa hutumika kwa ubandikaji wa vigae, marekebisho madogo ya nyumba, utengenezaji wa matofali, n.k.
	Twiga Mega (CEM III/B-SR 42.5N)		Saruji ya joto la chini inafaa kwa matumizi katika ujenzi wa zege kubwa.

Umuhimu wa kujumuisha uendelevu katika muundo wa biashara

Tunalenga kufanya maboresho makubwa katika kupunguza athari za mazingira za shughuli zetu za biashara na kupunguza uzalishaji wa kaboni. Kama mzalishaji wa saruji anayeongoza nchini, tunatambua jukumu letu katika kuongoza njia katika kuendesha uzalishaji endelevu katika viwanda vya saruji nchini. Lengo letu ni kuchangia sana katika uzalishaji endelevu wa saruji na kufikia uwiano wa kaboni kwa kuzingatia pia uwajibikaji wa kijamii na mazingira.

Kufikia lengo letu, ulinzi wa mazingira ni kipengele muhimu katika mkakati wetu wa biashara. Tunaelewa kwamba uzalishaji wa saruji unazalisha hewa chafu ya kaboni (CO₂) kutokana na michakato ya kikemikali inayohitajika kwa kuchoma klinka, ndio maana tunazidi kuongeza matumizi yetu ya malighafi na nishati mbadala ili kupunguza uzalishaji wa kaboni (CO₂).

Pia tunafanya kazi katika kuongeza ufanisi wa michakato yetu ya uzalishaji ili kuongeza ufanisi wa nishati wakati pia tukisaidia uzalishaji mzunguko na uchumi imara wa mzunguko imara ili kupunguza matumizi ya malighafi asilia. Katika ngazi ya bidhaa, tunaweka kipaumbele katika uzalishaji wa saruji yenye kiwango cha chini cha kaboni, matumizi ya vifaa vilivyosindikwa tena, na kuwekeza katika teknolojia mpya ili kusaidia lengo letu la kufikia uwiano wa kaboni (carbon neutrality).

Mfumo wa Biashara Continued

Ushawishi kutoka Nje

Mbali na hali ya hewa na ukuaji wa kiuchumi na idadi ya watu, uendeshaji na maendeleo ya kiuchumi ya TPCPLC yanategemea kwa kiasi kikubwa mabadiliko katika bei za nishati na malighafi katika masoko ya ndani na ya kimataifa, mabadiliko katika mazingira ya udhibiti, na ushindani katika masoko yetu ya saruji.

Udijitali

Udijitali - ikiwa ni pamoja na bidhaa na matumizi ya kidijitali ina umuhimu sana katika mlolongo mzima wa thamani wa Kampuni yetu, kutoka uchimbaji wa malighafi, uzalishaji, na usafirishaji kwa wateja wetu. TPCPLC imejiwekea lengo la kuwa kampuni inayoongoza katika teknolojia katika sekta ya saruji. Lengo letu ni kutumia suluhisho za kidijitali kuchangia katika ukuaji wa Kampuni na kuongeza ufanisi katika uzalishaji na utawala. Mkakati wetu wa kuuza saruji kidijitali ni kufikia 75% ya kiasi cha mauzo yetu kupitia interface za kidijitali kwa wateja (customer portal app) mwaka 2023.

Portifolio a ya Kampuni


Portifolio yetu ya wateja inajumuisha masoko yaliyostawi na masoko yanayokua, na tunachukulia kuwa ni uimara wa masoko yetu. Lengo letu ni kupangilia portifolio ya wateja wetu kwa njia ya usimamizi thabiti na kuweka kipaumbele kwenye masoko imara kwa kutumia vigezo vya kifedha na visivyo vya kifedha kuyatambua masoko hayo.

Tunapanga kuongeza uwepo wetu katika masoko yenye ushawishi wa kukua, wakati pia tukiongeza uunganishaji wima kwenye mlolongo wa thamani katika masoko

ambapo kufikia ukuaji kubwa na kuimarisha nafasi yetu sokoni. Zaidi ya hayo, tutaendelea kuwekeza katika uzalishaji endelevu na dijitali, tunayaona maeneo haya kua na mabadiliko chanya na hivyo tutapanua portifolio yetu katika maeneo haya.

Thamani tuliyojenga

Faida ya Uendeshaji

 **TZS 141.4bn**
2022: TZS 138.2bn

Faida baada ya kodi

 **TZS 99.2bn**
2022: TZS 97.4bn

Mzunguko wa fedha za uendeshaji

 **TZS 95.6bn**
2022: TZS 79.2bn

Manufaa kwa Wadau

Kwa Wanahisa wetu:

Mapato na Ukuwaji

Kwa Wateja wetu:

Bidhaa Bora

Kwa Serikali:

Kodi na Bidhaa

bora kwa ajili ya

maendeleo ya

miundombinu

Kwa Jamii:

Maendeleo ya kitaaluma

ya watu na mazingira

Utafiti na Maendeleo

Juhudi za utafiti na maendeleo (R&D) za TPCPLC zinalenga kuunda bidhaa za ubunifu, kugundua fomula mpya za bidhaa, na kuboresha michakato ya uzalishaji ili kupunguza matumizi ya nishati, kuhifadhi rasilimali, kuimarisha uchumi wa mzunguko, kupunguza uzalishaji wa CO₂ na gharama, na kuwaridhisha wateja wetu zaidi.



Maendeleo ya suluhisho za automesheni za kisasa

Kwa kutumia teknolojia ya akili bandia, tunalenga kupunguza matumizi ya nishati, kudumisha vifaa katika hali bora, na kuhakikisha ubora thabiti wa bidhaa



Kupunguza athari ya kaboni kupitia maendeleo ya saruji

Tunaendelea na kazi ya kuunda saruji ya kisasa yenye kiwango cha klinika kidogo. Hii ni hatua muhimu zaidi katika kupunguza CO₂ wakati wa uzalishaji, huku pia ikisaidia kuhifadhi rasilimali asilia.



Maendeleo ya teknolojia ya kupunguza CO₂

Lengo letu ni kuongeza matumizi ya nishati ya biomasi (mbadala) na kwa sasa tunachunguza vyanzo thabiti zaidi kwa madhumuni haya.




Mfumo wa Biashara Continued

Utengenezaji wa thamani kwa wanahisa Wetu

Ili kufikia thamani endelevu na kupima mafanikio ya biashara yetu, tumeweka viashiria muhimu vya utendaji vinavyohusika kwa uongozi. Hivi ni pamoja na matokeo ya uendeshaji wa sasa (RCO), marejesho ya mtaji uliowekezwa (ROIC), na uzalishwaji wa CO₂. Pia, tunatumia viashiria vya ukuaji mapato, faida ya uendeshaji wa sasa kabla ya uchakavu (RCOBD) na uwiano wa mikopo kama taarifa za ziada.

Ili kutathmini na kufikia malengo yetu ya kimkakati, tumeweka mfumo wa

usimamizi unaolenga thamani. Mfumo huu unajumuisha kupanga uendeshaji wa kila mwaka, usimamizi na udhibiti kwa kipindi chote cha mwaka, mikutano ya usimamizi kila mwezi, na mikutano ya mara kwa mara ya idara.

Tumeweka mfumo kamili wa ripoti za za mfuma maalumu ili kusimamia na kudhibiti uendeshaji wa kampuni kwa kipindi chote cha mwaka. Ripoti hizi zinajumuisha mali za TPCPLC, hali ya fedha, na nafasi ya faida, na viashiria vilivyotumika ni sawa katika kampuni nzima. Ripoti za kila

wiki za mzunguko wa fedha na ripoti za kila mwezi zinajumuisha faida ya uendeshaji, uzalishaji, na ukarabati zinaandaliwa.

Ripoti za kifedha za kina zinapatikana mwishoni mwa kila mwezi na kila robo ya mwaka. Wakati wa mikutano ya uongozi ya robo ya mwaka, uongozi wa TPCPLC na mameneja wa kikundi cha mmiliki mkuu wanajadili maendeleo ya biashara, pamoja na kufikia malengo, matarajio ya mwaka wa fedha, na hatua zinazohitajika kulingana na utabiri wa robo ya mwaka ya TPCPLC.

7. Matokea ya Uendeshaji

Mtazamo wa TPCPLC kwa nambari;

Hesabu TZS Millioni	2023	2022	Mabadiliko%
Taarifa Ya Mapato na Matumizi			
Mapato	490,172	501,369	-2.2%
Faida ya uendeshaji	141,433	138,214	+2.3%
Faida kwa mwaka wa fedha	99,184	97,359	+1.9%
Faida kwa kila hisa (TZS)	551	541	+1.9%
Gawio kwa kila hisa (TZS)	390	390	0.0%
Mali isiyohamishika na Vifaa (PPE)	11,966	14,611	-18.1%
Uchakavu wa mali za kudumu	21,819	20,645	+5.7%
Hesabu ya mali			
Rasilimali za kudumu	138,555	149,032	-7.0%
Rasilimali za muda mfupi	307,132	269,861	+13.8%
Mtaji	328,557	299,738	+9.6%
Dhima za kudumu	20,706	20,420	+1.4%
Dhima za muda mfupi	96,424	98,734	-2.3%
Jumla ya Rasilimali	445,687	418,893	+6.4%
Uwiano			
Kiwango Cha Mapato ya Uendeshaji (OI)	28.9%	27.5%	+1.4%
Marejesho Rasilimali kabla ya kodi	31.5%	32.7%	-1.2%
Marejesho ya Mtaji	30.2%	32.5%	-2.3%
Marejesho ya Mapato	20.2%	19.4%	+0.8%
Takwimu zisizo za kifedha:			
Idadi ya wafanyakazi mwishoni mwa mwaka	257	260	-1.2%

Maelezo ya kina ya matokeo ya uendeshaji yanapatikana kutoka ukurasa wa 104.

Matokeo ya Uendeshaji *Continued*

Mapato na Matokea

Uzalishaji wa klinika kwa mwaka 2023 ulibaki sawa na mwaka 2022. Hata hivyo, uzalishaji wa saruji ulipungua kwa 12% ikilinganishwa na mwaka 2022, na hii ilitokana na kupungua kwa kiasi cha mauzo kwa kiwango sawa. Tunaendelea kujitahidi kuboresha na kudumisha mashine ili kuhakikisha uwezo wa uzalishaji unaendelea kuwa wa kiwango cha juu.

Mauzo yalipungua kutoka TZS 501.4 bilioni hadi TZS 490.2 bilioni kwa mwaka 2023, ikiwa ni kupungua kwa asilimia 2. Hii inatokana na kupungua kwa ukuaji wa soko la saruji kwa ujumla, hasa katika robo ya mwisho ya 2023, na ushindani mkali unaokua. Gharama za mauzo ziliboreka kwa asilimia 1 ikilinganishwa na 2022, hasa kutokana na uboreshaji wa gharama ulioendelea na kupungua kwa uzalishaji kutokana na kiasi kidogo cha mauzo.

Mbali na kupungua kwa mauzo ukilinganisha na miaka mingine iliyopita, TPCPLC imeweza kufikia maboresho ya asilimia 2 katika uendeshaji wa faida katika mwaka ukilinganisha na mwaka uliopita (2023: TZS 141.4 bilioni ukilinganisha na 2022 TZS 138.2 bilioni). Faida kwa mwaka ilikuwa TZS 99.2 bilioni (2022: TZS 97.4 bilioni). Jumla kuu ya mapato ilifikia TZS 99 bilioni (2022: TZS 97.7 bilioni).

Bodi ya Wakurugenzi itapendekeza kwa wanahisa mgawo wa gawio la TZS 390 kwa kila hisa (2022: TZS 390 kwa kila hisa).

Nafasi ya kifedha

Licha ya mazingira magumu ya soko na katika muktadha wa bei kubwa sana za nishati na malighafi na nyakati ngumu za utekelezaji ikilinganishwa na mwaka uliopita, mzunguko wa fedha kutokana na shughuli za uendeshaji kwa mwaka wa fedha 2023 ulikuwa juu ya kiwango cha mwaka uliopita kwa TZS 95.6 bilioni (2022: TZS 79.2 bilioni), maboresho ya TZS 16.4 bilioni. Maboresho katika mzunguko wa fedha kutokana na shughuli za uendeshaji

yalitokana kwa kiasi kikubwa na uboreshaji wa mtaji wa kazi ikilinganishwa na mwaka uliopita.

Kwa kupata mabadiliko ya jumla ya fedha ya TZS 18.5 bilioni (2022: TZS 9.6 bilioni), mizani yetu ya fedha taslimu na sawa na fedha taslimu iliongezeka kutoka TZS 105.5 bilioni hadi TZS 131.4 bilioni.

8. Matarajio ya Baadaye ya Kampuni

Soko la saruji nchini Tanzania na kanda ya Afrika Mashariki limekuwa likikua kwa kasi katika miaka iliyopita. TPCPLC imefanya uwekezaji katika kuongeza uwezo wa uzalishaji, kurekebisha mistari ya klinika iliyokuwa imechakaa, na kutambua vyanzo vya malighafi kwa mkakati ili kuhakikisha shughuli zake zinaendelea vizuri. Uzingatiaji unaendelea kuwekwa katika miradi itakayopunguza uzalishaji wa CO2 kwa kutumia biomasi na vyanzo vingine vya nishati katika kuchoma klinika.

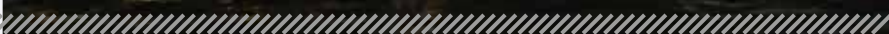
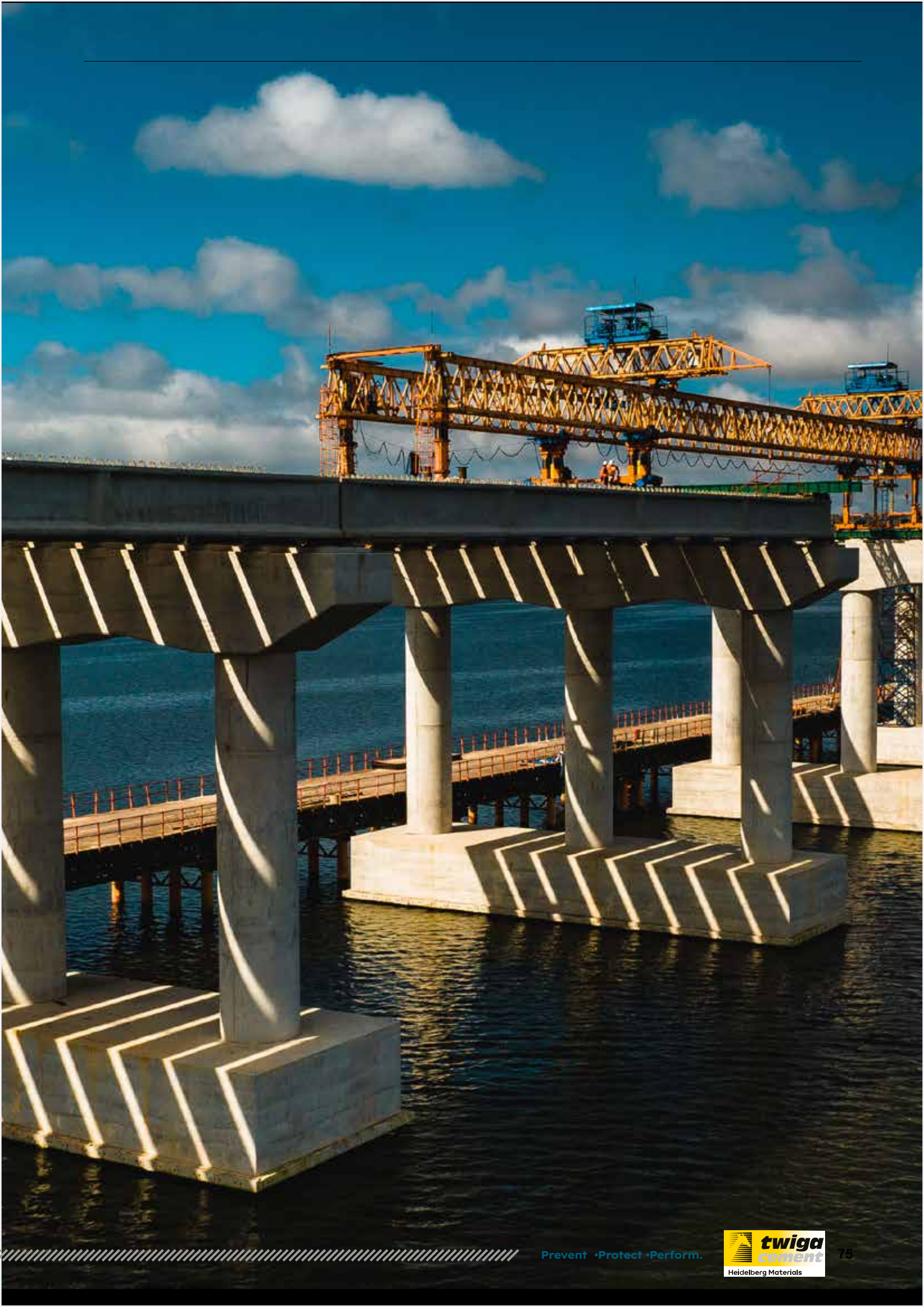
Mradi wa Mbadala wa Nishati, uliokamilika mwaka 2022, unaisaidia TPCPLC kuendelea kuelekea kuwa kampuni inayotunza mazingira kwa kuboresha matumizi ya nishati mbadala, hivyo kupunguza athari ya CO2 katika mazingira. Uongozi unatarajia kufikia zaidi ya 20% ya matumizi ya biomasi na nishati mbadala ifikapo mwaka 2025

9. Tathmini ya Utatuzi

Wakurugenzi wamepitia hali ya kifedha ya sasa ya Kampuni na mikopo ya muda mfupi iliyopo. Kulingana na tathmini hii pamoja na mpango wa biashara wa sasa, Wakurugenzi wameridhika kuwa uwezo wa kifedha wa Kampuni ni thabiti na ina uwezo wa kuendelea kufanya biashara kwa maana iliyoelezwa na Sheria ya Makampuni ya Mwaka 2002 ya Sheria za Tanzania na Viwango vya Taarifa za Fedha za Kimataifa.

10. Matukio Makubwa

Hapakuwa na matukio muhimu katika mwaka wa fedha.



Prevent • Protect • Perform.



11. Utawala Bora

TPCPLC inazingatia viwango vya juu vya Utawala Bora ili kuhakikisha thamani na mafanikio ya muda mrefu ya Kampuni na maslahi ya makundi mbalimbaliya wadau wake, kama wanahisa, wateja, wauzaji, wafanyakazi, na jamii

TPCPLC ina taasisi tatu: Mkutano mkuu wa wanahisa, bodi ya wakurugenzi, na kamati ya ukaguzi. Majukumu na wajibu wa taasisi hizi yanategemea sana Sheria za Soko la Hisa na Katiba ya kampuni. Bodi ya Wakurugenzi inaamini kuwa Kampuni inazingatia kanuni za Utawala Bora zinazohitajika na Sheria za Soko la Hisa.

Wanahisa hutekeleza haki zao kabla au wakati wa mkutano mkuu na hivyo kutekeleza haki yao ya kupiga kura. Mkutano mkuu wa mwaka hufanyika katika miezi mitano ya kwanza ya mwaka wa fedha. Pia, wakurugenzi wa kampuni wanaoweza kuwakilisha wanahisa kulingana na maagizo wanapatikana kwa wanahisa ili kutekeleza haki zao za kupiga kura katika Mkutano Mkuu wa Kawaida.

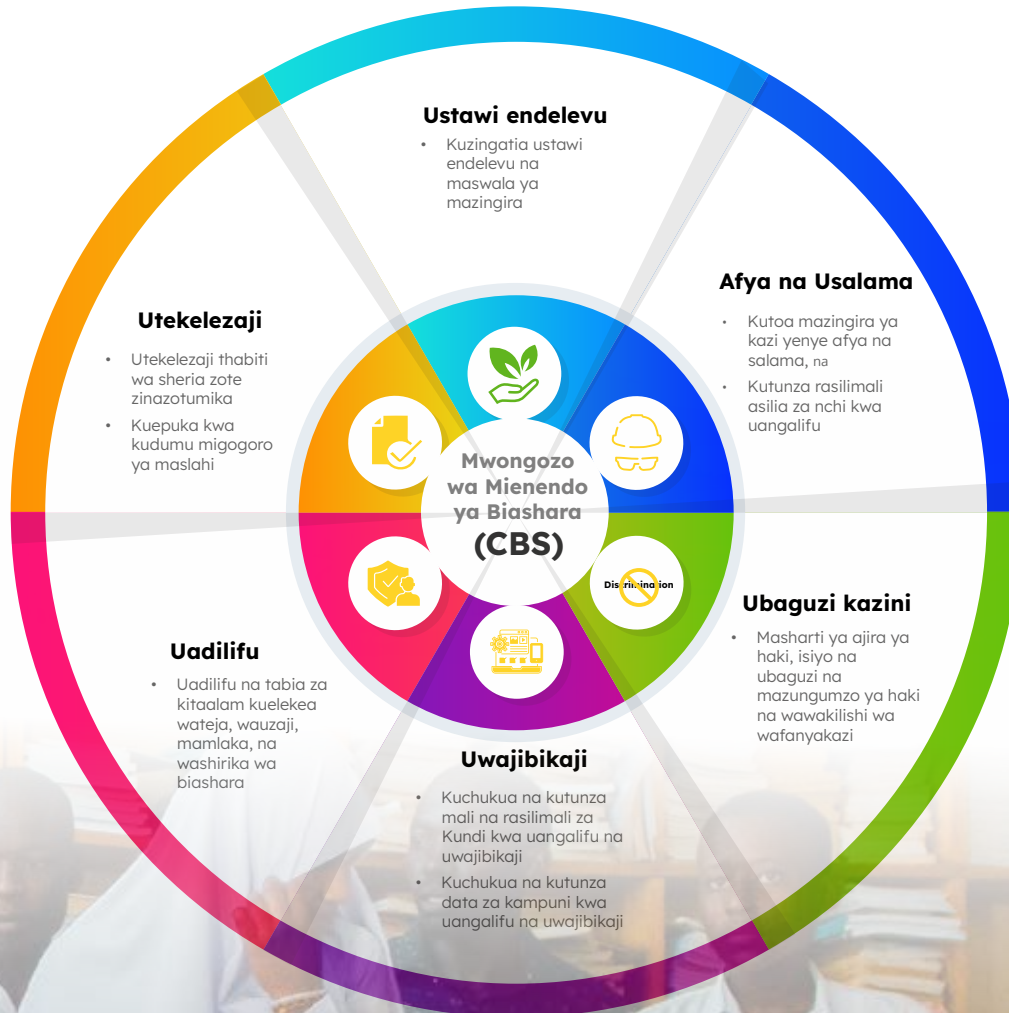
TPCPLC ina taasisi tatu:

1. Mkutano mkuu wa wanahisa
2. Bodi ya wakurugenzi
3. Kamati ya ukaguzi



a. Mwongozo wa Mienendo ya Biashara.

Mwongozo wa Mienendo ya Biashara ni wa lazima kwa Kampuni nzima. Mwongozo wa Mienendo ya Biashara unahitaji;



Ili kuhakikisha kuwa sheria za Mwongozo wa Mienendo ya Biashara zinaeleweka na kufuatwa, wanachama wote wa Bodi ya Uongozi na wafanyakazi lazima wakamilishe mara kwa mara programu ya mafunzo mtandaoni

Bodi ya Wakurugenzi



Bw. Hakan Gurdal

Mwenyekiti

Uteuzi wa Awali: 23 Agosti 2016

Uraia: Mturuki

Umri: 55

Bw. Hakan Gurdal aliteuliwa kuwa Mwenyekiti wa Bodi ya TPCPLC mnamo Agosti 2016. Amesomea uhandisi wa mitambo katika Chuo Kikuu cha Yildiz Technical huko Istanbul na ana shahada ya Uzamili ya Usimamizi wa Kimataifa (MBA International Management) kutoka Chuo Kikuu cha Istanbul.

Alijiunga na Canakkale Cimento (ambayo sasa ni sehemu ya ushirikiano wa pamoja Akcansa) mnamo 1992. Yeye ni mwanachama wa Bodi ya Uongozi tangu mwaka 2016; anahusika na eneo la Kundi la Afrika-Mediterranean Mashariki na Ununuzi.



Bw. Alfonso Velez

Mkurugenzi Mtendaji

Uteuzi wa Awali: 29 Agosti 2017

Uraia: Mhispania

Age: 55

Bw. Alfonso Velez aliteuliwa kuwa Mkurugenzi Mtendaji wa TPCPLC tangu Agosti 2016. Mnamo Agosti 2017, aliteuliwa kuwa Mkurugenzi Mkuu wa Afrika ya Kati na Kusini-Mashariki ambazo zilijumuisha Tanzania, Jamhuri ya Kidemokrasia ya Kongo, Msumbiji, na Afrika Kusini.

Alfonso ana Shahada ya Uzamili ya Uchumi na Shirika la Biashara kutoka Chuo Kikuu cha Granada, na Shahada ya Uzamili ya Fedha ya Kampuni kutoka Chuo Kikuu cha Dallas.

Ana uzoefu mkubwa katika tasnia ya saruji kutoka kampuni za barani Ulaya, kabla ya kujiunga na HeidelbergMaterials mnamo 2013 kama Mkurugenzi Mtendaji wa CIMBENIN.



Bw. Oswald Martin Urassa

Mkurugenzi

Uteuzi wa Awali: 25 Mei 2016

Uraia: Tanzanian

Umri: 59

Bw. Oswald Urassa ni Afisa Mkuu wa Fedha (CFO) wa Tanzania Mortgage Refinance Co. Ltd. Alisomea masomo ya fedha katika Chuo Kikuu cha Dar es Salaam na amesajiliwa na Bodi ya Kitaifa ya Wakaguzi na Wahasibu (NBAA) katika kategoria ya Wakaguzi na Wahasibu wa Umma waliothibitishwa katika Mazoezi ya Umma (CPA-PP).

Amekuwa mwanachama wa bodi katika taasisi mbalimbali ikiwa ni pamoja na Mfuko wa Wafanyakazi wa Serikali (GEPF), Bodi ya Wakaguzi na Wahasibu (NBAA), Chama cha Wahasibu Tanzania (TAA), Bodi ya Uwekezaji (ITB), na Kanisa la Kilutheri la Kiinjili la Tanzania, Dayosisi ya Mashariki na Pwani (ELCT-ECD).





Bw. Francesco Brambilla

Mkurugenzi

Uteuzi wa Awali: 25 Aprili 2018

Uraia: Mitaliano

Umri: 52

Bw. Francesco Brambilla aliteuliwa kuwa mkurugenzi wa bodi ya TPCPLC mnamo Aprili 2018. Alisomea Uhandisi wa Kiraia katika Chuo Kikuu cha Pavia (Italia) na ana Shahada ya Uzamili ya Biashara (MBA) kutoka Shule ya Biashara ya Essec (Ufaransa) na Shule ya Biashara ya Mannheim (Ujerumani).

Alijiunga na Heidelberg Cement mwaka 2016 kama Mkurugenzi wa Upelelezi wa Soko na Mchakato wa Uuzaji kwa eneo la Kundi la Afrika na Bahari ya Mashariki ya Kati. Ana uzoefu mkubwa katika biashara ya saruji, na kabla ya jukumu lake la sasa, alishikilia nafasi kadhaa za uongozi katika uendeshaji na mikakati na maendeleo ya biashara, huko Ulaya na Afrika..



Bi. Ruth Henry Zaipuna

Mkurugenzi

Uteuzi wa Awali: 25 Mei 2016

Uraia: Mtanzania

Umri: 50

Bi. Ruth Zaipuna, raia wa Tanzania, ni Mkurugenzi Mtendaji wa NMB Bank PLC, anahusika na kuendesha mkakati wa kampuni ili kuleta ukuaji endelevu wa biashara.

Kabla ya kujiunga na NMB Bank PLC, alifanya kazi na Standard Chartered Bank Tanzania na PricewaterhouseCoopers (PwC). Anashikilia Shahada ya Uzamili ya Biashara ya Uongozi (MBA) katika Fedha na Shahada ya Bachelor ya Biashara (B.Com) katika Uhasibu, zote kutoka Chuo Kikuu cha Dar es Salaam. Pia ana vyeti vya Associate Certified Public Accountant (ACPA (T)).



Bw. Dominik Michel

Mkurugenzi

Uteuzi wa Awali: 24 Nov 2021

Uraia: Mjerumani

Umri: 47

Bwana Dominik Michel, raia wa Ujerumani, aliteuliwa kuwa mkurugenzi wa bodi ya TPCPLC mnamo Novemba 2021. Bwana Dominik amehudumu kama mwanachama wa Kamati ya Ukaguzi ya TPCPLC tangu mwaka 2015.

Amehudumu katika Bodi na Kamati za Ukaguzi katika kampuni mbalimbali ya saruji ndani ya kundi hilo, akiwa na uzoefu wa kifedha na usimamizi wa zaidi ya miaka 15 katika nafasi za juu, ikiwa ni pamoja na Mkurugenzi wa Fedha/ Mkurugenzi Mtendaji wa Fedha huko Sierra Leone, Ghana, na Misri mtawaliwa. Kwa sasa, yeye ni Mkurugenzi wa Eneo, Upangaji na Uchambuzi wa Kifedha kwa Eneo la Afrika na Mashariki ya Mediterania (AEM) katika HeidelbergMaterials..`

b. Bodi ya Wakurugenzi

Bodi kwa sasa inajumuisha wakurugenzi sita: wakurugenzi watano wasio watendaji na mkurugenzi mkuu. Majukumu ya mwenyekiti na mkurugenzi mkuu ni tofauti ili kufikia usawa kati ya uendeshaji na udhibiti. Bodi inawajibika kwa wanahisa kuhusu utawala wa kampuni, kuweka mikakati na sera, ufuatiliaji wa utendaji wa kioperesheni, michakato ya usimamizi wa hatari, na kuweka viwango vya mamlaka. Bodi imepangwa kukutana mara 3 katika mwaka wa fedha.

Wakurugenzi wa Kampuni ambao walihudumu wakati wa mwaka huo, na hadi tarehe ya ripoti hii, ni

Jina	Cheo/Wadhifa	Uraia	Umri	Sifa	Uteuzi wa Kwanza
Bw. Alfonso Velez	MkurugenziMtendaji	Mhispania	55	MBA	29 Agosti 2017
Bw. Dominik Michel	Mkurugenzi	Mjerumani	47	Bachelor BA	24 Novemba 2021
Bw. Francesco Brambilla	Mkurugenzi	Muitaliano	52	Engineer	25 Aprili 2018
Bw. Hakan Gurdal	Mwenyekiti	Mturuki	55	Engineer, MBA	23 Agosti 2016
Bw. Oswald Martin Urassa	Mkurugenzi	Mtanzania	59	B.com, MBA, CPA(T)	25 Mei 2016
Bi. Ruth Henry Zaipuna	Mkurugenzi	Mtanzania	50	B.com, MBA, CPA(T)	25 Mei 2016

Wakurugenzi wote wa sasa ni si-watendaji isipokuwa Mkurugenzi Mtendaji.

Katibu wa Kampuni kwa mwaka ulioishia tarehe 31 Desemba 2023 alikuwa Bwana Brian Kangetta (Mkenya), mwenye umri wa miaka 46.

Maslahi ya Wakurugenzi katika Hisa za Kampuni.

	Idadi za Hisa	
	2023	2022
Mr. Oswald Martin Urassa	500	500

Vikao vya Bodi.

Jedwali linaloonekana hapa chini linaonyesha rekodi ya kuhudhuria kwa wanachama wa bodi katika mikutano ya kawaida ya bodi iliyopangwa wakati wa mwaka.

Jina	25 Apr 2023	12 Jul 2023	8 Dis 2023
Mr. Hakan Gurdal	√	√	√
Mr. Dominik Michel	√	√	√
Mr. Alfonso Velez	√	√	x
Mr. Oswald Martin Urassa	√	√	√
Mrs. Ruth Henry Zaipuna	√	√	√
Mr Francesco Brambilla	√	√	√

√ → Alikuwepo X → Hakuwepo

C. Kamati ya Ukaguzi

Bodi inasaidiwa katika utekelezaji wa majukumu yake yanayohusiana na taarifa za kifedha, utekelezaji wa sheria, usimamizi wa hatari, uhasibu, na usimamizi wa mifumo ya habari na kompyuta na Kamati ya Ukaguzi. Kamati ya Ukaguzi inaongozwa na Mmoja wa Wakurugenzi Wasio Watendaji. Mikutano inafanyika kwa kipindi cha mwaka mzima na huhudhuriwa na uongozi wa ngazi za juu na wasimamizi wa kampuni pale inapohitajika. Kamati ya Ukaguzi ilikutana mara 3 mwaka 2023 (2022: mara 3).

Utawala Bora Continued

Wajumbe wa Kamati ya Ukaguzi

Wajumbe wa Kamati ya Ukaguzi ambao walihudumu wakati wa mwaka huo, na hadi tarehe ya ripoti hii, ni:

Jina	Cheo/Wadhifa	Uraia	Qualification
Mr. Dominik Michel	Mwanachama	German	Bachelor BA
Mr. Oswald Martin Urassa *	Mwenyekiti	Tanzanian	B.com, MBA, CPA(T)
Mrs. Ruth Henry Zaipuna	Mwanachama	Tanzanian	B.com, MBA, CPA(T)

Vikao vya Kamati ya Ukaguzi

Jedwali linaloonekana hapa chini linaonyesha rekodi za uwepo wa wajumbe wa kamati ya ukaguzi kwenye mikutano ya kawaida iliyopangwa kwa mwaka huo.

Name	25-Apr-2023	12-Jul-2023	08-Dis-2023
Mr Dominik Michel	✓	✓	✓
Mrs. Ruth Henry Zaipuna	✓	✓	✓
Mr. Oswald Martin Urassa	✓	✓	✓

✓ → Alikuwepo X → Hakuuwepo

d. Tathmini ya Utendaji na Tuzo

Kampuni imeanzisha mfumo wa tathmini na malipo ya ziada kwa mameneja na wafanyakazi wake. Tuzo katika mfumo wa ziada za kila mwaka zimeunganishwa na utendaji wa kifedha wa jumla wa Kampuni, uzalishaji, afya na usalama, pamoja na malengo ya utendaji yaliyowekwa kwa kila mtu kibinafsi..

e. Usimamizi wa Hatari na Udhhibiti wa Ndani

TPCPLC inakabiliwa na hatari kadhaa kutokana na shughuli zake za biashara, na usimamizi mzuri wa hatari ni muhimu kwa utawala bora wa kampuni. Mfumo imara wa usimamizi wa hatari wa kampuni hufanikisha kutambua mapema na kutathmini kwa njia ya kimethodolojia hatari zinazowezezana, kuhakikisha usimamizi wa hatari unaolengwa. Aidha, TPCPLC ina mfumo wa udhibiti wa ndani ambao unajumuisha hatua za udhibiti huru na zilizounganishwa kupitia kazi ya ukaguzi wa ndani.

Mkaguzi wa Ndani anawajibika kuanzisha na kutekeleza mpango wa ukaguzi wa ndani kila mwaka ambapo kufuata sera na taratibu, ufanisi wa udhibiti wa ndani na usimamizi wa hatari, na uwezekano wa kuboresha hupimwa. Aidha, Kampuni inanufaika na ukaguzi wa kawaida na timu ya ukaguzi wa ndani ya wamiliki wakuu

f. Maadili ya biashara na uadilifu wa kampuni

Masuala ya utawala bora na tabia ya maadili ni muhimu katika mtazamo wa wenzetu na wawekezaji kuhusu Kampuni iliyoorodheshwa. Kampuni inajitahidi kuhakikisha kuwa uadilifu wake na tabia yake ya kitaalam daima hauwezi kushambuliwa. Kampuni imeandaa mwongozo wa maadili kwa wafanyakazi wake ili kupunguza gharama ya tabia zisizo za maadili kwa wadau wake. Kampuni imechukua kanuni kuu za biashara zilizowekwa na mmiliki mkuu na mwongozo wa kupambana na rushwa. Hivyo, kila mfanyakazi amesaini tamko la kuzingatia sheria hizi.

g. Ripoti za usimamizi, ripoti za kifedha, na ukaguzi.

Masuala ya utawala bora na tabia ya maadili ni muhimu kwa mtazamo wa wadau na wawekezaji kuhusu Kampuni iliyoorodheshwa. Kampuni inajitahidi kuhakikisha kuwa uaminifu na tabia ya kitaalamu ni bila shaka yoyote. Kampuni imeandaa mwongozo wa maadili kwa wafanyakazi wake ili kupunguza gharama za tabia isiyo ya maadili kwa wadau wake. Kampuni imechukua kanuni kuu za biashara za wamiliki wakuu na mwongozo wa kupambana na rushwa. Kwa hiyo, kila mfanyakazi amesaini tamko la kuzingatia kanuni hizo.

Uongozi

“Timu yetu ya uongozi iliyohudumu wakati wa mwaka ulioishia tarehe 31 Desemba 2023 na kuongoza Kampuni kuelekea viwango vipya vya rekodi katika ukuaji wa biashara na kuelekea uendelevu.”

1. Mr. Ahmed Elsayy

Meneja wa kiwanda

2. Mr. Gregory Ndimbo

Meneja wa Ukaguzi wa Ngani na Ubora

3. Mrs. Evaline Mushi

Mkurugenzi wa Rasilimali watu

4. Mr. Alfonso Velez

Mkurugenzi Mtendaji

5. Mr. Gilles Covello

Mkurugenzi wa Kiufundi

1

2

3

4

5



6. Mr. Peter James
Mkurugenzi wa Fedha

6



**7. Mr. Jerome
Mwakabaga**
Meneja wa Afya
na Usalama

7



8. Mr. Yves Mataigne
Mkurugenzi wa Biashara

8



7. Mr. Ali Ahmed
Mkurugenzi wa Manunuzi

9



12. Malipo Ya Wakurugenzi

Kampuni ililipa jumla ya TZS 64.3 milioni (2022: TZS 108.7 milioni) kwa huduma zilizotolewa na Wakurugenzi wa Kampuni na wanachama wa Kamati ya Ukaguzi.

Malipo kwa huduma zilizotolewa na wakurugenzi yalikuwa kama ifuatavyo:

Takwimu katika TZS'000	2023	2021
Mwenyekiti wa bodi	0	10,393
Wakurugenzi wengine	64,263	98,345

13. Uongozi wa Kampuni

Watumishi wa Menejimenti Muhimu ambao walihudumu katika Kampuni kwa mwaka ulioishia tarehe 31 Desemba 2023 walikuwa wafuatao:

Jina	Nafasi
Mr. Alfonso Velez	Mkurugenzi mkuu
Mr. Peter James	Mkurugenzi wa Fedha
Mrs. Evaline Mushi	Mkurugenzi wa Rasilimali watu
Mr. Yves Mataigne	Mkurugenzi wa Biashara
Mr. Gilles Covello	Mkurugenzi wa Kiufundi
Mr. Ahmed Elsayy	Meneja wa Kiwanda
Mr. Jerome Mwakabaga	Meneja wa Afya na Usalama
Mr. Ali Ahmed	Mkurugenzi wa Ununuzi

*Kampuni Ina Idara huru ya ukaguzi wa ndani inayoripoti moja kwa moja kwa kamati ya ukaguzi ya Bodi. Meneja wa ukaguzi wa ndani na uhakikisho wa ubora ni Gregory Ndimbo.



14. Usimamizi wa Viatarishi

Kufanya kazi kwenye mazingira yanayobadilika, TPCPLC inakabiliwa na viatarishi vya Nje, kiutendaji, na Kifedha. Ili kusimamia hatari hizi, kampuni imeweka mifumo kamili ya usimamizi wa hatari na udhibiti wa ndani, ambao unategemea zana na utawala sahihi. Kwa kuchukua mfumo huu, kampuni inaweza kutambua, kutathmini, kupunguza na kufuatilia hatari zote kwa ujumla, wakati ikiunganisha uchambuzi wa hatari unaotazama mbele katika maamuzi ya kimkakati. Mbinu hii husaidia kupunguza uwezekano wa hatari na athari za matukio yoyote yanayoweza kuwa na madhara.

Bodi ina jukumu la mwisho katika usimamizi na udhibiti wa viatarishi na mifumo ya udhibiti ya ndani ya kampuni. Bodi imeiagiza uongozi wa kampuni kuhakikisha inatengeneza na kunakuwa na mifumo mizuri ya kudhibiti Fedha na kiutendaji, inaitunza na inafanya kazi ipasavyo ili kutoa hakikisho la kutosha la kiufanisi na ufanisi katika utendaji.

Hii itasaidia katika:

- Mali za kampuni zitalindwa ipasavyo,
- Kuzingatia sheria na kanuni zinazotumika,
- Kuwa na rekodi za uhasibu zinazoaminika,
- Uendeleu wa biashara, na
- Tabia ya kuwajibika kwa washika dau wote.s.

Utambuzi na Kutathmini Vihatarishi

Uongozi wa Kampuni na idara ya usimamizi wa ndani, hushiriki mara kwa mara katika mchakato wa kutambua viatarishi, kwa kutumia vyanzo mbalimbali vya habari kama vile, data za jumla za uchumi, taarifa za viatarishi za sekta ya viwanda na kwa kutumia zana na mbinu mbalimbali za utambuzi wa viatarishi. Aidha, uongozi unapitia katalogi za viatarishi vya ndani ambazo hutunza kumbukumbu za viatarishi vya kifedha na vile visivyo vya kifedha.

Kwa kila aina ya kihatarishi iliyo ainishwa, hutathminiwa kwa kiwango cha chini cha 10% kwa kuzingatia athari zinazotarajiwa, kwa kuzingatia hatua zote ambazo zimekwisha wekwa kwa ajili ya kupunguza athari za viatarishi. Uongozi umeweka mzunguko wa miezi 12 unaotumika kukadiria uwezekano na athari kwenye vigezo muhimu kama vile matokeo ya shughuli zinazofanyika sasa, Faida ipatikanayo katika mwaka mzima, na mtiririko wa pesa, unatumika kama vigezo vya kutathmini athari zitokanazo na viatarishi. Vihatarishi huchukuliwa kama jumla ya njia zote zinazotumika katika kupunguza athari zake. The underlying scaling for the short-term risks incorporated into the planning cycle is as follows. Hatari za muda mfupi zilizoingizwa katika mzunguko wa kupanga zinazingatia vipimo vifuatavyo.

Uwezekano	
Haitowezezana	0% to 20%
Mara kwa mara	>20% to 40%
Huenda ikatokea	>40% to 60%
Itatokea	>60% to 100%

Maeneo ya Vihatarishi

We categorize risks that could have a significant impact on our assets, finances, and earnings into five categories: financial risks, strategic risks, operational risks, legal and compliance risks, and climate risks. These categories are based on our internal risk catalogue and establishment from our main shareholder. We will focus our risk assessment only on those risks that are deemed significant for our organization.

Usimamizi wa Viatarishi *Continued*

Chini ni mabadiliko ya hatari kwa kulinganisha na mwaka uliopita

Hatari za kifedha	↑
Hatari za Kimkakati	
Hatari za kiuchumi	→
Hatari za kisiasa na Jamii	→
Maafa ya Asili/Janga	→
Upungufu wa Malighafi	→
Hatari za Kielektroniki	→
Upungufu wa Ujuzi	→
Hatari za Uendeshaji	↑
Hatari za Kisheria na Ufuatiliaji	↑
Hatari za Hali ya hewa	→
Hatari za soko na sifa	→

↑ Ongezeko
 → Thabiti
 ↓ Kupungua

Vihatarishi vya Kifedha

Hatari yetu kubwa ya Kifedha ni mabadiliko ya sarafu pamoja na hatari ya ukwasi, pamoja na hatari za kodi. Tunadhibiti hatari hizi hasa kama sehemu ya shughuli zetu zinazoendelea za kibiashara na uwekezaji, na pale inapohitajika kwa kutumia zana za kifedha. Maeneo haya hatarishi yanafuatiliwa mara kwa mara na idara ya fedha ya kampuni kwa ukaribu na idara ya fedha ya mwekezaji mkuu wa kampuni.

Vihatarishi vya Sarafu

Hatari kubwa zaidi inayohusiana na hatari za kifedha ni hatari za mabadiliko ya sarafu, haswa hatari ya tafsiri. Sarafu inayofanya kazi katika kampuni (TZS) inakabiliwa na kubadilika badilika kwa soko la fedha la kimataifa. Hii inaweka kampuni kwenye hatari za kubadilisha fedha za kigeni. Uongozi wa kampuni unafuatilia kwa ukaribu hatari hii na kuchukua maamuzi sahihi ili athari iweze kupunguzwa. Maelezo Zaidi kuhusu hatari ya fedha za kigeni yamejumuishwa katika dokezo namba 42 la taarifa za fedha.

Vihatarishi Ukwasi

Vihatarishi vya Ukwasi hutokea wakati kampuni haiwezi kununua au kuzalisha fedha zinazohitajika ili kutimiza majukumu ya uendeshaji au majukumu yaliyowekwa kuhusiana na vyombo vya fedha. Kwa kesi hii, idara ya hazina inadhibiti kwa karibu nakupanga mtiririko wa pesa kulingana na mipango ya kila mwezi na yote yanayoweza kutokea au yale yanayotarajia kutokea, pamoja na kuhakikisha utofauti wa vyanzo vya ufadhili, hii inajumuisha usimamizi mzuri wa hatari za mikopo kupitia dhamana ya benki, barua za kibenki na kadhalika.

Vihatarishi vya Kimkakati

Mazingira ya Kiuchumi na kijamii ya kimataifa na nchi yanabadilika mara kwa mara kutokana na mielekeo ya dunia nzima kama vile mabadiliko ya hali ya hewa, maendeleo ya idadi ya watu, magonjwa ya mlipuko, ukuaji wa kidigitali na teknolojia. Mitindo hii inatoa hatari na fursa kwa pamoja. Uwezo wa kampuni kukabiliana na mabadiliko haya huamua athari na mwelekeo juu yake. Hatari zinazotokana na mabadiliko ya mtindo zinaweza kuathiri mahitaji, viwango vya bei na gharama, na hivyo mapato ya kampuni. Sehemu inayofuata, tunaelezea na kutathmini hatari hizi na kuashiria hatua zilizochukuliwa ili kupunguza athari hizo.

Vihatarishi vya Kiuchumi

Muelekeo wa kiuchumi umeathiriwa na vihatarishi mbalimbali. Kufuatia ukuaji wa uchumi wa dunia wa 6.2% katika 2022. Taarifa ya mwezi January 2023 ya Shirika la Fedha Duniani (IMF) inaonesha kuwa uchumi wa dunia ulitarajia kushuka kwa kiwango kikubwa hadi asilimia 3.4 kwa 2022 na hadi asilimia 2.9 kwa mwaka 2023. Licha ya kushuka kwa uchumi wa dunia, kiwango cha ukuaji wa Pato la Taifa la Tanzania kwa mwaka 2023 kilifikia asilimia 5.2 ikilinganishwa na asilimia 4.9 mwaka 2022. Bei ya mafuta nchini bado inaongezeka kutokana na vita vya Urusi na Ukraine.

Katika kushuka kwa uchumi na kupungua kwa shughuli za ujenzi, kampuni inaweza kukabiliwa na kushuka kwa mahitaji na shinikizo la bei. Tunaamini kuwa hali ya hatari imeongezeka ikilinganishwa na mwaka jana. Hata hivyo, kampuni (TPCPLC) inaweza kupunguza hatari hii kwa sehemu kwa sababu ya portofolio yake yenye tofauti katika masoko na vyanzo mbalimbali vya malighafi na vipuri ambavyo hupunguza utegemezi.

Usimamizi wa Viatarishi Continued

Vihatarishi vya Kisiasa na Kijamii

Kukosekana kwa utulivu katika hali ya kiuchumi, kijamii, au kisiasa, kama vile mabadiliko katika serikali au kuongezeka kwa mvutano wa kisiasa, machafuko ya kiraia, na migogoro ya ndani au ya kimataifa, inaweza kuwa na athari kubwa kwa mali, biashara, mazingira na sifa njema ya kampuni. Athari hizi zinaweza kuwa za moja kwa moja, kama vile athari za usalama, au zisizo za moja kwa moja, kama vile kutotabirika kwa uchumi. Zaidi ya hayo, zinaweza kuongeza uwezekano wa kampuni kukabiliwa na hatari mbalimbali, katika utekelezaji, kodi, upatikanaji wa malighafi na kupunguza mtiririko wa fedha.

Katika miaka ya hivi karibuni, Tanzania imepata maendeleo ya kuvutia kisiasa na kiuchumi na imefanya maboresho makubwa katika ustawi wa jamii. Ijapokuwa hali ya kisiasa imeendelea kua tulivu, mabadiliko ya ghafla katika hali ya kisiasa au kijamii yanaweza kuathiri moja kwa moja utendakazi wa Kampuni kwa kuzuia ufikiaji soko au kuzuia upatikanaji wa malighafi au nishati. Kutokana na vihatarishi hivi, TPCPLC hufanya tathmini ya kimfumo ya hatari hizi ili kuhakikisha upunguzaji wa haraka inapotokea kutokea.

Maafa ya asili/majanga (Matukio ya nje yasiyotarajiwa)

Maafa ya asili/majanga (Matukio ya nje yasiyotarajiwa) Uendeshaji wa biashara yetu unaweza kuathiriwa vibaya na matukio yasiyotarajiwa, kama vile majanga ya asili au magonjwa ya mlipuko.

Mahitaji ya kisheria yanayohusiana na kuibuka kwa aina mpya za COVID-19 bado ni hatari kwa shughuli kampuni. Kawaida, majanga ya asili na mlipuko ya magonjwa hutokea ghafla. Hata hivyo, baada ya tathmini ya kina, tumebaini kwamba hakuna hatari kubwa ya matukio kama hayo kuathiri shughuli za kampuni Kwa kiasi kikubwa.

Uhaba wa malighafi

Upatikanaji wa malighafi una athari kubwa kwa gharama na uendeshaji wa kampuni kwa ujumla, na kwa hivyo, unaweza kuathiri sana matokeo yetu ya kifedha. Tunachukulia uhaba wa malighafi kuwa hatarishi mahususi katika sekta ya uzalishaji ambayo inaweza kuathiri kampuni hatua kwa hatua. Tunaamini kwamba mtazamo katika hatarishi hii umebaki sawa ikilinganishwa na mwaka uliopita. Ili kupunguza hatarishi hii, TPCPLC inaendelea kufuatilia akiba yetu ya malighafi, upatikanaji wa ndani wa malighafi, na kuhakikisha upatikanaji wa malighafi mbadala pale inapowezekana.

Digitali

Ulimwengu wa biashara unapitia mabadiliko muhimu kutokana na mageuzaji ya kidijitali. Kuongezeka kwa teknolojia mpya za kidijitali na za mtandao, pamoja na kuongezeka kwa otomatiki, kuna kuchangia kutokea kwa mifano mipya ya biashara na kubadilisha ile iliyopo. Sekta ya ujenzi na vifaa vya ujenzi pia inabadilika taratibu kutokana na udijitali, ambayo inaweza kusaidia katika kufikia usawa wa hali ya hewa katika ubunifu na ujenzi wa majengo. Mabadiliko haya yanaweza kusababisha ujenzi wa majengo yenye ufanisi zaidi na ya kudumu kwa muda mrefu. hivyo kupunguza uzalishaji wa hewa ya ukaa na hivyo kupunguza matumizi ya saruji. Udijitali pia unaweza kuongeza ufanisi wa kiutendaji na kiuzalishaji, kame uchambuzi wa taarifa halisi kutoka kwenye mifumo iliyunganishwa, kuangilia matengenezo na usimamizi bora wa michakato ya uhifadhi mali na uzalishaji.

Maendeleo duni katika udijitali yanaweza kusababisha kupoteza ufanisi na ushindani. Tunachukulia udijitali unaweza kupelekea athari kwa kampuni. Tunakadiria kiwango cha hatarishi ya kidijitali kuwa hakijabadilika kutoka mwaka uliopita TPCPLC inachunguza na kuwekeza kikamilifu katika teknolojia mpya ili kufaidika na fursa ya maendeleo mapya ya kidijitali mapema iwezekanavyo.

Uhaba wa ujuzi na ufanisi

Wafanyakazi wetu wenye uzoefu wanapofikia umri wa kustaafu, kuna uwezekano wa kukabiliana na upungufu wa watendaji wenye uzoefu na ufanisi, hili linaweza kusababisha kupungua kwa uzilishaji na kuongezeka gharama za rasilimali watu hivyo kuongeza gharama za uzalishaji. Tunatarajia kiwango cha hatarishi hii kubaki bila kubadilika kutoka mwaka uliopita. Ili kupunguza hatarishi hii TPCPLC hutekeleza mpango mkakati wa kuvutia wafanyakazi na kupunguza idadi ya wafanyakazi wanaoondoka kazini. Kama vile kuwapa ujuzi katika idara mbalimbali au kupata ujuzi kupitia kampuni shirika zinazomilikiwa na mmiliki wetu mkuu.

Vihatarishi katika uendeshaji

Maeneo hatarishi katika uendeshaji wa biashara hujumuisha ongezeko la gharama za nishati na upatikanaji wa malighafi. Pia tunazingatia mahitaji ya kisheria yanayo husiana na vizuizi katika mazingira na Pamoja na hatarishi katika uzalishaji, ubora na teknolojia ya Habari. Hatarishi katika eneo la uendeshaji zimeongezeka ikilinganishwa na mwaka uliopita.

Gharama za nishati na upatikanaji

Nishati ni muhimu katika shughuli za uendeshaji wa Kampuni na hivyo basi, maeneo hatarishi katika uendeshaji wa kampuni unaweza kuchangiwa na upatikanaji, usambazaji wa umeme na gesi wa kuaminika, pamoja na bei ya nishati hizi.

Kampuni inategemea sana usambazaji wa umeme kutoka Kampuni ya Ugavi wa Umeme Tanzania (TANESCO). Kwa miaka mingi, kumekuwa na maboresho makubwa katika usambazaji wa nishati, ingawa kukatika kwa umeme bado kunaleta athari kubwa kwa shughuli za uendeshaji a kampuni.

Gesi asilia hutumiwa katika mchakato wa kuchoma klinka, kutengeneza klinka yetu wenyewe. Kampuni inategemea sana gesi asilia na kwa hivyo mabadiliko yoyote makubwa ya bei au uhaba huwa na athari mbaya kwa shughuli na uzalishaji wa kampuni. Tunachukulia uwepo wa hatarishi hii kuwa na athari za wastani mpaka juu ya wastani

Upatikanaji wa malighafi na viinikisho

Kuzalisha saruji, TPCPLC inahitaji kiasi kikubwa cha malighafi, ambazo kwa kiasi kikubwa hupatikana kutoka kwenye machimbo yake. Kifusi cha mawe ya chokaa ambacho kina milikiwa na TPCPLC ndiyo mwanzo wa mchakato wa utengenezaji wa saruji. Chokaa huchanganywa na kiasi kinacholingana cha udongo mwekundu ili kuunda mchanganyiko, ambacho huchanganywa vizuri na kuwekwa kwenye tanuru za kuzalisha klinka. Upatikanaji wa chokaa ni muhimu kwa shughuli endelevu za uzalishaji, na kampuni inahakikisha ina akiba ya kutosha ya chokaa ili kukidhi mahitaji yake.

Vihatarishi vinazohusiana na uzalishaji

Sekta ya saruji inahusisha teknolojia changamano ya usindikaji na kuhifadhi malighafi, viungio, na mafuta, na inachukuliwa kuwa ni sekta inayohitaji mali nyingi. Kuna hatari ya kuumia kibinafsi, uharibifu wa nyenzo na uharibifu wa mazingira kutokana na ajali na hatari za uendeshaji, ambayo inaweza kusababisha usumbufu katika uendeshaji. kampuni ina mkakati madhubuti inayowezesha kupunguza programu za kibima kutokana na uchunguzi ulifanywa miaka kadhaa iliyopita.

Ingawa hatari ya kiwango cha bima kisichotosha kutokea wakati wa uharibifu, hasa kutokana na aina adimu na kali za uharibifu kama maafa ya asili, ipo, uwezekano wa kutokea ni mdogo. Ili kuzuia uwezekano wa uharibifu na

matokeo yake, tunategemea mifumo mbalimbali ya ufuatiliaji na usalama katika kiwanda chetu, mifumo jumuishi ya usimamizi inayojumuisha viwango vya juu vya usalama, pamoja na ukaguzi wa mara kwa mara, matengenezo na huduma. Tunatoa mafunzo yanayofaa kwa wafanyakazi wote ili kuongeza ufahamu wao kuhusu athari zinazoweza kutokea. Kwa ujumla, athari zinazohusiana na uzalishaji zinachukuliwa kuwa chini na zenye athari ndogo.

Vihatarishi katika eneo la ubora

Saruji iko chini ya viwango vikali. Iwapo bidhaa zinazotolewa hazifikii viwango vilivyowekwa au mahitaji ya ubora ya mteja, tunaweza kupoteza kiasi cha mauzo, kukabiliwa na madai ya uharibifu na/au kuharibu uhusiano wetu na wateja. Kampuni inahakikisha uzingatiaji wa viwango kutoka kwa mbia wetu mkuu na maabara za watu wengine kwa njia ya uhakikisho wa ubora wa chembe laini sambamba na kila hatua ya mchakato pamoja na ukaguzi wa mwisho. Udhhibiti wa uhakikisho wa ubora pia unafanywa na wataalam huru kama sehemu ya programu pana za uhakikisho wa ubora. Kwa ujumla, tunazingatia athari katika eneo la ubora kuwa ya chini na yenye athari ndogo. Kampuni inahakikisha inafuata viwango katika maabara yake na uthibitisho wa viwango na Shirika la Viwango Tanzania (TBS) (Uthibitisho wa ISO 9001).

Vihatarishi katika teknolojia ya habari

Michakato yetu ya biashara, mawasiliano, mauzo, usafirishaji na uzalishaji inaungwa mkono na mifumo ya TEHAMA, ambayo inaweza kuleta athari kwenye maeneo makuu mawili: kutopatikana kwa mifumo ya TEHAMA kwa sababu ya kushindwa au makosa ya kibinadamu, na tishio la vitendo vyenye madhara vya kimakusudi vinavyofanywa na watendaji wa nje Pamoja na wa ndani

Ili kupunguza vihatarishi vinavyohusiana na upatikanaji wa mifumo ya TEHAMA: Tumetekeleza

taratibu za kuhifadhi nakala na miundo msingi na michakato sanifu ya TEHAMA. Timu zetu za uundaji wa programu za ndani hufanya kazi na wataalam wa TEHAMA kutoka kwa mbia wetu mkuu kutumia michakato ya haraka ambayo inatanguliza kubainisha na kudhibiti athari. Kwa matukio nyeti ya utumiaji ambayo yanaingiliana na suluhu zetu za shughuli za

Usimamizi wa Viatarishi Continued

ERP, tunafanya mtihani mdogo wa majaribio na washirika wanaoaminika kwa njia iliyopangwa ili kutambua kwa haraka na kushughulikia athari katika hatua za awali.

Hatua za kupunguza mashambulizi ya mtandaoni ya nje na ya ndani:

Kwa sababu ya hali ya sasa ya kijiografia na kisiasa na kuongezeka kwa kuenea kwa mashambulizi ya mtandao kama mtindo wa biashara, tishio la mashambulizi, hasa kutoka kwa vyanzo vya nje, limeongezeka kwa kiasi kikubwa. Tunaongeza mbinu za usalama katika maeneo mengi. kwa usaidizi kutoka kwa timu ya usalama wa mtandao kutoka kwa mbia wetu mkuu, tunalinda utambulisho wa watumiaji, kupitia maboresho ya kudumu ya usalama wa mifumo yetu ya utambuzi na tumeanza kuchanganua tabia isiyo ya kawaida ya watumiaji kwa kutumia njia za kiotomatiki.

Ili kupunguza tishio la mashambulizi ya mtandao ya nje na ya ndani::

Kwa kuzingatia hali ya sasa ya kijiografia na mwelekeo unaokua wa mashambulizi ya mtandao kama mtindo wa biashara, mashambulizi ya ndani na nje ya mtandao yanaleta tishio kubwa. Ili kushughulikia hili, tunaongeza mbinu za usalama katika maeneo mengi. Timu yetu ya usalama wa mtandao, kwa usaidizi wa mbia wetu mkuu, inachukua hatua za kuimarisha usalama wa mifumo yetu ya utambuzi, na hivyo kupata utambulisho wa watumiaji. Zaidi ya hayo, tumeanza kutumia mbinu za kiotomatiki kuchanganua tabia isiyo ya kawaida ya mtumiaji.

Kwa ujumla, kiwango cha tishio kimeongezeka, na hivyo kutupelekea kuzingatia athari ya kukatika kwa mfumo au programu kama athari ya wastani (ikilinganishwa na hatari ndogo ya mwaka uliopita

Vihatarishi vya kutokufuata sheria na utekelezaji

Hatari kubwa kwenye eneo la sheria kwa kampuni ni pamoja na hatari zitokanazo na kesi zenye uchunguzi endelevu, pamoja na hatari zinazotokana na mabadiliko ya sheria na kanuni. Tunafuatilia kwa karibu mashauri ya kisheria yanayoendelea kwa mtazamo wa kisheria, na tumeweka masharti ya kifedha yanayofaa kulingana na mahitaji ya kisheria ili kushughulikia athari zozote mbaya zinazoweza kutokea kutokana na kesi hizo. Kulingana na tathmini zetu, tumebaini kuwa kampuni inakabiliwa na

hatari ya wastani katika eneo hili la sheria na kanuni. Hata hivyo, athari kwa upande wa kifedha inayohusishwa na ukiukaji wa sheria na kanuni ni ya chini, kutokana na kesi zilizoripotiwa na kuthibitishwa katika kipindi cha ripoti.

Vihatarishi vya hali ya hewa

Mahitaji ya saruji yanachangiwa na hali ya hewa, na hali mbaya ya hewa inaweza kuathiri upatikanaji na uuzaji wa malighafi. Hata hivyo, nchini Tanzania, hali ya hewa ni tulivu, na hakuna mabadiliko makubwa yanayotarajiwa mwaka hadi mwaka. Kwa hivyo, tumetathmini hatari hii kama ya chini.

Vihatarishi vya soko na sifa ya Kampuni

Mojawapo ya athari kubwa kwenye eneo la soko kwa kampuni ni ushindani, ambao unaongezeka katika soko la Tanzania hivi karibuni, Pamoja na kuingizwa kwa saruji iliyoagizwa kutoka nje katika soko. Hata hivyo, kampuni imejipanga vyema kudumisha makali yake ya ushindani katika soko kwa kutegemea saruji yake yenye ubora wa juu, chapa dhabiti, wafanyakazi wenye ujuzi, na usimamizi madhubuti.

Kampuni inapoendelea na jitihada za uzalishaji endelevu unaozingatia kupunguza utoaji wa hewa chafu (hewa ukaa), kuna hatari inayohusishwa na mabadiliko katika mapendekezo ya watumiaji. Hii inaweza kusababisha ongezeko la uingizwaji wa saruji na vifaa vingine vya ujenzi ambavyo vinachukuliwa kuwa na alama ya chini ya kaboni. Zaidi ya hayo, kuna hatari ya kupanda kwa gharama za malighafi, ambayo inaweza kwa kiasi fulani kuchangiwa na uzalishaji endelevu unaozingatia kupunguza utoaji wa hewa chafu.

Ili kuhakikisha uzalishaji endelevu kwa siku zijazo, tunachukua hatua za kupata viwango vya kutosha vya nishati mbadala na malighafi. Pia, sisi tunatambua kwamba kushindwa kufikia malengo yetu uendelevu kwa wakati kunaweza kusababisha maoni hasi kutoka kwa washikadau, jambo ambalo linaweza kuhatarisha sifa ya kampuni. Mawasiliano madhubuti yanaweza kusaidia kupunguza hatari hizi. Kwa ujumla, tunachukulia athari katika eneo la soko na hadhi kuwa ni eneo lenye athari ya jumla ambayo inaweza kuwa na athari za taratibu kwa kampuni. Tunaamini kwamba mtazamo wa hatari ni thabiti ikilinganishwa na mwaka uliopita

Tathmini ya vihatarishi kwa ujumla

Bodi ya Wakurugenzi imetathmini hali ya hatari ya ujumla ya TPCPLC kwa kujumuisha hatari zote kuu na za mtu binafsi. Kulingana na uchunguzi huu, Bodi ina uhakika kwamba hakuna hatari kubwa ambazo zinaweza kuwa tishio kwa biashara endelevu, iwe kwa kujitegemea au kwa kuchanganya na hatari nyingine. Hakujawa na mabadiliko makubwa katika hali ya hatari ya TPCPLC kati ya tarehe ya kuripoti na utayarishaji wa taarifa za fedha za 2022. Kampuni ina msingi imara wa kifedha, na nafasi yake ya ukwasi ni imara.



15. Nguzo Mahiri Mikakati na Rasilimali

Katika kuyafikia malengo yetu, nguzo mahiri na rasilimali zilizopo kwa kampuni (zote zinazoonekana na zisizoonekana) ni

Uwezo wa Uongozi na Wafanyakazi

Jambo kuu muhimu kama rasilimali ya kampuni ni mtaji wa watu. Utendaji wa kampuni unaongozwa na viongozi washindani na wenye sifa ambao hujituma katika shughuri za kila siku kuakikisha wanayafikia malengo ya kampuni. Timu ya uongozi hutegemea wafanyakazi wenye uweredi mkubwa na kujitoa ambao wanauzoefu katika viwanda na tehama ya saruji. Kwahiyo kampuni huajiri zaidi wafanyakazi wenye uweredi na ushindani na pia uwekeza kwenye mafunzo yao.

Chapa Imara na Bidhaa Bora

Saruji chapa Twiga (Twiga Cement) inajulikana sana katika soko na umaarufu wake unatokana na ubora wake. Taswira na ubora wa bidhaa zetu vinatupa fursa nzuri kwenye soko. Ili kukidhi matakwa ya viwango vya ubora katika soko la saruji, Kampuni inatengeneza aina nne (4) za saruji: - Twiga Ordinary (CEM I 42.5), Twiga Plus (CEM IIB-L42.5N), Twiga Extra (CEM IIB-L32.5R) na Twiga Jenga (MC-22X) na Twiga Super (CEM IIB-L 32.5N). Ubora wa bidhaa zetu zinazozalishwa hudumishwa kupitia upimaji thabiti wa ubora wa malighafi zote katika kila hatua ya uzalishaji.

Mtandao Imara wa Usambazaji

Bidhaa zetu zimeweza kufika sehemu nyingi nchini kutokana na mtandao madhubuti wa usambazaji na uwepo wa magari yanayomilikiwa na wasambazaji wetu. Kampuni pia huza saruji katika baadhi ya nchi za jirani katika Afrika ya Kati na Afrika Mashariki.

Nafasi katika Soko

Saruji ya Twiga ni bidhaa inayopendwa na hii inafanya Kampuni kushika uongozi katika soko la saruji. Nafasi yetu ya uongozi katika soko inatiwa msukumo na kuwa karibu na soko kuu la saruji la Dar es Salaam

Msaada wa Kiufundi

Kampuni Mama HeidelbergMaterials, inaongoza katika soko la kokoto duniani na ni mdau mkubwa katika uzalishaji wa saruji, zege na shughuli nyinginezo zinazohusiana na hizi. Hii inaifanya HeidelbergMaterials kuwa kati ya watengenezaji wakubwa wa malighafi za ujenzi duniani. Kampuni inafaidika na huduma bora za kitaalamu na kiufundi kwenye biashara ya saruji kutoka HeidelbergMaterials.

Akiba bora malighafi ya chokaa

Chokaa ni kati malighafi muhimu katika utengenezaji wa saruji. Kampuni ina akiba ya kutosha ya chokaa kukidhi mahitaji ya utengenezaji wa saruji.



16. Uhusuano wa Wadau

Wafanyakazi – kampuni iliweka mipango inayozingatia uboreshaji wa ustawi wa mfanyakazi, kuweka vipaumbele vya afya na usalama na mafunzo ya wafanyakazi. Zaidi ya hayo, kampuni inafanya kazi kwa ukaribu na chama cha wafanyakazi (TUICO) katika kuhakikisha kuwa masuala yote yanayohusu wafanyakazi yanashughulikiwa. Kampuni imedumisha uhusiano mzuri na TUICO.

Wateja – kampuni inawazingatia wateja na imejitolea kikamilifu katika kutoa huduma zenye ongezeko la thamani, uzoefu na bidhaa bora kwa wateja. Timu yetu imedhamiria kuongeza ufanisi katika uendeshaji na katika soko

Wasambazaji – hawa hutoa malighafi, huduma, vipuri n.k., ambazo ni muhimu kwa uendeshaji wa mitambo. Kampuni inatoa fursa kwa wote kupitia mchakato wa zabuni, vikao na wasambazaji, kuwatembelea na masharti nafuu ili kuhakikisha uendelevu wa uendeshaji.

Jamii – Kampuni inajishughulisha na mipango kadhaa ambayo inahakikisha kwamba masuala yanayohusu jamii inayoizunguka yanashughulikiwa. Kampuni inahakikisha kwamba inapanga bajeti kwa ajili ya mipango ya jamii katika maeneo ya elimu, huduma za afya, wanawake na watoto.

Serikali na Wathibiti – hawa wanawajibika kwa utoaji wa sera, vibali na leseni. Kampuni inaendelea kufanya kazi kwa karibu na serikali na wathibiti kupitia mashirika husika na vikao vya umma. Kampuni imeweka mipango ya kuhakikisha kuwa shughuli zake zinazingatia sheria na kanuni mbalimbali zikiwemo mazingira, afya na usalama. Zaidi ya hayo, kampuni inahakikisha kwamba shughuli zake zinakuza maendeleo ya kiuchumi na viwanda nchini

17. Mchango wa Kisiasa

Kampuni haikutoa michango kwa vyama vyovyote vya kisiasa au sababu za kisiasa katika mwaka huo.

18. Uwekezaji wa Kijamii wa Kampuni

Katika mwaka unaomalizika, Kampuni ilionyesha dhamira yake ya uwajibikaji kijamii kwa kutoa na kuchangia TZS 164.7 milioni (2022: TZS 646.1 milioni). Michango hii ilitolewa kwa njia ya fedha na vitu vya thamani ikilenga watoto, wanawake, huduma za afya, na elimu.

19. Gawio

Wakurugenzi wanapendekeza gawio la Shilingi bilioni 70.17 (Shilingi 390 kwa hisa) kwa wanahisa wake kama gawio la mwisho kwa mwaka 2023. Gawio la mwisho litaidhinishwa na mkutano mkuu wa mwaka na litalipwa mwezi Juni 2024. Mwezi wa Juni mwaka 2023, Kampuni ililipa Shilingi bilioni 70.17 (Shilingi 390 kwa hisa) kama gawio la mwisho la mwaka 2022. Hakukuwa na malipo kwa ajili ya gawio la awali kwa mwaka ulioishia Desemba 2023. Kufikia pendekezo hili, wakurugenzi wamezingatia hali ya kifedha ya Kampuni na mahitaji ya baadaye ya miradi ya uboreshaji.

20. Matukio ya Baadaye

Hapakuwa na matukio ya baadaye ambayo yametokea na yanayohitaji kuwekwa wazi au kurekebishwa kwenye taarifa za fedha ambayo yangukuwa na athari kwa taarifa hizo za fedha.



21. Shughuli za Kibiashara za Kampuni Zenye Mahusiano

Kampuni mama ya TPCLC ni HeidelbergCement AG, iliyo orodheshwa kwenye soko la hisa la Frankfurt katika Jamhuri ya Shirikisho ya Ujerumani. Heidelberg Cement AG ina umiliki wa Scancem International DA yan chi ya Norway kwa asilimia 100% ambayo inamiliki asilimia 69.25% ya hisa za TPCLC.

Katika mwaka huo, kampuni iliweza kufanya miamala na makampuni zenye uhusiano nao, hii inajumuisha uingizaji wa malighafi kutoka HC Trading Asia na Pacific PTE Limited na usafirishaji wa makaa yam awe kwa HC Trading GMBH. Maelezo Zaidi kuhusu miamala hii ya wahusika inaonyeshwa katika dokezi la namba 38 kwenye taarifa za kifedha.

22. Mtaji wa Hisa I

Jumla ya mtaji wa hisa uliotolewa ni hisa za kawaida 179,923,100 (2022: hisa 179,923,100). Hapakuwepo na mabadiliko yoyote ya mtaji wa hisa. Muundo wa mtaji huu wa kampuni umeainishwa katika ukurasa namba 27.

24. Wanahisa wa Kampuni

Jumla ya wanahisa kwa mwaka ulioishia 31 Disemba 2023 ilikuwa 9,273 (2023: wanahisa 9,310), wanaomiliki hisa za kawaida 179,923,100, (2022: wanahisa 179,923,100). Wafuatao walikuwa wanahisa kumi (10) wakubwa wa kampuni:

Jina	Uraia	2023 % of Umiliki	2022 % of Umiliki
Scancem International DA	Mnorwe	69.25	69.25
Public Service Social Security Fund	Mtanzania	6.16	6.16
Standard Chartered Bank Uganda	Mganda	5.28	5.28
National Social Security Fund	Mtanzania	1.24	1.24
African Lions Fund LTD	Mtanzania	1.03	0.93
Umoja Unit Trust Scheme	Mtanzania	0.99	0.99
Murtaza Basheer Nasser	Mtanzania	0.90	0.90
Said Salim Awadh Bakhresa	Mtanzania	0.77	0.77
Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/Khalid/Muzammil Kadri	Mtanzania	0.59	0.52
Gak Patel & Co. LTD	Mtanzania	0.36	0.30

25. Taarifa la Soko la Mtaji

Kampuni iliorodheshwa katika soko la mtaji tarehe 29 Septemba 2006 na hisa zake kuanza kuuzwa kwenye soko la Mitaji ya Dar Es Salaam (DSE). Mwaka 2023 hisa za kampuni zilifanya biashara wakati wote kwenye minada iliyoratibiwa na Soko la Mitaji la Dar Es Salaam (DSE). Mwaka 2023, mwenendo wa hisa za Kampuni kwenye soko la mitaji ilikuwa kama hivi: Thamani ya Kampuni mnamo 31 Desemba 2023 ilikua Shilingi bilioni 766.5 (2022: TZS 683.7 billion). Bei ya hisa mnamo 31 Desemba 2023 ilikua Shilingi 4,260 kwa hisa, ikilinganishwa na bei ya hisa ya Shilingi 3,800 kwa mwaka wa 2022 (Bei katika soko la mwanzo ilikua Shilingi 435 kwa hisa)

Mgawanyo wa hisa za kampuni ni kama ifuatavyo.

Jina	2023 % Umiliki	2022 % Umiliki
Scancem International DA	69.25	69.25
General Public	22.78	22.78
Government Pension funds	7.75	7.75
Wazo Hill Saving and Credit Cooperative Society	0.22	0.22
	100.00	100.00

23. Sera za Uhasibu

Taarifa za kifedha zimetaarishwa kwa kuzingatia kuwa kampuni itaendelea na shughuli zake kwa vipindi vijavyo. Miongozo ya kijasibu imeainishwa kwenye aya ya 3 ya taarifa za kifedha na kufanyiwa tathmini kila mwaka ili kuhakikisha kuwa zinaandana na viwango vya kimataifa vya utoaji wa taafira za fedha (IFRS).

26. Masuala ya Kimahakama

Katika mwaka huu hakukuwa na maswala mazito ay kimahakama ya kuripoti kama inavyotakiwa na kiwango cha 1 cha taarifa za fedha Tanzania. (Ripoti ya wale wanaoohusika na Utawala).

27. Taarifa ya Utekelezaji

Ripoti ya wanaoohusika na utawala imeandaliwa kwa kuzingatia kiwango cha Taarifa za fedha Tanzania namba 1.TFRS1 (Ripoti ya wale wanaoohusika na Utawala)

28. Wakaguzi

Maelezo

Taarifa za wakaguzi wa hesabu za kampuni kwa muda uliotolewa ripoti ni:

PricewaterhouseCoopers
Pemba House
369 Toure Drive
Oyster Bay
P.O. Box 45
Dar es Salaam, Tanzania

Website: <https://www.pwc.co.tz/>

Firms' PF Number: PF 047

TIN: 100212285

Msimamizi mkuu wa ukaguzi wa hesabu za kampuni wa mwaka wa fedha ulioripotiwa ana namba ya usajili:

ACPA-PP 1981

Uteuzi Wa Mwaka 2024

PricewaterhouseCoopers (PwC) ilitolewa kuwa mkaguzi wa Kampuni kwa mwaka 2023. Pia PwC ina nia ya kuendelea kuwa mkaguzi, na wana vigezo kwa kustahili kuomba kuteuliwa tena. Azimio linalopendekeza uteuzi wa mkaguzi wa mwaka ujao wa fedha litawekwa kwenye Mkutano Mkuu Wa Mwaka (AGM)..

29. Wajibu wa Wakaguzi

Mkaguzi ana wajibu wa kutoa uhakikisho wa usahihi na uthabiti wa taarifa zote zilizomo kwenye ripoti na wale wanaoohusika na utawala na zile zilizotolewa katika taarifa za fedha.

30. Wajibu wa Wale Wanaoohusika na Utawala

Wanachama walio na mamlaka ya usimamizi wanakubali jukumu la kuandaa taarifa hizi za kifedha ambazo zinaonyesha mtazamo wa kweli na wa haki wa Kampuni hadi tarehe ya kuidhinishwa kwa taarifa za kifedha zilizokaguliwa, kwa mujibu wa viwango vinavyotumika, sheria, kanuni na masharti ya kisheria. Wanachama pia wanathibitisha kufuata masharti ya mahitaji ya TFRS 1 na sheria zingine zote za kisheria zinazohusiana na Kampuni.

Imetolewa kwa amri ya Bodi ya wanaoohusika na Uongozi

Imeidhinishwa na Bodi ya Wakurugenzi tarehe **26th Aprili 2024** na kutiwa sahihi kwa niaba yake na:

Jina: ALFONSO VELEZ Cheo: DIRECTOR Sahihi: 

Jina: OSWALD URASSA Cheo: DIRECTOR Sahihi: 

Statement Of Directors' Responsibilities

For The Year Ended 31 December 2023

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of its profit or loss for the year. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Tanzanian Companies Act, 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and its profit in accordance with International Financial Reporting Standards (IFRS).

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: OSWALD URASSA Title: DIRECTOR Signature: 

Date: **26th April 2024**

Declaration Of The Head Of Finance For The Year Ended 31 December 2023

The National Board of Accountants and Auditors (NBAA) according to the powers conferred to it 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 by 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 a true and fair view of the entity's position and performance in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, CAP 212 Act No. 12 of 2002. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on page 95.

I Tumaini Ishemo, being the Chief Accountant representing the Head of Finance of Tanzania Portland Cement Public Limited Company hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2022 have been prepared in compliance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002.

I thus confirm that the financial statements give a true and fair view of the financial position and results of Tanzania Portland Cement Public Limited Company as on that date and for the year then ended and that the financial statements have been prepared based on properly maintained financial records.

Signed by: 

Position: CHIEF ACCOUNTANT

NBAA Membership No. **ACPA 2733**

Date: **26th April 2024**



Independent Auditor's Report

Report on the Audit of The Financial Statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Tanzania Portland Cement Public Limited Company (the Company) as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

The financial statements of Tanzania Portland Cement Public Limited Company as set out on pages 104 to 148 comprise:

- statement of financial position as at 31 December 2023;
- statement of profit or loss and other comprehensive income for the year then ended;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Key audit matters

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

Key audit matter

Unresolved tax matters and contingent liabilities

Tax positions were significant to our audit because the assessment process involves judgment in the interpretation and application of tax laws and in assessing tax liabilities and contingencies that could arise from tax audits.

The Company has significant unresolved tax matters with the Tanzania Revenue Authority (TRA) whose outcomes are dependent on future events. The total amount of tax assessed is TZS 67 billion of which TZS 10.6 billion has been provided for on the financial statements.

With the assistance of internal and external experts, the directors exercise significant judgement in assessing the possible outcomes of the unresolved matters for financial reporting purposes at the year-end.

The actual future outcomes of these matters could be materially different from the directors' judgement at the year-end.

Further information is provided in Note 6, Note 33(b) and note 39.

How our audit addressed the key audit matter

We tested management's process for identification and evaluation of tax exposures from TRA assessments.

We examined a list of open tax matters and tax assessments by TRA as at 31 December 2023.

We tested the completeness of the list by examining the minutes of the board meetings and legal correspondences between the company and its lawyers.

We examined the correspondence between Management and the Tanzania Revenue Authority.

We obtained and assessed advice from management expert that was applied by management to assess the level of provisioning required and the tax objections filed thereon.

We reviewed the provisions for tax exposures based on management's assessment and the advice provided by the company's tax advisor.

We have evaluated the reasonableness of the management judgement and assessed the adequacy of the disclosures made in the financial statements in relation to contingent liabilities and significant judgments applied by directors

Other information

The directors are responsible for the other information. The other information comprises Report by Those Charged With Governance, Statement of Directors' responsibilities, Declaration of the head of finance and Company information (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Financial highlights, letter of transmittal, Chairman's statement, Managing director's report, Directors' Bibliography, Key management personnel, Corporate social responsibility and proxy form, which is expected to be made available to us after that date.

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

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

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

When we read Financial highlights, letter of transmittal, Chairman's statement, Managing director's report, Directors' Bibliography, Key management personnel, Corporate social responsibility and proxy form, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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 those charged with governance with a statement that we have complied with relevant ethical

Auditor's responsibilities for the audit of the financial statements *Continued*

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, action 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 and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act, No. 12 of 2002, and for no other purposes.

As required by the Companies Act, No. 12 of 2002 we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report



Cletus Kiyuga, ACPA-PP

For and on behalf of PricewaterhouseCoopers

Certified Public Accountants

Dar es Salaam

Date: **21ST May 2024**





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05

Financial Statement

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Statement Of Profit Or Loss And Other Comprehensive Income

<i>Figures in TZS '000</i>	Notes	2023	2022
Revenue from contracts with customers	7	490,171,829	501,369,007
Cost of sales	9	(330,443,277)	(334,905,005)
Gross profit		159,728,552	166,464,002
Other operating income	8	9,745,144	501,513
Selling and marketing costs	10	(5,891,729)	(3,082,702)
Net (charge)/release of expected credit losses	23	(11)	339,944
Administrative costs	11	(29,440,015)	(25,111,509)
Other operating expenses	14	(1,504,148)	(2,727,675)
Net gain on foreign currency translation	17	8,795,332	1,829,993
Operating Profit		141,433,125	138,213,566
Finance income	15	3,092,852	3,139,579
Finance costs	16	(1,051,474)	(1,255,581)
Finance income - net		2,041,378	1,883,998
Profit before tax		143,474,503	140,097,564
Income tax expense	32	(44,290,757)	(42,738,964)
Profit for the year		99,183,746	97,358,600
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gain/(losses) on defined benefit plan	29	(278,660)	448,834
Income tax effect	32	83,598	(134,650)
Other comprehensive income for the year, net of tax		(195,062)	314,184
Total comprehensive income for the year, net of tax		98,988,684	97,672,784
Earnings per share			
Basic and diluted earning per share (TZS)	40	551	541

Statement Of Financial Position

<i>Figures in TZS '000</i>	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	18	135,386,743	142,330,100
Intangible assets	19	858,706	813,318
Leasehold land	20	953,083	980,929
Right of use assets	21	1,004,266	4,333,991
Other non-current financial assets	25	352,000	574,000
		138,554,798	149,032,338
Current assets			
Inventories	22	91,459,061	85,992,920
Trade receivables	23	61,659,567	53,561,114
Other short-term operating receivables	24	19,652,739	24,193,735
Current income tax recoverable	32	2,450,612	-
Other current financial assets	25	540,000	600,000
Cash and bank balances	26	131,369,615	105,512,644
		307,131,594	269,860,413
Total Assets		445,686,392	418,892,751
Equity And Liabilities			
Equity			
Share capital	27	3,598,462	3,598,462
Retained earnings		324,958,486	296,139,811
		328,556,948	299,738,273
Non-current liabilities			
Lease liabilities - non current	28	185,766	1,149,572
Employment benefit obligations	29	5,386,658	4,937,695
Provision for quarry site restoration	31	4,573,453	4,266,311
Deferred income tax liability	32	10,559,783	10,066,665
		20,705,660	20,420,243
Current liabilities			
Lease liabilities - current	28	963,806	3,461,375
Employment benefit obligations	29	562,206	401,627
Current income tax payable	32	-	521,690
Trade and other payables	33(a)	81,389,778	78,394,395
Provisions	33(b)	10,583,245	13,049,775
Dividend payable	37	2,924,749	2,905,373
		96,423,784	98,734,235
Total Equity And Liabilities		445,686,392	418,892,751

Statement Of Changes In Equity

<i>Figures in TZS'000</i>	Share Capital and Share Premium (Note 27)	Retained earnings	Total Equity
As at 01 January 2023	3,598,462	296,139,811	299,738,273
Profit for the year	-	99,183,746	99,183,746
Other comprehensive income, net of tax	-	(195,062)	
Transactions with owners in their capacity as owners:			
Dividends declared (Note 37)		(70,170,009)	(70,170,009)
		(70,170,009)	(70,170,009)
As at 31 December 2023	3,598,462	324,958,486	328,752,010
As at 01 January 2022	3,598,462	268,637,039	272,235,501
Profit for the year	-	97,358,600	97,358,600.00
Other comprehensive income, net of tax	-	314,184	
Transactions with owners in their capacity as owners:			
Dividends declared (Note 37)		(70,170,012)	(70,170,012)
		(70,170,012)	(70,170,012)
As at 31 December 2022	3,598,462	296,139,811	299,424,089

These financial statements were authorised for issue in accordance with a resolution of the Board of directors passed on ____ April 2024 and were signed on its behalf by:

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: OSWALD URASSA Title: DIRECTOR Signature: 

Statement Of Cash Flows

<i>Figures in TZS'000</i>	Notes	2023	2022
Operating activities			
Profit before tax		143,474,503	140,097,566
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	12	21,818,849	20,645,407
Interest expense	16	1,051,474	1,255,581
Interest income	15	(3,092,852)	(3,139,579)
Net unrealised exchange (gain)/loss	17	(7,386,138)	(801,765)
Net provision for obsolete inventories	22	2,902,936	971,658
(Decrease)/increase in site restoration provision	31	307,142	1,833,770
Post employment benefit provision- Service cost	29	336,169	300,809
(Decrease)/increase in other provisions	33(b)	(2,466,530)	(280,104)
Expected credit losses for trade receivables	23	(11)	339,944
Gain on disposal of property, plant and equipment	8	(8,540,612)	-
Cash flows before changes in working capital items		148,404,930	161,223,285
Working capital adjustments:			
Inventories		(8,369,077)	(34,029,089)
Trade receivables		(8,098,442)	(7,623,738)
Other short-term operating receivables		4,540,996	(7,606,867)
Other financial assets		282,000	222,000
Trade and other payables		2,995,383	8,112,674
Net working capital adjustments		(8,649,140)	(40,925,020)
Corporation tax paid	32	(46,686,343)	(43,932,977)
Payment to post employment benefit - Benefit payments	29	(519,139)	(264,659)
Interest received	15	3,092,852	3,139,579
Net cash inflows from operating activities		95,643,160	79,240,208
Investing activities			
Proceeds from disposal of property, plant and equipment	8	8,540,612	-
Payment for capital works-in-progress and PPE	18	(11,563,308)	(14,611,038)
Net cash flows used in investing activities		(3,022,696)	(14,611,038)
Financing activities			
Dividends paid	37	(70,150,633)	(70,113,109)
Payment of lease liabilities - principal	28	(3,461,375)	(3,273,027)
Payment of lease liabilities - interest	28	(537,623)	(810,519)
Net cash flows used in financing activities		(74,149,631)	(74,196,655)
Net (decrease)/increase in cash and cash equivalents		18,470,833	(9,567,485)
Net unrealised exchange gain/(loss)		7,386,138	801,765
Cash and cash equivalents at 01 January	26	105,512,644	114,278,364
Cash and cash equivalent at 31 December	26	131,369,615	105,512,644

1. Corporate Information

The financial statements of Tanzania Portland Cement Public Limited Company ('the Company') for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Directors as indicated on the statement of financial position. The Company is a Public Limited Company incorporated and domiciled in Tanzania. The Company's shares are publicly traded. The registered office is located at Wazo Hill, Dar es Salaam.

The principal activities of the Company are disclosed in the Report by those charged with governance. Information on its holding Company is provided in Note 38.

2. Basis Of Preparation

The financial statements have been prepared on a historical cost basis, except when stated otherwise. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest thousand (TZS '000'), except when otherwise indicated. These financial statements cover the year ended 31 December 2023.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with the Tanzanian Companies Act, 2002.

Going Concern

The Company has prepared the Financial Statements on the basis that it will continue to operate as a going concern.

3. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

a) Revenue recognition

Revenue represents income arising in the course of an entity's ordinary activities, which leads to an increase in economic benefits during the accounting period. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is stated net of value-added tax (VAT).

Revenue is primarily derived from the sale of cement to distributors. Revenue is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods or collection of cement by customers at the Company's premises.

The five-step model stipulated in IFRS 15 Revenue from contracts with customers is applied when accounting for revenue from contracts with customers. The Company accounts for a revenue contract with a customer only when all the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to performing their respective obligations;
- The Company can identify each party's rights regarding the goods or services to be transferred;
- The Company can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance (i.e., the risk, timing, or amount of future cash flows is expected to change as a result of the contract); and
- It is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, and customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any. Currently, the Company does not sell cement to customers or have contracts with customers that have significant financing components.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies on financial assets.

Contract liabilities

A contract liability is an obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Company's contract liabilities consist of advance deposits from customers for cement sales.

Cost to obtain a contract.

The Company defers and amortises these costs over the period of the contract.



Notes to the Financial Statements for the Year Ended 31 December 2023

3. Significant Accounting Policies Continued

b) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Tanzanian Shillings (TZS), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

c) Property, plant, and equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation, and accumulated impairment losses, if any. Such cost includes the cost of any replacing part of the property, plant, and equipment when that cost is incurred if the recognition criteria are met. All other repair and maintenance costs are recognised in profit and loss as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The annual rates of depreciation that have been consistently applied are:

Description	Rate (%)
Buildings and roadsw	4.0
Production machinery and equipment: (Factory plant and machinery)	5.0 – 10.0
Production machinery and equipment (Quarry plant and machinery)	25.0
Other equipment (Furniture, equipment, and fixtures)	12.5
Other equipment (Motor vehicles)	25.0
Other equipment (Computer hardware)	33.3

An item of property, plant, and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised. The asset is derecognised once control has been transferred to the buyer.

The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted prospectively, if appropriate, at each financial year-end.

Capital work-in-progress.

Capital work-in-progress includes accumulated cost of property, plant, and equipment which is under construction or for which cost has been incurred, but which is not yet ready for use by the Company. It also includes costs incurred for assets being constructed by third parties, assets that have not been delivered to or installed in the facility, and assets which cannot be used until certain other assets are acquired and installed.

Where there is a significant interval between the time at which cost is incurred in connection with the acquisition of an asset and when the asset will be ready for use, the cost is accumulated in capital work-in-progress. At the time the asset is ready for use, the accumulated cost is to be transferred to the appropriate category, and depreciation starts. Capital work-in-progress is not depreciated, since by the definition it is not yet ready for use.

3. Significant Accounting Policies Continued

d) Capital items in stock

Spare parts and servicing equipment are classified as Property, Plant, and Equipment rather than inventory when they meet the definition of Property, Plant, and Equipment, with a useful life of more than 5 years and a value of more than TZS 140 million. They are measured on cost less depreciation and provision for impairment.

e) Intangible assets

The Company's intangible assets include the value of computer software and mining rights for the limestone quarry. Mining rights are rights to extract limestone from the land that belongs to the government. The Company pays the cost of the mining rights at the inception of the contract in advance and amortizes over the life of the contract or units of production giving mining rights.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortisation that has been consistently applied is 20% - 50%. The amortisation period and the amortisation method for intangible assets are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and value in use. A cash-generating unit is a small identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless either the asset's fair value less cost of disposal is higher than its carrying amounts or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be determined.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the assets.

In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transaction can be identified, and the appropriate valuation model is used value in use is determined using budgets.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials – purchase cost on a weighted average basis.
- Finished goods and work in progress – the cost of direct materials and labour and a proportion of manufacturing overheads based on normal capacity but excluding borrowing costs.
- Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Financial Statements for the Year Ended 31 December 2023

3. Significant Accounting Policies Continued

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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. Refer to the accounting policies in section (a) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

i) Financial assets Continued

As at the year-end, the financial assets of the company included cash and cash equivalents, trade receivables, and other financial assets; all classified as assets held to collect and therefore measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with the recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost (debt instrument) 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.

The Company's financial assets at amortised cost include trade receivable, other short-term operating receivables bank balances, and other financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and

3. Significant Accounting Policies Continued

j) Provisions Continued

either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. A gross carrying amount will be written off when the financial assets can not be recovered after three years.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of incremental transaction costs.

The Company's financial liabilities include Interest bearing loans, accrued expenses, trade payables, and other payables that are financial instruments. These are all classified as financial liabilities at amortised cost.

Subsequent measurement

After initial recognition, interest-bearing loans and trade and other payables are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the finance costs in the statement of comprehensive income.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying value is recognised in profit or loss.



Notes to the Financial Statements for the Year Ended 31 December 2023

3. Significant Accounting Policies *Continued*

i) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the 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.

j) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Site restoration provision

The provision for restoration represents the cost of restoring site damage after the start of production. Increases or decrease in the provision is charged to profit or loss as a cost of production.

Restoration costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The

estimated future costs of site restoration are reviewed annually and adjusted as appropriate.

Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

The Company did not have any onerous contracts during the year.

k) Pensions and other employment benefits

The Company operates defined contribution plans and defined benefit plans.

Pension obligations

Under defined contribution plans, the Company's employees are members of state-owned pension schemes, and the National Social Security Fund (NSSF). The Company contributes 10% of basic salary for each employee who is a member of NSSF, while the employees contribute 10% respectively. The Company's contributions to the funds are charged to profit or loss in the year to which they relate.

Endowment scheme

The Company has an endowment scheme administered by the Jubilee Insurance Company of Tanzania Limited. This scheme is a defined contribution plan. The cost of the endowment scheme is fully met by the Company, and it has no further obligations to the scheme.

Other short-term benefits

The Company maintains a medical insurance policy for its staff which covers staff and their immediate dependants. The entitlement is recognised through profit or loss under employee expenses. The Company does not have any further obligation after contributions have been made.

Post-employment benefits

Under defined benefit plans, the Company provides certain post-employment benefits at retirement. The expected costs of these benefits are accrued over the period of employment and the present value of the obligation is determined by reference to market yields on high-quality corporate bonds, where there is no deep market in such bonds, the market yields on government bonds are used at the end of the reporting period. (See also note 5 Significant Accounting Judgements, estimates and assumptions - Pension Obligations).

Long-service employment benefits (other long-term employee benefits)

Under this defined benefit plan, the Company provides benefits in the form of cement at certain milestones during the period of employment.

The expected costs of these benefits are accrued over the period of employment and the present value of the obligation is determined by reference to market yields on high-quality corporate bonds, where there is no deep market in such bonds, the market yields on government bonds are used at the end of the reporting period.

These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Interest is calculated by applying the discount rate to the defined benefit liability. The Company recognises the following changes in the defined benefit obligation in the statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments, and non-routine settlements
- Interest expense

Key assumptions and sensitivity analysis are disclosed under Note 29.

I) Taxes

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer



Notes to the Financial Statements for the Year Ended 31 December 2023

probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. At the end of each reporting period, the Company reassesses unrecognised deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current tax and deferred tax relating to items recognised directly in other comprehensive income or equity are also recognised in other comprehensive income or equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added tax

Revenues, expenses, and assets are recognised net of the amount of Value Added Tax, except:

- Where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

m) Royalty

A royalty fee is a fixed charge paid to the government on annual basis based on the unit of minerals extracted by the Company. The annual fee paid depends on material extracted during a particular month.

n) Dividend distribution

Dividend distribution to the shareholders is charged to equity and recognised as a liability in the Company's financial statements in the period in which they are declared, and after being approved by the shareholders at the Annual General Meeting.

Dividend withholding tax

Dividend withholding tax is payable at a rate of 5% on dividends distributed to shareholders. This tax is not attributable to the Company paying the dividend but is collected by the Company and paid to the tax authorities on behalf of the shareholder.

o) Current versus non-current classification

The Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within 12 months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when either:
 - It is expected to be settled in the normal operating cycle.
 - It is held primarily for the purpose of trading.
 - It is due to be settled within 12 months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

p) Cost of sales

All costs directly linked to the production, handling, and storing of goods within the factory premises are classified under cost of sales. They exclude those period costs that would be incurred regardless of whether the Company make any production. Cost of sales includes carrying amounts of inventories sold during the period. Included in this are some fixed components like direct labour cost; variable costs such as power, materials, handling, and distribution cost. Costs are allocated based on cost centres, expenses allocated to cost of sales are those which are within technical, mechanical, and production cost centres.

p) Leases

The Company assesses at contract inception whether a contract is or contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and lease term.

The right-of-use assets are subject to impairment in line with the Company's policy for impairment of non-financial assets.

The useful life of the Company's right-of-use asset is as follows:

- Quarry equipment – 3.25 years
- Factory land – 99 years

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



Notes to the Financial Statements for the Year Ended 31 December 2023

r) Cash and bank balances

Cash and short-term deposits in the statement of financial position comprise bank balances and time deposit accounts with banks whose original maturities do not exceed three months and cash on hand. For the purpose of the statement of cash flows, cash, and cash equivalents consist of cash and bank balances as defined above.

4. New And Amended Standards And Interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current - Effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- Only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of liability not impact its classification
- The amendments have not had material impact on the Company financial statements.

The amendments have not had material impact on the Company financial statements.

Definition of Accounting Estimates - Amendments to IAS 8 - Effective for annual reporting periods beginning on or after 1 January 2023

In February 2021, the IASB issued amendments to IAS 8, in which it introduced a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments have not had material impact on the Company financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - Applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements, providing guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023, with earlier application permitted. Since the amendments to Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments have not had material impact on the Company financial statements.

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The Company has made application of all the effective amendments during the reporting period.

The amendments have not had material impact on the Company financial statements.



The following pronouncements issued by the IASB are effective for periods commencing on or after 1 January 2023. The Company's financial reporting is not expected to be materially impacted by these pronouncements:

- IFRS 17 Insurance
- Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules

5. Standards and Interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Company intends to adopt these standards, if applicable when they become effective.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements for annual reporting periods beginning on or after 1 January 2024

In May 2023, the IASB issued the final amendments to IAS 7 and IFRS 7 which address the disclosure requirements to enhance the transparency of supplier finance arrangements.

The amendments require the entity to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The adoption of amendments to IAS 7 and IFRS 7 regarding Supply Chain Financing programs will necessitate additional disclosures concerning the Company's use of these programs in its financial statements.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates for annual reporting periods beginning on or after 1 January 2025

In August 2023, the IASB amended IAS 21 to clarify whether a currency is exchangeable, and how to determine a spot rate if it is not.

The amendments state that a currency is exchangeable when an entity is able to exchange that currency for another currency through market 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 another currency if an entity can only obtain an insignificant amount of the other currency. If a currency is not exchangeable at the measurement date, the entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction between market participants at the measurement date under prevailing economic conditions.

Given the uncertain availability of hard currencies in Tanzania, the Company is evaluating the potential financial impact of adopting the amendments to IAS 21.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (The effective date was removed temporarily by the IASB)

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB

The amendment is not expected to have a material effect on the Company's financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2023

Amendments to IFRS 16, Leases – Lease Liability in a Sale and Leaseback. Annual periods beginning on or after 1 January 2024

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted

The adoption of the amendments to IFRS 16 is not expected to materially impact the Company's financial statements as the Company usually does not typically engage in sale and leaseback transactions.

Amendments to IAS 1 - Non-current liabilities with covenants. Annual periods beginning on or after 1 January 2024.

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions. As well the existence of covenants within the next twelve months doesn't automatically make the liability current if the entity has the right to defer settlement.

The Company does not expect to be materially impacted by the amendments. And assessing in case additional disclosures are needed in the Company's financial statements

6. Significant Accounting Judgements, Estimates, And Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Company's accounting policies, management has made the following significant estimations, which has the most significant effect on the amounts recognised in the financial statements:

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

Expected credit losses

The Company assesses the financial assets portfolio to determine whether an impairment loss should be recorded in profit or loss. The Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows of an individual debtor in that portfolio. The Company performs impairment assessment during recognition of the financial assets taking into consideration forward-looking information pertaining to a specific debtor or a certain debtor's portfolio. The assessment of the correlation between historically observed default rates, forecasts of 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 the customer's actual default in the future.

More information on impairment losses including the carrying amounts of the balances affected is presented in Note 23, 24 and 25.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying value may not be recoverable. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The assets that are subject to this are presented in Notes 18,19 and 20.

Post-employment and long service defined benefit plans

The cost of defined benefit pension plans and other long-term employment plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are included in Note 29.

Provision for quarry rehabilitation

Limestone is mined from the quarry in a way that leaves the “used” area as a one-level horizontal plateau (bench). The Company re-cultivates the quarry sites that will no longer be mined, and the Company has a quarry rehabilitation plan.

Due to the long-term nature of mining a quarry, assessment of the quarry rehabilitation provision is subject to significant estimates. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. The discount rate used in the calculation of the provision as at 31 December 2022 equalled 12.96% (2021: 15.95%). Refer to Note 31 for more information on the quarry rehabilitation provision.

Asset useful lives

The estimated useful lives and residual values of items of property, plant, and equipment are reviewed annually and are in line with the rates at which they are depreciated.

For the carrying amount of property, plant, and equipment, refer to Note 18 to the financial statements.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Litigation and other judicial proceedings, as a rule, raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each suit is brought, and differences in applicable law. Upon resolution of any pending legal matter, the Company may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations, or cash flows of the Company could be materially affected by the unfavourable outcome of the litigation.

For details on the contingent liabilities amounts, refer to Note 39 to the financial statements.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as the experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the respective domicile of the companies.

For disclosures and details on tax and tax contingencies, refer to Notes 32 and 39 of the financial statements.



Notes to the Financial Statements for the Year Ended 31 December 2023

Leases

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Company would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that are within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company includes the renewal period as part of the lease term for the leases recognised. The Company typically exercises its option to renew for leases because there will be a significant negative effect on operations if a replacement asset is not readily available. The renewal periods for leases are not included as part of the lease term if they are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Notes to the Financial Statements for the Year Ended 31 December 2023

7. Revenue from Contracts With Customers

Disaggregated revenue information

The Company presents disaggregated revenue based on the type of goods provided to customers and the timing of transfer of the goods. Set out below is the disaggregation of the Company's revenue from contracts with customers.

Sales of cement per cement type:

Figures in TZS '000	2023	2022
Twiga cement plus	338,957,481	345,646,240
Twiga cement extra	48,678,486	72,908,410
Twiga cement ordinary	72,092,638	71,103,809
Twiga cement super	2,889,403	5,057,724
Twiga cement mega	3,817,447	-
Coal	23,736,374	6,652,824
Total Sales	490,171,829	501,369,007

Sales revenue distribution in both domestic and export Markets:

	2023	2022
Domestic sales	410,322,340	424,136,605
Export sales	79,849,489	77,232,402
Total Sales	490,171,829	501,369,007

Timing of revenue recognition:

	2023	2022
Goods transferred at a point in time	490,171,829	501,369,007

8. Other Operating Income

Figures in TZS '000	2023	2022
Gain on disposal of property, plant and equipment	8,540,612	-
Other income	1,204,532	501,513
	9,745,144	501,513

9. Cost of Sales

Figures in TZS '000	2023	2022
Variable costs	270,495,567	277,113,454
Fixed production costs	38,634,353	39,696,854
Provision for slow-moving and obsolescence (Note 22 (a))	2,902,936	1,167,340
Release of impairment of obsolete consumables	-	(195,682)
Depreciation, amortisation, and impairment (Note 18)	18,410,421	17,123,039
	330,443,277	334,905,005

Cost of sales includes the cost incurred on raw materials, fuel, electricity, personnel, maintenance, distribution, and other production expenses. Depreciation incurred for factory machines and equipment is presented separately in note 12.

Figures in TZS '000

	2023	2022
Included in cost of sales variable costs are:		
Distribution costs	30,155,897	29,774,443
Raw materials costs	89,480,252	117,513,969
Energy costs	86,385,680	86,106,713
Grinding and packaging costs	20,163,974	28,737,893
Consumables costs	7,195,426	7,256,512
Costs of goods for resale - coal	21,003,101	6,312,662
Excise duty costs	15,607,272	-
Other variable production costs	503,965	1,411,262
	270,495,567	277,113,454

Included in cost of sales - fixed production costs are:

	2023	2022
Cost of repair and maintenance costs	17,450,453	17,319,827
Staff costs fixed production	13 16,969,940	15,247,314
Consultancy and insurance costs	1,785,319	2,022,209
Security and safety gears costs	1,685,495	1,561,493
Other fixed production costs	743,146	3,546,011
	38,634,353	39,696,854

10. Selling And Marketing Expenses

Figures in TZS '000	2023	2022
Staff costs	13 2,200,141	2,102,067
Marketing, advertising, and sales costs	3,691,588	980,635
	5,891,729	3,082,702

Notes to the Financial Statements for the Year Ended 31 December 2023

11. Administrative Expenses

<i>Figures in TZS '000</i>	Notes	2023	2022
Staff costs	13	4,989,559	4,929,137
Consultancy costs		4,883,488	4,228,003
Technical assistance		6,697,984	5,089,556
Other administrative expenses		9,460,556	7,342,445
Depreciation, amortisation, and impairment (Note 12)		3,408,428	3,522,368
		29,440,015	25,111,509
Included in Other administrative expenses are:			
Audit fees		183,979	175,218
Donations and corporate social responsibility		164,731	646,084
Environmental, overheads & other admin costs		6,162,930	3,237,336
Expense relating to short-term leases of low-value assets		1,027,550	1,549,793
Travelling costs		1,099,431	1,026,321
Legal fees		757,672	598,955
Directors' remuneration		64,263	108,738
		9,460,556	7,342,445

12. Depreciation and Amortisation

<i>Figures in TZS '000</i>	Notes	2023	2022
Depreciation of property plant and equipment	18	18,410,421	17,123,039
Depreciation expense of right-of-use assets	21	3,329,725	3,301,303
Amortisation of intangible assets	19	50,857	193,219
Amortisation of lease hold land	20	27,846	27,846
		21,818,849	20,645,407

13. Staff Costs

<i>Figures in TZS '000</i>	Notes	2023	2022
Staff costs under:			
Cost of sales		16,969,940	15,247,314
Selling and marketing costs		2,200,141	2,102,067
Administrative expenses		4,989,559	4,929,137
		24,159,640	22,278,518
Staff costs is made up of:			
Salaries, wages and bonuses		11,614,456	11,070,705
Expats staff costs (technical assistance)		4,460,031	3,383,879
Social Security Contribution		1,448,848	1,364,100
Payroll tax (SDL and WCF)	30	626,940	637,157
Post employment - current service costs	29	336,169	300,809
Allowances i.e. leave, shift etc		2,637,592	2,563,444
Medical, training, meals and beverages		1,598,521	1,577,242
Other employment costs and employee benefits		1,437,083	1,381,182
		24,159,640	22,278,518

Notes to the Financial Statements for the Year Ended 31 December 2023

14. Other Operating Expenses

<i>Figures in TZS '000</i>		2023	2022
Local government levies and taxes		1,504,148	2,379,144
Research and exploration costs		-	348,531
		1,504,148	2,727,675

15. Finance Income

<i>Figures in TZS '000</i>		2023	2022
Interest income on short-term bank deposits		3,092,852	3,139,579
		3,092,852	3,139,579

16. Finance Costs

<i>Figures in TZS '000</i>		2023	2022
Interest expense on employment obligations	29	513,851	445,062
Interest expense on lease liabilities		537,623	810,519
		1,051,474	1,255,581

17. Gain On Foreign Currency Translation

<i>Figures in TZS '000</i>		2023	2022
Exchange gain - realised		2,352,150	1,443,794
Exchange loss - realised		(1,875,875)	(481,847)
Sub-total		476,275	961,947
Exchange gain - unrealised		8,533,624	1,513,963
Exchange loss - unrealised		(214,567)	(645,917)
Sub-total		8,319,057	868,046
Net foreign exchange gains		8,795,332	1,829,993
Net foreign exchange gains/(losses) distribution			
Net unrealised exchange gains are made up of:			
Impacting cash and bank		7,386,138	801,765
Impacting operating receivables, payables and others		932,919	66,281
		8,319,057	868,046
Net realised exchange gains/(losses) are made up of:			
Impacting cash and bank		(110,879)	557,639
Impacting operating receivables, payables and others		587,154	404,308
		476,275	961,947
Net foreign exchange gains		8,795,332	1,829,993

Notes to the Financial Statements for the Year Ended 31 December 2023

18. Property, Plant, And Equipment (PPE)

No property, plant and equipment have been pledged as collateral for liabilities.

<i>Figures in TZS'000</i>	Building and Roads	Production machinery & equipment	Other equipment	Capital items in stock	Capital work- in-progress (CWIP) ⁹	Total
Cost						
At 01 January 2022	51,287,011	238,465,953	18,367,322	1,994,264	15,264,655	325,379,205
Additions		169,421		-	14,441,617	14,611,038
Transfers	1,835,461	6,395,718	682,825	-	(8,914,004)	-
At 31 December 2022	53,122,472	245,031,092	19,050,147	1,994,264	20,792,268	339,990,243
At 01 January 2023	53,122,472	245,031,092	19,050,147	1,994,264	20,792,268	339,990,243
Additions		-		1,561,510	10,404,693	11,966,203
Transfers	677,680	15,278,185	1,706,101	(402,895)	(17,758,210)	(499,139)*
Disposal	(55,728)	-	(45,000)	-	-	(100,728)
At 31 December 2023	53,744,424	260,309,277	20,711,248	3,152,879	13,438,751	351,356,579
Accumulated depreciation						
At 01 January 2022	22,955,178	140,319,821	16,143,190	1,118,915	-	180,537,104
Charge during the year	2,118,120	14,083,180	921,739	-	-	17,123,039
At 31 December 2022	25,073,298	154,403,001	17,064,929	1,118,915	-	197,660,143
At 01 January 2023	25,073,298	154,403,001	17,064,929	1,118,915	-	197,660,143
Charge during the year	2,132,906	14,626,394	974,353	676,768	-	18,410,421
Disposal	(55,728)	-	(45,000)	-	-	(100,728)
At 31 December 2023	27,150,476	169,029,395	17,994,282	1,795,683	-	215,969,836
Net carrying amount						
At 31 December 2022	28,049,174	90,628,091	1,985,218	875,349	20,792,268	142,330,100
At 31 December 2023	26,593,948	91,279,882	2,716,966	1,357,196	13,438,751	135,386,743

Notes to the Financial Statements for the Year Ended 31 December 2023

19. Intangible Assets

Figures in TZS'000	Software	Mining rights	Total
Cost			
At 01 January 2022	4,889,883	919,530	5,809,413
Additions - Transfer from CWIP	-	-	-
At 31 December 2022	4,889,883	919,530	5,809,413
Accumulated amortisation			
At 01 January 2022	4,680,562	122,314	4,802,876
Charge during the year	193,219	-	193,219
At 31 December 2022	4,873,781	122,314	4,996,095
Carrying value at 31 December 2022	16,102	797,216	813,318
Cost			
At 01 January 2023	4,889,883	919,530	5,809,413
Additions - Transfer from CWIP	96,245	-	96,245
At 31 December 2023	4,986,128	919,530	5,905,658
Accumulated amortisation			
At 01 January 2023	4,873,781	122,314	4,996,095
Charge during the year	50,857	-	50,857
At 31 December 2023	4,924,638	122,314	5,046,952
Carrying value at 31 December 2023	61,490.00	797,216	858,706

20. Leasehold Land

Figures in TZS'000	2023	2022
At 01 January	980,929	1,008,775
Additions	-	-
Less: Amortisation for the year	(27,846)	(27,846)
At 31 December	953,083	980,929

The lease amount was paid upfront and amortised over the useful life. The remaining lease period for leasehold land is 69 years.

Notes to the Financial Statements for the Year Ended 31 December 2023

21. Right Of Use

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

<i>Figures in TZS '000</i>	Land	Equipment's	Total
As at 01 January 2022	179,305	803,178	982,483
Additions	-	6,652,811	6,652,811
Depreciation expense	(3,320)	(3,297,983)	(3,301,303)
Write off	-	-	-
As at 31 December 2022	175,985	4,158,006	4,333,991
As at 01 January 2023	175,985	4,158,006	4,333,991
Additions	-	-	-
Depreciation expense	(3,320)	(3,326,405)	(3,329,725)
Write off	-	-	-
As at 31 December 2023	172,665	831,601	1,004,266

The Company has lease contracts for equipment and land for limestone extraction and factory area for its operations. Leases of land generally have lease terms of 99 years and equipment for 3.25 years. The Company also has certain leases of printers with lease terms of 12 months or less and leases of expatriate's houses with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Refer to Note 28 for further disclosures on leases.

22. Inventories

<i>Figures in TZS '000</i>		2023	2022
Raw materials and additives		30,232,752	20,377,205
Spare parts		56,559,475	56,294,104
Consumables		13,378,546	12,815,698
Work-in-progress		3,654,565	2,187,473
Finished goods and goods for resale			
- Twiga extra cement		941,270	473,289
- Twiga ordinary cement		595,487	708,974
- Twiga plus cement		1,396,628	450,382
- Twiga mega cement		384,220	-
- Coal for resale		4,299,359	9,766,100
"Less: Provision for slow moving stock - spareparts and other materials"	(a)	(19,909,081)	(17,006,145)
Provision for impairment of stock	(b)	(74,160)	(74,160)
		91,459,061	85,992,920

22. Inventories Continued

(a) Provision for slow-moving and obsolete stock

Figures in TZS '000	2023	2022
At 01 January	17,006,145	15,838,805
Increase in provision	2,902,936	1,167,340
At 31 December	19,909,081	17,006,145
the provision for slow-moving stock is composed of;		
Spare parts	17,308,227	15,538,221
Consumables	2,600,854	1,467,924
	19,909,081	17,006,145

(b) Provision for impairment of spare parts and consumables

Figures in TZS '000	2023	2022
At 01 January	74,160	269,842
(Decrease)/Increase in provision	-	(195,682)
At 31 December	74,160	74,160

(c) Value of inventories expensed during the year

Figures in TZS '000	2023	2022
Value of inventories expensed during the year	180,352,585	170,116,214

During the year 2022, none of the Company's inventory balances was pledged as security for liabilities.

23. Trade Receivables

Figures in TZS '000	2023	2022
Trade Receivables - Third Parties	54,121,145	50,332,237
Trade Receivables - Intercompany	38(iii) 8,168,709	3,859,153
	62,289,854	54,191,390
Allowance for expected credit losses	(630,287)	(630,276)
Net Trade Receivables from contract with customers	61,659,567	53,561,114

Set out below is the movement in the allowance for expected credit loss of trade receivables:

Expected credit loss

At 01 January	630,276	970,220
Provision for expected credit losses	12,277	-
Release of provision during the year	(12,266)	(339,944)
At 31 December	630,287	630,276

Trade receivables are non-interest bearing and are generally on 30 to 90 days payment terms.

In 2023, TZS 0.63 billion (2022: TZS 0.63 billion) was recognised as a provision for expected credit losses on trade receivables for the Company. Information about the credit exposures is disclosed in Note 42 (c)

Notes to the Financial Statements for the Year Ended 31 December 2023

24. Other Short-Term Operating Receivables

<i>Figures in TZS '000</i>	2023	2022
Prepaid expenses	1,651,149	4,980,036
Other short-term receivables		
Staff loans and advances	331,403	272,347
Advances to suppliers	12,907,989	15,085,945
Other receivables	5,972,160	5,065,369
	19,211,552	20,423,661
Gross receivables	20,862,701	25,403,697
Allowance for expected credit losses ⁸	(1,209,962)	(1,209,962)
	19,652,739	24,193,735
Movement in allowance for expected credit losses		
At 01 January	(1,209,962)	(1,209,962)
Increase in expected credit losses recognised through profit or loss	-	-
At 31 December	(1,209,962)	(1,209,962)

Among the gross figures mentioned above, gross other short-term operating receivables totalling TZS 20.9 billion encompass non-financial assets totalling TZS 14.6 billion and financial assets amounting to TZS 6.3 billion

Terms and conditions of the above other short term receivables:

Staff advances are amounts raised to staff for small value expenses such as travelling costs that cannot be certainly determined in advance. These are non-interest-bearing and must be retired within 30 days. On aggregate, such balances are not material and their quick retirement period of 30 days since they were advanced reduces any risk of impairment.

Advances to suppliers are non-interest bearing and are generally on a maximum of 90 days terms. The balance at year-end represents down payment to suppliers for upcoming deliveries and port clearing charges. Immediately as such deliveries are made, normally within two months, respective expenses as applicable are actualised. Management has assessed impairment on such balances and concluded that default is remote, and any provision would be immaterial.

Other receivables include tax deposits for pending tax matters under objection.

25. Other Financial Assets

Other financial assets include the amount receivable from the sale of the Company's property. The Company sold part of its owned land located at Kinondoni Municipality, Plot 6/2/1, Plot 6/2/2, Plot 6/2/3, Plot 6/2/4, and Lugoba aggregates plant.

As at 31 December 2023, the outstanding amounts relate to the Lugoba aggregates plant, the expected conclusion of repayments to be by or before December 2025.

Amount receivable as at 31 December

<i>Figures in TZS '000</i>	2023	2022
Balance brought forward	1,174,000	1,396,000
Proceeds received	(282,000)	(222,000)
As at 31 December	892,000	1,174,000
Current portion	540,000	600,000
Non current portion	352,000	574,000
	892,000	1,174,000

26. Cash And Cash Equivalents

<i>Figures in TZS '000</i>	2023	2022
Cash at bank - local currency	24,223,349	13,548,845
Cash at bank - foreign currency	107,128,531	91,948,287
Cash at hand	17,735	15,512
	131,369,615	105,512,644

The carrying amounts disclosed above reasonably approximate the fair values at the reporting date. The cash and cash equivalents position for the purpose of the statement of cash flow purposes is as follows:

Cash and cash equivalents as above	131,369,615	105,512,644
Net cash and cash equivalent	131,369,615	105,512,644

Notes to the Financial Statements for the Year Ended 31 December 2023

27. Share Capital

<i>Figures in TZS '000</i>	2023	2022
AUTHORISED, ISSUED AND FULLY PAID UP		
179,923,100 Ordinary Shares of TZS 20 each	3,598,462	3,598,462

Shareholding

Shareholder:	Number of Shares	Number of Shares
Scancem International DA	124,598,500	124,598,500
General Public	54,923,107	54,923,107
Wazo Hill Savings and Credit Cooperative Society	401,493	401,493
	179,923,100	179,923,100

28. Lease Liabilities

<i>Figure in TZS '000</i>	2023	2022
As at 01 January	4,610,947	1,231,163
Additions	-	6,652,811
Accretion of interest	537,623	810,519
Payments	(3,998,998)	(4,083,546)
As at 31 December	1,149,572	4,610,947
Current	963,806	3,461,375
Non-Current	185,766	1,149,572
	1,149,572	4,610,947
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	3,329,725	3,301,303
Interest expense on lease liabilities	537,623	810,519
Expense relating to leases of low-value assets	1,027,550	1,549,793
Total amount recognised in profit or loss	4,894,898	5,661,615

The rent is paid on annual basis. The lease is renewable on expiry. There are no contingent rents payable, purchase options, and restrictions imposed on the Company associated with the lease arrangements. As at the date of these financial statements contractual terms relating to the renewal of the equipment lease were uncertain, pending tendering processes expected to be completed. Accordingly, the assessment for lease liability and the corresponding right of use asset do not consider the period beyond the contractual tenor of the lease.

The discount rate applied during the year was 19.22% for Land (2022: 19.22%) and 18.22% for Quarry Equipment (2022: 18.22%).

29. Employment benefit obligations

The Company contributes to a pension scheme administered by National Social Security Fund. In addition to that, the Company has an endowment scheme administered by the Jubilee Insurance Company of Tanzania Limited. These two schemes are defined contribution plans. The cost of the endowment scheme is fully met by the Company (See also note 6 Significant Accounting Judgements, estimates, and assumptions - Pension Obligations).

<i>Figures in TZS '000</i>	2023	2022
Endowment Scheme	814,427	763,718
National Social Security Fund (NSSF)	1,448,848	1,364,100
	2,263,275	2,127,818

In addition to the two defined contribution schemes above, the Company has entered into a voluntary agreement with the Tanzania Union of Industrial and Commercial Workers (TUICO) of Tanzania Portland Cement Company to provide end-of-service benefits to employees reaching retirement age. The retired employee is paid based on the length of service. Also, the voluntary agreement provides for long-service awards paid in cement at various stages of employment. The end-of-service benefit scheme is reported as a post-employment benefit, while the long-service award is reported as other long-term benefits. The cost of both is fully met by the Company and the plans are administered by the management of the Company.

Directors are of the opinion that the unfunded defined benefit obligation does not expose the Company to significant Company-specific or plan-specific risk. There are no modifications/amendments to the defined benefit plans that resulted from either statutory (labour law) or any other negotiations with employees' union that would result into the past service cost being recognised in profit or loss.

<i>Figures in TZS '000</i>	2023	2022
Present value of unfunded obligations	5,948,863	5,339,322
Net liability recognised in statement of financial position	5,948,863	5,339,322
Post-employment benefit	5,640,544	5,042,938
Other long-term benefits	308,319	296,384
	5,948,863	5,339,322

The amounts recognised in profit or loss:

Current service cost	336,169	300,809
Interest on obligation	513,851	445,062
Expense/(income) recognised in profit or loss	850,020	745,871

Actuarial losses/(gains) on defined benefit plan recognized in OCI:

Post-employment benefit	269,943	(432,945)
Other long-term benefits	8,717	(15,889)
Expense/(Income) recognised in OCI	278,660	(448,834)

Notes to the Financial Statements for the Year Ended 31 December 2023

Changes in the present value of the employment benefits are as follows:

<i>Figures in TZS '000</i>	2023	2022
Opening balance (end-of-service benefits)	5,042,938	5,002,504
Current service costs	321,412	286,514
Interest cost	485,133	419,558
Benefits payments	(478,882)	(232,693)
Actuarial losses/(gains)	269,943	(432,945)
Closing balance (end-of-service benefits)	5,640,544	5,042,938
Other long-term benefits		
<i>Figures in TZS '000</i>	2023	2022
Opening balance (long-service awards)	296,383	304,439
Current service costs	14,757	14,295
Interest cost	28,718	25,504
Benefits payments	(40,257)	(31,966)
Actuarial losses/(gains)	8,717	(15,889)
- Sub-total: change in provision for other long-term benefits	11,935	(8,056)
Closing balance (long-service awards)	308,318	296,383
Total amount of obligation	5,948,862	5,339,321

Expected benefit payments.

<i>Figures in TZS '000</i>	Post-employment benefits		Other long-term benefits	
	Expected benefits payments		Expected contributions	
	2023	2022	2023	2022
In the following year	561,002	401,627	20,875	18,413
In current year +2	762,024	562,132	28,356	25,771
In current year +3	188,681	707,580	7,021	32,439
In current year +4	1,003,840	175,778	37,354	8,059
In current year +5	1,110,995	1,063,714	41,341	48,767
In current year + 6 and > (in aggregate)	3,827,927	3,507,722	142,441	160,813

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.4 years (2022: 14.1 years).

29. Employment benefit obligations *Continued*

Significant actuarial assumptions:

<i>Figures in TZS '000</i>	2023	2022
Discount rate at 31 December	10%	10%
Future annual salary increases	5%	5%
Cost inflation	4%	5%

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of treasury bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Sensitivity analysis

The assumptions with the greatest impact on the results are:

<i>Figures in TZS '000</i>	2023	2022
Discount +1%	5,730,880	5,137,360
Discount -1%	6,182,145	5,555,645
Service plus interest cost discount +1%	900,781	838,908
Service plus interest cost discount -1%	922,707	861,778

The sensitivity figures above are based on changes of reasonable possible changes and assumptions remaining unchanged in a period of one year. Inflation is expected to be stable. The amounts shown under discount represent the value of the obligation after changing the assumption on the statement of financial position while the amounts under interest cost shown the value of expense after changing the assumption.

The sensitivity analysis may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur.

Membership statistics

	2023	2022
Active members ⁹		
Headcount	246	246
Average age	43	43
Average future service	14	14
Average annual pensionable salary	35,551	33,633

The scheme has no retired or inactive members.

⁹ Active members are mainly employees under the Collective Bargain Agreement

Notes to the Financial Statements for the Year Ended 31 December 2023

30. Other Statutory Payroll Remittances

Other statutory payroll remittances include Pay as You Earn (PAYE), Skills and Development Levy (SDL), and Workers Compensation Fund (WCF). PAYE, SDL, and WCF are payable by the Company to the Tanzania Revenue Authority (TRA) in accordance with the Income Tax Act. The amounts charged to profit or loss in the year in respect of SDL and WCF remittances are:

<i>Figures in TZS '000'</i>	2023	2022
Skills and Development Levy	573,274	582,064
Workers' compensation fund	53,666	55,093
	626,940	637,157

The amount deducted from employee's salaries and wages in the year in respect of PAYE is:

Pay As You Earn	5,946,513	5,199,093
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At year-end, the following amounts were outstanding and were payable to TRA. The amounts are included in trade and other payables as at year-end and were subsequently remitted after year-end.

<i>Figures in TZS '000'</i>	2023	2022
Skills and Development Levy	78,512	82,337
Pay As You Earn	997,477	791,693
Workers' compensation fund	6,922	6,718

31. Provision For Site Restoration

Provision for quarry site restoration is made annually based on the expected cost to be incurred to rehabilitate quarry sites. The provision is based on the expert costing of the expected costs. Any increase/ (decrease) in the provision is recognised in profit or loss.

<i>Figures in TZS '000'</i>	2023	2022
At 1 January	4,266,311	2,432,541
Provision for the year	307,142	1,833,770
At 31 December	4,573,453	4,266,311

The key assumptions used in determining the provision are:

- The useful life of the site is estimated to be 30 years and the provision is made based on the discounted expected cost of closure at the end of this period.
- The cost will be incurred in USD.
- The estimated cost is USD 0.2 per ton (2022: 0.2 PER TON) of material mined from the quarry site.
- The applicable discount rate equals 12.1% (2022: 12.56%) which fairly approximates the market rate.
- Tanzania inflation rate used was 4% (2022: 4.9%)

The expected timing of the provision is to be utilised over periods after more than one year from the reporting date.

32. Income Tax

i. Income tax expense

<i>Figures in TZS '000'</i>	2023	2022
Current income tax charge	43,714,041	44,425,808
Deferred income tax credit - current year	384,776	(1,414,974)
Deferred income tax credit - prior period	191,940	(271,870)
	44,290,757	42,738,964

ii. Reconciliation of tax expense to tax based on accounting profit:

<i>Figures in TZS '000'</i>	2023	2022
Accounting profit before taxation	143,473,830	140,097,564
Tax applicable rate of 30% (2023: 30%)	43,042,149	42,029,269
Tax effect on non taxable/non deductible items		
Disallowable expenses for tax purposes	1,056,466	981,565
Prior year deferred tax adjustment	191,940	(271,870)
Income tax expense	44,290,757	42,738,964

iii. Deferred income tax

<i>Figures in TZS '000'</i>	2023	2022
Accelerated depreciation for tax purposes	75,395,959	78,310,016
Provisions for post-employment benefits	(2,115,479)	(1,786,620)
Write-down of inventory to net realisable value	(19,983,242)	(17,080,305)
Actuarial losses on employee benefits obligation	(3,833,018)	(3,554,358)
Provision for impairment of receivables	(1,840,226)	(1,840,237)
Provision for quarry site restoration	(4,573,453)	(4,266,311)
Unrealised exchange loss	(214,567)	(644,260)
Unrealised exchange gain	8,533,624	1,513,963
IFRS 16 (lease) fair value adjustment	(1,412,740)	(1,544,390)
Other temporary differences	(14,757,581)	(15,551,949)
	35,199,277	33,555,549
Deferred income tax liability thereon at 30%	10,559,783	10,066,665
Less: Opening deferred tax liability	(10,066,665)	(11,618,859)
Deferred income tax charge/(credit) - current year	493,118	(1,552,194)
Deferred income tax charge/(credit) to profit	384,776	(1,414,974)
Deferred income tax charge/(credit) - prior period	191,940	(271,870)
Deferred income tax charge/(credit) to other comprehensive income	(83,598)	134,650
	493,118	(1,552,194)

Notes to the Financial Statements for the Year Ended 31 December 2023

iv. Current income tax (recoverable)/payable

<i>Figures in TZS '000'</i>		2023	2022
Tax payable/(receivable) brought forward		521,690	28,859
Tax charge for the year		43,714,041	44,425,808
Tax payments during the year		(46,686,343)	(43,932,977)
Current income tax (recoverable)/payable		(2,450,612)	521,690

33. Trade Payables And Provisions

a. Trade And Other Payables

Trade payables are non-interest bearing and are normally settled between 15 to 60 days after the invoice date.

- The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.
- Other payables are non-interest bearing and have an average term of 30 days.
- For terms and conditions relating to related parties, refer to Note 38

<i>Figures in TZS '000'</i>		2023	2022
Trade payables - third parties		59,950,746	59,557,027
Trade payables - intercompany	38 (iii)	3,593,450	3,968,080
Accruals		11,824,710	6,556,518
Contract liabilities	34	2,187,150	4,141,365
Short-term operating payables		905,904	1,367,462
Payables for payroll and related costs		2,927,818	2,803,943
		81,389,778	78,394,395

b. Provisions

<i>Figures in TZS '000'</i>		2023	2022
At 01 January		13,049,775	13,329,879
Net movement during the year		(2,466,530)	(280,104)
At 31 December		10,583,245	13,049,775

The amount above includes provisions for pending tax matters at different stages of appeals

34. Contract Liabilities

<i>Figures in TZS '000'</i>		2023	2022
At 01 January		4,141,365	5,439,634
Advances for cement Sales		2,187,150	4,141,365
Recognised as revenue during the year		(4,141,365)	(5,439,634)
At 31 December		2,187,150	4,141,365

The performance obligation is satisfied when cement trucks are weighed at Tanzania Portland Cement Plc's weighbridge and a delivery note is generated. Contract liabilities will be realised within an estimate of one month period after the year-end.

35. Net Financial Debt

As at 31 December 2022, the Company did not have any bank overdrafts.

<i>Figures in TZS '000'</i>		2023	2022
Cash and cash equivalents (excluding restricted cash)		131,369,615	105,512,644
Lease liabilities	28	(1,149,572)	(4,610,947)
Net Cash/(debt)		130,220,043	100,901,697
<hr/>			
Cash and liquid investments		131,369,615	105,512,644
Gross debt - variable interest rates		(1,149,572)	(4,610,947)
Net Cash/(debt)		130,220,043	100,901,697

36. Dividend Proposed And Approved

Dividend approved during the year:

<i>Figures in TZS '000'</i>		2023	2022
Final dividend 2022: TZS 390 per share (2021: TZS 390 per share)		70,170,009	70,170,012
Total		70,170,009	70,170,012

Dividends paid are subject to withholding tax which is payable to Tanzania Revenue Authority.

During the period under review, there was no interim dividend declared.

Subsequent to year-end, the Board proposed a final dividend for 2023 totalling TZS 70.17 billion (2022: TZS 70.17 billion) being TZS 390 per share (2022: TZS 390 per share).

37. Dividend Payable

<i>Figures in TZS '000'</i>		2023	2022
At 01 January		2,905,373	2,848,470
Dividend approved		70,170,009	70,170,012
Dividend paid		(70,150,633)	(70,113,109)
At 31 December		2,924,749	2,905,373

Dividend payable as at year end comprises of:

<i>Figures in TZS '000'</i>		2023	2022
Scancem International DA		-	-
Other Shareholders		2,924,749	2,905,373
		2,924,749	2,905,373

Notes to the Financial Statements for the Year Ended 31 December 2023

38. Related Party Transactions And Balances

The Company's Ultimate Holding Company is Heidelberg Cement AG incorporated in Germany and the immediate holding Company is Scancem International DA incorporated in Norway.

During the year, TPCPLC entered into transactions with Heidelberg Cement AG (the Ultimate Holding Company), HC Trading Malta, HC Green Trading Limited, and SA Cimenteries CBR Cementbedrijven, sister companies to TPCPLC. TPCPLC imports raw materials, machinery, spare parts, and services from/through the holding and sister companies. As well TPCPLC also sold coal to sister company HC Trading GMBH.

(i) Sales to related parties

The Company sells materials and spare parts to related companies. During the year TPCPLC made the following sales to related parties.

<i>Figure in TZS '000'</i>		2023	2022
Related party	Relationship		
HC Trading GMBH	Sister Company	22,614,771	6,652,824
		22,614,771	6,652,824

(ii) Purchases from related parties

The Company purchases raw materials, spare parts, consumables, and services from related party companies as follows:

<i>Figure in TZS '000'</i>		2023	2022
Related party	Relationship		
Heidelberg Cement AG	Ultmate parent Company	7,710,031	6,247,825
HC Trading Asia and Pacific PTE Limited	Sister Company	10,813,498	6,927,596
SA Cimenteries CBR Cementbedrijven	Sister Company	1,444,002	1,035,769
Heidelberg Cement France	Sister Company	752,588	369,481
		20,720,119	14,580,671

(iii) Amounts due to/from related parties

Trade payables outstanding balances to related companies at the end of the year are as follows:

<i>Figure in TZS '000'</i>		2023	2022
Heidelberg Cement AG		1,308,150	3,474,386
SA Cimenteries CBR Cementbedrijven		1,377,661	124,213
Heidelberg Cement France		907,639	369,481
		3,593,450	3,968,080

Trade receivables outstanding balances from related companies at the end of the year are as follows:

<i>Figure in TZS '000'</i>		2023	2022
HC Trading GMBH		7,993,434	3,859,153
Scancem International		172,275	-
		8,165,709	3,859,153

38. Related Party Transactions And Balances Continued

Terms and conditions of transactions with related parties:

The balances are due on demand. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 December 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil). This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related parties operate.

(iv) Key Management Personnel and Directors

a) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

<i>Figures in TZS '000'</i>	2023	2022
Short-term employee benefits (Salaries and allowances)	6,494,063	5,116,530
Post-employment benefits (defined contribution plans)	817,963	765,580
	7,312,026	5,882,110

b) Key Management Personnel Continued

- No long-term terminal benefits were paid to key management personnel during the year),
- As at year-end, there was no outstanding amount with key management personnel,
- The amounts disclosed in the table above are the amounts recognised as an expense during the period related to key management personnel.

c) Directors' Remuneration

<i>Figures in TZS '000'</i>	2023	2022
Non-executive Chairman	-	10,393
Non-executive Directors	64,263	88,952
Executive Director	-	9,993
	64,263	109,338

A schedule detailing the remuneration of each board of directors will be annexed to these financial statements for presentation at the annual general meeting.

d) Balances with Directors

No outstanding balances with the directors during the year (2022: Nil).

39. Commitments And Contingencies

Capital commitment

No major capital commitment during the year.

Guarantees and other financial facilities

The Company had the contractual amounts of bank financial instruments that commit it to extend credit to customers, guarantees and other facilities as follows:

<i>Figure in TZS '000'</i>	2023	2022
Guarantees and standby letters of credit received from banks	39,438,998	39,352,842
	39,438,998	39,352,842

Notes to the Financial Statements for the Year Ended 31 December 2023

Legal claims

Contingent liabilities relate to several court cases on land trespassing, alleged unfair termination of employment contracts and breach of business contracts all amounting to TZS 5 billion (2022: TZS 5 billion). The Company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

Contingent asset

The court ruled in favour of TPCPLC on one of the decided civil cases and the Company is due to receive TZS 250 million. The settlement will be through TPCPLC realising assets pledged as collateral. The asset selling process is expected to be completed in 2023.

Tax assessment

The Company's future tax charge, effective tax rate, and profit before tax could be affected by several factors including tax reform introduced in Tanzania and the resolution of open tax disputes with the TRA. As at 31 December 2023, the Company had unresolved tax assessments (VAT, WHT, and PAYE) and appealed the matter to the Appeal Board.

All major tax positions taken are subject to review by executive management and reported to the Board of Directors. The Company has assessments from external advisors supporting the positions taken in respect of significant tax matters which corroborates the application and interpretation of the tax legislation. The Company has considered all matters in dispute with the TRA and has accounted for any exposure identified if required.

40. Earnings Per Share

<i>Figures in TZS</i>	2023	2022
Profit attributable to ordinary equity holders	99,378,808,000	97,358,600,000
Weighted average number of ordinary shares	179,923,100	179,923,100
Basic and diluted earnings per share	552	541

- Basic earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.
- Diluted earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding after adjustment of dilutive potential ordinary shares.
- The basic and diluted earnings per share are the same as there are no convertible instruments or other dilutive shares.

41. Segment Reporting

The Company's main product currently is cement. Most of the revenue is therefore derived from the sale of cement (as disclosed in note 7) and the Board of Directors relies primarily on revenue from the sale of cement to assess the performance.

The Company is organised into one single business unit for management purposes. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

The revenue from external parties is measured in a manner consistent with that in the Statement of Profit or Loss and Other Comprehensive Income. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

The Company's operations and tangible non-current assets are located in Tanzania. The Company's cement sales are both in domestic and export markets.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

42. Financial Risk Management

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, short-term deposits, and cash and cash equivalents, which arise directly from its operations.

The main risks arising from the Company's financial instruments are liquidity risk, foreign currency risk, and credit risk. The board reviews and agrees on policies for managing each of these risks as summarised below.

a. Treasury risk management

The Company operates a treasury function to provide competitive funding costs, invest, and monitor financial risk. The Company does not use derivative financial instruments for speculative purposes and for managing financial risk.

b. Foreign currency risk

We understand the financial impact of fluctuating exchange rates on our international activities. To mitigate these risks and safeguard our profitability, we implement a multifaceted foreign currency risk management strategy. We focus on natural hedging, aligning foreign currency revenues with expenses whenever possible, negotiating most contracts in local currency. This minimizes the impact of exchange rate movements by creating an internal buffer.

Additionally, a centralized treasury function oversees all foreign currency transactions, ensuring consistent risk management practices. We further actively monitor and analyze foreign currency markets, allowing us to identify and adapt our strategies as needed. This proactive approach ensures we remain competitive and financially secure.

The following table shows the hypothetical impact on the financial result assuming a 10% increase or decrease in the value of the foreign currency (mainly USD and EUR have been considered) against our functional currency, the Tanzanian shillings, whereby the positive values represent income and the negative values an expense in the income statement

	10% Increase in the value of TZS vs. Foreign currency		10% Decrease in the value of TZS vs. Foreign currency	
	2023	2022	2023	2022
<i>Figure in TZS '000'</i>				
Net effect on profit before tax				
TZS/USD	8,625,408	7,789,384	(8,625,408)	(7,789,384)
TZS/EUR	155,946	254,224	(155,946)	(254,224)

The sensitivity analysis has been determined based on the net exposure as at 31 December 2023. The change of 10% is what is used when determining the net foreign currency transaction risk reported internally to key management personnel to assess reasonably possible change in foreign exchange rates.

Below is a summary of the financial assets and liabilities held in different foreign currencies by the company as of December 31, 2023, indicating the overall level of exposure.

Notes to the Financial Statements for the Year Ended 31 December 2023

<i>Figure in TZS '000'</i>	Exposure in EURO translated to TZS	Exposure in USD Translated to TZS	Total in function currency
At 31 December 2023			
Financial assets			
Trade and other receivables	18,050	16,502,753	16,520,803
Cash and cash equivalents	968,179	106,336,862	107,305,041
	986,229	122,839,615	123,825,844
Financial liabilities			
Trade and other payables	827,841	7,228,887	8,056,728
Net exposure	158,388	115,610,728	115,769,116

<i>Figure in TZS '000'</i>	Exposure in EURO translated to TZS	Exposure in USD Translated to TZS	Total in function currency
At 31 December 2022			
Financial assets			
Trade and other receivables	-	5,709,371	5,709,371
Cash and cash equivalents	1,998,727	89,836,871	91,835,598
	1,998,727	95,546,242	97,544,969
Financial liabilities			
Trade and other payables	439,271	9,292,162	9,731,433
Net exposure	1,559,456	86,254,080	87,813,536

Exchange rates applicable were as follows:

	TZS:EURO	TZS:USD
On 1 January 2023	2,561	2,372
On 31 December 2023	3,088	2,555
On 1 January 2022	2,650	2,328
On 31 December 2022	2,561	2,372

42. Financial Risk Management Continued

C. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade Receivables

Customer credit risk is managed by the finance department subject to the Company's established policy, procedures, and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and any sales to major customers are generally covered by guarantee letters obtained from reputable banks and other financial institutions. For the majority of customers, including export clients, full upfront payment is demanded.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. Customer type and rating and coverage by bank guarantee). The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

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 forecasted economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates forecasted economic conditions and ECLs is a significant estimate. 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 the customer's actual default in the future.

Generally, trade receivables are not written off if past due for more than one year and are subject to enforcement activity. The Company does not hold collateral as security. The letters of guarantee are considered an integral part of trade receivables and are considered in the calculation of impairment. At 31 December 2023, 73% (2022: 78%) of the Company's trade receivables are covered by letters of guarantee. For this matter, the Company evaluates the concentration of credit risk for trade receivable as low.

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix

	Days past due				Total
	Current	31-90days	91 - 180 days	181 - 360 days	
31 December 2023					
Expected credit loss rate	0.000%	0.000%	2.35%	54.76%	
Estimated total receivables gross carrying amount	26,339,916	31,927,956	2,999,471	1,022,511	62,289,854
Expected credit loss	-	-	70,368	(700,655)	(630,287)
31 December 2022					
Expected credit loss rate	0.000%	0.114%	4.35%	91.25%	
Estimated total receivables gross carrying amount	29,777,952	22,544,193	1,266,905	602,340	54,191,390
Expected credit loss	-	25,605	55,060	549,611	(630,276)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company deposits short term cash surpluses only with banks of high credit standing.

Notes to the Financial Statements for the Year Ended 31 December 2023

The Company's maximum exposure to credit risk for the components of the statement of financial position at December 2023 and 2022 is the carrying amounts as illustrated in the table below:

Maximum exposure to credit risk

<i>Figures in TZS '000'</i>	Notes	2023	2022
Trade receivables	23	61,659,567	53,561,114
Other short-term financial assets (excl. prepaid expenses)	24	331,403	272,347
Other financial assets	25	892,000	1,174,000
Bank balances	26	131,369,615	105,512,644
		194,252,585	160,520,105

As at year-end, the credit risk arising from trade receivables is mitigated by bank guarantees issued by the bank in respect of customers as presented in Note 39.

<i>Figures in TZS '000'</i>	Notes	2023	2022
Trade receivables	23	61,659,567	53,561,114
Guarantees and standby letters of credit received from banks		39,438,998	39,352,842
Unguaranteed trade receivables		22,220,569	14,208,272

Other financial assets

As at 31 December 2023, the amounts of the outstanding receivables of TZS 976 million relate to the Lugoba aggregates plant, the expected conclusion of repayments is to be by or before December 2025. The receivable amount is outstanding with one of our major customers with strong creditworthiness in the cement business.

While a repayment agreement is in place, it's important to note that this receivable is not secured by a letter of guarantee. Upon our impairment review, the customer's creditworthiness indicates a strong likelihood of full repayment. Additionally, no material events have impacted collectability. Therefore, no impairment provision has been recognized for this receivable

d. Liquidity risk

The company mitigates its liquidity risk by generating adequate revenue that can effectively address its working capital requirements in the near future.

At 31 December 2023	On demand	Less than 3 months	4-12 months	1 to 5 years	More than 5 years	Total
Financial liabilities						
Trade payables - third parties	11,990,149	47,960,597	-	-	-	59,950,746
Trade payables - intercompany	718,690	2,874,760	-	-	-	3,593,450
Accruals	-	7,343,145	4,481,565	-	-	11,824,710
Lease Liabilities	343,435	1,030,305	2,747,565	161,530	1,942,831	6,225,666
	13,052,274	59,208,807	7,229,130	161,530	1,942,831	81,594,572
At 31 December 2022						
Financial liabilities						
Trade payables - third parties	11,911,405	47,645,622	-	-	-	59,557,027
Trade payables - intercompany	793,616	3,174,464	-	-	-	3,968,080
Accruals	-	4,071,598	2,484,920	-	-	6,556,518
Lease Liabilities	361,410	1,084,231	2,891,372	164,027	1,971,142	6,472,182
	13,066,431	55,975,915	5,376,292	164,027	1,971,142	76,553,807

42. Financial Risk Management *Continued*

d. Liquidity risk *Continued*

The Company monitors its risk of shortage of funds using a recurring liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing creditors

e. Fair value measurements

Except for the Company's other financial assets (current and non-current portions), the fair value of the Company's financial assets and liabilities reasonably approximates the carrying amounts as demonstrated below:

- Trade and other receivables and payables, and bank balances: Due to the short-term nature of the financial instruments.
- Interest bearing loan: The interest rate charged on the loan is in line with market interest rates charged on similar loans and the Company's default risk is remote.

Typically, the fair value of financial instruments that are traded publicly is determined based on market prices quoted at the end of the reporting period.

For the Company's other financial assets (current and non-current portions), 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 fair values based on whether the inputs to the underlying 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 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.
- Level 2 - the fair value is determined using a discounted cash flow model on the basis of input data that does not involve quoted prices classified in level 1, and which is directly or indirectly observable.
- Level 3 - are calculated using measurement models that include factors that cannot be observed on the active market.

The Company had no financial assets or financial liabilities that are measured at fair value on recurring basis as at 31 December 2023, the fair values are not materially different from their carrying amounts.

As of the year-end, the Company does not possess any other items measured at fair value that necessitate fair value hierarchy disclosures



Notes to the Financial Statements for the Year Ended 31 December 2023

e. Fair value measurements Continued

Below describes the impact of changes in the fair value measurement in comparison to carrying amounts at amortised costs, due to the possible shift of significant observable inputs.

There were no movements in the fair value hierarchy during the year

Figures in TZS'000	Carrying Amount (by measurement basis)			Total
	Amortised Cost	Fair Value Level 1	Fair Value Level 2	
Fair values as of 31 December 2023				
Current financial assets				
Cash and cash equivalents	131,369,615	-	-	131,369,615
Trade receivables	61,659,567	-	-	61,659,567
Other current financial assets	540,000	-	-	540,000
Non-current financial assets				
Other non-current financial assets	352,000	-	-	352,000
Current financial liabilities				
Trade payables - third parties	59,950,746	-	-	59,950,746
Trade payables - intercompany	3,593,450	-	-	3,593,450
Accruals	11,824,710	-	-	11,824,710
Non-current financial liabilities				
Non current liabilities at amortised cost	20,705,660	-	-	20,705,660
Fair values as of 31 December 2022				
Current financial assets				
Cash and cash equivalents	105,512,644	-	-	105,512,644
Trade receivables	53,561,114	-	-	53,561,114
Other current financial assets	600,000	-	-	600,000
Non-current financial assets				
Other non-current financial assets	574,000	-	-	574,000
Current financial liabilities				
Trade payables - third parties	59,557,027	-	-	59,557,027
Trade payables - intercompany	3,968,080	-	-	3,968,080
Accruals	6,556,518	-	-	6,556,518
Non-current financial liabilities				
Non-current liabilities at amortised cost	20,420,243	-	-	20,420,243

42. Financial Risk Management Continued

f. Capital management

The primary objective of the Company's capital management is to maximise shareholder value. To achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 35%. The Company includes within net debt, interest-bearing loans and borrowings, trade and other payables, less cash, and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2023 and 31 December 2022 and there are no externally imposed capital requirements.

The gearing ratio remained the same at 0% as of 31 December 2023 (2022: 0%), as the Company does not have any debt.

43. Climate Change

As a responsible cement producer, we recognize the influence of climate change and our role in mitigating it, we are committed to reducing our carbon footprint. We actively pursue solutions beyond regulatory compliance, investing in efficient technologies and exploring alternative cement formulations to lower emissions. We continuously track our carbon emissions and prioritize resource efficiency through the use of alternative fuels including biomass. We actively participate in circular economy practices to minimize waste and resource consumption.

Our commitment extends to proactive planning for climate resilience. We invest in infrastructure improvements, water management systems, and disaster preparedness plans. Additionally, we actively test the climate risks through our risk management practices.

We acknowledge that transitioning to a low-carbon organisation involves costs and opportunities, reducing our carbon footprint remains our top priority and we prioritize transparency and accountability by engaging with investors, regulators, and stakeholders

44. War In Ukraine

The war in Ukraine, which began in February 2022, continues to have significant global repercussions even during the year 2023. While the initial shock and immediate actions (sanctions, business pullouts) occurred in 2022, the ongoing conflict is still causing substantial disruptions. These disruptions include restrictions on imports and exports, ongoing issues in global and regional supply chains due to the fighting and increased commodity prices due to the war's impact.

As with other businesses, the war in Ukraine and its indirect consequences could still impact the Company. This could be through exposure to fluctuations in commodity prices, disruptions in supply chains, or other unforeseen effects. The situation remains fluid, with the potential for further escalation or changes in sanctions.

While the Company does not have operations in Russia or Ukraine, management will continue to closely monitor the situation and assess any potential consequences on the financial statements. This includes the impact of the war itself, ongoing sanctions, and any other developments. The Company will also continue to seek ways to mitigate the impact of these disruptions

45. Events After The Reporting Date

There were no other events after the reporting date which required adjustment to or disclosure in the financial statements.

46. Approval Of Financial Statements

The financial statements were authorised for issue by the Board of Directors on the date shown on the statement of financial position on page 105. They are subject to approval by the shareholders during the Annual General Meeting.



Notes to the Financial Statements for the Year Ended 31 December 2023

COMPANY INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Mr Brian Kangetta

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CRDB Bank PLC

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**Tanzania Portland Cement
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