



CARGENVOICE

Volume 25, Issue 2 - October - December 2021

Power for better living

Our Vision

To make customers smile
in every street, every town

Our Mission

To achieve leadership
position in all our primary
markets - power generation,
automotive and engine-
related products in East
Africa.



THE FIRST LINE

Welcome to the first issue of **Cargen Voice** of the year 2022. Today, the world is still facing the greatest challenge of our time, COVID-19. The Omicron variant is here with us. We urge all members to help stop the spread of the pandemic. Let us keep the stipulated COVID-19 safety protocols. Wear masks properly, Wash your hands frequently, Sanitize, Keep social distance, and above all, **Vaccinate!**
Raf

Car & General's 2021 Positive Results

The year to 30 September 2021 was positive in spite of the impact of Covid 19. The Group posted 42% growth in turnover. Overall, sales in Kenya grew 55% and sales outside Kenya grew 22%. Uganda and Tanzania now represent over 35% of Group sales. Our two-wheeler ("boda boda") and three-wheeler ("tuk tuk") businesses experienced reasonable growth. Our equipment businesses (namely tractors, construction equipment and forklifts) also grew particularly Doosan.

As a result of the above, turnover for the year ended 30 September 2021 was Shs 17.1 billion against Shs 12.1 billion achieved the previous financial year. EBITDA (Earnings before interest, tax, depreciation and amortization) grew by 100% to Shs 1.8 billion from Shs 936 million. Profit after tax over the same period was Shs 887 million which is over 300% higher than Shs 274 million made during the same period last year. Profitability was significantly impacted by demurrage losses of Shs 103 million resulting from global logistical issues and localization of production. Our cash flow was negatively impacted by supply chain issues, resulting in higher levels of paid-up stock to the tune of Shs 1.4bn.

Covid persisted during the year and the Group focused on creating a safe environment for our employees and customers. We encouraged the adherence to all social protocols including working from home, social distancing, provision of masks and other personal protective equipment. In our finance business, we lengthened loan tenors to reduce daily payments. In addition, we have worked with our Boda Boda and Tuk Tuk clients to improve driver skills and passenger safety in conjunction with St John Ambulance Brigade.

The highlight of the financial year was the volume in our consumer businesses particularly in two wheelers and three wheelers in both Kenya and Tanzania. Our equipment business also stabilized. We now offer a complete range of specialized engine related products (both consumer and equipment) through a solid distribution network and are making good progress in achieving significant market shares in each segment.

Our investment in Watu Credit is also performing well and driving growth in the consumer segment. In addition to Kenya, Watu has now established operations in Uganda, Tanzania and Sierra Leone. The contribution from Watu to the Group's net profit was significant.

Our investment property business saw a valuation gain of Shs 12 million this year given challenging current market conditions. Due to declining footfall resulting from Covid and the development of the Nairobi Expressway, we have supported our tenants at Nairobi Mega, on Uhuru Highway through concessions on rent. We continue to review the property portfolio to ensure it generates satisfactory returns.

In order to support the Government's localization initiatives and create industrial employment, during the year we opened Boda Plus, our helmet manufacturing business. Production commenced in September 2021. This is the first of its kind in East and Central Africa. In addition, we have worked with manufacturers to produce six parts locally to support our assembly process. We now employ over 3000 people as a Group (including associates). We employed over 1000 additional people in 2021.

Going forward, we believe uncertainty will persist in 2022 given the upcoming elections in 2022 and the continuing impact of Covid 19 on the business environment. We will continue to encourage the safety of our people and customers. Key to success will be higher efficiency levels in all areas of our business, maintaining market share in core products and achieving satisfactory profitability across all businesses. We have made all necessary manpower and infrastructure investments – we now need to continue to grow volume and market share on an efficient base.

We are well positioned to deliver on our Triple P bottom line – People, Planet and Profit. We are already having a significant impact on millions of lives in terms of delivering daily livelihoods and entrepreneurship opportunities. We will now be focusing more energy on electric vehicles and we intend to launch electric three wheelers in February. We are working hard with our suppliers to develop fit for market two wheelers. With our symbiotic relationship with Watu, we can play a significant role in transforming the two-wheeler and three-wheeler market towards electric. This will play a positive role in alleviating climate change over the coming years.

Vijay Gidoomal

Vijay Gidoomal
Group Chief Executive Officer

CORNEROFFICE



WELLNESS CHECK: Olivia Rachuonyo (left), a Nurse at the Aga Khan University Hospital, Nairobi explains to Carol Samuels (right) of Car and General how to do a self breast exam during a health awareness day organized for staff at Car and General. The Hospital provided free blood glucose and hypertension check-up, Body Mass Index (BMI) measurement and breast cancer screening.



EMERGENCY RESPONSE TRAINING: Raphael Atanda (left), the Head of Marketing at C&G and Charles Galgite (right), the Area Traffic Base Commander for Kitengela present a certificate to Philip Wanyama (center), one of the participants in first aid and emergency response training held by the Company and St John Ambulance at Kitengela for boda boda riders.



STAFF AWARD: Vijay Gidoomal (right), the Chief Executive Officer of Car & General donates blood during a drive organized by C&G members of staff.



VIRTUAL MARATHON WINNER: Mercy Chepng'eno (right), a member of the Standard Chartered Marathon organisation hands Carol Omanjo (left), the Chief Operations Officer of C&G a plant for winning the 10 kilometer virtual marathon.



PIAGGIO TRAINING: Anthony Ng'ang'a (left) a Car & General Corporate Aftermarket Sales Executive, explains head light positioning for Piaggio Tuk Tucs to Unga Feeds drivers during a training session.



NEXUS MOWERS: Car & General has added to its range of grass cutting equipment push and self-propelled Nexus lawn mowers. Wendy Wanyama (left), the Car & General Sales Executive for Briggs and Stratton discusses one of the machines with Consolata Mungai of Digital Marketing in charge of the Company's online shop.



PRODUCT UPDATE: George Rubiri (left), the Car & General General Manager for Consumer Products reviews the new Piaggio tuk tuk with Deepak Kumar (right), the Export Manager for Piaggio Vehicles, India during a visit to Kenya on a product update tour.

CUMMINS C&G APPOINTMENTS

**Erick Zablon Sangoro**

He became the Aftermarket Leader for Cummins C&G after the Cummins and Car & General JV formation, upon he held till this appointment. Erick is a Microsoft Certified Systems Engineer, holds a Bcom Degree in Finance and Cost Accounting and MBA (Strathmore Business School).

Augustine Munguti was announced the Aftermarket Leader for Cummins C&G. With a strong IT background and Aftermarket service delivery, Augustine is a holder of a BSC degree in Computer Science and is a certified Linux administrator.

At the same time, **Brian Oguk** was announced the Service Manager of Cummins. He has a BSC in Software Engineering and is currently pursuing his MBA at Strathmore University. Brian joined Cummins C&G in 2018.

Sospeter Kiarie Appointed the National Parts and Service Manager

Sospeter Kiarie Kimuni has been appointed the National Parts and Service Manager for C&G Trading Kenya. Sospeter is responsible for the national retail and distribution sales and market share targets for TVS and Piaggio parts, Motorola oil and two and three wheeler tyres. He will be in charge of inventory management and optimisation of the same.

**Sospeter Kiarie Kimuni**

He will ensure planning and implementation of service clinics, warranty claims, localization process and the two and three-wheeler assembly plants' quality control.

Sospeter holds a Bachelor degree in Technology and Production Engineering from Moi University. He is a member of the Engineers Board of Kenya. Congratulations Sospeter and we wish you success in your new assignment.

EARLIER PROMOTIONS . . .

Earlier, other promotions had been effected to enhance efficiency in C&G Trading operations.

Moses Gitonga was promoted to Piaggio National Sales Manager with the responsibility of achieving overall sales targets of the Piaggio business in Kenya. He is charged with ensuring market share growth as well as the expansion of dealer network for Piaggio. Moses holds a Bachelor of Education degree in Economics and Commerce from the University of Nairobi.

Saumil Vyas was promoted to Head of Digital sales and Strategy, responsible for building, planning and implementing the overall digital road map for C&G. Saumil is a holder of Master of Business Administration (Marketing) of Narmada College of Management, Bharuch, Veer Narmad South Gujarat University, India, with a Bachelor of Science (Computer Science) from the same university. Saumil has received several certifications in digital marketing.

C&G Mourns Members

2021 was a very sad year for C&G fraternity. We lost the highest number of employees in our history.

In Kenya, Patrick Kithinji Mboroki passed on on April 19, 2021 while undergoing treatment at the Nairobi West Hospital. On July 12, 2021, Julius Mwanjije Abdulhalim passed on while undergoing treatment at the Coast General Hospital.

In Tanzania, Captain Richard Cyril Assey passed on on August 21 while undergoing treatment at the Lugalo Hospital, Dar-es-Sallam. Michael Gerson Bhona collapsed at home and died while being taken to hospital on August 23, 2021.

As we pray for their souls to keep resting in peace, we equally pray to the Almighty to protect the Cargen family in the new year 2021 and beyond.

Condolences to C&G Members

The previous period saw a number of our members lose their loved ones. **Ziphora Nyamai** (Cummins C&G) lost her husband while **Amon Hajula** (Kitengela) and **Kassim Mohamed** (Bungoma) lost their wives.

Evans Makori (Mombasa), **Barnabas Kole** (Kisumu) and **Galdinus Mutinda** (Mombasa) lost their dear daughters.

Several members lost their dear fathers: **Evelyn Ateka** (Kisumu), **James Mutuku** (Nakuru), **Joseph Musyoka** (Kubota), **Alwiya Salim** (Dar-es-Salaam), **Johnson Oteki** (Nairobi), **Vincent Njoroge** (Nairobi), **Phineas Koome** (Nairobi), **Venkatesh Jayaraman** (Dar-es-Salaam), **Bonface Mwanzia** (Nairobi), **Jane Karuku** (Nairobi), **Carol Omanjo** (Nairobi) and **Marine Oguta** (Nairobi).

Others lost their mothers: **Naomi Kerubo** (Nakuru), **James Musyoka** (Nakuru), **Rosemary Ngandi** (Nairobi), **Aphline Monica** (Nairobi), **Stephen Omondi** (Nakuru), **Erick Abiero** (Nairobi), **Joel Muia** (Nairobi) and **Vijay Gidoomal** (Nairobi).

May the Almighty God grant grace to all the bereaved's families, friends and relatives.

Integrity: Our Stand Against Fraud at Car & General

At Car & General, Integrity, defined as doing the right thing every minute, every day is a key value. We are committed to conducting business with transparency, honesty and integrity. This will not only ensure a stable employment environment for everyone but also ensure the continued future success of the Company.

Fraud affects all countries and sectors of the economy. Although greed undeniably counts amongst the major causes of fraud, it is not the sole reason for fraud. Fraud could also be inspired by the quest for survival for example employees not being able to make ends meet and resorting to theft to pay debts, groceries and school fees. Peer pressure could also influence employees to act in an untoward matter i.e. an employee with friends that drive expensive cars may feel the need to live the same lifestyle. Opportunity to commit fraud i.e. policies and procedure that are not enforced could provide an opportunity for the employee to commit fraud or theft.

At C&G, we have introduced the Integrity/Ethics Line facility to be used by all

KAARADA - COVID-19 ALERT!

We have had an increased rate of COVID-19 infections in the country. There are new variants being found all over the world. Symptoms keep evolving with these new variants, however the most common symptoms are; fever, cough, tiredness, loss of taste or smell. Less common symptoms include sore throat, headache, aches and pains and diarrhea.

We would like to remind all of us that you need to get tested whenever you feel unwell. Should you unfortunately test positive, please isolate yourself, do not come to work or travel anywhere until the isolation period is over and you have a negative result.

Stay at home and remember to always report to the HR immediately you test positive for COVID 19. Let us protect each other. Protect your family and your colleagues. Do not put your colleagues' or any other person's life at risk by exposing them.

We are all hereby encouraged to undertake the COVID 19 vaccine that's available in most health facilities especially government institutions. The vaccine uptake is very beneficial to help prevent the virus spread and protect ourselves.

It is important to note that the vaccine does not prevent you from contracting the disease but lessens the severity with which it will affect you. Therefore being vaccinated does not mean we ignore the prevention measures. Let us all keep wearing our masks, washing our hands where possible, sanitizing and maintaining social distancing rules. Take extra caution when in public places i.e. malls, markets, public service vehicles. Kindly share with the HR office or HSE department once you have undertaken the vaccine.

Stay safe and best wishes for 2022.

Namuel Ogomba
Environment Health and Safety

Now Open in Thika Town . . .



OPEN: Our customers in Thika can now access our quality products and services at their doorstep. In line with our mantra of making customers smile in every street, in every town.



CUMMINS POWER

Aldoms Orwa (left), Sales Engineer, Cummins C&G shows a customer the operations of a Cummins power generator. Cummins power has vast experience reflected in a wide range of successful sets manufactured to provide prime power or standby options.

Piaggio Fleet for Proto Gas



PIAGGIO FLEET: Proto Energy Limited staff led by Santosh Jadhav (fourth left), the Sourcing Manager of Limited and Justin Onsare (fourth right), a Supervisor receive a fleet of 74 Piaggio pickups from Raphael Atanda (third left), the Communications Manager of Car and General and Carol Samuel (left), the Key Account Manager. The

C&G Exhibits at Kakamega, Nakuru Golf



Car & General exhibited at the Nakuru Golf Tournament and the Kakamega Golf Tournament.

The events offered a good platform for our products that included tractors, three-wheelers, two-wheelers, Briggs & Stratton and Garmin.

We believe that having the right activity in the market will give us the right visibility.

DOOSAN WHEEL LOADER FOR KEMWAT

Edgar Luvanda (right), Sales Manager for Doosan hands over keys of a wheel loader to officials of Kemwat Company Limited.



Kipsinende Technical Institute



STUDY TOUR: George Mutinda (second left), a Car & General technician explains the repair and maintenance of TVS motorcycles to Paul Sitienei (second right), Deputy Principal of Kipsinende Technical Vocational and Training College, Jones Gisemba (right), the Head of Automotive department

Boda Plus: Our New Kid on the Block



In 2021, Boda Plus Limited, opened as the first complete motorcycle helmet manufacturing plant in East Africa. Located in Life Industrial Park, Ruiru, Kenya, the plant spreads over 40,000 square feet. Boda Plus produces a range of two-wheeler helmets and motorcycle safety accessories.

The plant has a capacity of producing 768,000 helmets per annum, and has planned to increase production to 1,200,000 helmet per annum by 2022. Our products are approved and certified by KEBS. Currently, Boda Plus operates on over 70% local input.

CARGEN KENYA TRADING RE-ORGANIZATION EFFECTIVE JANUARY 2022

We are pleased to announce the re-organization of C&G Kenya Trading structure effective January 2022. The re-organization is meant to drive operational efficiency by ensuring more clarity that will enable the achievement of overall corporate objectives.

George Rubiri is the General Manager - Consumer Business (TVS, Piaggio, B&S, Mariner, Electrolux, MRF and Motorol). George will be in charge of all C&G outlets and dealer networks in Kenya, responsible for customer satisfaction, sustainable growth of all outlets to ensure optimum contribution to group performance and providing leadership and direction to the team to enable it deliver on the budgeted bottom and top-line objectives. A graduate of Moi University (BA Government and Public Administration), George who joined the group in 2005 is not only process-driven but exhibits our core value of integrity.

Devarakonda Srinivas is the General Manager - Equipment Business (Doosan, Ace, Ingersoll-Rand, Kubota, BT, Toyota and Cummins). Srinivas will ensure growth of sales for the equipment business in Kenya. He will be responsible for building strong relationships with key accounts, expanding the existing customer base, quality technical support and achieving the budgeted profitability of the division. Srinivas who joined C&G in 2014 holds a Diploma in Mechanical Engineering.

Emmanuel Musau has been promoted to the position of Regional Manager, Central Kenya Region. This is in line with our philosophy of growing people from within. Emmanuel will be responsible for the achievement of overall sales budgets for the region that include Thika, Kitengela and Nanyuki sub-branches. He will be required to develop strategies that will drive the business, improve visibility and grow market share. He has exhibited the prerequisite ability of living our values. We take this opportunity to congratulate Emmanuel on his promotion and wish him well in his new position.



George Rubiri



Devarakonda Srinivas



Emmanuel Musau

2021 CARGEN STAR PERFORMERS

In 2021, C&G undertook a robust appraisal process that enabled candid and free conversations with team leaders, ensuring honest feedback on employee performance. This is going to be our way of life.

The ranking process was equally stringent, and after all that rigorous process, the following members emerged as the Cargen Star Performers 2021 (rated 1 as per the Forced Ranking Committee recommendations).

Sharon Mugeni, Treasury, Shared Services, Nairobi. Sharon is very passionate with her work, she is able to meet deadlines and also sacrifices her time to train and assist other team members.

Kenneth Okeyo, Accounts, C&G Trading, Mombasa. Kenneth has brought discipline in financial reporting ensuring timely and accurate reporting. Internal controls have improved leading to minimal stock variances.

Amos Gitema, Accounts, C&G Trading, Nakuru. Amos has been instrumental in TVS parts localization process. He has built a solid finance team for Nakuru and the Western Region resulting to financial reporting discipline. He has a solution mind set and is a good team player.

Anthony Maweu, Sales, C&G Trading, Kitale. Anthony has a jaw-dropping talent in aftermarket. He has developed good relationships with all stakeholders.

Vincent Nyamiaka, Sales, C&G Trading, Voi. Vincent has seen the Voi business grow significantly. He has well exemplified the Cargen values. Voi grew from an EBIT of 2.4 million in 2019/20 to 7.1 million in 2020/21.

Joshua Maithya, Sales, C&G Trading, Thika. Joshua met all set KPIs and made Thika profitable

upon its opening. Joshua believes in innovation and empowerment.

Emmanuel Musau, Sales, C&G Trading, Central. Emmanuel leads from the front and by example. Emmanuel went beyond his way and not only introduced Piaggio as a new product in Bungoma but also grew it to a profitable product line.

Jones Musau, Sales, C&G Trading, North Rift. Jones is a hands on leader. He looks at things differently and understands his market well. This enables quick market decisions and actions.

James Mugo, Aftermarket, C&G Trading, Nairobi. James is a hardworking team player. His creativity has led to positive aftermarket business growth. He has maintained good relationships with aftermarket dealers country-wide.

George Rubiri, Consumer Business, C&G Trading, Nairobi.

George, apart from meeting all objectives set for the year is an all-round performer. He is innovative and this has enabled him come up with creative ways of growing sales and the entire consumer business. He is a team player and a good example of living the Cargen values. George is always ready to take up new responsibilities and challenges.

Sam Njenga, Finance, Shared Services, Nairobi. Sam achieved his objectives and demonstrated significant year on year improvement as an individual and in terms of his job function. The key is comparative improvement and exemplifying values. He just keeps improving all the time.

Finally, we must be ready to meet or exceed our set objectives, live our values and internalize continuous improvement.

Congratulations to all our star performers 2021!

MESSAGE FROM THE MD



David Chesoni, Managing Director, C&G Trading - Kenya

December 2021 marked the end of the first quarter of our 2021/22 financial year. We closed at Kshs 1 billion, which is acceptable considering December was a month of many holidays and festivities. Congratulations to everyone for the good performance!

In Kenya, we closed at Kshs 2,665 million cumulatively against a budgeted volume of Kshs 2,844 million – 6.3% below budget. We must recover this deficit of Kshs 179 million in Q2. To make this happen, we must build on our December performance.

As we start the year, we should not forget the key pillars that are the driving force of our growth – our core values. We have to continue to be innovative and embrace technology to ensure that we are dominant in all lines that we deal in. Technology is going to be the critical success factor to our sustainability. We must take leadership in the electric motorcycle and three-wheeler transition to stand a chance of becoming market leaders in this sector.

Our aspiration to be dominant can only be achieved by adopting and developing a performance culture. Last month, most of you received a bonus, a first of its kind. This happened because our performance was fairly good and we had an opportunity to share this success. I am sure that all of us want this to be away of life;

- We must drive performance as a culture of the organization
- We must have the discipline of execution – 100%
- We must be innovative – doing it better each time
- We must never compromise our integrity

Lastly, I would like to congratulate Mombasa, Nairobi and Distribution for their star performance. I must also mention Doosan for their consistent performance.

Looking forward to a strong start this calendar year so that we recover the shot-fall. Good luck!

THE CARGEN PREMIER LEAGUE 2022 Business scorecards help to determine the health of a business at a given time and prescribe remedies in good time. Our Cargen Premier League ranks all aspects of our businesses in line with our five strategic objectives, on a quarterly basis. The strategic objectives are; Being No. 1 choice of the customer, Achieving our financial goals, Being a great place of work, Being a regional organization and Being a good corporate citizen.

The leading team receives an award from the CEO at the end of the year. This is in line with our philosophy of being a performance-oriented organization. Watch this space.

IMPORTANT HR INFORMATION

STAFF BENEFITS AT CAR & GENERAL

Regular full time employees are eligible to join C&G Employment Benefit Plans after successfully completing their probationary periods.

Pension Scheme

C&G operates a contributory pension scheme. The contribution is 5% for unionizable staff and 7.5% for management staff of monthly basic salary, payable by both employee and employer monthly. Rules and regulations governing the scheme are available from the Trustees or the Human Resources office.

Medical Scheme

The company has a medical insurance scheme with First Assurance which covers staff, spouse, and four nominated children. This covers inpatient, outpatient, maternity, dental and optical.

Group Personal Accident

C&G has taken a 24-hour Group Personal Accident Insurance to cover all employees in the event of accidental injury or death.

Retirement Policy

Retirement age at C&G is 60 years. Employees may opt to retire early as from the age of 50 years. There is a three month notice period to be served by either party upon retirement.

GIRLS BENEFIT FROM CUMMINS C&G



LIFE SKILLS: Erick Sangoro (left), the General Manager of Cummins Car General Limited and Virginia Kangethe (right), the Principal of Our Lady of Mercy Secondary School South B presented certificates of completion to 200 students who took part in an annual mentorship programme. The forum was organized by the Company and the School to educate girls on decision making and life choices. .

200 girls have benefitted from a one year mentorship programme conducted by Cummins C&G in partnership with Our Lady of Mercy Secondary School South B. This helped girls discover their potential, cope with the challenges confronting them and create a path to a brighter future. They received their certificates from Erick Sangoro, the Company's Managing Director and Virginia Kangethe, the School Principal.

Eric Sangoro, explained, “The students had the opportunity to connect with successful career women from Cummins Car and General who visited the school on a regular basis and provided personal guidance and encouragement to the girls. This taught them on the many opportunities available in order for them to continue their journey of learning and ensure lifelong success in all areas of life to make their dreams a reality. ”

Mary Ochieng, the Company's Engineer-Projects, commented, “During the past one year we also discussed issues affecting the youth including decision making and life choices, self-esteem, assertiveness, youth and sexuality, peer pressure, drugs and alcohol abuse, HIV and Aids, STDs and contraceptives.”



TVS GIFT: Mulumwa (right), a Popular Comedian was presented with a new TVS motorcycle by George Rubiri (left), the General Manager for Consumer Goods at Car & General. He was recognized for his job creation efforts in Kitale where he employs 20 boda bodas. .

UNGA FEEDS CHOOSES PIAGGIO

Unga Feeds Limited, the largest animal feeds manufacturer in East Africa, has added eight Piaggio three wheeler pick-ups to their fleet for distribution of animal feeds throughout the country. Car & General aftermarket team held training sessions for the drivers of Unga Feeds on how to maintain and service the vehicles to minimize breakdowns and downtime which can be avoided if drivers are vigilant and vehicles regularly serviced.

Vincent Njoroge, the National Aftermarket Manager at Car and General said, “Piaggios are very economical and can run well for many years if well maintained. The spare parts are readily accessible and our well trained technicians are available to service them at our outlets throughout the country.”

A growing number of organizations and individual entrepreneurs are turning to the Piaggio three wheeler range of vehicles as their running costs are low with many owners reporting a fuel consumption of 36 kilometres per litre. There is a choice of vans, or pick-ups for delivery work, courier services, laundries and fast food operations. The passenger vehicles are ideal for taxi services.

To pave the way for entrepreneurs with modest funds to operate taxi and delivery services, Car and General has made an arrangement with Watu Credit, a micro finance institution to provide advice and assistance for purchases of Piaggios.

TVS FOR JAZA RAHA NA SHELL



Vivo Energy launched their Christmas promotion Jaza Raha na Shell in November 2021. C&G was privileged to be part of the campaign by supplying our TVS HLX150cc motorcycles to be awarded to the winners in the campaign.

CARGEN DIGITIZATION JOURNEY

Digitization has been identified as a key driver of sustainability. At C&G, it started with the implementation of SAP ERP in Kenya. Today, SAP has been implemented successfully in Uganda and is heading to in 2022. SAP has enabled access to real time information.

In 2020, we revamped our website cargen.com. Today, we have a working online shop where customers can buy and pay online from anywhere in the world. Our customers can also contact us via our active social media handles.

In 2021, we moved email and calendar platform to Google Workspace. Today, we have robust and innovative features with Goggle Workspace. The ability to access email, documents, calendar services and virtual meetings platform, group chats, work flows, basic analytics, dash boards and survey features has improved efficiency.

What is more, Google Workspace is easy to use. Going forward, C&G is looking at digitizing more aspects of the business functions.

ON PERFORMANCE-BASED REWARD

We are implementing a performance-based reward system at C&G. Its success starts with a rigorous and credible appraisal process. Today, our appraisal process is simplified, comprehensive and offers a 360 degree feedback. The weighted objectives approach and inclusion of assessment on the Cargen core values ensures alignment of roles to key values and overall corporate objectives and makes it balanced.

The ranking structure is enhanced and more accurate. Being done twice annually allows for review of performance with a view of taking corrective measures (mid-year and end-year). Giving room for stakeholder feedback and going through a forced ranking committee ensures objectivity.

Rigorous monthly reviews are a way of life and quarterly scorecards measure individual businesses. As happened last year, rewards will be based on the C&G Group Bonus Scheme; Achievement of Group EBITDA (Earnings Before Interest, Tax, Depreciation and Amonitisation) (40%), Achievement of divisional EBIT (Earnings Before Interest and Tax) (30%) and Appraisal ranking (1,2 and 3) (30%, 25% and 15% respectively).

C&G and Cummins in Standard Marathon



Car & General Nairobi and Cummins C&G took part in the Standard Chartered Marathon 2021 on Saturday, October 30, 2021 at Karura Forest. Participants were running at their desired locations while tracking their times using an app. A number of our members won in their categories and received various prizes including plants and medals.

C&G Step Up Activities with Children Homes



Kisii members at Keumbu Holiness Children's Home

In 2021, Car & General teams stepped up their efforts to help the needy in their communities. These included homes that take care of destitute children, most of them abandoned, orphaned and lost and found cases.

Car & General Kisumu visited the **New Life Home Trust** and donated clothes and foodstuffs during the Easter holidays. The home is located in Kisumu.

Car & General Voi branch visited the **Tumaini Children's Home** in November 2021. The team spent time with the children, played games, ate together and held prayers.

Car & General Nairobi were not left behind. In October 2021, they visited the **Little Drops Foundation Children's Home** where they donated clothes and foodstuffs. The home is situated in Nyahururu.

Car & General Kisii branch visited **Keumbu Holiness Children Home** in August 2021. They donated clothes and foodstuffs as well.

Cummins C&G continued their program with the **Treeside Secondary School for the Deaf**. They started a vegetable farm in August 2021. The garden is meant to feed the children at the school.

DONATION OF TANZANIA TO HOMES



In early December 2021, it was Christmas come early as Car & General Tanzania members of staff visited several orphaned children's homes in Dar es Salaam. The centres visited were Almadina Centre at Tandale, Umra Centre at Magomeni and Kind Heart Centre at Chanika.

The visits gave the C&G team an opportunity to make a difference to the disadvantaged in our society, spending quality time by playing games, singing and sharing stories. They also donated foodstuff, stationery and clothing to the children.

As John Bunyan said, 'you have not lived today until you have done something for someone who can never repay you'.

C&G Blood Donation Drive

Every year, Car & General organizes a blood donation drive in conjunction with the Kenya National Blood Transfusion Services. The event last year involved a health check and a talk where that included the benefits of donating blood.

Every blood transfusion saves a life. It helps patients suffering from cancer, bleeding disorders, chronic anaemia, sickle cell anaemia and other blood hereditary complications.



CARGEN SUPPORTS KIPSINENDE

Technical Training Institutions continue to benefit from study trips to Car & General facilities. The most recent beneficiaries were drawn from the Kipsinende Technical Training Institute and they were received and briefed by Raphael Atanda, the Car & General Communications Manager. The group of seven trainers led by Paul Sitienei, the Deputy Principal in charge of Academics and Jones Gisemba, the Head of Automotive department was shown the state of the art showroom fully stocked with new products and the workshop which provide servicing and repairs for TVS motorcycles, Piaggio three wheelers, Briggs and Stratton generators and lawn mowers.

Raphael Atanda, commented, "We feel happy whenever we host representatives of technical training institutes like Kipsinende. As a major stake holder in the industry we like to share our knowledge, information and skills in order to produce better technicians."

Paul Sitienei said, "We are very grateful for the reception which we have received from the management and staff of Car & General. Our questions on manufacturing and repair of motorcycles have been answered and this will help us when begin teaching motorcycle manufacture and the Competency Based Education (CBE) before the end of this year and we hope to continue with this collaboration with the Company."

Caleb Okumu, a Car & General Technical Trainer explained, "We offer training to company and dealer technicians and private garage mechanics on mechanical, electrical and fuel systems."

CARGEN WORKS WITH NSE, CMA

Car & General (Kenya) PLC is the only listed auto-mobile firm on the NSE. Car & General was listed in 1950.

Car & General (Kenya) Plc is also regulated by the Capital Markets Authority. The firm submitted its Corporate Governance self-assessment report to CMA and the Authority conducted a comprehensive assessment as per the Code of Corporate Governance Practices for Issuers of Securities to the Public (CG Code).

The Authority identified C&G's governance and sustainability strengths and weaknesses and shared its findings and recommendations on areas of improvement. C&G has continued to demonstrate its commitment to good governance and stability and there is continuous efforts to strengthen the company's governance structures and practices.

The Authority, upon the assessment, gave C&G an overall weighted score of 53% (Fair). Given that good governance is a continuous journey, C&G is committed to review and implement the recommendations given by the Authority.

Car & General in India Kenya Bike Rally

Car & General participated in the India Kenya Friendship Bike Rally held on December 5, 2021. This was organized by the Bikers Association in collaboration with the Indian High Commission as a tribute to India's 75 years Amrit Mahotsav celebration, at the Nairobi Gynkhana.

The rally was flagged off by H. E. Dr Virander Paul, the High Commissioner of India to Kenya. The rally went up to Nakuru, with an aim of promoting the contribution of Indian vehicles in the economic and social development

C&G AT MALINDI FISHING COMPETITION



The Malindi Fishing Competition took place at the Malindi Fishing Club, Malindi. C&G displayed Mariner/Mercury, Briggs & Stratton, TVS and Garmin products.

Fishermen who do professional deep sea fishing and sport were the target audience. Apart raising awareness for our wide range of products, the event was also meant to be an interactive session with our customers.

Twelve boats from Malindi, Diani, Watamu and Zanzibar with each having four fishermen participated in the event, with anglers competing for the top prize of a Garmin watch and Garmin fish finder.

TRIPPLE P BOTTOM LINE

Car & General is well positioned to deliver on our Triple P bottom line – People, Planet and Profit. We are already having a significant impact on millions of lives in terms of delivering daily livelihoods and entrepreneurship opportunities.

We will now be focusing more energy on electric vehicles and we intend to launch electric three wheelers in February. We are working hard with our suppliers to develop fit for market two wheelers. With our symbiotic relationship with Watu, we can play a significant role in transforming the two- wheeler and three-wheeler market towards electric. This will play a positive role in alleviating climate change over the coming years.



LATEWA THANKS CARGEN

Car & General took part in tree planting and clean up exercise organized by Latewa CBO during the World Environment Day. Latewa Cbo is registered with the Department of Social Services and undertakes various programs that include social enterprise development, social justice, sustainable urban farming, environmental conversation waste management, water sanitation and hygiene and women empowerment. At Car & General, we look for partner more with such organizations whose activities are centered on uplifting the lives of the youths, vulnerable members of the community, persons with disabilities and women who mostly live in informal settlements. At Car & General, we believe in improving our communities.

FREE CANCER SCREENING FOR CAR & GENERAL STAFF

In November 2021, employees of Car & General were treated to free medical check. Members of the Aga Khan University Hospital camped at the Nairobi premises to observe employees during a health awareness day organised by C&G.

The hospital provided free blood glucose and hypertension check-up, Body Mass Index (BMI) measurement and breast cancer screening. At C&G, we know that healthy employees translate to healthy productivity which in turn means healthy business performance.

Solomon Olale (right), of the Aga Khan University Hospital, Nairobi takes the Body Mass Index (BMI) of Niven Mjomba (left) of Car & General during health awareness event.

C&G AND ST JOHN AMBULANCE SAFETY TRAINING IN KITENGELA



Car & General penned a memorandum of understanding with St John Ambulance for road safety training for boda boda operators across the country in 2021. Motorcycles offer fast, easy and convenient means of transportation helping commuters beat the lengthy jams on our roads and maneuvering difficult terrain and poor road networks. They are also the first to arrive at accident scenes to deal with accident victims.

Boda boda riders in Kitengela benefitted from first aid and road safety training held by C&G and St John Ambulance with support from the local administration and Boda Boda Association of Kenya. The riders were taught to be vigilant and observe traffic rules wear safety gear

C&G entered into a partnership with St John Ambulance who are experts in first aid and emergency medical care to promote rider safety on the Kenyan roads. Together with other stakeholders we will continue to hold such clinics and training in order to improve road traffic safety.