



GB AUTO

SUSTAINABILITY REPORT

**ENABLING SUSTAINABLE MOBILITY
AND RESPONSIBLE FINANCE
FOR A LIVEABLE FUTURE**

2021

TABLE OF CONTENTS

— 03

ABOUT THIS REPORT

— 04

LETTER FROM CHAIRMAN & CEO

— 05

LETTER FROM INVESTOR RELATIONS

— 06

2021 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) HIGHLIGHTS

— 08

I. GROUP OVERVIEW

1. Our vision, mission and values
2. Lines of business
3. Market presence and business partners

— 14

II. REFINING OUR PATH

1. Stakeholder engagement
2. Materiality assessment
3. Sustainability strategy

— 24

III. CORPORATE GOVERNANCE

1. Governance and management
2. Business integrity and conduct
3. Quality, compliance, and risk management

— 39

IV. VIBRANT BUSINESS

1. Business performance
2. Responsible investment and finance
3. Digitalisation and cybersecurity
4. Supply chain management
5. Customer experience and sustainability

— 55

V. THRIVING HUMANITY

1. Well-being, health and safety
2. Diversity and inclusion
3. Human potential and career growth
4. Supporting society

— 75

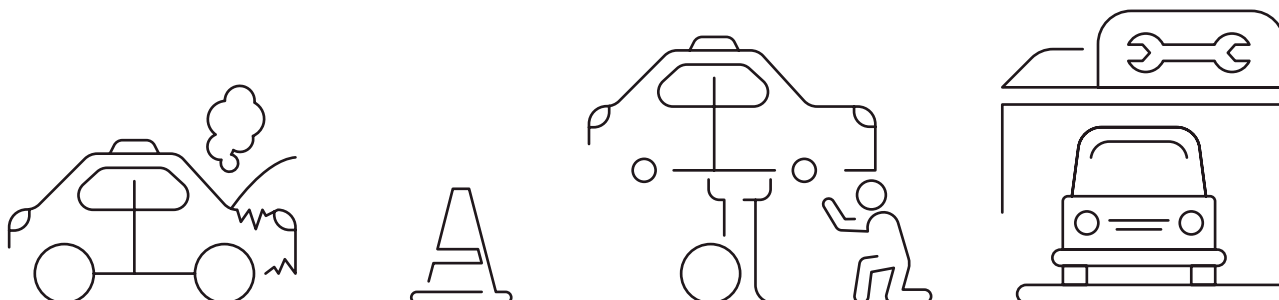
VI. LIVEABLE PLANET

1. Climate and energy
2. Sustainable mobility
3. Circular economy
4. Green facilities

— 91

ANNEXES

Abbreviations and acronyms
Limited assurance statement
ESG metrics and indicators
GRI content index
SASB index
UNGC index
TCFD index



ABOUT THIS REPORT

REPORTING CONTENT AND SCOPE

The GB Auto 2021 Sustainability Report outlines our performance and progress on defined material topics and is in line with the expectations and requests of our stakeholders. The report has been prepared as the collaboration of different businesses and departments that comprise the group, overseen and approved by the GB Auto Board of Directors. This is our sixth sustainability report and our first GRI report. All reports are accessible from the [GB Auto website](#). The provided data is limited to GB Auto operations unless stated otherwise. Masader, Corporate Sustainability Consulting Firm (S.A.E.), has provided a limited assurance statement on the content of this report.

REPORT PERIOD AND FRAMEWORKS

GB Auto has reported in accordance with the GRI Standards for the period from 1 January 2021 to 31 December 2021. Data covering the period from January 1st to December 31st of 2020 is included as well for the environmental quantitative data. This report also contains disclosures in line with the following frameworks: Sustainability Accounting Boards Standards (SASB), United Nations Global Compact (UNGC) and Task Force on Climate-Related Disclosures (TCFD).

CONTACT POINT

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LETTER FROM THE CHAIRMAN AND CEO

Dear readers,

We are pleased and honored to share our first GRI and sixth sustainability report with you, expressing our commitment to sustainability. Our new sustainability report has been an outcome of dedicated work conducted throughout the past year across multiple areas. We would like to highlight some of the key achievements we made.

A HOLISTIC AND WEIGHTED RESPONSE

During the past year, we have seen the ongoing fragility of our societies and the urge to do better no matter what. The automotive industry has faced harsh consequences of the COVID-19 pandemic. With partial rebounding, the new challenges such as disruptions to the supply chains and fluctuating demand prevailed. GB Auto has approached those disruptions as a driver of action, ensuring continuous improvements across the value chain, seamless delivery, and robust performance.

AMBITIOUS STRATEGY, GLOBAL ALIGNMENT

The business community shares a growing understanding of how investment, finance, and mobility should be essential for the broader sustainability transition. While sustainability has been a natural part of our business for years, one of our key ambitions is to further efforts in this direction.

This report presents our new Sustainability Strategy 2022-2030. Closely integrated with our business strategy, it will guide our efforts in corporate citizenship and ensure our group effectively responds to the pertinent sustainability challenges based on our unique capacities, knowledge, and focus areas.

We devised bold commitments across mobility, supply chains, materials, and climate change to lead on transparency and environmental stewardship. We also set clear targets for cherishing our people and supporting society more broadly.

HARNESSING THE DIGITAL ERA

Despite ongoing COVID-19 restrictions, we have continued investing in our people and supporting their development through GB Academy, with a large share of activities carried out online. Our other significant update has been linked to the ongoing digitalization and automation of internal processes and customer experience, including passenger car services, data management, sales, and finance.

These activities prepared the ground for our next significant steps focusing on mobile solutions and artificial intelligence. I firmly believe that digitalization and automation hold considerable potential in improving customer experience while reducing our footprint through eliminating unnecessary activities, automation, preventative maintenance, and automation.

ENABLING A BETTER FUTURE

We have conducted important updates to group policy architecture and procedures. This includes adopting a new Sustainability Policy, establishing Management Information System and updating our Risk and Control Framework. Our Legal Department has done significant work on improving employee awareness and collection of feedback through the new Ask Legal service, Legal hotline, and regular tips. The challenging market dynamics of the past few years have inspired us to deliver better service, improve efficiency, and devise flexible solutions to keep our customers onboard and engage new ones. Our growing focus on education represents the group vision for supporting youth and nurturing talent, enhancing our competitive edge, and building an agile and capable workforce.

Today, at the heart of our business, resilience is handling every issue at the root and meeting the future before it comes. The soft launch of Electric Vehicles (EVs) in 2022 shall be another important step to support our strategy. We see both positive stakeholder reception and clear economic benefits from our investments in sustainability. Preparing to launch our revamped brand, we want to be more than a provider of products and services but an enabler of solutions that bring value to people and promote more sustainable ways of being. I hope that this report effectively communicates our performance and contribution to society.

Sincerely,



**RAOUF
GHABBOUR**

CHAIRMAN OF THE BOARD OF DIRECTORS



**NADER
GHABBOUR**

CHIEF EXECUTIVE OFFICER

LETTER FROM INVESTOR RELATIONS

Investment and finance have always been enablers of social progress. Over the past few years, the group has explored how our investment choices and financial solutions can contribute to society while protecting the environment. Therefore, our ongoing work in responsible investment and finance will further align with stringent ESG criteria.

With growth and diversification, our capacities for investing in the future of the Egyptian population expand exponentially. So does our responsibility for the impacts of the solutions we offer. Through Ghabbour Foundation, we have strategically prioritized social investment focusing on meeting local needs and unlocking a better future for children and youth.

We are currently working on further identifying opportunities to grow the financing arm -GB Capital, enhance its operations, and expand its footprint, with a particular focus on digitalization and accessible consumer finance.

GB Capital's subsidiaries have continued to deliver on multiple operational initiatives and accomplished several milestones including the successful launch of our digital core banking system at MNT-Halan, which leaves us well-positioned to grow our presence in Egypt's fintech space and unlock further value. In addition, MNT-Halan launched a pioneering buy-now-pay-later digital platform, which attracted 25,000 users and 1,500 active merchants in its first three months of

operation. On the other hand, Drive has successfully rolled out its consumer finance digital mobile app and completed the onboarding of the first 150 merchants with plans to onboard approximately 1,000 by the end of 2022.

Another significant achievement has been launching Egypt's first non-bank mortgage finance app to provide fast and convenient access to competitive mortgage finance. The app was launched by Bedaya, a joint venture by EFG Hermes, Talaat Moustafa Group (TMG), and GB Capital (the Nonbank Financial Institution (NBFI) arm of GB Auto). We hope the app assists in promoting accessible housing to the Egyptian population.

We have learned a lot about the impact of COVID-19 on companies and people. We are currently adapting this knowledge to enable our customers and partners to better deal with its ongoing impacts. By collaborating across the value chain and developing our business with sustainability in mind, we aim to build back better, ensuring a fair, sustainable and just economic recovery.

We are optimistic about the upcoming year yet keep building our resilience and capacity for response, ready to meet whatever the future might bring.

**MARINA
KAMAL**



INVESTOR RELATIONS SENIOR MANAGER — GB AUTO

2021 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) HIGHLIGHTS

LIVEABLE PLANET

RESPONDING TO CLIMATE CHANGE

- 1st Carbon Footprint Assessment of GB Auto Group for the years 2020-2021 and set Science-Based GHG Reduction Targets
- First-time disclosure to CDP 2021 Climate Change questionnaire
- Phased out diesel fuel completely at Prima Plant, and currently implementing the phase-out plan across all manufacturing facilities to be replaced with natural gas and renewable sources
- Planned the installation of solar PV systems at Prima and El Sadat manufacturing facilities by March 2022 and January 2023 respectively, that will supply 40% and 25% of the facilities' annual energy needs
- Launched four CNG-powered passenger car models as part of our shift to sustainable mobility strategy
- Launched the "For a Better Future" campaign, and competition amongst employees to reduce electricity consumption at both, GB Auto premises and their homes

GREENING OUR FACILITIES

- Planned the installation of another wastewater recycling system at El Sadat factory (to operate in 2022), in addition to that installed in Badr factory in 2020
- Improved indoor air quality by installing a new ventilation system in the welding and paint shops at Badr and Prima factories

CORPORATE GOVERNANCE

ADVANCING ESG GOVERNANCE

- Developed GB Auto Group ESG Policy
- Developed GB Auto Group ESG Strategy 2022-2025 with 2030 Vision
- Engaged with GB Auto employees and top management on ESG issues and conducted a group-wide ESG workshop

THRIVING HUMANITY

ADVANCING DIVERSITY, INCLUSION AND HUMAN POTENTIAL

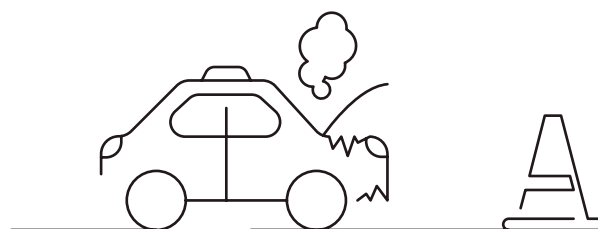
- 24% of our total workforce is represented by women
- Conducted a total of 52,150 training hours to over 10,000 attendees through GB Academy
- 531 differently-abled employees across GB Auto
- For the first time, Ghabbour Foundation opens admission to female students for the academic year 2021-2022 to pursue their ambitions in becoming qualified automotive technicians

SAFETY ABOVE ALL

- In the process of acquiring the ISO 45001 certification for GB Logistics (GB Auto's logistics arm)
- Recorded zero injuries among GB Auto contractors
- Vaccinated over 2,800 employees against COVID-19 as of 2021

SUPPORTING SOCIETY AND LOCAL COMMUNITIES

- Contributed a total of EGP 69.3M to various local NGOs including FACE for Children in Need, as well as ministries including the Ministry of Health and Ministry of Culture, Hayah Karima (Decent Life) Initiative, and our own Ghabbour Foundation for Development.
- Launched cycle 3 of GB Ventures, our acceleration program



2021 ESG HIGHLIGHTS

VIBRANT BUSINESS

LAUNCHING NEW PRODUCTS

- Acquired the sole distributorship of Changan Automotive Brand in Egypt
- Launched two models of the all-new Haval 2022 SUV vehicle
- Participated for the second year in TransMEA Exhibition the 4th Smart Transport & Logistics Fair & Forum for the Middle East and Africa, showcasing our Higer Electric bus and Iveco bus which is available in CNG, Electric, and diesel
- Launched Chery Tiggo 7 Pro in Egypt with unmatched technology and performance

TOWARDS COMPLETE DIGITAL TRANSFORMATION

- Developed a group Digital Transformation Strategy 2022-2025
- Completed 216 automation projects across GB Auto's business units
- Digitizing the Supply Chain Management System and suppliers database
- Awarded the IDC Excellence Award for "Excellence in Digital Innovation" in recognition as one of the region's top 10



— GROUP OVERVIEW

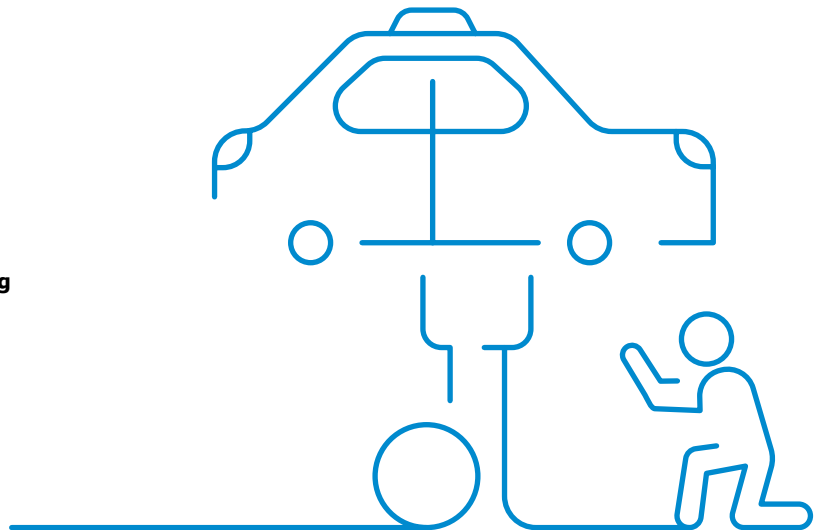
Our vision, mission, and values	09
Lines of business	10
Market presence and business partners	13

VISION

Leading the markets where we operate
by providing an elite customer experience
and becoming the brand of choice to our
stakeholders.

MISSION

Granting a premium experience while developing
our communities, enriching the lives of our
employees and maximizing our shareholders'
returns through our corporate values and
operational excellence.



CORE VALUES

LEADING WITH VISION, AGILITY AND INTEGRITY

Leading by example, inspiration and Integrity

RESULTS ORIENTED FOR A SUSTAINABLE FUTURE

Developing organizational capabilities through continues
improvement

OUR PEOPLE OUR ENGINE

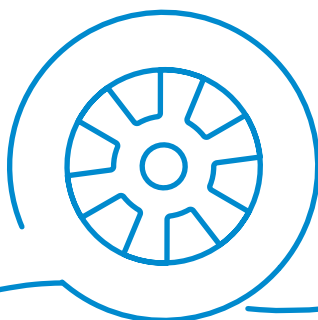
Succeeding through the talent of people and synergy

Innovative Thinking

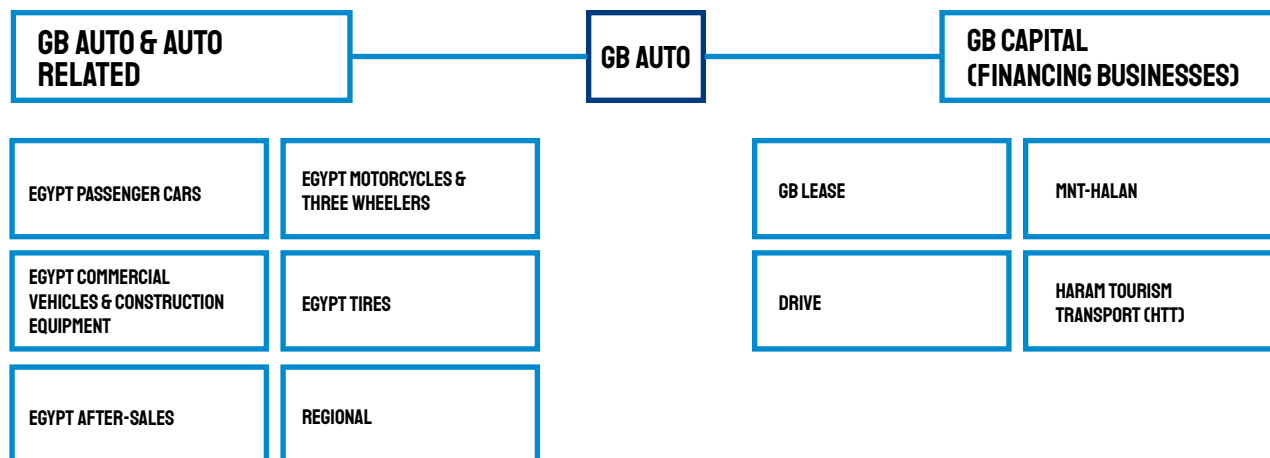
Creating sustainable future

Customer and Community Centric

Commitment to Excellence, Transparency



I.2. LINES OF BUSINESS



GB AUTO

GB Auto Group is a leading automotive player and non-bank financial services provider in Egypt with the Group's operations split into core automotive (GB Auto & Auto Related) and high-margin financing businesses (GB Capital). GB Auto & Auto Related is comprised of diverse operations that span the value chain from manufacturing and assembly to sales, after-sales, and trading, while GB Capital is a leading non-bank financial services provider in Egypt and targets further growth through expanding its existing businesses and adding new services.

GB AUTO AND AUTO-RELATED

Our Auto & Auto Related arm constitutes the assembly, manufacturing, sales, distribution, and after-sales services of passenger cars, commercial vehicles, and two & three-wheelers. We also have construction equipment, tires, spare parts, and lubricants covered by sales. The Company assembles Fuso and Volvo buses as well as Fuso trucks at our plants in Sadat and Suez. It also distributes Volvo heavy trucks and YTO tractors in Egypt and manufactures and distributes semi-trailers and super-structures under its Commercial Vehicles line.

The company's bus segment produces a full range of transportation solutions from sixteen seater buses to maxi buses with a seating capacity of 55 passengers and above. GB Polo, the company's joint-venture with Brazilian company Marcopolo, is home to a 285,000 sqm state-of-the-art bus body manufacturing facility with a 5,000 unit-per year capacity that targets local and export markets. The company's operations span across the markets of Egypt and Iraq. Its range of passenger cars, represented by brands such as

Hyundai, Chery, Mazda, Changan and Haval, remain among the best value-for-money vehicles available in the market. GB Auto is also Egypt's leading distributor of two and three-wheelers, including motorcycles and tricycles.

The company also provides its clients with an exceptional after-sales experience through its vast network of service centers, which includes 3-S (sales, service, and spare parts center), 2-S (sales and spare parts center), and 1-S (spare parts center).

GB Auto offers unparalleled services across the country through its 44 passenger car showrooms and 22 service centers, 27 two-and three-wheeler showrooms, and 7 CV service centers, GB Auto offers unparalleled services across the country

EGYPT PASSENGER CARS

Assembly and distribution of imported completely-knocked-down (CKD) kits with a production capacity of around 80,000 units per year, as well as the distribution of imported completely-built-up (CBU) vehicles.

- Financing options provided through Drive
- Brands: Hyundai, Mazda, Changan, Chery, Haval
- **EGP 12,880.4 MILLION REVENUE**
- Segment revenue contribution: 41%

EGYPT COMMERCIAL VEHICLES AND COMMERCIAL EQUIPMENT

Works on assembly and distribution of trucks, manufacturing and distribution of buses, superstructures and trailers, as well as the distribution of earth-moving equipment, and road machinery

- Brands: Mitsubishi Fuso, Volvo Trucks and Buses, Volvo Construction Equipment, Iveco, Higer, Marcopolo, Karry, SDLG, and Shacman

EGP 1,053.4 MILLION REVENUE

SEGMENT REVENUE CONTRIBUTION: 3.4%

EGYPT TIRES

GB Auto distributes some of the most valuable brands in car, van, bus, construction equipment, light-truck, truck, and bus-truck tires.

- Brands: Yokohama, Lassa, Westlake, Double Coin, Verde, Techking, Goodyear, Thunderer and Sunfull.

EGP 1,431.7 MILLION REVENUE

SEGMENT REVENUE CONTRIBUTION: 4.6%

EGYPT AFTER SALES

The after sales line of business is the largest cross-country network of its kind that is still undergoing constant expansion. It works on providing services and distribution of spare parts for passenger cars, motorcycles & three-wheelers, and commercial vehicles & construction equipment

EGP 1,336.6 MILLION REVENUE

SEGMENT REVENUE CONTRIBUTION: 4.3%

EGYPT MOTORCYCLES AND THREE-WHEELERS

GB Auto is Egypt's exclusive assembler, and distributor of motorcycles and three-wheelers from Bajaj, the world's largest manufacturer of three-wheelers (Bajaj Tuk-Tuk). GB Auto has first began importing, and selling three-wheelers in Egypt in 1999, and has been the country's market leader for the popular vehicles, in part due to providing quality, low-cost after-sales services to this segment's price-conscious consumers.

- Manufacturing of components at the Badr Facility
- Financing options provided through Mashroey
- Brands: Bajaj

EGP 3,719.9 MILLION REVENUE

SEGMENT REVENUE CONTRIBUTION: 11.8%

REGIONAL

GB Auto was able to position MG as the leading Chinese car brand in Iraq, with a market share of c. 4.7% in 2021. MG ranked fifth in the Iraqi market and first amongst Chinese brands in the country. We are optimistic it will be able to further expand its market share and continue to position MG as a leading brand in the region. Along with the distribution of imported completely-built-up (CBU) passenger car units. Moreover, GB Auto distributes Bajaj motorcycles & three-wheelers in Iraq in addition to providing after-sales services.

- Brands: MG and Bajaj

EGP 3,099.7 MILLION REVENUE

SEGMENT REVENUE CONTRIBUTION: 9.9%



GB CAPITAL

GB Capital oversees the operations of the group's non-bank financial service providers, offering financing in all segments of the market, aiming to develop a well-diversified and synergetic group of financial services, building on the spirit and strategy of GB Auto, while maintaining a high level of focus and specialized expertise within each company.

GB LEASE

GB Capital's first financing venture, was established in 2008, GB Lease provides mostly medium term business-to-business lease finance solutions. It is non-exclusive to GB Auto and caters to a diversified client base, ranging from multinationals, local corporates, and SMEs. Focusing on risk diversification by asset class, industry and clients; asset base covers all asset classes, including real estate, automotive and production lines. The company also implements prudent risk management practices for provisions and risk recognition

EGP 695.6 MILLION REVENUE

DRIVE

Since its establishment in 2012, Drive has grown to become one of Egypt's top-three factoring companies according to the FRA. It provides factoring services to a diversified client base, ranging from business-to-business (SMEs) to business-to-consumer (retail), with a focus on the auto finance sector. The company operates under a robust credit policy, it maintains a well-developed portfolio, offers medium-term tenors and focuses on risk diversification by product type, client base, and brands (where auto loans are concerned). Drive has successfully rolled out its digital mobile app and completed the onboarding of the first 150 merchants. Delivering on its expansion plans, Drive launched two new branches in 2021 and is looking to launch four additional branches over the course of the coming year.

EGP 3,069.5 MILLION REVENUE

HARAM TOURISM TRANSPORT (HTT)

HTT is Egypt's premier vehicle fleet-leasing company, serving a select range of top-tier industrial, services private sector companies, multinationals, and financial institutions. The car rental company joined GB Capital in late 2012, operating on a quasi-operational lease basis, averaging 3 years. Agreements for its services are tailored to each party's needs; they include acquisition, registration, insurance, and maintenance of vehicles. They are also supported by third-party insurance plans.

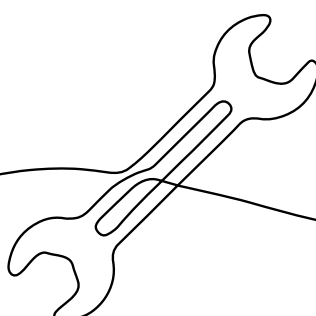
EGP 124.6 MILLION REVENUE

MNT-HALAN

MNT-Halan is Egypt's largest and fastest growing non-bank lender to the unbanked offering digital solutions, including lending, BNPL, e-commerce, payments, and on-demand logistics. The company developed its scalable proprietary fintech ecosystem in-house, connecting customers, vendors and microenterprises through its consumer facing app, merchant app, Halan Neuron (distributed lending and payment processing software) and payment solutions (wallets and cards).

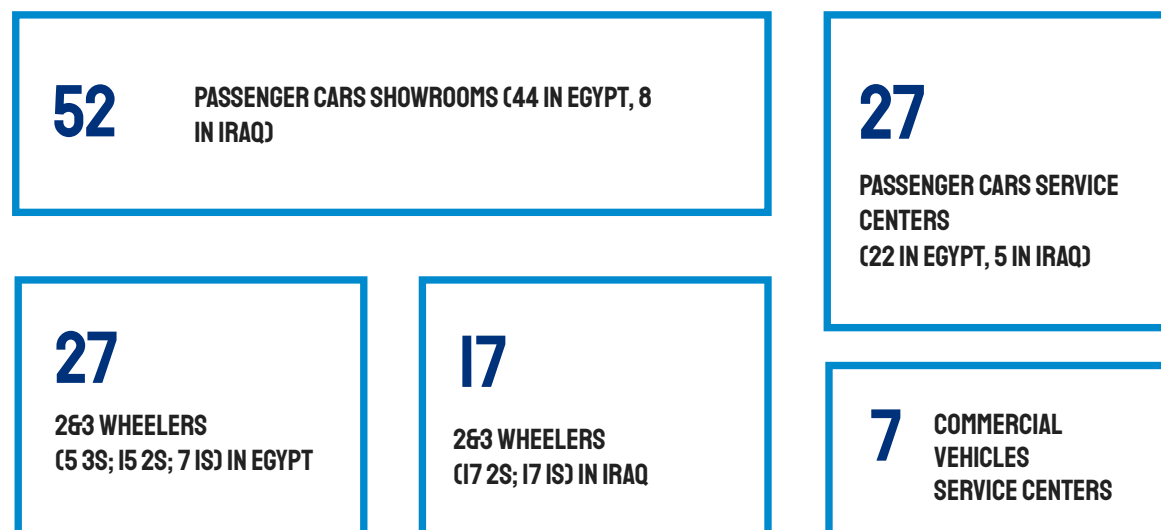
- It has obtained the micro, consumer and nano finance licenses from the Financial Regulatory Authority enabling it to provide services to both businesses and consumers across Egypt
- It has also obtained the first independent electronic wallet license from the Central Bank of Egypt to disburse, collect and transfer money digitally through mobile applications
- It serves more than 4 million customers in Egypt (c.1 million monthly active users), of which 3.1 million are financial clients and 1.8 million are borrowers.

EGP 3,991.4 MILLION REVENUE



I.3. MARKET PRESENCE AND BUSINESS PARTNERS

GB AUTO AND AUTO-RELATED GEOGRAPHIC LOCATIONS



PORTFOLIO PARTNERS



I.4. SHAREHOLDERS

GB AUTO SHAREHOLDER STRUCTURE





REFINING OUR PATH

Stakeholder engagement	15
Materiality assessment	17
Sustainability strategy	21

2.1. STAKEHOLDER ENGAGEMENT

We aspire for continuous dialogue with all our stakeholders to capture their diverse needs, preferences and opinions. Those inputs are precious to us, and we aim to find the most effective means and channels to engage with every stakeholder group.

Our stakeholder groups were identified based on our business operations and impacts with each category. The table below shows the various engagement activities including how and how often GB Auto engages with each category on a group level.

AHMED FATHY

SVP TIRES



“ It is all about trust. Throughout more than 70 years of history, our name has always been connected to trust towards our products, services, and value for money. We build it through our unique assets - our people, our network, and our level of service. By responsibly developing our products, engaging our stakeholders, and collaborating with the right partners, we can meet and exceed our customer needs while organically growing our business. ”

GB AUTO GROUP STAKEHOLDER CATEGORIES

EMPLOYEES

Our employees remain our most important asset, and so active direct communication between management and employees has been a top priority especially in times of the pandemic, beside internal announcements, emails, and online meetings. In addition, digital text runners and bulletin boards are used across our facilities and offices to convey daily and weekly updates. Employee feedback also remained a main source of insight on improvements that the company can implement, we do so through our 360° and engagement surveys, as well as other means of engagement depending on the various departments and lines of business.

— We also engage our employees through weekly and monthly meetings in the development and updating of our group's policies and standard operating procedures, to ensure we gain their valuable insights and take them into consideration.

23,044 Employees

Driving GB Auto Group's
Success in **2021**

+ 6.7% COMPARED TO 2020

TOP MANAGEMENT

We ensure top management engagement across all our business operations through our sound governance policies, and by maintaining clear reporting lines and communication methods across all levels. This year, we focused on gaining GB Auto's top management insights and on the most significant ESG matters and align our newly developed ESG Strategy 2022-2025 with 2030 Vision, with the business strategy, one to one meetings have been conducted with the Chairman, CEO, GCOO, and Business Development and CEO Support SVP, while ESG-centered questionnaires have been circulated amongst all executive managers across all LOBs to understand the internal and external challenges from each member's perspective. Testimonials based on their insights and feedback have been added across the report. Such meetings are expected to be held annually at the least to GB Auto's material issues up to date.

GB AUTO GROUP STAKEHOLDER CATEGORIES

CUSTOMERS AND CLIENTS

GB Auto continues to rely on social media and diversified digital platforms, such as its website and mobile application. It communicated announcements, updates, and changes through them, as well as gathered feedback on customer expectations, preferences, and buying capabilities. Furthermore, customer care continued to place highly on the company's agenda, with official feedback channels like the Ethics Officer Mailbox, the Customer Satisfaction Inbox, and the Sales Satisfaction Index used regularly to gather insights and improve experiences.

— We also collect Voice of the Customer (VoC) data through external surveys on an annual basis, this year we received a total of 601,000 calls from customers, and resolved over 94% of them.

94%

Calls Resolved

BUSINESS PARTNERS

We conduct periodic meetings between partners, service and brand sales representatives, where updates, feedback, and suggestions were shared and processed. We also engage with our partners through sales satisfaction and other feedback surveys to further understand and improve communication with our group.

27

Business Partners

SHAREHOLDERS

GB Auto ensures that shareholders are regularly informed of all movements across the company's operations. The company publishes all its disclosure reports, including its sustainability reports, on its investor relations website, which is also updated with news releases and all public announcements. GB Auto also holds an annual meeting for shareholders to discuss updates and documents with the company's Board of Directors.

2,831 Shareholders

- 15 % COMPARED TO 2020

GOVERNMENT ENTITIES
AND REGULATORS

GB Auto abides by the disclosure requirements of the Egyptian Stock Exchange and the Financial Regulatory Authority, which include but are not limited to quarterly earnings releases, annual reports, and annual governance, and sustainability reports. Other local legal mandates related to environmental compliance, is abided by at all our manufacturing facilities, which includes environmental records submission, and health and safety records.

LOCAL COMMUNITIES

Giving back to the community through investments in future generations has long been the GB Auto way. Through partnerships with ministries, non-governmental organizations (NGOs), and local initiatives, the company has contributed to social and healthcare initiatives over the years. GB Auto believes that investments in education are key to improving lives. The Ghabbour Foundation for Development was thus founded to promote and provide access to high quality vocational education, and aims to play a key part in fueling social and industrial progress countrywide.

69.3 MN EGP Investments
to Local Communities

+ 145 % COMPARED TO 2020

2.2. MATERIALITY ASSESSMENT

In line with our Sustainability Policy, we determine our material topics based on a robust and regular materiality assessment. Our material topics reflect both the financial and non-financial impacts on the business and the company's impacts based on the double materiality approach. We also recognize that materiality is dynamic. Thus, what is material to GB Auto may change over time.

MATERIALITY ASSESSMENT METHODOLOGY

Our materiality assessment has been conducted in accordance with the updated GRI Universal Standards – GRI 3: Material Topics 2021.

Our materiality and impact assessment process constituted the following steps:

STEP 1 - INDUSTRY-WIDE RESEARCH

We conducted a wide research of top-industry leader companies according to global ESG and sustainability rating platforms and rankings such as S&P Global, Corporate Knights, Sustainalytics, and CDP, as well as based on ESG sector standards such as the SASB Auto and GRI Standards. Following this research, we were able to gather a pool of +100 potential material topics through an analysis of the international standards, and industry benchmarking.

STEP 2 – ENGAGING INTERNAL STAKEHOLDERS, CREATING A CULTURE OF ESG RISKS AND OPPORTUNITIES AWARENESS

Following the compilation of the top potential material topics across each ESG pillar, we engaged with our internal stakeholders to raise their awareness and get their insights on the topics. We conducted one-on-one meetings with select GB Auto's C-suite including the Chairman, CEO, GCOO, SVP Business Development and CEO support, in addition to questionnaires distributed to all executive management personnel, to gather their insights on the potential topics from each of their professional perspective, in addition to their vision, and secure their commitments and ensure their deep engagement. We also engaged with our employees and heads of departments through a 101 ESG Workshop that was conducted by our Corporate Sustainability Consultant, which was followed by detailed questionnaires tailored to each department to gather information about their business operations, strategies, and future plans, from an ESG/ sustainability best practices point of view.

STEP 5 - TAKING ACTION ON OUR COMMITMENTS

Assessing the significance of our impacts across each topic is the first step, while taking action to mitigate our impacts is our aim behind this assessment. This is where we set targets across each topic in the next section "Sustainability Strategy". We plan to communicate our progress towards each target in the upcoming report.













STEP 3 - BUILDING OUR ESG STRATEGY AND IDENTIFYING OUR MATERIAL TOPICS AND COMMITMENTS













Based upon the outcomes of steps 1 and 2, we were able to narrow down the pool of potential material topics, and identify our top areas of impact given the context of our operations, reflecting our commitments across each ESG pillar, and build our ESG 2022-2025 Strategy with 2030 Vision. The commitments reflect the material topics that we believe we need to act upon to maintain our business operations sustainably, and achieve our end goal of becoming an ESG leader in our industry.

STEP 4 - ASSESSING THE RISK IMPACTS PER MATERIAL TOPIC FOR ACTION











For each of our identified top impacts areas/ material topics, we have determined the related material issues or risks related to each topic and have assessed its impact in terms of scale/magnitude and likelihood, across each of our two business arms – GB Auto and Auto-Related (Automobiles and Auto Parts Industry), and GB Capital (Non-Banking Financial Services Industry). Given the fact that we operate across two different industries, we acknowledge that our impact areas across the identified topics will differ. We have also assessed the direct areas of impact per topic (from a group-level perspective), on each of our financial performance, business operations, community (includes our employees, local community, and the environment), as well as on our various stakeholder categories.











IMPACT ASSESSMENT

ESG PILLARS	STAKEHOLDER CATEGORIES	GB AUTO SEGMENTS	RISK IMPACT ASSESSMENT	
 Good Governance	 Employees	 GB Auto & Auto Related Segment	Impact Scale/ Magnitude	Impact Likelihood
 Vibrant Business	 Customers & Clients	 GB Capital (Financing Businesses)	High	↑ Common occurrence
 Liveable Planet	 Business Partners		Medium	Ⓢ Likely/could occur
 Thriving Humanity	 Shareholders		Low	✗ Unlikely to occur
	 Government Entities & Regulators			
	 Local communities			

PILLAR	MATERIAL TOPIC	RISK IMPACT DESCRIPTION	RISK IMPACT ASSESSMENT		DIRECT IMPACT AREA (GB Auto Group)			
					FINANCIALS ¹	BUSINESS OPERATIONS ²	COMMUNITY ³	STAKEHOLDER CATEGORY
	Good corporate governance	Integrating core ESG practices into corporate governance structures is highly required in our industry. Ensuring expertise and high engagement and mindful decision making with regards to ESG-related issues including Climate Change in specific is crucial, and is currently demanded by all stakeholders.	↑	↑	✓	✓		  
	Business integrity and conduct	The automotive industry in specific is subject to complex interactions across the value chain, which often pose challenges and compromises regarding different stakeholder interests and needs. Adherence to a robust Code of Ethics is mandated, in addition to proper tools for monitoring, tracking, and improvement.	↑	↑		✓	✓	  
	Quality, compliance, and risk management	Ensuring product quality and safety is of high significance, accidents can be caused by defective parts in vehicles, and failure to detect defects before vehicles are sold can have significant financial repercussions for both automobile and auto parts manufacturers. Ensuring vehicle safety and responding in a timely manner when defects are identified can protect auto parts companies from regulatory action or customer lawsuits, which might otherwise result in significant costs.	↑	Ⓢ	✓	✓		  

¹ Refers to impacts on group financial performance, and risks related to losses.² Refers to impacts on business operations, and processes.³ Refers to direct or indirect impacts on stakeholders including employees, customers, suppliers, local community, and the environment.

PILLAR	MATERIAL TOPIC	RISK IMPACT DESCRIPTION	RISK IMPACT ASSESSMENT		DIRECT IMPACT AREA (GB Auto Group)			
					FINANCIALS ¹	BUSINESS OPERATIONS ²	COMMUNITY ³	STAKEHOLDER CATEGORY
	Technology and innovation	Keeping up with the rapid pace of tech innovation is crucial for maintaining top business performance and continuity in the region as well as globally. For the auto sector, regular innovation is needed to ensure top product performance and sustainability, while for the fintech sector, current local regulations and digital transformation strategies imposed nationally require continuous improvements and innovative digitization efforts.	↑	↑		✓	✓	
	Customer experience and sustainability	Serving all segments requires tailoring our products and services to fit each group's need, in both the auto and non-bank financial industry. Maintaining our leadership in after-sales services requires continuous improvements in CRM systems to ensure top customer experience. We also acknowledge that raising consumer awareness on sustainability issues including product environmental sustainability, and best practices is part of our responsibility.	↑	↑	✓		✓	
	Responsible investment and finance	Integrating sustainability criteria into investment and lending decisions and future developments is significant in securing and ensuring assets' long-term resilience and sustainability. Responsibility in ensuring financing is targeted at vulnerable groups to ensure social inclusion, empowerment, and contribute to national priorities and goals.	✗	↑	✓		✓	
	Resilient supply chains	Changes to the global economy and raw material shortages can impact pricing, timely delivery, and customer satisfaction, making supply chain resilience elemental to business continuity. Consideration of suppliers complying with ESG criteria is becoming significant and impactful on ability to enter certain markets, while maintaining transparency and a robust database of supplies, is crucial to ensure limited scope 3 emissions across the supply chain, to achieve GHG reduction targets, and net-zero commitments.	↑	?		✓	✓	
	Climate and energy	Most of the energy consumed in the auto manufacturing process happens in the supply chain. The use of electricity and fossil fuels by auto parts manufacturers in their production processes results in direct and indirect emissions of greenhouse gases (GHGs). Emissions related to sold products (vehicles) are also significant and need to be considered. Moreover, lending portfolio emissions are quite significant, and are difficult to track due to limited data; hence, an enhanced customers database is crucial to maintain.	↑	↑	✓	✓	✓	
	Sustainable mobility	Current local and global Environmental regulations are leading auto industry toward carbon dioxide (CO2) neutral vehicle production; hence, a need towards shifting current business operations and products is crucial.	↑	?	✓	✓	✓	

PILLAR	MATERIAL TOPIC	RISK IMPACT DESCRIPTION	RISK IMPACT ASSESSMENT		DIRECT IMPACT AREA (GB Auto Group)			
					FINANCIALS ¹	BUSINESS OPERATIONS ²	COMMUNITY ³	STAKEHOLDER CATEGORY
	Circular economy	Manufacturing auto parts involves the use of significant amounts of raw material. Types of waste generated by the industry include machine lubricants and coolants, aqueous and solvent cleaning systems, paint, and scrap metals and plastics. A significant portion of auto parts manufacturers' revenue is spent on the cost of materials. Therefore, it is important to manage the manufacturing inputs through reducing and recycling to avoid risks such as price volatility, and supply disruptions.	↑	×		✓	✓	
	Green facilities	Ensuring resource efficiency including responsible energy and water consumption, as well as proper waste management, and efficient indoor air quality across all our facilities (factories, service centers, and offices) is highly significant to curb emissions, and maintain our people's wellbeing.	↑	↑		✓	✓	
	Health, Safety and wellbeing	People of a company are its substantial assets; hence their health and safety is a priority concern specifically in the auto industry; ensuring a robust system and regular training and capacity building on best practices across all facilities is vital, and should be continuously improved.	↑	?			✓	
	Diversity and inclusion	The auto industry is known to be male-dominated; with women only representing quarter of the manufacturing workforce ⁴ . Ensuring equal opportunities and bridging the gender gap requires a transformation in current systems and mindsets. Furthermore, diversity and inclusion in microfinancing and lending is crucial in supporting traditionally underrepresented groups.	↑	↑			✓	
	Human potential	Building capacities is crucial in the fast-paced industry and providing opportunities for graduate students, as well as investing in youth and internal hiring is vital for attracting and retaining talents to sustain and drive our business forward, as well as help contribute to a sustainably developed nation.	↑	↑		✓	✓	
	Supporting society	As a large corporate, investing in local communities to generate social and environmental benefits and help to promote sustainable development of local economies, such as introducing modern health services, new education opportunities, renewable energy and other tailored interventions, is a responsibility.	↑	↑			✓	

⁴ Deloitte – Women in the Automotive Industry

2.3. SUSTAINABILITY STRATEGY

Operating in the automotive and finance sectors, we recognize their significant impacts on the economy, society and the environment. We believe it is time to reverse harmful practices and trends commonly associated with transportation and finance. To secure our lasting business success and continue serving our customers at our best, we need to address pertinent social challenges.

KARIM GADDAS

GROUP COO



“

Through its unique market stance, established customer relationships and range of services, GB Auto can be a pioneer of sustainability in the automotive industry in Egypt. Our dedication to efficiency, cost optimization and robust business model provide a great foundation to make this happen. Growth and dedication to leadership have always been our driving forces. This translates into new brands and new regions but we are ready to do more. Today, sustainability is our new frontier for business development and we are well prepared to lead ambitious action on what makes sense for our business, the society and the planet. Based on careful consideration of our customer needs, rigorous quality control and diverse talent, we are well prepared for the new business environment driven by ESG and corporate citizenship.

”

Our new Sustainability Strategy for years 2022-2025 with 2030 Vision, outlines transformations in mobility and finance that will facilitate greater inclusion and accessibility to essential services with higher levels of comfort and convenience and in line with a liveable planet. We believe our business can play a role in making this happen.

Our new sustainability strategy serves as a manifesto and practical roadmap to address our impacts and contribute to sustainability in Egypt, the MENA region and beyond. The strategy has been developed based on our core values and considering the UN Sustainable Development Goals, Egypt Vision 2030, the UN Global Compact, sectoral plans and policies, current and emerging market and regulatory developments.








Our sustainability framework includes three pillars and twelve commitments, each connected to one or more SDGs. They are detailed in areas of work and targets that reflect international














commitments and recommendations of authoritative organizations and sectoral and contextual peculiarities.

The high-level targets provided in this strategy span different periods, reflecting our expected pace of change. We also hope specific action plans and programs to be developed for particular areas of action to facilitate their achievement and generate more detailed insights on particular activities required to achieve them.

To ensure effective implementation of the strategy, we aim to integrate sustainability at all levels of the company, conduct corporate ESG programs and training, and disclose our performance in line with leading international ESG frameworks and ratings based on materiality and stakeholder needs. We also ensure seamless integration of different departments to drive our sustainability performance.

Read more on how we are committing to real change in our
[ESG Strategy 2022-2025 with 2030 Vision](#)

PILLARS	MATERIAL TOPIC	TARGETS AND COMMITMENTS 2022-2030
GOOD GOVERNANCE	Good corporate governance 	We commit to making sustainability integral to every decision at GB Auto at every level. <ul style="list-style-type: none"> • Publish internal guidelines for integrating sustainability into decision-making by 2023 • Conduct a review of corporate policies, standards, instructions, plans and procedures for capacity to effectively manage material ESG topics • 100% of managers trained on ESG topics by 2025 • Annual disclosure in line with select ESG frameworks
	Business integrity and conduct 	We commit to acting with integrity, protecting human rights and standing by our values and principles. <ul style="list-style-type: none"> • Zero cases of corruption annually • Zero cases of Code of Conduct violations • Develop Human Rights Policy • Zero human rights violations annually
	Quality, compliance, and risk management 	We commit to creating internal systems and procedures that facilitate the highest quality standards while ensuring effective identification, assessment and mitigation of financial and ESG risks. <ul style="list-style-type: none"> • 100% of facilities and factories operating in line with internal quality requirements and subject to third party audits annually • Incorporate ESG factors into the Audit Committee Charter, Risk and Control Framework and Internal Audit Manual by 2023 • Conduct a comprehensive review and assessment regarding legal and regulatory compliance with a specific focus on new and emerging requirements towards management and disclosure of sustainability performance by 2023
	Technology and innovation 	We commit to utilizing the power of technology and innovation to leverage better decisions, improve accessibility and efficiency, and generate novel solutions for a more sustainable future. We will seek to be a flagship distributor of products with enhanced sustainability characteristics. <ul style="list-style-type: none"> • 100% of eligible services digitized by 2025 • Products with enhanced sustainability characteristics present in each product line by 2025
VIBRANT BUSINESS	Customer experience and sustainability 	We commit to building lasting and trustful relationships with our customers, carefully tailoring our offer to meet their needs and preferences while promoting responsible and sustainable choices. <ul style="list-style-type: none"> • 90% for Sales PC Customer Satisfaction Score by 2025 • 100% of service personnel trained annually for up to date knowledge and sustainability in customer interactions • 90% of customers outreached with sustainability and safety messaging annually
	Responsible investment and finance 	We commit to practicing responsible investment and finance to facilitate social inclusion, equality and local economic development. <ul style="list-style-type: none"> • Sustainable return on investment indicator introduced by 2023 • All investments comply with ESG criteria by 2030 • 100% of financial services are ESG compliant by 2030
	Resilient supply chains 	We commit to building an agile, transparent and resilient value chain that can effectively function in a turbulent, unpredictable and interconnected world. We will also support our partners in becoming more sustainable through capacity building and sharing best practices. <ul style="list-style-type: none"> • 100% supply chain transparency by 2025 • All suppliers are screened according to GB internal ESG criteria

PILLARS	MATERIAL TOPIC	TARGETS AND COMMITMENTS 2022-2030
LIVEABLE PLANET	Climate and energy  	<p>We aim to build a climate-positive business powered by sustainable energy in line with the global transition towards a sustainable economy while proactively addressing climate risks and opportunities. We will also utilize our capacities to facilitate the transition to a renewable energy future.</p> <ul style="list-style-type: none"> • 40.8% Scope 1-2 emissions reduction by 2028 • Carbon-neutral business by 2050 • Conduct annual climate risk assessment • 100% facilities certified according to ISO 50001 • 40% Improvement in the energy efficiency of manufacturing by 2023 • 75% Renewable energy across all manufacturing facilities by 2030
	Sustainable mobility  	<p>We commit to promoting the future of clean, safe and sustainable mobility accessible for all.</p> <ul style="list-style-type: none"> • 100% sustainable and low-carbon fleet by 2030
	Circular economy 	<p>We commit to implementing circular economy principles at every value chain stage by minimizing throughput, creating material loops and cascading value. We will engage in cross-stakeholder collaborations and facilitate the creation of new markets to ensure that nothing goes to waste.</p> <ul style="list-style-type: none"> • Developing criteria and processes for prioritizing safe, circular and sustainable chemicals and materials by 2023 • An inventory of all materials and chemicals used by 2023 • Develop a Waste Management System • Annual circularity assessment of all manufacturing facilities • 90% zero waste from operations by 2030 • 10% reduction in production water intensity by 2025 • Zero wastewater discharge by 2030
	Green Facilities    	<p>We commit to creating facilities that are safe for humans and nature alike.</p> <ul style="list-style-type: none"> • 100% buildings certified green by 2030 • Annual integrated assessment for gradual improvement
VIBRANT BUSINESS	Health, Safety and wellbeing 	<p>We commit to providing safe and healthy working conditions and a workplace that promotes human well-being.</p> <ul style="list-style-type: none"> • 85% workplace satisfaction rate by 2025 • Zero fatalities, severe accidents and work-related injuries annually • 100% of manufacturing sites certified according to ISO 45001
	Diversity and inclusion 	<p>We commit to creating a workplace and corporate culture free from all kinds of discrimination, positively embracing differences and leveraging the power of diversity and inclusion.</p> <ul style="list-style-type: none"> • Zero cases of discrimination annually • 100% grievances resolved annually
	Human potential 	<p>We commit to supporting our people in growing to their fullest potential and realizing their career ambitions considering diverse talents and needs represented at GB Auto</p> <ul style="list-style-type: none"> • 100% employees covered by performance assessments and feedback annually • 100% of employees covered by career plans 2023 • 100% of employees covered by personal and group training needs assessments by 2023
	Supporting society 	<p>We aim to support SDGs and local sustainability goals through community investments and targeted donations.</p> <ul style="list-style-type: none"> • Invest 250 M EGP by 2030 in donations to local community projects that support one or more SDGs

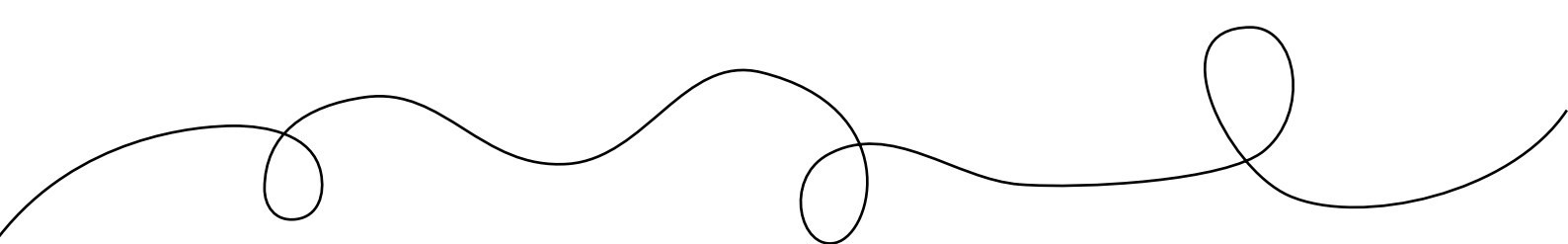


≡ CORPORATE GOVERNANCE

Governance and management	25
Business integrity and conduct	32
Quality, compliance, and risk management	36

OUR APPROACH

Our corporate governance aims at ensuring responsible, transparent, and accountable operations. By integrating ESG criteria and sustainability thinking into our governance framework, we expect to make sustainability a new normal for the whole Group and an essential pillar of mindset, corporate culture, and decision-making.



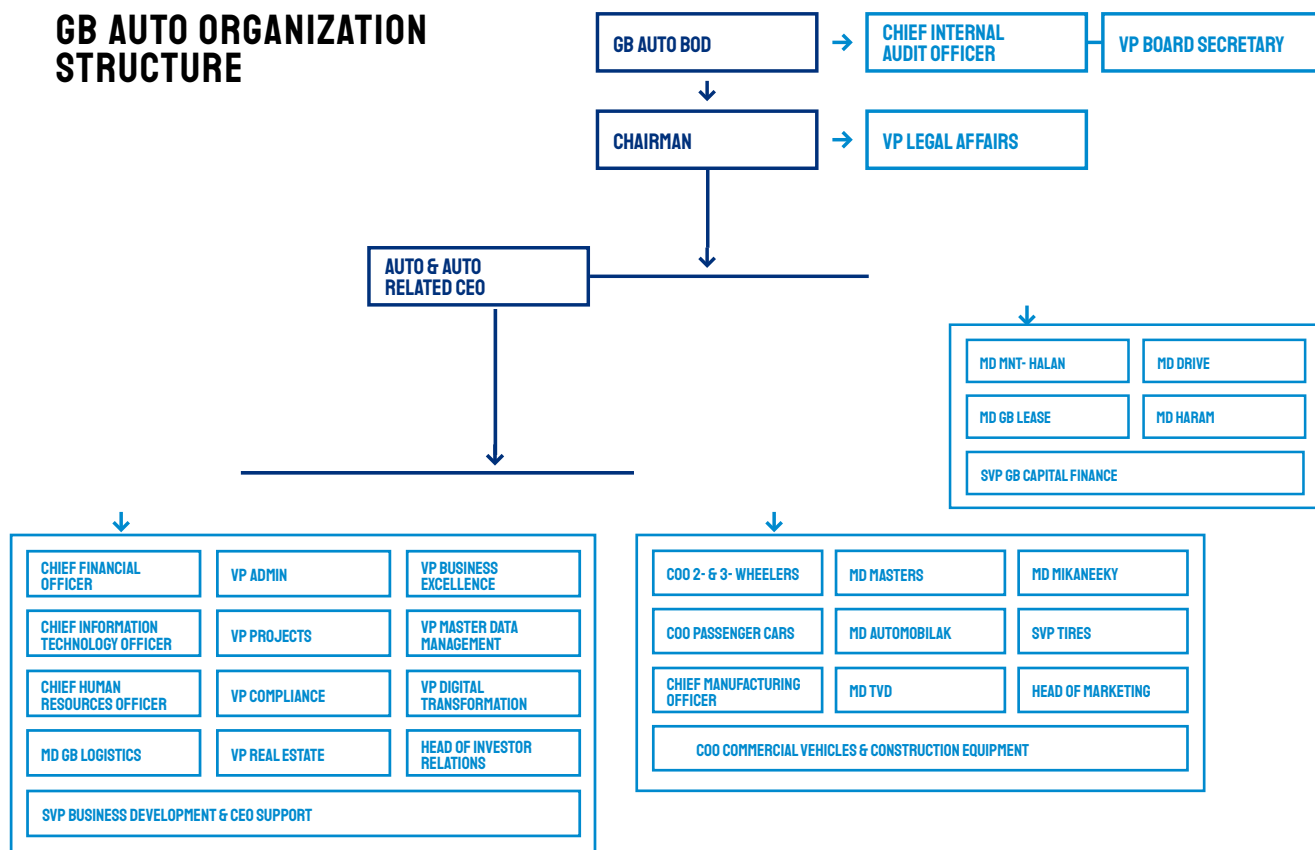
3.1. GOVERNANCE AND MANAGEMENT

Our robust governance framework focuses on responsible business operations and oversight of business performance, diligence, and risks. At the same time, our management approach focuses on streamlined, sound and effective decision-making with a clear hierarchy and fast implementation.

GB AUTO'S CORPORATE GOVERNANCE AND BOARD SECRETARIAT (CG & BS)

GB Auto's CG & BS department sets the rules, principles and systems that govern the relationship between the Board of Directors (BoD), GB Auto's owners and other stakeholders, in order to achieve the best protection and alignment of interest of these parties, it also dictates how GB Auto's BoD manages and oversees the operations of GB Auto including principles of transparency, accountability and security. GB Auto commits to and follows the requirements of the Egyptian Capital Market Law No. 95 and its executive regulation for all subsidiaries which are subject to this law, which is regulated by the Financial Regulatory Authority (FRA). GB Auto also abides by the requirements of Law No. 159 of 1981 and its executive regulation for all subsidiaries subject to this law, which regulated by the General Authority for Investments (GAFI).

GB AUTO ORGANIZATION STRUCTURE



Corporate Governance and Board Secretariat

department in GB Auto aims to assist in the reinforcement and strengthening of governance committee or the board, our strategies are determined as follows:

- Supervising the existence of the essential principles and elements which assist in the development and improvement of GB Auto' performance so as to contribute in achieving the strategic goals set up by the board.
- Overseeing the implementation of the principles of disclosure and transparency and the governance culture throughout the GB Auto' business and activities.
- Improving and developing GB Auto's general framework and work principles through GB Auto's Code of Ethics, and determine its social responsibilities towards workers and society in general.
- Working on the application of the concepts of transparency, clarity and fairness in dealing with all shareholders.
- Overseeing the application of the conflict-of-interest policy to all GB Auto' staff.
- Supporting the clarity of relationships between the board and stakeholders.

The Corporate Governance, consists of three main pillars, which are: the general assembly of shareholders, the board of directors, and the board committees.

The Board Secretariat is responsible for preparing and coordinating meetings of the board of directors, committees and the general assemblies, and ensuring that the minutes of meetings are taken and approved. In addition, assisting the Board Chairman in preparation for the general assemblies of shareholders, as well as managing the related logistics, and acting as an advisor to all board of directors with regards to corporate governance issues..

AUDITING EFFORTS

- Assessment of risk exposure in relation to the achievement of GB Auto; strategic objectives
- Significant risk reporting and control matters, including fraud risks, governance issues, and other matters that are needed or requested by the Board.
- Evaluate the effectiveness and efficiency with which resources are used.
- Evaluate the means of asset protection and, where appropriate, verify the existence of such assets.
- Evaluate specific operations at the request of the Board or management, as appropriate.
- Evaluate the reliability and integrity of information and the means used to identify, measure, classify and report such information.

GB AUTO BOARD OF DIRECTORS

GB Auto's Board of Directors guides the company's operations and monitors its performance to ensure transparency, mitigate risks, and provide advisory support and services. Its members' extensive track records across public and private operations allows them to assist the company in making strategic decisions and facilitate successes across varied types of operations.

For more information about GB Auto's Board members' biographies, check GB Auto's website [here](#).

DR. RAOUF GHABBOUR



CHAIRMAN OF THE BOARD
OF DIRECTORS

Tenure: **2007-present** (15 years)
Share ownership: **62.8 %** (directly
and indirectly)

MR. MOUNIR FAKHRY ABDELNOUR



INDEPENDENT BOARD
MEMBER

Tenure: **2016-present** (6 years)
Share ownership: **None**

MR. MANSOUR KABBANI



NON-EXECUTIVE
DIRECTOR

Tenure: **2017-present** (5 years)
Share ownership: **0.35 %**

MR. NADER GHABBOUR



CHIEF EXECUTIVE
OFFICER

Tenure: **2012-present** (10 years)
Share ownership: **0.066 %**

MR. ABBAS EL SAYED



EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER

Tenure: **2019-present** (3 years)
Share ownership: **None**

MS. LOBNA EL DESSOUKY



INDEPENDENT BOARD
MEMBER

Tenure: **2020-present** (2 years)
Share ownership: **None**

MR. MOHAMED NAGUIB



INDEPENDENT BOARD
MEMBER

Tenure: **2019-present** (3 years)
Share ownership: **None**

14.2 % FEMALE BOARD MEMBERS

6 YEARS AVERAGE TENURE OF THE BOARD

INDEPENDENT BOARD DIRECTORS

The independent director is a non-executive board member that is not a shareholder in GB Auto. He/she has been appointed as an expert within the board, and has no other relation with the company except his/her membership in the board, he/she is not a representative of the company's owners, and has no material transactions with the company, and is not paid any salary, commissions, or fees except compensation as a board member. He/ she neither has personal interest in GB Auto, nor is a relative by blood or marriage or otherwise up to second degree relationship to any of its shareholders, board of directors, or executive members, also he/she is not a senior officer, advisor or external auditor of the company.

CHAIRPERSON AND CEO ROLES

The role of the CEO and the chairperson is split, where the chairperson is an executive and not an independent director, while the CEO is an executive and managing director. The chairman of the board of directors is the one responsible for the general sound performance of the board, the responsibility of guiding and directing the board and ensuring its effective performance.

MANAGING CONFLICT OF INTEREST

In order to mitigate any conflict of interest, the below framework is adopted GB Auto by the following responsible departments to serve the organizational segregation of duties:

Business Excellence Department

is continuously working to develop/ design company's processes and standard operating procedures, while considering segregation of duties as one of the main controls to mitigate conflict of interest.

Compliance Officer shall be appointed officially starting 2022 with the responsibility of receiving and reporting any cases related to conflict of interest across GB Auto's departments and business lines.

IT Department sends user access rights to each business unit to be reviewed while considering issues related to conflict of interest.

Internal Audit Department flags conflict of interest related cases through periodic audits, and ensures they are immediately resolved through recommended action plans that are set to be implemented by the relevant business unit.

BOD ELECTION, NOMINATION, AND SELECTION CRITERIA

GB Auto's BoD members are elected during the General Assembly Meeting with GB Auto's shareholders which is held annually. Subject to the law and GB Auto's article of association, the BoD shall be made up of an adequate number of members that enable it to perform its functions and duties, including formation of committees, the majority of members must be non-executive and at least two of them are independent members with technical and analytical thinking skills. The selection of the board members follows specific criteria to ensure diversity and innovation, to have strategic thinkers and leaders that are able to take challenges, besides having individuals with a strong experience in sales, marketing, industry, finance, and capital raising.

GB AUTO BOARD COMMITTEES

COMMITTEE	RESPONSIBILITIES	MEMBERS - % ATTENDANCE	Nº OF MEETINGS HELD IN 2021
AUDIT COMMITTEE	<p>The Audit Committee ensures objective reporting on the company's performance, with specialized focus on financial operations and risk management. It ensures:</p> <ul style="list-style-type: none"> • The soundness and integrity of GB Auto's financial statements. • GB Auto's full compliance with relevant legal and regulatory requirements set forth by the Egyptian Stock Exchange and the Egyptian Capital Markets Authority. • The appointment of qualified, independent external auditors. • The effective performance of the internal audit function, by regularly reviewing its guidelines, procedures, and results to guard against corruption and improve efficiency across the company. 		4
REMUNERATION COMMITTEE	<p>The Board of Directors relies on the Remuneration Committee to achieve the following:</p> <ul style="list-style-type: none"> • Outline the company's remuneration policy. • Advise on all matters pertaining to the company's pay and benefits frameworks. • Advise on methods to further integrate transparency into the company's remuneration process, which includes the compensation structure for the chairman, executive directors and senior management. <p>Fees and other payments made out to non-executive directors do not fall under the purview of the Remuneration Committee. The payment structure is reviewed by a sub-committee comprised of the chairman and up to two executive directors of the Board.</p>	<p>1. 100% Lobna El Dessouky</p> <p>2. 100% Mounir Abdelnour</p> <p>3. 100% Mansour Kabbani</p> <p>4. 100% Mohamed Naguib</p>	1
CORPORATE GOVERNANCE COMMITTEE	<ul style="list-style-type: none"> • Regularly evaluating the governance system, and drafting manuals, codes and policies for implementing governance principles across GB Auto. • Maintaining, authenticating, and following up on performance evaluation reports of the board of directors. • Reviewing the regulatory authorities' feedback and remarks on GB Auto's implementation of governance requirements, and following up on the actions taken. 		2

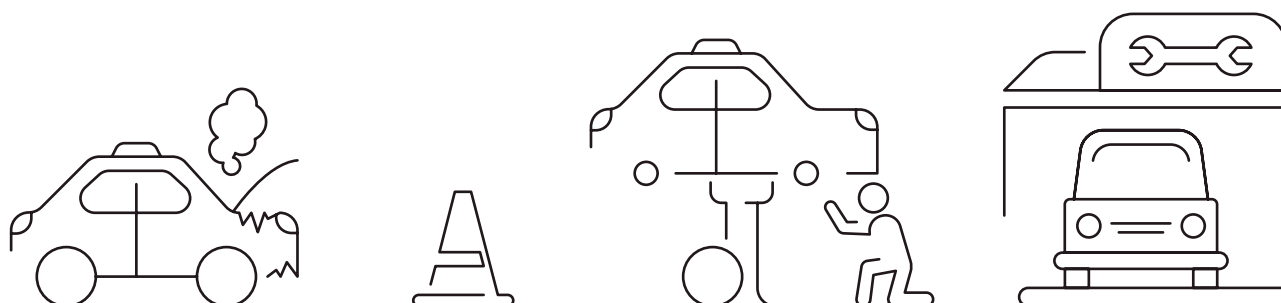
BOARD AND SHAREHOLDERS ACTIONS

GB AUTO FY 2021 GENERAL ASSEMBLY MEETING

GB Auto's annual General Assembly Meeting was held on the 25th of March, 2021, and had the following points discussed:

- Approval and Ratification of the Board of Directors' Report regarding the Company's activities for the Financial Year ended December 31, 2020 and the governance report 2020.
- Approval of the External Auditor Report for the Year ended December 31, 2020.
- Approval of the consolidated and standalone Financial Statements for the Year ended December 31, 2020 as well as the Balance Sheet and Profit & Loss Account for that year.
- Profits distribution for the year ended December 31, 2020.
- Discharge of the Board of Directors' Members from their obligations for the Financial Year ended December 31, 2020.
- Approval of the Board of Directors composition.
- Approval of the Board of Directors' remunerations for the year 2021.
- Renewal of the External Auditor mandate for the Financial Year ending December 31, 2021 as well as fixing his annual fees.
- To delegate the Board to contract with related third parties' companies.
- Approval of the donations paid during the year 2020, and getting the board's approval for the 2021 donations.

The Corporate Governance and Board Secretary department is responsible for following up on the progress of the meetings along with documenting and ratifying the minutes of meetings of the board of directors and the general assembly meetings, and to approve the decisions and policies issued by the top management.



REMUNERATION POLICIES

FIXED COMPONENT (Basic Salary):

The Basic Salary is defined according to the role and is consistent with the delegated responsibilities. It also considers the experience of the individual the skills required other than the quality of the contribution made in relation to the achievement of the business objectives of the company.

VARIABLE PAY (Bonus, Incentive or commission):

The variable pay schemes aims to target the resources performance to business objectives through incentives directly linked to company and individual goals both in quantitative and qualitative terms.

the performance is evaluated depending on the performance period considered based on the following:

- results achieved by individuals
- results achieved by the units in which they work
- results achieved by the overall company

A maximum limit to the variable component payable is set and the objectives are defined, measurable, strictly connected to the achievement of economic, financial and operational results.

BENEFITS:

Benefits represent a substantial component of the remuneration package in a total compensation respective in addition to monetary payment, it includes:

- Health Care
- Life Insurance
- Pension Program
- Company Car / Car Subsidy / Car Allowance
- Mobile Allowance
- Meal allowance (for Blue Collars)

Current remuneration policy incorporates two main parts, related to top management's objectives and performance:

Part I: up to 9 multiples of basic salary depends on:

- Net Profit Before Tax (NPBT): Actual Vs. Budget
- Return on Capital Employed (ROCE): Actual Vs. Budget
- Performance Appraisal Rating: achievement of specific objectives.

Part II: up to 9 multiples of basic salary depends on:

- Return on Capital Employed (ROCE): Actual Vs. WACC (Weighted Average Cost of Capital)
- Achievement of Return on Capital Employed (ROCE): Actual Vs. Budget

Process for determining remuneration includes the following:

Compensation Review Process elaborates the steps involved in the review of fixed compensation of employees. The proposal is drafted by the Compensation and Benefits team, which is then reviewed by the CHRO and authorized by the CEO.

Differentiated pay practice rewards individuals based on:

- The current salary's Comparative Ratio (C/R) in relation to the market benchmarked by Job Code and Level or by Subfamily and Level.
- The performance appraisal rating.

3.2. BUSINESS INTEGRITY AND CONDUCT

Standing behind business ethics and integrity principles serves as our buffer against a wide range of risks and contribute to building a solid corporate culture. Internally and across our value chain, we are committed to sustaining high business ethics and integrity standards.

GB AUTO CODE OF ETHICS AND BUSINESS CONDUCT

All GB Auto's policies and Standard Operating Procedures (SOPs) are available on the corporate's intranet portal. Regular trainings are provided to GB Auto's employees on implementing the code of business conduct, including business ethics and awareness, and compliance procedures. Our code of ethics and business conduct covers the following aspects, and applies to GB Auto group and all its subsidiaries across Egypt as well as overseas.

FUNDAMENTALS

- Principles and values that drive our business practices - GB Auto focuses on employees' Integrity, respect and team work, and the expression of the spirit of innovation to maintain a continuous work improvement and customer satisfaction.
- Compliance – We are required to carry our duties with honesty, integrity and responsibility and to operate at the highest standards of business conduct.

RELATIONS

- Employee relations - GB Auto ensures that all employees work in a safe and healthy environment, abide by the same rules and have the same rights.
- Culture and fair treatment and respect - All employees are treated fairly and ethically regardless of age, gender, race, color, national origin, or religion and are equal contributors to the success of GB Auto.
- Interpersonal relations - GB Auto fosters collaboration, encourages open channels of communication, and ensures effective people management.
- Grievances and disputes - GB Auto enforces clear escalation policies for employees to ensure that all complains and/or disputes are dealt with in a fair and timely manner.
- Market selection and serving customers - The organization never discriminates against customers or markets for any reason and strictly abides by the rules and regulations of the country where it operates.
- Supplier relations and fair dealing - GB Auto builds trustworthy relations with suppliers and offers them fair business opportunities.
- Government relations - GB Auto consistently interacts with governments agencies with honesty and respect.

- Community relations - The organization participates in various community programs in Egypt to promote integration, development, and improve the quality of its culture, and environmental standards.
- Honesty and transparency in communications - At all times, GB Auto communicates information transparently when dealing with customers, dealers, suppliers, and government agencies.
- Health and safety compliance - The Company ensures that all employees operate in a safe and healthy environment and requires that employees comply with the Health & Safety regulations.
- Financial controls and records - GB Auto is responsible to provide effective communication to stakeholders and present them with accurate financial information.
- Preservation of assets - All employees at GB Auto share the responsibility of preserving the company's assets and are required to immediately report the loss or damage of any assets.
- Internet and e-mail proper usage - All employees should limit the use of e-mails and internet browsing to work related needs only.
- Sexual harassment - Sexual harassment is a serious violation at GB Auto as well as a legal offense. Any incident of harassment of any kind must immediately be reported to HR, such offense will be subject to legal investigation and termination.
- Dress code - All employees must adhere to the company's dress code to maintain the positive and professional image of GB Auto.
- Conflicts of Interest - All employees must avoid any situation that will put them in a potential or actual conflict of interest with GB Auto.
- Gifts and services acceptance - All employees should never accept any kind courtesies and gifts as this will put their jobs in jeopardy.
- Bribes and corruption – bribes and corruption are unlawful under any and all circumstances. Employees, who are offered bribes or are aware of corruption acts in their work relations, whether internally or externally, must report the situation immediately.
- Antitrust compliance - GB Auto treats every customer and supplier appropriately under all applicable antitrust and fair competition laws.
- Confidential information - The organization administers and handles information in a responsible, safe, objective and legal manner.
 - o Clean desk policy - All employees should ensure that confidential information is never left unattended on their desk to avoid any breach of privacy.
 - o Use of confidential information - GB Auto employees must never disclose or communicate confidential information to any third party except when required and authorized to do so for business reasons.

ENCOURAGING A SPEAK-UP CULTURE AND TOP MANAGEMENT ENGAGEMENT

GB-Whistle Blower Program

Our whistle blower program allows GB Auto's employees and workers to raise any concerns related to violations of proper business conduct and unethical or unlawful behaviors, this includes:

- Communication channels through someone other than a director superior, such as an ombudsman, HR or Legal counsel
- Anonymous reporting
- Ensure timely and appropriate follow-up by management on whistleblower tips received from customers, suppliers, employees or other external parties
- Communicating corruption cases via the [Corruption Reporting Form](#) through the corporate website



COMMUNICATING CRITICAL CONCERNS

The process for communicating critical concerns raised by our employees related to negative impacts remediation or others related to business conduct and ethics goes as follows:

STEP 1

The employee should raise the matter with his/her Line Manager or Supervisor immediately either verbally or in writing. If the matter itself concerns the employee's Manager then the employee should raise it to the next level of management. If the Manager is unable to resolve the matter at that time then a formal complaints form should be submitted. The Manager must then respond within two working days unless both he and the employee agree to a longer period. The response must give a full written explanation of the Manager's decision and state who the employee may appeal to if he/she is still dissatisfied.

STEP 2

In most cases the Company expects that the Manager's decision will be final and the matter will be closed. If the employee remains unsatisfied he/she may appeal against his/her Manager's decision. The appeal to the next level of management must be made within ten working days following the original response to the employee's complaint and the appeal must be in writing format. Attached to it must be a copy of the original complaint form and the Manager's response to it. A copy of the aforementioned documentation must also be sent to the Chief Human Resources Officer (CHRO). This Manager with an HRBP nominated by the CHRO will attempt to resolve the complaint and will provide a formal written response and full explanation in writing within seven working days. He will copy the responsible C Level.

STEP 3

If the employee remains unsatisfied he/she has the right finally to appeal to the responsible C Level Manager (top management). This appeal must be in writing in the format as per the Appendix form and must have attached copies of all previous documentation. This appeal must be made within ten working days of receipt of Step 2 response.

The C Level Manager together with the HR Business Partner (HRBP) will meet with the employee and will conduct an investigation to understand the issue. A final decision will be taken within ten working days of receiving the complaint based on the findings of the investigation. This decision will be final and there will be no further right of appeal. Feedback of the decision taken will be communicated to the employee as the final position of the Company in relation to his/her complaint.

If the complaint is about a C Level Executive, then the employee must raise the complaint directly to the CEO and/or CHRO. If the complaint or concern is about a matter of critical importance to the Company all employees have the right at any time to take it directly to their C Level, the CHRO or the CEO.

Concerns that are brought to the attention of the Company through this process will be handled in a confidential manner.

MANAGING LEGAL ASPECTS

GB Auto Legal Department is a large, collaborative team of specialists sometimes taking on high-profile work connecting GB with its employees, customers and contractors, while protecting the reputation and integrity of its brand. GB lawyers perform to the highest abilities within a supportive work environment that offers a range of opportunities to develop from junior to senior level. Lawyers at GB Auto provide the essential advice and support that helps keep the company at the forefront of the industry. The constantly evolving nature of GB Auto Legal means we seek ambitious candidates ready to step up a gear in the corporate space, building honest promotion of the company and protecting shareholder interests.

The department works on representing the company legally before all governmental, private and public bodies in relation to obligations, rights and legal procedures related to the company's business, and establishing good and strong working relationships with these institutions in accordance with the need to provide legal and other assistance to the company to manage its business externally with them. In addition to the implementation of the work of the main contracts of the company, as well as supervision and review of all contracts with various departments and all external aspects of the legal aspects.

It is also in charge of crisis management and negotiations with clients related to (contracts - collection - describing the legal status of the company and its projects) and the development of legal policies and strategies and methods of negotiations.

Other activities of the department include, creating an internal active partnership with all business stakeholders while being governed with a practicable SLA, and setting workshops with competent departments to provide and improve legal awareness to all GB members. In addition to serving all sister companies with the same standards and level of quality to have the same "look & feel of GB Auto". The team also develops the effectiveness and quality through training courses to strengthen competitiveness of the practical trainings and customized programs according to internationally recognized standards. As well as having a Legal Management System that links updated information with all Business units to avoid any non-compliance issues. Working on revising all the used forms to enhance if needed, and running the Archive and Scan project for the soft backup of all old documents & records in order to save time & storage places.

ASK LEGAL

GB Auto offers its employees a service where they can inquire about different legal matters related to their careers, as well as personal matters where needed. We aim to enhance our systems.

LEGAL HOTLINE

A 24/7 legal assistance service is planned to initiate during 2022, aimed at providing assistance on legal-related issues to all GB employees at all times and from anywhere.

LEGAL HINTS AND TIPS

A service where random legal advice and tips are written in simple language, aimed at raising awareness around significant laws, and legal regulations of relevance to GB Auto's employees. We expect to launch this service in 2022.

REACHING OUT TO THE LEGAL DEPARTMENT

All business units can communicate with the legal department throughout the below channels:

1. legal.department@ghabbour.com, for litigation matters
2. contracts.team@ghabbour.com, for legal opinions/advice, drafting and/or reviewing contract
3. Direct email of any of the legal department employees for confidential matters

3.3. QUALITY, COMPLIANCE, AND RISK MANAGEMENT

GB Auto aims at implementing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and internal control. All our companies are managed to the same high standard while meeting specific requirements applicable to their activities.



ODETTE GAMIL
CHIEF INTERNAL AUDIT
OFFICER

“ GB Auto invests in building a dynamic and recognizable brand. We ensure consistent quality and representation across marketing channels, resonating with our customer needs and expectations. We strive to be a company people want to do business with, work at, and confidently approach to meet their mobility finance needs. ”

INTERNAL AUDIT AND RISK MANAGEMENT

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of GB Auto. It assists GB Auto in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management and internal control.

The internal audit activity governs itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to GB Auto's relevant policies and procedures.

Internal auditing constitutes the examination and evaluation of the organization's governance, risk management, and internal controls including the quality of performance in carrying out assigned responsibilities. In addition to assessing the effectiveness of operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned.

Internal Audit's includes the evaluating the reliability of information and the means of identifying, measuring and reporting it, ensures compliance with policies, procedures, laws, and regulations, safeguarding assets, resources efficiency and effectiveness, evaluating governance and risk management processes, as well offers consulting services related to such processes as needed, for the organization. In addition, IA maintains coordination with external auditors, and evaluates their quality of performance. Furthermore, IA ensures timely response to board requirements including evaluation of specific operations across the corporate, in addition to reporting risks related to fraud, or governance issues.

GB AUTO'S POLICIES & PROCEDURES

All GB Auto policies, and standard operating procedures have been developed in accordance with the national laws and regulations, as well as international guidelines and frameworks where applicable.

GB Auto's Business Excellence department is responsible for the creation and governance of GB Auto group procedures, policies and authority matrices. In which the effectiveness of such policies and procedures are reflected in the financial and non-financial improvements, as well as the compliance score of the audited processes as defined by the Internal Audit team.

BUSINESS UNIT	POLICY/ STANDARD OPERATING PROCEDURE (SOP) TITLE
PROCUREMENT	Global Strategic Sourcing Policy
INTERNAL AUDIT ¹	Internal Audit Charter Internal Audit Manual Risk and Control Framework (<i>GB Capital – Tasaheel</i>)
LOGISTICS	Warehousing SOPs ² Logistics Customs Clearance and Freight Forwarding SOP (<i>under development - expected by 2022</i>) Transportation and Fleet Policy (<i>under development - expected by 2022</i>) Insurance Policy
LEGAL	Contracts SOP Legal Corporate SOP (<i>under development</i>) Litigation SOP (<i>under development</i>)

BUSINESS UNIT	POLICY/ SOP TITLE
HR	Company Vehicle Policy Gift Policy Leave Policy Hospitality Policy Loans and Grants Policy Meal Allowance Policy Performance Appraisal Policies Recruitment Policies Training and Educational Assistance Policies Travel and Mission Transportation Policies Working Hours, Overtime, and Days of Rest Policy Medical Insurance Benefit Policy (<i>under development</i>)
FINANCE ³	Bill & Hold Policy Capitalization of fixed assets Disposal of fixed asset Intercompany Sales Investment property Lease contract policy Advance to suppliers (<i>under development</i>) Impairment of Assets (<i>under development</i>) Planning & Budgeting Costing Official Reporting Management of Receivables Management of Payables Cashflow Management Relations with External Auditors Financial Management of Fixed Assets Management of Petty Cash Collection of Credit Sales Credit Limit Management Credit Policy Amendment

¹ All our IA methodology, manual, audit charter, workflow and way of operations are derived from the Institute of Internal Audit (IIA) Standards, as well as the Quality Assurance and Improvement Program (QAIP)

² Warehouse SOPs include inbounds and outbounds SOPs, warehousing transfers, and handling of returned goods SOP

³ All Finance department's policies are developed according to the **IFRS** and **EAS** guidelines

BUSINESS
UNIT

POLICY/ SOP TITLE

BUSINESS EXCELLENCE

Standard Documents Governance
SOP

This SOP is managing the
creation and modification of:

- Authorities Limits Matrix
- Policies and Procedures

New changes were created to
speed up the review and approval
of SOPs issuing. New SLAs were
implemented.

IT

Access Management Policy

Password Security Policy

Remote Access Policy

DRP

Backup Policy

Change Management Policy

Risk Management Policy

Incident Management Policy

Network Security Policy

Data Center Security Policy

PRODUCT QUALITY, SAFETY, AND COMPLIANCE

GB Auto's commitment to the highest possible level of quality management in everything it makes and sells shows how much it is focused on producing defect-free vehicles that will never break down. This includes strengthening organizational units tasked with dealing with safety and service quality issues at all its customer contact points, strengthening its after-sales systems, and insisting on early detection and making immediate improvements in order to stop minor safety and service issues from becoming more serious.

These and other issues regarding proactive quality and service activities are an integral part of GB Auto's commitment to customer satisfaction and trust. GB Auto will continue with its commitment to offering its customers the highest possible level of quality and safety by developing new safety technologies that it can then apply to its vehicles.

POLICIES UPDATES AND DEVELOPMENT

Our internal processes are meant to be evaluated to ensure efficiency and alignment with our organizational expansions and change. Therefore some of policies are updated and/or modified depending on the business need.

- Automation of our Gifts policy
- COVID 19 Work from home extension & update
- Vehicle policy update
- Training & Educational assistance policy

COMPLIANCE SCORE OF ACTIVE STANDARD
OPERATING PROCEDURES (SOP)

**A 91.4% YEAR-TO-DATE (YTD) COMPLIANCE SCORE
OF ACTIVE SOP HAS BEEN ACHIEVED, WITH A FUTURE
TARGET OF 100% SET.**

**WE WERE ABLE TO ACHIEVE THIS SCORE BY
PERIODICALLY CONDUCTING AWARENESS ACTIVITIES
AND ASSESSMENTS ON A GROUP LEVEL ACROSS ALL
BUSINESS LINES AND DEPARTMENTS.**

1 All policies have been reviewed and approved by an External Auditor (PwC)



IV VIBRANT BUSINESS

Business performance	40
Responsible investment and finance	44
Digitalisation and cybersecurity	45
Supply chain management	50
Customer experience and sustainability	52

OUR APPROACH

At GB Auto, we focus on developing a business that enables society to do better. Our business evolves daily to meet new social needs and market demands, maintaining a leading position across competitive markets. With another turbulent year, our choice for making sustainability an essential part of the business strategy has proven invaluable.

4.1. BUSINESS PERFORMANCE

GB Auto has faced the consequences of a disrupted economy and social patterns, coming with less travel, lower sales, fuel price volatility and production challenges. However, the rebounding of purchasing power and introduction of two new brands have set GB Auto on a favorable path. We managed to achieve consistent growth in operational performance and profitability, and our diverse portfolio allows us to navigate the dynamic and uncertain future effectively.

CHERINE KALLAL

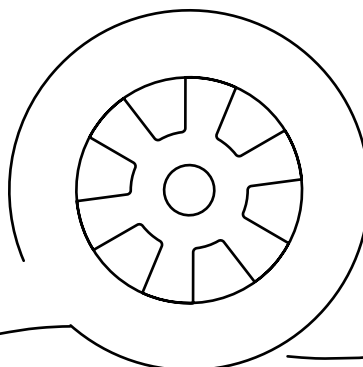
SENIOR VICE PRESIDENT
BUSINESS DEVELOPMENT &
CEO SUPPORT



“

GB Auto can be best described by three words: agility, resilience, and transformation. We strive to anticipate change, react quickly and lead with courage. Our business constantly evolves to meet the needs of the present and future. Responding to the growing demand for sustainability, we aim to connect with our customers continuously and develop our product offerings knowing their impacts at each stage of the lifecycle. Another pillar of our success is diversity - different people bring versatile perspectives, and diverse services attract a wider customer base. Together, our efforts synergize for a more sustainable future.

”



BUSINESS EXCELLENCE ACHIEVEMENTS

As a result of developing and maintaining quality policies, and SOPs across GB Auto's business lines, with an annual target of 50 SOPs (YTD development of 45 SOPs), multiple benefits in addition to performance standardization were seen through financial savings, improvement in productivity, and risks closure.

DELIVERING VALUE, MAINTAINING PERFORMANCE



Our **Auto and Auto-Related segment's** exemplary performance was further enhanced by our operational achievements throughout the year. Egypt's presidential initiative to convert vehicles into compressed natural gas (CNG) ones has been at the forefront of GB Auto's portfolio expansion strategy and sustainability agenda.

In 2021, despite the severe shortage of supply in CKD models and the late introduction of Chery Arrizo 5 to the program, we delivered **1,370 vehicles out of the 8,490 vehicles** supplied through the initiative thus far. We look forward to leveraging our expansive network and growing our market share in the CNG-vehicle market. Furthermore, we are proud to have supplied 24 best-in-class quality buses for the 2021 Africa Cup of Nations held in Cameroon in early 2022.

REVENUES

EGP 24,920.9 M
(+38.7% Y-O-Y)

NET PROFIT

EGP 800.2 M
(+181% Y-O-Y)

EBITDA

EGP 1,882.3 M
(+53% Y-O-Y)

A&AR LINES OF BUSINESS PERFORMANCE IN 2021

EGYPT PASSENGER CARS	EGYPT MOTORCYCLES & THREE-WHEELERS	EGYPT COMMERCIAL VEHICLES (CV) & CONSTRUCTION EQUIPMENT (CE)	EGYPT AFTER-SALES	EGYPT TIRES	REGIONAL (IRAQ)
		TOTAL SALES VOLUME 1,576 UNITS +36.8% Y-O-Y	TOTAL SALES REVENUE EGP 1,336.6 M +21.7% Y-O-Y		
TOTAL SALES VOLUME 45,584 UNITS +53.7% Y-O-Y	TOTAL SALES VOLUME 137,252 UNITS +22.1% Y-O-Y	464 BUS UNITS +4% Y-O-Y	PASSENGER CAR EGYPT AFTER SALES REVENUE EGP 910.8 M +25.8% Y-O-Y	TOTAL SALES REVENUE EGP 1,431.7 M +27.3% Y-O-Y	TOTAL SALES REVENUE EGP 3,099.7 M -14.5% Y-O-Y
25,088 CBU UNITS +92.2% Y-O-Y	64,119 MOTORCYCLES UNITS +26% Y-O-Y	873 TRUCK UNITS +75.3% Y-O-Y	MOTORCYCLES & THREE-WHEELER AFTER SALES REVENUE EGP 207.5 M +11.2% Y-O-Y		
20,496 CKD UNITS +23.5% Y-O-Y	73,133 THREE-WHEELER UNITS +18.9% Y-O-Y	142 TRAILER UNITS 36.5% Y-O-Y	CV&CE AFTER SALES REVENUE EGP 1,336.6 M +16.2% Y-O-Y		
		97 CONSTRUCTION EQUIPMENT UNITS -6.7%			
SALES REVENUE EGP 12,880.4 M +67.3% Y-O-Y	SALES REVENUE EGP 3,719.9 M +26.3% Y-O-Y	SALES REVENUE EGP 1,053.4 M +36.8% Y-O-Y	TOTAL SALES REVENUE EGP 1,336.6 M +21.7% Y-O-Y		



GB AUTO'S NEW HAVAL 2022 - DISRUPTING EGYPT'S SUV MARKET

As the leading group in the Egyptian automotive sector, GB Auto is taking a step to the future by launching the all-new Haval 2022, one of Great Wall Motors (GWM) five brands that is set on revolutionizing the Egyptian SUV market by its innovative technology and safety factors.

Launching the new Haval 2022 under two models, GB Auto is introducing Haval H6 and Haval Jolion. With its innovative safety features, competitive prices, superior performance, and technology, the Haval is set to change the SUV market in Egypt forever.



GB AUTO | CHANGAN SOLE DISTRIBUTOR IN EGYPT

GB Auto acquires the sole distributorship of Changan, the leading Chinese global automotive brand, in Egypt, in which it is launching four new models: New Alsvin, a small sized sedan, EADO DT, a medium sized sedan, and two SUVs the CS15 and CS55. The different models meet the varying needs and preferences of Egyptian consumers, while delivering a unique driving experience loaded with the latest innovations in performance, safety and security.





GB Capital recorded a noteworthy performance in 2021, achieving year-on-year portfolio growth and delivering on multiple operational initiatives. Performance was driven by improving market conditions as well as stronger consumer demand for our products and services with increased bookings and disbursements. GB Lease closed two securitization issues valued at EGP 4.3 billion, making it the largest securitization for a leasing company in Egypt and was successfully ranked third in Egypt as of November 2021. We are particularly excited about the developments made on the digital front in our consumer financing operations. In 2021, Drive's digital mobile app "Forsa," saw the successful onboarding of 150 merchants on the mobile app with ambitious goals for 2022. Additionally, we continue expanding our presence with the rollout of new branches and booths to extend our financing services to more

REVENUES

EGP 7,949.8 M

(+24.2% Y-O-Y)

NET PROFIT

EGP 678.7 M

(+7.4% Y-O-Y)

**GB LEASE RANKS 3RD
LARGEST LEASING COMPANY IN
EGYPT AS OF NOVEMBER 2021**

GB CAPITAL LINES OF BUSINESS REVENUES IN 2021

GB CAPITAL	GB LEASE	DRIVE	HARAM TOURISM TRANSPORT	MINT-HALAN
REVENUES EGP 67.7 MILLION	REVENUES EGP 695.6 MILLION (+13.6 Y-O-Y)	REVENUES EGP 3,069.5 MILLION (+18.8 Y-O-Y)	REVENUES EGP 3,991.4 MILLION (+30.3 Y-O-Y)	REVENUES EGP 124.6 MILLION (+15.1% Y-O-Y)



4.2. RESPONSIBLE INVESTMENT AND FINANCE

We are committed to responsible investment and finance to facilitate social inclusion, equality and local economic development. Through leasing, consumer financing and factoring, and fintech, we give people and companies transparent tools to participate in the economy, enhance their capabilities and improve quality of life. We also strive to integrate sustainability criteria into our investment decisions and future developments.

We consider financial inclusion a particularly significant driver behind reducing poverty and improving equality. Tasaheel is particularly well-positioned to facilitate lending to micro-enterprises, support bottom-up innovation and increase participation in the formal economy by groups traditionally excluded from it.

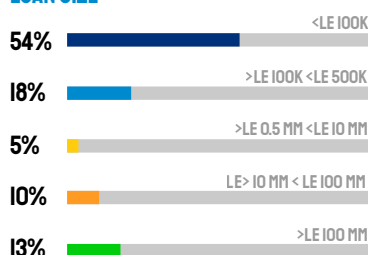
SHERIF SAMIR TAWADROS SENIOR VICE PRESIDENT FINANCE



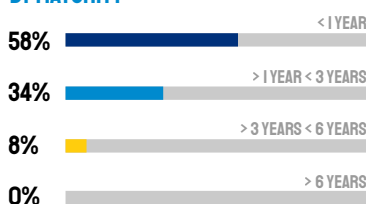
“A robust business environment ultimately depends on effective sustainability performance. Sustainability provides a foundation for sound and ethical decision-making that considers the interests of different stakeholders and future generations. All pillars of sustainability - economic, environmental, and social - should be considered in their interaction and with aspiration for synergy while avoiding tradeoffs. The same synergy should take place across different businesses that comprise GB Auto. This makes us one of the major players in the automotive industry in Egypt and the MENA region.”

GB CAPITAL PORTFOLIO BREAKDOWN

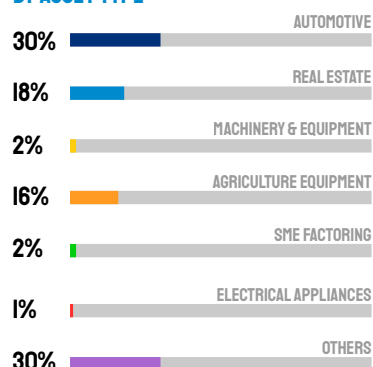
LOAN SIZE



BY MATURITY



BY ASSET TYPE



MICROFINANCE

TASAHEEL

We consider financial inclusion a particularly significant driver behind reducing poverty and improving equality. Tasaheel is particularly well-positioned to facilitate lending to micro-enterprises, support bottom-up innovation and increase participation in the formal economy by groups traditionally excluded from it. Tasaheel targets, as well, group lending to women, and it aims at helping low-income earners generate higher incomes and improve their living standards; and in doing so, it also supports overall community development and economic growth.

FINTECH

MNT-HALAN

We believe that banking the unbanked is an important step towards financial inclusion. MNT-Halan is Egypt's largest and fastest growing non-bank lender to the unbanked. MNT-Halan serves 4 million customers in Egypt, of which 1.8 million are borrowers.

BEDAYA

In June 2021, Bedaya Mortgage Finance Company, Egypt's first non-bank online mortgage provider, launched the country's first non-bank mortgage finance mobile application and online platform. The application and online platform allow us to further reach the unbanked, and provide our mortgage finance solutions to a broader customer base.

FORSA

Drive has successfully rolled out its digital mobile app "Forsa" and completed the onboarding of the first 150 merchants with plans to onboard about 1,000 by the end of 2022.

4.3. DIGITALIZATION AND CYBERSECURITY

Digitalization and automation give us leverage for improving productivity, optimizing logistics and operational efficiency, facilitating better customer experience, and promoting financial inclusion. Along with new opportunities comes growing responsibility for customer privacy and cybersecurity. We are committed to utilizing the power of technology and innovation to leverage better decisions, improve accessibility and efficiency, and generate novel solutions for an inclusive society and dynamic economy. We are also driven to collaborate with stakeholders and create solutions, products and services that address specific sustainability challenges.

OPERATING WITH A DIGITAL MINDSET

Being a group of companies operating across diverse industries while seeking leadership with purpose, requires maintaining smooth operations across all departments and divisions. We believe that the integration of digital technology into all areas of our business is crucial in achieving this, coupled with promoting cultural change, and building our employees and customers' capacities.

GB Auto's IT department plays a crucial role in achieving this through maintaining top, up-to-date digital business solutions, and supporting all business units from sales, to HR, finance, manufacturing, procurement, and administration functions, in adopting such solutions.

In addition to maintaining our Data center and security management, network infrastructure, and providing technical support services and project management services, as well as developing Oracle Apps according to our business needs. Quality assurance and periodic audits are also conducted to ensure continuous performance improvement.

KAMAL KHAFAGY CHIEF INFORMATION TECHNOLOGY OFFICER



“ I believe that sustainability is the only strategy for business success. A corporate design focused on sustainability enhances the brand value, responds to consumer demands, attract valuable talent, increases operational efficiency and employee productivity. These, in turn, lead to higher revenues and larger market share. IT solutions are an important asset in sustainability implementation, unlocking better customer experience and cybersecurity, higher efficiency and new automation and monitoring capabilities. ”

GB AUTO'S "IT KNOWLEDGE BASE" LEARNING PLATFORM

Building our employees and stakeholders' capacities on new technology-related projects is part of our focus on promoting a digital mindset, this is the reason behind the creation of an online in-house platform that we refer to as "IT Knowledge Base", which includes guidance and training material on how to use our day-to-day applications and business solutions at GB Auto.

During the reporting period, we conducted several training sessions to our employees on multiple digital projects including:

PROJECTS	TRAINING ATTENDEES	DURATION (DAYS)
ITEMS CODING PROJECT	All GB Auto users, including members from the Master Data Management depart- ment	5
CUSTOMER EXPERIENCE (CX) PROJECT	CX key users, mainly Sales and AFS busi- ness units	10
CREDIT MANAGEMENT	Finance credit team, and Sales and AFS business units	5
DIGITAL ARCHIVING PROJECT	Relevant business units and users	3
ORACLE HYPERION PLANNING ¹ & BUDGETING PROJECT	Finance department and budget setting users	15
EL MIKANEKY ² AFS NEW SOLUTION	All El Mikaneeky workshops key users (20+ attendees)	5

1 Oracle Hyperion Planning is a centralized planning, budgeting, and forecasting solution that integrates financial and operational planning processes and improves business predictability.

2 El Mikaneeky: is a trusted professional car servicing company that provides affordable solutions to the entire car market; with dealer accountability warranty and professionalism.

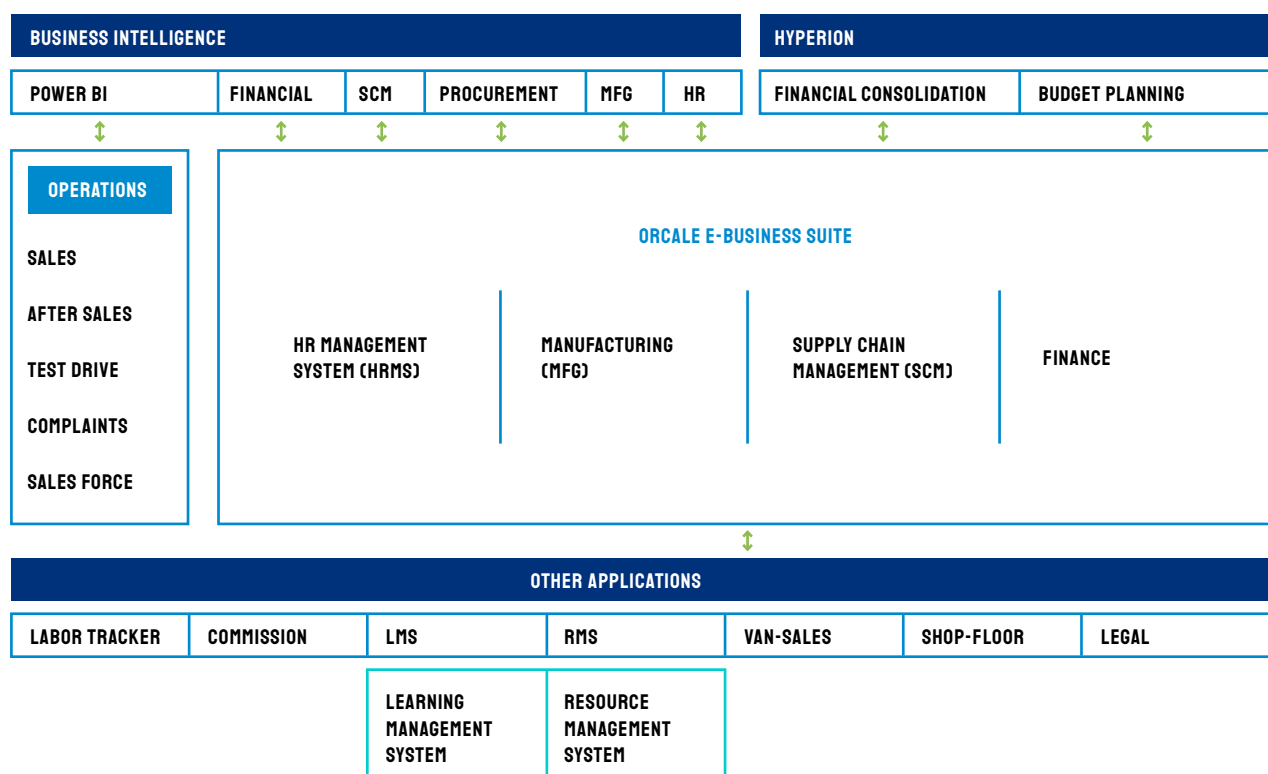
GB AUTO DIGITAL TRANSFORMATION STRATEGY

2015-2017 ROBUST INFRASTRUCTURE SYSTEM	2017-2021 PROCESS AUTOMATION & INTELLIGENCE	2018-2021 CUSTOMER EXPERIENCE FOCUS	2022-2025 MOBILITY AND AI
2016 (REACTIVE) <ul style="list-style-type: none"> IT organization is engaged with technology and reacts to problems/demands. No formalized budgets and project planning. Ad hoc management 2017 (BASIC CONTROL) <ul style="list-style-type: none"> Processes begin to be controlled, but customer-centered The development and introduction of new systems is ad hoc and informal 	2018 (SERVICE/PRODUCT FOCUS) <ul style="list-style-type: none"> Adopting standard approaches to business system development and introduction Implementing system testing and documentation 2020 (BUSINESS ENABLER) <ul style="list-style-type: none"> IT organization proactively contributes to changes in the organization's business processes 	2019 (CUSTOMER FOCUS) <ul style="list-style-type: none"> Service agreements are with customers and controlled by business and IT Project Portfolio management exists The IT organization is able to translate client demands but is still essentially reactive to business 2021 (DIGITAL FOCUS) <ul style="list-style-type: none"> Processes Automation & Intelligence 	<ul style="list-style-type: none"> Reduce Application's time to market. Mobile solutions for all Business units. RPA (Robotics Process Automation)

TOWARDS FULL AUTOMATION OF BUSINESS OPERATIONS

2021: DIGITAL FOCUS

We are currently shifting towards complete automation of business operations through adopting and integrated business applications including Oracle E-Business suite applications and integrating them across all our business units.



We are currently in the process of automating all processes across all GB Auto's business units, through providing strong reporting tools and dashboards to the top management to support and enhance quick and accurate business decisions. We hold a quarterly committee meeting to review the projects' plans and progress, with the CEO, the Automation and IT committees, and relevant business units' top management personnel.

As of the current reporting, areas in which we completed the automation process include Passenger Cars Sales - PC Sales "Pre-Sales Order-Retail Operations Enhancement", Retail sales order execution and order creation, PC online sales, customer data management, and finance-related operations including credit management.

216
PROJECTS
COMPLETED

64
PROJECTS IN
PLANNING PHASE



GB AUTO'S BUSINESS INTELLIGENCE PLATFORM

We are keen to acquire a business intelligence platform that supports business decisions ranging from operational to strategic, covering multiple advantages such as:

- Providing top management with historical, current, and predictive views of business operations
- Publishing reports securely
- Developing Rich personalized dashboards
- Incorporating AI technology to answer written questions



GB AUTO'S TAX E-INVOICE PROJECT

INTEGRATING OUR E-BUSINESS SUITE WITH THE GOVERNMENT'S TAXATION SYSTEM

This project aims to integrate our systems with the taxation authority, in which invoices could be uploaded directly to the authority's system, have all items linked with its BRICK codes, as well as adjust in company sales solution to comply with the Government's regulations. Scrap sales are also to be adjusted so as to be e-invoice compatible.



GB AUTO MASTER DATA MANAGEMENT

As part of our Digital Transformation Strategy, we created the **Master Data Management (MDM)** Department in November 2018, to develop its database infrastructure with a focus on **Items, Suppliers, Customers, Documents, Analytics and Insights**. The MDM department's role is to remove silos, manage, share, and ensure GB Auto's database integrity in one place using new technology, tools, and processes that ensure master data utilization across the group.

GB AUTO MDM PLATFORM

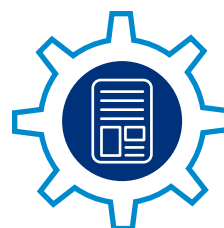
SUPPLIER DATA

Central knowledge repository for supplier relations, financial data, and evaluation.



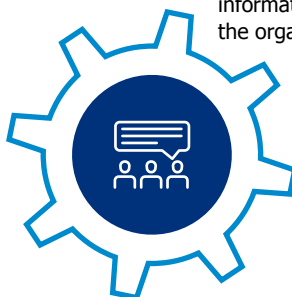
CUSTOMER DATA

CDM encompasses the collection, validation, profiling, securing, analysis, organizing, reporting and sharing of customer information throughout the organization.



ITEM DATA

Central knowledge repository for process and product history, and promotes integration and data exchange among all who interact with.



ANALYTICS & INSIGHTS

Systematic computational analysis of data or statistics. Discovery, interpretation, and communication of meaningful patterns in data.

Items Data

With the Items Master Data Governance project initiated in 2018, we had successfully implemented the 1st phase of the project for maintaining an all-in-one corporate-wide database of all items including sourced materials, supplies, and products that resulted in improved budget directing, equitable and organized growth risk mitigation across the value chain, enhanced planning and decision making, and improved relations management with our suppliers and external stakeholders.

Suppliers Data

By fully implementing this platform, we aim to harness the benefits of optimizing suppliers' selection criteria, and mitigating risks along the supply chain by maintaining a centralized suppliers database. This is also expected to improve data quality and transparency and enhance the accounting of the scope 3 emissions associated with our supply chain.

Customers Data

As we are shifting focus towards customer experience and centricity, we believe this platform will support maintaining customer loyalty, as well as improved customer experience through maintaining enhanced data quality on customer segmentation and their preferences.

Document Control

Ensuring a robust document control system will enable a central secure repository of documentation across all business units, in addition, to ensuring regulatory compliance and opportunities for identifying and implementing risk mitigation measures with regard to documentation processes.



GB AUTO MAIN ARCHIVING ROOM RENOVATION

A major renovation has been achieved to our main archiving room, with improvements across a range of aspects including, firefighting system, fire alarm, installing enhanced fire-rated walls and doors, upgrading the ventilation system, installing improved CCTV cameras, replacing stationary shelves with mobile ones, and developing an Archiving Plan.



MNT-HALAN'S NEURON DRIVES MASSIVE SCALABILITY FOR EGYPT'S LEADING FINTECH

MNT-Halan, Egypt's leading fintech ecosystem, has announced the successful rollout of Neuron, the proprietary core banking software it developed and launched in 2021. This distributed system enables the frictionless handling of millions of customers and multiple currencies. It also guarantees maximum uptime that ensures availability while maintaining maximum control of customer data. Critically, it integrates all business functions through machine learning and AI to increase productivity, minimize risk of default and credit exposure, and enhance the renewal rate.

Neuron is the only developed core banking software in the Middle East and Africa. Its features include:

- Scalability to concurrently handle millions of users; exponentially convert digital leads with smart credit decisions; auto-scale to optimize resources; disburse new features continuously, and accelerate integration with third-parties.
- Availability through a distributed system guaranteeing maximum uptime; low latency response times guaranteeing an optimal experience; and multi-datacenter deployment to keep data local geographically while enabling cross-border expansion.
- Security with maximum controls of consuming data on a business need-to-know basis and full encryption to protect users' privacy.
- Machine Learning integrated across all business functions that reduces risks and increases productivity through default and renewal prediction, credit scoring engine, clustering of users using alternate data, and behavioral analysis with respect to income and expense prediction.

MOUNIR NAKHLA

CHIEF EXECUTIVE
OFFICER, MNT-HALAN

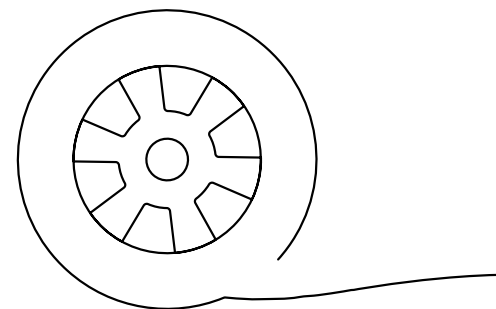


“ In only 9 months Neuron has made a massive impact on our business, fueling growth and enabling us to launch and provide multiple digital offerings. Neuron has allowed us to scale further, as we continue to serve the under-banked in Egypt and beyond. Whether merchants or individuals, customers are benefiting from the speed, safety, ease, and availability of Neuron. Not only are all our services now being provided digitally, Neuron facilitates new product offerings such as BNPL, e-commerce and supply chain finance. We are excited to see MNT-Halan reach its next level of growth and expansion as customers continue to embrace and expect the experience this proprietary technology offers. ”



4.4. SUPPLY CHAIN MANAGEMENT

GB Auto Procurement department conducts a wide range of activities focusing on effective supplier relationships management. It supports business needs and capabilities while maintaining trustful long-term relationships with our partners. In addition, it is committed to support the organization's direction towards digitization and automation, as well as the government's recent regulations and strategic direction.



GB AUTO SUPPLY CHAIN PROFILE

GB Auto's suppliers includes all types of suppliers, from agents to distributors, wholesalers, and contractors.

Supplier categories include: Tools and machinery, safety, projects, IT solutions (hardware and software), furniture, electricity and hydro supplies, automotive spare parts and consumables, foreign items, transportations, marketing services, maintenance services.

TOTAL NO. OF SUPPLIERS IN 2021

250-300

85% LOCAL SUPPLIERS

50-60% TOTAL TIER I SUPPLIERS

30-40% TOTAL TIER 2 SUPPLIERS

GB AUTO SUPPLIERS CODE OF CONDUCT AND CORE VALUES

TRANSPARENCY: communicating with involved parties via clear and steady approach, leaving no room for confusion as much as possible.

CONFIDENTIALITY: no exposure of 3rd parties' information unless consent is granted and no harm in supplier relationships is guaranteed, i.e. no revealing suppliers' offered quotation information to each other.

EQUAL OPPORTUNITY: ensuring each supplier has equal opportunity as much as other supplier's been granted, to ensure all parties are equally and fairly treated.

LONGEVITY: establishing long term relationships with suppliers that support business most & finding alternatives to those who don't.

TOWARDS A FULLY DIGITIZED SUPPLY CHAIN MANAGEMENT

We are committed to initiatives that support automation of the supply chain related to our procurement operations, such as adopting the digital invoice system developed by the Egyptian government which will help reduce paper waste. In addition to the Egyptian Advanced Cargo regulation, that assigns each foreign supplier a specific ID number, helping monitor and validate international trade to reduce phishing and help automate business transactions globally. We aim to raise awareness among our suppliers, to support the overall direction towards fully digitized, sustainable procurement operations.

One of our procurement department's achievements in 2021 included achieving 17% cost savings compared to 2020, which as well reflect savings in materials use. In addition, we also succeeded in achieving a PR-PO (Purchase Request – Purchase Order) response duration of 3-4 days only.



VEHICLE-TRACKING ACROSS THE VALUE CHAIN

As part of our digital transformation strategy, we see great opportunities that can be implemented across the stages of our supply chain. This project aims to automate the tracking process of our products from sourcing to manufacturing, transportation to warehouse, and during service and after-sales processes. Achieving this would enhance data collection, allowing identification of risks and opportunities, which in turn would save costs, as well as resources.



SHOP FLOOR AUTOMATION

Aiming for sustainable, efficient shop floor management, we are developing a system to track, schedule, and report on the progress of operations within GB Auto's manufacturing facilities. This system would facilitate an automated work order system and shop floor control, and would enable GB workers to have consistent up-to-the-minute visuals and analysis of manufacturing operations, which can be accessed through smart phones and other digital devices.



GB AUTO ADVANCED INVENTORY CODING SYSTEM

A complete restructuring of GB Auto items coding system is being developed for all materials, products, supplies. Enabling efficient inventory organization across all stages, with unique items codes, improving traceability, and creating an effective reporting platform for our teams.

4.5. CUSTOMER EXPERIENCE AND SUSTAINABILITY

We are committed to building lasting and trustful relationships with our customers, carefully tailoring our offer to meet their needs and preferences. GB Auto strives to support informed, aware and sustainable decision-making by our customers.

AHMED OSSAMA DRIVE CHAIRMAN AND MD



“ Our vast array of services ensures seamless integration into people’s daily lives. And as we continue enhancements at each stage of the value. We want to enable people to get what they need via the best installment plans and support them in attaining the desired lifestyle. ”

DIGITAL CUSTOMER EXPERIENCE APPLICATIONS



CX MOBILE APP

Our customer experience mobile app allows customers to make new complaints or track existing ones, add and manage customer vehicles, book & schedule maintenance and visits, request and schedule test drive, make inquiries and follow up on feedback, as well as request road side assistance and other services.



WHATSAPP CHATBOT

Our WhatsApp Chatbot can be used for maintenance booking, asking about, spare parts prices, offers, and outlets, as well as showrooms, and service centers.



AFTER-SALES WORKSHOP AUTOMATION



02

WAITING AREA

- Service advisor will receive vehicle.
- Drivers will transfer vehicle to workshop.

04

CAR WASHING

Car washing stage is the final stage after that customer will proceed to exit through "Gate Pass".

01

VEHICLE ENTRY

- Reservation Checking.
- Identify vehicle by RFID.

03

WS OPERATIONS

Operations including team leaders, reception engineers, drivers and WH keeper.

DIGITAL CUSTOMER EXPERIENCE APPLICATIONS



FORSA CONSUMER FINANCE APP

Our customer experience mobile app allows customers to make new complaints or track existing ones, add and manage customer vehicles, book & schedule maintenance and visits, request and schedule test drive, make inquiries and follow up on feedback, as well as request road side assistance and other services.


01

Registration of customers and vendors.

02

Online customer financial status checking & credit amount illegibility.

03

Handling sales transactions between customer, vendor & drive.

04

Review all approved sales & installments.

05

Automatic calculation of installments & interest rates.

06

Automatically calculate late payment penalties.

07

Full integration with oracle EBS.

08

View related KPIs & business performance reports.

RASEEDY E-WALLET

Our WhatsApp Chatbot can be used for maintenance booking, asking about, spare parts prices, offers, and outlets, as well as showrooms, and service centers.


ONLINE PURCHASE
MONEY TRANSFER
**INSTALLMENT
COLLECTION**
BILL PAYMENT
RECHARGE
RASEEDY (QR) CODE

HALAN FINTECH APP

Egypt's leading fintech app that includes the following:


**E-COMMERCE & BUY
NOW PAY LATER (BNPL)
SOLUTION**
WALLET AND CARD
**MICRO FINANCE AND
APPLYING FOR LOANS**
RIDE-HAILING
BILL PAYMENTS
ON DEMAND DELIVERY

BEDAYA MORTGAGE FINANCE APP

Bedaya Mortgage Finance has created a fintech/ financial platform to simplify the homeownership process, the app allows its users to:



- Finance a property for initial purchase
- Refinance a pre-owned property
- Finance for the purpose of finishing or refurbishment of a pre-owned property
- Determine an exact monthly installment
- Check loan eligibility criteria
- Upload required documents and process payments online
- Track mortgage loan process
- Contact a facilitator for more information
- Get pre-approvals online


**GB AUTO CAR
COMPARISON
APPLICATION**

Created specifically for our customers, to allow for up-to-date market comparisons of passenger vehicles. This mobile application will be used by GB Sales Representatives in GB showrooms to make a quick comparison for a specific car and its competitors in market, which will support customer decision to make deal with GB.

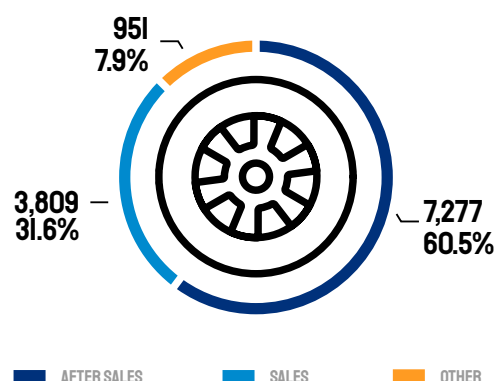
HANDLING CUSTOMER COMPLAINTS

GB Auto's management and mitigation methodologies for registering and handling complaints include:

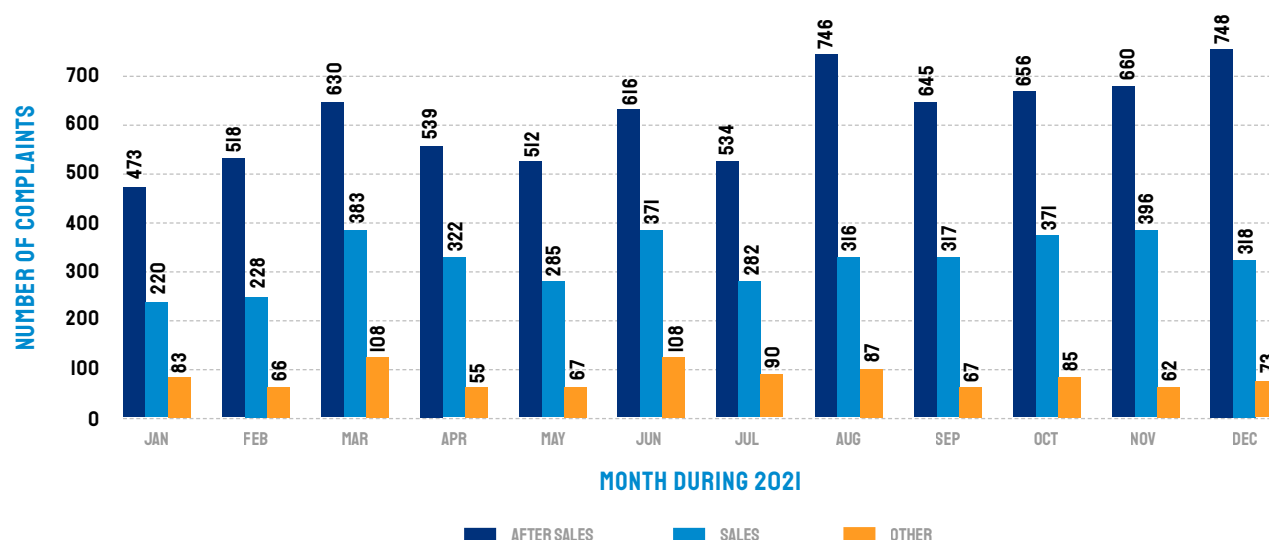
- Oracle Application – Inhouse /GB Owned
- CRM Application
- CX- Pilot Phase /Under test
- 3CX- Recording System for Calls Archiving & monitoring purposes

During the reporting period, we received a total of 12,073 complaints across our sales, aftersales services, and others across our business lines, out of which 99% of the complaints were successfully resolved.

TOTAL COMPLAINTS 12,073
99% RESOLUTION RATE



CUSTOMER COMPLAINTS



CUSTOMERS' DATA PROTECTION AND CYBERSECURITY

GB Auto complies with all of the national government's rules and regulations governing the protection of people's personal information. We apply and abide by the data protection principles in accordance with the General Data Protection Regulation (GDPR), and ensure that our customers' data is not externally shared, even if it will be transferred to Original Equipment Manufacturers (OEM).

In addition, all our employees and third-part stakeholders are required to sign NDA (Non-Disclosure Agreement), and get management's approval prior to requesting and receiving access to any of our customers' information.

We implement a Customer Coding Process to ensure unique identification of our customers as well as maintain security of their data, in addition to adopting the OTP mechanism to authenticate and verify new customers.

Headed by GB Auto's Chief IT Officer, we abide and operate by strict policies including Network Security policy, Data Center security policy, and Access Management policy. We also conduct regular cyber security checks to ensure system stability, data protection, and business continuity.

THRIVING HUMANITY

Well-being, health and safety	57
Diversity and inclusion	60
Human potential and career growth	66
Supporting Society	68



OUR APPROACH

GB Auto invests in people, recognising that their talent, passion and skills are the foundation of our success.

We want all people from all backgrounds to have an outstanding place to work, grow and thrive.

As much, we aspire to give back to the communities across which we operate by helping to meet their needs and supporting their sustainability pursuits.

CREATING A “PEOPLE FIRST” CULTURE

GB Auto’s HR department is responsible for maintaining the organizational structure and the ability to meet business needs by our most valuable assets – our employees.

Our HR department’s line of actions span a wide variety of core functions including Operations, Compensation & Benefits, HR Information System (HRIS), Talent Management & Organizational Development, Health & Well-being, and Internal communication.



GB AUTO’S EMPLOYEE EXPERIENCE STRATEGY

We aim to create an exceptional employee experience which supports both organizational performance and individual satisfaction - a key focus point at GB Auto. Our people’s department is working on creating a positive experience to support employee work-life balance through engagement and wellness; and will continue to innovate and continuously improve with initiatives like enhancing the Performance Management, Diversity & Inclusion, and Engagement & Recognition Programs. We aim to Position GB Auto in the lead when it comes to people’s employer of choice through becoming [“Top Employer” certified](#) in the upcoming two years.

TRACKING OUR PERFORMANCE

A number of quantitative indices and metrics are used to determine the effectiveness of GB Auto’s HR department, key indicators and techniques to measure & develop the HR effectiveness.

1. Employees retention & satisfaction rates- we measure the overall satisfaction of our employees through an Employee Engagement (EE) Survey conducted every 2 years.
2. Company culture- also done through the EE survey , we measure sense of belonging, our core values & the key business dynamics.
3. HR function efficiency – We conduct a bi-annual Service Level Survey to identify areas of improvement within our internal business units.

FUTURE PLANS AND COMMITMENTS

- » Become a certified **Top Employer** in the upcoming two years.
- » Dedicating 2022 to the **Pulse of Engagement** to implement various employee engagement & culture change initiatives.
- » Developing new communication channels and enhancing existing ones to maximize employees reach and engagement.
- » Focusing on employee well-being by fostering and planning health & lifestyle programs.

GHASSAN KABBANICEO OF TWO- AND
THREE-WHEELERS

“

Our vision is built around employee wellbeing, customer satisfaction and firm adherence to business ethics and integrity. Through the continuous development of our people, we can ensure consistent profitability, which in turn unlocks resources for making a positive impact on society.

”

5.1. WELL-BEING, HEALTH AND SAFETY

We prioritize healthy and safe working environments for our people in line with national legislation and international best practices and standards. Over the past year, we have made efforts to understand better what our employees need and effectively embed their feedback into our activities.

OCCUPATIONAL HEALTH AND SAFETY**PRIORITIZING AND MANAGING SAFETY AT THE WORKPLACE**

At GB Auto, we realize that the complexity of the automotive's industry supply chain and the nature of operations requires adopting robust health and safety management procedures to ensure 100% safety of our employees, workers, and subcontractors. To ensure this, through our group Health and Safety division, we have developed a Safety Monitoring and Control Standard Operating Procedure (SOP) that applies to all our worksites including our factories, service centers, and offices.

The SOP adopts the RACI matrix model in which the roles and responsibilities of each team member or department is clearly defined with regards to each procedure. The Safety Monitoring and Control SOP covers all kinds of procedures related to environment health and safety, including but not limited to safe operational procedures and equipment maintenance, supervision and proper operation of material handling equipment across the worksites, firefighting systems, warehousing procedures, workers compliance with safety requirements, assessing hazards and developing risk assessments and mitigation plans.

MANAGEMENT ORGANIZATION

HSE COMMITTEE	CHAIRMAN	HEAD OF HSE DEPARTMENT
	SUPERVISED BY	HEAD AND SAFETY SUPERVISOR
	COOPERATION TEAM	HR TEAM, HSE TEAM AT THE VARIOUS MANUFACTURING FACILITIES

ACHIEVING ISO 45001

In addition to following the national labor law and regulations across, currently, four out of five of our manufacturing facilities in Egypt are certified to ISO 45001: Occupational Health and Safety Management System Standard. **GB Logistics**, our specialized logistics services provider subsidiary, is in the process of attaining the ISO 45001 certification, expected to obtain it by mid-2022.



IDENTIFYING HAZARDS, ASSESSING & MANAGING RISK

We develop risk assessments across all our worksites, in which a risk assessment and risk management plan based on each worksite's unique set of operations, systems and physical facility components, are developed. This includes identification of all areas and hazardous processes such as those with the potential to result in catastrophic fires, explosions, and sudden release of toxic materials. Each process across the production lines in our manufacturing facilities is carefully analyzed and any associated hazards are identified along with their most applicable control measure, responsibilities and inspection frequency, as well as the mitigation measures that should be followed by the employees and workers. For areas with high-risk hazardous processes, daily inspections are conducted, and any non-conformities are recorded; and the necessary actions are taken immediately as per the risk management plan. To ensure continuous improvement and promote preventive actions, we update our risk management plans and control measures on a timely basis, according to reported incidents, near misses, and injuries.

SAFETY TRAINING AND EMERGENCY DRILLS

The Health and Safety department collaborates with the HR department and GB Academy to develop and implement an integrated training programs and emergency drills on evacuation plans, and safety procedures in production processes across all business lines, to all workers and employees. During the reporting period, a total of **2,539¹ employees** were trained, on evacuation procedures, firefighting, and risks related to production processes.

PROMOTING OCCUPATIONAL HEALTH

Occupational health services are bought from a licensed service provider and they cover 100% of our own employees' workers. In addition, all our worksites are equipped with PPE, and first-aid kits that are distributed across the facility, in addition to clinics that operate 24/7 at our manufacturing facilities. We also conduct periodic medical for all our workers in coordination with the National General Authority for Health Insurance.

RECORDABLE INCIDENTS FREQUENCY AND SEVERITY RATES IN 2021

FACILITY	NO. OF RECORDABLE INCIDENTS	TOTAL NO. OF LOST DAYS DUE TO INJURY	TOTAL WORKED HOURS	LTIFR*	LTISR*
PRIMA FACTORY	7	507	1,313,250	5.33	386.07
BADR FACTORY	5	363	474,000	10.55	765.82
ELSADAT FACTORY	3	85	324,000	9.26	262.35
TOTAL GB AUTO	15	955	2,111,250	7.10	452.34

**DURING 2021, GB AUTO
RECORDED ZERO SAFETY
INCIDENTS AND INJURIES
AMONG CONTRACTS ACROSS
ALL WORKSITES**

¹ Number of trainees during a 6-months period

* Lost Time Injury Frequency and Lost Time Severity Rates are based on 1,000,000 hours worked



GB AUTO COVID-19 MASS VACCINATION

GB Auto succeeded in finalizing an agreement with the Egyptian Ministry of Health and Population to provide COVID-19 mass vaccination to all GB employees through dedicated centers across all GB locations. As of 2021, over 2,800 employees have been vaccinated.



GB AUTO SHEDS LIGHT ON MENTAL HEALTH

GB Auto partners with [Shezlong](#), the first online psychotherapy platform in the MENA region, which anonymously provides contact with professional, licensed therapists wherever and whenever. GB Auto spread awareness on the importance of mental health by disseminating brochures on world mental health day among its employees #MentalHealthMattersToo. Awareness on mental health facts, included guidance information and tips such as how to cope with job stress in general and during the COVID pandemic, in addition to where to go if help is needed. This was supported by providing our employees with guidance on how to apply along with promo codes and discounts to access [Shezlong's](#) services.

GEORGE SEDKY

CHIEF HUMAN
RESOURCES OFFICIER



“Dedicated, innovative and persistent employees are what defines GB Auto today. The HR department aims to foster an environment that promotes leadership and enables employees to learn, grow and succeed. This devotion allows GB Auto to be an employer of choice. And with a growing focus on workforce diversity and inclusion across departments, we see immense benefits in terms of creativity, productivity and sales.”

”

5.2. DIVERSITY AND INCLUSION

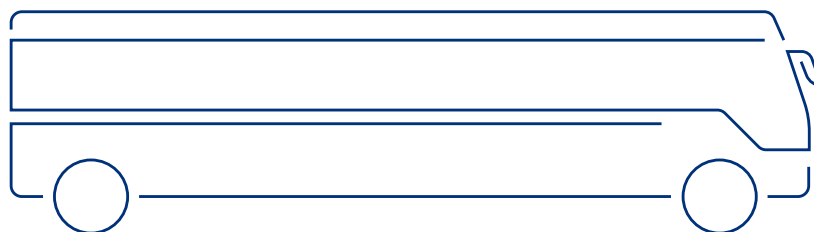
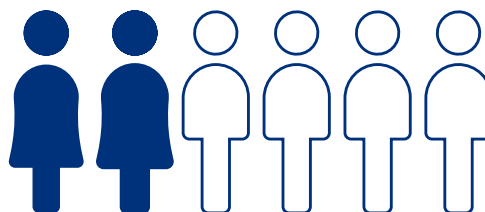
GB Auto is committed to creating a workplace and corporate culture that positively embrace differences and are free from all kinds of discrimination. We treat all employees equally and fairly and are focused on promoting gender equality at all levels of the organisation.

PEOPLE OF GB AUTO

We embrace diversity across all our business lines, and we believe that it is a core aspect in driving successful business and industries forward. As of 2021, our lines of business have been driven by **23,044 employees** across Egypt and Iraq with a **24% female** employees, and 38% employees under the age of 30 years from our total workforce. We understand that the automotive industry has always been a male-dominant one; however, we believe that engaging more women expertise and investing in youth talents will definitely contribute to more success.

GB AUTO WORKFORCE IN **2021**
23,044 EMPLOYEES

2/6
OF BUS SALES
REPRESENTATIVES
ARE WOMEN



531



TOTAL DIFFERENTLY-ABLED
EMPLOYEES

PEOPLE OF GB AUTO

FEMALE
EMPLOYEES

by %

EGYPT
24%FEMALES
OUT OF
22,718 TOTAL
EMPLOYEESIRAQ
5.8%FEMALES
OUT OF
326 TOTAL
EMPLOYEES

TOP MANAGEMENT



MIDDLE MANAGEMENT



JUNIOR MANAGEMENT



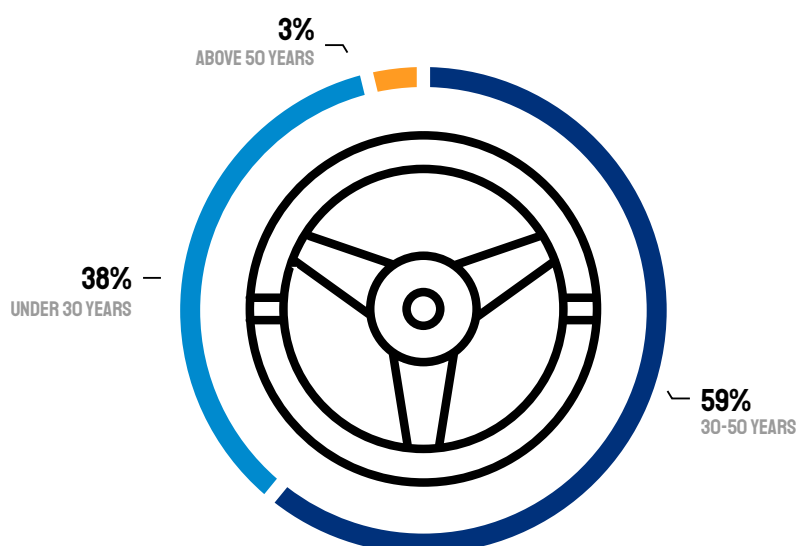
MANAGEMENT IN REVENUE-GENERATING FUNCTIONS



STEM POSITIONS

GB AUTO
WORKFORCE

by Category (%)

AGE
GROUPGB AUTO WORKFORCE BY
AGE GROUP (%)

ATTRACTING AND RETAINING DIVERSE TALENT

NEW
HIRES

During 2021, we hired a total of 6,124 talents across our business lines.



31%

FEMALE NEW
HIRES

61%

NEW HIRES
UNDER 30
YEARS OLD

313

EMPLOYEES-
DIFFERENTLY-
ABLED NEW
HIRES¹EMPLOYEE
TURNOVER

EMPLOYEE TURNOVER DURING 2021

TOTALLED 3,903 EMPLOYEES



¹ Figures include only MNT-Halan's employees, due to unavailability of data across other subsidiaries. The missing data will be compiled and disclosed in the upcoming report.

GB AUTO EMPLOYEE ENGAGEMENT AND INCLUSION

GB SUPERHEROES

The goal of the program is to provide special recognition to GB employees who have accomplished an extraordinary achievement and innovation within our organization. The Award recipient's contributions will be tied to the values of the company and the strategic plan; recipients and their accomplishments will be shared with the rest of the staff as models for outstanding performance.

It is believed that a program for recognizing outstanding employees will serve as an incentive and motivational tool to all employees of GB Auto to perform their assigned tasks in a manner which will reflect favorably on the individual and the Company goals.

ELIGIBILITY: All regular full-time employees on Grade 17 and below are eligible for selection and recognition.

GB AUTO EMPLOYEE SATISFACTION SURVEY

We started our **Employee Engagement Survey (EE)** in 2019 to foster an open feedback environment and gather insight to accurately identify our best practices and focus on improvement opportunities. We believe these insights should highly contribute to the reinforcement of positive organizational change. To ensure confidentiality, this survey is being managed on behalf of GB Auto by an independent third party; which should allow you to anonymously express your ideas, suggestions, and opinions. This practice takes place bi-annually, however 2020 EE Survey was postponed to 2021 due to the COVID-19 pandemic. Since then, great results were achieved with an overall participation rate of 83% and various positive indicators and enhancements were the key results in 2021 EE Survey.

83% PARTICIPATION RATE

GB Auto Employee
Satisfaction Survey

113 MANAGERS

enrolled in the 360-survey and set
their individual development plans
to be coached during 2022

EMPLOYEE ENGAGEMENT SURVEY BUSINESS UNIT COMPETITION

As a mean of encouraging our employees to actively engage, we conduct a Business Unit (BU) Competition. After the review and analysis of each BU response rate and responses, we announce the winning BU to our whole family. In 2021, the winner was the Planning & Performance Monitoring Business Unit team.

THE 360 SURVEY

A 360-degree survey is a process that provide feedback on employee performance from several sources: managers, peers, subordinates, and self-assessment. In case where the employee interacts with the public, a 360 survey may also include feedback from clients and suppliers. 360-degree surveys tend to be more helpful in the development of future performance. During 2021, we had enrolled 113 Managers from the Middle Management group in the survey exercise and set with all of them their individual development plans which will be coached upon during 2022.



GB FOR SHE

As part of GB Auto's initiatives towards Women Empowerment and Inclusion at the work place, we dedicated a whole month to honor and empower GB Auto's women employees where we engaged with over 370 female employees, empowering and featuring success stories of women within our organization. The success stories included the first four female engineers to be in complete charge of the production lines in Badr and Alexandria's manufactories. They handled the responsibility of managing technicians and operations at a time when the majority of executives refused to hire women due to the harshness of the automotive industry and taking into consideration that all technicians aren't used to receiving orders from females.



GB PEOPLE FACEBOOK GROUP

Being a 20,000+ employees organization, we aim to bring our people from across diverse departments and business lines closer together, not only on a professional level but on a personal level as well. We created the GB People Facebook group in April 2021 which had over 1,200 employees join since its creation and currently increasing.



BRINGING GB PEOPLE TOGETHER IN COLORS ON WORLD YOUTH DAY

In celebration of world youth day this year, we are happy to share that we successfully launched GB Auto's first scavenger hunt: GB in Colors. GB in Colors is a color-themed scavenger hunt where employees picked one of these three colors: blue, green,

or yellow to wear on the day of the hunt. Employees should find as many colleagues wearing the same color and take a photo with them and they had only 30 minutes to do so. After the 30 minutes they submitted all photos they took via email and we chose the winner.



GB PEOPLE GOT TALENT – CHILDREN'S EDITION

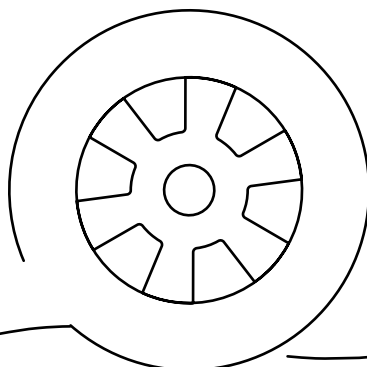
As part of engaging with our employees, we set up a GB Got Talent Children's Edition Competition on World's Children Day. To participate in the competition, each child should record a 30-60 seconds video and post it on our Facebook group. The video with the most reactions wins a special gift. Talents include singing & dancing, Art & painting, Reading or writing poetry, and talking about a specific academic achievement.

HUMAN RIGHTS POLICY AND COMMITMENTS

GB Auto is taking solid steps towards sustainability by developing our sustainability strategy 2022-2025. The strategy includes a pillar that is focused on all employees' related issues and among them their human rights. Thus, we are planning to comply with the global Human Rights Policy to manage and reduce potential risks of violations. GB Auto gives top priority to the human rights of all its stakeholders, including its employees, business partners, and customers. We are planning to promote respect for Human Rights by complying with international standards such as the Universal Declaration of Human Rights, the Core Conventions of the International Labor Organization, the Global Compact of the UN, ISO 26000 Guidelines, and SA8000 Standards implementing the Protect, Respect and Remedy Framework. The Global Human Rights Policy describes the management model that will be adopted by our company in respect of core rights and values such as occupational health and safety, nondiscrimination, freedom of association, refusal of forced labor, guarantee of decent work conditions in economic and sustainable terms and in terms of working hours, protection of rights and values of local communities, refusal of any form of corruption and protection of privacy. Human rights are currently embedded within our code of conduct and occupational health and safety policies.

HUMAN RIGHTS RISK ASSESSMENT

GB Auto is planning to assess human rights and operates an assessment process to identify risks in advance. This will help us to avoid any negative effects that can affect our employees. The human rights assessment will be done through written evaluations and on-site evaluations, and supporting solutions and improvements to the identified risks.



IBRAHIM NAGUIB
CEO OF PASSENGER CAR
OPERATIONS

“ We are meticulously focused on strong corporate governance, employee development, enhancing customer experience and developing more sustainable products. A rich pool of activities supports each area to improve our performance, using every opportunity to do better. ”

5.3. HUMAN POTENTIAL AND CAREER GROWTH

We are committed to supporting our people in growing to their fullest potential and realizing their career ambitions. GB Auto aims to catalyze human development, providing opportunities for graduate students, investing in youth and through internal hiring. Employees at GB Auto are encouraged to develop their careers based on their current skills and ambitions, leadership potential, and willingness to learn.

GB ACADEMY

For more than six years, GB Academy has been managed by the German SIS-Middle East GmbH (Saxony International School). The Academy's vision is "setting the pace in a world of lifelong learning", and its mission is to strengthen competitiveness of the Egyptian economy through practical trainings and customized programs according to internationally recognized standards, as well as raising awareness that learning is an investment for future success.

The 3,400 square meter training facility includes automotive technical and practical workshops, business skills classrooms, meeting rooms and a conference center. GB Academy has a rich portfolio of courses on various topics covering automotive basics, technical training, body and paint training, supply chain, sales and aftersales training, business skills and management training.

The main goal of the Academy is to meet all the learning and development needs within the organization for a sustainable, ever-growing business. GB Academy, with its seasonal extra capacity provides its L&D services to employees in other organizations and to university undergrads as a strategy to support the industry and to enhance, in the long run, the country's economic situation by ensuring that university students have more readiness and capability to confidently enter the job market.

TRAINING HOURS **52,150**
10,430 **NUMBER OF ATTENDEES**

8.9%
926 FEMALE
ATTENDEES



TRAINING DAYS **1,923**
2,594 **ONLINE ATTENDEES**
IN-CLASS ATTENDEES **7,836**

TRAINING TITLE	NO. OF TRAINING SESSIONS	TOTAL NO. OF ATTENDEES	% FEMALE ATTENDEES	NO. OF ATTENDEES	
				ONLINE	PHYSICAL
CRAFT AND DELIVER POWERFUL PRESENTATIONS	6	60	8%	13	47
STAR LEAD WORKSHOP	14	98	10%	21	77
MIDDLE MANAGERS PROGRAM	14	185	5%	39	146
RADIANT STAR	8	122	9%	26	96
PRINCIPLES OF PEOPLE MANAGEMENT	4	30	10%	6	24

GB AUTO MIDDLE MANAGEMENT PROGRAM

GB Auto ceased the opportunity with **The Golden Circle** program targeting all managers, ranging from SVPs to managers of staff and front-liners across the group's different business lines. The 2021's program objective was about empowering our top tier leaders to lead themselves, teams and the whole company to the maximum growth level by catering to their needs from the inside out. Offering them the knowledge, know-how and the right mindset for achievement. The program's target was to enhance their leadership skills and introduce the concept of the business simulation in terms of playing different roles together in the business and how this can affect the profit and loss of the organization.

GB STARS

GB Auto celebrated the graduation of **55 high potential employees** from their first year of GB Stars program. Participants had the opportunity to enhance their skills across a number of competencies through customized development plans for each of them, as well as being part of projects in different areas supporting GB Auto's mission and creating value to the group's operations, which allowed them to move to the second year in the program where they will be mentoring other employees, transferring their experience and building more calibers to be able to lead the company in the future.

IGNITION

2021 was a challenging year for everyone in the Ignition program. Nevertheless, the program managed to develop and enhance the growth of 11 talented young calibers in different departments. Throughout the program, and with constant observation, supervision, and support of mentors along with the talent management & OD team, this batch of fresh graduates got exposed to all work aspects of their respective departments, following the rotation plans carefully laid out specifically to help them accommodate their prior knowledge and experience into their new contexts. This eventually resulted in a pool of agile young talents with heavy exposure to the professional work environment and, in the meantime, introduced a fresh perspective to the company. The success of this year's round of the program despite the challenges shows great potential in 2022 where another 24 participants will be joining the program.

55 PARTICIPANTS

in GB Stars Program

18% FEMALES

84 PARTICIPANTS

in GB Auto Middle Management

Program 7% FEMALES

11 TALENTED YOUNG CALIBERS

24 PARTICIPANTS ANTICIPATED IN 2022

5.4. SUPPORTING SOCIETY

GB Auto invests in local communities to generate social and environmental benefits and help to promote the sustainable development of local economies. We believe that community investment empowers people, builds resilience and fosters self-sufficiency. We also provide targeted donations and material support through initiatives such as disaster relief, supporting NGOs, campaigns, and other activities depending on specific community needs.

COMMUNITY INVESTMENTS

DESCRIPTION	AUTO & AUTO RELATED	FINANCING BUSINESS	GRAND TOTAL
FACE FOR CHILDREN IN NEED ORGANIZATION	2,004,000	2,333,332	4,337,332
FRIENDS OF MANIAL PALACE MUSEUM ASSOCIATION	300,000	-	300,000
(DECENT LIFE) HAYAH KARIMA	12,500,000	12,500,000	25,000,000
GHABBOUR FOUNDATION FOR DEVELOPMENT	31,429,040	-	31,429,040
MISR EL-KHEIR FOUNDATION	616,800	10,080	626,880
MINISTRY OF CULTURE	3,999,999	-	3,999,999
EGYPTIAN FEDERATION OF MICROFINANCE	-	1,000,000	1,000,000
MINISTRY OF HEALTH AND POPULATION	855,000	570,000	1,425,000
OTHERS	939,184	216,588	1,155,772
GRAND TOTAL	52,644,024 EGP	16,630,000 EGP	69,274,024 EGP



GHABBOUR FOUNDATION FOR DEVELOPMENT



**TOTAL INVESTMENTS OF GHABBOUR
FOUNDATION FOR DEVELOPMENT WAS
31,429,040 EGP
IN 2021**



The vast majority of the Company's social development efforts are weaved in with its ability to develop vocational education and training in its areas of expertise. With decades of experience in the automotive field, GB Auto was exceedingly familiar with the shortage in qualified personnel and the widening gap between the quality of vocational school graduates and the competitive requirements of the industry. In 2017, GB Auto launched the Ghabbour Foundation for Development to fulfill its social responsibilities and address the imperative need to develop vocational education towards driving social progress and meeting workforce demands.

The Foundation, in collaboration with Governmental partners, offers three-year vocational education and training through five schools, serving over 825 students, in specialization areas such as automotive mechatronics, body repair and automotive paint. Trainees are able to join the job market instantly upon graduation following accreditation exams offered by the German Arab Chamber of Industry and Commerce (AHK), which tests the knowledge, skills, and application of material covered over the duration of the program in accordance with the German Dual Education System requirements. The Foundation partners with Saxony International School Middle East (SIS ME) to provide academic oversight and management assistance in the schools it develops.

THE FOUNDATION GRADUATES ITS SECOND CLASS

In November 2021, Ghabbour Foundation celebrated the graduation of its second class from Imbaba Automotive Vocational Training Center as well as the first class of graduates from Muharam-Bek and Kafr El-Zayat Automotive Vocational Training Centers. The Foundation hosted a graduation celebration which was sponsored by ExxonMobil Egypt and attended by representatives from the Ghabbour Foundation, GB Auto, Ministry of Trade and Industry, SIS ME, AHK as well as the Foundation's long-standing partners and supporters Starchem Trade, El Shiaty Foundation and Banque Misr Foundation for Community Development.

Graduates received certificates of accreditation from AHK, certificates for completion of studies from SIS ME as well as the Egyptian Diploma for Apprenticeship from the Productivity and Vocational Training Department. Top students from each of the three schools were recognized for their achievements and presented with financial awards offered jointly with ExxonMobil Egypt. Moreover, graduates received offers of employment at GB Auto as well as other large automotive companies that liaise with the Foundation's Career Office and were introduced to franchising opportunities that would allow them to start their own businesses, if they choose, with the support of El Mikaneeky, a GB Auto affiliate company.



Read more about **Ghabbour
Foundation for Development** - [here](#)

GHABBOUR FOUNDATION SCHOOLS OPEN THEIR DOORS TO GIRLS

For the first time in the automotive vocational education domain in Egypt, girls have joined Ghabbour Foundation's schools in the 2021-2022 academic year to pursue their dream of becoming the first fully qualified class of female automotive technicians. The overwhelming demand from female students is a powerful testimony of the positive paradigm shift overtaking the Egyptian society in terms of gender equality and the distribution of roles. Ghabbour Foundation is delighted to be part of this transformational journey and commits to providing women with career opportunities that meet their full potential in a fair, secure and motivational environment.



NEWLY SIGNED AGREEMENTS IN 2021

GOETHE-INSTITUT AND IDEAS GYM

The world today is rapidly evolving and technology is at the center of this evolution. In order to provide students with a chance to enhance their technical and programming skills, Ghabbour Foundation Collaborates with Goethe-Institute and Ideas Gym to provide Arduino courses to students for Imbaba, Kafr El-Zayat and Moharam Bek schools.

MINISTRY OF EDUCATION AND TECHNICAL EDUCATION

In February 2021, Ghabbour Foundation signed a collaboration protocol with the Ministry of Education and Technical Education officiating the launch of Ghabbour-1 and Ghabbour-2 Applied Technology Schools located in May 15th and 6th October cities. The two new schools bring the Foundation to a total of five vocational schools. The agreement falls within the framework of the new vocational education system 2.0 which aims to involve industry experts in fulfilling the requirements of both local and international market needs as well as establishing an adequate balance between education based on working and in-class learning. It also aligns with Ghabbour Foundation's objective to develop the ecosystem of vocational education in order to boost employability that meets the demands of national economic and social development plans and enhance the overall perception of vocational education.

SOCIAL CONTRIBUTION INITIATIVES

BREAST CANCER SCREENING AWARENESS

We at GB Auto care about our employees' health and wellbeing so we have made a breast cancer screening initiative in cooperation with Cleopatra Hospitals (CHG). There were two types of screening methods; mammogram and tumor markers (blood test, urine test, or a biopsy).



GB VENTURES

We successfully managed to launch cycle 3 of GB ventures in 2021. GB ventures is an acceleration program that supports startups with funds, mentorship, office space, networking & customized training programs to help them grow & expand their businesses. This program is mainly for automotive startups, financial technology startups, logistics startups, and educational startups.



RAMADAN AT GB AUTO

We always strive to overcome the distances, the differences and the challenges by becoming closer together. We were honored to draw over 3,500 smiles by distributing Ramadan boxes across our locations to 3,500 GB family technicians and workers during the holy month in 2021.





GB AUTO AT CIB EGYPTIAN SQUASH OPEN '21

2021 has been a stellar year for sports with Egyptian athletes taking home more medals than ever before in a slew of international competitions including – of course – the Olympics. Meanwhile Egypt itself has played host to an array of international competitions showing the world that we can put on a sporting show with the best of them. Hyundai Egypt has been playing a key role in many of these stories, with full throttle support for athletes and fans alike. At the iconic CIB Egyptian Squash Open – which saw some of the world's highest-ranking players compete at the foot of the Great Pyramids of Giza - Hyundai gave away 10 cars to the top 10 players throughout the tournament.



GB AUTO AT ZED WINTER FESTIVAL

Hyundai was the official automotive sponsor for the ZED Winter Festival 2021. ZED Park in Sheikh Zayed City hosts an annual winter festival bringing together an array of attractions, entertainment, carnival rides and food vendors.

By collaborating with ZED Winter Festival, Hyundai is able to further build on its brand equity and popularity especially as it launches its new generation of cars.





PULSAR RIDES – THE ULTIMATE EVENT FOR BIKING ENTHUSIASTS

We are privileged to have been part of the first ever official Pulsar Ride Club in cooperation with Ramy-Sold, Wolf Lubes, and Motoholics. Our objective is to build brand experience and engage customers with pulsar, both on and off-social media. During 2021 we have arranged **5 rides** in El-Ein El-Sokhna, Alexandria, Family Park, Ismailiyah, and Maadi with a total of **210 riders**. We received a positive feedback from our customers on Facebook through comments, images and event sharing. To add to our expansion and reach, we created a WhatsApp group that currently has over 300 subscribers.



GB AUTO | EGYPT'S #1 FITNESS HUB AUTOMOTIVE SPONSOR

During summer 2021, Hyundai Egypt acted as BeFit's - Egypt's #1 Fitness Hub - official automotive sponsor and awarded this year's competition winners with fancy dinners and the privilege of test-driving their Tucson & Elantra latest editions.



VI LIVEABLE PLANET

Climate and Energy	76
Sustainable Mobility	81
Circular Economy	84
Green Facilities	87

6.I. CLIMATE AND ENERGY



Our planet undergoes rapid environmental change, and the industry contributes to this trend. Over the past year, we have remained committed to monitoring our impacts while improving the use of the data and insights we collect. Today, we believe that GB Auto is well-positioned to keep innovating mobility and finance solutions while lowering our footprint across the value chain and product life cycles.

GB Auto acts on the challenge of climate change by strategically reducing its emissions to prevent warming above 1.5 °C and adapting to climate change, lowering risks and capturing opportunities from climate action. We have started investing in renewable energy, and over the following years, we will accelerate our transition on the path to becoming a climate neutral business by 2040.

RAMEZ ADEEB
CHIEF MANUFACTURING
OFFICER



“ GB Auto always aims to forefront new products, processes, and technologies. Our path is based on keen awareness about both the internal and external environment and carefully tailoring our operations in response to change. I see significant potential for solar energy, circular economy and resource preservation measures that will fuel our journey towards becoming a carbon neutral business by 2040.

”



RESPONDING TO CLIMATE CHANGE: ASSESSING OUR CARBON FOOTPRINT

Responding to climate change starts with assessing our performance and understanding the impact and scope of our contribution to the issue. We have conducted our first GHG emissions assessment of our operations across Egypt

and Iraq. The assessment covers our emissions during the years 2020 and 2021 – from 1st of January to 31st of December, with 2020 being our baseline year.



Given the significance of the assessment, GB Auto will be publishing a stand-alone Carbon Footprint Assessment Report covering the years 2020 and 2021, and providing in-depth description of the methodologies adopted. The assessment report will also include a comprehensive decarbonization action plan coupled with GHG reduction targets set in accordance with the SBTi criteria – 1.5°C scenario, that will be set in line with our 2022-2025 ESG Strategy.

The assessment has been conducted in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, and accounted for our most significant activities across scopes 1, 2, and 3. The GHG Protocol splits the emissions into three main categories.

SCOPE 1: All direct emissions from sources that are owned or controlled by the reporting company, such as the company's facilities and owned vehicles.

SCOPE 2: All indirect emissions from the generation of energy purchased by the reporting company, such as purchased electricity, heating, and cooling.

SCOPE 3: All other indirect emissions, not included in Scope 2, from sources that are not owned or controlled by the reporting company but are related to the reporting company's activity, such as waste disposal and employees' commuting in vehicles not owned by the company.

The assessment has been conducted using primary data including invoices, bills, in addition to data retrieved from GB Auto's relevant departments' database. In cases where data was not directly available, secondary data such as that obtained from studies, reports, and international databases was used, and any assumptions made were based on internationally recognized standards where relevant.

ORGANIZATIONAL SCOPES AND BOUNDARIES

Since this has been our first year of disclosing our GHG emissions, not all consumption data across the reported facilities was retrievable for the reporting period. Therefore, we are currently in the process of developing a group-wide data collection and management system to maintain reliability in the data across all our business lines and operations, and to broaden the scope of our organizational boundaries in upcoming reporting periods. We aim to improve the accuracy of our scope GHG inventory by collecting more granular and accurate primary data for emission hotspots across our facilities and operational boundaries.

The assessment results cover the operations of GB Auto's 5 manufacturing facilities including Prima plant, Badr plant, El Sadat plant, CITI factory, and GB Polo factory, as well as showrooms, service centers, and warehouses across Egypt and Iraq, in addition to our administrative buildings.

The environmental data covered in the below sections, including the assessment of the GHG emissions, cover the following number of facilities and their operations.

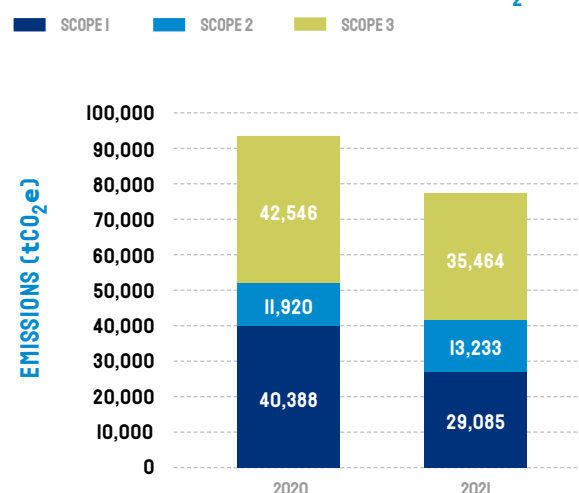
OUR MANUFACTURING FACILITIES IN SCOPE OF THE ASSESSMENT

MANUFACTURING FACILITY	LAND AREA (M2)	DESCRIPTION
PRIMA	57,680	Assembly of passenger vehicles from imported CKD kits
BADR	34,329	Manufacturing of auto components
EL SADAT	165,000	Manufacturing, assembly and distribution of commercial vehicles including semi-trailers and super-structures
CITI	11,997	Assembly and distribution of two and three-wheelers
GB POLO	283,300	Manufacturing and distribution of bus bodies

CARBON FOOTPRINT ASSESSMENT RESULTS

The total operational carbon footprint across GB Auto's facilities amounted to **94,853 tCO₂e** in **2020**, and **77,783 tCO₂e** in **2021**. An 18% reduction in the total emissions in 2021 compared to 2020 was attributed mostly to the reduction in mobile combustion and upstream transportation and distribution emissions, and partly due to the phasing out plan of liquid diesel oil (LDO) and the transition to natural gas as a source of energy across our factories.

TOTAL ABSOLUTE GHG EMISSIONS PER SCOPE (tCO₂e)



EMISSIONS BY SCOPE AND ACTIVITY (tCO ₂ e)	2020	2021
SCOPE 1	40,388	29,085
STATIONARY COMBUSTION ¹	6,748	4,098
MOBILE COMBUSTION ²	21,943	15,173
FUGITIVE EMISSIONS	11,697	9,814
SCOPE 2	11,920	13,233
PURCHASED ELECTRICITY	11,920	13,233
SCOPE 3	42,546	35,464
PURCHASED GOOD AND SERVICES ³	41	33
FUEL AND ENERGY-RELATED ACTIVITIES (NOT INCLUDED IN SCOPE 1 AND 2) ⁴	7,889	5,167
UPSTREAM TRANSPORTATION AND DISTRIBUTION	34,321	29,929
WASTE GENERATED IN OPERATIONS	172	190
BUSINESS TRAVEL	123	145
TOTAL EMISSIONS (tCO₂e)	94,853	77,783

¹ Emissions resulting from the combustion of diesel fuel and natural gas on-site.

² Emissions resulting from the combustion of diesel and petrol fuels by owned vehicles including distribution fleet and employees transportation.

³ Includes purchased office supplies only. Emissions associate with the procurement of other major raw materials for manufacturing, shall be assessed and included in upcoming reports

⁴ Includes Well-to-Tank (WTT) emissions associated with fuel combustion in scope 1, as well as emissions associated with water usage and wastewater treatment.

SETTING SCIENCE-BASED GHG REDUCTION TARGETS

Following the carbon footprint assessment, GB Auto aims to contribute to tackling climate change by setting ambitious science-based climate targets to reduce its operational emissions. In 2021, we set reduction targets for scopes 1 and 2 emissions in line with the 1.5°C scenario, in accordance to the Absolute Contraction Approach to be achieved by 2028.

We plan to include a science-based reduction target for our scope 3 emissions in the upcoming year, as we improve our emissions assessment in terms of data quality and covered boundaries.

TOWARDS 100% RENEWABLE ENERGY

SOLAR PV PLANTS AT OUR MANUFACTURING FACILITIES

In 2021, we initiated a solar PV plant project in **Prima facility** to install solar PV panels with a capacity of **2.468 MWp**. The annual power yield expected from the Solar PV panels is 4,000 MWh, which is equivalent to 40% of the plant's annual power consumption. The installation of the PV panels is expected to save EGP 4.5 million per year. Installation of the PV panels will start in March of 2022, and the system is expected to be fully operational by June 2022. This installation is expected to avoid around 1,740 tons of CO₂ emissions annually under scope 2.

We are also installing Solar PV panels in **El Sadat and Badr facilities** with overall capacities of **1.5 MWp** and **0.419 MWp** respectively. The installations will begin by January 2023, and are expected to operate by June of the same year. The annual power yield will be 2,475 MWh at El Sadat facility, and 700MWh at Badr facility, which would cover 25% and 70% of the facilities' annual consumption, respectively. The PV systems are expected to avoid around 1,076 and 304 tons of CO₂ emissions from El Sadat and Badr facilities annually, under scope 2..

FACILITY	PV PANELS CAPACITY (MWp)	ANNUAL YIELD (MWh)	% COVERAGE OF TOTAL ANNUAL DEMAND	ANNUAL ESTIMATED AVOIDED CO ₂ EMISSIONS (tCO ₂ e)	INSTALLATION DATE	OPERATION DATE
PRIMA	2.468	4,000	40%	1,740	MARCH 2022	JUNE 2022
EL SADAT	1.5	2,475	25%	1,076	JANUARY 2023	JUNE 2023
BADR	0.419	700	70%	304	JANUARY 2023	JUNE 2023

The Solar PV Projects that are planned to operate in Prima, El Sadat, and Badr facilities in the coming two years, are expected to avoid around **3,120 tCO₂e** annually from our **scope 2 emissions**.

40.8% REDUCTION IN SCOPES 1 + 2 BY 2028

compared to the
baseline year 2020

FIRST TIME DISCLOSURE TO CDP

GB Auto disclosed its climate performance on CDP's platform for the first time in 2021, with an aim of transparently communicating its performance, targets, and action plans towards managing and reducing GHG emissions.



THE SOLAR PV PROJECTS THAT ARE
PLANNED TO OPERATE IN PRIMA,

EL SADAT, AND BADR FACILITIES

AVOID AROUND **3,120 tCO₂e**
ANNUALLY FROM OUR
SCOPE 2 EMISSIONS

6.2. SUSTAINABLE MOBILITY

Mobility is at the heart of our business model. At GB Auto, we understand the significant contribution of the automotive industry and transportation sector to environmental and social dilemmas, from traffic jams to deteriorated air quality and human health. We aspire to enable a different future for mobility, where people move effortlessly through their days using clean and low-carbon solutions that enhance and not undermine their quality of life. We aim to lead the transition to sustainable mobility in Egypt, and we are already taking steps in this direction.

HISHAM HELMY
HARAM TOURISM
& TRANSPORT MD



“ The group can provide various services and strong customer support through our vast network. Our dedicated after-sales is based on long-term investments in carefully selecting and developing people. The next frontier integrating ESG factors in everything we do, to grow our business positively. I believe that sustainability is a necessity, not a choice. The well-being of future generations and the health of our economy depends on how we manage sustainability challenges. Therefore, green energy, digitalization and expansion of sustainable mobility are elemental in our transition to sustainability and gaining a solid position on the market over the next decade. ”

GLOBAL SHIFT TO SUSTAINABLE MOBILITY

Global Electrical Vehicles (EVs) sales are growing as a result of a combination of regulatory support, battery technology and cost advancements, more charging infrastructure, and new appealing models from automakers. Electrification is spreading to new parts of road transportation, paving the way for major changes in the near future.

To speed up the transition to sustainable mobility, governments and cities have implemented regulations and incentives. Emissions targets are being set more stringently by regulators around the world. In addition, consumer behavior and awareness are also shifting, as more people are becoming more accepting of alternative and sustainable mobility modes. At the same time, industry players are speeding up the pace of automotive technology innovation, as they explore new concepts of electrified, connected, autonomous, and shared mobility. Over the last decade, the industry has drawn more than \$400 billion in investment, with around \$100 billion coming since the start of 2020. Electrification will play a significant part in the transition of the mobility industry, and will present significant potential in all vehicle segments, albeit the rate and scope of change will vary. Launching new electric vehicles on the market is a vital first step in ensuring the rapid and widespread adoption of electric transportation. In addition, the whole mobility ecosystem, from EV manufacturers and suppliers to financiers, dealers, energy providers, and charging station operators, to mention a few, must work together to make the change a success.

SUPPORTING THE NATIONAL SUSTAINABLE MOBILITY TRANSITION

Egypt is embracing the global push for electric vehicles, with the first locally assembled electric vehicle expected to begin production in 2023. The Egyptian government is investing at least EGP 450 million in the infrastructure required for EVs viability in Egypt. The government is also in the process of finalizing a set of incentives to the local industry, in order to further boost the penetration of EVs in the Egyptian market. The Egyptian government is concurrently working on decreasing the GHG emissions produced by cars in Egypt, especially older models, through the presidential initiative to convert vehicles into compressed natural gas (CNG), which was launched in January of 2021. When used in internal combustion engines, natural gas produces less CO₂ emissions than petrol fuel (approximately 27% less), and is considered the cleanest form of hydrocarbon fuel. The initiative is currently targeting vehicles over 20 years old, with a planned 150,000 vehicles to be converted to run on CNG within three years. While a large share of our business is currently built on vehicles that run on internal combustion engines, we see the rapidly changing landscape towards hybrid, electric, and other more sustainable options, represented by both brands and shifts in customer preferences. The future of mobility should be safe, clean and low-carbon, and we want to participate in shaping this future.

Egypt's presidential initiative to convert vehicles to run on compressed natural gas (CNG) has been at the forefront of GB Auto's portfolio expansion strategy and sustainability agenda. In 2021, we delivered 1,370 vehicles out of the 8,490 vehicles supplied through the initiative. We look forward to leveraging our expansive network and growing our market share in the CNG-vehicle market.

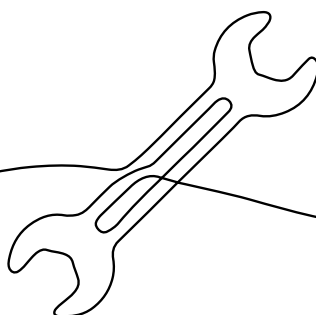
**“IN 2021, WE
DELIVERED 1,370
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8,490 VEHICLES
SUPPLIED THROUGH
EGYPT’S PRESIDENTIAL
INITIATIVE TO CONVERT
VEHICLES TO RUN ON
COMPRESSED NATURAL
GAS (CNG)”**

CONTRIBUTING TO A SUSTAINABLE COP 27

Being one of Egypt's leading automotive companies, we aim to support the transportation and mobility needs of the COP 27 event through our CNG-powered vehicles, including passenger cars, minibuses, and electric buses.



United Nations
Framework Convention on
Climate Change



SCALING UP OUR SUSTAINABLE MOBILITY PRODUCTS

We currently have four models ready in our pipeline with dual fuel to offer to our customers, the Elantra HD, Accent RB, Arrizo5, and Tiggo3. Our partnership with Higer will drive the localization process of Electric, Diesel and CNG buses to contribute to the Public and Private transportation sectors. Higer's Fully Electric City bus is a stand-out in the Egyptian market for its environmentally friendly features and for being equipped with water-cooled batteries ensuring a long lifetime and better performance.

We have also developed the CNG powered Foton microbus. As part of our 2022-2025 ESG Strategy, we are committed to gradually transitioning to the sale of sustainable and low-carbon vehicles and other mobility solutions, with a target of 100% of our sales being from sustainable and low-carbon cars and other sustainable mobility solutions by 2040. We are also committed to converting our fleet to be 100% sustainable by 2030.

HYUNDAI ACCENT RB



HYUNDAI ELANTRA HD



CHERY ARRIZO 5



CHERY TIGGO 3



FOTON MICROBUS



HIGER BUS



6.3. CIRCULAR ECONOMY

Impacts of the automotive industry and equipment are spread across the value chain, from raw material extraction and land conversion to the environmental footprint of production and distribution to organizing effective recycling of end-of-life vehicles, tires and parts. Therefore, becoming a part of a circular economy is fundamental to our sustainability transition.

We have started making steps in this direction by increasing transparency of our value chains, increasing operational efficiency, prioritizing safer chemicals and improving tracking of material flows. Over the following years, we hope to use our knowledge and capacities to create new material loops, cascade value and ensure nothing goes to waste.

We commit to implementing circular economy principles at every value chain stage by minimizing throughput, creating material loops and cascading value. We will engage in cross-stakeholder collaborations and facilitate the creation of new markets to ensure that nothing goes to waste.



MINIMIZING OUR MATERIAL FOOTPRINT

REDUCE

The first step to minimizing our material footprint is by extending the lifetime of our products through our product safety and highest quality components. Our genuine parts are manufactured to the highest precision and quality standards, in order to guarantee that our vehicles continue to perform at maximum performance throughout their lifecycle.

EL SADAT FACTORY OBTAINS THE IATF 16949 & ISO 9001 CERTIFICATIONS

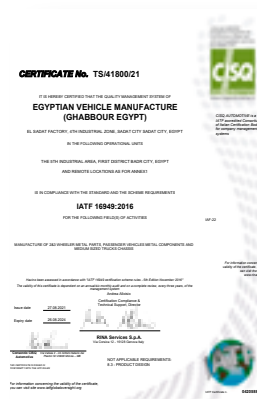
El Sadat factory demonstrated compliance with the ISO 9001 (Quality Management System) and IATF 16949 requirements. This includes creating a process of continuous improvement with an emphasis on defect prevention and reduction of variation and waste in the supply chain.



REPAIRS, REFURBISHED PRODUCTS, AND TRADE-INS

We aim to minimize our material footprint by ensuring that our customers have access to the highest quality repairing and refurbishing. GB Auto operates Egypt's largest and fastest-growing network of after-sales service centers for passenger cars, motorcycles and three-wheelers, and commercial vehicles and construction equipment. The company's 3S business model promises showrooms, services, and spare parts. This along with the company's numerous partnerships with independent automotive retailers and its spare parts distribution channel that stretches across the country allows the company to deliver comprehensive service within the Egyptian car market.

In addition to repairs & refurbishes, we encourage trade-ins. Founded in 2014, Fabrika is Egypt's first fully trusted multi-brand used car dealership to provide an easy and professional mechanism to sell, buy, and trade-in pre-owned cars on installment or cash. The company purchases all kinds of cars irrespective of brand and model at a fair value with a convenient and hassle-free process. In addition, customers can choose to buy a brand-new car from GB Auto's showrooms or a pre-owned car in exchange for their traded-in car.



WASTE MANAGEMENT

Waste is generated in our manufacturing facilities and service centers, as well as across our offices, and. The generated waste could be divided into three categories: landfill waste or non-recyclable waste, recyclable waste, and hazardous waste. We weigh all production waste (including scrap), and record the quantities on a daily basis. All of the production waste is taken directly to utilization (mainly sold to contractors for recycling/ reusing it). We manage generated production waste at our factories in accordance with the requirements of ISO 14001. The relevant HSE (waste management) supervisor across all manufacturing facilities, monitors the waste collection and storage areas to ensure the waste management and storage procedures are done in compliance with GB Auto's Safety Monitoring and Control Standard Operating Procedure.

Considering waste management across all our other facilities, not just the factories, we are currently in the process of developing a comprehensive waste management plan, to be implemented across all GB Auto's facilities. We will then identify our actual and potential waste streams and evaluate recycling and reuse alternatives. Waste collection strategies will then be investigated, including locations and criteria for waste management sites. Most importantly, occupational health & safety will be implemented throughout all stages of our waste management operations. We are also currently developing an end-of-life vehicles recycling scheme, which will be introduced by 2025.

HAZARDOUS WASTE

Hazardous waste including spent mineral oil, used oil filters, and industrial sludge generated at our manufacturing facilities and service centers, are collected and stored at designated locations in our manufacturing facilities and service centers as determined by the HSE department, until they handled and disposed of by a specialized hazardous waste management services company. In 2021, **7,445 tons** of hazardous waste were collected from our factories and service centers, and properly disposed of by an authorized waste management company, as per the national laws and requirements. We are in the process of developing criteria and processes for prioritizing safe, circular and sustainable chemicals and materials by 2023, in addition to preparing an inventory of all materials and chemicals used, to be ready by 2023.

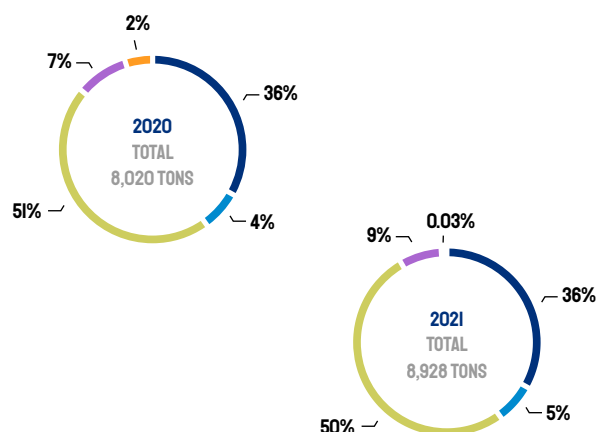
100% OF THE GENERATED SCRAP MATERIALS WERE REUTILIZED

NON-HAZARDOUS WASTE AND SCRAP MANAGEMENT

Non-hazardous waste is managed by our Scrap, Obsolete and Dead Stock Management Department, and all industrial non-hazardous waste from GB Auto's facilities is collected and stored in a designated area in our manufacturing facilities, in which the waste is then sorted into scrap – which is collected and quantified to be resold to contractors for reuse or recycling through the Scrap Management Department -, and other general non-hazardous waste which is collected and disposed of by the national waste contracting company.

Recycling or reusing waste is a pillar of circular economy, and we are keen on integrating recycling in every stage of our value chain. Our Scrap, Obsolete and Dead Stock Management Department constantly monitors the amount and types of scraps generated by each of our facilities, and ensures that no materials are wasted. In 2020 and 2021, we managed to sell all 8,020 and 8,928 tons of scrap generated by our facilities respectively, to other manufacturers, who then recycled them into new products.

TOTAL GENERATED SCRAP BY TYPE (%)



6.4. GREEN FACILITIES

We aim to develop and maintain our facilities and factories in ways that favor efficiency and human wellbeing, being good for people and nature alike.

MANAGING OUR ENERGY CONSUMPTION

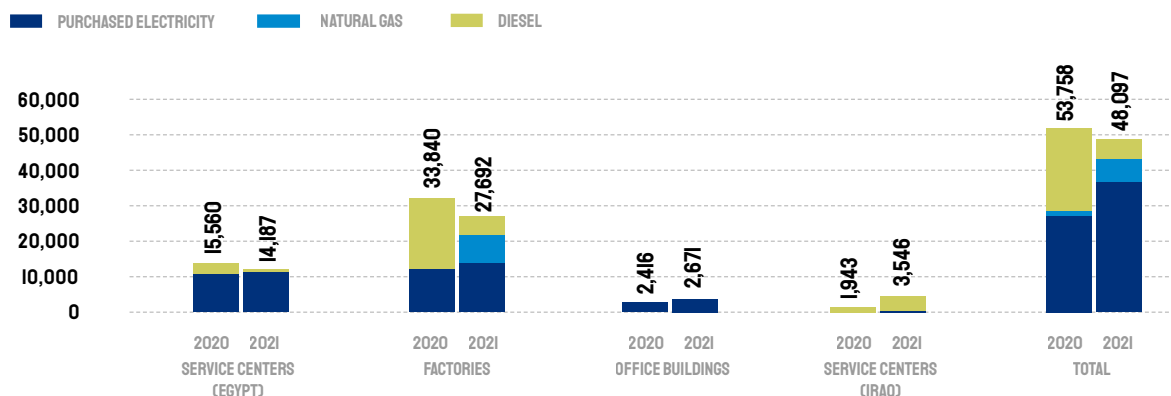
We at GB Auto are well aware of the negative environmental consequences of high energy usage and accompanying greenhouse gas emissions, as well as the dangers posed by global climate change. At all of our locations, we want to increase our efforts to reduce our energy usage and reliance on fossil fuel-based energy sources across all our facilities, including factories, warehouses, service centers and showrooms, as well as our office buildings. We plan to achieve this by adopting and implementing ISO 50001 energy management systems across all facilities, especially at the factories, as well as upgrading our energy monitoring and data collection systems. This would make it easier to identify our biggest energy users, allowing us to create detailed action plans that include administrative policies, procedures, and duties. This would support in the selection of the energy efficiency actions to help us meet our reduction targets faster. We plan to adopt and get certified to ISO 50001 Energy Management System, across three out of five manufacturing facilities (Prima, Badr, and Sadat facilities).

Our total energy consumption across GB Auto's five factories in Egypt, service centers, showrooms and warehouses in Egypt and Iraq, in addition to our office buildings, amounted to **53,758 MWh** in **2020**, and **48,097 MWh** in **2021**. Our primary energy sources include purchased electricity, diesel to power emergency generators and other equipment across our facilities, in addition to natural gas.

Our total energy consumption in 2021 decreased by 10.53% compared to 2020. Our energy consumption from diesel decreased by 65%. Our energy consumption from purchased electricity increased by 11.65% and energy from Natural Gas increased by 89.73% in 2021 compared to 2020.

As we begin to recover from the COVID-19 pandemic, we are witnessing an increase in demand on our products in 2021. This increase in demand was accompanied by an increase in our energy consumption in 2021 compared to 2020.

TOTAL ENERGY CONSUMPTION (MWh)



IMPLEMENTED ENERGY REDUCTION MEASURES

In order to reduce our electricity consumption, we have replaced all lamps in our factories with LED lamps. We have also adjusted the power factor correction in our facilities to be more than 92%, aiming to reduce the amounts of wasted energy and the associated GHG emissions.



RAISING AWARENESS BEYOND OUR PREMISES: GB AUTO "FOR A BETTER FUTURE" CAMPAIGN

We started a campaign across all our business lines to reduce our consumption of water and electricity across all GB locations and facilities. To amplify our contributions, the campaign was extended into a competition that included our homes. Results of the campaign showed percentage decrease in the month of November compared to October 2021, of the total electricity consumption of all GB Auto employee participants, by 2%.

TRANSITIONING TO CLEANER ENERGY SOURCES

PHASING OUT DIESEL AT OUR MANUFACTURING FACILITIES

In 2021, we began implementing our action plan of phasing out diesel and replacing it with natural gas across our manufacturing facilities, with an aim of reducing the associated GHG emissions. In 2021, our stationary combustion emissions under scope 1 decreased by 39%

compared to 2020¹. This is primarily due to phasing out diesel entirely at our Prima Plant and switching to NG as an energy source, in February of 2021. Next in line, are our two manufacturing facilities, Badr plant, which is scheduled to run on natural gas completely starting March 2022, and El Sadat plant which will begin on March 2023.

¹ Read more on our Carbon Footprint assessment under [Climate and Energy](#)

DIESEL FUEL & NATURAL GAS CONSUMPTION (MWh) — MANUFACTURING FACILITIES

■ 2020 ■ 2021

NATURAL GAS

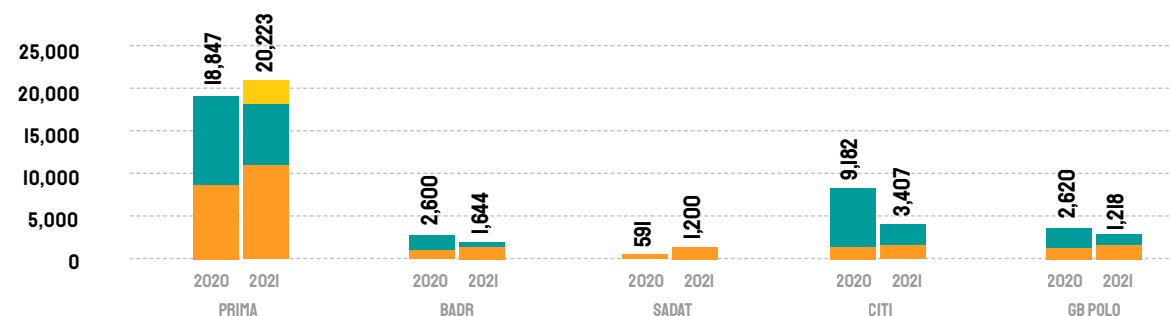
7,642
0

DIESEL FUEL

5,463
21,022

ENERGY CONSUMPTION (MWh) — MANUFACTURING FACILITIES

■ PURCHASED ELECTRICITY ■ DIESEL ■ NATURAL GAS



WATER MANAGEMENT

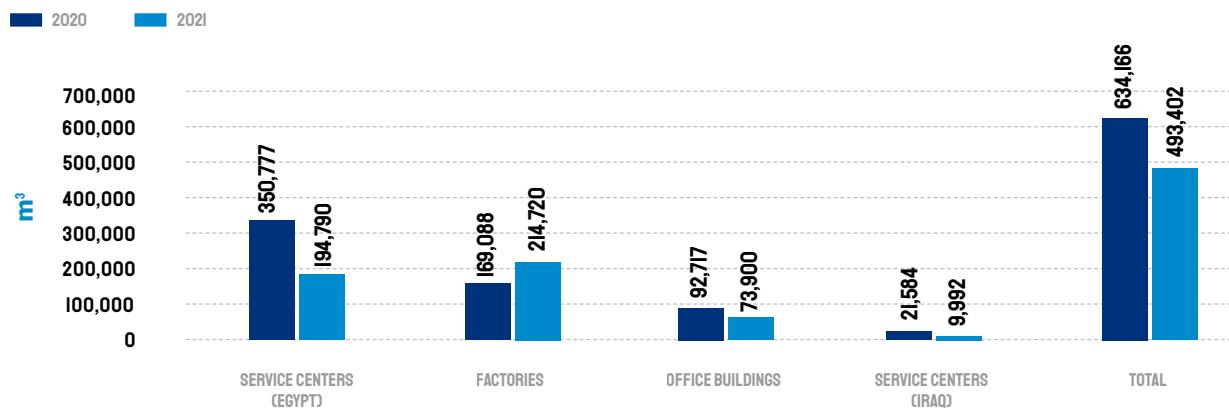
Municipal water is the primary source of water consumed across our facilities, including our factories, service centers, and office buildings. In 2021, thanks to our awareness campaigns on decreasing withdrawal, we managed to decrease our water withdrawal by 45% in our Service Centers, and by 20% in the administrative buildings.

However, the increased production in 2021 was accompanied by a 21% increase in water withdrawal across our factories. We are currently investigating how we can keep up with the increased demand, while sustainably managing and optimizing our consumption of water, through implementing improved system installations and maintenance measures, in addition to wastewater recycling systems.

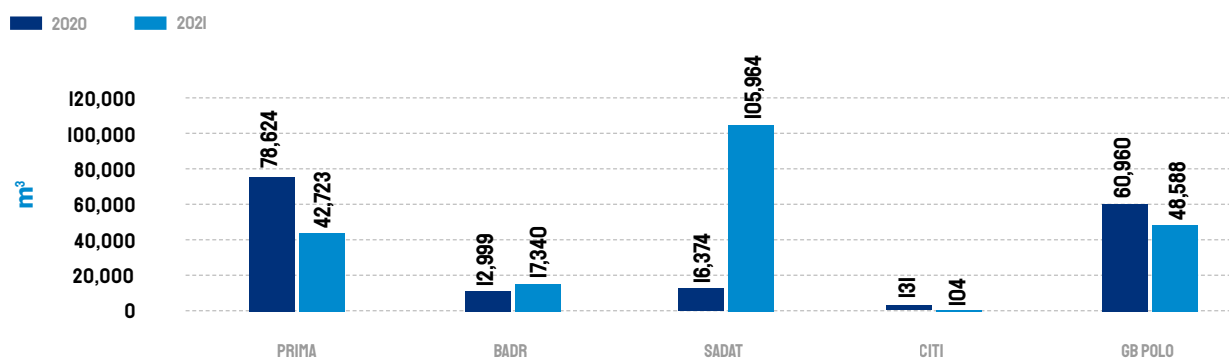
Our total municipal water withdrawal during 2020 and 2021, amounted to 634,166 m³ and 493,402 m³ respectively, across our factories, service centers, warehouses, showrooms and office buildings, across Egypt and Iraq.

**TOTAL MUNICIPAL WATER
AMOUNTED TO
634,166 m³ IN 2020
493,402 m³ IN 2021**

TOTAL WATER WITHDRAWAL (m³)



WATER WITHDRAWAL (m³) — MANUFACTURING FACILITIES



WASTEWATER RECYCLING AND DISCHARGE

WASTEWATER MANAGEMENT

All wastewater resulting from manufacturing operations is managed in accordance with the ISO 14001 Standard as well as the national laws and regulations across all our five manufacturing facilities. We treat industrial wastewater via water filtration and treatment systems at our manufacturing facilities prior to discharge. Wastewater is filtered to separate industrial sludge waste, the solid waste is then collected in barrels and stored until disposal by a licensed hazardous waste contractor periodically. We perform water quality tests and ensure the results are within nationally stipulated limits before discharging it.

WASTEWATER TREATMENT SYSTEM AT EL SADAT FACILITY

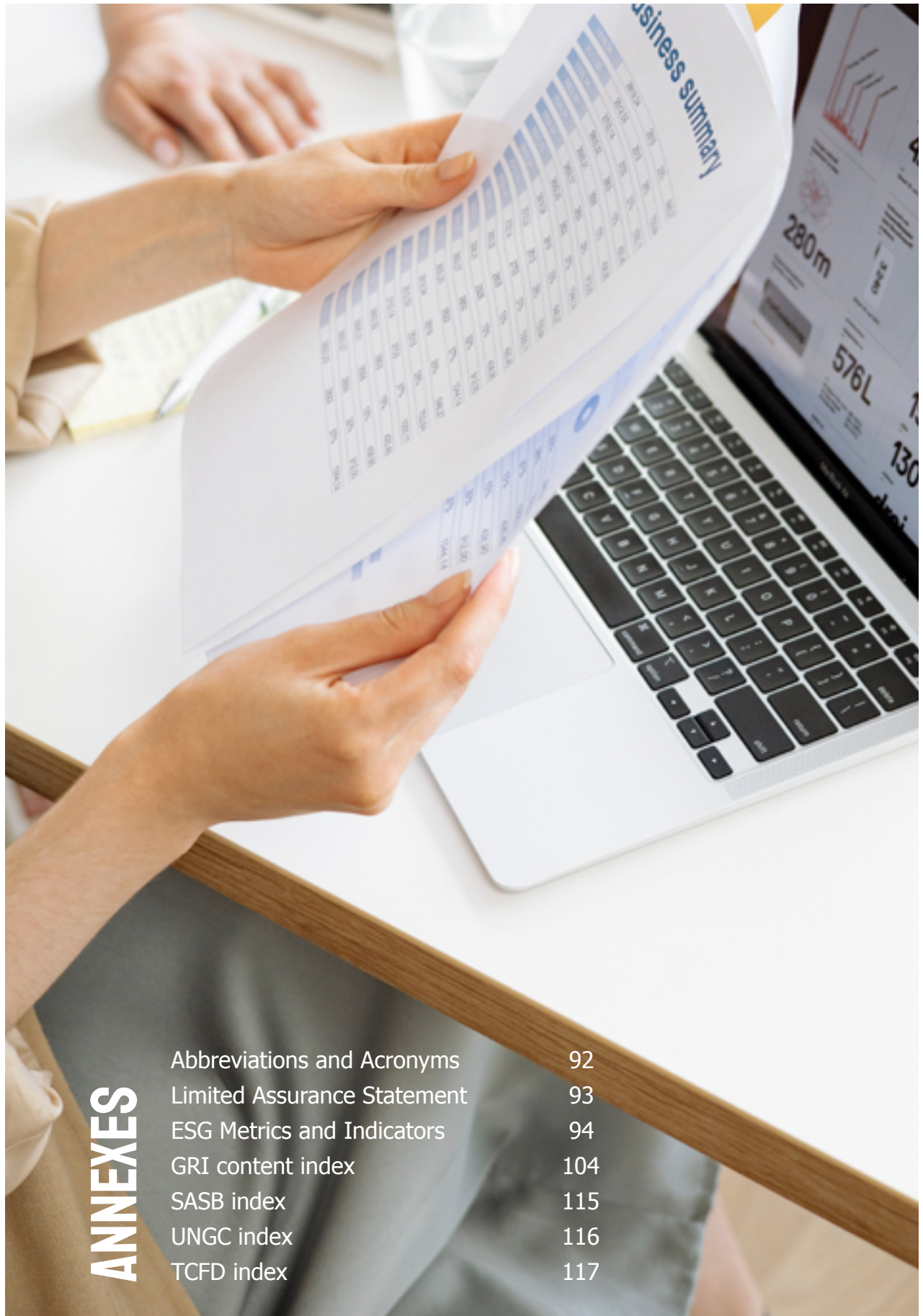
As part of sustainably managing and recycling wastewater at our manufacturing facilities, we have planned the installation of a wastewater treatment system with a capacity of 25 m³/hour at El Sadat plant, in which discharged liquids from Electrodeposition (ED) and Pretreatment coating (PT) processes, and washing water collected under the paint booth pits is treated. The wastewater treatment system will constitute the construction of a desalination unit for reusing the treated water in manufacturing processes, as well as a sludge disposal unit. Additionally, we aim to use the treated water collected from the Deionization (DI) unit for irrigating the green area around the manufacturing facility. This system is expected to commence operation during 2022.

Furthermore, we plan to explore further water management measures and wastewater recycling systems across our other manufacturing facilities, to reduce and optimize our consumption.

INDOOR ENVIRONMENTAL QUALITY

We have taken multiple measures in 2021, in order to improve the air quality for our employees, and specifically in our factories. We are constantly monitoring the air quality in our manufacturing plants (Prima & Badr), and performing regular maintenance for the ventilation systems. In 2021, we installed a new ventilation system in the welding shop at Bard plant, in order to protect our employees from the welding fumes. In Prima plant, we installed a state-of-the-art ventilation system in the paint shop, in order to expel oven fumes and heat.

We ensure compliance with the national environmental law and the national labor law, by measuring indoor environmental quality parameters on a quarterly basis, this includes measuring ambient noise levels, as well as heat and temperature levels, specifically in critical areas of operation in our manufacturing facilities.



ANNEXES

Abbreviations and Acronyms	92
Limited Assurance Statement	93
ESG Metrics and Indicators	94
GRI content index	104
SASB index	115
UNGC index	116
TCFD index	117

ABBREVIATIONS AND ACRONYMS

A&AR	Auto & Auto-Related
AFS	Administration and Financial Services
BU	Business Unit
CBU	Complete Built Up
CDP	Carbon Disclosure Project
CE	Construction Equipment
CKD	Completely Knocked-Down
CV	Commercial Vehicles
CX	Customer Experience
EAS	Earnings Adjustment Statement
EE	Employee Engagement
ESG	Environmental, Social, and Governance
EV	Electric Vehicle
FRA	Financial Regulatory Authority
GCOO	Group Chief Operating Officer
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HRBP	Human Resources Business Partner
HRIS	Human Resources Information System
HSE	Health, Safety, and Environment
IDC	International Data Corporation
IFRS	International Finance Reporting Standards
IIA	Institute of Internal Auditors
ISO	International Standardization Organization
IT	Information Technology
KWH	Kilowatt-hour
L&D	Learning and Development
LOB	Line of Business
LTIFR	Lost-time Injury Frequency Rate
MD	Managing Director

ABBREVIATIONS AND ACRONYMS

MWH	Megawatt-hour
NBFI	Non-Bank Financial Institution
OEM	Original Equipment Manufacturer
OGAM	Ordinary General Assembly Meeting
OTP	One-Time Passcode
PC	Passenger Cars
QAIP	Quality Assurance and Improvement Program
R&D	Research and Development
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SKD	Semi Knocked Down
SLA	Service-Level Agreement
SVP	Senior Vice President
T	Metric Tons
TCFD	Task-Force on Climate-Related Financial Disclosures
tCO₂e	Tons of Carbon Dioxide Equivalent
UNGC	United Nations Global Compact
VOC	Voice of the Customer
VP	Vice President

LIMITED ASSURANCE STATEMENT

INDEPENDENT AUDITORS' REPORT ON GB AUTO SUSTAINABILITY REPORT 2021

To GB Auto's Board of Directors ,

We have been appointed to perform a limited assurance engagement on GB Auto Sustainability Report 2021 for a reporting period covering from the 1st of January, to the 31st of December 2021.

DIRECTORS' RESPONSIBILITY

GB Auto's Directors are responsible for preparing this report according to the Global Reporting Initiative (GRI) Sustainability Reporting Universal Standards 2021. The Directors are responsible for ensuring sufficient internal control to prepare a report that is free from material misstatements caused by fraud or error. Their responsibility includes the definition of methodology, reporting scope, assumptions and estimations, stakeholder engagement, materiality assessment, and the contents of the final report.

AUDITORS' INDEPENDENCE AND QUALITY CONTROL

We adhere to integrity, objectivity, competence, due diligence, confidentiality, and professional behavior.

We maintain a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

AUDITORS' RESPONSIBILITY

It is our responsibility to conclude the compliance of this report with the requirements of the GRI Universal Standards 2021. We conducted a limited assurance engagement based on our professional judgment, inquiries, document analysis, recalculations, and other relevant procedures, to obtain evidence sufficient to the assurance scope

We have performed the following procedures based on data and documentation provided by GB Auto:

- Review and analysis of GB Auto Group and its business lines' strategies, guidelines, policies, procedures, reports, and data.
- Analysis and comparison of results featured in previous reports with the 2020 results.

- Auditing stakeholder engagement process and outcomes.
- Analysis of the coherence and consistency of the materiality assessment of the Group's disclosed business lines.
- Review of the final report and the featured content indices in regards to compliance with the GRI Universal Standards 2021 as listed in the report.

CONCLUSION

Based on the aforementioned procedures, nothing has come to our attention that would cause us to believe that the GB Auto Sustainability Report 2021 has not been prepared in all material topics, in accordance with the requirements of the GRI Universal Standards 2021. We do not assume and will not accept responsibility to anyone other than GB Auto for the provided assurance and conclusion.

DR. ABDELHAMID BESHARA,
FOUNDER AND CHIEF EXECUTIVE OFFICER



MASADER, ENVIRONMENTAL & ENERGY SERVICES S.A.E
CAIRO,

APRIL 9TH, 2022



ABOUT MASADER

Masader is an innovative interdisciplinary consulting, design and engineering sustainability firm based in Cairo, aiming at leveraging positive impact across the MENA region and globally. It specializes in Resource Efficiency, Sustainable Management of Natural Resources and Integrated Sustainability Solutions. Since 2015, Masader has led 100+ projects across the areas of energy, environment, climate change & carbon footprint, circular economy, green building (LEED), as well as corporate sustainability strategies, reporting and certification.

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ESG METRICS AND INDICATORS

ENVIRONMENT¹

ENERGY, WATER AND WASTE				
		UNIT	2020	2021
Energy Consumption	Natural gas	MWh	875	8,516
	Diesel	MWh	25,920	9,026
	Purchased electricity	MWh	26,963	30,519
	Diesel and petrol by owned vehicles ²	MWh	87,574 ³	55,263
	Total	MWh	141,332	103,324
Water Intake	Municipal Water Intake	m ³	634,166	493,402
Waste	Non-hazardous ⁴ (industrial scrap waste)	Total (tons)	8,020	8,928
		Recycled (tons)	8,020	8,928
	Hazardous ⁵	Total (tons)	-	7,445
Certifications	ISO 14001 ⁶	% of Total manufacturing facilities	-	80%
	ISO 45001 ⁷	% of Total manufacturing facilities	-	80%

¹ The boundaries covered under the environmental data include GB Auto's five manufacturing facilities including: Prima plant, Badr plant, El Sadat plant, CITI factory, and GB Polo factory, as well as showrooms, service centers, and warehouses across Egypt and Iraq, in addition to administrative buildings.

² Includes employees commuting by GB Auto's owned vehicles and buses, as well as upstream and downstream transportation of products.

³ Average fuel conversion factors (100 litres/km) of the types of vehicles owned, were used to calculate the average total energy consumed as a result of fuel consumption by GB Auto's owned vehicles for employee commuting (using passenger cars)

⁴ Includes industrial scrap waste quantities only, which are collected and sold to scrap contractors for reuse or recycling.

⁵ Includes spent oil (treated/recycled), used oil filters (landfilled), and industrial wastewater sludge.

⁶ The following facilities have obtained ISO 14001: Prima, Badr, Sadat and GB Polo

⁷ The following facilities have obtained ISO 45001: Prima, Badr, Sadat and GB Polo

GHG EMISSIONS ⁶				
		UNIT	2020	2021
Scope 1 (Direct)	Total	tCO ₂ e	40,388	29,085
Scope 2 (Indirect)	Total (location-based)	tCO ₂ e	11,920	13,233
Scope 1+2	Total	tCO ₂ e	52,307	42,318
Scope 3 (Other Indirect)	Total	tCO ₂ e	42,546	35,464
	Purchased goods and services	tCO ₂ e	41	33
	Fuel and energy-related activities (not included in scope 1 and 2)	tCO ₂ e	7,889	5,167
	Upstream transportation and distribution ⁷	tCO ₂ e	34,321	29,929
	Waste generated in operations	tCO ₂ e	172	190
	Business travel	tCO ₂ e	123	145
Scope (1+2+3)	Total	tCO ₂ e	94,853	77,783
Emissions Intensity	Scope 1+2 emissions per Revenue	tCO ₂ e/ EGP Million	2.9	1.7

⁶ For further information, please refer to section "Climate and Energy"

⁷ Includes emissions resulting from importing products

SOCIAL

GB AUTO EMPLOYEES AT A GLANCE			
FY 2021	HEADCOUNT		% FROM TOTAL
Employees	Total	23,044	100%
	Full-time	23,031	99.9%
	Part-time	13	0.1%
Breakdown by Gender	Male	17,576	76.3%
	Female	5,468	23.7%
Breakdown by Age	Age under 30	8,716	37.8%
	Age 30-50	13,630	59.1%
	Age above 50	698	3.0%
Breakdown by Region	Egypt	22,718	98.6%
	Iraq	326	1.4%
	Sudan	3	0.0%
Breakdown by Category	STEM positions ¹¹	758	3.3%
	Top management ¹²	133	0.6%
	Middle management ¹³	1,008	4.4%
	Junior management ¹⁴	1,606	7.0%
	Management positions in revenue-generating functions ¹⁵	10,504	45.6%
Disabled Employees ¹⁷	Total	531	2.3%

¹¹ Figures include only MNT-Halan's employees, due to unavailability of data across other subsidiaries. The missing data will be compiled and disclosed in the upcoming report.

¹² Includes: Board Members, C-Suite, Vice Presidents, Directors, General Managers, Managing Directors, Area Managers.

¹³ Includes: Heads, Managers, Senior Managers, Deputy Managers, Regional Managers, Sub-Area Managers, Executive Assistants, Branch Managers, Deputy Area Managers, Sales Managers.

¹⁴ Includes: Assistant Managers, Supervisors, Junior Managers, Team Leaders.

¹⁵ Includes: Sales and all branches employees, marketing, operations, commercial, and supply chain. Figures include only MNT-Halan's employees, due to unavailability of data across other subsidiaries. The missing data will be compiled and disclosed in the upcoming report.

DIVERSITY OF GB AUTO EMPLOYEES

FY 2021	HEADCOUNT	MALE	FEMALE	% FEMALE
Total Employees	Total	17,576	5,468	23.7%
	Full-time	17,565	5,466	23.7%
	Part-time	11	2	15.4%
Employees in Egypt	Total	17,269	5,449	24.0%
	Permanent ¹⁶	6,526	423	6.1%
Employees in Iraq	Total	307	19	5.8%
	Permanent	307	19	5.8%
Employees in Sudan	Total	2	1	33.3%
Breakdown by Category	STEM positions ¹⁷	675	83	10.9%
	Top management	126	7	5.3%
	Middle management	879	129	12.8%
	Junior management	1,131	385	25.4%
	Management positions in revenue-generating functions ¹⁷	6,372	4,132	39.3%

GB AUTO NEW HIRES

FY 2021	HEADCOUNT		% FROM TOTAL
New Hires	Total	6,124	100%
Breakdown by Gender	Male	4,251	69.4%
	Female	1,873	30.6%
Breakdown by Age	Age under 30	3,718	60.7%
	Age 30-50	2,371	38.7%
	Age above 50	35	0.6%
Breakdown by Region	Egypt	6,080	99.3%
	Iraq	44	0.7%
	Sudan	0	-
With Disability ¹⁷	Total	313	5.1%

¹⁶ Figures exclude MNT-Halan's employees due to unavailability of data.¹⁷ Figures include only MNT-Halan's employees, due to unavailability of data across other subsidiaries. The missing data will be compiled and disclosed in the upcoming report.

GB AUTO EMPLOYEE TURNOVER

FY 2021		HEADCOUNT	% FROM TOTAL
Employee Turnover	Total	3,903	100%
	Voluntary Turnover	2,777	71.2%
	Turnover for Cause	442	11.3%
Breakdown by Gender	Male	2,680	68.7%
	Female	1,223	31.3%
Breakdown by Age	Age under 30	2,353	60.3%
	Age 30-50	1,480	37.9%
	Age above 50	70	1.8%
Breakdown by Region	Egypt	3,887	99.6%
	Iraq	11	0.3%
	Sudan	3	0.1%
With Disability ¹⁷	Total	1	0.03%
%Y-O-Y change for full-time employees ¹⁷	%	21.24%	-

GB AUTO GROUP PARENTAL LEAVE

FY 2021	MALE	FEMALE
Employees entitled to a parental leave	All GB Auto Employees	
Employees who took a parental leave during reporting period	9	236
Employees who returned to work after parental leave ended	8	230

¹⁷ Figures include only MNT-Halan's employees, due to unavailability of data across other subsidiaries. The missing data will be compiled and disclosed in the upcoming report.

GB AUTO EMPLOYEE TRAINING HOURS

FY 2021		TOTAL NO. OF HOURS	AVERAGE HOURS PER EMPLOYEE
Breakdown by Gender	Male	37,505	5.49
	Female	3,705	8.34
Breakdown by Category	Entry Level	40	-
	Staff	11,510	1.58
	Middle Management	9,055	-
	Senior Management	5,730	-
	Technical Functions	8,475	-
	Administrative Functions	1,300	-
	Sales Dealers	465	-
	Other (consultants and part-time employees)	4,640	-

GB AUTO EMPLOYEES RECEIVING PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

FY 2021		% FROM TOTAL EMPLOYEES
Breakdown by Gender	Male	100%
	Female	100%

ANNUAL TOTAL COMPENSATION RATIO

FY 2021	
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	3.5:1 The ratio between the 90 th percentile of compensation compared to the 50 th percentile of the remaining employees.
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	1.6:1 The ratio between the 90 th percentile of Jan. 2021 increase percentage compared to the 50 th percentile of the remaining employees.

GOVERNANCE

BOARD COMPOSITION		
FY 2021		
Board of Directors by Gender	Total	7
	Male	6 (85.8%)
	Female	1 (14.2%)
Breakdown by Age	30-50	4
	50-60	-
	> 60	5
	Average Age	58
Tenure	0-5 years	4
	5-10 years	2
	> 10 years	1
	Average Tenure	6

BOARD MEETINGS STATISTICS		
FY 2021		
Board Meetings Held	Total No.	6
General Assembly Meetings Held	Total No.	2
Committees Meetings Held	Total No.	7
Board Attendance (%)	Dr. Raouf Ghabbour	100%
	Mr. Mansour Kabbani	100%
	Mr. Nader Ghabbour	100%
	Mr. Mounir Fakhry Abdelnour	83%
	Mr. Abbas El Sayed	100%
	Mr. Mohamed Naguib	100%
	Ms. Lobna El Dessouky	83%

ECONOMIC

GB AUTO GROUP INCOME STATEMENT

	THREE MONTHS ENDED			FULL YEAR ENDED		
(LE MILLION)	4Q20	4Q21	% CHANGE	FY20	FY21	% CHANGE
Egypt Passenger Cars Revenues	2,780.4	3,824.4	37.5%	7,699.0	12,880.4	67.3%
Egypt Motorcycles & Three Wheelers Revenues	943.3	1,021.4	8.3%	2,944.7	3,719.9	26.3%
Egypt Commercial Vehicles & Construction Equipment Revenues	114.8	403.8	-	770.1	1,053.4	36.8%
Egypt Tires Revenues	279.9	420.3	50.2%	1,125.1	1,431.7	27.3%
GB Capital (Financing Businesses) Revenues	1,698.1	1,885.1	11.0%	5,337.9	6,516.7	22.1%
Egypt After-Sales Revenues	303.6	363.8	19.8%	1,098.7	1,336.6	21.7%
Regional Revenues	814.1	807.1	-0.9%	3,627.4	3,099.7	-14.5%
Others Revenues	266.8	321.4	20.5%	708.0	1,399.2	97.6%
Total Sales Revenues	7,201.1	9,047.4	25.6%	23,310.8	31,437.5	34.9%
Total Gross Profit	1,495.2	1,886.3	26.2%	4,764.4	6,302.6	32.3%
Gross Profit Margin	20.8%	20.8%	0.1	20.4%	20.0%	-0.4
Selling and Marketing	(702.7)	(914.7)	30.2%	(2,056.1)	(2,867.6)	39.5%
Administration Expenses	(140.3)	(179.3)	27.8%	(557.0)	(558.6)	0.3%
Other Income (Expenses)	46.1	32.4	-29.7%	425.6	230.0	-46.0%
Operating Profit	698.3	824.7	18.1%	2,576.8	3,106.3	20.5%
Operating Profit Margin (%)	9.7%	9.1%	-0.6	11.1%	9.9%	-1.2
Net Provisions and Non-Operating FV Of Investment Property	(95.0)	54.7	-	(272.9)	(104.0)	-61.9%
Intercompany Investment Losses	-	-	-	-	(40.6)	-
EBIT	603.3	879.4	45.8%	2,304.0	2,961.7	28.5%
EBIT Margin (%)	8.4%	9.7%	1.3	9.9%	9.4%	-0.5
Foreign Exchange Gains (Losses)	(20.6)	(3.5)	-83.1%	(13.3)	11.9	-
Net Finance Cost	(110.8)	(124.0)	12.0%	(765.8)	(563.5)	-26.4%
Earnings Before Tax	471.9	751.9	59.3%	1,524.9	2,410.1	58.1%
Income Taxes	(150.6)	(163.6)	8.6%	(408.8)	(563.3)	37.8%
Net Profit / Loss Before Minority Interest	321.3	588.3	83.1%	1,116.1	1,846.9	65.5%
Minority Interest	(33.5)	(115.7)	-	(199.1)	(368.9)	85.3%
Net Income/Loss	287.8	472.6	64.2%	917.0	1,478.0	61.2%
Net Profit Margin (%)	4.0%	5.2%	1.2	3.9%	4.7%	0.8

SUPPLEMENTARY FINANCIAL INFORMATION – GB CAPITAL

	FY20	9M21	FY21
Net Portfolio Assets	11,615.9	16,574.8	14,340.1
Debt / Equity	2.90x	3.08x	2.50x
Equity / Loan Portfolio	27.0%	26.0%	32.7%
Annualized Return on Average Equity (ROAE) - Excluding NCI *	26.9%	18.9%	22.3%
Annualized ROAA [Annualized the period EBIT pre funding costs after tax / average assets of period]	17.2%	13.7%	15.8%
Annualized net interest margin (%) [(interest income - interest expense) for the last quarter X 4 / average portfolio size for the quarter]	17.6%	16.9%	18.6%
Provision for Portfolio:			
Provision (BS) / Loan portfolio %	3.78%	2.68%	2.22%
Provision (BS) / NPL % (Coverage ratio)	153%	117%	110%
NPL / Loan portfolio %	2.48%	2.28%	2.02%

* Annualized ROAE is calculated as the annualized net profit -after NCI- for the period then divided by the average shareholders' equity -excluding- NCI for the period.

INCOME STATEMENT ANALYSIS FOR GB CAPITAL

(LE MILLION)	FY21			
	GB AUTO (AUTO & AUTO-RELATED)	GB CAPITAL (FINANCING BUSINESS)	ELIMINATION	GB AUTO CONSOLIDATION
Revenues	23,530.9	7,906.6	-	31,437.5
Inter-segment revenues	1,389.9	43.2	(1,433.2)	-
Total revenues	24,920.9	7,949.8	(1,433.2)	31,437.5
Cost of sales	(20,178.6)	(4,956.3)	-	(25,135.0)
Inter-segment cost of sales	(1,389.9)	(27.7)	1,417.6	-
Total Cost of Sales	(21,568.6)	(4,984.0)	1,417.6	(25,135.0)
Gross Profit	3,352.3	2,965.8	(15.5)	6,302.6
General, selling and administrative expenses	(1,829.0)	(1,599.5)	2.2	(3,426.2)
Other operating income	187.5	46.3	(3.8)	230.0
Provisions (Net)	(60.4)	(43.6)	-	(104.0)
Operating profit	1,650.4	1,369.0	(17.2)	3,002.3
Finance cost / income	(598.5)	18.9	16.1	(563.5)
Investment losses	(1.2)	(39.4)	-	(40.6)
FOREX	18.9	(7.0)	-	11.9
Net profit / (loss) before tax	1,069.7	1,341.5	(1.0)	2,410.1
Income tax	(202.8)	(360.5)	-	(563.3)
Net profit / (loss) after tax and before NCI	866.9	981.0	(1.0)	1,846.9
NCI	(66.6)	(302.3)	-	(368.9)
Net profit / (loss) after NCI	800.2	678.7	(1.0)	1,478.0

Eliminations of inter-segment items compose of trading of Auto and Auto related, leased items as well as reclassification between cost of sales and finance cost for consistent application of consolidation procedure of the group.

Historical data for GB Auto Group's segregated financials can be downloaded at ir.ghabbourauto.com/fundamentals

(LE MILLION)	4Q20	3Q21	4Q21	Q-Q	Y-Q	FY20	FY21	Y-Q
Revenues	1,264.3	1,123.2	1,268.3	12.9%	0.3%	3,498.9	4,332.3	23.8%
Interest Income	774.2	933.8	1,046.5	12.1%	35.2%	2,900.9	3,617.5	24.7%
Total Revenues	2,038.4	2,057.1	2,314.8	12.5%	13.6%	6,399.8	7,949.0	24.2%
Cost Of Sales	(1,026.4)	(1,012.4)	(1,068.7)	5.6%	4.1%	(3,060.9)	(3,867.8)	26.4%
Cost of Funds	(264.8)	(292.8)	(325.9)	11.3%	23.1%	(1,006.6)	(1,116.2)	10.9%
Total Cost of Revenues	(1,291.1)	(1,305.3)	(1,394.6)	6.8%	8.0%	(4,067.5)	(4,984.0)	22.5%
Gross Profit	747.3	751.8	920.1	22.4%	23.1%	2,332.3	2,965.8	27.2%
SG&A	(390.4)	(392.1)	(503.6)	28.5%	29.0%	(1,126.9)	(1,599.5)	41.9%
Provisions	(60.8)	(34.4)	75.0	-	-	(195.4)	(43.6)	-77.7%
Operating Profit	296.1	325.3	491.2	51.0%	65.9%	1,010.0	1,322.7	31.0%
Other Income	15.6	11.8	10.4	-12.0%	-33.4%	45.7	46.3	1.3%
Investment (Losses) / Gain	-	(14.2)	(23.9)	67.6%	-	-	(39.4)	-
EBIT	311.7	322.9	477.8	48.0%	53.3%	1,055.7	1,329.6	25.9%
Other Interest & Similar Income	50.1	6.8	3.9	-42.6%	-92.3%	46.3	18.9	-59.2%
FOREX	(7.1)	(1.8)	(5.2)	-	-26.7%	(5.5)	(7.0)	28.1%
EBT	354.8	327.9	476.5	45.3%	34.3%	1,096.5	1,341.5	22.3%
Income Tax	(116.3)	(94.9)	(112.0)	18.1%	-3.7%	(308.5)	(360.5)	16.8%
Profit after Tax & before NCI	238.4	233.0	364.5	56.4%	52.9%	788.0	981.0	24.5%
NCI	(25.6)	(86.7)	(96.6)	11.4%	-	(155.8)	(302.3)	94.0%
Net Profit After Tax & NCI	212.8	146.3	267.9	83.1%	25.9%	632.2	678.7	7.4%
Breakdown Of Revenue by Company:								
GB Capital	17.6	17.9	21.6	20.6%	22.7%	30.7	67.7	-
GB Lease	214.6	160.3	261.3	63.0%	21.8%	612.4	695.6	13.6%
Drive	928.8	766.5	868.3	13.3%	-6.5%	2,582.8	3,069.5	18.8%
MNT-Halan	845.7	1,080.6	1,129.7	4.5%	33.6%	3,064.4	3,991.4	30.3%
Haram	30.4	31.7	32.9	3.6%	8.1%	108.2	124.6	15.1%
Capital Securitization	1.3		1.0	-	-	1.3	1.0	
Total	2,038.4	2,057.1	2,314.8	12.5%	13.6%	6,399.8	7,949.8	24.2%

For further information on GB Auto's Financial Performance during the reporting period (FY 2021), please check our [Earnings Release](#), and [FY21 Results Report](#).

GRI CONTENT INDEX**MAPPING GB AUTO'S MATERIAL TOPICS
TO GRI TOPIC STANDARDS**

GB AUTO'S MATERIAL TOPICS	GRI TOPIC STANDARDS
Good corporate governance	Anti-corruption (205), Anti-competitive behavior (206)
Business integrity and conduct	Anti-corruption (205), Anti-competitive behavior (206)
Quality, compliance, and risk management	Economic performance (201), Market presence (202)
Technology and innovation	Indirect economic impacts (203)
Customer experience and sustainability	Customer health and safety (416), Customer privacy (418)
Responsible investment and finance	Emissions (305), Waste (306), Local communities (413), Market presence (202)
Resilient supply chains	Supplier environmental assessment (308), Supplier social assessment (414) Child labor (408), Forced or compulsory labor (409)
Climate and energy	Energy (302), Emissions (305)
Sustainable mobility	Energy (302), Emissions (305)
Circular economy	Materials (301), Waste (306)
Green facilities	Materials (301), Energy (302), Water and effluents (303), Biodiversity (304), Emissions (305), Waste (306)
Health, safety and wellbeing	Occupational health and safety (403)
Diversity and inclusion	Employment (401), Diversity and equal opportunities (405), Non-discrimination (406)
Human potential	Training and education (404)
Supporting society	Indirect economic impacts (203), Local communities (413)

GRI CONTENT INDEX

Statement of use	GB Auto has reported in accordance with the GRI Standards for the period from January 1 st 2021 to December 31 st 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	None

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
GRI 2: General Disclosures 2021						
The organization and its reporting practices						
2-1	Organizational details	GB Auto's headquarters is located in Cairo-Alex Desert Road, Km 28 Industrial Zone – Abo Rawaash, Giza, Egypt Group Overview (p. 8-13)				
2-2	Entities included in the organization's sustainability reporting	Lines of Business (p. 10-12)				
2-3	Reporting period, frequency and contact point	About this Report (p.3)				
2-4	Restatement of information	About this Report (p. 3)				
2-5	External assurance	Limited Assurance Statement (pg. 93)				
Activities and workers						
2-6	Activities, value chain and other business relationships	Market Presence and Business Partners (pg.13) Supply Chain Management (pg. 50)				
2-7	Employees	Diversity and Inclusion (pg. 60-61) ESG Metrics & Indicators (pg. 96)				8.5, 10.3
2-8	Workers who are not employees		a, b, c	NA	All personnel doing work for GB Auto are employed within the organization.	8.5
Governance						
2-9	Governance structure and composition	Governance and Management (p. 26-29)				
2-10	Nomination and selection of the highest governance body	Governance and Management (p. 28)				
2-11	Chair of the highest governance body	Governance and Management (p. 28)				
2-12	Role of the highest governance body in overseeing the management of impacts	Governance and Management (p. 28)				

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
2-13	Delegation of responsibility for managing impacts			Information unavailable GB Auto has developed an ESG policy and strategy during the reporting period, in which roles, responsibilities and reporting lines related to ESG issues will be implemented across the group.		
2-14	Role of the highest governance body in sustainability reporting	Currently, the investor relations division is responsible for managing and preparing the sustainability report annually, in line with selected representatives across all departments and business lines. The board is responsible for reviewing and signing off the report.				
2-15	Conflicts of interest	Governance and Management (p. 28)				
2-16	Communication of critical concerns	Business integrity and conduct (p. 34)				
2-17	Collective knowledge of the highest governance body	Materiality Assessment (p. 17)				
2-18	Evaluation of the performance of the highest governance body	Governance and Management (p. 29)				
2-19	Remuneration policies	Governance and Management (p. 31)				
2-20	Process to determine remuneration	Governance and Management (p. 29)				16.7
2-21	Annual total compensation ratio	ESG Metrics & Indicators (p. 99)				
Strategy, Policy and Practices						
2-22	Statement on sustainable development strategy	Sustainability Strategy (p. 21)				
2-23	Policy commitments	Sustainability Strategy (p. 22), Quality, Compliance and Risk Management (p. 37)				16.3
2-24	Embedding policy commitments	Sustainability Strategy (p. 22), Quality, Compliance and Risk Management (p. 37)				
2-25	Processes to remediate negative impacts	Business integrity and conduct (pg. 34)				
2-26	Mechanisms for seeking advice and raising concerns	Business integrity and conduct (p. 34)				16.3
2-27	Compliance with laws and regulations	Sustainability Strategy (p. 22), Quality, Compliance and Risk Management (p. 37)				
2-28	Membership associations	British Egyptian Business Association (BEBA)				
Stakeholder Engagement						
2-29	Approach to stakeholder engagement	Stakeholders Engagement (p.15)				

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
2-30	Collective bargaining agreements		a, b	NA	There are no collective bargaining agreements in GB Auto. However, there are escalation policies related to communicating grievances or any concerns.	8.8
GRI 3: Material Topics 2021						
3-1	Process to determine material topics	Materiality Assessment (p.17)				
3-2	List of material topics	Materiality Assessment (p.18)				
GRI 201: Economic Performance 2016						
3-3	Management of material topic	Business Performance (p. 40)				
201-1	Direct economic value generated and distributed	Business Performance (p. 41)				8.1, 8.2, 9.1, 9.4, 9.5,
201-2	Financial implications and other risks and opportunities due to climate change		a	Information unavailable GB Auto has not yet developed a process for identifying climate-related financial risks and opportunities; however, it expects to set a system in line with the TCFD in the coming 2 years.		13.1
201-3	Defined benefit plan obligations and other retirement plans	Governance and Management (p. 31)				
201-4	Financial assistance received from government			NA		
GRI 202: Market Presence 2016						
3-3	Management of material topic	Thriving Humanity (p. 56)				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage			Information unavailable/incomplete. This data could not be retrieved within the reporting period; however, it shall be disclosed in the coming report.		1.2, 5.1, 8.5
202-2	Proportion of senior management hired from the local community	100% of GB Auto's senior managers (including board members) are Egyptians.				8.5
GRI 203: Indirect Economic Impacts 2016						
3-3	Management of material topic	Business Performance (p. 40)				
203-1	Infrastructure investments and services supported	Digitalization and Cybersecurity (p.45)				5.4, 9.1, 9.4, 11.2
203-2	Significant indirect economic impacts	Business Performance (p. 40), Digitalization and Cybersecurity (p.45-49), Supporting Society (p. 68)				1.2, 1.4, 3.8, 8.2, 8.5
GRI 204: Procurement Practices 2016						
3-3	Management of material topic	Supply Chain Management (p. 50)				

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
204-1	Proportion of spending on local suppliers		a	Information incomplete The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		8.3
GRI 205: Anti-corruption 2016						
3-3	Management of material topic	Business Integrity and Conduct (p. 32)				
205-1	Operations assessed for risks related to corruption		a, b	Information unavailable GB Auto is planning to develop a defined process for assessing and managing risks related to corruption		16.5
205-2	Communication and training about anti-corruption policies and procedures		a, b, c, d, e	Information unavailable GB Auto is planning to develop specific procedures and integrate policies on anticorruption within its Code of conduct		16.5
205-3	Confirmed incidents of corruption and actions taken		a, b, c, d	Confidentiality constraints This information is deemed confidential by GB Auto		16.5
GRI 206: Anti-competitive Behavior 2016						
3-3	Management of material topic	Business Integrity and Conduct (p. 32)				
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices		a, b	Confidentiality constraints This information is deemed confidential by GB Auto		16.3
GRI 301: Materials 2016						
3-3	Management of material topic	Circular Economy (p. 84-85)				
301-1	Materials used by weight or volume		a	Information unavailable The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		8.4, 12.2
301-2	Recycled input materials used		a	Information unavailable Recycled input materials used to manufacture our primary products are not yet tracked; however, this is being considered as part of our shift to becoming a circular business.		8.4, 12.2, 12.5
301-3	Reclaimed products and their packaging materials		a, b	Information unavailable Percentage of reclaimed products from sold products are not being tracked currently; however, this is being considered as part of our shift to becoming a circular business.		8.4, 12.2, 12.5

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
GRI 302: Energy 2016						
3-3	Management of material topic	Green Facilities (p. 87)				
302-1	Energy consumption within the organization	Green Facilities (p. 87)				7.2, 7.3, 8.4, 12.2, 13.1
302-2	Energy consumption outside of the organization		a, b, c	Information unavailable Energy consumption is currently reported for sources within the organization only; however, we plan to expand our reporting boundaries in upcoming reports.		7.2, 7.3, 8.4, 12.2, 13.1
302-3	Energy intensity			Information incomplete The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		7.3, 8.4, 12.2, 13.1
302-4	Reduction of energy consumption	Green Facilities (p. 87)				7.3, 8.4, 12.2, 13.1
302-5	Reductions in energy requirements of products and services		a, b, c	Information unavailable Energy reduction of products and services is not currently tracked; however, it shall be tracked in upcoming reports.		7.3, 8.4, 12.2, 13.1
GRI 303: Water and Effluents 2018						
3-3	Management of material topic	Green Facilities (p. 89)				
303-1	Interactions with water as a shared resource	Green Facilities (p. 89)				6.3, 6.4, 6.A, 6.B, 12.4
303-2	Management of water discharge-related impacts	Green Facilities (p. 90)				6.3
303-3	Water withdrawal	Green Facilities (p. 89)				6.4
303-4	Water discharge		a, b, c, d, e	Information incomplete The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		6.3
303-5	Water consumption		a, b, c, d	Information incomplete The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		6.4
GRI 305: Emissions 2016						
3-3	Management of material topic	Climate and Energy (p. 77)				

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
305-1	Direct (Scope 1) GHG emissions	Climate and Energy (p. 79)				3.9, 12.4, 13.1, 14.3, 15.2
305-2	Energy indirect (Scope 2) GHG emissions	Climate and Energy (p. 79)				3.9, 12.4, 13.1, 14.3, 15.2
305-3	Other indirect (Scope 3) GHG emissions	Climate and Energy (p. 79)				3.9, 12.4, 13.1, 14.3, 15.2
305-4	GHG emissions intensity	ESG Metrics and Indicators (p. 95)				13.1, 14.3, 15.2
305-5	Reduction of GHG emissions	Climate and Energy (p. 79)				13.1, 14.3, 15.2
305-6	Emissions of ozone-depleting substances (ODS)		a, b, c, d	Information incomplete The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		3.9, 12.4
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		a, b, c	Information incomplete The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		3.9, 12.4, 14.3, 15.2
GRI 306: Waste 2020						
3-3	Management of material topic	Circular Economy (p. 86)				
306-1	Waste generation and significant waste-related impacts	Circular Economy (p. 86)				3.9, 6.3, 6.6, 11.6, 12.4, 12.5
306-2	Management of significant waste-related impacts	Circular Economy (p. 86)				3.9, 6.3, 8.4, 11.6, 12.4, 12.5
306-3	Waste generated	Circular Economy (p. 86)				3.9, 6.6, 11.6, 12.5, 12.4, 15.1

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
306-4	Waste diverted from disposal	ESG Metrics and Indicators (p. 94)				3.9, 11.6, 12.4, 12.5
306-5	Waste directed to disposal	Circular Economy (p. 86)				3.9, 6.6, 11.6, 12.4, 12.5, 15.1
GRI 308: Supplier Environmental Assessment 2016						
3-3	Management of material topic			Information unavailable GB Auto is planning on updating its supplier assessments to include environmental criteria, allowing such disclosure for future reports		
308-1	New suppliers that were screened using environmental criteria		a			
308-2	Negative environmental impacts in the supply chain and actions taken		a, b, c, d, e			
GRI 401: Employment 2016						
3-3	Management of material topic	Thriving Humanity (p. 56) Diversity and Inclusion (p.60)				
401-1	New employee hires and employee turnover	Diversity and Inclusion (p. 62), ESG Metrics and Indicators (p. 97, 98)				5.1, 8.5, 8.6, 10.3
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity and Inclusion (p. 62),				3.2, 5.4, 8.5
401-3	Parental leave	ESG Metrics and Indicators (p. 98)				5.1, 5.4, 8.5
GRI 402: Labor Management Relations 2016						
3-3	Management of material topic	Business Integrity and Conduct (p. 32) Thriving Humanity (p. 56)				
402-1	Minimum notice periods regarding operational changes		a, b	Information unavailable The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		8.8
GRI 403: Occupational Health and Safety 2018						
3-3	Management of material topic	Well-Being, Health and Safety (p. 57-58)				
403-1	Occupational health and safety management system	Well-Being, Health and Safety (p. 57)				3.3, 3.4, 3.9, 8.8, 16.1

DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	OMISSIONS			SDG MAPPING
			REQUIREMENT OMITTED	REASON	EXPLANATION	
403-2	Hazard identification, risk assessment, and incident investigation	Well-Being, Health and Safety (p. 58)				8.8
403-3	Occupational health services	Well-Being, Health and Safety (p. 58-59)				8.8
403-4	Worker participation, consultation, and communication on occupational health and safety	Well-Being, Health and Safety (p. 57)				8.8, 16.7
403-5	Worker training on occupational health and safety	Well-Being, Health and Safety (p. 58)				8.8
403-6	Promotion of worker health	Well-Being, Health and Safety (p. 58, 59)				3.3, 3.5, 3.7, 3.8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Well-Being, Health and Safety (p. 57-58)				8.8
403-8	Workers covered by an occupational health and safety management system	Well-Being, Health and Safety (p. 58)				8.8
403-9	Work-related injuries	Well-Being, Health and Safety (p. 58)				3.6, 3.9, 8.8, 16.1
403-10	Work-related ill health	Well-Being, Health and Safety (p. 58)				3.3, 3.4, 3.9, 8.8, 16.1
GRI 404: Training and Education 2016						
3-3	Management of material topic	Human Potential and Career Growth (p. 66)				
404-1	Average hours of training per year per employee	ESG Metrics and Indicators (p. 97)				4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
404-2	Programs for upgrading employee skills and transition assistance programs	Human Potential and Career Growth (p. 66-67)				8.2, 8.5
404-3	Percentage of employees receiving regular performance and career development reviews	ESG metrics & indicators (p. 97)				5.1, 8.5, 10.3
GRI 405: Diversity and Equal Opportunity 2016						
3-3	Management of material topic	Diversity and Inclusion (p. 60-63)				

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
405-1	Diversity of governance bodies and employees	Diversity and Inclusion (p. 60, 61) ESG Metrics and Indicators (p. 97, 100)				5.1, 5.5, 8.5
405-2	Ratio of basic salary and remuneration of women to men		a, b	Information incomplete The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		5.1, 8.5, 10.3
GRI 406: Non-discrimination 2016						
3-3	Management of material topic	Diversity and Inclusion (p. 60), Business Integrity & Conduct (p. 32)	a,b			
406-1	Incidents of discrimination and corrective actions taken			Information unavailable The data could not be retrieved during this reporting period		5.1, 8.8
GRI 408: Child Labor 2016						
3-3	Management of material topic	Diversity and Inclusion (p. 65), GB Auto abides by the national labor law that violates any forms of child labor at its owned facilities.				
408-1	Operations and suppliers at significant risk for incidents of child labor		a, b, c	Information unavailable GB Auto is planning on updating its supplier assessments to include aspects on child labor, allowing such disclosure for future reports		5.2, 8.7, 16.2
GRI 409: Forced or Compulsory Labor 2016						
3-3	Management of material topic	Diversity and Inclusion (p. 65) GB Auto abides by the national labor law that violates any forms of forced or compulsory labor at its owned facilities.				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	GB Auto abides by the national labor law that violates any forms of forced or compulsory labor at its owned facilities.		Information unavailable GB Auto is planning on updating its supplier assessments to include aspects on forced and compulsory labor, allowing such disclosure for future reports		5.2, 8.7
GRI 413: Local Communities 2016						
3-3	Management of material topic	Supporting Society (p. 68-72)				
413-1	Operations with local community engagement, impact assessments, and development programs	Supporting Society (p. 69-72)				

			OMISSIONS			
DISCLOSURE NO.	DESCRIPTION	DIRECT RESPONSE/ SECTION IN THIS REPORT (PG. #)	REQUIREMENT OMITTED	REASON	EXPLANATION	SDG MAPPING
413-2	Operations with significant actual and potential negative impacts on local communities	Supporting Society (p. 69-72)				1.4, 2.3
GRI 414: Supplier Social Assessment 2016						
3-3	Management of material topic			Information unavailable GB Auto is planning on updating its supplier assessments to include social criteria, allowing such disclosure for future reports		
414-1	New suppliers that were screened using social criteria		a			5.2, 8.8, 16.1
414-2	Negative social impacts in the supply chain and actions taken		a, b, c, d, e			5.2, 8.8, 16.1
GRI 416: Customer Health and Safety 2016						
3-3	Management of material topic	Quality, Compliance and Risk Management (p. 38)				
416-1	Assessment of the health and safety impacts of product and service categories		a	Information unavailable Information unavailable The data could not be retrieved during this reporting period; however, it shall be disclosed in the upcoming report		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		a, b			16.3
GRI 418: Customer Privacy 2016						
3-3	Management of material topic	Business Integrity and Conduct (p. 32) Customer Experience and Sustainability (p. 54)				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No cases were detected during this reporting period.				16.3, 16.10

SASB INDEX

SASB STANDARD – AUTO PARTS				
ACCOUNTING METRIC	CATEGORY ¹	UNIT OF MEASURE	CODE	REPORT SECTION(S) OR DIRECT RESPONSE
Energy Management				
(1) Total energy consumed	Quantitative	GJ	TR-AP-130a.1	371,966 GJ ESG Metrics and Indicators (p.94)
(2) percentage grid electricity	Quantitative	%	TR-AP-130a.1	29.5% ESG Metrics and Indicators (p.94)
(3) percentage renewable	Quantitative	%	TR-AP-130a.1	0%
Waste Management				
(1) Total amount of waste from manufacturing	Quantitative	Tons (t)	TR-AP-150a.1	16,373 t ESG Metrics and Indicators (p.94)
(2) percentage hazardous	Quantitative	%	TR-AP-150a.1	45.5% ESG Metrics and Indicators (p.94)
(3) percentage recycled	Quantitative	%	TR-AP-150a.1	54.5% ESG Metrics and Indicators (p.94)
Product Safety				
Number of recalls issues, total units recalled	Quantitative	Number	TR-AP-250a.1	Information on number of recalls and units recalled is not currently available, but will be disclosed in upcoming reports.
Design for Fuel Efficiency				
Revenue from products designed to increase fuel efficiency and/or reduce emissions	Quantitative	EGP	TR-AP-410a.1	Information unavailable. Such data shall be disclosed as we introduce our sustainable mobility products in upcoming reports.- Sustainable Mobility (p. 83)
Materials Sourcing				
Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TR-AP-440a.1	Information could not be retrieved; however, it shall be disclosed in upcoming report as we develop our ESG-related supply chain processes and procedures.
Materials Efficiency				
Percentage of products sold that are recyclable	Quantitative	%	TR-AP-440b.1	Exact % could not be retrieved. Circular Economy (p. 85)
Percentage of input materials from recycled or remanufactured content	Quantitative	%	TR-AP-440b.2	Exact % could not be retrieved. Circular Economy (p. 85)
Competitive Behavior				
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	EGP	TR-AP-520a.1	This information could not be disclosed due to confidentiality reasons.
Activity Metric				
Number of parts produced	Quantitative	Number	TR-AP-000.A	161,213 units²
Weight of parts produced	Quantitative	Tons (t)	TR-AP-000.B	Information could not be retrieved; however, it shall be disclosed in upcoming report.
Area of manufacturing plants	Quantitative	m ²	TR-AP-000.C	Total land area of GB Auto's 5 factories: 459,526 m2

1 All quantitative values stated, refer to the reporting period from Jan-Dec 2021 only.

2 The reported number of parts refers to the total production from the following facilities only:

Prima factory: Total 23,383 vehicle units including 3,780 Hyundai Elantra, 6,510 Chery Arrizo, 2,958 Accent RB, 4,207 Tiggo 3, 5,304 Tiggo 7, and 624 Canter

CITI factory: Total 137,632 units including 73,312 three-wheeler units, and 64,320 motorcycles.

GB Polo: Total 198 units (bus bodies)

UNGC INDEX

PRINCIPLE	DESCRIPTION	REPORT SECTION(S)
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Business Integrity and Conduct (p. 32) Diversity and Inclusion (p. 65)
Principle 2	Businesses should make sure they are not complicit in human rights abuses.	
Labor		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	GRI 2-30 (p.107)
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	
Principle 5	Businesses should uphold the effective abolition of child labor.	Business Integrity and Conduct (p.32-33) Diversity and Inclusion (60-65)
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Climate and Energy (p. 76-80) Circular Economy (p. 84-86) Green Facilities (p. 87-90)
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Sustainable Mobility (p. 81-83)
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Business Integrity and Conduct (p.32-33)

TCFD INDEX

TCFD RECOMMENDATION	REPORT SECTION(S) (OR DIRECT ANSWER)	MAPPING TO CDP CLIMATE CHANGE QS ¹
Governance		
a. Describe the board's oversight of climate-related risks and opportunities.	GB Auto is currently in the process of integrating a sound ESG management system for all its operations and has developed an ESG Strategy 2022-2025 (includes ESG and climate-related targets), and a Group ESG Policy in which the BoD and top management are involved in all climate-related & ESG decisions.	C1.1b
b. Describe management's role in assessing and managing climate-related risks and opportunities.		C1.2, 1.2a
Strategy		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate and Energy (pg. 76) Green Facilities (pg. 87-90)	C2.1a, 2.3, 2.3a, 2.4, 2.4a
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	GB Auto has identified several climate-related risks (including market risk as a result of higher demand for low carbon products), and opportunities such as shifting to renewable energy sources, and exploring low carbon technologies and products. Further risks and opportunities will be identified and their impacts assessed, as part of the decarbonisation action plan, and as we fully establish an ESG management system.	C2.3a, 2.4a, 3.1, 3.2a, 3.2b, 3.3, 3.4
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	GB Auto has assessed the organizational carbon footprint, set science-based targets, and is developing a decarbonisation action plan. A climate-related scenario analysis is expected to be adopted in the upcoming year.	C3.2, 3.2a, 3.2b
Risk Management		
a. Describe the organization's processes for identifying and assessing climate-related risks.	GB Auto has assessed the organizational carbon footprint, and has set science-based targets, and is currently developing a decarbonisation action plan, in line with the ESG Strategy 2022-2025. A group-wide ESG management system is currently being developed, which will allow further identification and management of climate-related risks, as well as the integration of climate risk assessment into the group's overall risk management system.	C2.1, 2.2, 2.2a
b. Describe the organization's processes for managing climate-related risks.		C2.1, 2.2
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		C2.1, 2.2
Metrics and Targets		
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability Strategy (pg. 23) Climate and Energy (pg. 76-80) Climate and Energy (pg. 80)	C4.2, 4.2a, 4.2b, 9.1
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Climate and Energy (pg. 76-80) ESG Metrics and Indicators (pg. 95)	C6.1, 6.3, 6.5a
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Sustainability Strategy (pg. 23) Climate and Energy (pg. 80)	C4.1, 4.1a, 4.1b, 4.2, 4.2a, 4.2b

1 Further details on GB Auto's performance shall be disclosed through CDP's 2022 Climate Change questionnaire. In addition, detailed emissions data, science based GHG reduction targets, and a decarbonization action plan, will be disclosed in GB Auto 2021 Carbon Footprint Report which will be published in 2022.