



**SUSTAINABILITY REPORT  
2020**

**BUILDING MOMENTUM  
FOR SUSTAINABLE DEVELOPMENT**



# Building Momentum for Sustainable Development

A summary of our company's sustainable efforts during the year 2020.



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# CHAIRMAN'S NOTE



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*We believe in collective benefit and impact, and so we are proud to stand in line with many companies from around the world to make tangible changes and contribute to the betterment of local and global communities.*

## Dear shareholders,

I am proud to present to you GB Auto's sustainability report for the year 2020. This unusual year brought on many challenges; the spread of COVID-19 shocked global economies and forced companies to revise their policies and practices to manage this new normal. Our performance this year at GB Auto reflected our resilience and preparedness as we quickly mitigated the impact of the pandemic on our people. We also put contingency plans in place to ensure business continuity and swiftly restore operations following lockdowns and partial shutdowns.

Company-wide safety measures that include hygiene, medical, and operational policies were immediately implemented during the onset of the pandemic. We also fast-tracked the deployment of our specialized online systems and tools, which were already in the pipeline as part of our digitization process. Through these tools, we further facilitated remote work by consolidating and regulating access to our data, allowing employees the capacity to maintain their day-to-day responsibilities without interruption.

Our sustainable development plans moved with minimal disruptions in 2020, as we continued to work

diligently to improve our environmental footprint and increase our social offerings to employees, consumers, and communities in line with international best practices. As such, our efforts remained aligned with the United Nation's 2030 Sustainable Development agenda, and consequently, the sustainable development goals (SDGs) and the 10 principles of the United Nations Global Compact (UNGC). We believe in collective benefit and impact, and so we are proud to stand alongside companies from around the world that aim to make tangible changes and contribute to the betterment of local and global communities.

The pandemic slowed down the Egyptian automotive market in the first half of 2020, which we saw as the right time to solidify our communication with existing clients, and examine their needs to better serve them as we move forward. This also allowed us to build up on our feedback mechanisms and gain insights into market needs, thus improving our offerings and traction when the market began to rebound in the second half of the year.

We also maintained our plan to gradually digitize and automate multiple facets of our operations in 2020, which served our objectives to reduce waste production

and emissions; monitor the use of raw materials; decrease occupational health and safety hazards; and expedite many internal processes. We plan on maintaining the transition and expect many of GB Auto's fundamental processes to greatly improve on the back of these upgrades.

These changes also further complement our commitment to environmental sustainability, which we continued to uphold in 2020 through the implementation of our local laws. Next to our adherence to relevant local laws and international guidelines, we have continued to monitor our greenhouse gas emissions, water use, and waste production to determine conservation prospects where possible. Recent regulatory changes forced us to temporarily halt our solar PV system expansion project, which was originally scheduled for launch in 2020. Reassessments are now being conducted and an alternative launch plan is set for 2021.

On the human resources front, the Egyptian job market faced immense pressures in light of the pandemic, yet we managed to keep our recruitment plan active and hired close to 1,000 new employees in 2020. We also improved internal hiring policies to increase reliability and upgrade onboarding processes. Diversity, inclusion, and non-discrimination remained fundamental pillars of our hiring plans and work cultures, as we also continued to bridge the gender gap by pursuing more female candidates; providing more chances for younger candidates to further their careers; and affording more opportunities to employees with special needs. On the learning and development front, I am also proud to announce that GB Academy and Ignition continued to operate during the year despite the pandemic.

Among its many activities, the Academy launched the "JUST SELL IT" free online program for the benefit of sales people across all sectors. The program determines core sales skills needed to achieve higher sales volumes and minimizes unrelated efforts that do not facilitate the process. It also analyzes competences using the TOWS analysis tool, a variant of the classic SWOT Analysis. Furthermore, we also managed to launch

"Hankhalli El Agala Dayra", our new team bonding program for middle managers.

In extension of our commitment to support our stakeholders and communities, our social initiatives remained highly active during 2020. Next to increasing our contributions to the FACE for Children in Need association, we witnessed the impressive growth and expansion of our very own Ghabbour Foundation for Development. Our belief in the importance of vocational education is essential to our mission, as we aim to create a generation of competent and highly-trained technical experts in the automotive industry. Not only did the Foundation graduate its first class in 2020, but it also expanded its offerings by collaborating with various partners to offer scholarships, franchising, assessments and employment, and additional courses for graduates. The Foundation also supported current students by introducing the first online vocational education platform in Egypt, with some course materials made available for public use. Higher accreditations are also being pursued to provide our future graduates with additional technical prowess that is benchmarked against German standards. The Foundation has seen an excellent year, and I am very proud of its accomplishments.

In closing, I would like to thank our Board members, management team, and employees for maintaining steadfast dedication during the year, and for their relentless efforts in keeping GB Auto a leader in its field. I hope the next phase carries positive prospects for us on all fronts as we continue to demonstrate successes on operational and sustainable fronts, and create shared value at every possible opportunity.

Once again, I would like to thank all stakeholders for their efforts this year, and express my gratitude to each and every member of our team. As we work together to power through these trying times, I look forward to the next chapter and hope for a safer tomorrow.

Sincerely,  
**Dr. Raouf Ghabbour, Executive Chairman**

# 2020 SUSTAINABILITY HIGHLIGHTS

GB Auto's sustainability efforts in 2020 prospered despite setbacks triggered by COVID-19, as the company maintained green operational improvements and increased investments in socially responsible initiatives to bolster its surrounding community



## Receiving National Recognition

GB Auto received the **Most Sustainable Automotive Company** Egypt 2020 award.



## Reducing Energy Consumption

GB Auto is reassessing its solar energy projects in line with the new regulations set by the Ministry of Electricity and Renewable Energy.



## Recycling More Wastewater

A new wastewater recycling system was constructed and launched at the company's Badr factory, with substantial positive impact showing on the factory's resource utilization.



## Reducing Harmful Emissions

The company substituted the use of diesel oil with natural gas across its operational units since February 2020, leading to the reduction of overall emissions by an impressive 50%.

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*GB Auto increased its socially responsible investments and environmentally-conscious projects in 2020, with expansion plans regularly considered to increase positive impact and deliver on its promise to maximize value for all stakeholders.*



## Donating for Community Relief

We made three major donations to FACE for Children in Need organization in the amount of EGP 1.3 million, EGP 22 million to the Ghabbour Foundation for Development, and EGP 4 million to the Ministry of Health and Organization.



## Protecting Employees

Next to maintaining employees' health and safety during day-to-day operations, major investments were made in 2020 to safeguard operations against the ramifications of COVID-19.



## Improving Air Quality

A new ventilation system was installed at the company's Badr factory and went live in the beginning of 2021, thus improving air quality across its premises.



## Digitizing Internal Processes

GB Auto continued to transition to digital practices in 2020 to streamline operations, improve data storage and tracking, and reduce waste and emissions.



## Online Reservation System

The company continued to improve on its online reservation system in 2020, and is working to further expand it to encompass all client related feedback in the next stage.



## Supporting Local Communities

Socially responsible investments increased in 2020, from sponsoring non-governmental NGOs like FACE for Children in Need, to launching more education-based initiatives through the Ghabbour Foundation for Social Development.

## Further Measurements and Response to COVID-19



GB Auto contributes in TransMEA showcasing our luxurious portable sales offices bus for Talaat Mostafa and our new developed CNG Fuso Minibus.



Chery Automobile distributed in Egypt medical supplies to the Ministry of Health to support our heroes in fighting the Corona virus.



GB Auto is honored to partner with Nile University-Graduate Starter Pack (GSP) in their 1st online event. The Intern's Skillset, aimed to provide guidance to interns after the COVID-19 pandemic, tackling important business fundamentals to guide and nurture their careers. More than 100 interns attended the five live online sessions provided by GB Auto's experienced professionals.



Volvo trucks introduced the new FH with the i-Save feature that will solve fuel efficiency to provide high productivity and ensure the cutting of the fuel cost up to 7%. GB Auto is the sole distributor of Volvo Truck & Volvo Bus in Egypt.



GB Auto launches the new Chery brand model Tiggo 7 2020 in Egypt, which is among the list of Chery models assembled locally in cooperation with Aboul Fotouh Automotive Group. To accommodate the current climate, GB Auto became one of the first companies in the automotive field to employ digital solutions, conducting the Tiggo 7's launch through a live stream event. We are always working to provide our customers with the best Chery cars, which have proven over the past six years to possess great capabilities that have allowed the brand to occupy a notable position in the Egyptian market.

Assembling the Tiggo 7 in Egypt, in cooperation with Aboul Fotouh Automotive Group, complements our plans to support and develop the Egyptian automotive sector, which in turn contributes to reviving local manufacturing and sustaining the national economy. GB Auto is providing an online car buying and booking service through our website in order to facilitate access to all Chery car models. This step is in line with the country's overall strategy for financial inclusion and the implementation of the Egypt 2030 Vision, as well as the digital transformation happening around the world.

# GB AUTO GROUP AT A GLANCE

GB Auto Group remained resilient in the face of obstacles posed by COVID-19 in 2020, strengthening its operations to better meet the changing needs of its customers, and maintaining its positioning as one of Egypt's leading automotive and non-bank financial services providers

GB Auto is a leading automotive company in the Middle East and a non-bank financial services provider in Egypt with markets in Iraq and Egypt. With a history of over six decades in the industry, GB Auto has built a solid reputation for its automotive service offerings. It is renowned for providing unmatched aftersales services in Egypt along with positioning its passenger cars as some of the best value-for-money products in the Egyptian market. The company is also making a name for itself as a front-runner in the manufacturing and distribution of two- and three-wheelers, as well as Commercial Vehicles and Construction Equipment. GB Auto has established itself as a fully integrated one-stop shop automotive provider that delivers on promises of lower ownership costs and real value to customers. GB

Auto's portfolio of partners currently includes the leading global brands of Hyundai, Mazda, Geely, MG, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Aksa, Shacman, Higer, Bosch, Monroe, Lassa, Yokohama, Westlake, Double Coin, Goodyear, Thunderer, Verde, Techking and Gazpromneft.

While sustaining its core operations in the manufacturing, sale, and after-sales of top quality and reliable automotive vehicles, the company began tapping into different industries with the aim of extending additional services to its customers that complement its core offerings. After settling on expansion into the financial services industry, the

## OPERATING ACROSS THE VALUE CHAIN



company split its operations in 2017 into two distinct business lines, Auto & Auto Related and GB Capital, to better reflect its mission of producing top quality automotive products and equipping people with the necessary capital to access them. Through GB Capital, the company developed a range of financing options for different client categories to facilitate the purchase of vehicles that will assist them in achieving their professional goals.

### 2020 Highlights

Despite turbulences caused by the pandemic, GB Auto witnessed several key achievements in 2020. AKSA, GB Auto's PowerGen's division, won a tender to execute the repowering project of Sheraton Cairo Hotel's power station. The division's scope of work included supply, installations, and synchronizing of two gensets rating 1000Kva each. Additionally, GB Auto partnered with Goodyear Middle East and Africa to become an authorized distributor and seller of Goodyear Tires in Egypt. This partnership will allow Goodyear customers all over the country access to high quality product range availability and proximity. Moreover, GB Auto won the Yokohama Rubber Company's Special Selection Award in 2020 for presenting the Yokohama brand creatively in its advertising.

This year also saw the launch of GB Ventures, an incubator specialized in the automotive and fintech sectors. Selected startups will receive office spaces at GB Academy and will benefit from GB Auto's financial support, shared services, and the executive team's mentorship. The venture aims to

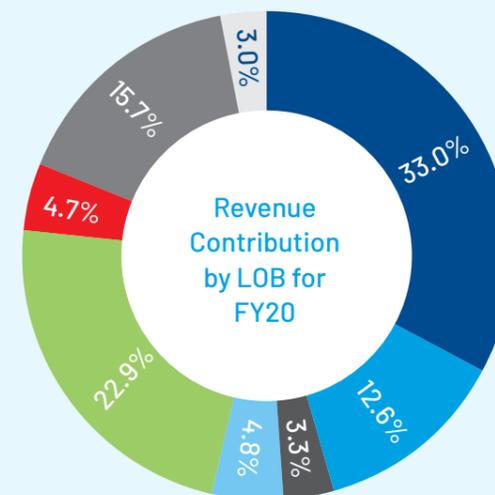
create an enabling environment for innovation and entrepreneurship, and support startups that are looking to develop their projects. It is implemented in partnership with GIZ Egypt and the Ministry for Trade and Industry.

### Auto & Auto Related

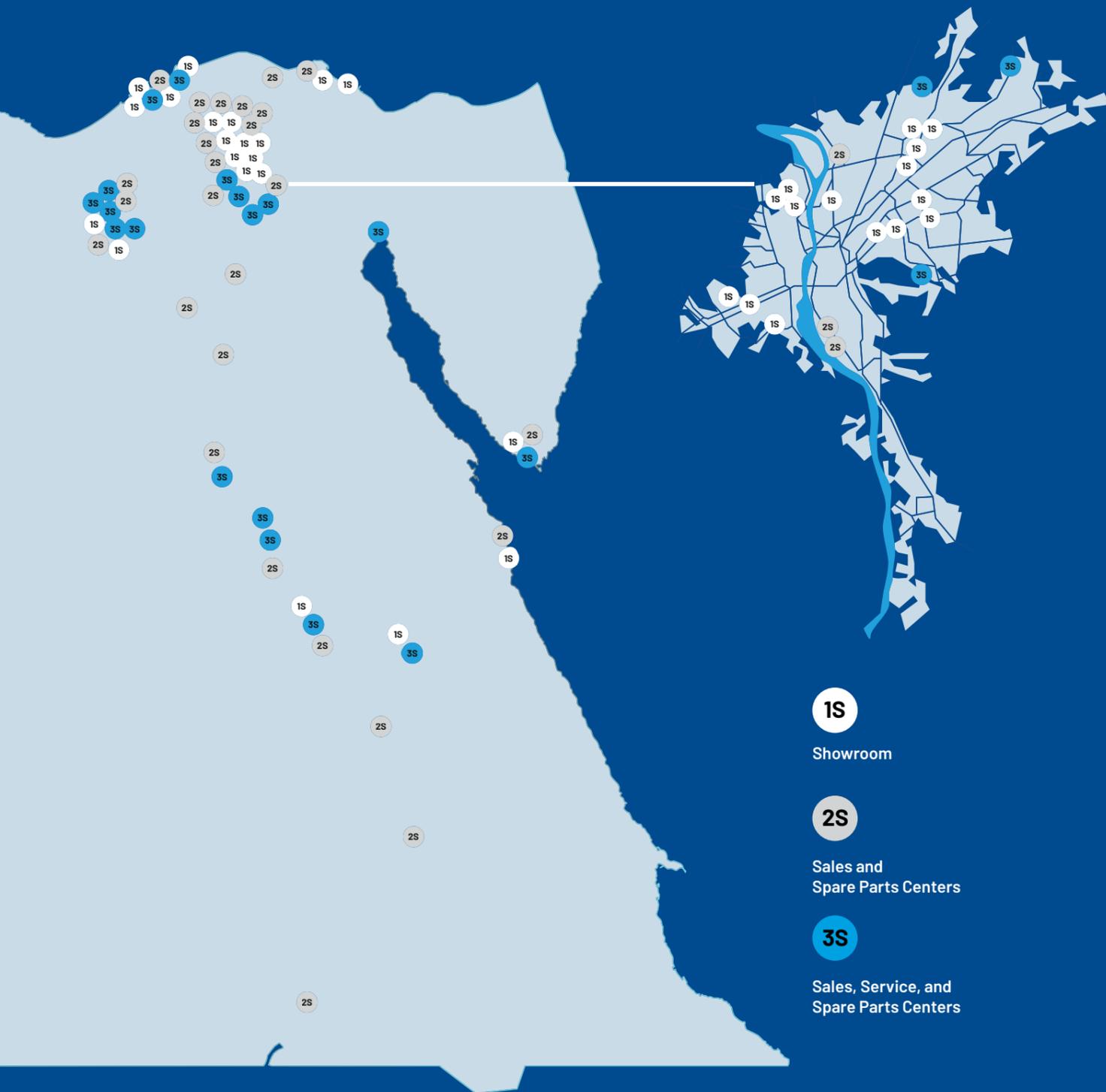
Auto & Auto Related is responsible for the assembly, manufacturing, sales, distribution, and after-sales services of passenger cars, commercial vehicles, motorcycles, and three-wheelers. We also have construction equipment, tires, spare parts, and lubricants covered by sales. The company also designs and manufactures buses, semi-trailers and superstructures at its three state-of-the-art plants located in Greater Cairo and the Suez Canal Zone.

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, Geely, and MG, 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.

GB Auto then launched Quick Service to expedite client services with a one-hour guarantee. 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). Through its 35 passenger car showrooms, 25 two-and three-wheeler outlets, and 8 CV service centers, GB Auto offers unparalleled services across the country.



Egypt Passenger Cars	33.0%
GB Capital (Financing Businesses)	22.9%
Regional Revenues	15.7%
Motorcycles & Three-Wheelers	12.6%
Tires	4.8%
Egypt After-sales	4.7%
Commercial Vehicles & Construction Equipment	3.3%
Startups	3.0%



- 1S**  
Showroom
- 2S**  
Sales and Spare Parts Centers
- 3S**  
Sales, Service, and Spare Parts Centers

**35**  
Passenger Cars

**25**  
2&3 Wheelers

**8**  
Commercial Vehicles

## PORTFOLIO PARTNERS


## LINES OF BUSINESS

### Egypt Passenger Cars

- Assembly and distribution of imported CKD kits, with a production capacity of around 80,000 units per year
- Distribution of imported CBU vehicles (Hyundai, Mazda, Chery, and Geely)

### Egypt Motorcycles and Three-Wheelers

- Sole distributor of Bajaj motorcycles and three-wheelers
- Assembly of Bajaj motorcycles and three-wheelers
- Manufacturing of imported and locally manufactured components at the Badr Facility
- Financing options provided through GB Capital's Mashroey

### Egypt After-Sales

- Constant and ongoing expansion of network and service center capacities
- After-sales services and distribution of spare parts for passenger cars, motorcycles and three-wheelers, commercial vehicles, and construction equipment

### Egypt Tires

- Powerful dealer network within the market
- Distribution of passenger cars, van, truck, construction equipment, bus tires, and industrial tires
- Brands include Lassa, Yokohama, Westlake, Double Coin, Techking, and Goodyear

### Startups

- Parts and lubricants business, PAL, distributes Gazpromneft Lubricants
- Fabrika is a pre-owned car sales and purchase operation
- Under the brand name TVD, the company distributes JMC-branded vehicles
- GB Logistics provides excellent full-service logistics solutions that add value to our appreciated partners
- Retail division 360 operates tire retail outlets
- El Mikaneeky is a trusted professional car servicing company that provides affordable solutions to the entire car market with professionalism
- GB Ventures is a focused entity that combines the automotive and financial know-how of GB Auto aiming at empowering Egyptian startups
- Companies: PAL, Fabrika, TVD, GB Logistics, 360, El Mikaneeky, and GB Ventures

### Egypt Commercial Vehicles and Construction Equipment

- Assembly and distribution of trucks
- Distribution of buses and bus body manufacturing through GB Polo
- Manufacturing and distribution of superstructures and trailers
- Distribution of construction and farming equipment
- Distribution of earth-moving equipment, road machinery, and power generators
- Brands include Marcopolo, Iveco, Volvo Truck & Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Shacman, and Higer

### Iraq

- Partnership with SAIC Motor Middle East FZE to add MG to its brand portfolio and distribute CBU passenger cars in Iraq
- Operation of after-sales service centers in Iraq and distribution operations
- SKD assembly and distribution of Bajaj motorcycles and three-wheelers
- Companies: Bajaj and MG



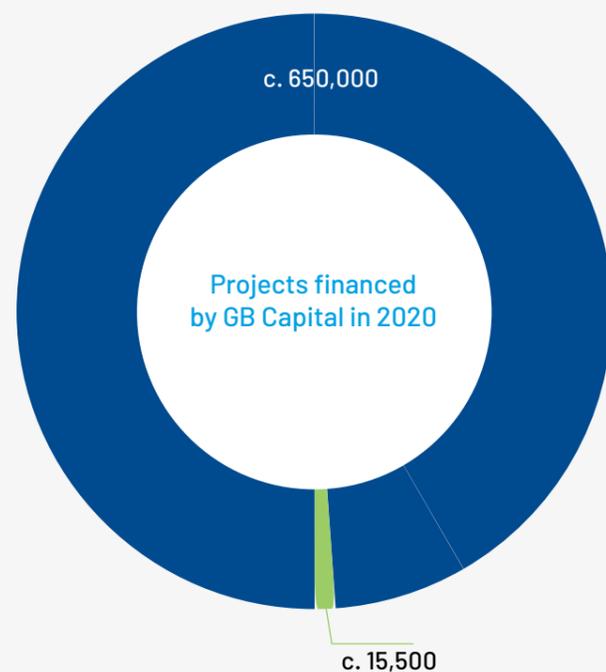


**GB Capital**

GB Capital is home to five non-bank financial services providers that extend solutions to large corporations; micro, small- and medium-sized enterprises; retail clients; and individuals. It also seeks to promote financial inclusion by providing female entrepreneurs and low-income individuals with direct microfinance lending services.

Benchmarking its operations against the best in the field, GB Capital adheres to strict and robust credit, risk classification, and provisioning policies specific to each industry. Its credit approval and disbursement mechanisms comply with best practices of leading financial institutions in the country.

Asset quality and collections, which are considered the backbone for the success of any financial institution, are also closely monitored, well-maintained, and controlled within the company. Its expanding microfinance portfolio continues to showcase success.



**+650,000**

Micro-entrepreneurs who benefited from Mashroey and Tasaheel in 2020

**+15,500**

Customers who received loans from Drive in 2020

**GB CAPITAL SERVICE PROVIDERS**



GB Lease S.A.E, GB Capital's first financing venture, was established in 2008 to finance the company's commercial vehicles and corporate fleet clients. It provides medium-term business-to-business finance leasing solutions for asset classes that include real estate, automotive, and production lines. The company has completed its fourth securitized bond offering, its largest to date, in the amount of EGP 2,041 million. Proceeds from the transaction will be used to deleverage GB Lease's balance sheet to improve its liquidity position; create new borrowing limits with lender banks; and support the company's future growth plans. Management is optimistic about market conditions going forward and is expanding the team to further extend reach to SMEs and corporate clients, and grow the company's market share in the leasing market.



Since its establishment in 2012, Drive has grown to become one of Egypt's top-three factoring companies according to the FRA. It serves clients in the auto-finance sector by providing a broad range of consumer finance and factoring services that cater to retail and corporate clients, including large corporations and small to medium enterprises. Management have restructured Drive's operations to expedite turnaround times. Moreover, Drive has received a preliminary consumer finance license, which is expected to be finalized in 2021, thus introducing a new revenue stream to the business and expanding GB Auto's presence in various market segments.



Mashroey offers microfinancing services with a focus on short-term asset-based lending options for eligible clients, enabling them to purchase motorcycles, YTO tractors, minivans, three-wheelers, tricycles, electronics, and electrical appliances. Management is optimistic about Mashroey's growth potential in consumer finance sales in this coming stage.

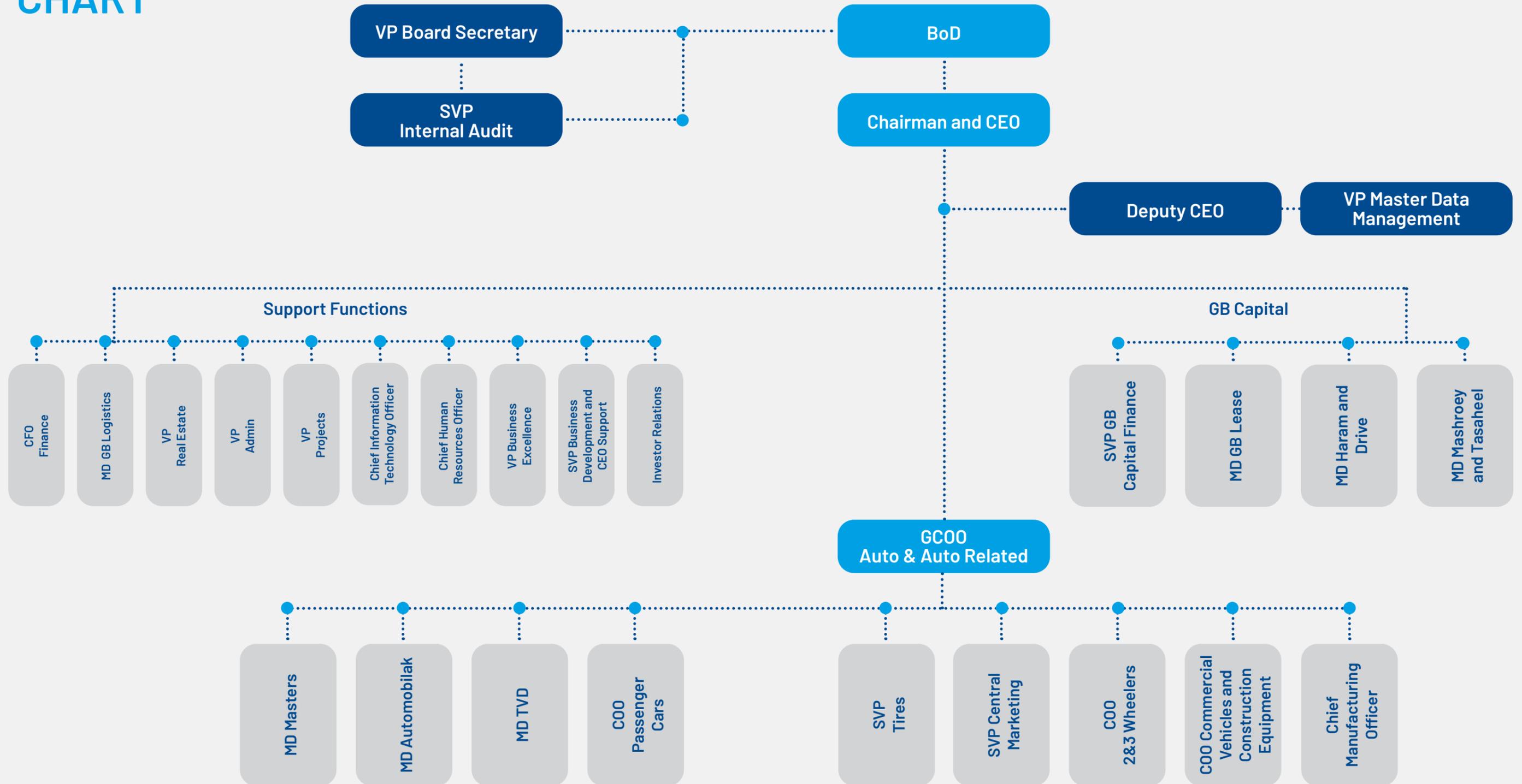


Though only launched in 2015, Tasaheel quickly became the market's leading microfinance institution, a position it continued to hold in 2020. It offers direct individual lending services to micro-entrepreneurs with the objective of helping low-income earners generate higher returns to improve their living standards. Tasaheel was also the first company to introduce group-lending for female beneficiaries in the market. It operates a nationwide network of more than 200 licensed branches, employs more than 6,000 employees, and has more than 500,000 active borrowers. In 2020, Tasaheel saw a new avenue for growth open up due to the recently finalized microfinance law, which increased the loan ticket size from EGP 100,000 to EGP 200,000.



Haram Tourism Transport is a market leader in fleet leasing in Egypt, serving top-tier multinationals, financial institutions, and private sector companies. It provides car rental services on a quasi-operational lease basis averaging three 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.

# ORGANIZATIONAL CHART



# VISION AND MISSION



## 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



### Value Employees

We encourage and foster an environment of openness and empathy that allows employees to share knowledge and exchange ideas freely, resulting in growth for the individuals and the company.



### Improve Communities

We improve the communities in which we operate through our commitment to preserve the environment build diverse teams, and uphold principles of human rights and fair labor standards.



### Drive Results

We regularly improve our organizational capabilities to maintain high quality and productivity, deliver exceptional customer services, and drive sustainable value for the benefit of all stakeholders.



### Think Innovatively

We encourage innovation in everything we do, and maintain high ethics and integrity as we develop new, dynamic, and successful solutions to mitigate downturns and capitalize on upturns.



### Lead Smartly

We heavily invest in development and coaching opportunities to empower the decision-making capabilities of our people, and build a cohesive team that delivers on leadership objectives and strategies.



### Prioritize Teamwork

We encourage teamwork, which is vital to the successes of GB Auto's operations and is at the core of the company's collaboration philosophies.

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*GB Auto aims to improve people's lives through premium product and service offerings, and conscious investments in social and environmental projects.*

# RESPONSE TO THE ACCELERATION OF COVID-19

GB Auto started implementing safety measures to preserve workplace health, safety, and environment (HSE) in light of changing global conditions to limit the spread of COVID-19

The global spread of COVID-19 in 2020 was met with quick decision-making at GB Auto to minimize impact on the company's people and operations. A crisis management team comprised of management and deputies from different functions was formed to assess risks facing GB Auto's people and business continuity, and introduce the appropriate safeguards. This resulted in the application of multiple precautionary measures under the umbrellas of health, safety, and operational wellbeing. Next to immediately limiting the daily presence of people on all company premises, the team also regularly supported the Medical Department in handling cases and responding to queries. The following additional measures were then applied to support stakeholders and operations.

## Preliminary Health Measures

### Hygiene and Personal Protection

Among the company's immediate moves was to increase deep cleaning routines across all of GB Auto's locations and fleet. A specialized company was hired to provide sanitization services across company headquarters, showrooms, service centers, and other premises, as well as disinfect all fleet vehicles and high-touch points twice a day. To increase sanitization efforts across the company's premises, GB Auto also modified tuk-tuk vehicles to disinfect the company's premises, facilities, and parking lots.

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*The global spread of COVID-19 in 2020 was met with quick decision-making at GB Auto to minimize impact on the company's people and operations.*

In addition, personal protection equipment (PPE) that included gloves and masks was distributed daily among all white- and blue-collar employees present at any of the company's locations, with focus on high-concentration zones and customer-facing employees. Team members were instructed to use their PPE at all times, as well as regularly use the hand sanitizers available across all locations. The Medical Department conducted periodic quality checks on all protective equipment used and rejected those that did not meet the World Health Organization's quality and safety standards. The company also reserved the right to measure body temperatures at any time as a safety precaution.

Externally, GB Auto collaborated with Bajaj Egypt to provide Bajaj Maxima Cargo with sanitization equipment. The company also donated five of its modified tuk-tuk vehicles to disinfect locations that were unreachable by big trucks, such as narrow streets, shops entrances, and building exteriors. Moreover, Chery transported medical supplies to the Ministry of Health in Egypt to support medical personnel in alleviating the impact of the virus. Finally, and in support of community members, the Ministry of Health, and Egypt during this crisis, GB Auto and TVD have donated 20 JMC pickups, Boarding model, to assist the ministry during these challenging times. Delivery set-up took place during a May 2020 event, with the participation of top executives from both companies and a top representative from the ministry.

## Remote Operations Policies

A work-from-home policy was instated for all GB Auto employees from March 2020 to June 2020 and all internal and external physical meetings were replaced with online meetings. In support of these transitions, the company promptly deployed online systems and tools with the help of the Information Technology (IT) and Master Data Management (MDM) department. The MDM department in particular was of great support as it aims to remove silos and consolidate the company's data in one place, thereby facilitating access and use across the enterprise and to business partners. This has assisted employees in performing their duties remotely, and as a result has driven up customer sales, improved business processes, and accelerated product development.

## Social Distancing

GB Auto implemented company-wide safety measures to decrease face-to-face communication and effectively apply social distancing protocols, and introduced digital alternatives by strengthening virtual communications through zoom meetings and video conferences.

## Limited Employee Interactions

To limit face-to-face interactions on premises and reduce contact risk, all employees were instructed to exercise social distancing, and keep a minimum distance of one-two meters between themselves and those they are interacting with. Access was also restricted to all public areas on GB Auto's premises including cafeterias, and outside visits were denied unless they were regarding urgent business validation matters.



## Additional Measures for Business Continuity

### Medical Support for Employees

GB Auto provided 24/7 medical support for employees who contracted the virus, including up-to-date protocol medication and supplies. The company also provided doctor visits on site, created a telemedicine phone system, and provided oxygen concentrators at its locations.

After reassessing the growing impact of the pandemic, the company put additional measures into effect in April 2020 to safeguard its Egyptian and Iraqi operations, both of which were affected by market slowdowns, and provide additional support to its stakeholders at GB Capital.

### Auto & Auto Related

The company focused on reducing spending to secure its future financial wellbeing after the eventual global rebound. Several steps were taken with this in mind, which included:

1. Increasing working capital to ensure flexibility, while maintaining inventory volumes to properly support demand recovery.
2. Freezing all CAPEX spending plans for the remainder of 2020 with the exception of minimum requirements for maintenance.
3. Cost-cutting programs to ensure optimized spending.
4. GB Auto & Auto-Related segment subscribed to the Central Bank's six-month debt extension program, providing vital support to the company.



### GB Capital

New regulations from the Financial Regulatory Authority (FRA) and the Central Bank of Egypt (CBE) in April 2020 allowed debtors an extension of up to six months on loan repayments to banks and financial institutions. This guided the actions of several GB Capital subsidiaries.

### GB Lease

31% of customers were allowed extensions on their leasing dues, yet the company was still able to manage its repayments without incurring additional costs.

### Drive

25% of customers were allowed extensions, with collection remaining on track throughout the year. New bookings also remained active as customers financed through FRA-regulated financial institutions were allowed to receive their cars.

### Mashroey and Tasaheel

Both microfinancing companies received minimal requests for extensions, which were approved, with collection remaining on schedule. New bookings also continued without interruption.

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*Next to immediately limiting the daily presence of people on all company premises, the team regularly supported the medical department in handling cases and responding to queries.*



# OUR SUSTAINABILITY STRATEGY

By gradually weaving sustainable solutions into its companies' daily operations, and by spearheading multiple initiatives that fuel social development and inclusion, GB Auto aims to build a comprehensive operation that delivers value for the company and its communities at large

GB Auto's sustainability strategy is derived from the company's efforts to develop its operational frameworks by increasing investments in green solutions. A growing portfolio across both major subsidiaries has served as additional incentive to begin soliciting reports from experts who evaluate its environmental impact and provide recommendations for curbing emissions. It has also left the company with opportunities to grow its social involvement and further invest in developmental projects that support current and future generations.

The onset of COVID-19 in 2020 did not impact the company's strategy to prioritize social, economic, and environmental action. This includes efforts made by GB Auto & Auto Related to monitor and evaluate its emissions, and GB Capital's efforts in providing financing support to various members of the Egyptian community. It also includes Ghabbour Foundation for Development's new and continuing initiatives to support multiple beneficiaries, which are detailed in the upcoming "Social Contribution" section.

## Auto & Auto Related

Next to safeguarding its operations against the impact of the pandemic, GB Auto & Auto Related continued to introduce operational efficiencies in 2020 to expand its reach, minimize costs, and launch new ventures. The company's decision-making throughout the year, which ranged from striking a strategic partnership with Goodyear Middle East & Africa for new ventures in Egypt, to a new partnership with SAIC Motor Middle East FZE to expand its footprint in Iraq, has further solidified its positioning across its markets.

As the subsidiary continues to streamline operations, policies that put sustainable practices and social involvement at the forefront have been steadily gaining traction. Next to controlling emissions by shifting to clean energy sources; recycling and reusing resources when viable; and embracing digitization at every possible opportunity, this also includes optimizing employee health and safety; investing in their career advancement; and ensuring that the company's work culture remains tolerant, ethical, and diverse at all times. Therefore, and despite the risk of the pandemic, GB Auto was able to maintain steadiness and uphold practices that move it closer towards a fully-sustainable future.



## GB Capital

GB Capital's operations gained momentum in 2020 with the fulfillment of many projects, at the forefront of which is the finalization of the majority stake acquisition of Tokio Marine Egypt Family Takaful alongside EFG Hermes Finance Holding. Through this acquisition, the company aims to introduce new offerings to the Egyptian community that allows coverage under varied circumstances and increase people's reach to affordable insurance solutions. Additionally, the company's recent acquisition of 20% of New City Housing & Development is expected to provide competitive products that meet consumers' purchasing power and, in line with GB Auto's promises, deliver high value for a central segment of the Egyptian population. Management outlook is also positive on nascent projects, such as GB Capital's mortgage finance venture Bedaya, a joint venture between TMG, GB Capital, and EFG Hermes with an EGP 300 million portfolio as of 31 December 2020. The venture offers long-term and competitive mortgages for new move-in homes to increase affordability and supply and better serve Egypt's growing population of homebuyers.

As a central non-bank financing institution that finances people's professional and personal objectives, GB Capital's sustainability strategy champions social awareness and community support, and aims to introduce initiatives that help the company smartly expand its portfolio while providing potentially life-changing opportunities to as many individuals as possible. As GB Capital continues to grow, it will seek to introduce more products and ventures that accommodate customers' purchasing power; cover different needs and requirements; and extend financing to underserved segments.



### Alignment with Local and International Standards

GB Auto benchmarks its operational strategies against local and international best practices, and aligns its efforts with multiple global organizations that promote sustainable development in industries. Between the 10 principles of the UNGC, the 17 SDGs, and Egypt Vision 2030 for sustainable development and growth, the company is guided by multiple indicators that it uses to grow multiple facets of its operations. These range from drafting policies and procedures to launching products, services, ventures and partnerships, and introducing new social and environmental initiatives.

Adherence to the principles serves to highlight GB Auto's support of human rights, and its condemnation of child and slave labor. The company stands firmly against human rights violations of all kinds, and ensures that its operations regularly exercise ethical and transparent behaviour without abusing or comprising locally- and globally-recognized human rights. GB Auto's commitment also underpins its efforts in successfully and regularly maintaining its employees' labor rights and protection; its constant strive to improve its environmental footprint; and its diligent efforts in fighting corruption, in the industry as a whole and within its own operations. Furthermore, most of the company's efforts support at least one of the 17 SDGs, and primarily fall under one of six specific goals.



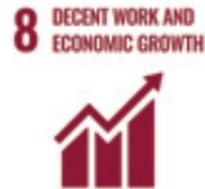
### Impact through the Goals



Through programs geared towards its own employees learning and development, and through multiple initiatives that increase vocational education opportunities, GB Auto has contributed to the provision of quality education to multiple segments of its community. The company brings these programs to life through multiple entities that include the GB Academy, the Ignition Program, and the Ghabbour Foundation for Development.



GB Auto actively works to increase female representation across its workforce, as it realizes the challenges that the country's predominant culture poses for women seeking positions in blue collar positions, and thus aims to enable their participation. The company also encourages female leadership across all levels of its operations, and seeks to diversify its workforce at every possible opportunity.



GB Auto's employees receive fair compensation, benefits, and different types of additional support. The subsidiary GB Capital also works diligently to provide financing to emerging businesses and projects, among other ventures, which in turn create multiple opportunities for economic successes and growth, and provide employment to a large number of individuals across the country.



Over the years, GB Auto has succeeded in cultivating a tolerant and inclusive work environment that fully supports employees regardless of their gender, race, age, religion, or other differentiating factors. The company constantly upgrades its policies to reflect its stance, and its zero-tolerance code of conduct is built on a foundation of equal treatment and non-discriminatory behaviour.



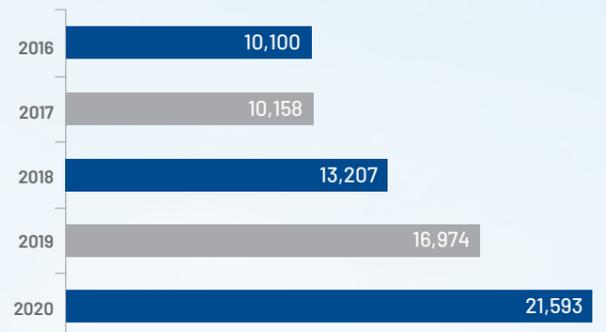
GB Auto promotes sustainable utilization of resources and raw materials across all facilities. It therefore continually aims to optimize its use of raw materials to minimize waste; reduce its energy and water consumption; and reuse and recycle waste and wastewater when possible. The company implements this through a multiple of initiatives that include its wastewater treatment systems, and reports on energy use and optimization strategies, among others.



In addition to powering its own organizations and initiatives, GB Auto donates and partners with other entities to support multiple causes across its community. In 2020, the company focused on social support and started allocating donations to FACE for Children in Need, an organization that cares for abandoned children and sponsors family reintegration programs.

# STAKEHOLDER MAPPING

GB Auto constantly aims to strengthen its ties with stakeholders, and maintain active and informative dialogues with different groups through multiple formal and informal channels to fortify operational successes and catalyze sustainable growth



## Employees

Employees remain at the forefront of GB Auto’s priorities, and so active communication between management and employees continued to rank highly, especially in light of the pandemic. Next to the use of internal announcements, emails, and online meetings, the company committed to publishing its bilingual monthly newsletter Akhbarna in 2020, and used digital text runners and bulletin boards to convey daily and weekly updates. Employee feedback also remained a main source of insight on improvements that the company can implement, and so it resumed gathering information and suggestions through surveys.

## Customers

Effective communication with customers in 2020 was central to GB Auto’s operational wellbeing to offset the effects of the market’s slowdown once conditions improve. The company continued to rely on social media and diversified digital platforms, such as its website and mobile application, to reach over four million customers in 2020. 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.



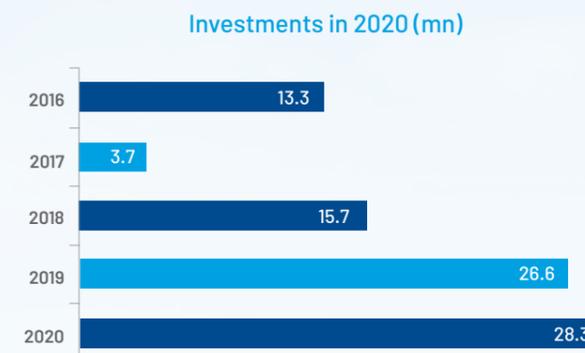
## Business Partners

GB Auto sought to maintain sturdy partnerships with suppliers, dealers, and other business partners in 2020, especially during the year’s downtimes. Periodic meetings — with all necessary safeguards in place — continued to be held between partners and service and brand sales representatives, where updates, feedback, and suggestions were shared and processed. The company also continued to use sales satisfaction surveys with partners to further understand and improve communication with the group.



## Shareholders

Next to abiding by the disclosure requirements of the Egyptian Stock Exchange which include but are not limited to quarterly earnings releases, annual reports, and annual governance reports, 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. This year, the meeting was held virtually for the protection of attendees.



## 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. In 2020, it began sponsoring FACE for Children in Need, an NGO that cares for abandoned children, and will continue to expand its contributions with every possible opportunity. Furthermore, and at its core, 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.

# MANAGEMENT'S APPROACH



# EXCELLENCE IN CUSTOMER COMMUNICATION

GB Auto takes pride in providing customers with comprehensive sales and support services that meet diverse needs and expectations. In 2020, purchasing behaviors shifted across the market as customers became more wary of spending as part of the ramifications of COVID-19. A combination of relentless pursuit of reduced prices and disinterest in purchasing vehicles therefore began to emerge, which resulted in overall market regression throughout the first half of the year.

Despite this slowdown, the company never faltered in providing existing customers with well-rounded top-tier services in 2020, and added six service-related promotions to decrease customers' financial stresses and alleviate the impact of the pandemic. It also continued to upgrade its feedback processes and used client satisfaction strategies to improve experiences as the market gradually began to rebound.

## Customer Relationship Management

### CRM KPIs

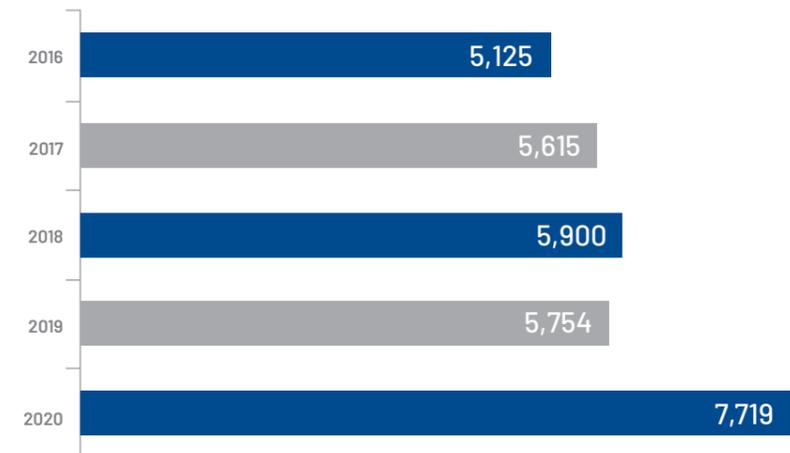
KPI	Measurement Tool
Customer satisfaction level	Average time between receipt and resolution
Key causes of customer dissatisfaction	Top three causes of complaints
Service quality at GB Auto's service centers	Percentage of complaints on workshop traffic
Models causing dissatisfaction	Number of complaints received on each model

The Customer Relationship Management (CRM) system remains central to GB Auto's feedback collection process. The system, which measures five key performance indicators (KPIs) to determine the speed and competence of complaint handling, was upgraded in 2020 due to the finalization and launch of all business-related standard operating procedures at the company. GB Auto is currently in the process of finalizing escalation process and service-level agreements, which will be followed by a complete migration from the current Oracle application to a CX system by Q1 2021. This is expected to improve data collection and feedback; optimize performance tracking; and facilitate the use of these insights in improving

customer experiences. A plan to centralize all corporate selling and communication activities under the umbrella of the CRM in this coming stage is underway, so that customers are able to access one channel to communicate all their feedback and expectations.

Due to the traffic registration department's closure between March and May, GB Auto's sales and associated client interactions slowed down in the first half of the year. Communication and complaints increased during the second half when sales began to stabilize. 100% of the complaints received were resolved.

Complaint Count (All Resolved)



Complaint Breakdown in 2020

Month	Number
January	680
February	669
March	511
April	415
May	339
June	460
July	618
August	734
September	617
October	885
November	782
December	1009

## Master Data Management

To develop its data infrastructure, GB Auto created the Master Data Management (MDM) Department with focus on customers, suppliers, items, document control, and data analytics and insights. MDM's role is to remove silos and manage, share, and correct all of the company data in one place using technology, tools, and processes that ensure master data coordination across GB Auto. The department also helps the company by increasing visibility on spending to optimize cost efficiencies; providing insights on supplier-related risks to improve purchasing processes; and standardizing business processes to streamline sub-processes on a company-wide basis.

## Other Feedback Mechanisms

GB Auto continued to support the use of other feedback and data collection systems across its operations in 2020 to improve its offerings. These include the Claims Management process, the CPA containment plan, and the Oracle system deployed in 2019 to boost employee performance by providing them with frequent feedback.

## Cross-Departmental Involvement

Further involvement in the company's customer satisfaction process includes support from the marketing department in gathering unbiased impressions, preferences, and perceptions. The department's in-depth

profile assessments have assisted GB Auto in remaining ahead of shifting market trends, especially during a volatile year like 2020.

## Digital Operations and Data Protection

The Information Technology Department continued to digitize operations across GB Auto in 2020. By reducing paper-based transactions, decreasing follow-up time after purchases, and using video communication in place of transportation to and from the service centers. The company continued to improve customers' experiences while simultaneously reducing emissions and streamlining operations. Cloud data storage and software-as-service solutions also continued to place highly on the company's list of preferred tools.

Furthermore, GB Auto maintained its dependence on CISCO's Next-Generation Intrusion Prevention System to warn the company against potential attacks on its data. The company has also further invested in software, firewalls, and solutions to safeguard its information and prevent malicious attacks.



# EMPLOYEE ENGAGEMENT

GB Auto prioritizes the wellbeing of its people and has built its system and procedures to ensure that they are well protected, fairly compensated, and regularly provided with learning and development opportunities. The company is also a firm believer in diversity and inclusion in the workplace and actively works to eliminate any behaviour that does not

comply with its code of ethics. This year, GB Auto continued to place its employees' welfare at the center of its decision-making processes and applied several changes across its functions to better meet its people's needs in light of and beyond the spread of COVID-19.

## Employee Protection

### Support During COVID-19

Challenges posed by the pandemic in 2020 strengthened GB Auto's commitment toward its employees, as the company executed action plans to preserve its strong, transparent, and accountable work environment where employees feel safe and supported. These plans were created and implemented by committees and departments at the company to curb the spread of the virus and safeguard its people.



**Leadership and Decision-making**  
Executive and HR Crisis Committee



**Implementation**  
Administration Unit



**Technical Guidance**  
Medical Department and HR Business Partner



**Case Reporting**  
Personnel Department and HR Business Partner



## Employee Satisfaction

These entities saw to the publishing and distribution of manuals on the virus to all GB Auto employees, which detailed the nature of the virus, its major identifying symptoms, and fundamental prevention methods. They also monitored the use of masks and hand sanitizers, which were mandatory for all employees and ensured that social distancing is being practiced correctly.

Providing employees with platforms to voice their plans, ideas, or concerns is important to GB Auto as it aims to achieve high employee satisfaction and reduce turnover rates. In 2020, the company conducted its annual 360-degree survey of vice presidents and mid-level managers, through which they provided feedback on employees' performance. 100 leaders participated in this year's survey, after which they had one-on-one sessions with top management to explain their feedback and establish development plans for 2021.

Furthermore, the company conducted vigorous early detection and isolation efforts for all suspected cases, and facilitated PCR testing and other check-ups — under the company's medical insurance — in accordance with testing criteria determined by the WHO and the Centers for Disease Control and Prevention (CDC). A specialized medical team was tasked with following up on any suspected cases through telemedicine to provide guidance and follow-up, and communicating with healthcare facilities in case hospital admission is needed.

GB Auto also conducted its annual employee satisfaction survey in 2020 to gain insight on employees' personal welfare and their views on the company's work environment. Reports from each business unit were submitted to HR and were reviewed with managers and executive teams. Individual and company-wide action plans were then determined based on the feedback submitted to the management of each business unit.

The company also maintained regular communication with employees and kept them updated on the latest in health and wellness, which encouraged everyone to exercise safety on and off company premises.

## Occupational Health and Safety

GB Auto underwent inspections by EGESCO Quality in 2020 to verify that occupational health and safety at its premises is benchmarked against the highest standards in the industry. The certification body confirmed the company's compliance with ISO 14001-2015 for environmental management and ISO 45001-2018 for occupational health and safety across its locations in Abu Rawash and Sadat City.

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*This year, GB Auto continued to place its employees' welfare at the center of its decisionmaking processes and applied several changes across its functions to better meet its people's needs in light of and beyond the spread of COVID-19.*

## Employee Affairs

### Compensation and Benefits

Aside from the provision of base wages and salaries, GB Auto boasts a rich benefits scheme that covers its employees' needs and rewards their hard work fittingly.

<p><b>ALL EMPLOYEES<sup>1</sup></b></p> <ul style="list-style-type: none"> <li>• Life insurance</li> <li>• Medical insurance</li> <li>• Pension scheme</li> <li>• Company buses</li> <li>• Loans</li> </ul> 	<p><b>BLUE-COLLAR EMPLOYEES</b></p> <ul style="list-style-type: none"> <li>• Back-to-school packages</li> <li>• Ramadan food packages</li> <li>• Meal allowance</li> </ul> 	<p><b>NEED-TO BASIS</b></p> <ul style="list-style-type: none"> <li>• Company car</li> <li>• Mobile phone</li> <li>• Travel allowance</li> </ul> 
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### Personnel Regulations<sup>2</sup>

GB Auto adheres to the provisions of labor law No. 12 of 2003, as amended; its executive regulations; decisions executing it; and articles 674 to 698 of civil law No. 131 of 1948 as amended. Employee rights at GB Auto also encompass a code of ethics that every individual representing the company must abide by. This is to ensure that everyone is treated fairly and that they assist in freeing the company from any forms of discrimination, disrespect, dishonesty, or corruption.

### Efficient Internal Processes

In 2020, GB Auto continued its transition toward digitized operations and automation to decrease human involvement in standard procedures, increase efficiency for the benefit of its employees, and minimize the use of raw materials. The company digitized multiple processes this year that included contract renewal or cancellation; onboarding; alerts for expired documents; external trainings; gift policies; documenting overtime, incentives, and commissions; and resignations. It also launched a new online training platform and digitized external trainings in support of its employees. GB Auto also introduced Entrepreneurial Operating System (EOS) automation to its systems, to increase efficiency by creating defined, measurable, and repeatable tasks that support its digitized training programs.

Additionally, GB Auto improved its promotion cycle process by further systemizing it for accuracy and clarity. It also established a succession plan for critical positions to identify and prepare individuals who may have to take over under varying circumstances.

### Career Path

GB Auto launched the Career Path program in 2020 to ensure that its employees are ideally assigned and are well suited for their roles. The program aims to build long-term value by putting each of the company's people on the right career path that best suits their abilities and their future trajectories. Some business units have gone through the program this year, and the plan is to implement the project across the entire company by the end of 2021.

### Recruitment and Induction

Despite market challenges posed by COVID-19, GB Auto's recruitment remained active. The company hired 534 white-collar employees and 438 blue-collar employees in 2020. It also upgraded its recruitment policy and standard operating procedures (SOPs) to become more reliable, qualitative, and timed. This ensures a professional and consistent approach to recruitment and adherence to GB Auto's equality and diversity statements, as well

as gains the attention of high-caliber candidates. This year, the company also began conducting online interviews to minimize risks to HR representatives and potential candidates. To complement its successful hiring efforts, GB Auto also ensures that employees are properly onboarded and effectively introduces them to their new positions and relevant company policies, systems, and processes.

### Diversity and Inclusion

Promoting diversity, inclusion, and non-discriminative behavior is central to GB Auto's operation. The company prides itself on being an enabling space for all talented and committed individuals and supporting underrepresented segments of the community. To that end, it worked toward increasing gender equality by offering more positions to female candidates in 2020

and increased its pursuit of talents under the age of 30 to allow them the space to grow with the company. GB Auto also supports employees with special needs and ensures they are provided with means that facilitate their individual needs on the job.

### Support Initiatives

GB Auto encourages collective family participation in the company's activities, and so it continued to host its annual "Back to School" talent competition in 2020 to strengthen the involvement of blue-collar workers through enjoyable social initiatives. The competition flyer was distributed with the school supply boxes provided to each, requesting a one-minute recording of each child's talent of choice, from acting to singing, playing instruments, or any other suitable activity.



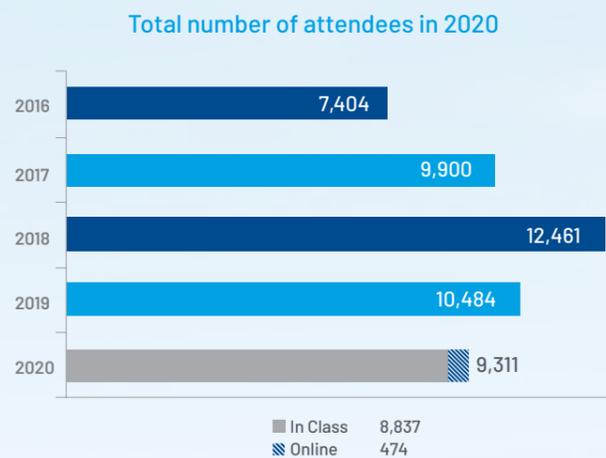
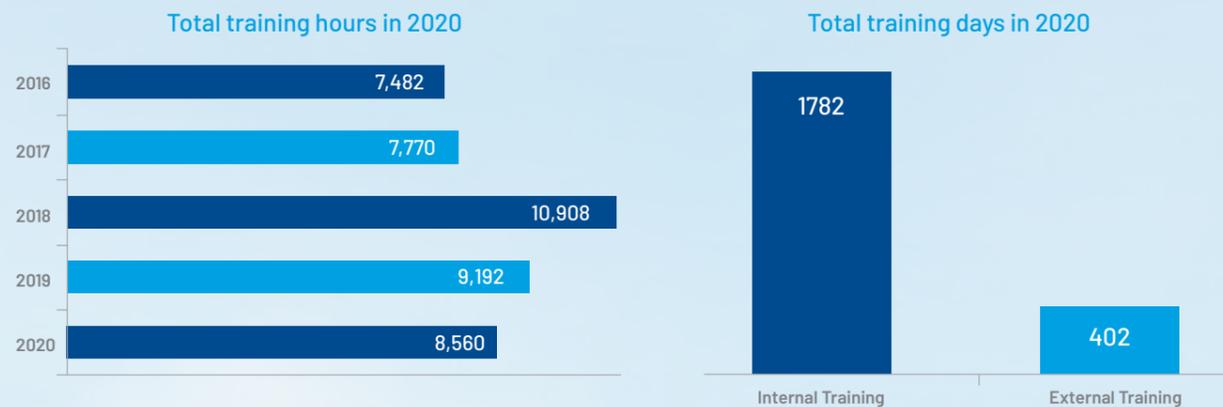
<sup>1</sup>Appendix A (HR Policies) - page 62

<sup>2</sup>Appendix B (GB Auto Code of Ethics) - page 63

## Learning and Development

Encouraging employees to pursue development opportunities and further their careers is part and parcel of GB Auto's investments in its people. Through its Training and Education Assistance Policy and by means of its academy and programs, the company provides opportunities that range from trainings to post-graduate studies and global certifications.

### GB Academy



GB Academy was established in 2011 and is currently managed by Saxony International School. It provides top-level vocational and technical trainings to advance its students' skills, support their careers, and fuel progress across the automotive industry. Its courses cover topics that include after-sales, technical practices, business, computer skills, corporate knowledge, leadership development, sales, supply chain, English as a second language, and more. In 2020, GB Academy conducted online and in-person sessions and succeeded in training 9,311 individuals over 2,240 days. It also launched the CAN-BUS training program. The Controller Area Network (CAN) is a serial bus communications protocol that defines a standard for efficient and reliable communication between sensor, actuator, controller, and other nodes in real-time applications. Early CAN development was mainly found in a variety of passenger cars, trucks, boats, spacecraft, and other types of vehicles.



### Promotion Cycle

GB Auto focused in 2020 on developing its promotion cycle process to be more systematic and accurate, with clear roles mapped out for all participating stakeholders. The project was communicated to top management and cascaded to the business units' heads upon finalization. It was then passed to middle management for insight collection and to ensure that they are in full alignment with the project's objectives.

The program comprised three tracks which are leading self, leading teams, and leading corporates. Managers shared their experiences in supporting the company and were allowed the opportunity to explore mutual growth and development on personal and professional levels. Positive feedback was recorded across the organization and the company's success in 2020 was a demonstration of the program's positive impact.

### Career Path

All company practices were closely studied to create customized best practices that suit structure and operations at GB Auto and empower different career opportunities within it. The career path project was then applied to 'families' and 'subfamilies', determined per the nature of each job at the company, to guarantee clear and fitting career paths for employees based on their scope of work. Some business units were realigned in 2020, and the project should be finalized across the rest of the company in 2021.

### Talent Fusion

GB Auto began implementing the Oracle Talent Fusion process this year, which is a strategic set of integrated business processes that are used to manage the planning, acquisition, development, retention, and advancement of talent at the company. Next to assisting with achieving business goals, the process also boosts performance and equips employees, managers, and HR professionals with the right information needed to support their work.

### 360 Survey

A 360-degree survey was conducted in 2020, where feedback is provided on employee performance from several sources that include managers, peers, and subordinates, as well as through a self-assessment. If 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 identifying strengths and weakness, and developing future performance in accordance with findings.

The review process includes:

- View employee pool across the organization or filter to view segments
- View performance and potential ratings
- Evaluate risk and impact of loss
- Create the succession plan and view fitting candidates
- View employee details such as history
- Store results for future use

**Korn Ferry Assessment**

GB Auto started conducting the Korn Ferry psychometric test, which is an assessment conducted to evaluate employees' performance within the scopes of skills, knowledge, abilities, personality traits, attitudes, and job/academic potential.

**HR Manual**

In 2020, the company used the RACI Chart matrix to update its HR manual and develop and identify the exact roles of each department to facilitate internal and external processes. It also updated and adapted its HR processes cycle, per standard annual practice, as per the modifications and the atomization regularly conducted.

**Engagement Survey**

GB Auto conducted its engagement survey in 2020, the purpose of which is to provide better work environments, services, and support to all employees on both personal and professional levels. Each business unit submitted reports that were reviewed by their heads and the executive management team, and individual development plans were discussed. Additionally, company-wide actions and initiatives were formed based on employees' feedback.

**Succession Planning**

GB Auto focused on succession planning in 2020 to identify and prepare successors who will assume leadership following the stepping down of existing leaders. Critical positions across the organization were identified and new action plans were developed

to assist the individuals who are in line to assume those positions, should their predecessors leave the organization for any reason.

**Middle Management**

Unstopped by COVID-19, GB Auto continued to implement its program "Hankhalli El Agala Dayra" (translates to: We Will Keep the Wheel Moving) which targets 169 managers at the company, ranging from senior vice presidents to staff managers and front-liners. The 2020 program is considered a second step in the launch of long-term efforts to strengthen a culture of oneness and unified vision at GB Auto. These efforts were inaugurated in 2019 with a condensed two-day workshop during which middle managers were led by a group of professionals from the organization "Aspire" in an array of team activities to instill and enhance team spirit among all participants.

In 2020, the company continued the program to enhance mutual support among managers and provide them with tools to lead their teams through the COVID-19 crisis. The program moved along three tracks: Leading Self, Leading Teams, and Leading Corporates; where managers were able to share their experiences on pushing GB Auto forward and explore how personal and professional development can be achieved. The program received very positive feedback across the organization, and its success was demonstrated in people's resilience during the rest of the year. Its next steps will be implemented throughout the coming years.

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*GB Auto focused on succession planning in 2020 to identify and prepare successors who will assume leadership following the stepping down of existing leaders.*



# ENVIRONMENTAL SUSTAINABILITY

Green consciousness and decisive action continue to play pivotal roles in shaping the future of industrial practices. GB Auto continues to place local and global environmental welfare high on its agenda, as it worked this year to further optimize its performance, regulate its consumption, and decrease its footprint. Adherence to local environmental laws, international best practices, and recommendations made by experts to evaluate its energy use and subsequent emissions also remained central to operations in 2020.

Furthermore, GB Auto continued to uphold its sustainability policy, which places controls on energy consumption, guides the company's waste treatment efforts, and mitigates pollution risks. The regular introduction of upgrades and improvements across the company's operations has also helped GB Auto reaffirm its willingness to adapt to changing circumstances, especially with the increasing growth of sustainable industrial practices among companies within the local and global communities.

Power consumption 2018 -2020 (Kwhr)



GB Auto remains committed to reducing its energy consumption by at least 10% per year. Notwithstanding the challenges posed by the pandemic this year, the company remains dedicated to conserving energy generally and reducing emissions specifically by using natural gas in place of diesel oil, a project that the company launched in January 2021. The aim is to reduce emissions by 50%, as well as improve air quality inside factories. GB Auto's Power Saving and Maintenance teams also continue to propose new ideas and practices and shift to greener operations.

## The PRIMA Solar Energy Project

GB Auto's plans for a wide expansion into renewable and alternative energy sources remain a part of its vision to regulate consumption and reduce dependency on conventional power sources. Following recent regulatory changes implemented by the Ministry of Electricity and Renewable Energy in 2020, the company paused plans to expand the solar PV system at its PRIMA plant. The company is reassessing its plans for the plant in line with the newly-introduced regulations, which should be completed in 2021.



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*GB Auto continued to uphold its sustainability policy this year, which places controls on energy consumption, guides the company's waste treatment efforts, and mitigates pollution risks.*

The system is expected to transform GB Auto's energy approach, and introduce know-how on new technology, techniques, performance, and installation. It will be directly linked to all factory operations, and a fully automated digital monitoring system will be installed to provide live updates on the performance of the system's main grid, energy production, and flow of electricity to the plant's machines. Investments made so far have reached EGP 35 million; with data pending on monetary savings, reduction in energy use, and reduction in greenhouse gas emissions.

**Water and Wastewater Recycling**

GB Auto's wastewater output remained within the limits set by the National Center for the Study of Occupational Safety and Health. The company, as per standard practice, recycled c. 20% of its annual water consumption for utilities — 42,900 liters — and entered it into the paint shop circulation process. The optimization of the sludge treatment process industrial unit remains in effect, as well as the safe disposal of byproducts of the wastewater treatment procedures.

GB Auto aims to cut its total water consumption — c. 61,500 liters — by 10-15% across all manufacturing facilities, as it steadily upgrades its machinery and reduces water use.

**Air Quality Within Plants**

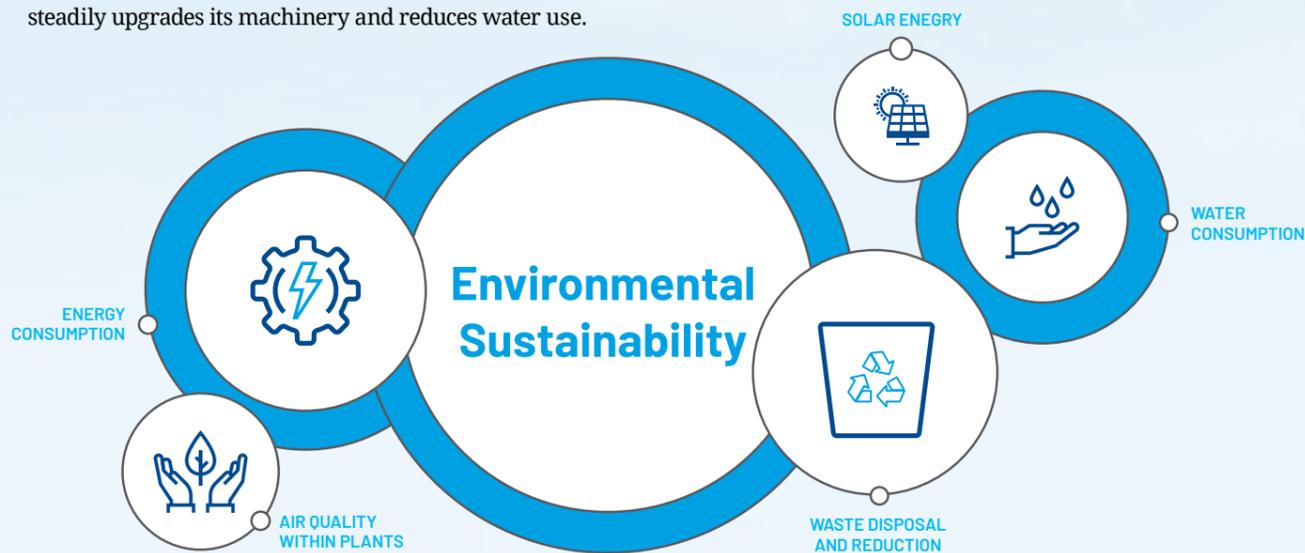
To reduce, if not eliminate, health and safety hazards and increase air quality at the Badr plant, the company began installing a state-of-the-art ventilation system. This is in addition to two ongoing ventilation projects at the Badr plant's welding shops, and the PRIMA plant's air compressor room and firefighting pumps, which have been underway since 2019. The company also regularly upgrades its furnaces, which reduce emissions by compressing fumes into water.

**Waste Disposal**

Industry professionals are entrusted with the safe handling of all waste produced by GB Auto's operations, with hazardous waste by the Eco Converse Company for Environmental Services, under the supervision of the Ministry of Environment. The company also relies on the Industry Zone Municipality to ensure the proper disposal of its factories' solid waste.

**Waste Reduction**

Waste reduction is central to GB Auto's sustainability plans. The company seeks to improve its resource utilization and reuse materials where viable.



# SOCIAL CONTRIBUTION

## Donations by GB Auto in 2020 (EGP)

Description	Grand Total	CITI	GE	Itamco	TVD
Face for Children in Need Organization	1,334,000		534,000	800,000	
Beltan Charity Organization	5,500	5,500			
Ghabbour Foundation for Development	21,960,960		65,960	21,895,000	
Kemet Boutros Ghali Foundation	500,000		500,000		
Ministry of Health and Population	3,998,000		1,999,000		1,999,000
Tahya Misr Fund	460,300			460,300	
<b>Grand Total</b>	<b>28,258,760</b>	<b>5,500</b>	<b>3,098,960</b>	<b>23,155,300</b>	<b>1,999,000</b>

GB Auto believes in long-term value creation, and so it aims to fuel ongoing projects that benefit surrounding communities. In 2020, the company prioritized its work in vocational education and training, next to making increased investments to organizations that serve vulnerable groups in Egypt.

### Ghabbour Foundation for Development

The majority of the company's extended social development plans are intertwined with its ability to provide vocational knowledge and trainings in its areas of expertise. As such, a decision was made to launch the Ghabbour Foundation for Development in 2017 to group all relevant programs under one trusted platform.

Now an integral part of GB Auto's social development programs, the foundation promotes vocational work and the central role it plays in driving social progress. It provides vocational education services in the automotive sector and its specializations which serve market needs and new emerging technologies. Trainees are able to join the job market instantly upon graduation by taking the accreditation exams offered by the German Arab Chamber for Industry and Commerce (AHK), which test knowledge and application provided



throughout three years of studies. 2020 was not just a steady year for Ghabbour Foundation for Development as it maintained and grew its operations despite the pandemic's challenges, but also a year of significant growth and milestones.



## 2020 Highlights

### The Foundation Graduates its First Class

October 2020 saw a long-awaited milestone at the Foundation as it celebrated the graduation of its first class of 75 vocational trainees from the Imbaba school. The Foundation hosted a graduation celebration which was attended by Foundation Chairman Dr. Raouf Ghabbour, as well as representatives from the management teams of GB Auto, Ghabbour Foundation for Development, Imbaba School, Saxony International School Middle East (SIS ME), and the AHK. Parents, partners, and friends were asked to attend virtually, in keeping with COVID-19 safety precautions.

Graduates received certificates of accreditation from AHK — 96% success rate — and certificates for completion of studies from SIS ME. All had previously received the Egyptian Diploma for Apprenticeship from the Productivity and Vocational Training Department (PVT) in August 2020 as well. They received offers of employment at GB Auto as well as



other large automotive companies that liaise with the Foundation, and were introduced to franchising opportunities that should enable them to start their own businesses, if they so choose, with the support of "El-Mikaneeky", a GB Auto affiliate company.

### A Level Accreditation Scholarship Programs

Ghabbour Foundation and SIS ME collaborated to present the five top-performing graduates with scholarships to pursue further advanced international certifications in Germany. By the end of their studies, the selected graduates will sit for exams at the Chamber of Industry and Commerce (IHK) in Zwickau-Chemnitz, and will receive A level qualification certificates from the IHK. They will then rejoin the Foundation in Egypt as heads of training to transfer their knowledge, ensure the sustainable continuity of its programs, and build a new generation of qualified Egyptian technicians.

In preparation for this, the five selected students are currently undertaking 10-month courses at GB Academy on advanced mechatronics, as well as intensive German language courses.



### El Mikaneeky Franchising Opportunities

El Mikaneeky, a company established by GB Auto and Wahdan Auto Group, launched a franchising program that targets graduates of vocational schools looking to launch their own businesses under its umbrella. The program provides training, orientations, counseling, and shadowing for one-two years at GB Auto or El Mikaneeky's service centers across different job functions that pertain to running a service center. Eligible candidates also receive specialized trainings and counsel from the program's German partner Boch. Moreover, and through its affiliate companies, GB Auto provides candidates with funding support in the form of facilitated loans with minimum interests during the first three years of operation.

El Mikaneeky believes that the foundation's graduates will provide added value to the company as they expand its operations nationwide while leading their own ventures, providing employment opportunities in their communities, and demonstrating the expertise and professionalism they acquired through their studies. An orientation session was organized for interested candidates in November 2020, with Managing Director Eng. Mohamed Wahdan explaining the program's benefits to over 30 attendees.



### Collaborations with Goethe-Institut

Ghabbour Foundation and SIS signed a cooperation agreement with Goethe-Institut Cairo to introduce German as a foreign language to their vocational schools. The cooperation is expected to boost students' learning abroad and international cultural exchange opportunities, thereby continuously enhancing educational experiences offered. Vocational schools developed by the Ghabbour Foundation will also join the network of "Schools: Partners for the Future" (PASCH), an initiative developed by Germany's Federal Foreign Office in cooperation with multiple education policy and cultural relations organizations in Germany that include Goethe-Institut.

The institute supported the Foundation by designing and implementing German language curricula across its vocational schools. It also provided advisory services on teaching methods, materials, and resources. Scholarships are also offered to select German language teachers and students to enable them to participate in training courses, language courses, and other events in Germany and Egypt. The First Online Vocational Learning Platform



### "Forset Al Omr" Initiative

GB Auto signed a protocol for the partnership agreement "Forset Al Omr" with Nasser Social Bank (NSB) in the presence of H.E. Nivene Al Kabbag, Minister of Social Solidarity and NSB CEO. The initiative marks a new kind of academic collaboration in Egypt and aims to support continuous and vocational education development in the country. Using its EGP 30 million funding by NSB, the initiative will train 1,000 fresh graduates, technicians, and students through GB Academy with no interest or administration fees over a period of three years. The initiative also provides educational loans for students studying in Ghabbour Foundation with no interest or administration fees. Trainees will also benefit from employment and installments co-share opportunities with GB Auto.

professional counseling and deliver additional technical trainings when needed. In addition to GB Auto and its affiliates, the career office collaborates with some of Egypt's key automotive players that include Mansour, Nissan, Al-Kasrawy, Shell, Family Corporation, Arabcom, and several other reputable service providers.

Within one month of graduation, all graduates entered the job market as top-tier technicians and were able to share their resumes, schedule personal interviews, and receive technical pre-hiring assessments. Around 70% of graduates are now officially employed with GB Auto and other leading companies, and the rest are in progress.

### Employment Opportunities for Graduates

Ghabbour Foundation for Development launched an in-house career office in 2020 to serve its current and future graduates. The office links graduates with potential employers in the automotive industry and adopts a centralized, full-fledged career services model for technicians that includes pre- and post-hiring support. It also provides pre-hiring technical assessments to its database of graduates to provide correct



The spread of COVID-19 halted in-person academic and training activities in 2020, and students were asked to stay home for their safety and prepare for their end-of-term examinations, which posed challenges to their theoretical and practical learning tasks and trainings. The Foundation was motivated by this emerging challenge to develop a dedicated learning platform that provides teachers, trainers, and students with direct channels for communication. The platform serves as an alternative to physical classes during extreme times, such as pandemics, extreme weather conditions, and similar conditions; and also provides a digital medium for additional support lessons after official school hours in place of face-to-face interactions. Next to technical developments, Ghabbour Foundation and SIS Me teams collaborated to develop customized static, dynamic, and video content for theoretical and practical studies. Through the platform, the founders aim to create a repository of high-quality content and a dynamic interface customized per students' grades, specializations, and personal attributes. Some of the materials are available online for public use through the Foundation's [YouTube channel](#).

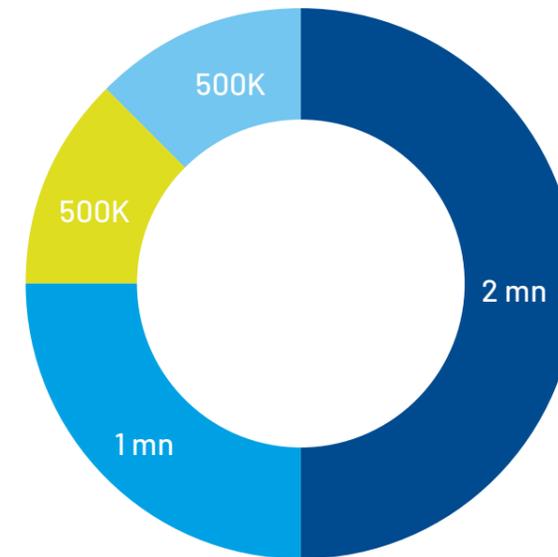


2021, a protocol was signed by the Ghabbour Foundation for Development and the Egyptian Ministry of Education to establish two new Ghabbour Schools for Applied Technology, one in 15th May city and one in 6th October city. The signing event was attended by Minister of Education Dr. Tarek Shawki, Dr. Mohamed Megahed, Deputy Minister of Education & Technical Education, Chairman of the Foundation Dr. Raouf Ghabbour, Secretary General of the Foundation Eng. George Sedky and other high-ranking attendees.

The protocol is another step toward fortifying vocational education in Egypt, and establishing firm roots for it to grow in alignment with international best practices and standards. It is also part of a national plan to increase hiring in vocational careers and decrease unemployment rates; bolster the economy; improve social conditions; and overcome negative stereotypes associated with vocational education in Egypt.



**FACE for Children in Need**



Upping contributions to FACE for Children in Need in 2020 was among GB Auto's priorities to help the association battle the ramifications of COVID-19. FACE aims to protect and serve children in Egypt through family reintegration and sustainable child protection and development practices. It also hires Egyptian personnel exclusively to provide local job opportunities and contributes to their professional progress through multiple capacity building programs for theirs and the children's benefit.

As of 2020, the association has helped a total of 21,380 children Egypt-wide since its inception. It provides support through programs that include the National Family Reintegration Program, which works closely with the Egyptian government to transform the childcare institutionalization system to a family-based care system. FACE also works to support homeless children and youth, many of whom are victims of abandonment, trafficking, and abuse; and provides well-rounded support to abandoned children and orphans through its specialized centers.

In previous years, GB Auto had maintained a steady commitment to support the cause of Face for Children in Need. In 2020, in response to the challenges brought by the COVID-19 pandemic and its repercussions on all NGOs, GB Auto and its affiliated companies took a decision to up their previous commitment in order to contribute to filling the pressing gap between the immediate needs of the association and the diminished access to funds as a result of the pandemic.

their midterm examinations on both theoretical and practical studies in the mechatronics and body and paint specializations, under the supervision of 14 examiners from the AHK automotive board. GB Auto students demonstrated incredible results and achieved a success rate of 99%.

**B-Level Accreditation**

In further collaboration with the AHK, the Ghabbour Foundation for Development has begun the process of upgrading its accreditations from C-level to B-level by the next round of midterm examinations, scheduled for 2021. The foundation received the approval of the IHK following a close inspection of the schools' curricula, and visits were organized by the AHK automotive board to determine the suitability of Kafr El Zayat and Moharam Bek schools for the upgrade in November 2020.

Planned in 2020 and officially formalized in February



# CORPORATE GOVERNANCE

## 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. 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.



**Dr. Raouf Ghabbour**  
Chairman of the Board of Directors and Chief Executive Officer

Tenor since IPO: 2007 - Present

Share ownership: 58.459% (Directly and indirectly)

Dr. Raouf Ghabbour founded the Ghabbour Group of Companies, which he began incepting in 1985. Dr. Ghabbour began his career working in his family's auto-related trading business, where he initially established himself in the tire division. Having quickly gained a commendable reputation in the market for his business savvy, Dr. Ghabbour went on to acquire agency agreements from global OEMs, which he transformed into successful businesses. Dr. Ghabbour has grown the company to a leading automotive assembler and distributor in the Middle East and North Africa.



**Mr. Mansour Kabbani**  
Non-Executive Director, Dependent Board Member

Tenor since IPO: 2015 - Present

Share ownership: 0.351%

Mr. Mansour Kabbani brings over 30 years of experience to GB Auto, where he currently oversees group investments as well as the investor relations division. He joined GB Auto as Vice President for Project Coordination in 2015; and prior to this, he spent ten years in the textile industry before serving as Chief Financial Officer of Technological and Electrical Systems (TES) for two years. Between 1997 and 2015, Mr. Kabbani ran family investments and accumulated vast experience in capital markets. Alongside Dr. Ghabbour and partners, he helped establish CITI in 1997, which later merged with GB Auto. He graduated from the American University in Cairo in 1981 with a Bachelor of Arts in Economics.



**Mr. Nader Ghabbour**  
Deputy Chief Executive Officer

Tenor since IPO: 2007 - Present

Share ownership: 0.066% (Directly and indirectly)

Mr. Nader Ghabbour brings over 13 years of specialized experience in the automotive industry to his role, which he has cultivated through the managerial and operational positions he has held at GB Auto. Prior to his current role, Mr. Ghabbour served as Group Chief Operating Officer, where he was responsible for a multitude of vehicular operations in Egypt and the region. Beforehand, he had served as Passenger Car Chief Operating Officer and Project Management Officer Leader. Mr. Ghabbour trained in Mergers and Acquisitions at the London Business School in London. He holds a Bachelor of Arts in Business Administration from Boston University, and an MBA from IE Business School, Madrid.



**Mr. Mounir Fakhry Abdel Nour**  
Non-Executive Independent Director of the Board

Tenor since IPO: 2016 - Present

Share ownership: -

Mr. Mounir Fakhry Abdel Nour is the Chairman of Beltone Financial Holding (BHF) and of Rashidi El Mizan, and serves as Member of the Board of Directors of Audi Bank, Ghabbour Auto, EDITA, and Domty. He is also a Senior Adviser for Rothschild & Co, one of the world's largest independent financial advisory groups. Between 2011 and 2015, he served as Minister of Tourism, Minister of Investments, and Minister of Trade and Industry. He also served as Secretary General of the Wafd Party between 2006 and 2011, and between 2000 and 2005, where he led the opposition bloc in the Egyptian Parliament. Prior to joining the Egyptian Cabinet, Mr. Abdel Nour was Founder and Chairman of Hero Middle East and Africa, previously Société Egypto-Française pour les industries agro-alimentaires (Vitrac). He was also Member of the Board of Directors of Egypt Arab African Bank; Founder and Managing Director of Egyptian Finance Company; Vice President of American Express Bank; and a representative of Banque de l'Union Européenne Paris in Egypt and the Middle East. Mr. Abdel Nour was additionally a member of the Board of Directors of the Federation of Egyptian Industries; the Egyptian Competition Authority; the Egypt Stock Exchange; and the Egyptian Expo and Convention Authority. He has also served as Chairman of the Egyptian Center for Economic Studies (ECES). Mr. Abdel Nour earned his undergraduate degree in statistics from the Faculty of Economics and Political Science at Cairo University, and his master's degree in economics from the American University in Cairo.



**Mr. Abbas El Sayed**  
Executive Director, Independent Board Member

Tenor since IPO: 2014 - Present

Share ownership: -

Mr. Abbas El Sayed joined GB Auto in 2014 as Group Vice President Finance. He brings 14 years of experience with KPMG and Deloitte to his role, including one and a half years at KPMG UK LLP in the United Kingdom. Mr. El Sayed has vast experience in corporate finance, restructuring, strategic planning, audit, internal controls, advisory, and compliance. He holds a Bachelor of Arts in Accounting from Ain Shams University. He is also a member of the Association of Chartered Certified Accountants (ACCA) in the UK and is a Certified Management Accountant (CMA).



**Mr. Mohamed Naguib**  
 Non-Executive Director, Independent Board Member  
 Tenor since IPO: 2019 - Present  
 Share ownership: -

Mr. Mohamed Naguib has served on the boards of various prominent banks and corporations in Egypt and has accumulated nearly 40 years of experience in the fields of banking, leasing, and credit. Between 2011 and 2018, Mr. Naguib was Chairman and Managing Director of SAIB Bank; prior to this, he served as Vice Chairman and Head of the Credit and Investment Committee at Banque Misr. He also served at Misr International Bank (MIBank) for over 20 years as General Manager of Credit and Marketing before joining Incolease as Member of the Board between 2000 and 2010. Furthermore, Mr. Naguib served as Non-Executive Chairman of Misr Bank-Europe in Germany for two years, as well as member of the boards of the National Bank of Egypt, the Civil Aviation Finance Holding Company, and the Small and Medium Sized Projects Fund, among many others. Mr. Naguib attended various banking and credit seminars across the United States and the United Kingdom, in addition to retaining a CPA certification in the state of Colorado for 12 years. He holds a bachelor's degree in accounting from Cairo University and an MBA from the American University in Cairo.



**Lobna El Dessouky**  
 Independent Board Member  
 Tenor since IPO: 2020 - Present  
 Share ownership: -

Ms. Lobna El Dessouky leverages over two decades of professional experience in a wide range of sectors to fulfill her numerous advisory and board roles. She is currently an Independent Member of the Advisory Board of Alexandria Business Association Small and Micro Enterprise Project; Independent Board and Audit Committee member at Cleopatra Hospital Company; Advisor for the European Bank for Construction and Development's Enterprise Growth Program; and is an Advisor to the Audit Committee at Qalaa Holdings, having served as a member of the committee from December 2012 to 2014. Prior to this, she spent six years as Group Chief Financial Officer at Asec Holding and served on the Group's board for eight years. Ms. El Dessouky spent most of her career with Coca Cola Egypt, starting as Head Office Financial Controller in 1997 and eventually working her way to Group Chief Financial Officer in 2001 where she served till 2006. Ms. El Dessouky holds a bachelor's degree in commerce from Helwan University and an MBA in management consultancy from Sheffield University, United Kingdom. She is a CPA, CFM, and CMA holder and is also a Member of the Association of Corporate Governance Practitioners and a Certified Director from the Egyptian Institute of Directors.

**Board of Directors' Meetings in 2020**

Member name	26th Feb	14th May	12th Aug	10th Nov	Attendance Rate
Dr. Raouf Ghabbour	Attended	Attended	Attended	Attended	100%
Mr. Nader Ghabbour	Attended	Attended	Attended	Attended	100%
Ms Lobna Dessouky	-	Attended	Attended	Attended	75%
Mr. Mounir Fakhry Abdel Nour	-	Attended	-	Attended	50%
Mr. Mohamed Naguib	-	Attended	Attended	Attended	75%
Mr. Mansour Kabbani	Attended	Attended	Attended	Attended	100%
Mr. Abbas El Sayed	Attended	Attended	Attended	Attended	100%

**Board Committees**

**Audit Committee**

The Audit Committee ensures objective reporting on the company's performance, with specialized focus on financial operations and risk management. It ensures:

- 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

**Audit Committee members and attendance in 2020**

Member name	Position	26th Feb	14th May	12th Aug	10th Nov	Attendance Rate
Ms. Lobna Dessouky	President	-	Attended	Attended	Attended	75%
Mr. Mounir Abdel Nour	President	Attended	-	Attended	Attended	75%
Mr. Mansour Kabbani	Member	-	Attended	Attended	Attended	75%
Mr. Mohamed Naguib	Member	Attended	Attended	Attended	Attended	100%



## Policies, Procedures, and Disclosures

GB Auto's robust governance framework creates long-term value for stakeholders by guiding multiple facets of the company's operations and ensuring its compliance with laws and regulations

Sound corporate governance is the basis of GB Auto's decision-making processes. The company relies on the policies and procedures instated under the guidance of its Board of Directors (BoD) to ensure that the company operates transparently, ethically, and responsibly. It also relies on the BoD's extensive track record and subsequent advisory to steer the company towards operational and financial successes. GB Auto's effective corporate governance practices are aligned with local and international best practices, and they guide the company's social involvement, environmental consciousness, and unnegotiable anti-corruption stance.

### Disclosures and Transparency

GB Auto complies with all applicable disclosure rules set by the Egyptian Stock Exchange, including rules approved by the Egyptian Capital Markets Authority on 18 June 2002. The company reports quarterly on its financials and fully adheres

to all mandated regulations on corporate governance reporting. It also fully and transparently shares all materials that relay company objectives, financial and operational results, major share ownership and voting rights, information on Board members, related party transactions, foreseeable risk factors, and corporate governance structures.

### General Assembly

An annual general assembly (GA) for all shareholders is held under the guidance of relevant internal laws and statutes. During the meeting, company-related topics and decisions that are listed on the meeting's agenda are discussed with the BoD to determine appropriate actions, with each share counting as one vote. Through the GA, the BoD discloses all company-related matters to the shareholders; listens to inquiries and concerns, and addresses them as needed; approves the company's financial results; and distributes dividends. This year, the GA was held on March 2020.

### Anti-Corruption Efforts

GB Auto heavily relies on its policies and codes of conduct to guide internal practices and penalize any harmful behaviour, in its constant strive to foster an operational environment free from corruption and illicit activities. The company regularly updates its policies and procedures in line with relevant developments and best practices, and has zero tolerance for any infringements that harm the company or its stakeholders.

### Policies and Procedures

#### Diversity and Welfare

GB Auto's code of ethics and business conducts features a zero-tolerance policy for discrimination in the workplace, and strictly prohibits bias against individuals or groups over characteristics that include

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*GB Auto's effective corporate governance practices are aligned with local and international best practices, and guide the company's social involvement, environmental consciousness, and unnegotiable anti-corruption stance.*

but are not limited to gender, race, and religion. The code also protects employee welfare by outlining an anti-sexual harassment policy, which stipulates that unwelcome advances or inappropriate behaviour constitute a violation of the company's code of ethics, and will lead to disciplinary action that could result in permanent dismissal.

### Conflict of Interest

All communication between GB Auto and customers, suppliers, shareholders, government agencies and community members must be fair, accurate, and free of conflicts of interest. All suppliers must be chosen based on competitive standards only, and no gifts will be accepted by a GB Auto employee so that the company is able to prevent unfair advantages and bribery. Similarly, GB Auto employees are not allowed to offer stakeholders any gifts unless permitted by senior management.

### Environmental Welfare

Contributing to the welfare of the planet is a high priority for the company as it looks to play an active role in offsetting industrial impact on the environment. The company complies with all legal environmental protection requirements set by the Egyptian Ministry of Environment, and aligns its goals with the UNGC's principles and the SDGs. It also raises awareness among its employees and constantly implements new measures to decrease its impact.

### Compliance with Labor Laws

GB Auto adheres to the Egyptian labor laws no. 12 of 2003 and no. 137 of 1981, the Egyptian income tax law no. 157 of 1981 (amended to no. 898 in 1994) and the Egyptian social insurance law with all its amendments. It entrusts the Board and its committees with remaining ahead of all government updates in laws, regulations and requirements, and ensuring its compliance with governing laws at all times. This guarantees the fair treatment of employees and keeps the code of business conduct up to date. At the same time, all GB Auto employees are treated as representatives of the company and its professional business integrity, and are therefore required to comply with local laws at all times.

### Safeguarding Information and Assets

All employees are expected to engage in the protection of company assets and properties, and the preservation of confidential information, with a "clean desk" policy instated to further support information security. The Board's Audit Committee is tasked with maintaining these policies, and recommending necessary corrective actions in case of violations.

### Internal Control and Risk Management

Through its crisis evasion platform, GB Auto implements a risk mitigation and management framework that identifies and manages potential risks; tightens internal controls; and optimizes operational efficiency. The framework supports the company's business strategy and operations; oversees the efficient use of resources; confirms the accuracy of financial reporting; and ensures compliance with laws, FRA regulations, and EGX requirements.

### Business Continuity

GB Auto follows an emergency Business Continuity and Crisis Management policy, which is put in effect in case of policy or conduct breaches. It is followed by all individuals present on GB Auto's premises, with implementation overseen by the Chairman of the Board, the Group Chief Operating Officer, and the Business Continuity Planning Committee (BCPC). Outside active incidents, the BCPC tests responses to potential crises and collaborates with the Crisis Management Control Committee (CMCC) to formulate the company's appropriate official responses and courses of actions. Both committees may also request the support of the company's auditors to ensure correct application.

### Internal Reporting

All employees at GB Auto are encouraged to report acts of potential or actual corruption or anti-policy behavior. This can be done through an anonymous whistleblowing channel or through their direct supervisors, who then report the information to experts in the human resources, legal, and internal audit. Employees are also encouraged to follow the company's communication hierarchy so that if a supervisor fails to communicate their concerns, they can convey them to higher managers, and the Chief Human Resources Officer.



## Appendix A

### HR Policies

#### Life Insurance

The company provides group life and accident insurance policy. The policy covers 48 months' salary in case of normal death (due to natural causes or illness) or total disability, and 96 months' salary in case of death due to an accident. Employees may be requested to undergo some medical tests for this purpose.

#### Medical Insurance

The company provides private medical insurance coverage for all employees.

#### Pension Schemes

Option 1: GB Auto has a defined contribution scheme where employee and company contributions are equivalent to predetermined percentages of the monthly salary. Enrollment in the plan is optional, and it is administered via an insurance company that benefits from tax exemptions.

Option 2: A segregated investment fund which is managed by one of the leading investment managers in Egypt. The company will identify investment guidelines and instruments with the fund's investment manager. Employee contributions are owned by the employee, and he/she gains ownership of the company's contributions.

#### Loans Policy

To regulate employee loans and ensure that funds are available and administered in an efficient manner, GB Auto has a loans policy to provide financial support to employees in case of emergencies or financial difficulties.

#### Meals Allowance Policy

The policy regulates the payment of meal allowances to blue-collar employees at various locations to ensure equal treatment.

#### Car Policy

- Company cars are provided for C-Level employees, VPs, AVPs and expats, and are replaced every year. Car model is determined in the policy as per the employee's position.
- Area Sales Managers who need to make frequent business trips to different governorates can receive company cars, which are replaced after 2.5 years.
- GB Auto subsidizes 25%-50% of cars purchased by employees as per their position or job requirements.
- Employee can choose to use their own cars instead and receive a car allowance as detailed in the policy.
- Employees eligible for car subsidy or car allowance also receive monthly fuel allowance.

#### Mobile Policy

Employees whose work requires the use of mobile phone can choose to use a company line. The company pays the invoice up to a predetermined limit, and amounts above the limit will be deducted from the employee's salary. If the employee wishes to use his own mobile line, they can claim reimbursements by presenting the invoice, with the same limit policy applicable.

#### Travel Policy

Inside and outside Egypt, the company provides transportation and accommodation for business-related travel. Meals and internal transportation during business trips can also be reimbursed when needed per the policy. The policy also details reimbursement rules for transportation during short business trips within the same city.

## Appendix B

### GB Auto Code of Ethics

1. **GB Auto** focuses on employees' integrity, respect, and teamwork; and the expression of the spirit of innovation to maintain continuous improvement and customer satisfaction.
2. **Compliance** – We are required to carry our duties with honesty, integrity and responsibility, and to operate at the highest standards of business conduct.
3. **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.
4. **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.
5. **Interpersonal relations** – GB Auto fosters collaboration, encourages open channels of communication, and ensures effective people management.
6. **Grievances and disputes** – GB Auto enforces clear escalation policies for employees to ensure that all complaints and/or disputes are dealt with in a fair and timely manner.
7. **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.
8. **Supplier relations and fair dealing** – GB Auto builds trustworthy relations with suppliers and offers them fair business opportunities.
9. **Government relations** – GB Auto consistently interacts with governments agencies with honesty and respect.
10. **Community relations** – The organization participate in various community programs in Egypt to promote integration, development, and improve the quality of its cultural and environmental standards.
11. **Honesty and transparency in communications** – GB Auto communicates information transparently when dealing with customers, dealers, suppliers, and government agencies at all times.
12. **Health and safety compliance** – The company ensures that all employees operate in a safe and healthy environment, and requires that employees comply with company regulations on health and safety.
13. **Financial controls and records** – GB Auto is responsible for effectively communicating with stakeholders and presenting them with accurate financial information.
14. **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.
15. **Proper internet and e-mail usage** – All employees should limit the use of e-mails and internet browsing to work related needs only.
16. **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.
17. **Dress Code** – All employees must adhere to the company's dress code to maintain the positive and professional image of GB Auto.

