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GB Auto underwent changes in 2019 that heightened efficiency across operations and underlined the company’s commitment to sustainable development. The company saw through multiple initiatives in 2019 across key areas of sustainability, which it will continue capitalising on in the coming stage.

In 2019, GB Auto began executing a new solar energy project at the passenger cars assembly plant, with studies for further implementation held for Badr City, Sadat City and GB Polo. The project is expected to go live by the first quarter of 2021.

In 2019, the company began installing new ventilation systems at the Badr City plant in the welding shop, and expects to finish the project by October 2020. It is also adding new ventilation systems at the Prima plant, specifically in the air compressor room and near the firefighting pumps, and expected time of completion is also October 2020.

GB Auto is in the process of initiating projects to replace diesel oil use with solar energy and natural gas across its operations, in an effort to reduce its carbon footprint and emissions. The project is expected to go live in September 2020 at the passenger cars assembly plant and bus manufacturing plant.

GB Auto recognises the importance of technology and its capabilities as 1,483 video conference sessions as well as 91 automation completed processes were conducted in 2019.

The company continued using LED lighting across all plants, showrooms, service centers and administrative buildings, thus maintaining its efficient energy use strategy as LED lights use approximately one third fewer watts than standard lightbulbs.

The company successfully extended the reach of its CO2 firefighting systems and earthing system to cover all electric panels and power stations across its operations.

To increase its water recycling capacity, the company initiated a wastewater treatment plan project in 2018, which is expected to go live by the first quarter of 2021.

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In 2019, GB Auto continued supporting women in the workplace, and strived to create a supportive and inclusive work environment. c. 4% of management positions at GB Auto are held by women, and around 170 women occupy positions on the company’s blue-collar workforce.
Dear shareholders,

2019 was another chapter of success for GB Auto, as we continued to lead the automotive industry with excellence, innovation and an unwavering commitment to improvement. We work hard at GB Auto to ensure that sustainability takes on different forms that help us empower our people and business partners, benefit our communities and maximize returns. By successfully capitalising on the strengths and resources of GB Auto, we are able to expand our top-tier integrated offerings while increasing our green consciousness and transformation. This year saw us further expand our initiatives in excellence, employee engagement, environmental sustainability, corporate governance and social contribution, as we looked to deliver higher value to all stakeholders involved.

In parallel with our efforts to diversify our offerings, we remained active in cultivating client relationships that go beyond purchases and service provision. Next to improving customer experiences at all GB Auto facilities, we upgraded our customer relationship management system so that we can digest more insights, opinions and challenges. In 2019, we were able to solve every consumer complaint received through the system, used the data to enrich and improve our processes and introduced new automated systems for increased feedback utilisation. Building upon our ongoing digital transformation, we are also in the process of introducing a new Master Data Management system to streamline our databases and link data records across our operations. Throughout it all, we were thorough in imposing tight security measures on our data to fortify our operations against risks and potential attacks.

As we continue to pursue innovation in sustainability, we adhere to international standards of excellence that promote sound practices across vast business and community frameworks. Our companies operate in alignment with the UNGC’s 10 principles, rooted in the themes of human rights, labor, the environment and anti-corruption. We also contribute to the realisation of five of the UN’s sustainable development goals, centered around improving education, reducing inequalities, improving working conditions and increasing partnerships for the goals.

For our systems to work and for the company to continue growing, our fundamental investment will always remain our people and company culture. In 2019, we conducted several companywide and specialised surveys to determine levels of satisfaction among employees and identify areas of improvement. In addition, we were diligent in observing our compensation and benefits framework to ensure its fairness, continued to raise employee awareness on health and safety procedures and continued to pursue qualified female calibers to promote equality and diversity across our operations. We also continued to encourage participation in our professional development platforms – GB Academy, GB Stars and the Ignition program, which provide all employees with the opportunity to learn, grow and solidify their positions as a part of the company’s future.

Part and parcel of our strategy for future growth is our sustainability policy, which helps us in reducing consumption and emissions, and bolster recycling efforts. We have made impressive strides this year at the passenger cars assembly plant, where we inaugurated our first-ever 3MWp Solar PV System, a 7000-solar panel system. The system, expected to be finalised in 2020, is expected to cover 35% of the plant’s annual energy need. When the first phase is successfully launched, we will begin installing similar systems across more of our plants and service centers. As for limiting our operations’ emissions output, our Safety and Health department was successful in keeping our emission levels within an average range for an automotive company and new ventilation systems are being installed at several of our manufacturing locations to improve air quality. Our safe waste disposal efforts also remain guided by the Ministry of Environment and the Industry Zone Municipality.

Leading by example has always been the GB Auto way, which is why our social contribution efforts continued to grow in support of our surrounding communities. We have honed our social investments through the Ghabbour Foundation for Development, where we offer vocational education and raise awareness on its important and vital role in shaping the economy. Through our partnership with Saxony International Schools, we are able to offer a wide array of specialties, tools and activities to the foundation, and continue to produce calibers with exceptional knowledge and abilities.

Our Board of Directors and Board committees remained diligent in guiding the company’s strategies and operations this year. Efficient policies were fortified and new regulations were imposed as needed to guarantee diversity and welfare, transparency, environmental wellbeing and legal compliance. They also ensured that the company’s assets and information are properly safeguarded, with internal controls and risk management systems tightened to increase safety and successes. This spilled into our business continuity strategy, which holds the company’s crisis management framework and internal reporting mechanisms, to necessarily ensure that the company and its staff take correct measures and demonstrate the right responses in difficult times.

This framework was put to immediate use when we began navigating the effects of the novel COVID-19 pandemic (coronavirus) on operations during the first quarter of 2020. Management and deputies composed a crisis management team that began risk assessment, contingency planning and introducing precautionary measures. Our objectives were clear – to safeguard the health and safety of our people and partners, while maintaining efficient business continuity. Measures taken included suspending business travel, GB Academy trainings, operations at cafeterias and public areas and all physical gatherings, meetings and outside visitors except in emergency situations. We have also increased the frequency of our deep cleanings through a specialised sanitisation company, which covers all GB Auto facilities. Through this and many more efforts, we continue to prioritise the safety and wellbeing of our stakeholders, and support business continuity at the highest levels achievable.

Once again, I would like to thank the members of the Board for their efforts throughout the 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, CEO
GB Auto Group At a Glance

Leading automotive player and non-bank financial services provider, with six lines of business and operations across Egypt and Iraq.

Since its establishment more than six decades ago, GB Auto has grown to become a leader in the automotive industry, with six lines of business and operations across Egypt and Iraq. Through the years, the company managed to identify new lines of business that supplement its core operations – the manufacturing, sale and after-sales of top quality and reliable automotive vehicles, the most prominent of which was financing services.

GB Auto then developed a comprehensive suite of financing options for an array of client categories across Egypt, in line with its commitment to enable people to purchase vehicles that will assist them in achieving their professional goals. In 2017, the company distinguished two distinct business lines, GB 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.

In 2019, GB Auto further expanded its portfolio by entering into a strategic partnership with El Ghalban Auto Market Group to establish Transport Vehicles Distribution (TVD), a new commercial vehicle distribution company. Utilising both partners’ expertise and know-how of the Egyptian automotive market, TVD aims to acquire distribution rights for world-renowned commercial vehicle brands.

**GB Auto & Auto Related**

GB Auto & Auto Related is the group’s core automotive subsidiary and is involved in the assembly, manufacturing and after-sales services for automotive vehicles, including passenger cars, commercial vehicles, motorcycles and 3 wheelers. The company also designs and manufactures buses, semi-trailers and superstructures (excluding chassis) through its three state-of-the-art plants located in Greater Cairo and the Suez Canal zone.

The company’s full operations span the two regional markets of Egypt and Iraq. Its range of passenger cars, represented by brands such as Hyundai, Chery, Geely and Mazda, remain among the best value-for-money vehicles available in the market, and it remains Egypt’s leading distributor of 2&3 wheelers, including motorcycles and tricycles. GB Auto stands today as a leader in local content contribution, supplying 45% of Egypt’s market’s needs. Additionally, and as of last year, it has become the first automotive company in Egypt to distribute a hybrid vehicle, emphasising our commitment to environmental sustainability.

GB Auto provides its clients with an exceptional after sales experience through its vast network of service centers. The company operates 3-S (sales, service and spare parts center), 2-S (sales and spare parts center) and 1-S (spare parts center) after-sales service centers. Through its 47 passenger car showrooms, 25 two- and three-wheeler outlets, and 8 CV service centers, GB Auto offers unparalleled services across the country. The company also boasts 451 mechanical bays and 387 PC bays.

In 2014, GB Auto launched a new concept, Quick Service, in order to provide its clients offering expedited services, guaranteed within one hour.

**Revenue Contribution by LOB for FY19**

- **Egypt Passenger Cars** 29.9%
- **Regional** 28.2%
- **GB Capital (Financing Businesses)** 17.1%
- **Egypt Motorcycles and 3 Wheelers** 8.3%
- **Egypt Commercial Vehicles and Construction Equipment** 5.5%
- **Egypt After-Sales** 4.6%
- **Startups** 4.6%
- **Spare Parts** 1.8%
GB Auto Group At a Glance

Our Portfolio Partners

GB Auto & Auto Related Lines of Business

Egypt Passenger Cars
- Assembly and distribution of imported and locally manufactured CKD kits with a production capacity of around 80,000 units per year for five models of the Hyundai, Chery and Geely brands
- Distribution of imported CBU vehicles (Hyundai, Mazda, Geely, Chery)

Egypt Motorcycles and 3 Wheelers
- Distribution of Bajaj motorcycles and 3 wheelers
- Manufacturing of imported and locally manufactured CKD kits

Egypt After-Sales
- After-sales services and distribution of spare parts for passenger cars, 2&3 wheelers and commercial vehicles
- Largest cross-country network with constant and ongoing expansion of network and service center capacities
- Highest after-sales service capacity in the market, exceeding all competitors, with all materials sourced from EU suppliers

Egypt Tires
- Distribution of passenger car, van, truck, construction equipment and bus tires
- Powerful dealer network within the market
- Brands include Yokohama, Lassa, Westlake, Double Coin, Techking and Thunderer

Startups
- Parts and lubricants business (PAL) distributing Gazpromneft Lubricants
- Fabrika pre-owned vehicle sales for all car brands
- Retail division 360 operates after-sales and retail outlets

Regional
- Distribution of imported CBU passenger cars in Iraq (Hyundai)
- SKD assembly and distribution of Bajaj motorcycles and 3 wheelers in Iraq
- After-sales service centers in Iraq

Egypt Commercial Vehicles and Construction Equipment
- Assembly and distribution of trucks
- Bus-body manufacturing, distribution through GB Polo
- Manufacturing and distribution of superstructures and trailers
- Distribution of construction and farming equipment
- Brands include Marcopolo, Iveco, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Fuso, YTO, Karry, SDLG, Aksa, Shaacman, and Higer

Operating Across the Value Chain

GB Auto Sustainability Report 2019
GB Capital

GB Capital, the group's financing arm, spans five non-bank financial services providers and offers financing solutions to a range of customers including large corporations; micro, small and medium-sized enterprises; individuals; and retail clients. Its financing solutions seek to make vehicles more affordable to assist many Egyptians in achieving their business goals. Additionally, the company offers direct microfinance lending services to female entrepreneurs and low-income individuals to promote financial inclusion. Its expanding microfinance portfolio continues to bear successes every year, evident by the low numbers of non-performing loans recorded annually.

GB Capital's strategy is to benchmark its operations against the best in the field, building on strict and robust credit, risk classification and provisioning policies specifically developed for each industry. The companies’ credit approval and disbursement mechanisms comply with best practices of leading financial institutions in the country. Additionally, asset quality and collections, which are considered the backbone for the success of any financial institution, are closely monitored, well-maintained and controlled within the company.

GB Capital Service Providers

GB Lease

GB Lease provides medium-term business-to-business finance leasing solutions for asset classes including real estate, automotive and production lines, among others. According to the Finance Authority Regulation (FRA), GB Lease was ranked second in terms of market share, at 7.9%, as of December 2019.

Drive

Drive provides a broad range of retail and corporate clients, including large corporations and small and medium enterprises, with consumer finance and factoring services. Drive specialises in serving clients in the auto-finance sector and is recognised as one of Egypt’s top three factoring companies by the FRA. Furthermore, and according to the FRA, Drive ranked 2nd in terms of market share in December 2019, at 25.1%, and ranked 3rd in terms of overall 2019 market share, at 20.1%. In 2019, Drive served 15,210 clients.

Mashroey

Mashroey offers microfinance services with a focus on short-term asset-based lending options for eligible clients, enabling them to purchase motorcycles, YTO tractors, minivans, 3 wheelers and tricycles, electronics and electrical appliances.

Tasaheel

Tasaheel is the market’s leading microfinance institution. It directly offers individual lending services to micro-entrepreneurs, and was the first company to introduce group-lending in the market, centered around female beneficiaries. It is considered the top financing company in the market as of 2019, and aims to help low-income earners generate higher returns to improve their living standards. Tasaheel is regulated by and operates under the auspices of FRA.

Haram Tourism Transport (HTT)

Haram Tourism Transport provides a broad range of companies with car rental services on a quasi-operational lease basis, averaging three years. Agreements for the service are tailored for each party and include acquisition, registration, insurance of maintenance of vehicles and are guaranteed by third-party insurance plans.
Vision and Mission

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

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

Value Our People

We believe we are all on the same team. We encourage and foster an environment of openness and empathy, which allows employees to share knowledge and exchange ideas freely, resulting in growth for individuals and the company.

Improve Communities

We honor our longstanding commitment to sustainability by improving the lives of those in the communities in which we operate. Each and every member of GB Auto is committed to preserving our environment and we work to build diverse teams to uphold the principles of both human rights and fair labor standards.

Drive Sustainable Results

We are continuously improving our organisational capabilities to maintain the highest levels of quality and productivity as we work toward delivering exceptional customer service. This drive allows us to consistently deliver on our goals, both financial and strategic, allowing us to deliver value to all stakeholders.

Think Innovatively

We encourage innovation in everything we do, from new products and designs to problem solving and devising customer insights. We take risks without losing sight of our integrity and ethical practices so we develop dynamic and successful solutions to mitigate downturns and capitalise on upturns.

Lead With A Vision

We invest heavily in providing our people with development opportunities and coaching to empower their decision-making abilities. This allows us to build, from the ground up, a cohesive team with a clear directive that works to deliver on leadership objectives and strategies, which are constantly developed.

At GB Auto, sustainable and innovative business practices have become the main drivers of long-term success.
Our Strategy for a Sustainable Business

As GB Auto continues its transition towards a sustainable business, it works to deliver exceptional value for all stakeholders while minimising its environmental impact.

Sustainability is at the heart of GB Auto’s operational strategy, which has seen the company manufacture and distribute top-of-the-line automotive products while simultaneously working to lower its impact on the environment and the communities in which it operates. The company’s sustainable business strategy is predicated on the pillars of efficiency and diversification, both of which have played a key role in helping GB Auto navigate macroeconomic and regulatory challenges across the years, helping the company develop into the leading industry player it is today. 2019 was no different, with the company delivering on its sustainability targets for the year while setting the foundations for further improvements heading into the new decade.

GB Auto & Auto Related

Over the last twelve months, GB Auto continued to pursue expansion in Egypt and across the wider region despite the multiple challenges faced in the countries it operates. In Egypt, where the company faced changing regulations in both the PC and three-wheeler market segments, GB Auto focused on optimising its product mix to adapt to changing market dynamics whilst launching new products in response to changing consumer tastes. On the regional front, the company continued to witness solid results largely supported by its Iraqi operations. In parallel, the company continues to focus on driving operational efficiencies to enhance its production process and minimise costs. In line with the company’s goal of optimising its use of resources to minimise outlays and reduce its impact of the environment, GB Auto has committed to multiple initiatives which will see its significantly reduce its energy consumption, water waste and paper use. Already, the company has been able to cut energy consumption per car produced at its Prima plant by 10%. In the coming year, GB Auto will continue installing LED lighting across all its plants, administrative buildings, showrooms and service centers. At the same time, the company will be looking to shift over to using natural gas and solar energy to fuel its operations, moving away from diesel oil as much as possible. Throughout the year, a large part of the company’s operations will become fully digitised helping GB Auto drastically minimise its paper consumption. Finally, to complement the company’s water reuse efforts, which already sees GB Auto reuse around 20% of its water, the company’s new Wastewater Discharge Management plant is expected to come online in 2020, helping the company further minimise its waste of water.

GB Capital

The company believes that everyone should have access to the capital and funding they need to pursue their personal and professional objectives. As such, GB Capital works to enhance customers’ purchasing power and ensure that they can afford the products they need for their work and their lives. During the past year, the company worked to expand its financing businesses while striving to maintain a strong balance sheet and healthy portfolio.

In line with the company’s commitments to responsible lending, GB Capital continues to adhere to the strict and robust risk classifications customised for every industry it operates in. This ensures that the company extends loans only to customers who will be able to repay them, thus not exposing the borrower or the company to excessive financial pressure.

In April, GB Capital entered into an agreement to create a mortgage finance joint venture in partnership with EFG Hermes and TMG Holding. The new venture will serve Egypt’s growing home-buying population, who have seen their purchasing power eroded by several years of high inflation. Home ownership continues to be a cornerstone of the Egyptian society, with more than 900,000 newly married couples each year looking to purchase a home to start their new lives. The new mortgage finance JV will provide them with a full portfolio of easy-to-access financing solutions that will feature the fastest decision-making time in the industry.

In December 2019, GB Capital and EFG Hermes Finance Holding finalised an agreement to acquire a 75% majority stake in life insurance company Tokio Marine Egypt Family Takaful. The Egyptian insurance market holds significant potential and remains largely untapped, with premiums currently constituting a single-digit percentage of the country’s GDP. This JV aims to shift this by introducing innovative products and a suite of life and medical insurance solutions geared toward owners within various asset classes.

GB Capital delivered on its sustainability targets in 2019 while setting the foundations for further improvements.
Stakeholder Mapping

Active and informative communication with stakeholders is essential to the success of GB Auto’s operations. Stakeholders are part and parcel of the company’s self-evaluation efforts; and by regularly encouraging management to adopt sustainable practices and improve on policies and procedures across the company’s regional footprint, they play a large role in securing the company’s long-term future. Communication with stakeholders takes place through formal and informal channels, specialised to conveniently accommodate each group.

Employees

Hands-on communication with employees is among GB Auto’s top priorities in maintaining a healthy, transparent and efficient work environment. A number of channels are used to relay updates and information internally, which range from meetings and e-mails to the specialised bilingual monthly newsletter Akhbarna, published online to relay changes in policies, announce company events or update and celebrate achievements and milestones. Digital text runners and bulletin boards have also been installed across GB Auto’s premises to facilitate the immediate delivery of updates, with other methods being continuously researched and tested. Employee feedback is regularly solicited through company-wide surveys and suggestion boxes.

Customers

Customers place their trust in GB Auto due to its continuous work to maintain open and effective relations with them. The company uses platforms that foster mutual communication, such as social media, to share its updates and gather customers’ feedback and preferences, and disseminates more information on its operations through its website and mobile application. Through Facebook, Instagram and YouTube pages, the company has reached close to four million customers, with figures for engagement on each platform growing year on year. Moreover, GB Auto is able to meet more of its customers’ needs, improve the quality of its services and increase trust in its brands through its customer care programs and customer service channels. Official feedback channels that GB Auto uses to improve its customers’ experiences include the Ethics officer Mailbox, the Customer Satisfaction Inbox (specific to the after-sales services) and the Sales Satisfaction Index. New methods and approaches are continuously being researched to improve the process.

Business Partners

Suppliers, dealers and similar business partners play a pivotal role in GB Auto’s success story, and effective communication must be sustained with them to guarantee smooth operations and successful results. Periodic meetings are held by brand sales and services representatives where partners are invited to share updates, feedback or any relevant information with company representatives, whom in turn are responsible for processing and acting upon this data. Further feedback is requested from business partners through sales satisfaction surveys, with more channels currently being researched to optimise communication with the group.

Shareholders

GB Auto’s adherence to full transparency with shareholders is demonstrated through the wide-ranging and informative materials it publishes through online and offline channels. Materials published for shareholders include annual reports that disclose the financial and operational highlights of the company, quarterly earnings reports, and sustainability reports, among others. The materials are published through GB Auto’s investor relations website for facilitated access, and the website is also regularly updated with the company’s most important news and releases. Furthermore, a shareholders meeting is held on a yearly basis where updates and documents are shared, and inquiries raised by attendees are addressed by the company’s Board of Directors.

Local Communities

GB Auto recognises its surrounding communities to be among its most important stakeholders, and heavily invests in projects that would positively impact them through the provision of otherwise inaccessible opportunities. Through various partnerships with ministries, non-governmental organisations and local campaigns, the company looks to become an advocate and voice for educational development, healthcare improvement and more matters of significant importance. Most prominently and in its strive to increase the overall skill of Egypt’s workforce, GB Auto communicates with youth seeking vocations through Ghabbour Foundation, an establishment created to promote and provide access to high quality vocational education. The foundation endorses the value behind vocational education and work, and highlights its potential positive impact on societal progress.
Throughout the years, GB Auto has consistently aligned its business strategy with the needs of its internal and external stakeholders. As such, the company continues to demonstrate excellence in identifying the needs of each stakeholder group, and improving communication and feedback channels as needed. GB Auto’s internal stakeholders are represented by its employees, management and board of directors, with external stakeholders ranging from its shareholders and investors to customers, business partners, the Egyptian Stock Exchange (EGX) and the company’s surrounding communities.

### Stakeholder Mapping

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<th>Stakeholder Name</th>
<th>Internal Stakeholders</th>
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| Employees                 | • Enhancing employee motivation and increasing satisfaction through surveys and questionnaires  
                                • Covering employee concerns and complaints  
                                • Publishing a monthly newsletter to increase employee awareness  
                                • Distributing corporate awareness campaigns and sustainability posters on a monthly basis  
                                • Receiving employee feedback through 360 surveys, engagement surveys, the Middle Management LEAP program and the GB Stars program |
| Board of Directors         | Discussing business strategy and approving business performance and results on a quarterly basis |
| Management                | Evaluating goals and achievements for each line of business as well as forecasting and discussing appropriate actions on a regular basis |

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<tr>
<th>Stakeholder Name</th>
<th>External Stakeholders</th>
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| Shareholders              | • Publishing annual reports and sustainability reports to shareholders, which include highlights and operational insights  
                                • Holding an annual general meeting (AGM) where updates and documents are shared, and inquiries raised by attendees are addressed by the company’s Board of Directors |
| EGX                       | • Disclosing the company’s results quarterly and annually  
                                • Announcing important company announcements and news releases  
                                • Meeting all legal and regulatory requirements |
| Customers                 | • Meeting customer needs and maintaining satisfaction  
                                • Delivering exceptional service  
                                • Receiving feedback and evaluating this by way of various media channels such as social media, call centers, branches, showrooms and customer satisfaction surveys |
| Business Partners         | Collaborating with key partners to establish sustainable, long-term relationships |
| Community                 | Promoting high quality vocational training through the Ghabbour Foundation to enhance the communities in which we operate |

GB Auto recognises its surrounding communities to be among its most important stakeholders, and heavily invests in projects that would positively impact them through the provision of otherwise inaccessible opportunities.
GB Auto is committed to promoting sustainability throughout its operations, with consistent efforts towards the improvement of six key areas: alignment with international standards, excellence, employee engagement, corporate governance, environmental sustainability and social contribution.

As part of its efforts to optimise its operations and maximise both the profitability and social impact, GB Auto seeks to align its internal protocols and systems with global best practices and standards. The company keeps abreast of evolving local and international frameworks centered on advancing the wellbeing and prosperity of people, planet and profit. Additionally, and while it is not a member of the United Nations Global Compact, it seeks to align its practices with its 10 principles, and as many of the UN’s sustainable development goals as possible.

GB Auto is committed to creating operating policies that are socially and environmentally sustainable, while remaining committed to business excellence. Accordingly, the company has customer satisfaction strategies and tools in place with the aim of improving customer relationships, managing complaints and dissatisfaction and maintaining an exceptional level of service. Additionally, GB Auto invests in digital solutions to streamline operations, increase efficiency and ensure data protection.

GB Auto seeks to provide its employees across the company with a conducive and healthy work environment. It has incorporated a number of policies to promote employee satisfaction and wellbeing, including pursuing further health and safety certifications, providing employees with a living wage and competitive compensation packages and benefits and investing in the career development of its employees through its GB Academy. GB Auto is also an equal opportunity employer and seeks to foster a diverse and fair environment.

In line with its strategic objective to maintain sustainable practices while protecting the environment, GB Auto employs a sustainability policy that focuses on saving energy and fuel consumption, and introducing renewable alternatives such as solar energy. It also focuses on ways through which it can minimise its negative impact and emissions through methods like wastewater treatment and recycling, decreasing pollutive waste and improving air quality and ventilation. Throughout this, GB Auto also ensures that its employees exist within healthy operating environments, and receive safety equipment and trainings of the highest quality.

GB Auto adheres to a robust corporate governance framework and constantly works to improve on its codes, policies and procedure in order to align them with international best practices. GB Auto holds an annual general assembly meeting to create a platform for shareholders to participate in key company decisions. The company’s board of directors, which includes four non-executive members, three of whom are independent, is supported by an Audit Committee, Remuneration Committee and a Corporate Governance Committee, to assist it in overseeing the company’s activities and ensuring compliance with all ethical and legal requirements.

GB Auto launched the Ghabbour Foundation for Development in 2017, in order to assist it in fulfilling its social responsibilities and maximising its positive impact on local communities. The Foundation offers vocational training through three schools, serving 730 students in areas such as automotive mechatronics, body repair and paint. In order to best serve its students, the Foundation offers scholarships and financial support, and has partnered with Saxony International Schools to optimise its operations for better results. The Foundation also holds a number of events in order to promote people’s wellbeing and foster closer community ties, including a football tournament, open-house events, go-kart racing events, a career orientation day, as well as an awareness campaign on safe driving.
To continually optimise operations and increase positive impact, GB Auto replicates successful experiences in corporate and environmental sustainability by examining international best practices and adopting smart, global standards of application. The company keeps updated with local and international changes centered around advancing people, planet and prosperity, and regularly improves its functions and regulations accordingly.

GB Auto takes the 10 principles of the United Nation’s Global Compact (UNGC) and the UN’s sustainable development goals (SDGs) into account when updating or drafting policies. These international calls to collective societal advancement, along with relevant local laws, have become an essential part of GB Auto’s operations and a cornerstone of its developmental efforts.

**Sustainable Corporate Practices**

In aligning its strategies with the 10 principles of the UNGC, despite not being a member of the compact, GB Auto reaffirms its unwavering commitment to preserve the rights of its stakeholders while maintaining efficient operations. The company has accordingly adopted stronger controls to ensure that human rights and wellbeing, labor rights, environmental consciousness and anti-corruption efforts are tightly weaved into its systems.

Furthering its dedication to environmental health, GB Auto imposes regulatory controls to decrease, if not eliminate, its relevant impact. Next to actively reducing its negative emissions, the company periodically implements green initiatives and introduces digital alternatives when possible. As it moves towards more digitised operations, the company strives to promote environmental responsibility through conscientious practices and instill long-lasting changes that will positively impact all involved.

**Strengthening Impact Through the Goals**

Contribution to a vision of an improved and prosperous world is among the key reasons why GB Auto aligns its efforts with as many of the SDGs’ indicators as possible. The company has so far been able to take tangible actions relevant to five of the seventeen goals.

Through its efforts in developing and improving access to vocational education in Egypt, the company aims to raise awareness on the importance of diverse education, and increase access to valuable education.

GB Auto advocates for the participation of women across all of its lines of business, and encourages female leadership at all levels of its operation.

The company now employs c. 17,000 individuals, and continues to invest in opportunities that promote productivity, innovation and Egypt’s economic wellbeing.

Policies are put in place at GB Auto to prohibit discrimination and promote inclusion of all, regardless of gender, race, age, religion or any other differentiating factor.

GB Auto employs a strategy of sustainable consumption, where raw materials are utilised responsibly and waste is recycled efficiently.
GB Auto progresses its operations by ensuring that clients receive all-inclusive services of value, from the time they begin to scan possible purchases to after-sales services and support. In 2019, GB Auto continued to leverage the client satisfaction strategies and tools it had previously put in place to extract more favorable results and further embed efficiency and sustainability across its operations.

Customer-Centered Culture
Customer data and insights were utilised in 2019 to improve the services provided, pushing the customer satisfaction assessment framework further towards digitisation for a more efficient information gathering process. Next to maintaining the highest standards of quality and efficiency across its product ranges, providing diverse offerings at various price points and offering financing services through GB Capital, GB Auto invests in upgrading its after-sales services and ensures that its workshops are up and running in accordance with industry best practices and standards that promote excellence and efficiency. The company prides itself on the fully integrated best-in-class experience it offers its customers.

Complaint Mechanisms and Feedback
GB Auto continued to foster its policy for open channels of communication in 2019 by improving on its methodologies for registering and handling complaints. The company upgraded its customer relationship management (CRM) system during the year to improve its performance, which it continues to measure using five key performance indicators (KPIs) that examine the speed and competence by which customer complaints are handled.

Excellence

For the fourth consecutive year, and due to the efficient handling and processing of feedback and insights, all complaints received through GB Auto’s CRM system in 2019 were successfully resolved.

CRM KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>Measurement Tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction level</td>
<td>Total number of complaints received</td>
</tr>
<tr>
<td>Efficiency of complaint-resolution system</td>
<td>Average time between receipt and resolution of a complaint</td>
</tr>
<tr>
<td>Key causes of customer dissatisfaction</td>
<td>Top three causes of complaints</td>
</tr>
<tr>
<td>Service quality at GB Auto’s service centers</td>
<td>Percentage of complaints on workshop traffic</td>
</tr>
<tr>
<td>Models causing dissatisfaction</td>
<td>Number of complaints received on each vehicle model</td>
</tr>
</tbody>
</table>

This year and for the fourth consecutive year, all complaints received through the system were resolved. Upgrades introduced in 2019 included the implementation of a two-day feedback mechanism, where customers must be contacted within a maximum of 48 hours from request submission time.

New systems to further streamline operations were also deployed in 2019. Next to a new Claims Management process and a CPA containment plan, an Oracle system was inaugurated with a built-in performance management tool for mid-year appraisals. The system aims to boost employee performance by providing them with more frequent feedback from managers and supervisors, thereby increasing efficiency and yielding better results. Moreover, GB Auto started working on a Master Data Management (MDM) project in 2019, which will host all items, supplier and customer information in an accessible and efficient database. This enhanced system should also produce better quality reports, eliminate any duplications or errors and improve the company’s overall data management capabilities.

Digital Operations and Data Protection
In 2019, the Information Technology Department resumed its joint efforts in researching and introducing digital alternatives across operations. Existing efforts were maintained, from reducing paper-based transactions to decreasing follow-up time after vehicle purchases by introducing tablets at service advisor workplaces, using recycled toner cartridges and using video communication in place of recurring advisor workplaces, using recycled toner cartridges and using video communication in place of recurring transportation across Cairo. GB Auto also continued to build up the efficiency of its cloud data storage and software-as-a-service solutions, and increase the stability of the radio frequency it installed in 2018 for improved network connectivity. System upgrades to prevent malicious attacks remained in effect, with CISCO’s Next-Generation Intrusion Prevention System providing warnings on any potential threats. The company is continuously updating and installing new software and firewalls, in an effort to further fortify its risk mitigation strategies and solutions.
Employee Engagement

GB Auto believes in the crucial role that a healthy and balanced work environment plays in driving employee successes. The company aims to gain extensive understanding of needs and requests to regularly update its policies and ensure that successful mechanisms are put in place. Throughout 2019, GB Auto remained committed to building up its outreach and development programs, especially underlined by the updates administered to its training policy for employees. It also continued to adhere to the highest standards in health and safety, monitor the implementation of its compensation and benefits framework and encourage diversity and inclusion in the workplace. The company imposed top-tier regulations operation-wide, and executives changes and updates where needed.

Employee Satisfaction

Successful employee relations make for stronger operations and lasting successes, and so GB Auto reinforces communication with employees through multiple tools and channels. Updates in policies, changes within the company, new benefits, employee successes and other information are regularly communicated companywide in an efficient and transparent manner. This year, GB Auto effectively conducted its 360 survey of Vice Presidents and mid-level managers, which assessed their leadership styles and capabilities. Results showcased the nominated participants’ areas of strength and potential improvement, and sessions are scheduled for the first quarter of 2020 to assist them in improving their skill levels. It is worth noting that all information fed into the surveys conducted by an external provider “Laws of Attraction” were anonymous, with feedback provided to each participant privately to encourage participation.

GB Auto also conducted its companywide employee satisfaction survey in 2019 under the supervision of the external providers “Laws of Attraction”. The survey covered the key areas of employee wellbeing, company values, internal culture and relationships between employees and management. Contribution percentage reached 66.8%, and all participating employees received a personalised thinking profile upon completion, which looks to assist them in improving their relationships at the workplace. The company will also use the results of this survey, which are treated with high confidentiality, to improve its employee offerings and apply improvements to its internal communications framework.

Health and Safety

Employee health and safety in the workplace remains at the very top of GB Auto's list of priorities in creating a successful work environment. The company's Sadat factory was awarded the IATF ISO certificate, and diligence is being exercised in obtaining more safety certifications for the company's other facilities.

In addition, GB Auto's code of business conduct mandates compliance with all applicable health and safety laws and regulations, and stipulates the provision of refresher safety trainings and protective equipment to all employees. Company employees are also expected to keep their work environment clean and orderly, thereby contributing to safe operational practices and to a decrease in potential hazards or accidents.

Compensation and Benefits

GB Auto's compensation and benefits framework encompasses a living wage, raises and merit-based rewards, a comprehensive benefits program, a pension program for retiring employees, an early retirement program and a benefits program for employees with disabilities and special needs. In 2019, the company maintained the improvements it had applied in the previous year to assist its employees in coping with the then-recently high inflation rate. The company also continued to enforce a variety of support programs, which include loans for up to twice the amount of the applicant’s monthly salary, with comfortable repayment schemes. Free transportation for all blue-collar employees and fuel allowance for senior employees also remain fully in effect. Further fringe benefits are offered to all GB Auto employees, which include flexible work hours, meal allowances and exclusive perks from select retailers.

Furthermore, all GB Auto employees, their spouses and dependents are beneficiaries of medical insurance through Prime Health Medical Services, as well as full coverage accident insurance. Employees will also be recipients of a pension plan upon retirement, introduced in partnership with Allianz Life Insurance Company and EFG Hermes, to ensure long-term financial stability and security.

Moreover, and in further support of our blue-collar workers and their families, GB Auto introduced “Back to School Boxes” in 2019 across all of its locations. An innovative initiative was also deployed with the boxes; where along with the included school supplies, the company distributed flyers for a drawing competition, encouraging employees’ children to draw their versions of the “Ghabbour Dream Car 2050”. 20 winning children were awarded a full-day trip to the KidZania family entertainment center, and all drawings were displayed at the GB Academy in celebration of the creative talents exhibited through the competition.

16,974
Size of workforce in 2019

7.6%
Turnover rate per year (voluntary departure)

8.7%
Turnover rate per year (released for cause)
To further reinforce its position as an equal opportunity employer and to empower females in the workplace, GB Auto upped its efforts in providing females with technical positions across its factories. The company hired two female engineers at its Badr plant in 2019, and is committed to fostering diversity across its workforce by advocating for female rights to technical jobs. GB Auto also takes pride in having strong female leads in senior and executive positions across the company, and is in the process of adding high-caliber female representatives to its Board of Directors. In addition, the company offers convenient maternity leave and prides itself on having 94% of its female employees return to work at GB Auto following their leaves.

Another fundamental policy that GB Auto enforces in support of its female employees is a comprehensive sexual harassment policy that communicates a zero-tolerance stance against all unwelcome physical or verbal advances, requests for sexual favors and other verbal or physical conduct with sexual innuendos. The company urges all of its employees to regularly report any violations witnessed across any of its premises, with disciplinary actions immediately put in effect.

**Employee Development**

GB Auto encourages its employees to regularly pursue opportunities of personal and professional development, and provides them with means to improve their skills and further their careers. The company’s Training and Educational Assistance Policy, last updated in October 2019, details a number of courses, programs and certificates that employees can benefit from. These programs include trainings offered by GB Academy in business, technical skills, sales, languages and more; post-graduate certificates, from diplomas to MAS, MBAs, DBAs, PhDs and more; and world-class certifications, such as the MCSE, MCITP, CCNA and more. The company is dedicated to expanding the capabilities of its employees within their current scopes, and providing them with the means to qualify for higher positions within its ranks.

**GB Academy**

Launched in 2013, the GB Academy is GB Auto’s flagship training and development program. Managed by Saxony International Schools (SIS), it provides world-class, multi-leveled vocational trainings and technical know-how, as well as soft skills to empower participants and elevate excellence across the industry. It has a rich portfolio of courses on various topics covering automotive basics, body and painting, supply chain, sales and aftersales, business skills and management, all of which include a high percentage of practical training. The Academy’s vision is to “set the pace in a world of lifelong learning”, and is on a mission to assist in strengthening Egypt’s labor force. The 3,400 square meter facility includes well-equipped automotive technical workshops, specialised business classrooms, meeting rooms and a conference center.

In 2019, GB Academy trained 10,484 GB Auto employees in 9,192 training hours. It also started offering its automotive, business, sales and after-sales courses to the public during the year, with its participants now coming from over 30 companies, universities, public and governmental institutions, with the number continuously on the rise. The Academy also announced a partnership with the Faculty of Engineering at the British University in Egypt during the year, which it expects to bear impressive results in 2020.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total training hours in 2019</th>
<th>Total number of attendees in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7,482</td>
<td>7,404</td>
</tr>
<tr>
<td>2017</td>
<td>7,770</td>
<td>9,900</td>
</tr>
<tr>
<td>2018</td>
<td>10,908</td>
<td>12,461</td>
</tr>
<tr>
<td>2019</td>
<td>9,192</td>
<td>10,484</td>
</tr>
</tbody>
</table>

**GB Stars**

GB Auto launched GB Stars in 2019 to identify and empower employees with impressive track records and possible leadership tendencies. The program, a redesigned version of the company’s Potential Leadership Program, is a multi-year endeavor that will assist over 250 selected participants in honing their skills across a number of competencies and skills.

GB Auto will use this program to empower exceptional employees and build calibers that are capable of leading the company in the future. GB Stars participants will also be offered personalized mentorship sessions, and will be asked to participate in a plethora of skill-identifying projects and challenges that should fuel their growth and foster value creation across GB Auto’s operations. Advanced participants may also receive support to obtain a variety of degrees, from master’s degrees to other prestigious professional certifications.

**Ignition Program**

2019 saw the successful allocation of 13 new trainees across GB Auto departments with Ignition, with seven expected to enter the talent pool in 2020. The program, launched in 2013 by GB Auto, is a method of providing fresh graduates with the opportunity to launch their careers with the company. In the first year, participants are allowed the chance to join the different departments comprising GB Auto for a short period of time, to build better understanding of the company, its separate activities and its operations as a whole. They then proceed to join the company full-time in one of the company’s disciplines, and receive a tailored development plan and regular mentorship in support of their successes and growth. The program’s structure is currently being adjusted to increase efficiency and agility, and new participants for the 2020 rounds were already being identified by the end of 2019.

GB Auto encourages its employees to regularly pursue opportunities of personal and professional development, and provides them with means to improve their skills and further their careers.
### Courses conducted by GB Academy in 2019 and Number of Attendees

<table>
<thead>
<tr>
<th>Course Type</th>
<th>Number of Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>After-sales Courses</td>
<td>696</td>
</tr>
<tr>
<td>Technical Courses</td>
<td>3,076</td>
</tr>
<tr>
<td>Business Courses</td>
<td>2,273</td>
</tr>
<tr>
<td>Computer Skills Courses</td>
<td>402</td>
</tr>
<tr>
<td>Corporate Courses</td>
<td>738</td>
</tr>
<tr>
<td>Leadership Development Courses</td>
<td>194</td>
</tr>
<tr>
<td>Sales Skills Courses</td>
<td>1,676</td>
</tr>
<tr>
<td>Supply Chain Courses</td>
<td>310</td>
</tr>
<tr>
<td>English Language Courses</td>
<td>1,119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,484</strong></td>
</tr>
</tbody>
</table>
Environmental Sustainability

It is GB Auto’s belief that protecting the environment through sustainable industrial and manufacturing practices has become essential for long-term business viability. As such, contribution to local and global environmental welfare remains high on the company’s agenda, as it continues to optimise its performance and decrease impact and consumption. By continuously introducing upgrades that reduce negative environmental impact, conserve resources and positively impact employees and communities, GB Auto reaffirms its willingness to adapt to changing circumstances and cultivate an eco-friendly industrial landscape.

In 2019, GB Auto maintained the upgrades it had applied operation-wide in the previous year, ensuring that all systems are boosted in preparation for further upgrades and expansions into renewables. It also continued developing its sustainability policy in line with local environmental laws, international best practices and its teams’ experiences, ensuring that the best possible frameworks are put in place for better results. Next to covering GB Auto’s green actions and energy consumption procedures, the policy also covers sustainability in waste treatment, mitigating and minimising pollution risks and employee-related health and safety practices.

A commitment to lowering overall energy and fuel consumption has led GB Auto to embrace alternatives and work towards reducing energy use by a minimum of 10% every year. The company’s Power Saving and Maintenance teams also remain diligent in conducting feasibility studies, and regularly propose areas of improvement to limit the use of resources. In 2019, GB Auto maintained and extended its transition to LED lights in showrooms, service centers and administrative buildings, using 1/3 of the watts normally used and lasting 40 times longer. This step towards stronger energy saving is expected to save the company 8% of its consumption over the course of four years. The company also reaffirmed its transition from its usual use of 2,000 tons of diesel per annum to the more environmentally friendly natural gas, scheduled to begin in May 2020 at the PRIMA and Badr plants.

The company’s efforts in reducing energy use is also expected to reflect on the amount of energy needed to produce one car, which is expected to decrease from 1090 KW/HR per car in 2019 to 850 KW/HR per car in 2020. This and many other efforts are fast-tracking GB Auto’s receipt of the ISO 50001 certification for efficient energy management in 2020.

Introducing Solar Energy

Further to its existing efforts and in light of its increased interest in introducing green, renewable energy sources to its manufacturing facilities, GB Auto has begun constructing a Solar PV System at its PRIMA powerplant. The system, expected to largely transform GB Auto’s energy approach and introduce know-how on new technology, techniques, performance and installation, will be directly linked to all factory operations. Technical trainings will be provided to all involved employees, and a completely automated digital monitoring system will be installed, which will provide live updates on the performance of the system’s main grid, energy produced and flow of electricity to the plant’s machines.

GB Auto has invested c. EGP 35 million in the project, with savings expected to reach c. EGP 264 million over the next 25 years. Through the use of the system, the company expects to decrease its carbon dioxide emissions by c. 45% by 2021 and heavily decrease its dependency on non-renewable fossil fuels. Moreover, the system is also expected to generate a new revenue stream for GB Auto, as the company plans to use the system’s bi-directional meter to transfer and sell all excess power which is produced during the company’s non-operational times.
Actual and forecasted energy use and CO2 emissions across GB Auto operations, 2019-2021

<table>
<thead>
<tr>
<th>Power consumption</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>KWHR/Month</td>
<td>CO2 Ton/Month</td>
</tr>
<tr>
<td>2019</td>
<td>750,000</td>
</tr>
<tr>
<td>2021</td>
<td>401,000</td>
</tr>
</tbody>
</table>

Upon the successful inauguration of the Solar PV system at PRIMA, scheduled in 2020, the company plans to launch similar systems at its Badr plant, its GB Polo plant and its Merghem Service Center by 2021.

Minimising Emission Impact

GB Auto works in more than one way to limit the effect of its operations on its surroundings, among which is its diversified endeavors to limit waste and emissions that bear hazardous effects on internal operational environments and external ecosystems and communities. The company’s Safety and Health department monitors all harmful emissions, from fumes to noise, light and greenhouse gases, and has confirmed that in 2019, GB Auto’s limits remain within an average range with regards to the automotive manufacturing industry. Yet to further improve the effect it has on its surroundings, the company consistently works to reduce noise pollution, relative humidity, heat degree stress, illumination intensity, radiation capacity impacting UV emissions, magnetic flux density, use of caustic soda spray and the production of metal fumes and vapors. It relies on Eco Converse Company for Environmental Services to dispose of its hazardous waste, under the supervision of the Ministry of Environment. It also relies on the Industry Zone Municipality to ensure proper disposal of solid waste at its factories.

Employee Health and Protection

Employee safety across GB Auto operations remains of fundamental importance to the company. It therefore continues to put new and improved systems in effect that decrease any harmful effects possibly inflicted on employees during their work hours. In 2019, the company finalised upgrading its electrical panel system and power stations to minimise the risk of electrical fires, which are now covered by the company’s specialised CO2 firefighting systems, in effect at all its plants. It has also launched an Earthing system for all electric panels, power stations and buildings to further fortify safety and functionality.

As the company continues to increase its safety and security measures, it also remains adamant on training all employees on the use of safety equipment, emergency exit procedures and other health and safety information. Technical experts are invited to conduct monthly training sessions that ensure high levels of awareness and capability, and as such contribute to decreasing risks across operations.

Water and Wastewater Recycling

In 2019, GB Auto remained within the lawful limits set by the National Center for the Study of Occupational Safety and Health for wastewater output. The company also continued to optimise the efforts of its sludge treatment process industrial unit, as well as the process put in place for the safe disposal of biproducts of the wastewater treatment procedures. Regarding wastewater treatment, c. 20% of the 42,900 liters of the water that GB Auto annually consumes for utilities is recycled and re-entered into the paint shop circulation process.

The company’s total consumption level of c. 61,500 liters of water is expected to decrease by 10-15% across all manufacturing facilities over the upcoming two years, as GB Auto continues to upgrade its machinery to models that optimise water use. More notably, however, water consumption and wastewater treatment should be positively affected to a large extent by the company’s Wastewater Discharge Management plant, currently underway and expected to launch by August 2020.

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GB Auto is committed to upholding a robust corporate governance framework to ensure that all company stakeholders benefit from long-term sustainable value creation. The company works diligently to improve on its codes, policies and procedures in accordance with international best practices and the pillars of fairness, accountability, transparency and responsibility in the work environment. Comprehensive guidelines and internal controls that are put in place to underline GB Auto’s dedication to sound corporate governance practices emphasise ethical performance and behavior company-wide, transparency and disclosure to combat corruption, a disposition to social and environmental consciousness and impactful crisis management and risk mitigation. The company heavily depends on its Board of Directors, appointed through its General Assembly (GA), and its committees to lead and see these efforts through, in order to generate maximum shareholder and stakeholder value.

General Assembly
Guided by the relevant internal laws and statutes, GB Auto holds an annual GA meeting where all company shareholders are represented and given say in core company related decisions. Attending members engage in voting processes to determine the appropriate course of action in matters of discussion listed on the agenda, among which can be the appointment of Board members and external auditors, with each company share counting as one vote. The annual GA meeting also provides a platform for the Chairman of the Board and Board members to give ear to all GB Auto shareholders and address or act on any inquiries raised as needed. Approval of the company’s financial results and the distribution of dividends also occurs during the meeting. This year, GB Auto’s annual GA meeting was held in May 2019, where all company shareholders were represented.

Disclosure Rules and Transparency
In compliance with all applicable disclosure rules put in place by the Egyptian Stock Exchange — including rules approved by the Egyptian Capital Markets Authority on 18 June 2002 — GB Auto is committed to quarterly reporting on its financials and fully adheres to all mandated regulations on corporate governance. The company also continues to maintain its stance on full transparency regarding 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.

Board Committees
Three committees were established by the Board of Directors to assist it in performing specialised duties, as well as monitor and report on key corporate governance efforts across the company. Out of a total of seven Board members, four are non-executive members and three of the four are independent members. The Board is also in the process of approaching high-caliber female representatives to join its ranks.

The Audit Committee
The Audit Committee provides GB Auto’s Board with objective reporting on the company’s performance, with specialised focus on financial operations and risk management. The committee ensures the following:
- 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

2019 Audit Committee members:
- Sherif Samy, President
- Mounir Fakhry Abdel Nour, Member
- Mohamed Naguib, Member
- Mansour Kabbani, Member

Audit Committee Meetings During 2019

<table>
<thead>
<tr>
<th>Member name</th>
<th>Position</th>
<th>27th Feb</th>
<th>8th Aug</th>
<th>12th Nov</th>
<th>Attendance rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Sherif Samy</td>
<td>President</td>
<td>-</td>
<td>Attended</td>
<td>Attended</td>
<td>67%</td>
</tr>
<tr>
<td>Mr. Mounir Abd. Nour</td>
<td>Member</td>
<td>Attended</td>
<td>Attended</td>
<td>-</td>
<td>67%</td>
</tr>
<tr>
<td>Mr. Mansour Kabbani</td>
<td>Member</td>
<td>Attended</td>
<td>Attended</td>
<td>Attended</td>
<td>100%</td>
</tr>
<tr>
<td>Mr. Mohamed Naguib</td>
<td>Member</td>
<td>-</td>
<td>Attended</td>
<td>Attended</td>
<td>67%</td>
</tr>
</tbody>
</table>
The Remuneration Committee

The Board depends on the Remuneration Committee to assist it in all matters relevant to the company’s pay and benefits systems. Next to outlining the entire company’s remuneration policy, the committee provides advisory to the Board on how to further integrate transparency into the company’s remuneration process, up to and including the compensation structure of the chairman, executive directors and senior management across the company. An exception to the committee’s responsibilities are fees and other payments made out to non-executive directors, which are reviewed by a sub-committee comprised of the chairman and up to two executive directors of the Board.

2019 Remuneration Committee members:
• Sherif Samy, President
• Mounir Fakhry Abdelnour, Member
• Mansour Kabbani, Member
• Mohamed Naguib, Member

Corporate Governance Committee

Created to assist the Board in six fundamental areas of responsibility, the Corporate Governance Committee ensures the following:
• Communication between the Board and executive management prioritises the interests of shareholders, and plays an effective role in serving the functionality of the company
• The company maintains and updates an overarching corporate governance framework by regularly assessing the guidelines in place and making recommendations for needed advancements
• Company-related strategic decisions and opportunities are evaluated and acted upon as needed
• Management are held accountable to the Board by means of structures set in accordance with applicable laws, regulations and industry best practices
• Recommendations are made to the Board on new candidates, for election or appointment
• Risks are identified and mitigated in line with GB Auto’s relevant policies and procedures

2019 Corporate Governance Committee members:
• Sherif Samy, President
• Mounir Fakhry Abdelnour, Member
• Mansour Kabbani, Member
• Mohamed Naguib, Member

Anti-Corruption Efforts

GB Auto strives to cultivate an environment free from all forms of unethical or corrupt behaviours and adopts multiple policies that aim to guard its people and operations against illicit or harmful activities. The company enforces a code of ethics and ethical business practices for all internal and external communication and activities, and regularly announces changes or updates to its policies in writing to all GB Auto employees. All policies foster the values of integrity, improvement, responsibility, reverence and innovation, in creation of a healthy work environment that provides GB Auto clients with top-tier services.
Protection of Interests

The company's code of ethics and business conduct were created to safeguard employee wellbeing, and include an anti-discrimination policy that prohibits any form of bias against individuals or groups for differentiating characteristics, such as gender, race and religion. Additionally, the code includes a strict sexual harassment policy, stipulating that all unwelcome advances constitute a serious violation of company conduct and will lead to disciplinary action that could lead to dismissal.

Diversity and Welfare

Truthful, thorough communication with clients, suppliers, shareholders, government agencies and members of the surrounding communities is a staple of the GB Auto culture. All communications must be made using referenced and accurate information. The company also emphasizes the importance of professional and fair treatment of suppliers, with selection to be based solely on competitive standards. GB Auto also imposes a stringent policy against gifts made to any of its employees, to prevent unfair advantages or incidents of bribery. The company’s Vice President of Government Relations is tasked with declining or returning gifts made to GB Auto employees unless deemed excusable by a relevant executive head. Similarly, GB Auto employees are not permitted to offer gifts to stakeholders or third parties unless deemed appropriate and permitted by senior management.

Transparency and Conflicts of Interests

GB Auto regularly communicates its environmental goals, aligned with the ten pillars of the United Nations Global Compact (UNGC) and as many of the UN’s sustainable development goals (SDGs) as possible, with its stakeholders. The company works diligently to comply with legal environmental protection requirements, reduce undesired operational impact and carbon footprint where possible and promote awareness of sustainable uses of resources among employees.

Environmental Wellbeing

GB Auto upholds 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 that ensures its compliance with governing laws at all times, guaranteeing the fair treatment of its employees and keeping its code of business conduct up to date. Parallelly, 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.

Compliance

GB Auto’s risk mitigation and management framework is a part of its crisis evasion platform. Through it, the company aims to effectively identify and manage potential risks, tighten internal controls and optimise operations. The framework has been created in line with the company’s business strategy, which fosters efficiency, innovation and hands-on solutions. It monitors the effective use of resources, accuracy of financial reporting, compliance with laws and regulations set by the FRA and the EGX and more internal and external processes.

Safeguarding Information and Assets

To sustain the wellbeing of the company’s business environment, all employees are required to engage in the protection of company assets and property, and preserve the confidentiality of all business-related information shared with them. The code of business conduct enforces a ‘clean desk’ policy to make sure that confidential information is always attended to, and stipulates that employees must not disclose confidential or sensitive information to any third party except when authorised by senior management. The Audit Committee is entrusted with maintaining these policies, detecting violations and recommending necessary corrective actions.

Internal Control and Risk Management

Integral to GB Auto’s comprehensive corporate governance framework are the response mechanisms necessary for crisis handling and breaches of conduct or policies. The company’s Business Continuity and Crisis Management Policy, used to manage and mitigate risks and emergencies facing the company, is adhered to by all staff members, contractors, volunteers and students present on premises operated by the company. Implementation is overseen by the Chairman of the Board and the Group Chief Operating Officer, with the assistance of the Business Continuity Planning Committee, tasked with preparing and testing responses to potential emergencies and incidents, and the Crisis Management Control Committee, tasked with formulating the company’s official responses and courses of actions for any incident that occurs at all premises owned by GB Auto. They may also request the support of the company’s internal or external auditors to ensure the strict and correct application of the policy.

Internal Reporting Mechanisms

GB Auto provides all employees with the means to report on acts of potential or actual corruption or anti-policy behaviours. Employees are encouraged to voice all concerns to their direct supervisors, who are then required to bring them to the attention of the responsible experts in the human resources department, the legal department, the internal audit function or, if necessary, the Chief Executive Officer of the group. A communication hierarchy is also communicated to all GB Auto employees, so that if an employee’s supervisor fails to report on their grievance, they can pass it to their supervisor’s manager, and if needed, the Chief Human Resources Officer. A whistleblowing channel is also available to encourage staff members to report on violations, in case they would prefer maintaining anonymity.
GB Auto’s Board of Directors are entrusted with leading the company’s sustainable corporate governance practices. The Board encompasses members with diverse public and private backgrounds and that represent different types of institutions, such as manufacturing, financial and governmental institutions, to bring a wider range of advisory to the company and its executive management. The Board evaluates potential opportunities and assists management in making strategic decisions on matters core to GB Auto’s lines of business.

**Board of Directors**

**Dr. Raouf Ghabbour**
Chairman of the Board of Directors and Chief Executive Officer
Tenor since IPO: 2007-Present
Share ownership: 29.4% (Directly and indirectly)

Dr. Raouf Ghabbour founded the Ghabbour Group of Companies in 1985. Dr. Ghabbour began his career working in his family’s auto-related trading business, where he initially established himself within the tire division. Quickly gaining a commendable reputation in the market for his business acumen, he went on to acquire agency agreements from global OEMs, which he then transformed into successful businesses. Dr. Ghabbour has grown the Company to become a leading automotive assembler and distributor across the Middle East and North Africa.

**Mr. Nader Ghabbour**
Deputy Chief Executive Officer
Tenor since IPO: 2007-Present
Share ownership: 12.6% (Directly and indirectly)

Mr. Nader Ghabbour brings over 13 years of specialised 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. Mansour Kabbani**
Vice President of Project Coordination
Tenor since IPO: 2015-Present
Share ownership: 0.351%

Mr. Mansour Kabbani joined GB Auto as Vice President of Project Coordination in 2015, and currently overseas group investments and investor relations. Mr. Kabbani brings more than 30 years of experience to GB Auto; he spent a decade working in textile spinning before serving as CFO at Technological and Electrical Systems (TES) for two years. Alongside Dr. Ghabbour and partners, he helped establish CITI in 1997, which later merged with GB Auto. Between 1997 and 2015, Mr. Kabbani managed family investments, through which he accumulated extensive knowledge and experience in capital markets. Mr. Kabbani holds a Bachelor of Arts in Economics from the American University in Cairo.

**Mr. Sherif Samy**
Non-Executive Independent Director of the Board
Tenor since IPO: 2018-Present
Share ownership: -

Mr. Sherif Samy brings extensive experience and a long track record in investment management and consulting to GB Auto’s Board of Directors, cultivated through his work in both fields across Egypt and the Arab region. He currently serves on the boards of several companies, including the National Asset Management & Investment SAE where holds the position of Non-Executive Chairman, and the Investment Board of the State Pension Funds and the Watf Authority, among others. He is also a member of the International Advisory Board of the UAE Securities & Commodities Authority. Most recently, Mr. Samy completed a four-year term as head of Egypt’s Financial Regulatory Authority, two consecutive terms on the board of the International Organisation of Securities Commissions and four years on the board of the CBE and its Monetary Policy Committee. Prior to this, he served as a board member at Banque du Caire and was appointed for several consecutive terms to the board of Egypt’s GAFL. Mr. Samy holds a Bachelor of Arts from Alexandria University’s Faculty of Commerce.

**Mr. Mounir Fakhry Abdel Nour**
Non-Executive Independent Director of the Board
Tenor since IPO: 2016-Present
Share ownership: -

Mr. Mounir Fakhry Abdel Nour brings more than 40 years of experience to GB Auto’s Board of Directors. Since 1970, he has occupied various high-ranking positions at a number of reputable banking institutions. He has also served in the Cabinet of Ministers under different ministerial posts, including Minister of Tourism and Minister of Industry and Trade, among others. In 1976, he co-founded American Express Middle East (AMEX), where he served as Vice President and board member until 1980. He was also a founder of the Egyptian-French Agro-Foods Company, where he served as Chairman between 1983 and 2014. Throughout his career, Mr. Abdel Nour served as a board member at the EGX, the National Council for Human Rights and the Federation of Egyptian Industries. He currently sits on the boards of Commercial International Bank of Egypt (CIB), Beltone Financial and Dumy.

**Mr. Samy holds a Bachelor of Arts from Alexandria University’s Faculty of Commerce.**
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 of Finance. He brings 14 years of experience to the company’s Board of Directors, accumulated throughout his time with KPMG and Deloitte in Egypt, and a year and a half where he served at KPMG UK LLP. Mr. El Sayed has vast experience in corporate finance, restructuring, strategic planning, audit, internal controls, advisory and compliance. He is a member of the Association of Chartered Certified Accountants (ACCA) in the UK and is a Certified Management Accountant (CMA). Mr. El Sayed holds a Bachelor of Arts in Accounting from Ain Shams University.

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

Mr. Mohamed Naguib brings nearly 40 years of experience in banking, leasing and credit to GB Auto, and has served on the boards of various prominent banks and corporations in Egypt. Between 2011 and 2018, Mr. Naguib held the position of Chairman and Managing Director of SAIB Bank, prior to which he served as Vice-Chairman and Head of the Credit and Investment Committee at Banque Misr. Mr. Naguib also served as General Manager of Credit and Marketing at Misr International (MiBank) for over 20 years, before joining Incolease as Member of the board from 2000 till 2010. Furthermore, Mr. Naguib served as Non-Executive Chairman of Misr Bank:Europe in Germany for two years, and was a member of the boards of the National Bank of Egypt, the Civil Aviation Finance Holding Company, the Small and Medium Sized Projects Fund, among others. He attended various banking and credit seminars across the United States and the United Kingdom, and retained a CPA certification in the state of Colorado for 12 years. Mr. Naguib holds a Bachelor of Arts in Accounting from Cairo University and an MBA from the American University in Cairo.

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Social Contribution

GB Auto believes in the vitality of the untraditional roles that corporations play in pushing societies forward. Next to fulfilling the duties they commit to through their lines of business, corporations must act as responsible members of society and assist in chiseling individuals that will contribute to the process of value creation, for both local communities and countries at large. GB Auto, therefore, continues to invest in societal development where possible, and expanded its role in corporate social responsibility in 2017 by launching the Ghabbour Foundation for Development, through which it now channels most of its related efforts.

The Foundation continues to thrive and deliver on its primary objective, which is to provide top quality vocational education to students across its areas of operation in Egypt. It regularly invests in promoting the importance of vocational lines of work to potential students, and highlights the expertise that goes into adopting these careers. 2019 was a year of substantial growth, as the Foundation passed significant milestones and steadily enlarged its capacity.

**Ghabbour Foundation for Development**

Through its uniquely designed vocational schools, Ghabbour Foundation for Development operates to bring advanced skill sets to vocational education and training in Egypt, and continuously expands its reach and offerings to improve the knowledge and capabilities of the country’s workforce. Courses and specialisations offered to students include automotive mechatronics, body repair and paint, with others continuously researched and considered according to market need and new emerging technologies. In 2019, the total number of students enrolled in the Foundation’s three schools — located in Imbaba, Cairo, Kafr Elzayat, Gharbeyya and Muharram Bek, Alexandria — reached 730 students in the academic year 2019-2020, up from 350 students in the year 2018-2019, across all three learning levels. Staff members, comprised of teachers, trainers and administrative personnel, also increased from 70 individuals in 2018 to over 100 in 2019.

**Operational Development**

The Foundation, now strongly established and largely ahead of its starting point, continues to find ways to optimise its operations for better results. Since its establishment, it has operated in partnership with the pre-university German education leader, Saxony International Schools (SIS), and in alignment with international best practices and standards. Through its top-tier equipment and state-of-the-art training workshops and classrooms, it ensures that students are receiving quality vocational education, and expands confidently through the addition of new specialisations. Most recently, new specialisations were added in 2019 that were developed in line with the technological advances currently overtaking the job market such as the commercial vehicles and 2&3 wheelers’ specialisations.

The Foundation is also continuously updating its curricula and training equipment to remain ahead of market demands and diversify the skills imparted to students. It maintains its dual education model, developed in partnership with SIS, that combines theoretical and practical teachings, and gives students both an Egyptian Diploma of Apprenticeship and a certificate from the German Arab Chamber for Industry and Commerce (AHK), in addition to a certificate of completion of studies received from SIS by the end of the three years.

In 2019, a significant milestone was passed when the foundation’s second year trainees sat for their first mid-term exam administered by AHK — a first for any vocational school in Egypt — with impressive success rates. The foundation accordingly remains committed to its collaboration with AHK to continue making similar opportunities accessible to its students and reach new levels of quality assurance. 2020 will witness the first class of students graduate from the Ghabbour Foundation for Development and begin contributing to national economic development and community welfare. The Foundation will provide continuous support to its students upon their graduation, extending counseling, guidance and regular follow up on career prospects, higher education or start-ups in related fields according to their aspirations and needs.
2019 Highlights

Scholarships and Financial Support
Additional to the Foundation’s efforts in increasing the efficiency of vocational education across Egypt, it strives to make opportunities available and accessible to as many interested students as possible. As such, in 2019, the Foundation continued to subsidise 70% of all educational costs for all students across the three schools. It also maintained, and expanded, its collaboration with Banque Misr Foundation for Community Development, StarChem Trade and Hamed Al Shiaty Foundation, and initiated partnerships with Wataneya Foundation, to offer 24 scholarships to orphaned youths or those coming from families in need of financial support as well as trainees specialised in the Paint specialisation. Furthermore, the Hyundai Motor Company offered the foundation in-kind donations this year in the form of the latest models of engines, transmissions and spare parts, for trainees to develop their technical skills.

Further to this, and to encourage top-performing students who show exceptional performance throughout their years of study, the Foundation developed a new joint scholarship program with SIS in 2019. The program stipulates that the five students with the highest marks at the end of their third year of study will receive an additional, fully funded, year of training between GB Academy and Germany under the supervision of SIS team in the town of Zwickau, located in Saxony, Germany, where they may refine their knowledge and practical abilities and receive an A-level certificate in vocational training in Germany. The upcoming stage should see the first group of students be given the opportunity to benefit from the program while also providing the Foundation with better prospects for sustainability in terms of developing the seed of upcoming technical leaders in its schools.

Community Outreach
Ghabbour Foundation for Development implements a number of outreach efforts to promote the significance of vocational education, weave tight-knit communities around its beneficiaries and instill the values of understanding, support and collaboration in its areas of operation. In 2019, the Foundation saw through several community initiatives that addressed both its students and their surrounding communities.

Ghabbour Foundation Football Tournament
Football remains the most popular sport in Egypt and an activity that communities get behind on local and national levels. The Foundation inaugurated its very first football tournament in the first quarter of 2019, inviting youth between the ages of 14 and 17 and a variety of educational backgrounds to participate in the qualifier matches through 31 teams – 16 from Cairo, 8 from Alexandria and 7 from Gharbeya. The final match was played in Cairo in April 2019, and was attended by renowned football player Hazem Emam, who showed the players support and gave a speech on social responsibility through sports. The tournament was sponsored by Alex Bank, Nestle and McDonald’s.

Annual School Open-House Events
During June and July 2019, the three schools operating under the Foundation’s care opened their doors for their annual open-house events. Newcomer admissions were accepted on the day, and other activities that aim to change mainstream perspective on vocational education were also hosted. While parents attended sessions by the Foundation and SIS teams on the importance of vocational education and occupations, applicants participated in hands-on activities and competitions, with winners receiving trophies. This year, the Muharram Bek and Imbaba schools received a total of 200 visitors on their open days, while Kafr Elzayat reached out further and collaborated with the Ministry of Youth and Sports through the Tanta Directorate to organise a large-scale introductory event in Tanta stadium. Activities and technical stations were set up and enjoyed by participating youths and their families, and informative sessions were also hosted.

The Imbaba Career Orientation Day
Next to preparing its students for a variety of future careers, the Foundation builds up their professional character through trainings on what constitutes a good employee and an efficient community member, and provides them with the necessary soft skills to do so. On that account, the Foundation’s Imbaba school hosted its first Career Day event in October 2019, where human resources (HR) representatives from large-scale automotive companies, including GB Auto’s team, were in attendance. The event was also attended by representatives of the German Arab Chamber for Industry and Commerce (AHK). Third year students, who had previously received interview and presentation skills trainings through the Foundation, presented
their CVs at company booths, and representatives from attending companies, such as Mercedes-Benz, Al Mansour Automotive, Nissan Egypt and Toyota Egypt, assisted students by discussing future career prospects with them.

Moreover, a panel discussion that brought together HR representatives from GB Auto’s commercial vehicles, PC and 2&3 wheelers divisions, and representatives from the AHK, Mashroey and SIS took place. Focus was poured on potential career options that follow vocational education, and the types of technical and financial support that Mashroey can offer graduates who are looking to launch their own ventures. Not only did the event constitute a major step forward for the Foundation in its collaborative efforts with other members of the automotive sector, it played a large role in catalyzing current and potential students’ motivations and increased levels of interest in vocational training community wide.

"Doos Banzeen": The Go-Kart Race
In collaboration with TVET Egypt, Ghabbour Foundation launched its very first Go-Kart race in Mirage Mall, 6 October, in December 2019. The race aimed to provide students with more hands-on experiences, promote vocational learnings under an engaging light and increase skill-levels to bridge the gap between the quality of graduates and industry requirements. It also boosted a variety of soft skills in participants such as teamwork, planning and organisation, a respect of rules and safety regulations and time management. The race took place between six groups of two teams each; the Foundation participated with two teams from each of its Imbaba, Kafr Elzayat and Muharram Bek schools, the Ministry of Education’s schools participated with four teams. To partake, students had to assemble their karts from scratch, a brand-new activity for most of them, while also engaging in team play and solving technical questions. The race, sponsored by the local patisserie Etoile, saw outstanding results and received full media coverage by Sada E-Balad channel, the “Doos Banzeen” show with Tamer Beshir and Identity Magazine. Trophies were presented to the first and second winning teams, and every participant left with value added to their educational background and knowledge.

The Safe Drive Initiative
For the fourth year running, the Safe Drive Initiative was held in collaboration with Hyundai Motor Company. The initiative aims to raise awareness on safe driving habits and practices, and is certified by the British Driving Safety and Control Agency. This year, awareness and training sessions were hosted in partnership with the Banque Misr Foundation for Community Development and 281 sessions were delivered successfully, with 612 people trained.

1000-Km Ride
Ghabbour Auto and Bajaj Motorcycles organised the “Nile Mile Trip” from Aswan to Giza in 2019, a non-stop 1000-km ride between the two cities. Five professional bikers took to the road on Boxer 5G and Boxer X motorcycle models and started the high-endurance road trip across the Desert Road and the Agriculture Road. They passed through Aswan, Luxor, Qena, Sohag, Assuit and other cities, and arrived at Giza after a non-stop ride of over 24 hours, clocking 1000+ kms. This trip is the first of its kind in Egypt, and aimed to showcase the exceptional powers of man and machine, with GB Auto and Bajaj Egypt collaborating to facilitate the success of one of the most challenging motorcycle rides across Egypt.

Global Advertising Contest
YOKOHAMA RUBBER CO. Ltd hosted an advertising contest and encouraged all global partners and distributors around the world to participate. Partners were asked to showcase the brand in a creative manner, and further build up its appeal using catchy and innovative phrases. Over 10 countries partook in the contest, and GB Auto won the special selection award for creatively tackling the contest and presenting a unique angle to THE YOKHAMA brand.