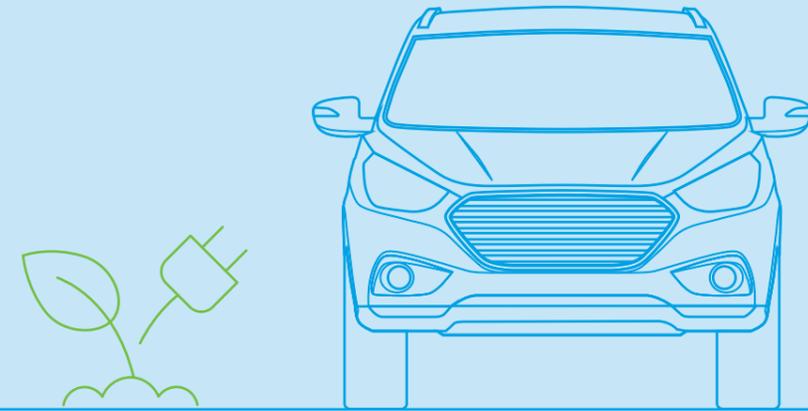






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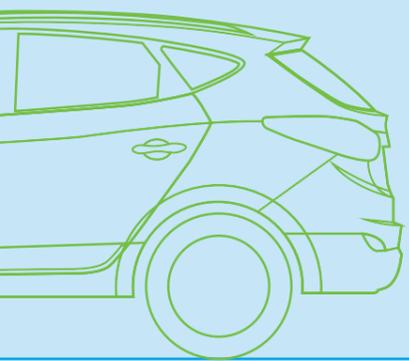
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# 2018 Sustainability Highlights

As part of our commitment to efficiency, GB Auto made several key changes that target making our business more sustainable and maximize our positive impact on society



## Reducing Energy Consumption

In 2018, we transitioned to using highly efficient LED lighting across all plants, showrooms, service centers and administrative buildings. LED lights use around one third fewer watts than standard bulbs and last 10 to 40 times longer.



## Recycling Water

We began constructing a wastewater recycling plant that will reduce our water consumption by 10% to 15% across all manufacturing facilities when it comes online in April 2019.



## Containing Emissions

The Egyptian government has consistently affirmed that the emissions generated by our operations are within average and acceptable limits related to our industry. We received our most recent certification in November 2018.



## Preserving Air Quality

In 2018, we initiated a project to install new ventilation systems in our Prima and Badr plants. These systems will collect fumes that would otherwise be released into the atmosphere for safe disposal.



## Prioritizing Employee Safety

This year, we began the process of upgrading the electrical panel systems across our plants to minimize the risk of electrical fires.



## Maintaining Equality

GB Auto is an equal opportunity employer and creates a work environment in which women are able to thrive. In 2018, 31% of management positions within GB Auto were held by women and 153 women occupy positions on our blue-collar workforce.



# CEO's Note



As a leader in the Egyptian automotive industry, GB Auto strives to embody excellence in every aspect of our business. In our core operations, we bring to the market high quality vehicles and automotive products that help customers — both individual and corporate — accomplish their goals. Through GB Capital, we offer a variety of tailored financing solutions to ensure the community in which we do business not only has access to the financing it needs but also offers the opportunities to grow its own businesses. As part of our commitment to excellence, we have placed sustainability at the heart of our business strategy. We aim to minimize our environmental impact while maximizing the good we do for our key stakeholders – our customers, employees, shareholders, business partners and communities.

To execute our sustainable business strategy, we have identified five key areas of focus: excellence, employee engagement, environmental sustainability, social contribution and corporate governance. We feel these focus areas represent the best way for us to pursue a commitment to sustainability while reflecting our status as a large-scale automotive company and non-banking financial institution. Every year, we strive to achieve measurable gains in each area.

We define business excellence as the continual effort we make to improve our areas of operations in order to maximize efficiency, ensure quality and guarantee customer satisfaction. To serve our individual and corporate customers effectively, we provide them not only with high quality products but also with exceptional support in the selection, purchase and maintenance of their vehicles. Additionally, we continually solicit feedback from customers through a variety of communication channels to identify their evolving needs and develop solutions to meet those needs.

In 2018, we chose to invest in significant improvements to our operations by streamlining the ways in which we

conduct business on the ground. In particular, we've upgraded our IT infrastructure and data protection, with changes including automating internal processes to reduce paper waste and increase the speed with which requests are processed, as well as enhancing our data protection frameworks. We are already seeing the positive impacts these efforts have had on our business, as we are able to serve our customers more effectively and efficiently while simultaneously generating less waste.

At GB Auto, we also recognize our responsibility to serve our employees by offering them fair and equal compensation and a quality employment experience. We regularly review and adjust our compensation schemes to ensure employee engagement and satisfaction and our HR team is continually seeking new ways to bring employees together across divisions and provide them with a unique array of fringe benefits.

This year, we doubled down on our commitment to employees' professional development by finalizing preparations for the launch of our new and improved GB Stars internal development program. We have continued to recruit talented young employees through our Ignition summer internship program and have prepared to offer our market-leading GB Academy training to other companies with an eye toward raising the quality and skill level available across Egypt's automotive industry.

Throughout 2018, GB Auto has made significant progress in our effort to improve environmental sustainability by increasing efficiency and reducing our total energy consumption by 9% this year. We will continue to grow in this area in 2019 and beyond as we complete several projects that will further enhance our energy efficiency. In particular, this year we signed a contract to install solar panels at our flagship PRIMA plant. We are also transitioning from diesel fuel to more sustainable natural gas across all manufacturing facilities. When our wastewater recycling unit is completed in the first half

of 2019, we will be able to maintain current production levels while consuming 10% less water.

Ghabbour Foundation is our biggest contribution to society and I am incredibly proud of all of our team's accomplishments during its first full year of operations. The foundation has partnered with Saxony International Schools and the Ministry of Trade and Industry to establish quality vocational schools across the country with the goal of raising the skill level of the country's workforce and enhancing Egypt's economic competitiveness. Since inaugurating our flagship Imbaba Training Center in 2017, Ghabbour Foundation has opened two additional schools in Alexandria and Gharbeya. Our fourth school will open in September 2019 and this year we will provide a unique educational experience to over 950 students.

In 2018, GB Auto continued to adhere to our rigorous standards of corporate governance because we understand that acting with transparency and integrity is key to maintaining the trust and support of all of our stakeholders. All of our policies are fully compliant with the laws and regulations of the markets which we operate in and we actively encourage our employees to report any suspected wrongdoing or corruption within the company, as these represent threats to the long-term health and sustainability of our business.

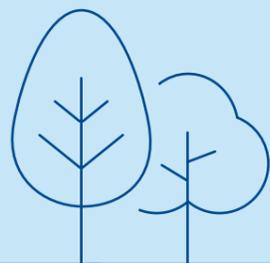
We have made significant achievements in every area of our sustainability strategy in 2018 thanks to the hard work and dedication of every member of our team. I am excited to see many of the plans put into action this year as we continue to strive for excellence in all that we do.

Sincerely,  
**Dr. Raouf Ghabbour, CEO**

“

We aim to minimize our environmental impact while maximizing the good we do for our key stakeholders – our customers, employees, shareholders, business partners and communities.

# GB Auto Group at a Glance



Over six decades, GB Auto has evolved from a small automotive company to a leading industry player with six primary lines of business operating across four markets in the MENA region. While our core business includes assembly, manufacturing, sales and after-sales of safe and reliable automotive vehicles, as GB Auto has grown, we have also identified a market need for assistance in financing vehicle purchases.

To make sure our customers can achieve their goals with affordable vehicles, we have developed a comprehensive range of financing options for all client categories in Egypt. In 2017, we created two distinct business lines that accurately reflect the complexity of our dual mission of producing and providing access to top quality automotive products and servicing: GB Auto & Auto Related and GB Capital. This facilitates more accurate valuations and reveals hidden value in the company's share.

## GB Auto & Auto Related

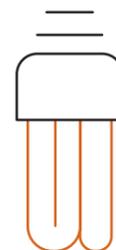
GB Auto & Auto Related encompasses our core automotive business lines, which include assembly, manufacturing and after-sales services such as vehicle servicing and related products. The company assembles passenger cars, commercial vehicles, motorcycles and three-wheelers. We also proudly design and manufacture complete buses, semi-trailers and superstructures (with the exception of chassis) at three state-of-the-art plants in the Greater Cairo and Suez Canal areas. In 2018, GB Auto operated in four countries and now only operates in two (Egypt and Iraq).

Our passenger cars – including Hyundai, Chery, Geely and Mazda – have been recognized as the best value for money available in the Egyptian market. We are also the top distributor of two and three-wheelers in the country, including tuk-tuks, motorcycles and tricycles.

In 2018, GB Auto was the first to introduce the Hyundai Ioniq, the first hybrid vehicle. Moving Egyptians towards more sustainable methods of automotive transportation will require a monumental effort that includes developing an infrastructure of charging stations, educating individuals about the environmental and cost-saving benefits of green vehicles and making affordable green vehicles available in the market. We view the debut of the Hyundai Ioniq as a noteworthy step in initiating this process.

GB Auto's commitment to taking care of customers is evident in its nationwide network of service centers. Each line of business has its own 3-S (sales, service & spare parts center), 2-S (sales & spare parts center) and 1-S (sales or service or spare parts center) after-sales service center.

Another feature that sets GB Auto apart in the market is our unmatched after-sales service. We boast an extensive nationwide network of 50 passenger car outlets, 25 outlets for two and three-wheelers and 13 commercial vehicle outlets.



## Our Sales and Service Network in Egypt

	3-S (Sales, Service & Spare Parts Center)	2-S (Sales & Spare Parts Center)	1-S (Sales or Service or Spare Parts Center)
Passenger Cars	12	9	29
Commercial Vehicles	3	5	5
2&3 Wheelers	5	17	3

## Our Brands




## GB Auto & Auto Related Business Lines

### Egypt Passenger Cars

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

### Regional

- Distribution of imported completely-built-up (CBU) passenger car units in Iraq (Hyundai) and Algeria (Geely) with after-sales services in both markets.
- SKD assembly and distribution of Bajaj motorcycles & three-wheelers in Iraq and after sales services.
- Distribution of Westlake and Jumbo tires in Iraq; Lassa, Verde and Grandstone in Algeria and Triangle tires in Jordan
- Markets: Iraq, Algeria, Jordan (the latter two have been liquidated by year end)
- Companies: Hyundai, Geely, Bajaj, Westlake, Doublecoin, Lassa, Verde, Grandstone, Triangle

### Egypt Motorcycles & Three-Wheelers

- Assembly, distribution and components manufacturing of motorcycles and three-wheelers (tuk-tuks)
- Brands: Bajaj

### Egypt After-Sales

- After-sales services and distribution of spare parts for passenger cars, two and three-wheelers and commercial vehicles
- Largest cross-country network with constant and ongoing expansion of network and service center capacities

### Egypt Tires

- Distribution of passenger car, van, truck, construction equipment and bus tires
- Brands: Yokohama, Lassa, Westlake, Pirelli, Doublestar, DoubleCoin, Verde, Techking

### Startups

- Parts and lubricants business (PAL) distributing Gazpromneft Lubricants
- Fabrika pre-owned car operation
- Retail division 360 operates after-sales and retail outlets

### Egypt Commercial Vehicles and Construction Equipment

- Assembly and distribution of trucks
- Bus-body manufacturing and distribution through GB Polo
- Manufacturing and distribution of superstructures and trailers
- Distribution of construction and farming equipment
- Brands: Marcopolo, Iveco, Volvo Truck and Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Aksa, Sinotruk

## Revenue Contribution by LOB for FY18

■ Egypt Passenger Cars	40.3%
■ Regional	15.4%
■ GB Capital	14.3%
■ Egypt Motorcycles & Three-Wheelers	13.4%
■ Egypt Commercial Vehicles & Construction Equipment	5.8%
■ Egypt After-Sales	4.4%
■ Egypt Tires	4.3%
■ Startups	2.0%



**+6k**

Cars financed through In Drive in 2018

**+350k**

Customers micro-financed through GB Auto

### GB Capital

GB Capital encompasses five non-banking financial service providers that offer automotive financing options to a wide range of customer categories in Egypt including large corporations, micro, small and medium-sized enterprises, individuals and retail clients. In particular, our financing programs help to drive sales and ensure the affordability of the cars, motorcycles and three-wheelers that are the vehicles-of-choice for many of Egypt's small business owners. We have also developed a special micro-finance leasing program specifically targeting the needs of women entrepreneurs and low-income individuals.

All GB Capital subsidiaries comply with national best practices for credit approval and disbursement mechanisms. We benchmark our operations against the best in the field and consistently implement the strict and robust credit, risk classification and provisioning policies developed for comparable non-banking financial service providers in the industry.

### 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.

#### Drive

Drive offers consumer finance and factoring services to a diversified base of retail and corporate clients ranging from large corporations and small and medium-sized enterprises; focusing on clients in the auto-finance sector.

#### Mashroey

Mashroey is a microfinance service provider primarily offering short-term asset-based lending options to eligible clients to purchase motorcycles, tuk-tuks, YTO tractors minivans, pre-owned tuk-tuks, electronics and electrical appliances.

#### Tasaheel

Tasaheel provides direct lending services to micro-entrepreneurs with a focus on short-term group lending to women and low-income individuals.

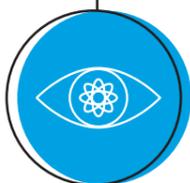
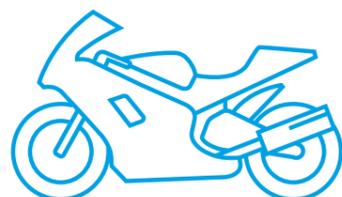
#### Haram Tourism Transport (HTT)

Haram Tourism Transport (HTT, also known as Haram Limousine) offers car-rental services to a diversified range of companies on a quasi-operational lease basis for an average of three years. Service agreements are tailored and include acquisition, registration and insurance of maintenance of vehicles. All are guaranteed by third-party insurance plans.

# Vision and Mission



As GB Auto has grown to become an industry leader in Egypt, the scope of our organization and ambitions has evolved. In 2018, we took time to reflect on our goals as a company and update our mission, vision and values to reflect who we are today.



## Vision

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



## Mission

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

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We encourage innovation in everything we do; from new products and designs, to problem solving and devising customer insights.



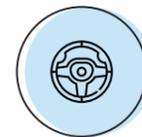
### Value Our People

We believe we're 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.



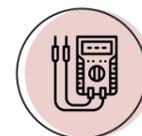
### Drive Sustainable Results

We are continuously improving our organizational 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 capitalize 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.

# A Sustainable Business Strategy

By doubling down on our commitment to efficiency in 2018, GB Auto has worked to maximize our social contribution, minimize our environmental impact and maintain our position in the industry.

GB Auto is committed to manufacturing and distributing high-quality automotive products that drive the Egyptian economy. In 2018, GB Auto continued to execute on the sustainable business strategy centered around efficiency and diversification that has allowed us to weather market challenges and maintain our reputation as a market-leader that delivers exceptional automotive products and related services. This year, we doubled down on our commitment to efficiency in our operations and across our value chain. As a result, we are able to deliver more value for shareholders, customers and employees alike while maximizing our contributions to society and minimizing our environmental impact.

## GB Auto & Auto Related

We are continuing to pursue our strategy of growing our core automotive business through vertical and regional expansion. As the Egyptian market experiences a shift in market dynamics, such as demand and price points, GB Auto is actively working to improve our sales mix and extract higher value from the growing market. In addition to growing our core manufacturing operations and adding new products to our portfolio, we are leveraging our distribution network to expand our business.

Striving to replicate GB Auto's success in the Egyptian two and three-wheeler market, we have inaugurated an unmatched Bajaj 3-S facility in Iraq that will expand our after-sales network.

At the same time, we are also seeking to streamline our operations to save costs and reduce our environmental

footprint. Enhancing the efficiency of our operations across our value chain while maintaining quality is allowing us to maximize shareholder value. By taking concrete actions to reduce our water consumption by 10-15% by the end of 2019 — we are also maximizing our contribution to society by delivering safe and reliable automotive products with the smallest possible environmental impact.

In 2018, we continued to capitalize on the strength of our diversified high-margin operations across the region while investing in our complementary business lines that solidify our position as a one-stop-shop provider. Honoring our commitment to providing our customers with exceptional after-sales service, we are constantly enhancing our workshop network across the country. We inaugurated a new center in Minya at the end of 2018 and additional workshops will be established in the coming years, including Iraq.

## GB Capital

We are committed to not only providing high-quality products but also ensuring that those who need them can afford them. In Egypt's increasingly inflationary economic environment, it has only become more imperative to enhance customers' purchasing power and ensure that they can afford the products they need for their work and their lives.

In 2018, we continued to grow our financing businesses while maintaining balance sheet strength and the health of our outstanding portfolio. At the same time, we

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This year we doubled down on our commitment to efficiency in our operations and across our value chain.



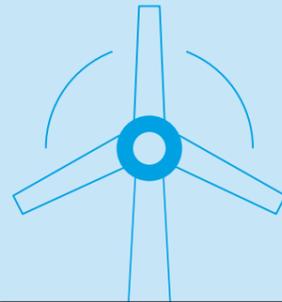
remained committed to principles of responsible lending, adhering to strict and robust risk classifications customized for every industry we operate in. This approach is crucial to ensure that customers who take out loans can make payments without facing excessive financial pressure. Seeking to expand our lending to small companies and women in particular, this year we established a

new partnership with a private equity firm that will lend significant expertise and help drive long-term growth of Mashroey and Tasaheel.



# Stakeholder Mapping

On a daily basis, GB Auto considers how our decisions about the short and long-term future of our operations will impact all of our stakeholder groups across our regional markets. These stakeholders hold us accountable for our choices and challenge us to manage our business in a way that positively impacts society. To honor our commitment to these shareholders, we regularly communicate with and update them on our operations through a variety of formal and informal channels.



**Employees**



GB Auto's management team communicates with employees through a variety of in-person, written and visual channels. In particular, we hold regular meetings to communicate important updates to various employee teams, as well as strategy meetings. Additionally, the company distributes a regular English and Arabic newsletter via e-mail and print to communicate upcoming events, company updates and employee successes. The company solicits employee feedback and assesses workplace satisfaction through surveys and suggestion boxes. Team-building events are also regularly held to foster connections among employees across the company.

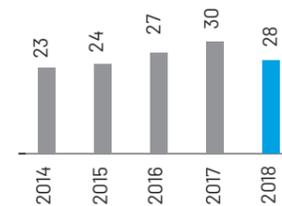
Maintaining channels of open and honest communication with our customers is a top priority of GB Auto. We communicate with customers through a variety of channels including social media, the company website, mobile application, customer care programs and customer service channels, like our call centers. We solicit feedback from customers via our Ethics Officer Mailbox, Customer Satisfaction Inbox for After-Sales Service and Sales Satisfaction Index. Our market research team is also responsible for identifying new ways to relate to this stakeholder group.

**+4MN**

customers communicated with in 2018

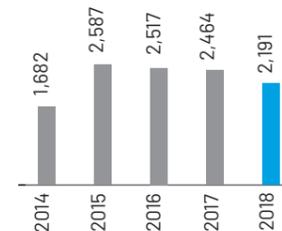


**Business Partners**



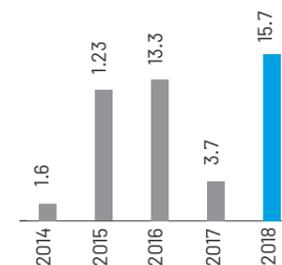
We communicate with our dealers and other partners in regular meetings conducted by our brand sales and services representatives. GB Auto solicits feedback from dealers through sales satisfaction surveys and our market research team continually explores new methods for communicating with this group.

**Shareholders**



GB Auto hosts annual shareholder meetings and publishes a variety of documents targeted at this group, including our annual report, quarterly earnings reports, sustainability report and investor relations website.

**Investment in local communities (million)**



We aim to support the communities in which we work through impactful projects that meet identified needs. Ghabbour Foundation is our biggest contribution to society which seeks to provide quality vocational education to as many students as possible while promoting the value of this type of education to society and increasing the overall skill level of Egypt's workforce. Other CSR initiatives in which we engage in included projects such as our annual Road Safety Initiative and partnerships with various ministries and Non-Governmental Organizations (NGOs) serving our communities through healthcare initiatives, educational programs and other projects.

# Management Approach

GB Auto honors its commitment to sustainability by focusing on five key areas in which we continually strive to improve: excellence, employee engagement, corporate governance, environmental sustainability and social contribution.



## Excellence

Our commitment to excellence is interconnected with our goals of having a positive impact on society and operating in a sustainable way. The core way in which we contribute to society is by providing our customers with safe and reliable automotive products as well as exceptional service and we are constantly seeking new ways to maximize customer satisfaction. GB Auto also regularly identifies areas of operations we invest in to enhance efficiency and sustainability, such as information technology and data protection.



## Employee Engagement

GB Auto aims to provide employees at every level of our company with an exceptional work experience and act as a model employer in the Egyptian market. We pay all employees a living wage and offer competitive compensation packages and fringe benefits. The company engages in a variety of employee outreach efforts throughout the year and we have developed a market-leading employee development program in GB Academy. Through the GB Stars and Ignition programs, we offer talented employees a unique mentoring career growth experience.



## Environmental Sustainability

We are deeply committed to preserving the environment as part of our effort to have a positive impact on the lives of our customers and employees. Our team is constantly exploring ways to reduce our resource consumption, emissions, waste production and potential environmental risk. We have reduced total energy consumption this year by 9% and have initiated several projects that will further enhance our energy efficiency in the coming years, including signing a contract to install solar panels at our flagship PRIMA plant. We also engage our employees in our quest to reduce any harmful environmental impacts by ensuring that they are trained in how to properly use all equipment and avoid the risk of accidents.



## Corporate Governance

We believe that companies must operate in an ethical and transparent manner in order to achieve sustainable success. GB Auto adheres to robust standards of governance that allow us to maintain the trust of all of our stakeholders. We maintain open channels of communication with all stakeholders, including our websites, quarterly financial and annual reports and shareholder meetings.



## Social Contribution

In 2017, GB Auto sought to expand and focus its Corporate Social Responsibility (CSR) efforts with the establishment of Ghabbour Foundation for Development, which aims to provide students with quality vocational education, change perceptions about vocational education in society and raise the skill level of Egypt's workforce. Today the foundation operates three schools across the country with 350 students who will receive a dual degree accredited by the German Arab Chamber for Industry and Commerce and gain the skills needed to succeed in the professional world. This year, we also continued to operate our Safe Drive Initiative in partnership with Hyundai Motor Company.

# Excellence

One way GB Auto maximizes our positive impact on society is by striving to embody excellence in every aspect of our operations. We do this by prioritizing customer satisfaction and providing people with not only high quality, high value automotive products but also by delivering an exceptional service experience. In addition to continually monitoring and improving upon our customer experience, we regularly upgrade various aspects of our operations to make them more efficient, secure and sustainable. This year, we chose to invest in our IT systems and data protection, as these areas relate to our ability to serve our customers as well as the overall sustainability of our operations.

## Customer Satisfaction

GB Auto aims to ensure customer satisfaction by producing quality products at a variety of price ranges and supporting people through the entire lifecycle of their automotive products. In our showrooms, we support people through their purchasing decisions and, through GB Capital, we offer a variety of financing options to ensure that customers can afford whatever vehicle they need. We are also known for providing exceptional after-sales service to customers, with the highly skilled and dedicated employees in our

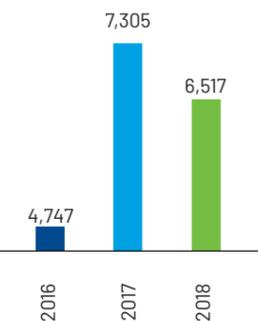
workshops managing all maintenance and repairs on customer vehicles in a friendly and efficient manner. From a service perspective, we believe it is crucial to maintain open channels of communication with our individual and corporate clients in order to effectively identify and prioritize their needs. We have established a comprehensive customer relationship management (CRM) that coordinates the service efforts of all business units that interact with customers, from sales, service, spare parts and manufacturing to finance, legal, marketing, insurance and IT. This system is primarily implemented through digital channels, allowing us to solicit feedback from customers, identify



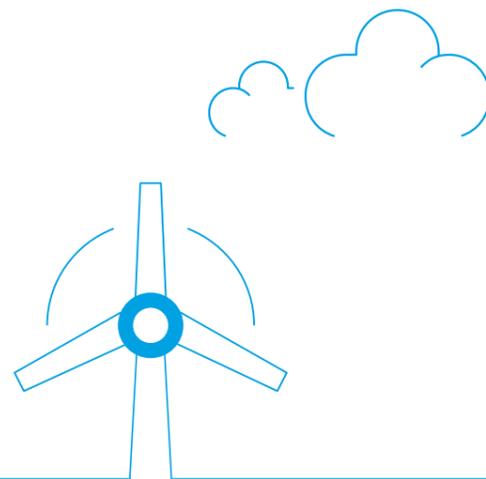
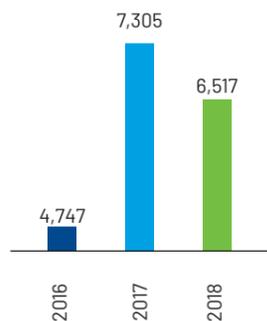
We regularly upgrade various aspects of our operations to make them more efficient, secure and sustainable.



Complaints Received



Complaints Resolved



and resolve complaints and ensure satisfaction with our products and services in a quick and efficient manner. To monitor the overall effectiveness of our CRM system, we have developed five key performance indicators primarily related to customer complaints and the speed with which we resolve them.

In addition to our company-wide CRM system, our Marketing Department implements a variety of strategies to assess customers' satisfaction with our services, products and relationship management. These efforts include regular surveys distributed to individual and corporate customers as well as the compilation of in-depth profiles of customers' needs, behaviors and purchasing trends. Our Marketing Department

## Customer Relationship Management KPIs

- Total number of complaints received as a measure of customer satisfaction
- Average time between receipt of a complaint and resolution indicates efficiency of complaint-resolution process
- Top three causes customers raise complaints about in order to identify key causes of customer dissatisfaction
- Number of complaints as a percentage of workshop traffic indicates service quality at GB Auto's service centers
- Number of complaints received about every vehicle model to identify models causing dissatisfaction

is also responsible for communicating with customers via our digital communication channels including social media and the company website. CSI & SSI surveys are conducted by an outsourced third-party provider to ensure unbiased monthly monitoring of customer satisfaction results and indices.

**Investing in Technology and Data Protection**

GB Auto has invested in a variety of technology solutions and digitized company processes in order to increase the efficiency of our operations and minimize our environmental footprint. Our HR and IT teams have collaborated to digitize a variety of approval processes related to employee expenses, vacation requests and other HR functions in order to reduce the company’s overall paper waste. We are also currently working in partnership with the tax authorities to make several elements of our annual review process paperless. In 2018, we also introduced tablets to our service advisor workplaces to reduce the time between the receipt of a vehicle and follow up. This step has increased the efficiency of our operations and ensures that customers vehicles are serviced as quickly as possible.

Other ways we incorporate sustainability into our IT processes include purchasing recycled toner cartridges and assigning refillable personal ink cartridges in

order to reduce waste. All company PCs and laptops also operate on a power saver mode enforced through domain policies. To further reduce our fuel consumption, when possible, we arrange meetings via video conference on Skype for Business rather than traveling to locations throughout Cairo and across the country on a regular basis. Our highly efficient cloud data storage and software-as-a-service solutions also help us reduce power consumption and resource utilization.

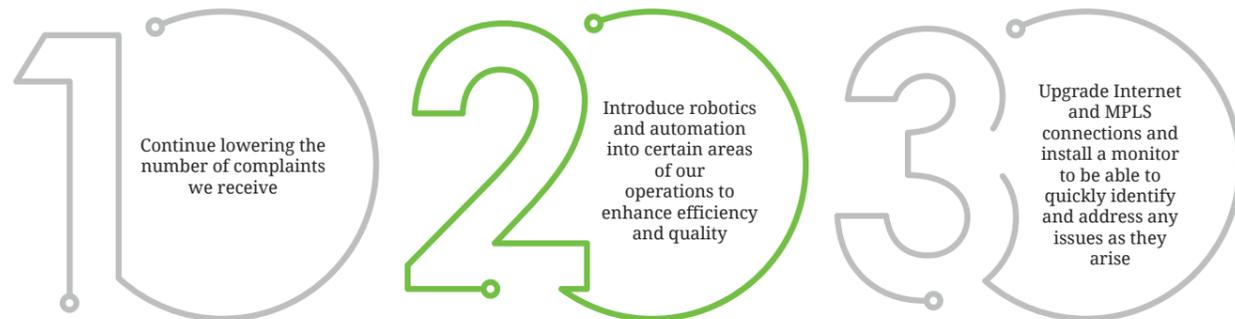
In 2018, we installed a radio frequency carrying main and backup connections between our central offices to increase the stability of the network connection across the company. To protect company and customer data, we upgraded our system for preventing distributed denial-of-service (DDoS) attacks. These viruses wreak havoc by either downing networks by consuming large amounts of bandwidth or stealthily hacking devices’ memory, RAM, buffer or CPU. Additionally, GB Auto relies on the market-leading CISCO Next-Generation Intrusion Prevention System to provide early warnings about potential threats to company data and change policy rules and signatures every two hours to ensure our security system is up to date. To secure our physical premises, we installed surveillance cameras in 40 locations across company assets.

“

GB Auto has invested in a variety of technology solutions and digitized company processes in order to increase the efficiency of our operations and minimize our environmental footprint.



Action Steps



# Employee Engagement

GB Auto aims to create an inclusive work environment and to provide all of its employees with opportunities to thrive in their roles. We strictly prohibit discrimination on the basis of race, gender, sexual orientation, religion, political affiliation and other aspects of identity. Through our policies and culture, we strive to ensure that all people have equal opportunity to succeed and grow within the company.

In line with our commitment to fair labor standards, all GB Auto employees receive a living wage and pension plan and our compensation and benefits schemes are regularly re-evaluated in light of changing economic conditions. Our employees are also free to join the labor union of their choice. We have developed a clear and comprehensive set of policies that outline management and employees' obligations to one another and all company policies are in full compliance with the labor laws of the countries which we work in. Additionally, we invest in all of our employees' professional development, not only to benefit our own operations but also to give them more agency in their careers and raise the skill level in the Egyptian market as a whole.

## Employee Outreach

We strive to create a strong community within our company and foster strong connections and open lines of communication between employees at every level of the firm. GB Auto communicates with its employees through a variety of channels including Akhbarna, our monthly online newsletter in which we share updates to policies, announce upcoming events and activities and celebrate achievements. Through our GB Superheroes program established in 2017, we recognize 84 exceptional employees in Akhbarna every month and award each an EGP 500 bonus.

To strengthen connections throughout the company, we regularly host team building activities and in 2018, we held large-scale events facilitated by external partner, 360 Solutions, for our manufacturing employees. A major

project undertaken in 2018 was the revision of our mission, vision and values to reflect the company's current goals and market position. In 2019, all employees will come together in a company-wide event to learn about our new identity and the ways they can work individually and as partners to achieve our vision.

As a company, GB Auto also places a high level of emphasis on employees' overall satisfaction and opinions about our operations. We solicit regular optional feedback through suggestion boxes and encourage employees to address immediate concerns directly with their managers. In 2018, we conducted a 360 Survey in which we asked top managers' peers and subordinates to review their leadership styles. The survey provided positive feedback about managers' strengths and potential areas for improvement. In the coming year, we will conduct a similar survey for mid-level managers and Vice Presidents (VPs), as well as a newly revamped, company-wide GB Auto Employee Satisfaction Survey.



## Employee Development

GB Auto places significant emphasis on employees' personal and professional development. We believe that education is crucial to empowering people to take control of their careers. By investing in our employees' skills and capabilities, we are also working toward our long-term goals of raising the skill-level of the Egyptian labor market and making the economy more robust. We work toward these goals primarily through three programs targeting different employee groups.

### GB Academy

GB Academy was launched in 2013 and is managed by Saxony International Schools (SIS). GB Academy is our flagship training and development program that equips employees at different levels of the company with the technical knowledge and soft skills they need to thrive. In 2018, GB Academy held 276 trainings over 1,818 hours attended by more than 12,461 employees, with many employees receiving trainings in multiple areas. Training topics offered in 2018 included business skills, leadership skills, English language skills, corporate knowledge, supply chain, after-sales, sales, technical skills and computer skills.

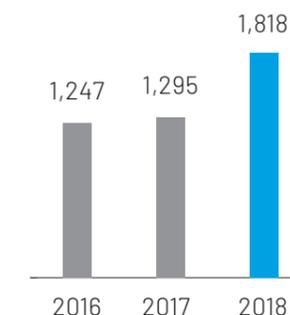
In line with our commitment to having a broader impact in the Egyptian labor market and encouraging private-sector collaboration to facilitate economic growth that will lift all boats, we are also preparing to offer GB Academy's time-tested training courses to educational institutions and other companies in Egypt's automotive sector.

### GB Stars

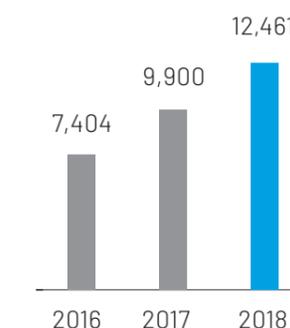
GB Stars is the company's newly launched leadership training program for high-potential employees. Our HR team undertook an impressive effort to redesign our Potential Leadership Program to enhance its effectiveness in identifying and cultivating the company's future leaders.

Launching in mid-2019, GB Stars will identify over 250 highly talented individuals within the firm who will participate in a multi-year program focused on developing their skills across business units and competencies. Participants will also receive personalized mentorship and be challenged by their head of business to develop a proposal and implement a project designed to add value in a key area of GB Auto's operations. GB Stars' participants in

### Total Training Hours



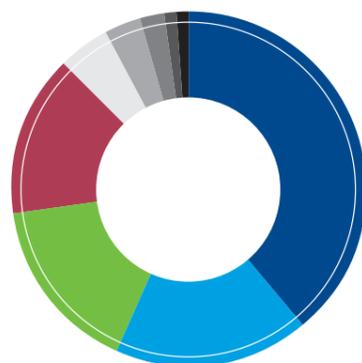
### Total Training Attendees



60

Summer interns hosted in 2018

Trainings Offered 2018



■ Technical Skills	108
■ Sales Skills	49
■ Aftersales Skills	44
■ Business Skills	41
■ English Courses	13
■ Corporate Program	9
■ Leadership Program	6
■ Supply Chain	3
■ Computer Skills	3

specialized advanced tracks of the program may receive support to pursue master's degrees and other professional certifications needed to advance in their careers.

**Ignition Program**

Launched in 2013, the Ignition Program targets talented soon-to-be university graduates with the potential to thrive within GB Auto. The majority of Ignition participants complete summer internships at the company and begin employment upon completion of their studies, while others apply to the program while preparing to graduate. In the first year of Ignition, participants complete short stints in several departments to gain a greater understanding of the business as a whole. In the second year, participants work as full-time employees and receive regular mentorship and create a tailored development plan to ensure

their successful growth within the company. In 2018, GB Auto hosted 60 summer interns, from different universities across the governorate.

**Health and Safety**

Creating a safe and healthy work environment is crucial to honoring GB Auto's commitment to human rights and fair labor standards. Due to our commitment to this, our Sadat factory has been awarded the ISO certificate called IATF (Industrial Automotive Task Cover). We have developed a comprehensive set of policies and procedures to eliminate risk of accidents and injuries. We maintain open lines of communication with all employees working in our factories and encourage them to share any safety concerns with their supervisors immediately via clearly established channels.

Vigilance is key in our factories and across our offices, as mistakes we make can impact employees of GB Auto and society as a whole. For two years, GB Auto has executed the Your Safety Is Important to Us initiative, which provides regular workshops, training modules and classes on topics such as fire and hazard safety. In 2018, the initiative held various kinds of workshops for 540 people. As an automotive company, we also place significant emphasis on safe driving practices, such as wearing seatbelts and not using a cellphone while driving. We encourage these habits among not only company drivers but all employees.

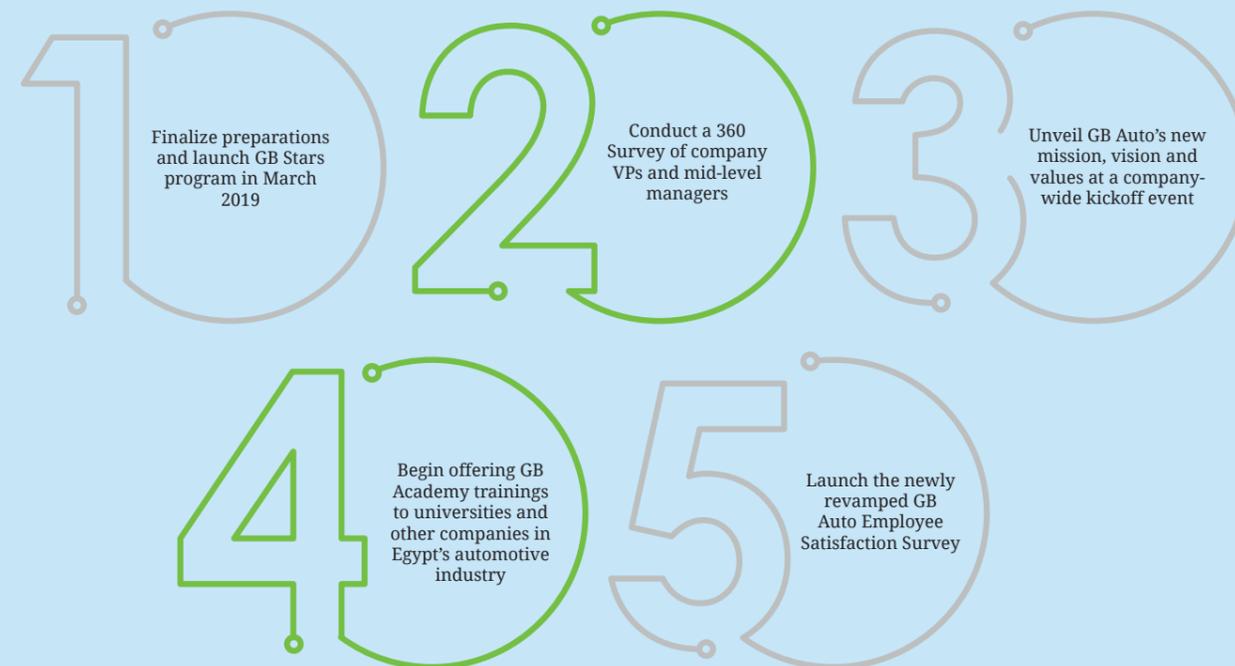
**Compensation and Benefits**

GB Auto pays all of our employees a living wage and provide comprehensive compensation, bonus and benefit schemes that allow us to recruit and retain hard-working employees. 2018 saw the continued implementation of our compensation schemes re-evaluate in light of high inflation experienced in 2016 and 2017. This year, our HR team also updated our loan policy in response to internal feedback to allow employees to request a loan for up to twice their monthly salary and pay it back in increments.

We continued to provide free transportation to all blue-collar employees in 2018 and updated the fuel allowance for senior-level employees to cope with rising fuel prices. This year, we also developed GB Auto's first Internal Vacancy policy to allow employees to apply for open positions within the company at or above their current compensation level.

In 2017, GB Auto introduced a new pension plan in partnership with Allianz Life Insurance Company and

Action Steps



leading financial services corporation EFG Hermes. Employees contribute 3% of their salaries and GB Auto contributes an additional 5% for all employees on a voluntary basis to ensure that they are financially stable, even after retiring from the company. All GB Auto employees also receive comprehensive medical insurance through Prime Health Medical Services and have the opportunity to enroll their spouses and dependents under this plan; employees receive full coverage accident insurance through GB Auto as well.

Our HR team has also worked diligently to provide a variety of fringe benefits for GB Auto employees, including flexible working hours, meal allowances and discounts and exclusive perks from a variety of travel and lifestyle retailers. In September this year, we distributed 3,500 Back to School Bags containing essential school supplies for our blue-collar employees' children. We also distributed 3,500 Ramadan Food Bags containing cooking ingredients such as rice, grains, oil and salt at a total cost exceeding EGP 370,000.

**Creating Equal Opportunity**

GB Auto prides itself on being an equal opportunity employer and on creating a work environment in which women are able to thrive in both white and blue-collar positions. In 2018, 31% of management positions within GB Auto were held by women and we are also pleased to

have 153 women in our blue-collar workforce in this traditionally male-dominated industry. Our compensation schemes are designed on the principle of equal pay for equal work. To ensure that women with families are able to pursue their career goals at GB Auto, we offer maternity leave and accommodations to all women employees, in line with the Egyptian law. We are proud to have 94% of women who have children return to work at GB Auto following their maternity leave.

Another crucial way which we create a safe environment where people of all genders have the ability thrive is by implementing a firm and comprehensive sexual harassment policy, prohibiting all unwelcome physical or verbal advances, requests for sexual favors and other verbal or physical conduct with sexual innuendos. We view all violations of this policy as a serious offence and encourage all employees to report any issues to their supervisor or the chief HR officer immediately in order to ensure that the appropriate disciplinary action can be promptly undertaken.

# Environmental Sustainability

To truly serve our customers, support our employees and benefit our communities, we must strive to protect the environment which they live in. With this in mind, we have integrated a commitment to sustainability into our overall growth strategy and developed targets for reducing our environmental impact as a leading automotive player. We have identified activities and aspects of our supply chain that have the greatest environmental impact — including energy and water consumption, emissions and waste management and aspects of employee safety that relate to environmental risk — and have developed strategies to lower our impact.

It must also be recognized that reducing our environmental footprint is not only an obligation we feel towards our people — it is also good for business. In 2018, our company as a whole doubled down on our value of efficiency and implemented plans to streamline our operations and maximize profitability. Many of the plans that have had the greatest impact on our bottom line have also focused on reducing our resource consumption and polluting emissions. Understanding the relationship between sustainability and cost savings has also led us to introduce the first hybrid car in the Egyptian market, the Hyundai Ioniq. Over time, this car will save customers' money and lower their carbon footprint by allowing them to drive further using less fuel.

## Reducing Energy and Fuel Consumption

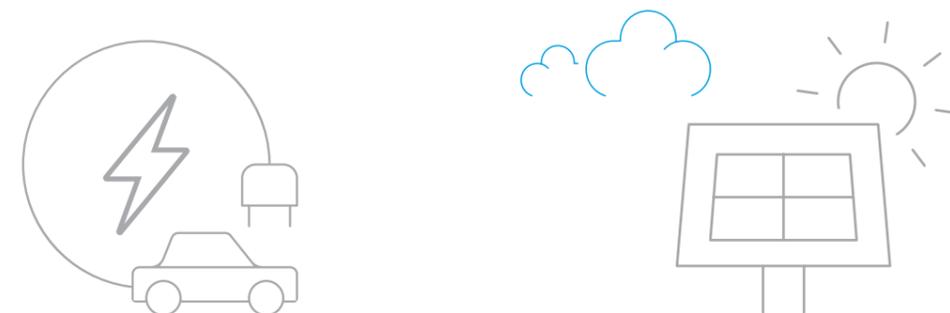
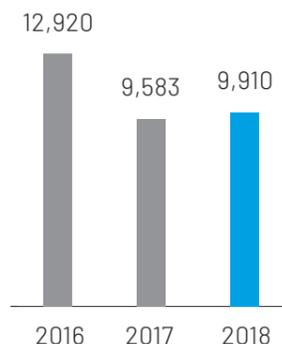
Every year, GB Auto consistently works to reduce the amount of energy needed to produce our automotive products and operate our work bays and offices. In 2018, we initiated many projects that led to a 10% reduction in energy consumption from 1 million KW to 900,000 KW this year and that will drive even greater savings in the long term. Many of these steps were part of our process to obtain the ISO 50001 certification for efficient energy management. Key members of our staff completed trainings related to this certification in 2018 and we are expected to receive it in 2019, after finishing implementation.

Built into our strategy is the long-term goal of reducing energy consumption by approximately 10% every year across all of our operations. Our Power Saving and Maintenance teams are responsible for studying our manufacturing plants and conducting feasibility studies for different plans to reduce our use of power, water and non-renewable fuels. After management have reviewed and approved proposals, we implement changes in our flagship PRIMA plant before expanding them across all GB Auto manufacturing plants. At the same time, our Project and Facilities departments are responsible for implementing energy saving and waste-reducing measures in our showrooms, service centers and administrative buildings.

Power Factor Measurement (%)



Power Consumption Prima Plant (kWh)



In 2018, we took a major step in transitioning all of the lighting across our plants, showrooms, service centers and administrative buildings to highly efficient LED lights, which use around one third of the watts required by standard bulbs and last 10 to 40 times longer. It is expected that this switch will reduce the company's overall power consumption by 8% over four years.

This year also marked our first foray into replacing our traditional power supplies with renewable energy sources. We have finalized a technical study with three companies to install a power station with 1.5 MW of capacity at our PRIMA plant. In 2019, these solar panels are expected to reduce the company's energy consumption by 23% and save an estimated EGP 62 million. These benefits are expected to triple in the long term as we expand our solar panel project to all GB Auto manufacturing facilities.

Across all of our plants we are also in the process of replacing all of our diesel fuel supplies with more sustainable and environmentally friendly natural gas. This transition, which is expected to be complete in September 2019, marks a significant step in reducing our footprint, as in the past we have required approximately 2,000 tons of diesel on an annual basis to fuel production across all of our plants.

GB Auto has also made a variety of other changes in recent years to reduce our energy consumption and maximize the sustainability of our operations. In 2016, for example, we implemented power factor correction methods to maximize the efficiency of our power supply and reduce our energy consumption. By introducing robots to automate our topcoat painting process, we reduced the amount of energy needed in our operations. Similarly, with the introduction of robots to our autobody

“ It must also be recognized that reducing our environmental footprint is not only an obligation we feel towards our people – it is also good for business.”



shop, we have reduced power consumption and the physical effort required from our employees to complete the welding process.

### Recycling Our Wastewater

Recycling and reusing the wastewater generated by our operations is another key that GB Auto is working on reducing our environmental impact. In 2017, we constructed an industrial unit to separate sludge from wastewater produced by our operations and arranged to safely dispose industrial byproducts through our wastewater discharge management plan. As part of this plan, we also began construction of a wastewater recycling plant that is expected to be complete in 2019. Currently, we utilize 60,000 cubic meters of water every year in our production process and when our new plant is fully operational, it is expected to reduce this consumption by 10% to 15% across all manufacturing facilities. The National Center for the Study of Occupational Safety and Health also monitors our wastewater output and consistently certifies that our output is within lawful limits.

### Preventing Pollution and Lowering Environmental Risk

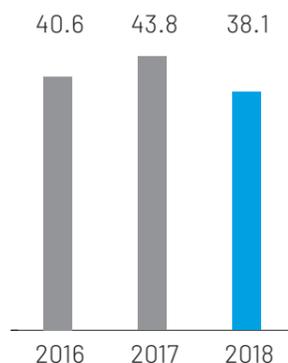
Another area in which GB Auto attempts to limit our environmental impact is all emissions that have the potential to cause a negative environmental or societal impact. Our Safety and Health Department is responsible for monitoring all potentially harmful emissions such as fumes, noise, light and greenhouse gases. We have consistently been recognized as generating emissions that are within the average range for our industry, having received our most recent certification in November 2018. Whenever possible we explore and implement strategies 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 production of metal fumes and vapors.

In 2018, we began the process of implementing ventilation projects in the welding, painting and test shops of PRIMA and Badr plants that will collect harmful fumes that would otherwise be released into the atmosphere. Currently, we are taking steps to improve our overall mechanical vibration processes and prevent the thawing of organic vapors at company sites. Additionally, we

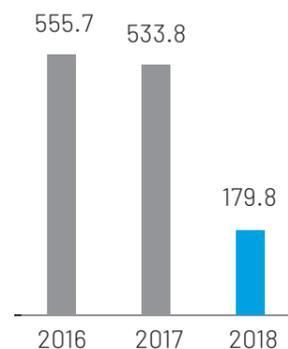
use advanced machinery that reduces emissions, such as modern furnaces that compress fumes into water and minimize our impact on air quality.

GB Auto relies on reputable third-party organizations to dispose all potentially harmful outputs generated by our operations. We outsource the disposal of potentially hazardous materials, compressed fumes and substance waste to Eco Converse Company for Environmental Services under Egypt's Ministry of Environment. The Industry Zone Municipality ensures proper disposal of additional solid waste produced at our factories.

Liters of Diesel Used per Passenger Car in our Factories



Liters of Diesel Used per Commercial Vehicles in our Factories



### Environmental Impact and Employee Safety

GB Auto's Health and Safety Department also implements a variety of measures that minimize environmental risks and ensures employee safety. All of our plants are equipped with firefighting systems and earthing systems, also in 2018 we began the process of upgrading to new electrical panel systems that will minimize the risk of electrical fires.

Another way we minimize environmental and safety risks is by ensuring that our employees are trained to use safety equipment. Before beginning work at GB Auto, all new employees complete a full day of training at GB Academy in which they learn about company policies, employee rights and obligations and all necessary health and safety information. Technical experts also conduct monthly training sessions for employees on topics such as safe work standards, environmental awareness and sustainability.

# 10-15%

Reduction in water consumption by the end of 2019

### Action Steps



# Corporate Governance

We believe that upholding the highest standards of honor and integrity is crucial to GB Auto's success as a company. GB Auto acts as a role model in the Egyptian and regional automotive industries, demonstrating that robust ethical and corporate governance practices are essential to achieving long-term sustainable growth. Since our inception, we have enforced comprehensive corporate governance guidelines that ensure we maintain a transparent relationship with our stakeholders and that they are able to hold us accountable for all aspects of our operations. Additionally, we have implemented a variety of internal controls that eliminate potential instances of corruption. Our governance structure also emphasizes individual accountability, encouraging all people within our company to consider the social and environmental impacts of their decisions.

## General Assembly

GB Auto's central governing body is a General Assembly (GA) composed of all shareholders whose responsibilities are based on laws and company statutes. Members of the GA engage in collective decision-making by voting among shares represented in a meeting, with one share counting as one vote. This body holds one regularly scheduled meeting every year and additional

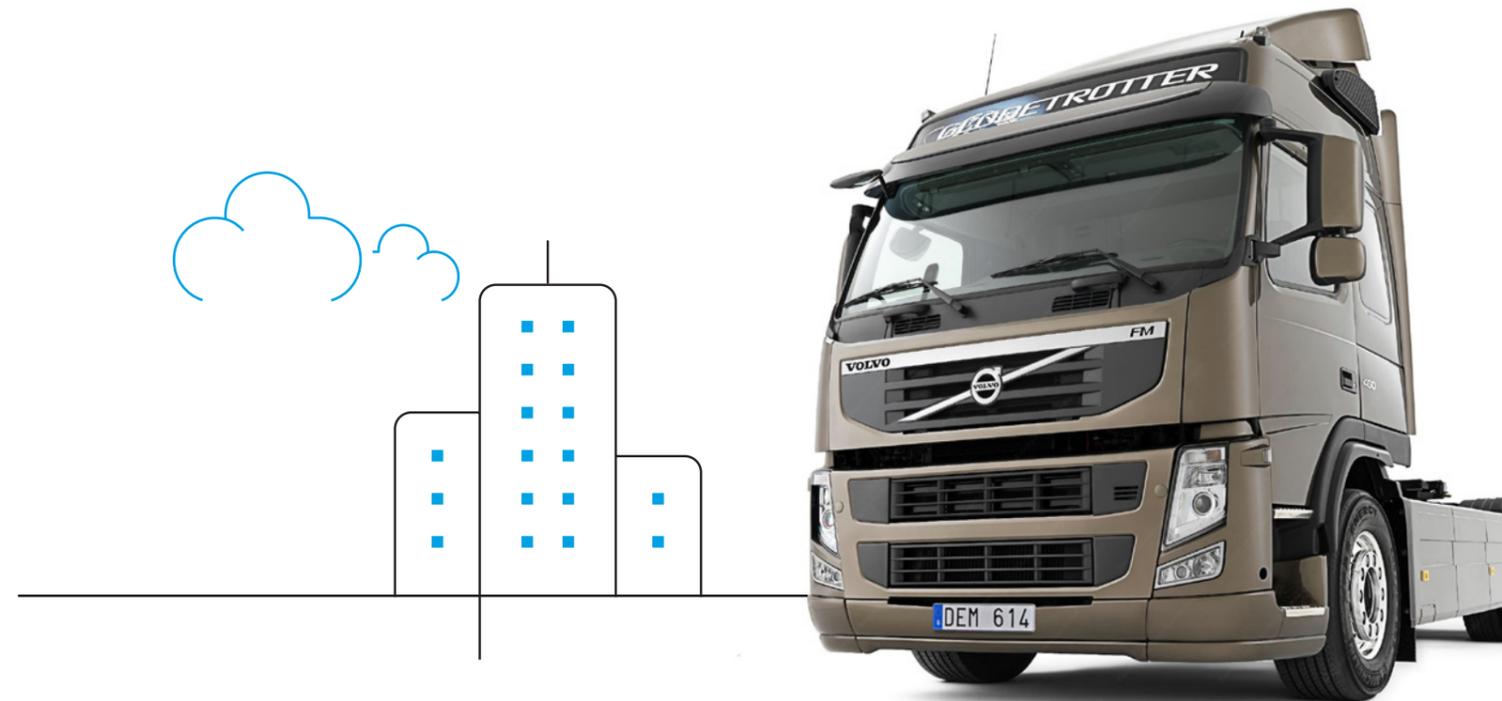
meetings, if needed. The GA's responsibilities include appointing members of GB Auto's board and external auditors, approving the company's financial results and dividend distributions.

## Disclosure Rules and Transparency

GB Auto is subject to all applicable disclosure rules established by the Egyptian Stock Exchange, including new rules approved by the Egyptian Capital Markets Authority on June 18, 2002. We report our financial results on a quarterly basis in line with provisions set forth by these bodies and adhere to all corporate governance and disclosure rules and regulations. GB Auto also engages in complete transparency regarding material matters related to company objectives, financial and operational results, major share ownership and voting rights, information about board members, related party transactions, foreseeable risk factors and corporate governance structures.

## Board Committees

To assist in the discharge of its duties and the execution of its oversight responsibilities, GB Auto's Board of Directors has established three subcommittees, each of which is composed of four independent non-executive board members.



## The Audit Committee

The Audit Committee oversees aspects of the company's financial reporting and processes for managing business and financial risk. This committee assists the board in overseeing the following areas:

- The integrity of financial statements,
- Company compliance with legal and regulatory requirements,
- Performance of the company's internal audit function including the qualifications and independence of auditors.

In 2018, the Audit Committee comprised the following members:

- Sherif Samy, President,
- Mounir Fakhry Abdelnour, Member,
- Mansour Kabbani, Member,
- Walid Sulaiman Abanumay, Member.

## The Remuneration Committee

The Remuneration Committee assists the board in overseeing matters related to direct compensation including the following:

- Determining the company's remuneration policy,
- Making recommendations to the board regarding the establishment of formal and transparent procedures for developing policies on remuneration, including the policy and structure for the remuneration and fees of senior management,
- Collaborating with the board to determine the broad policy for remuneration of the board's Executive Management team, including executive directors and the chairman,
- Recommending, monitoring and noting the level and structures of remuneration for top management.

Fees and other payment arrangements for non-executive directors are considered by a board sub-committee consisting of the chairman and one or more executive directors.

The 2018 Remuneration Committee was comprised of the following members:

- Sherif Samy, President,
- Mounir Fakhry Abdelnour, Member,
- Mansour Kabbani, Member,
- Walid Sulaiman Abanumay, Member.

“ GB Auto acts as a role model in the Egyptian and regional automotive industries, demonstrating that robust ethical and corporate governance practices are essential to achieving long-term sustainable growth.

### Corporate Governance Committee

The Corporate Governance Committee assists the board in fulfilling its responsibilities in four key areas, including:

- Overseeing the development and regular assessment of the company’s approaches to corporate governance issues,
- Ensuring that any approach supports the company’s effective functioning and accounts for the best interests of shareholders while also maintaining effective communication between the board and the management team,
- Overseeing the process, structures and systems that ensure management’s accountability to the board and the board’s accountability to shareholders;

ensuring that these structures are in accordance with applicable laws, regulations and industry standards for good governance,

- Executing the functions and responsibilities of a nomination committee to recommend to the board candidates for election or appointment.

The 2018 Corporate Governance Committee comprised the following members:

- Sherif Samy, President,
- Mounir Fakhry Abdelnour, Member,
- Mansour Kabbani, Member,
- Walid Sulaiman Abanumay, Member.

### Board of Directors Meetings During 2018

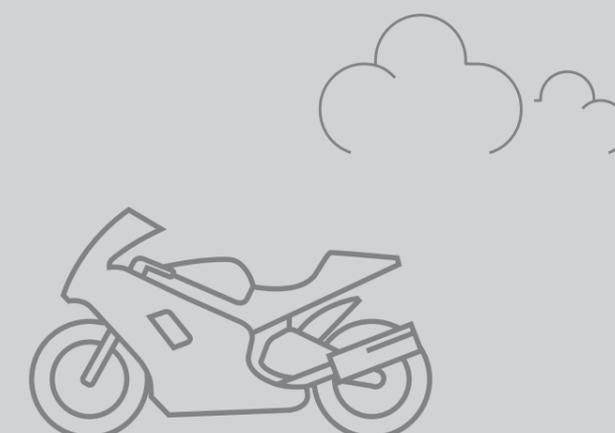
Member Name	Position	4 <sup>th</sup> Mar	15 <sup>th</sup> Apr	10 <sup>th</sup> May	3 <sup>rd</sup> Jun	8 <sup>th</sup> Aug	11 <sup>th</sup> Nov	Attendance Rate
Dr. Raouf Ghabbour	Chairman of the board of directors and Chief Executive officer	√	√	√	√	√	√	100%
Mr. Nader Ghabbour	Executive director and Group Chief Operating officer	√	√	√	√	√	√	100%
Mr. Sherif Samy	Non-Executive Director	-	-	√	-	√	√	50%
Mr. Mounir Fakhry Abdel Nour	Non-Executive Director	√	√	√	-	√	√	83%
Dr. Walid Sulaiman Abanuway	Non-Executive Director	√	-	-	-	-	√	33%
Mr. Mansour Kabbani	Non-Executive Director	√	√	√	√	√	√	100%
Mr. Mostafa El Mahdi	Executive Board Member and Chief Financial Officer	√	-	√	(Resigned)	-	-	33%

### Audit Committee Meetings During 2018

Member name	Position	March	May	August	November	Attendance Rate
Mr. Sherif Samy	President	√	√	√	√	100%
Mr. Mounir Fakhry Abdel Nour	Member	√	√	√	√	100%
Dr. Walid Sulaiman Abanuway	Member	√	-	√	√	75%
Mr. Mansour Kabbani	Member	√	√	√	√	100%

“

GB Auto is firmly opposed to all forms of business corruption and strives to act as a role model for ethical corporate governance in its industry.



### Anti-Corruption

GB Auto is firmly opposed to all forms of business corruption and strives to act as a role model for ethical corporate governance in its industry. The company does not gain any business advantages through illicit means such as bribery and illegitimate arrangements or payments. Our Code of Ethics includes a zero-tolerance policy for corruption of any kind and we consistently enforce this policy for every single staff member across our organization. GB Auto’s Whistle Blower Policy has been clearly communicated to all staff members, encourages and protects employees who share concerns about possible unethical behavior.

We understand that adhering to the highest standards of business ethics is key to operating in a sustainable way and maintaining our reputation as a trustworthy business. GB Auto utilizes a compliance-management system to prevent improper payments and other illegal activities as well as promote anti-corruption and anti-bribery practices.

### Business Continuity

A key component of robust corporate governance is responding to any incident or emergency situation in a consistent, professional and effective manner. GB Auto’s Business Continuity and Crisis Management Policy includes a policy response and strategy for managing such

events and every staff member, student, contractor and volunteer on premises owned or operated by the company is required to adhere to it.

Under the company’s corporate governance structure, the Board of Directors is responsible for setting the company’s risk appetite and subsequently monitoring exposure to risk. In the case of an incident or emergency, the GCOO and chairman are responsible for implementing the Business Continuity and Crisis Management Policy through the following mechanisms:

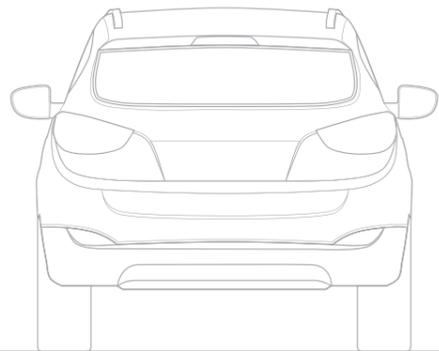
- The Business Continuity Planning Committee is responsible for planning and testing the company’s responsiveness to potential emergencies or incidents.
- The Crisis Management Control Committee coordinates the company’s overall response to incidents or emergencies at all premises owned or operated by GB Auto.

The GCOO and chairman may require the company’s internal or externally appointed auditors to conduct compliance audits for processes and performances in the process of implementing this policy. Company-wide business continuity plans are submitted to the board for consideration and adoption at least once per year.

# Social Contribution

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Last year, we took a major step to expand and institutionalize our social contributions with the establishment of Ghabbour Foundation for Development.



GB Auto believes that businesses should exist to add value to society, not only by providing products that meet crucial everyday needs, but also by acting as good corporate citizens. Since our inception, we have sought to have a positive impact on the communities in which we work and this has often taken the form of donations to charities and initiatives run by other organizations.

Last year, we took a major step to expand and institutionalize our social contributions with the establishment of Ghabbour Foundation for Development. Today the foundation is the primary channel through which we serve our communities by providing high-quality vocational education to a growing number of Egyptian students. In 2018, we also held our third annual Safe Driving Initiative to curb Egypt's high accident rate.

### Ghabbour Foundation for Development

Established in 2017 with annual funding of EGP 25 million and EGP 20 million in 2018, Ghabbour Foundation for Development aims to improve the quality of education in Egypt and enhance the skill-level of the country's workforce by establishing a network of internationally accredited vocational schools. Our flagship Imbaba School opened in 2017 and currently enrolls 235 students ages 14 to 18. Opened in 2018, our Kafr Elzayat School in Gharbeya and Muharram Bek School in Alexandria enroll 43 and 72 students respectively. We are also currently preparing for the launch of our fourth school, Shubra Vocational Center, with the start of the school year in 2019. Since the foundation's establishment, we have grown to employ 13 full-time program staff. In 2019, we expect to enroll over 950 students and employ 30 teachers and 50 vocational trainers across our schools.



### Our Process

Rather than building schools from scratch, we have partnered with the Productivity and Vocational Training Department (PVTD) of the Ministry of Trade and Industry to identify existing government schools in need of support. After assuming management responsibilities for a school, we conduct a needs assessment and make any necessary renovations. We also construct and equip state-of-the-art vocational training workshops and classrooms for our students. Working with our educational partners, Saxony International Schools (SIS), a company managing top educational schools in Germany, we assess the existing administrative and teaching staff in new schools. Those who share our educational philosophy and wish to help us achieve our vision participate in a variety of trainings to enhance their pedagogical skills and prepare them to implement our curriculum.

We are proud to implement a dual education model developed in partnership with SIS, based on the vocational education model in Germany. This model blends theoretical and practical learning and students who graduate from foundation schools will receive both an Egyptian Diploma of Apprenticeship and an SIS Degree accredited by the German Arab Chamber for Industry and Commerce. We currently offer courses and specializations in Automotive Mechatronics, body repair and paint. In partnership with the Ministry of Education and other societal and governmental actors, we are exploring other sectors into which we can expand, such as agriculture and feeder industries for the automotive industry.

In 2020, our first class of students will graduate with the education needed to seek skilled employment in the Egyptian automotive industry, open their own workshop, or pursue higher education in fields, such as engineering. Their internationally accredited dual certification will open up employment opportunities, not only in Egypt but also in Germany, other European countries and the Gulf. In January 2019, students in Imbaba completed the first exams needed to guarantee the rigor of our curriculum and receive accreditation from the German Arab Chamber for Industry and Commerce. We will be the first school in Egypt to offer this dual certification.

In addition to providing students with a rigorous vocational education, we also strive to support them socially and emotionally as unique individuals. We are in the

process of hiring social workers to support our students and train our staff to provide appropriate support to adolescents. Currently our social workers hold regular sessions on a variety of social issues such as drugs, sexual harassment and religious discrimination. In addition, social workers maintain close contact with families, ensuring that students have support not only at school but also at home. Ghabbour Foundation also aims to instill our students with a sense of civic duty. Our goal is to teach our students how to be good employees, community members and people who use their skills to give back to society.

### Making Quality Education Affordable

Ghabbour Foundation aims to make our unique educational model accessible to as many families and students as possible. In line with this goal, we currently subsidize 70% of educational costs for all students across foundation schools. We are also proud to enroll 34 students who receive full scholarships through partnerships with Banque Misr Foundation for Community Development and Starchem for Paints. In partnership with Banque Misr Foundation for Community Development and the Orphans' Friends Association, we are supporting 15 orphans or students deprived of family care. Starchem for Paints has also partnered with us to pay the tuition of 19 students who are pursuing the automotive paints specialty offered through our schools. A major goal of the foundation in 2019 is to increase fundraising and establish more partnerships in order to expand our operations and offer more full scholarships for students with the greatest financial need.

### Changing Perceptions of Vocational Education

Another key element of Ghabbour Foundation's mission is to promote the value of education and Change Perceptions of Vocational Education in particular across Egypt. We pursue this goal primarily by hosting outreach events for the families of our students and members of the wider community. In 2018, we held events at Imbaba School and Semouha Youth center in Alexandria where we invited parents and community members to meet with teachers and see the machines and tools that our students use. Another way we promote the value of vocational education is through our social media pages. The foundation team regularly posts videos showcasing our students' learning, sharing highlights from classes and events and informing people about topics related to education in general.

### Raising Skill Level of Egypt's Workforce

GB Auto is committed to raising the skill level of Egypt's workforce as a whole and contributing to the country's economic competitiveness. The primary way we do this is through Ghabbour Foundation's network of schools. This year we have also made the decision to begin offering GB Academy courses to educational institutions and other companies in Egypt's automotive sector and related industries. Set to launch in 2019, this offering will increase the efficiency of the country's automotive industry as a whole and raise the quality of products by equipping workers with crucial technical and soft skills. By sharing our learning and development tools with other companies, we also hope to pave the way for further knowledge sharing and collaboration among Egypt's private sector companies aimed at benefiting our society.

### The Safe Drive Initiative

In 2018 we held the third annual Safe Drive Initiative in partnership with Hyundai Motor Company. Aimed at addressing high rates of automobile accidents in Egypt which kill 12,000 people per year, The Safe Drive Initiative raises awareness and trains people in safe driving behaviors. This year we recruited companies and organizations to participate including Juhayna, TAQA Arabia, Americana and Etisalat. Throughout 2018, we held 276 sessions of delivered courses at GB Academy as well as 95 new courses. We trained 540 people from various industries and communities, including a total of 64 GB Auto drivers who were trained to practice safe driving habits and to learn new languages.



