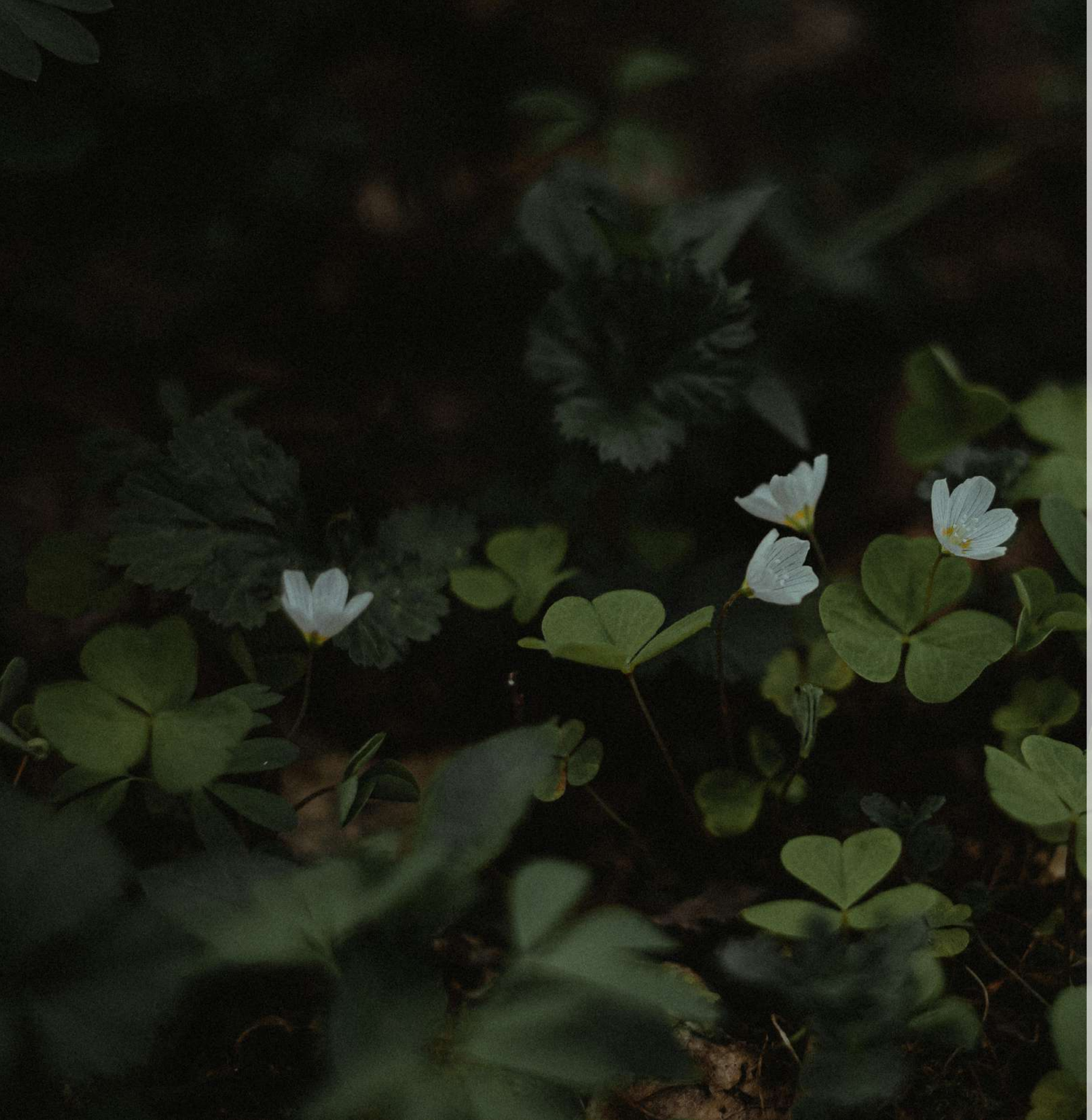
Corp

Carbon Footprint Report

2023



ABOUT THIS REPORT

This report conducts a comprehensive analysis of **GB Corp's** carbon emissions for the fiscal year 2023. It includes a detailed assessment of emissions falling under Scope 1, Scope 2, and relevant activities of Scope 3. This marks our **fourth** consecutive year of reporting. All data gathered and examined in this report strictly adheres to the principles outlined by the World Resources Institute Greenhouse Gas Protocol, emphasizing our unwavering dedication to relevance, completeness, consistency, transparency, and accuracy.

Please consider the environment before printing this document.

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ACRONYMS & ABBREVIATIONS

AR6	Sixth Assessment Report
BY	Base year
CDP	Disclosure Insight Action (Carbon disclosure project)
CFP	Carbon Footprint
CH_4	Methane
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide equivalent
DEFRA	Department for Environment, Food & Rural Affairs
EF	Emission Factor
EGP	Egyptian pound
US EPA	United States Environmental Protection Agency
ERA	Egyptian Electric Utility and Consumer Protection Regulatory Agency
FTE	Full-time Equivalent
GHG	Greenhouse Gases
GWP	Global Warming Potential
HVAC	Heating, ventilating, and air conditioning;
IPCC	Intergovernmental Panel on Climate Change
ISO	International Standard Organization
Kg	Kilograms
kWh	Kilowatt hour
L	Litre
LoB	Line of Business
LED	Light-emitting diode
m^2	Square meter
m^3	Cubic meter
MWh	Megawatt hour
$mtCO_2e$	Metric tons Carbon Dioxide equivalent
P.km	Passenger-kilometre
t	Tons
t.km	Ton kilometre
SC	Service Centre
Scp	Scope
SR	Showroom
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
WTT	Well-to-Tank

02 EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Climate change is a pressing global issue characterized by significant alterations in climate patterns, primarily driven by human activities such as burning fossil fuels, deforestation, and industrial processes. These changes are resulting in more frequent and severe weather events, rising sea levels, and disruptions to ecosystems and biodiversity. Addressing climate change requires urgent and coordinated efforts to reduce greenhouse gas emissions, transition to renewable energy sources, and implement sustainable practices across all sectors of society.

In this new era of sustainable development and corporate citizenship, GB Corp is dedicated to utilizing available frameworks and solutions to expedite progress in Environmental, Social, and Governance (ESG) areas. The Carbon Footprint Analysis, a comprehensive and systematic assessment, is fundamental in evaluating our overall sustainability, addressing operational emissions, and tracking our performance over time. Our goal is to align with Egypt Vision 2030 and the Sustainable Development Goals, aiming for greener, more environmentally conscious operations.

We have selected GB Corp to symbolize our current identity and future ambitions. GB Corp includes several subsidiaries: GB Auto, GB Capital, GB Logistics, GB Ventures, GB Academy, and the Ghabbour Foundation for Development. The recent unveiling of our new corporate strategy and identity, GB Corp, with the slogan "**The Power of Mobility**," showcases our pride in leading the automotive industry in the Middle East and North Africa (MENA). We recognize the crucial role of environmental conservation while creating lasting value for stakeholders.

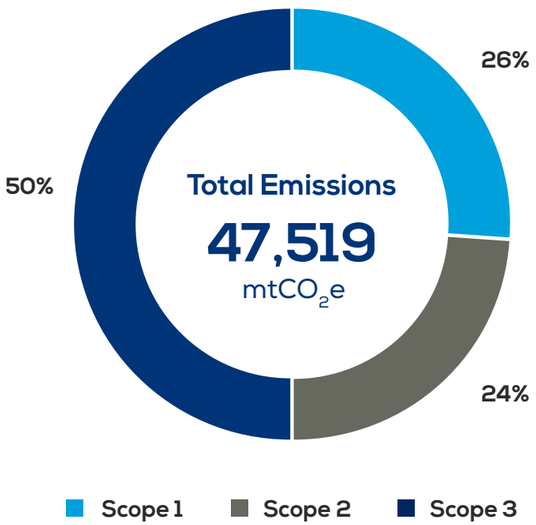
We present GB Corp's **fourth carbon footprint assessment**, covering the period from January 1, 2023, to December 31, 2023, with 2022 as the base year.

This achievement highlights our commitment to sustainability and our efforts to measure and reduce our environmental impact. Our CDP submission is available to investor signatories and anyone interested in examining our environmental performance. We believe this transparency is vital to our sustainability initiatives, allowing stakeholders to understand our climate-related efforts.

Our assessment's operational boundaries included greenhouse gas (GHG) emissions from our primary activities. This comprehensive examination covered direct emissions from controlled equipment and assets, emissions from purchased electricity, and specific indirect emissions from GB Auto operations in Egypt and Iraq, as well as GB Capital administration buildings. Additionally, the analysis accounted for emissions from various activities of our other subsidiaries. Our analytical approach and calculations followed established standards, including the Greenhouse Gas Protocol, the Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories, and ISO 14064-1:2018 standards.

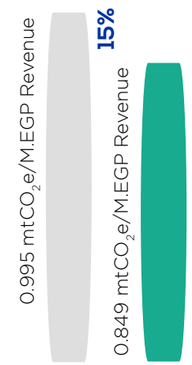
Our carbon footprint and total GHG emissions of our business as of 2023 were **47,519 mtCO$_2$e**.

Scope 1: 12,428 mtCO$_2$e
Scope 2: 11,590 mtCO$_2$e
Scope 3: 23,501 mtCO$_2$e



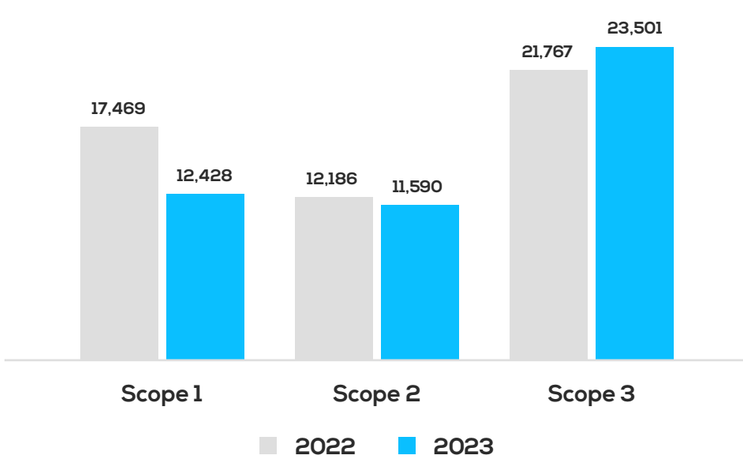
Scope 3 emission activities account for the largest share of total emissions at **50%**, followed by **Scope 1** and **Scope 2** emissions, which have nearly the same shares at **26%** and **24%**, respectively.

In this reporting period, GB Corp had an emissions intensity of **0.849 mtCO$_2$e/M.EGP** revenue for Scope 1 + 2 emissions. Which represents a **decrease of 15%** compared to 2022 (the base year).



The chart below illustrates the changes in emissions between 2022 and 2023. Notably, both Scope 1 and Scope 2 emissions have decreased in 2023, leading to the reduction witnessed in the intensity figure. Specifically, Scope 1 emissions have **dropped** by approximately 29% compared to 2022, while Scope 2 emissions have decreased by around **5%**. Conversely, Scope 3 emissions in 2023 are **higher than in 2022** by around **8%**, primarily due to the expansion of operational boundaries included in the assessment.

Emissions Per Scope and Facility (mtCO$_2$e)



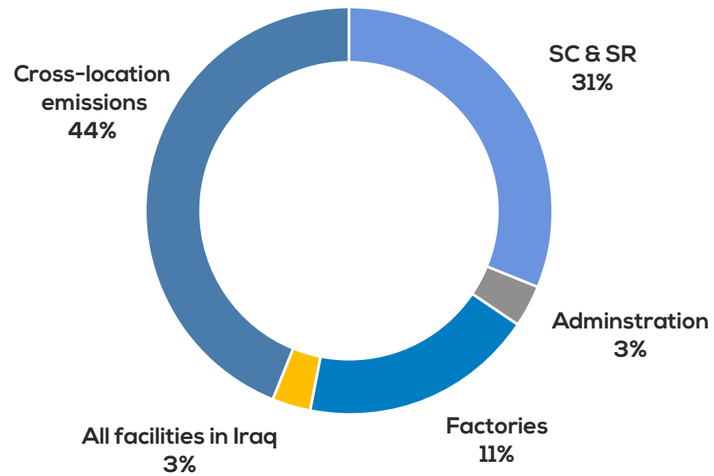
2023
CARBON INTENSITY*
0.849
mtCO$_2$e/M.EGP Revenue

*Scope 1 & 2 Emissions Intensity

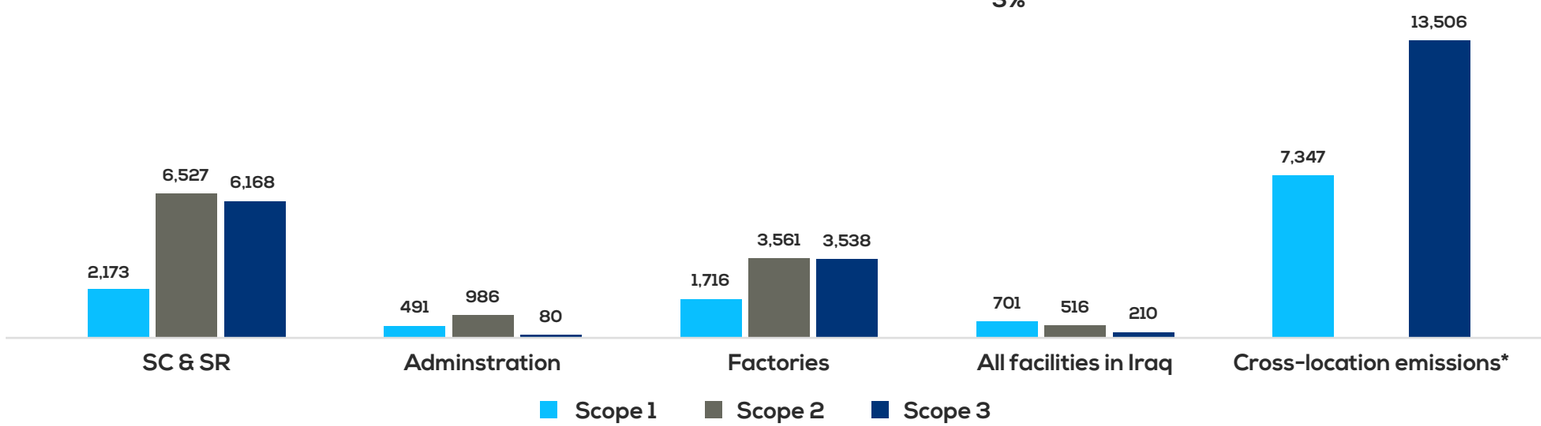
2030
REDUCTION TARGET
45%

Scope 1 & 2 emissions

Our service centers (SC) and showrooms (SR) emitted the largest share of GHG emissions representing **31%** of GB Corp's total emissions. Cross-location emissions which include general emissions that cannot be distributed on the different facilities represent **44%** of GB Corp's total emissions.



Emissions Per Scope and Facility ($mtCO_2e$)

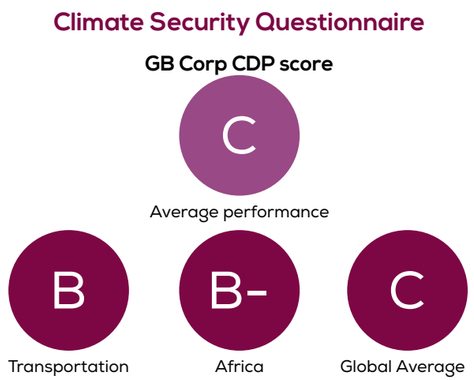


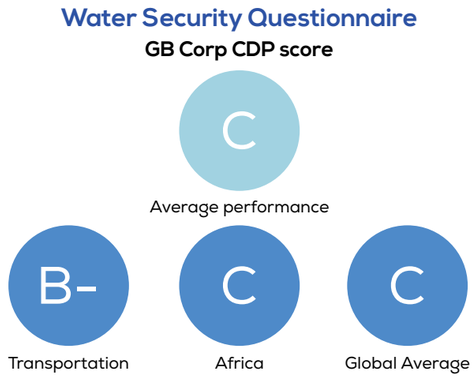
*Cross-location emissions encompass emissions associated with various general categories such as mobile combustion, purchased goods, business travel, and upstream transportation and distribution.

GB Corp is committed to aligning its activities and emissions with global climate goals, specifically aiming to limit temperature increases to 1.5 degrees Celsius as outlined in the Paris Agreement. To meet this goal, GB Corp has set a target to achieve a **45%** reduction in **Scope 1 and 2** emissions by 2030, using 2022 as the base year. This target reflects GB Corp's dedication to responsible environmental practices. In 2023, GB Corp successfully reduced its Scope 1 and 2 emissions by **19%** compared to the base year.

The analysis of our environmental performance provided the way forward to develop a preliminary decarbonization plan to reduce our carbon footprint, which is available in the end of this report along with our progress.

In our ongoing commitment to transparency and environmental responsibility, 2024 marks our **second** year participating in the CDP water security questionnaire and the **third** year in the CDP climate change questionnaire. We are pleased to maintain our CDP rating of Level **C (Awareness)** in the 2023 **Climate Change questionnaire,** based on our 2022 data, and to have achieved a Level **C (Awareness)** rating in our first disclosed **Water Security Questionnaire** 2023.





03

INTRODUCTION

INTRODUCTION

Climate change presents one of the most pressing challenges of our time, with global temperatures rising and extreme weather events becoming increasingly common. The automotive industry, as a significant contributor to greenhouse gas emissions, plays a pivotal role in this global issue. The production, distribution, and operation of vehicles have long been linked to carbon emissions, making it crucial for automotive companies to take responsibility in mitigating their environmental impact.

The automotive industry plays a pivotal role in tackling climate change due to its significant impact on greenhouse gas emissions and energy consumption. As one of the largest contributors to global emissions, the sector must lead in adopting innovations that reduce carbon outputs. This includes advancing electric and hybrid vehicles, enhancing fuel efficiency, and developing alternative energy sources. By embracing cleaner technologies and practices, the industry can make substantial progress towards global emission reduction targets.

As a cornerstone of Egypt's automotive sector, GB Corp recognizes the critical importance of addressing its environmental impacts. This report offers a comprehensive examination of GB Corp's carbon footprint for the fiscal year 2023, providing insights into the company's greenhouse gas emissions across its operations and supply chain.

GB Corp has long viewed sustainable practices not merely as regulatory requirements but as fundamental to responsible corporate citizenship. With over six decades of history as a leading automotive company in Egypt, GB Corp is committed to driving positivechange both within the industry and beyond.

As global focus intensifies on combating climate change, GB Corp remains steadfast in its commitment to sustainability. Our operations, spanning from the Middle East to strategic ventures in Iraq and Kenya, reflect a comprehensive approach to environmental stewardship. By integrating sustainability into every aspect of our business—from Passenger Cars and Motorcycles & Three-Wheelers to Commercial Vehicles, Construction Equipment, After-Sales, and Tires—GB Corp is dedicated to minimizing its carbon footprint and conserving natural resources. This commitment not only aligns with the global shift towards a low-carbon economy but also underscores our resolve to drive positive change and create long-term value for our stakeholders.

This report is designed to provide our stakeholders with a transparent view of our environmental performance. It details the methodologies used to quantify carbon emissions, identifies key sources of greenhouse gases within our operations, and evaluates our progress in reducing emissions intensity. Our goal is to foster trust and accountability with our stakeholders, including customers, investors, employees, and the communities in which we operate.

04

INVENTORY BOUNDARIES

ORGANIZATIONAL BOUNDARIES

When disclosing emissions, companies typically have the option to choose between two main methods: reporting emissions from operations they have direct financial or operational control over (known as the control approach), or reporting emissions based on their equity share in these operations (referred to as the equity share approach). We have chosen the operational control approach.

At GB Corp, we have made a deliberate choice to provide comprehensive disclosure encompassing all aspects of our owned facilities. This disclosure spans a spectrum of operations, including manufacturing, assembly, sales, after-sales services, and trading activities involving passenger cars, motorcycles, three-wheelers, construction equipment, and tires across Egypt. Additionally, it extends to cover all operations conducted within our facilities in Iraq. Our commitment to transparency includes a detailed account of activities taking place in administrative buildings, showrooms, service centers, factories, warehouses, and outlets, ensuring a thorough representation of our organizational footprint.

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FACILITIES

(service centers, showrooms, factories, warehouses, and outlets, and administration buildings)

EGYPT

FACILITY TYPE	NUMBER OF FACILITIES
Service Centers and Showrooms	
• Passenger Car (PC)	50
• Commercial Vehicles (CV)	9
• 2&3 Wheelers	26
Warehouse	1
Factories	5
Administration Buildings	6

IRAQ

FACILITY TYPE	NUMBER OF FACILITIES
Service Centers and Showrooms	
• GK	24
• GQ	20
Administration Buildings	1

MANUFACTURING PLANTS

EL SADAT PLANT
- Land Area: 34,329 m²
- Employees: 92

PRIMA PLANT
- Land Area: 57,680 m²
- Employees: 670

BADR PLANT
- Land Area: 130,189 m²
- Employees: 152

CITI PLANT
- Land Area: 11,997 m²
- Employees: 107

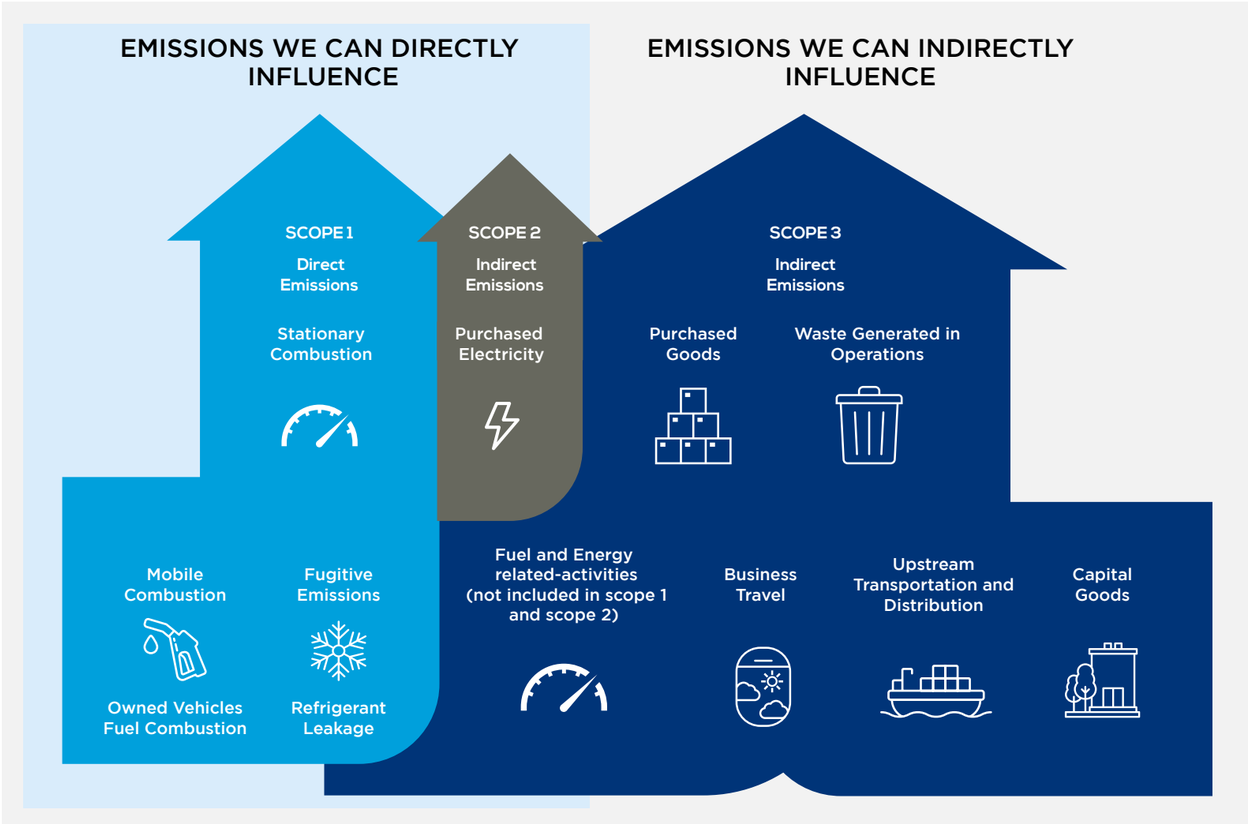
GB POLO PLANT
- Land Area: 283,300 m²
- Employees: 494

OPERATIONAL BOUNDARIES

Operational boundaries determine the business activities of the reporting company that generate emissions, and which of these activities that should be included in the calculations, and how these activities should be classified (i.e., Direct, or indirect emissions). The emissions fall under different scopes:

- **Scope 1**, resulting from GB Corp's owned or controlled equipment and assets,
- **Scope 2** covering emissions from purchased electricity;
- **Scope 3** embracing significant indirect emissions resulting from the operations.

In conformance with the GHG Protocol Corporate Standard, the reporting of Scope 1 and Scope 2 emissions, direct emissions and indirect emissions resulting from purchased electricity, are mandatory to report. The operational boundaries for GB Corp's carbon footprint assessment included the following:



SOURCES OF EMISSIONS EXCLUDED

This report is as comprehensive as possible of all of GB Corp's sources of emissions. While all scope 1 and 2 emissions are covered in this assessment, only the most relevant and significant scope 3 emissions categories are included. It's important to highlight that the emission sources listed below, as outlined in the GHG protocol, are currently not accounted for in GB Corp's calculations. This is primarily due to insufficient data. More detailed explanations of these categories can be found in the Relevancy and Exclusions section of the Annex.

- Category 7: *Employee commuting*
- Category 11: *Use of sold products*
- Category 12: *End-of-life treatment of sold products*
- Category 15: *Investments*

REPORTING PERIOD AND BASE YEAR

The reporting period is from the 1st of January 2023 to the 31st of December 2023, with the year 2022 serving as the base year.

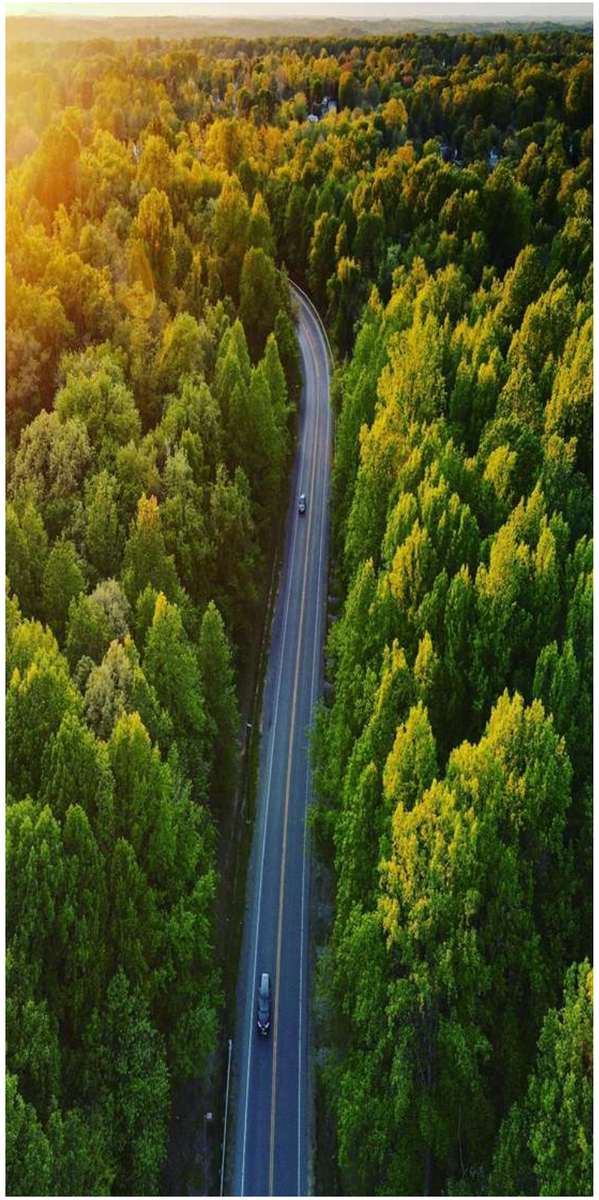
05 OVERALL METHODOLOGY

PROTOCOLS & STANDARDS

The carbon footprint assessment in this report aligns with a variety of globally recognized standards, protocols, and guidelines that are widely accepted for the purpose of measuring and disclosing emissions. These encompass, among others:

The Greenhouse Gas (GHG) Protocol Guidelines: These guidelines outline the criteria for identifying emission sources and GHGs to be measured and reported. They also define the boundaries for holding entities accountable for GHG emissions, considering geographical, organizational, and operational constraints.

- **Corporate Accounting and Reporting Standard:** This standard offers guidance to companies for preparing their GHG emissions reports at the corporate level.
- **Corporate Value Chain (Scope 3) Accounting and Reporting Standard.**
- **ISO 14064-1:2018:** This specification, accompanied by guidance, pertains to the quantification and reporting of greenhouse gas emissions and removals at the organizational level.
- **2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines** for Greenhouse Gas Inventories (with 2019 Refinements).



EMISSION FACTORS

Emission factors (EF) quantify the amount of greenhouse gases (GHGs) released into the atmosphere as a result of specific activities. Typically expressed in carbon dioxide equivalent (CO_2e), EF measures the emissions produced per unit weight, volume, distance, or duration of the activity. For example, EF may be expressed as CO_2e per liter of fuel consumed, CO_2e per kilometer driven, CO_2e per kilowatt-hour of purchased electricity, or CO_2e per EGP spent on procurement, among others. In this report, the emission factors employed were identified based on:

- Department for Environment, Food & Rural Affairs, UK, 2023(DEFRA)
- IPCC: Intergovernmental Panel on Climate Change
- Country specific emission factors
- U.S. EPA: United States Environmental Protection Agency

Regarding the country-specific electricity emission factor, it is determined using data from the Egyptian Electric Utility and Consumer Protection Regulatory Agency (Egypt ERA), as published in monthly reports on grid electricity. This emission factor is calculated based on Egypt's real fuel composition and energy generation sources. Iraq's electricity emissions factors are retrieved from the UNFCCC.

The emission factors employed for water supply and wastewater treatment are sourced from DEFRA 2023. These factors have been customized to accommodate Egypt's electricity-specific emission factor.

CALCULATION APPROACH

Each activity is categorized into one of the defined Scopes as per the GHG Protocol Guidelines, including Scope 1 (direct emissions), Scope 2 (indirect emissions related to purchased energy) and Scope 3 (indirect emissions resulting from operations not under the direct ownership or control of the reporting entity). The standard method for calculating emissions, expressed in metric tons of carbon dioxide equivalent ($mtCO_2e$), involves the multiplication of activity data by its corresponding emission factor. This calculation process includes a unit analysis to ensure that the resulting emissions are expressed in the desired $mtCO_2e$ unit.

The emissions calculation approach is determined by multiplying the activity by its associated emission factor, following a unit analysis procedure to convert emissions into the $mtCO_2e$ unit, as described in the equation below.

In adherence to best practices in organizational greenhouse gas (GHG) accounting and following the selected WBCSD/WRI GHG Protocol, the carbon footprint assessment has incorporated all seven Kyoto Protocol greenhouse gases, whenever relevant and significant.

Global warming potentials (GWPs) serve as coefficients that quantify the radiative forcing impact of a specific greenhouse gas, such as methane, in comparison to an equivalent amount of carbon dioxide. These GWPs are employed in GHG accounting to standardize greenhouse gas emissions, expressing them in a common unit for easy comparison, known as carbon dioxide equivalent (CO_2e). For reference the image above shows the actual volume of 1 metric ton of carbon dioxide to scale.

In the course of this inventory, **GB Corp** has applied 100-year GWPs to all emissions data to calculate the total emissions in metric tons of carbon dioxide equivalent ($mtCO_2e$). The GWP values utilized for this purpose have been sourced from the Intergovernmental Panel on Climate Change's (IPCC) sixth Assessment Report (AR6 2021), which was the most current IPCC report available at the time of this assessment. The greenhouse gases specified in the Kyoto Protocol, along with their corresponding GWPs, are detailed in the adjacent table.

GREENHOUSE GAS	100-Year GWP
Carbon dioxide (CO_2)	1
Methane (CH_4)	27
Nitrous oxide (N_2O)	273
Hydrofluorocarbons (HFCs)	124 – 14,800
Perfluorocarbons (PFCs)	7,390 – 12,200
Nitrogen trifluoride (NF_3)	17,400
Sulphur hexafluoride (SF_6)	25,200

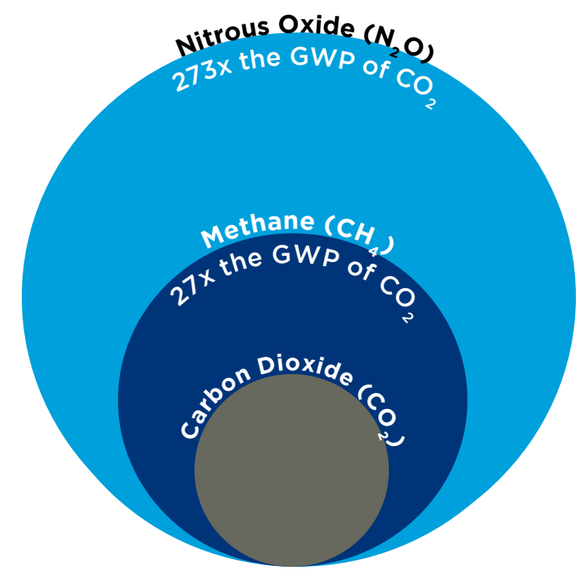
Activity Data [unit]

X

Emission Factor [$mtCO_2e$/unit]

=

GHG Emissions [$mtCO_2e$]



06

CARBON FOOTPRINT RESULTS

2023
CARBON INTENSITY*

0.849
$mtCO_2e$/M.EGP Revenue

* Scope 1 & 2 Emissions Intensity

Scope 1 Emissions

12,428
$mtCO_2e$

Scope 2 Emissions

11,590
$mtCO_2e$

Scope 3 Emissions

23,501
$mtCO_2e$

SCOPE 1- DIRECT EMISSIONS

Stationary Combustion | **1,674 $mtCO_2e$**

Fuel Burning in On-site Generators | **708** $mtCO_2e$

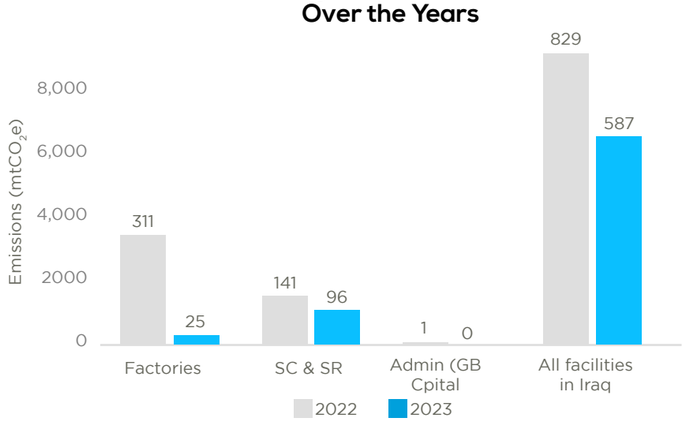
Diesel fuel is used in GB Corp's owned generators to supply the electricity demand in some of the factories, service center, and showrooms. Additionally, it is employed in specific equipment and production processes within some factories. Emissions arising from the combustion of fuel in these generators are part of Scope 1 emissions. During 2023, GB Corp consumed **266,247 liters** of diesel, resulting in direct emissions amounting to **708 $mtCO_2e$**. This signifies a **reduction** of approximately **45%** compared to 2022. This decline is primarily attributed to the **decrease in production** observed throughout the year 2023.

In 2023, there was a **notable reduction** in diesel combustion at El Sadat plant compared to 2022, primarily due to a significant decrease in production. Additionally, the painting process was transferred to Prima plant during this period, further contributing to the decline in diesel usage. Throughout the reporting period, diesel was only utilized by El Sadat, Badr, and Prima manufacturing facilities. Notably, the diesel consumption at Prima facility was predominantly associated with the painting process transferred from El Sadat Plant.

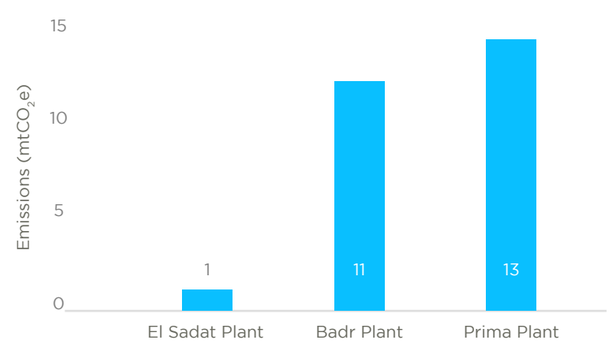
Fuel Burning – Natural Gas | **966** $mtCO_2e$

Natural gas burned is used in different activities in factories, service centers and showrooms. Emissions from natural gas consumption is considered part of Scope 1 emissions since it is directly used by GB Corp. During the reporting year 2023, GB Corp facilities consumed **470,404 m³** of natural gas, resulting in emissions of **966 $mtCO_2e$**. There was a notable decrease in natural gas consumption in 2023 compared to 2022, primarily due to **reduced production levels**, amounting to approximately a **52% reduction**. In both 2022 and 2023, Prima plant accounted for the majority of natural gas emissions, with emissions totaling **902 $mtCO_2e$** in 2023, representing **93%** of the total natural gas emissions.

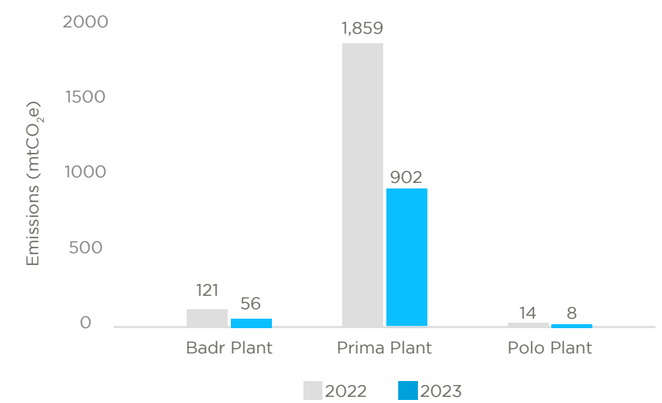
Diesel Fuel Burning Emissions Per Type of Facility Over the Years



Diesel Fuel Burning Emissions Per Factory



Natural Gas Fuel Burning Emissions Per Factory



SCOPE 1- DIRECT EMISSIONS

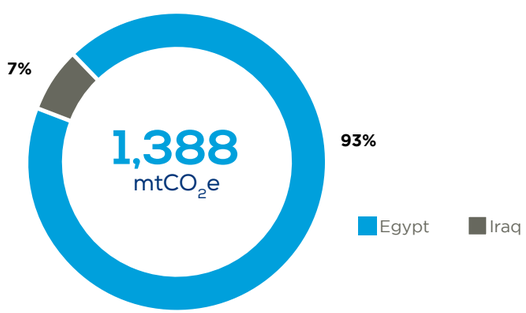
Mobile Combustion — **7,461 $mtCO_2e$**

Owned Passenger Cars | **1,388** $mtCO_2e$

GB Corp's owned passenger cars in Egypt and Iraq consumed a total of **353,409 liters** of petrol fuel during the reporting year 2023. This petrol consumption resulted in emissions totaling **829 $mtCO_2e$**. Furthermore, the remaining company cars traveled a combined distance of **102,000 km**, resulting in emissions of **17 $mtCO_2e$.** Emissions stemming from the combustion of petrol in these cars represent a component of our direct emissions and are part of Scope 1 emissions.

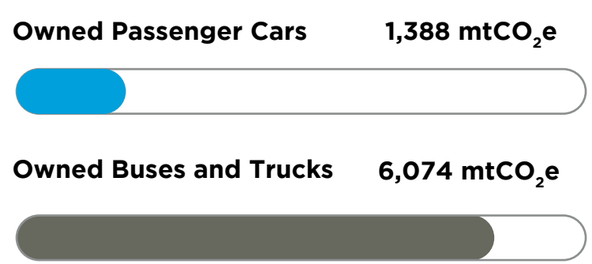
In addition, the company provide some employees in Egypt with car allowance service. Since the company pay for these cars, the emissions resulting from them is considered part of Scope 1 emissions. Throughout the reporting year, the given car allowance amounted to **231,172 liters** of petrol, leading to emissions of **542 $mtCO_2e$**. Notably, emissions from passenger cars in 2023 witnessed a **reduction of 45%** compared to the figures reported in 2022.

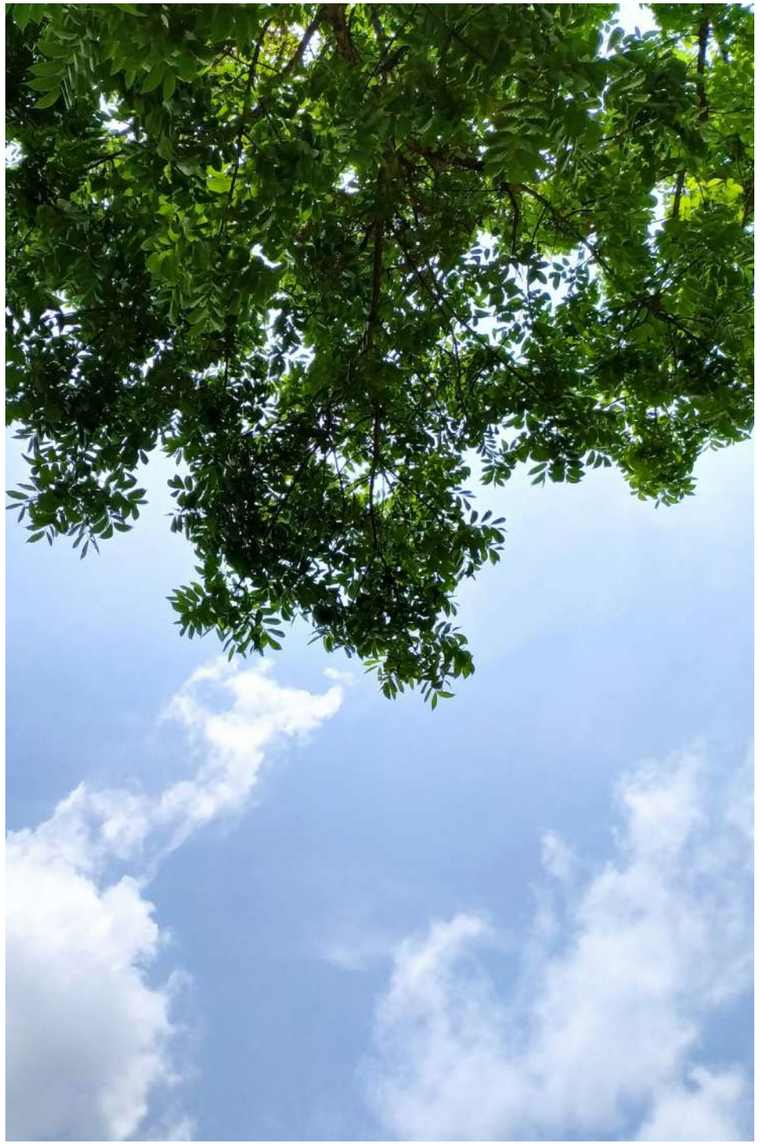
Passenger Car Emissiosn per Country



Owned Buses | **6,074** $mtCO_2e$

GB Corp owns a fleet of cars and buses dedicated to employee commuting, and a fleet of trucks crucial for both upstream and downstream transportation activities. Throughout the reporting year, these vehicles collectively consumed **2,283,876 liters** of diesel, contributing to emissions totaling **6,074 $mtCO_2e$**. This represents around **34% reduction** compared to 2022.





SCOPE 1- DIRECT EMISSIONS

Fugitive Emissions — **3,293 $mtCO_2e$**

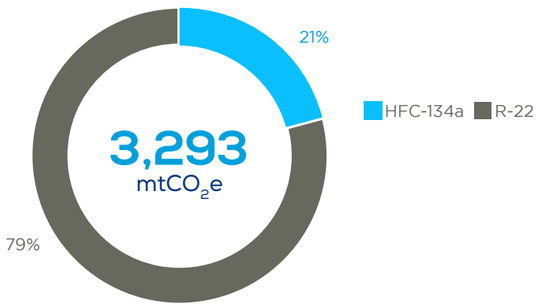
Refrigerants Leakage

Refrigerants play a crucial role in maintaining comfortable working conditions by cooling buildings through the air conditioning system. Fugitive emissions stemming from the cooling cycle are classified as direct emissions, falling under Scope 1 emissions.

The selection of refrigerants varies widely, and within GB Corp's facilities, the primary refrigerant employed is R-22, supplemented by HFC-134a.

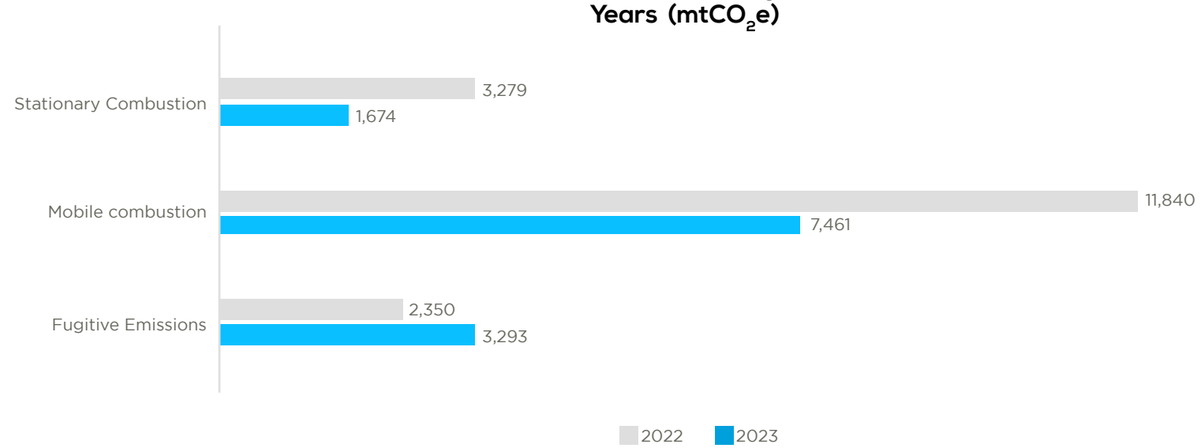
Throughout the reporting period, GB Corp's facilities obtained and charged **1,472 kilograms of R-22** and **540 kilograms of HFC-134a**. These refrigerants resulted in direct emissions amounting to **3,293 $mtCO_2e$**. This marks a **40% increase** compared to 2022, primarily attributed to an **enhanced data collection mechanism**. In 2023, we have implemented a more robust data recording and collection system which enabled us to gather refrigerant leakage data from a greater number of facilities.

Refrigerants Emissiosn per refrigerant type



Within Scope 1 emissions, the most substantial emissions were linked to **mobile combustion,** accounting for **60%** of total Scope 1 emissions. This was followed by **fugitive emissions and stationary combustion,** constituting **27%** and **13%** of Scope 1 emissions respectively. Furthermore, mobile combustion emissions ranked as the **third** most substantial contributor across all scopes, representing **15.7%** of the total emissions. The chart below illustrates Scope 1 emissions over the years 2022 and 2023 by category. It highlights a notable decrease in emissions from stationary and mobile combustion, alongside an increase in fugitive emissions in 2023 compared to 2022.

Scope 1 Emissions Per Category Over the Years ($mtCO_2e$)

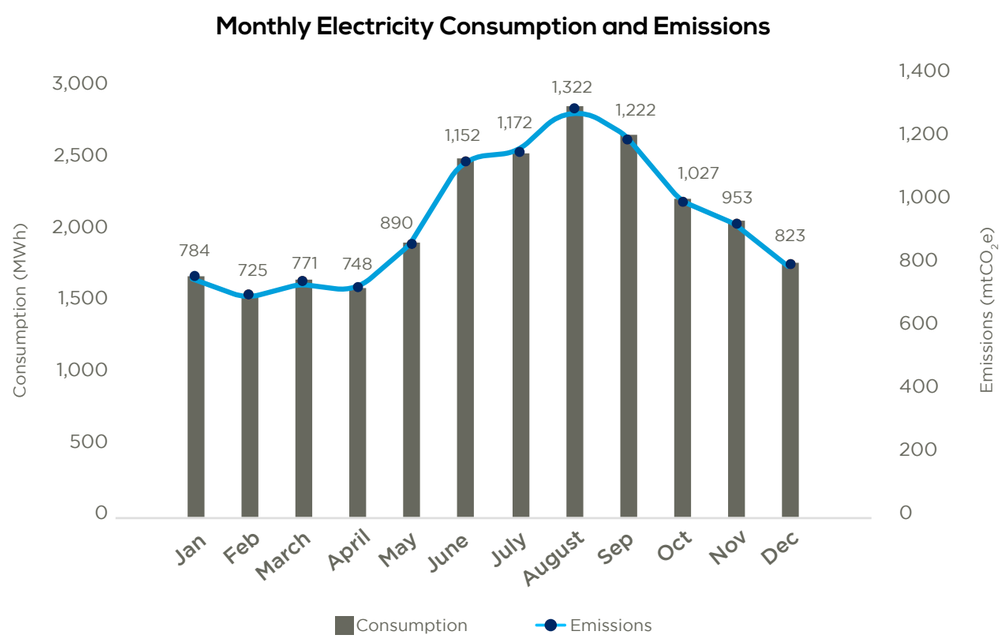


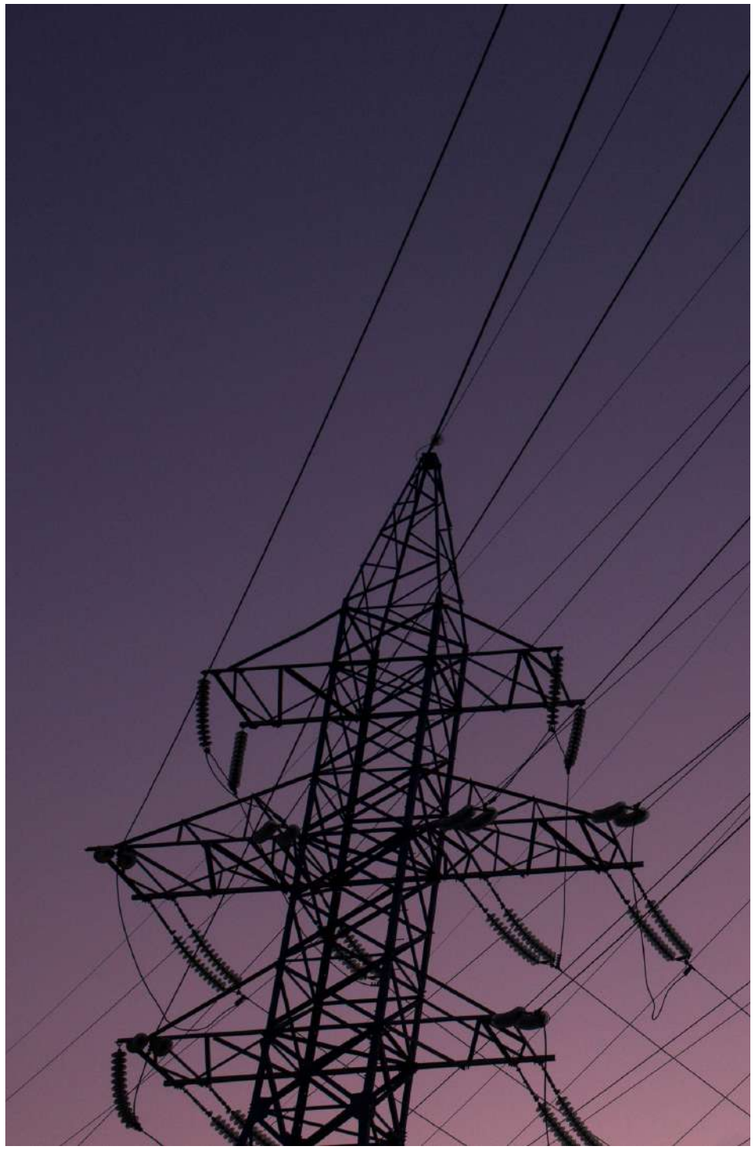
SCOPE 2- INDIRECT EMISSIONS

Purchased Electricity	11,590 $mtCO_2e$

Throughout the reporting period, GB Corp's various facilities consumed a total of **24,673 MWh** of electricity. These electricity expenditures translated into indirect emissions of **11,590 $mtCO_2e$**, which remarkably accounted for **24%** of GB Corp total emissions during that year. Compared to 2022, electricity consumption and emissions **reduced** by **4%** and **5%**, respectively. Notably, this activity emerged as **the largest** emitting activity across all scopes.

The following chart shows the monthly electricity consumption and emissions of GB Corp's facilities during 2023. The highest electricity consumption was witnessed in August with a corresponding emission of **1,322 $mtCO_2e$**, the lowest month was February with emissions of **725 $mtCO_2e$.**

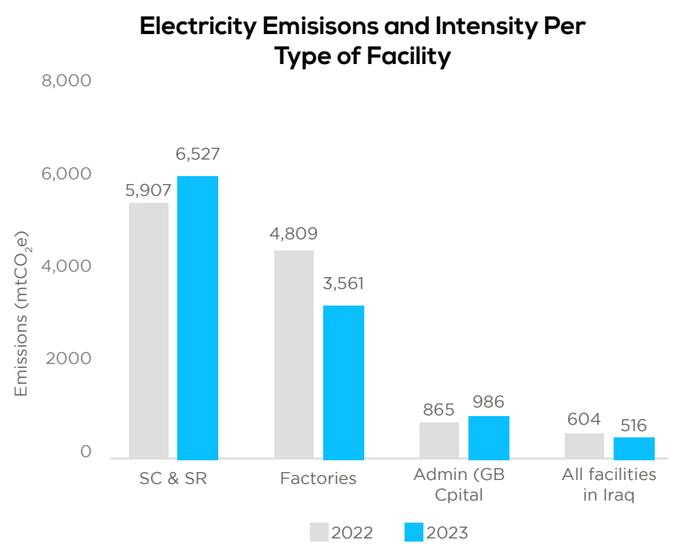




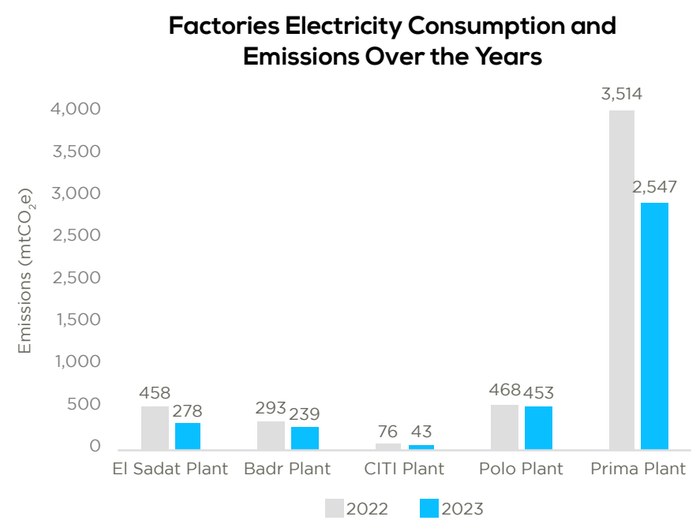
SCOPE 2- INDIRECT EMISSIONS

Purchased Electricity	12,186 $mtCO_2e$

GB Corp's service centers and showrooms, spread across Egypt, accounted for the highest electricity consumption during the reporting year. This substantial consumption led to indirect emissions totaling **6,527 $mtCO_2e$**, representing **56%** of the total electricity-related emissions. In 2023, electricity emissions from **service centers, showrooms, and warehouses increased** by **7%** compared to 2022. In contrast, emissions from **factories** saw a significant decrease of **26%**. Additionally, electricity emissions in **administrative buildings increased** by **14%** in 2023, while emissions from **facilities in Iraq declined** by **15%**.



The major electricity consuming factory among GB Corp's 5 factories is Prima plant with total emissions of **2,547 $mtCO_2e$.** This represents **71%** of the total emissions generated by all factories in 2023. In comparison with 2022, electricity emissions from Prima plant **decreased** by **27%.**



SCOPE 3- INDIRECT EMISSIONS

Scope 3 emissions refer to greenhouse gas emissions originating from activities associated with assets that are not under the direct ownership or operation of the reporting organization. However, they are indirectly impacted by the organization through its entire value chain. Scope 3 emissions included in **GB Corp's** carbon footprint are categorized as follows in accordance with the GHG Protocol:

- Category 1: Purchased goods and services.
- Category 2: Capital goods
- Category 3: Fuel and energy related activities
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste generated in operations.
- Category 6: Business travel

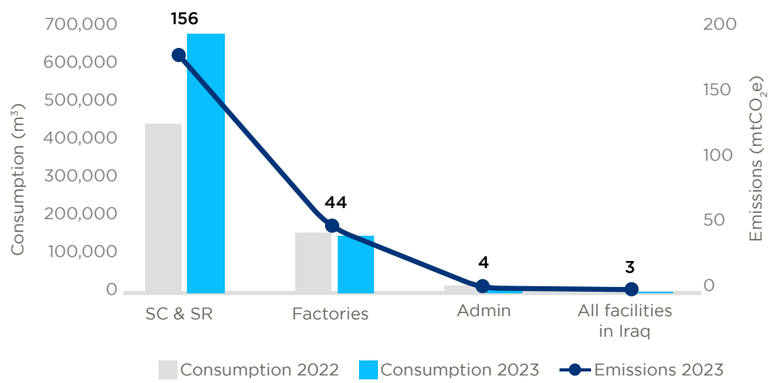
Purchased Goods & Services | **5,879 $mtCO_2e$**

Water Consumption | **206 $mtCO_2e$**

Scope 3 emissions encompass various types of indirect emissions, including emissions associated with water use. During the 2023 reporting period, **GB Corp's** facilities used a total of **814,599 m³** of water. This water use led to emissions equivalent to **206 $mtCO_2e$**. Although emissions resulting from water use may notz constitute a substantial fraction of our overall carbon footprint, it's vital to recognize the environmental implications connected to our water usage. Compared to 2022, water use emissions **reduced** by **5%**.

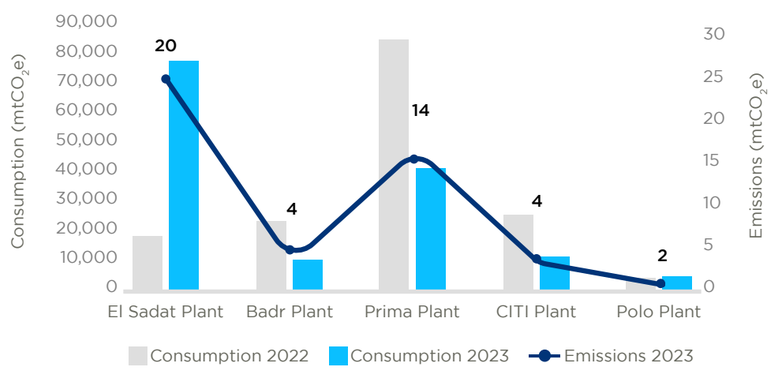
Main water emissions are contributed to water use in GB Corp's service centers and showrooms with a value of **156 $mtCO_2e$**, representing **76%** of total water emissions.

Water Consumption and Emissions Per Type of Facility



Among **GB Corp's** five factories, El Sadat plant consumed the highest water amount and resulted in emissions of **20 $mtCO_2e$**, which represents **45%** of total factories water emissions.

Water Consumption and Emissions Per Factory



Purchased Goods & Services | **5,672 $mtCO_2e$**

In **GB Corp's** current year assessment, the purchased goods include office supplies, bottled water, lamps, car accessories, cables, car batteries, and various other car parts. Additionally, the purchased services encompass interior design, engineering, advertising agencies, marketing consulting, human resources consulting, security guards and patrol, and security systems, among others. Records of these purchased goods and services, along with the monetary amounts spent on them, are meticulously documented in **GB Corp's** database. Emissions associated with these goods and services during 2023 totaled **5,672 $mtCO_2e$**. The range of goods and services included in the current assessment is significantly broader compared to the previous year. In 2022, the purchased goods were limited to paper, face masks, gloves, and uniforms.

SCOPE 3- INDIRECT EMISSIONS

Capital Goods — **901 $mtCO_2e$**

Carbon emissions associated with the acquisition of capital goods are categorized as Scope 3 emissions. This is the first year that this activity has been included, as part of GB Corp's plan to encompass all relevant activities for comprehensive greenhouse gas (GHG) reporting.

In the case of GB Corp in 2023, the purchase of capital goods including electronics, motor vehicles supplies, industrial machinery among others resulted in emissions amounting to **901 $mtCO_2e$**.

Fuel and Energy Related Activities — **2,920 $mtCO_2e$**

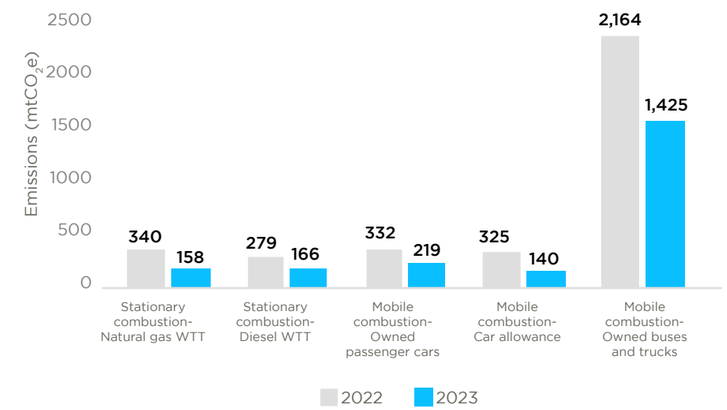
Owned Buses | **2,109 $mtCO_2e$**

Well-to-Tank (WTT)

In order to comprehensively evaluate the environmental consequences linked to fuel combustion activities, **GB Corp** conducted an assessment of its well-to-tank (WTT) emissions, which fall under the umbrella of Scope 3 emissions.

For the 2023 reporting period, the WTT emissions stemming from both stationary and mobile combustion activities totaled **2,109 $mtCO_2e$**, which is less than the previous year by **39%.** This reduction is attributed to the lower fuel consumption during the reporting year, which can be linked to decreased productivity. WTT emissions in 2023 comprises **325 $mtCO_2e$** attributed to stationary combustion and **1,785 $mtCO_2e$** arising from mobile combustion. The adjacent figure below shows the detailed breakdown of the WTT emissions in both years 2022 and 2023.

WTT Emissions per activity over the years



Transmission & Distribution Losses | **811 $mtCO_2e$**

Furthermore, for the first time, GB Corp has accounted for the emissions associated with electricity transmission and distribution losses, amounting to **811 $mtCO_2e$**. Including this activity in our GHG assessment underscores our commitment to sustainability and ensures alignment with the GHG Protocol's minimum boundary requirements.

SCOPE 3- INDIRECT EMISSIONS

Upstream Transportation & Distribution — **4,643 $mtCO_2e$**

GB Corp imports some materials such as complete build ups (CBU's), spare parts and vehicle body parts from outside Egypt. During the reporting period, **GB Corp's** imported a total of **18,052 tons** of these materials from China, Korea, Japan, and Italy. The total tonne-kilometers during 2023 was **206,140,679 ton.km**. This activity resulted in emissions of **4,643 $mtCO_2e$** including the WTT emissions, which represents the **fifth highest** activity in **GB Corp's** total emissions with a percentage of **10%**. Emissions from imports in 2023 were **28%** lower than in 2022, attributed to the decline in production levels observed during the year.

Waste Generated in Operations — **8,624 $mtCO_2e$**

General Waste | **1,123 $mtCO_2e$**

During the reporting year, **GB Corp** generated general waste of **6,689 tons**, which is composed of metals, paper, plastics, wood, household and commercial waste. The disposal of this amount of waste led to the generation of indirect emissions amounting to **1,123 $mtCO_2e$**. The increase witnessed in emissions is attributed to the inclusion of household and commercial waste to the assessment.

Hazardous Waste | **7,162 $mtCO_2e$**

GB Corp's service centers generate some industrial hazardous waste. During the year 2023, these service centers generated **13,765 tons** of hazardous waste, leading to indirect emissions of **7,162 $mtCO_2e$**.

Wastewater Treatment | **339 $mtCO_2e$**

Emissions associated with wastewater treatment are classified under Scope 3 emissions. In the reporting period, **GB Corp** produced an approximate volume of **733,139 m^3** of wastewater, representing 90% of its total water usage. This wastewater management process gave rise to emissions totaling **339 $mtCO_2e$**.

Business Travel — **534 $mtCO_2e$**

Air Travel | **399 $mtCO_2e$**

GB Corp's employees engaged in both international and domestic flights throughout the reporting period. In total, they covered a distance of **1,582,314 p.km**. The air travel contributed to indirect emissions totaling **399 $mtCO_2e$**, including well-to-tank (WTT) emissions.

All information regarding air travel, encompassing details such as number of passengers and destinations, was systematically recorded in **GB Corp's** database. It is vital to emphasize that when determining emissions associated with air travel, well-to-tank (WTT) emissions were taken into account. This approach allows us to comprehensively address the complete environmental consequences of air travel, encompassing not only emissions from the aircraft but also considering the upstream emissions related to the production and transportation of aviation fuel.

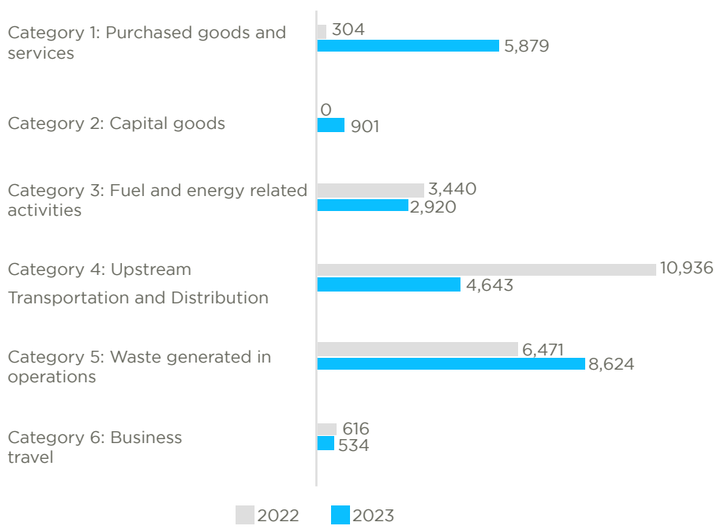
Hotel Stay | **135 $mtCO_2e$**

In 2023, **GB Corp's** employees collectively spent a total of **2,956 nights** in hotels, both inside and outside of Egypt. The majority of these nights, amounting to 2,317 were in Egypt, while the remaining 639 nights were outside Egypt. These hotel accommodations led to indirect emissions totaling **135 $mtCO_2e$**.

Within Scope 3 emissions, the highest emissions were attributed to waste generated in operations, accounting for **37%** of Scope 3 emissions, followed by purchased goods and services and upstream transportation and distribution, contributing to **25%** and **20%** of the total Scope 3 emissions, respectively. In addition, waste generated in operations emissions is **the second highest** emitting activity within all scopes with a percentage of **18%**.

Between the two years, purchased goods and services increased significantly in 2023 because of the wider scope of materials included in the assessment which now includes services and materials related to the production process rather than paper and consumables only.

Scope 3 Emissions Per Category Over the Years

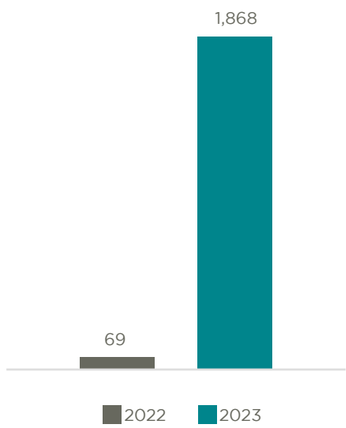


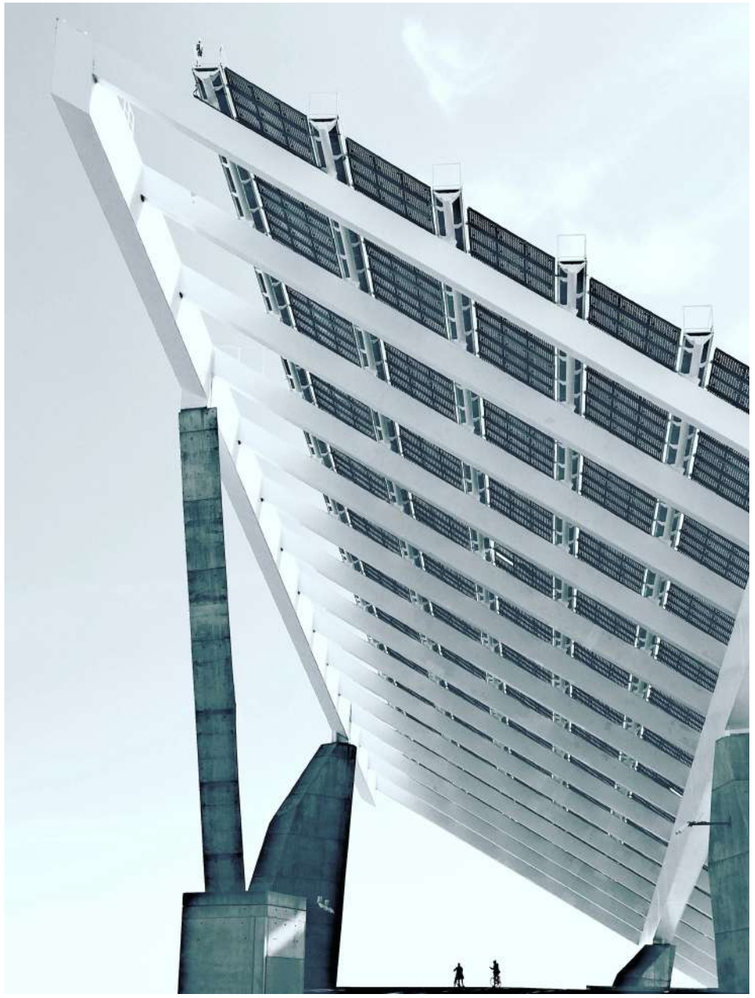
REDUCED EMISSIONS

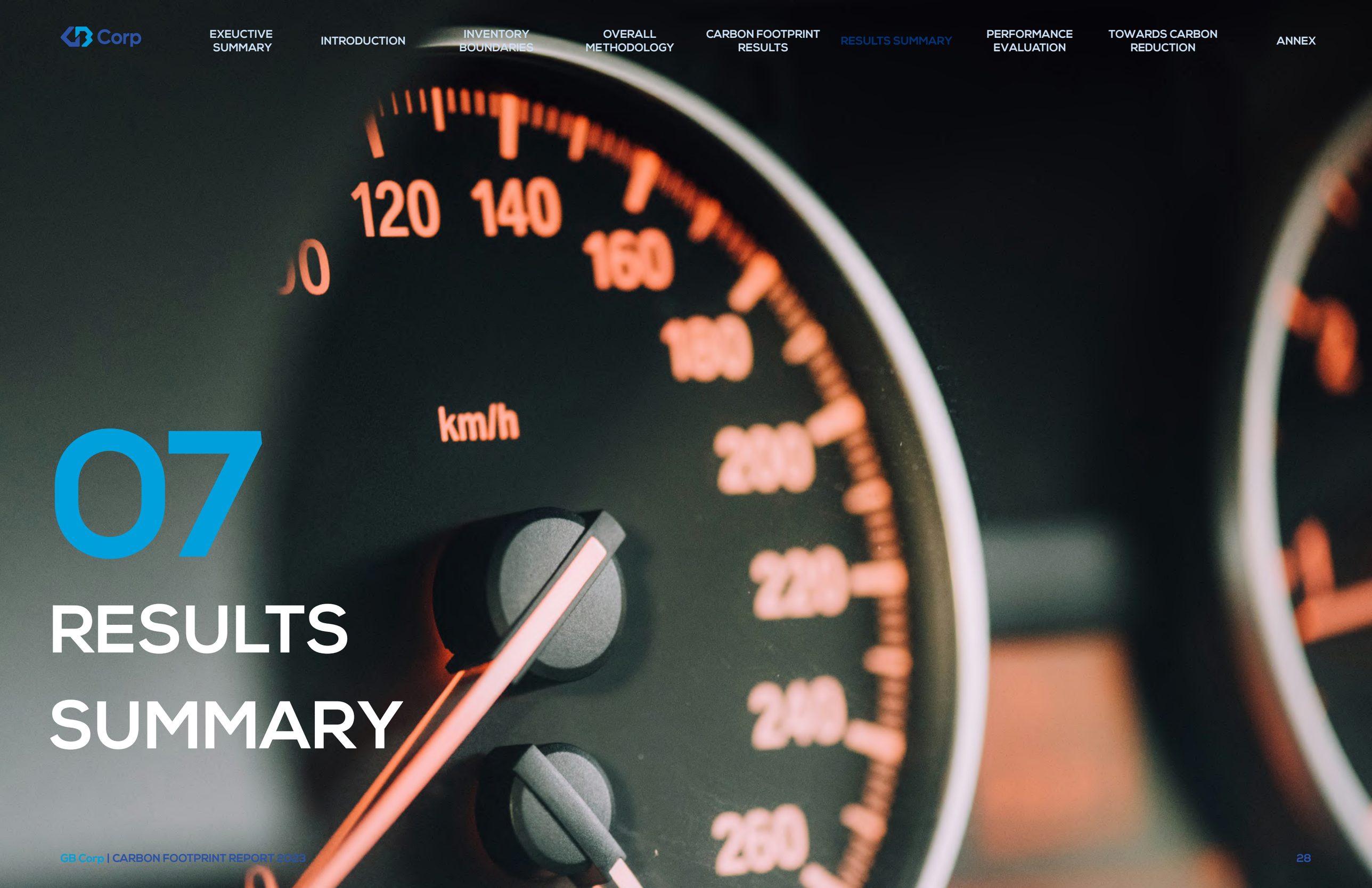
Renewable Energy | **1,868 $mtCO_2e$**

During the reporting year, 2023, Prima plant solar PV panel project worked with **40%** of its capacity and generated **4,072,200 kWh (representing 14% of total electricity consumption in 2023)**. This amount of electricity has been used in the factory itself to reduce the rely on electricity from the grid. This amount of generated electricity resulted in the avoidance of **1,868 $mtCO_2e$**. It is anticipated that the plant will be working with its full capacity in March 2024.

Reduced Emisions Over the Years







07

RESULTS SUMMARY

SCOPE 1 – DIRECT EMISSIONS ($mtCO_2e$)		2022 (BY)	2023	
Stationary Combustion	Fuel burning – Generators	1,281	708	26%
	Fuel burning – Natural Gas	1,998	966	
Mobile Combustion	Fuel burning – Owned vehicles	11,840	7,461	
Fugitive Emissions	Refrigerant Leakage	2,350	3,293	
Total Scope 1 ($mtCO_2e$)		17,469	12,428	
SCOPE 2 – INDIRECT EMISSIONS ($mtCO_2e$)		2022 (BY)	2023	
Purchased Energy	Purchased Electricity	12,186	11,590	24%
Total Scope 2 ($mtCO_2e$)		12,186	11,590	
Total Scope 2 & 1 Emissions		29,655	24,018	$mtCO_2e$
Scope 2 & 1 Carbon intensity (emissions per revenue)		0.995	0.849	$mtCO_2e$/M.EGP
SCOPE 3 – INDIRECT EMISSIONS ($mtCO_2e$)		2022 (BY)	2023	
Category1: Purchased Goods and Services	Water Use	216	206	50%
	Purchased goods & services	87	5,672	
Category 2: Capital Goods	Capital goods	-	901	
Category 3: Fuel and Energy-related Activities (not included in scope 1 and 2)	Transmission & Distribution Losses	-	811	
	Stationary Combustion (WTT)	619	325	
	Mobile Combustion (WTT)	2,821	1,785	
Category 4: Upstream Transportation & Distribution	Imports	10,936	4,643	
Category 5: Waste Generated in Operations	Solid Waste (including hazardous waste) and Wastewater Treatment	6,472	8,624	
Category 6: Business Travel	Air Travel + (WTT)	480	399	
	Hotel Stay	136	135	
Total Scope 3 ($mtCO_2e$)		**21,767**	**23,501**	
Total Scope 3 & 2 ,1 Emissions ($mtCO_2e$)		**51,422**	**47,519**	**$mtCO_2e$**
REDUCED EMISSIONS ($mtCO_2e$)		2022 (BY)	2023	
Renewable Energy	PV electricity generation	69	1,868	$mtCO_2e$

Note: Totals may not add up due to rounding.

2023
TOTAL
EMISSIONS
47,519
$mtCO_2e$

2023
REDUCED
EMISSIONS
1,868
$mtCO_2e$

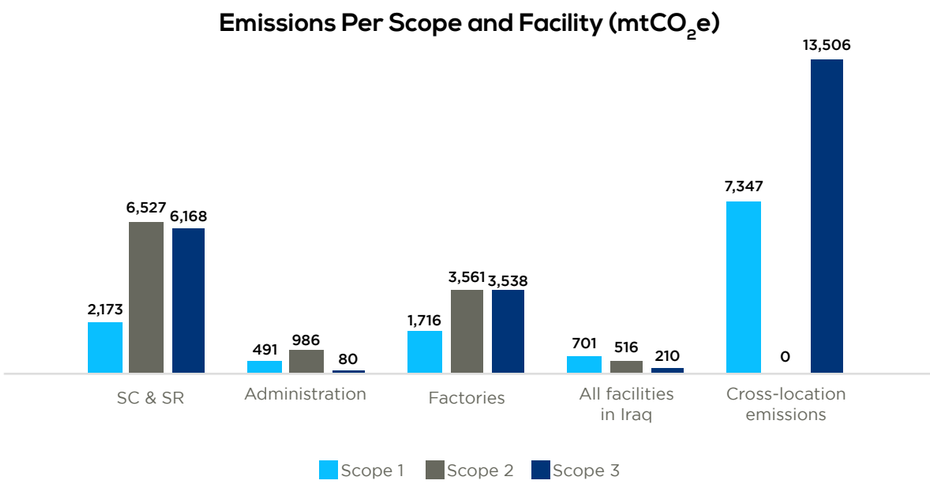
SCOPE 1 – Direct Emissions 12,428 $mtCO_2e$

SCOPE 2 – Indirect Emissions 11,590 $mtCO_2e$

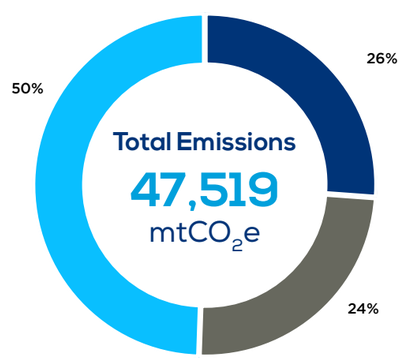
SCOPE 3 – Indirect Emissions 23,501 $mtCO_2e$

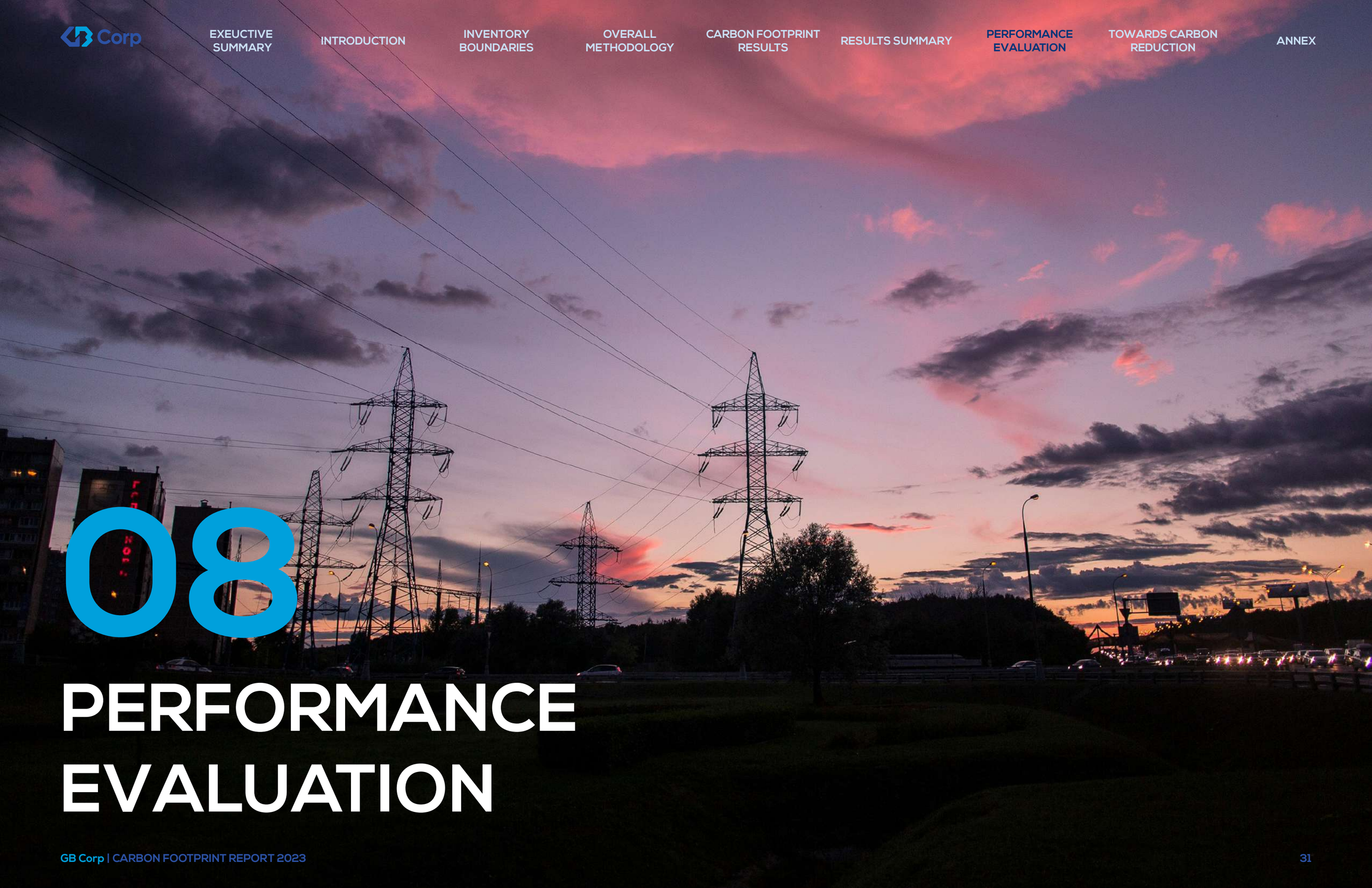
RESULTS SUMMARY

The chart below offers a comprehensive view of Scope 1, 2, and 3 emissions categorized by facility type. **Service centers and Showrooms** emerge as the most significant contributors, accounting for **31%** of total emissions. The cross-location emissions encompass emissions associated with various general categories such as **mobile combustion, purchased goods & services, capital goods, business travel, and upstream transportation and distribution.**



Scope 3 emissions represent the largest share of total emissions during the year 2023 with a percentage of **50%**, followed by scope 1 emissions with a percentage of **26%**.





08 PERFORMANCE EVALUATION

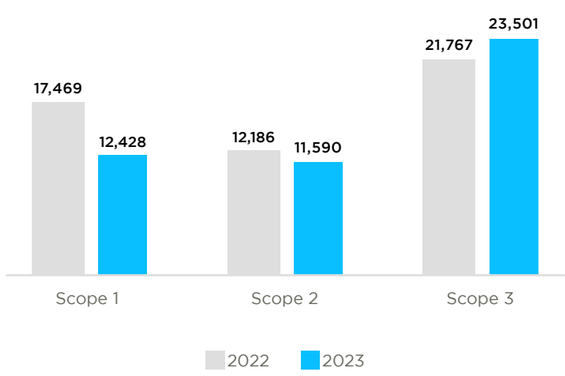
BASE YEAR & CARBON INTENSITY

Base Year

The base year represents a reference point in the past against which current emissions can be compared. The base year for **GB Corp's** carbon emissions is 2022., to which all future years will be referenced unless there is a change in boundary or methodology. In 2023, total absolute emissions **decreased** by **8%** compared to the base year. This reduction is primarily due to lower production figures in 2023 compared to 2022.

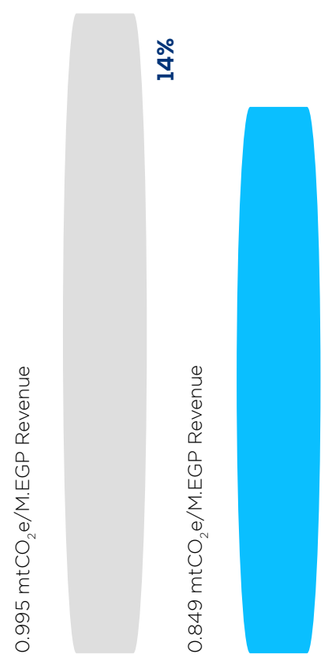
	2022 BY	2023	Difference
Scope 1	17,469	12,428	↓ 29
Scope 2	12,186	11,590	↓ 5
Scope 2+1	29,655	24,018	↓ 19
Scope 4	21,767	23,501	↑ 8
Total	51,422	47,519	↓ 8

Absolute Emissions Per Scope Over the years ($mtCO_2e$)



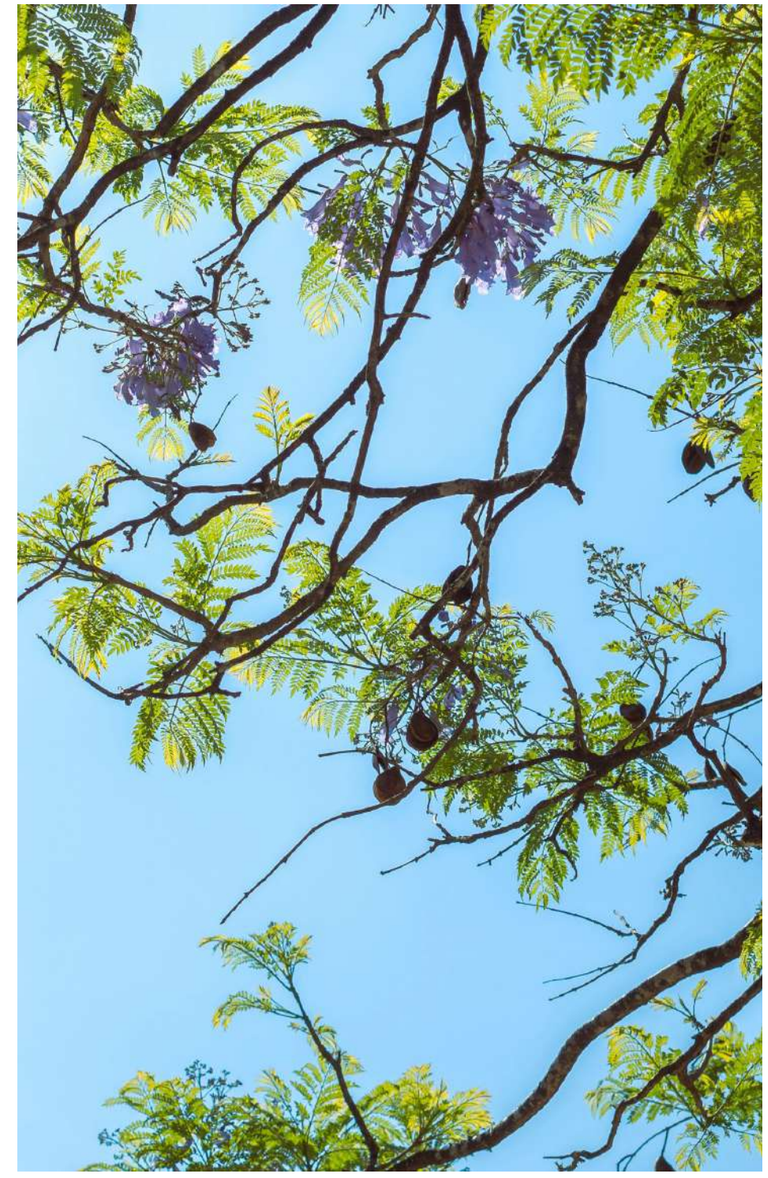
Carbon Intensity

A carbon intensity is the emissions rate of a greenhouse gas relative to a specific metric, or an industrial production process. The carbon intensity used in **GB Corp's** assessment is the ratio of GHG emission emitted to the total revenues of the company. This would aid in understanding and analyzing the company's performance relative to the base year. **GB Corp's** carbon intensity for 2023 is **0.849 $mtCO_2e$ per million EGP of revenue**, representing a **14% reduction** from 2022, the base year. This reduction is primarily attributed to the decrease in Scope 1 and Scope 2 absolute emissions.



2023
CARBON INTENSITY*
0.849
$mtCO_2e$/M.EGP Revenue

* Scope 1 & 2 Emissions Intensity



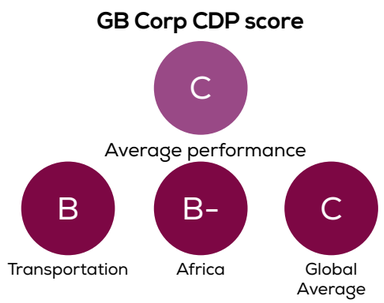
CDP PERFORMANCE & ACHIEVEMENT

Reflection on Our CDP Climate Change Data Disclosure Journey

In our ongoing commitment to transparency and environmental stewardship, this signifies **the second consecutive year** of our involvement in disclosing climate change data through CDP. This section highlights our progress and achievements in the CDP's rigorous evaluation process. Our participation in the CDP reflects our dedication to reducing our environmental impact and enhancing our sustainability practices. Through continuous efforts and strategic initiatives, GB Corp strives to surpass global, regional, and industry benchmarks, reinforcing our position as a responsible company.

Climate Change Questionnaire – 2023 Disclosure Cycle

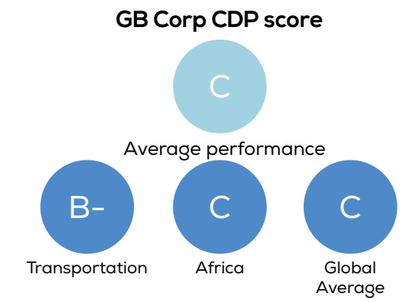
We take pride in announcing that our efforts have resulted in a **C score (Awareness Level)** in CDP's 2023 Climate Change questionnaire, based on the data we provided for 2022. This score aligns with the global average, although it is lower than the industry and regional averages. We are committed to enhancing our sustainability practices, which will, in turn, improve our CDP score.
Our CDP submission is accessible to investor signatories and anyone interested in delving deeper into our environmental performance. We consider this transparency a crucial aspect of our sustainability initiatives, offering stakeholders valuable insights into our climate-related efforts.

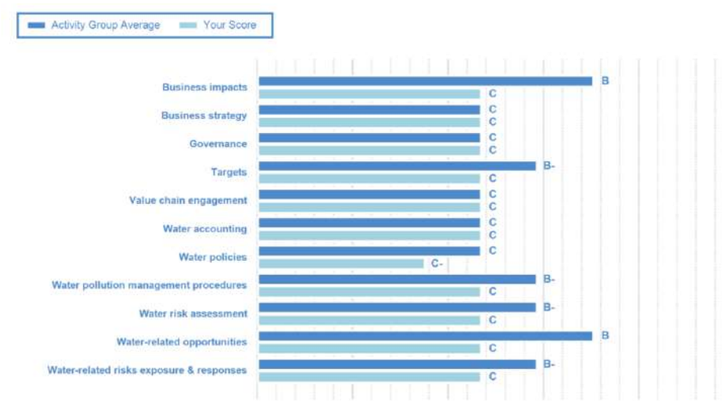


The charts below show our score of each CDP section in the climate change questionnaire against the benchmark score.

Water Security Questionnaire – 2023 Disclosure Cycle

In our first CDP disclosure for the water security questionnaire, we achieved a **C score (Awareness Level)**, which aligns with the global and regional averages. We are committed to enhancing our water accounting system, which will lead to an improved CDP score.





REDUCTION TARGETS

The momentous Paris Agreement of 2015 marked an unprecedented global consensus, uniting almost 200 nations. This accord established ambitious objectives to cap the rise in global temperatures, aiming to keep it well below 2 degrees Celsius above pre-industrial levels, with an even more stringent goal of limiting the increase to 1.5 degrees Celsius. The Intergovernmental Panel on Climate Change (IPCC) underscored the paramount importance of staying below the 1.5-degree threshold to avert disastrous climate change consequences.

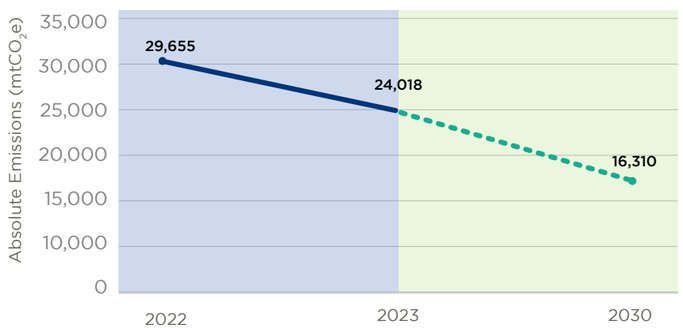
Recognizing the pressing necessity to shift toward a low-carbon economy, **GB Corp** has adopted targets in line with the worldwide objective of constraining temperature increments. **GB Corp** is committed to ensuring that its operations and resulting emissions align with the global objective of containing temperature increases to no more than 1.5 degrees Celsius. This corresponds to the safe limit for temperature elevations outlined by the IPCC, taking pre-industrial levels as a reference point.

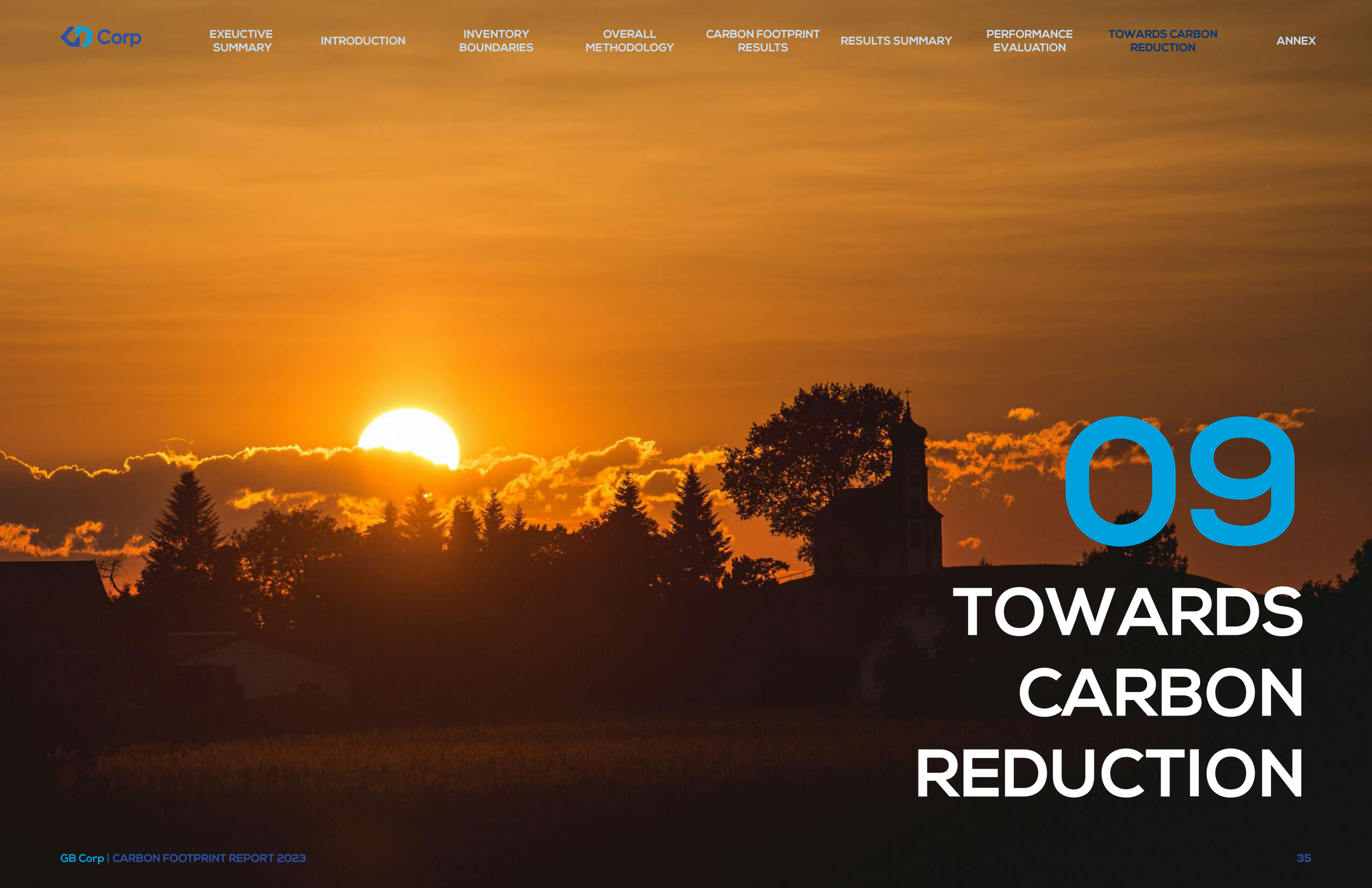
In its pursuit of the 1.5-degree temperature target, **GB Corp** is resolutely dedicated to establishing unambiguous emission reduction objectives, with a set target achievement date of 2030. Since 2022 signifies **GB Corp's** base year, reduction targets have been set in reference to it. GB Corp is unwavering in its commitment to realizing the subsequent absolute reduction goals. In 2023, **GB Corp** Scope 1 & 2 emissions witnessed a notable decrease of **19%**. This reduction represents 42% of the targeted reduction.

Scope	Base year 2022	Reporting year 2023	Target year 2030	% Reduction	Actual Reduction
Scope 1 & 2	29,655	24,018	16,310	45%	↓19%

These objectives mirror **GB Corp's** resolute commitment to actively address climate change and move toward a sustainable tomorrow. Through the establishment of these reduction targets, **GB Corp** strives to make a meaningful contribution to the worldwide initiatives aimed at combatting climate change. Simultaneously, these goals serve as a tangible demonstration of **GB Corp's** dedication to environmental stewardship and the practice of responsible business operations.

Scope 1 and 2 Absolute Emissions 2022 - 2030





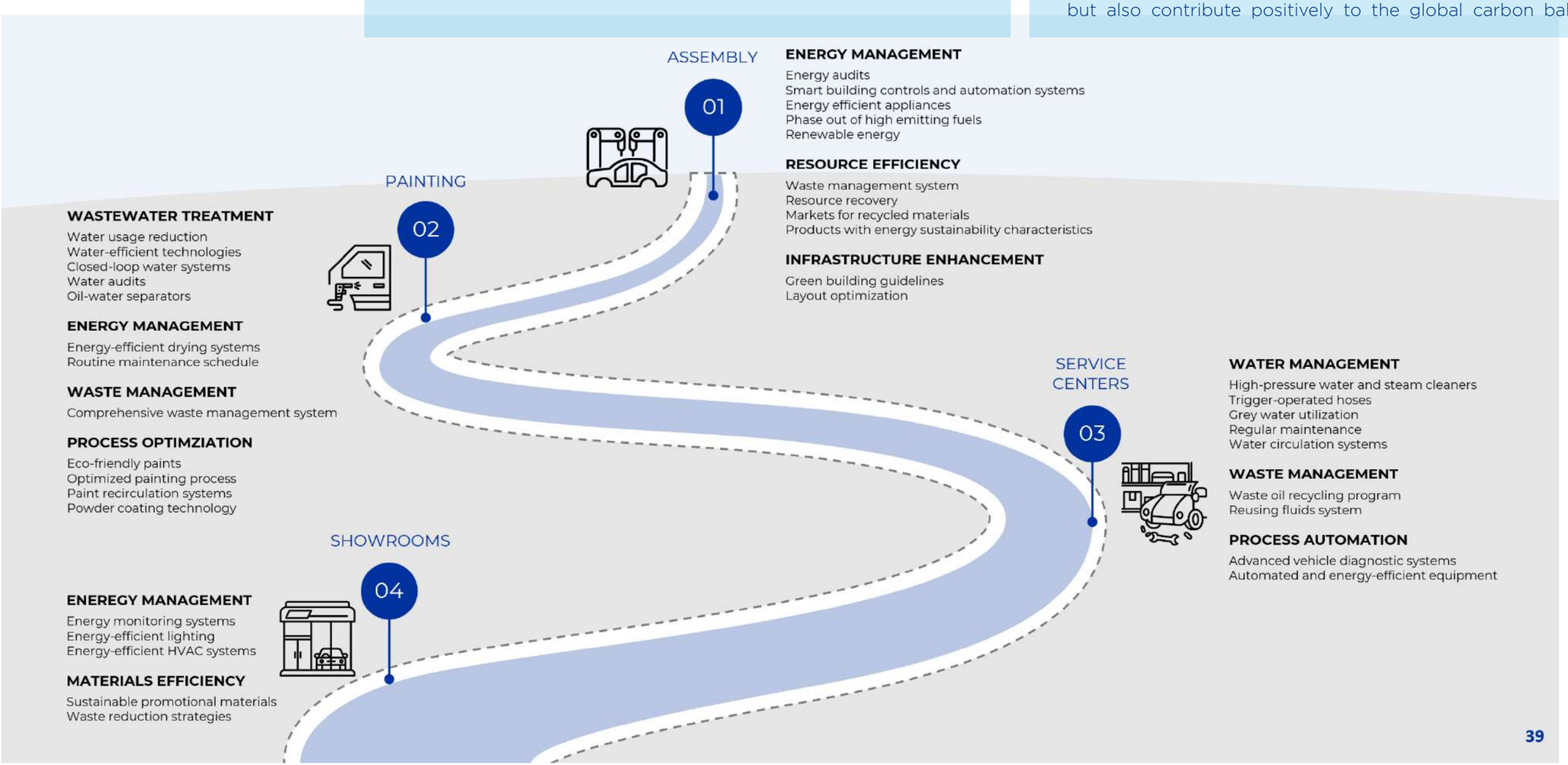
09

TOWARDS CARBON REDUCTION

TOWARDS CARBON REDUCTION

In our pursuit of environmentally responsible practices, GB Corp has undertaken a comprehensive study aimed at identifying key elements that serve as catalysts for industrial decarbonization within our sector. This strategic initiative reflects our commitment to not only meet but exceed global environmental standards. To operationalize our commitment to carbon reduction, GB Corp has crafted a preliminary plan that revolves around four key operational pillars—assembly, painting, service centers, and showrooms—which collectively represent the end-to-end process, from car manufacturing to its placement in showrooms.

Additionally, overarching organizational actions will be implemented to ensure a holistic and company-wide approach to carbon reduction. We actively monitor and manage data to track and optimize our environmental impact. Our supply chain management practices prioritize sustainability, collaborating with suppliers who share our commitment to reducing carbon emissions. Through awareness programs, we empower our workforce to champion sustainability in every aspect of their roles. Additionally, GB Corp invests in carbon offsetting initiatives, reinforcing our dedication to not only reduce our own emissions but also contribute positively to the global carbon balance.



TOWARDS CARBON REDUCTION

ORGANIZATIONAL ACTIONS

	Data Monitoring	Supply Chain Management	Sustainability Awareness	Carbon Offsetting
PLAN	• Establish **an Environmental and Social management system (ESMS).** • Develop an advanced **digital platform** for sustainable management that enables real-time tracking of various resource consumptions such as electricity, water, generators, and more, with the capability to take corrective actions in the event of overuse or excessive consumption.	• **Collaborate** with suppliers to adopt sustainable and low-carbon practices, ensuring that the entire supply chain contributes to carbon reduction goals. • Investigate **sustainable transportation means** to deliver raw materials from other countries to Egypt. • Engage in green procurement by sourcing products and services from suppliers with strong environmental credentials, supporting sustainable and ethical practices.	• Provide **training and awareness** programs for employees on sustainable practices, encouraging environmentally conscious behavior. • **Collaborate** with industry peers, government agencies, and NGOs to advocate for policies and initiatives that promote sustainability and carbon reduction within the automotive sector. • 90% of customers outreached with sustainability and safety messaging annually.	• Participate in **carbon offset** programs to compensate for unavoidable emissions by investing in projects that reduce or capture greenhouse gases.
PROGRESS	• GB Corp currently working on implementing an internal corporate-wide **environmental and social management system**, covering C-level guidelines and policies. • GB Corp will establish **an ESG Committee** that will oversee and monitor the integration of ESG factors across other committees' business activities, including the Audit Committee.	• GB Corp has launched **the Suppliers Gate portal** for monitoring and controlling our suppliers' operations, assessing their capabilities, and as a result, integrating them in the company's database. • All suppliers are assessed against GB Corp's **supplier selection criteria** which currently incorporates both social and environmental criteria. • At GB Corp we have invested in high levels of digitalization to **decrease paper consumption,** in 2023 we successfully abated the usage of **1.7 million pieces of paper.**	• **An annual workshop** on sustainability including top significant ESG topics related to GB Auto's business operations, is conducted to our service personnel to ensure they are up to date with the latest trends and technologies. • GB Corp uses multiple channels to ensure **customer outreach**, including social media, in-house developed websites and applications, as well as after-sales services. All our customers (across all product lines) are well informed of proper maintenance and fuel **efficiency measures** by our professionally trained after-sales personnel. We are working on integrating additional **sustainability measures** within our messaging and outreach.	• GB Corp is investigating the possibility of **investing** in projects that reduce/ remove GHG emissions.

TOWARDS CARBON REDUCTION

ASSEMBLY

	Energy Management	Resource Efficiency	Infrastructure Enhancement
PLAN	• Conduct comprehensive energy audits and develop **an energy management system** in accordance with **ISO 50001.** • Implementation of smart building controls and automation systems. • The installation of **energy efficient** appliances, including **HVAC systems**, lighting, and production machinery, can significantly reduce electricity and energy demands. • Phase out high emitting fuel and shift towards more **environmentally friendly one**. • Investigating the viability of installing on-site **solar panels** or **wind turbines** can facilitate the generation of clean energy, diminish dependence on fossil fuels, and reduce carbon emissions	• Conduct waste management system and reduce process **waste**. • End-of-life disassembly, reverse logistics, and battery and other materials recycling to enable **resource recovery** and close material loops. • Develop **markets** for recycled materials. • Develop products with enhanced **sustainability characteristics.**	• Creating and incorporating **green building guidelines** that encompass refurbishment strategies, like insulation and draught proofing, as well as the installation of self-closing mechanisms in doors to prevent heat gain and energy consumption. • **Optimize** the **layout** of the manufacturing plant to reduce unnecessary material movements and transportation, improving overall energy efficiency.
PROGRESS	• **Prima Plant, Sadat** and **Badr** are in the process of attaining the **ISO 50001** certification. A number of engineers have received a preparatory training course and got certified on the proper implementation of the standard's requirements. • GB Corp's total **energy consumption** across its manufacturing facilities has **decreased** by **20%** compared to 2022 mainly due to decrease levels of production. • The **PV power station** at **Prima** facility is currently operating at approximately **40%** of its capacity and is anticipated to reach **full capacity** by **March 2024**. Throughout **2023**, the **PV** power station generated **4,072,200 kWh** of electricity, accounting for approximately **42%** of the total electricity consumption at the **Prima facility** and around **1%** of total electricity consumption in 2023. • **El Sadat and Badr plants** are **in the process** of installing **solar PV** panels which are scheduled for operation in 2024 with capacities of **1.5 and 0.419 MWp,** respectively. Collectively, the two plants are anticipated to avoid **1,400 mtCO_2e** of emissions. • GB Corp has worked to phase out diesel, and now we have completely **eliminated diesel** usage across **2** out of 5 factories.	• GB Corp implements **safe material** handling procedures and is developing criteria for prioritizing **sustainable material selection.** • GB Corp has developed a complete inventory of all input materials and chemicals used across its manufacturing activities. • GB Corp recycles **nonhazardous waste** to a high extent exceeding **93%** at each plant, extending the life cycle of materials. This is facilitated by our relationship with a range of traders ready to handle any types of scraps. In **2023**, we managed to recycle around **69%** of total non-hazardous waste generated across our reporting boundaries. • All scrap and by-products from GB Corp's manufacturing operations are either **reused** or **recycled**. Other waste streams will be further assessed for diversion as part of the **waste management system** that is currently being developed across all business sites. • Successfully **completed** and **operated** the **wastewater treatment** facility at **Badr** and **Sadat**. • GB Corp is currently working with its corporate sustainability consultants on developing proper **guidelines** and **procedures** for conducting a **circularity assessment** across its business sites.	• GB Corp is currently studying the possibility of certifying its **new facilities** to green building certifications such as **EDGE and LEED.** • GB Corp shall develop an inventory of all facilities and select some of them with the potential to acquire a **green building certification.**

TOWARDS CARBON REDUCTION

PAINTING

	Wastewater Management	Energy Management	Waste Management	Process Optimization
PLAN	• Optimize manufacturing processes to **minimize water usage** and decrease wastewater generation, incorporating **water-efficient** technologies for sustainable water management. • Achieve **zero wastewater discharge** from our manufacturing processes by **2030.** • Establish **closed-loop water systems** within the facility to continuously circulate and reuse water, thereby reducing the reliance on fresh water and minimizing wastewater generation. • Conduct regular **water audits** and monitoring to track usage, identify inefficiencies, and implement continuous improvement measures in wastewater management. • Install **oil-water separators** to efficiently remove oil and grease from wastewater, preventing their discharge into the environment and enabling proper disposal or recycling.	• Upgrade **drying systems** to **energy-efficient** alternatives, such as infrared or high-velocity air drying, to reduce energy consumption during the curing process. • Implement **a routine maintenance** schedule for painting equipment to ensure optimal performance and reduce the likelihood of energy inefficiencies.	• Establish a comprehensive **waste management system** for paint-related materials, including proper disposal or recycling of paint cans, solvents, and other waste.	• Explore and transition to the use of **eco-friendly paints** with reduced impact on the climate. • Upgrade to **high-efficiency paint booths** and **optimize** the painting process to minimize paint wastage, overspray, and unnecessary energy consumption. • Implement **recirculation systems** to capture and filter excess paint for reuse, reducing both material and energy waste. • Explore the use of **powder coating technology** as an alternative to traditional liquid paint, as it often requires less energy and produces fewer emissions.
PROGRESS	• Successfully **completed** and **operated the wastewater treatment** facility at **Badr** and **Sadat**	• GB Corp is **investigating** the available options to reduce the emissions from painting equipment.	• GB Corp is developing **a waste management system** for all business sites and manufacturing facilities.	• GB Corp is **investigating** the available options to reduce the emissions from painting process.

TOWARDS CARBON REDUCTION

SERVICE CENTERS

PLAN

Water Management

- Employ **high-pressure water and steam cleaners** for more efficient use of water in cleaning.
- Utilize **trigger-operated hoses** to prevent water wastage when hoses are left on.
- Utilize **grey water** from various areas for environmentally conscious practices.
- Conduct **regular maintenance** of car wash equipment every three months to ensure efficient water usage.
- Explore **water circulation** systems to optimize water utilization within your operations.

Waste Management

- Implement a **waste oil recycling** program to properly dispose of and recycle used oils generated during maintenance activities.
- Implement efficient systems for **recycling and reusing fluids** like antifreeze, transmissions fluid, and brake fluid, reducing waste and minimizing environmental impact.

Process Optimization

- Implement advanced **vehicle diagnostic systems** that utilize automation to identify issues, reducing the time vehicles spend idling and emitting unnecessary pollutants quickly and accurately.
- Invest in **automated and energy-efficient equipment,** such as computerized numerical control (CNC) machines and energy-efficient lighting, to reduce energy consumption and associated emissions during repair and maintenance processes.

SHOWROOMS

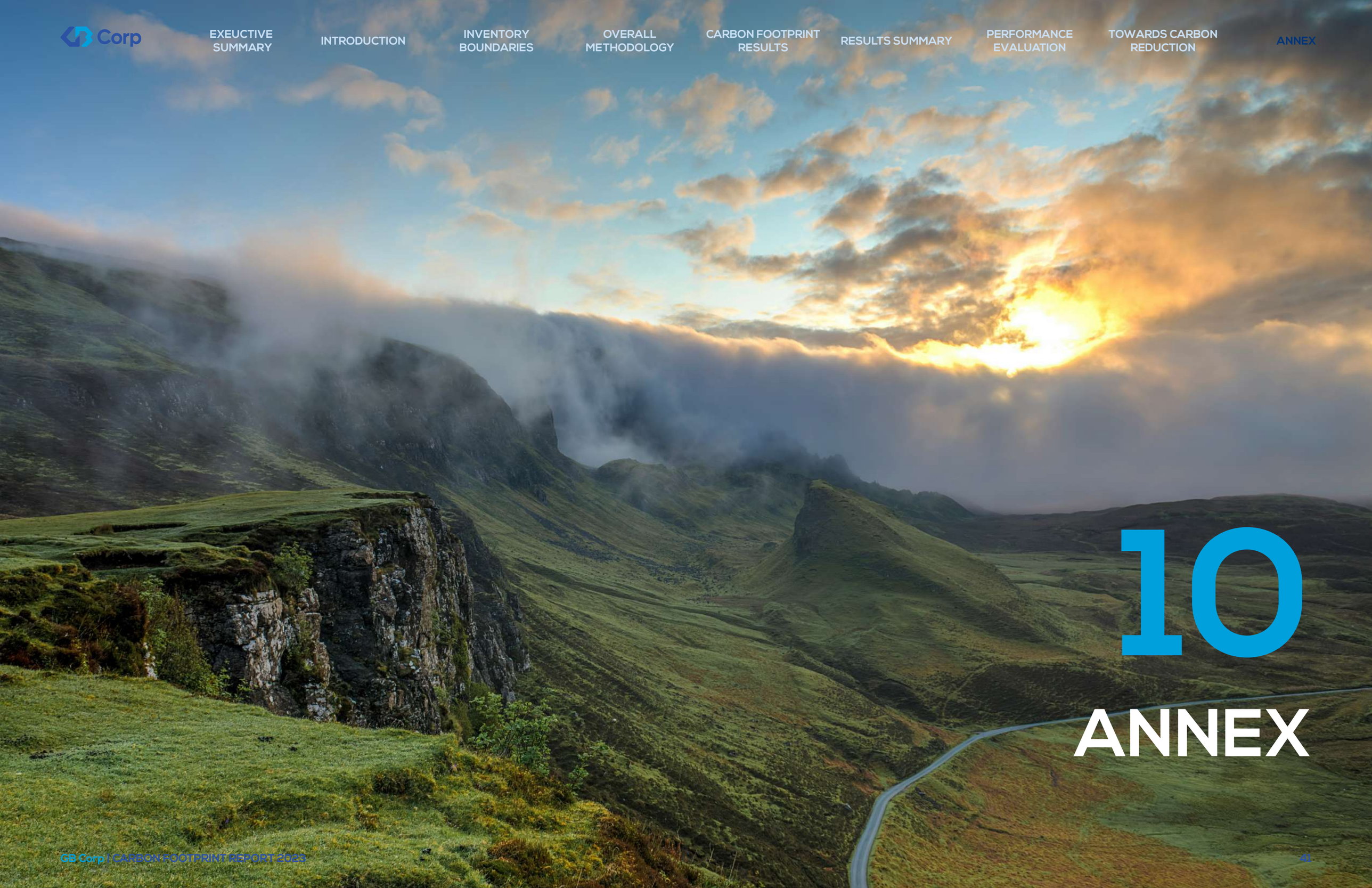
PLAN

Energy Management

- Implement advanced **energy monitoring systems** to track and analyze energy consumption patterns.
- Upgrade showroom lighting to energy-efficient LED systems, reducing electricity consumption and associated emissions.
- Upgrade to **energy-efficient** heating, ventilation, and air conditioning **(HVAC)** systems to reduce energy consumption and minimize the carbon footprint associated with it.

Materials Efficiency

- Use **sustainable** and **recyclable materials for promotional** and merchandising items within showrooms.
- Implement **waste reduction strategies** and establish recycling programs for materials used within the showroom, promoting a circular economy.



10 ANNEX

DEFINITIONS

Base year
A base year is a reference year in the past with which current emissions can be compared. To maintain consistency and comparability with future carbon footprints, base year emissions need to be recalculated when structural changes occur in the company that change the inventory boundary (such as acquisitions or divestments). If no changes to the boundaries of the inventory happen, the base year is not adjusted.

Carbon footprint
The amount of Carbon Dioxide that an individual, group, or organization lets into the atmosphere in a certain time frame.

CO_2e
Carbon dioxide equivalent or CO_2 equivalent, abbreviated as CO_2e, is a metric used to compare the emissions from various GHGs based on their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

Directemissions
Greenhouse gas emissions from facilities/sources owned or controlled by a reporting company, e.g., generators, blowers, vehicle fleets.

Emission factors
Specific value used to convert activity data into greenhouse gas emission values.

Fugitive emissions
Fugitive emissions are emissions of gases or vapors from pressurized equipment due to leaks and other unintended or irregular releases of gases, mostly from industrial activities. Besides the economic cost of lost commodities, fugitive emissions contribute to air pollution and climate change.

GHG protocol
Greenhouse Gas Protocol is a uniform methodology used to calculate the carbon footprint of an organization.

GWP
Global Warming Potential is an indication of the global warming effect of a greenhouse gas in comparison to the same weight of carbon dioxide.

Indirect emissions
Greenhouse gas emissions from facilities/sources that are not owned or controlled by the reporting company, but for which the activities of the reporting company are responsible, e.g., purchasing of electricity.

Kyoto protocol
It operationalizes the United Nations Framework Convention on Climate Change by committing industrialized countries to limit and reduce greenhouse gases (GHG) emissions in accordance with agreed individual targets.

Operational boundary
Determination of which facilities or sources of emissions will be included in a carbon footprint calculation.

Determination of which business units of an organization will be included in a carbon footprint calculation.

Refrigerant
A refrigerant is a substance or mixture, usually a fluid, used in a heat pump and refrigeration cycle.

Scope 1
Direct emissions from sources that are owned or controlled by the reporting entity (i.e., any owned or controlled activities that release emissions straight into the atmosphere).

Scope 2
Indirect emissions associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by the company.

Scope 3
Indirect emissions resulting from other activities that are not covered in scope 1 and 2. This includes transport fuel used by air business travel, and employee-owned vehicles for commuting to and from work; emissions resulting from courier shipment; emissions from waste disposal, etc.

DATA SOURCES AND QUALITY

The carbon footprint calculations rely on data sourced from GB Corp's database. Data quality has been assessed and is presented below. Data quality is categorized into three levels, which aid in identifying potential areas for improvement in each activity. Types of data used include:

- **Primary data:** data taken from documents that are directly linked to the assessment, such as electricity invoices, to calculate emissions caused due to electricity.
- **Secondary data:** such as databases, studies, and reports.
- **Assumptions:** assumptions made based on internationally recognized standards and studies.

Good, no changes recommended.

Satisfactory, could be improved.

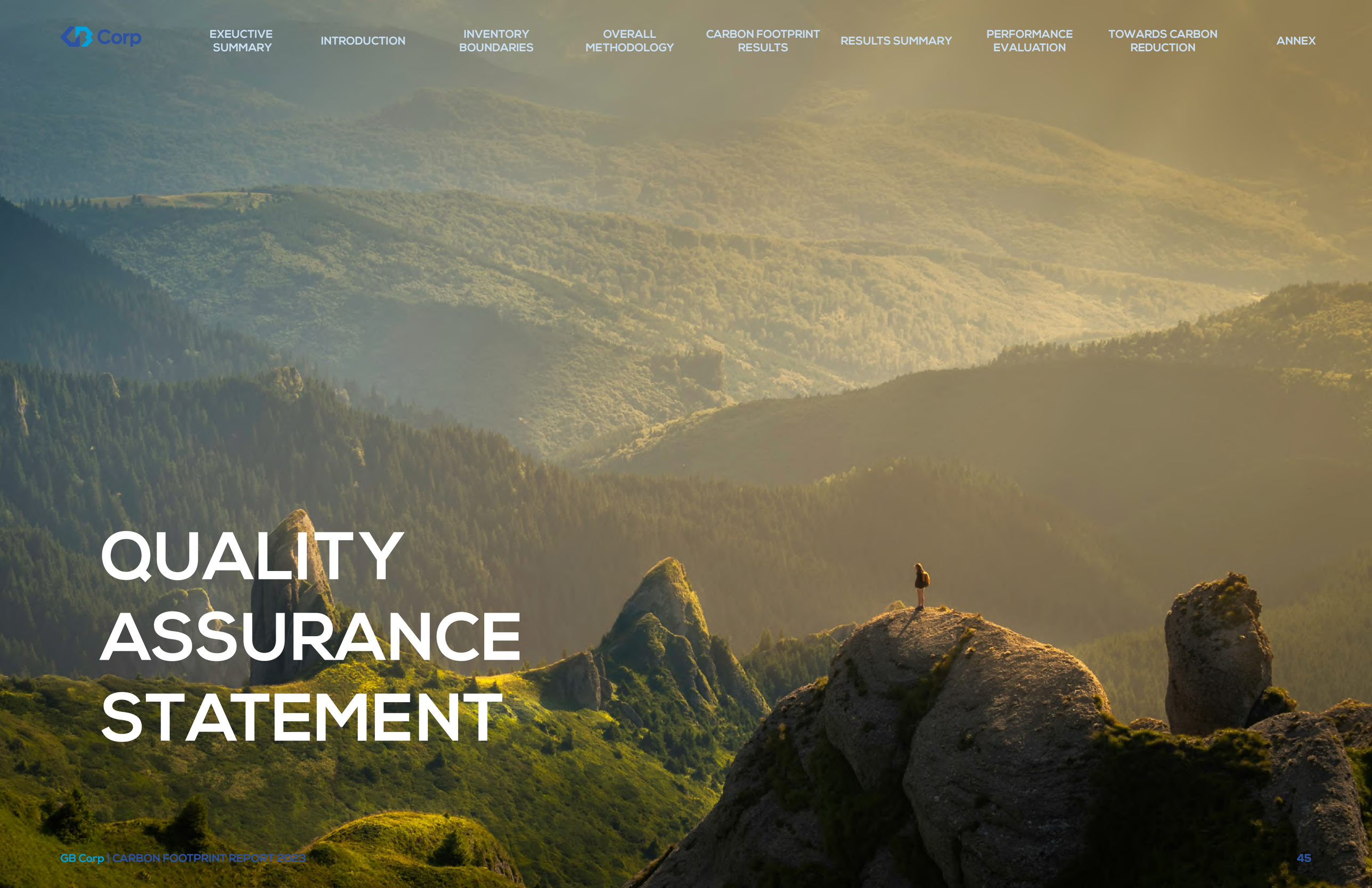
Weak, priority area for improvement.

Activity		Data	Units	Resolution
SCOPE 1				
Stationary Combustion	Diesel fuel	266,247	Liters	Data received monthly per facility
	Natural Gas fuel	470,404	m^3	Data received monthly per facility
Mobile Combustion	Petrol fuel	584,581	Liters	Data received annually per vehicle
	Diesel fuel	2,283,876	Liters	Data received annually per vehicle
	Distance	102,000	km	Data received annually per vehicle
Fugitive Emissions	Refrigerants	2,012	kg	Data received annually per facility
Scope 2				
Purchased Energy	Electricity	24,673	MWh	Data received monthly per facility
Scope 3				
Purchased goods and services	Water use	814,599	m^3	Data received monthly per facility based on average EGP values
	Purchased goods & services	Confidential	USD	Data received as monetary amount spent per item
Capital Goods	Capital goods	Confidential	USD	Data received as monetary amount spent per item
Upstream Transportation & Distribution	Imports	206,140,679	Ton.km	Data received as total mass in transport between different ports
Waste generated in operations	General waste	6,689	tons	Data received as weight of waste per year
	Hazardous waste	13,765	Tons	Data received as weight of waste per year
	Wastewater treatment	733,139	m^3	Data assumed to be %90 of water use
Business travel	Air travel	1,686,294	p.km	Data received as number of tickets per destination
	Hotel stays	2,956	Nights	Data received as number of nights per country

Relevancy And Exclusions

The following table describes the GHG emissions sources that were excluded from GB Corp GHG inventory due to several reasons, including: lack of data, and data that is beyond GB Corp's operation and control and hence considered technically infeasible to attain. The exclusion rationale per activity has also been specified. This assessment covers GB Auto operations in Egypt and Iraq, GB Corp's administration buildings, in addition to certain activities related to our remaining subsidiaries.

#	Activity	Description	Emissions $mtCO_2e$	Status
1	Purchased goods and services	This encompasses water usage as well as the procurement of goods and services, including office supplies, various automotive components, interior design and engineering services, and advertising agency services, among others.	5,879	Relevant, calculated
2	Capital goods	This includes emissions from embodied carbon in the properties purchased by GB Corp, such as electronics, motor vehicles supplies, industrial machinery, etc..	901	Relevant, calculated
3	Fuel and energy related activities (Not included in Scope 1 and 2)	Includes Well-to-tank emissions from fuel burning in generators and owned vehicles. In addition to electricity transmission and distribution losses.	2,920	Relevant, calculated
4	Upstream transportation and distribution	Transportation from GB Corp upstream supply chain, which includes imports of raw materials.	4,643	Relevant, calculated
5	Waste generated in operations	Includes emissions from the transportation of solid waste and the landfill emissions from the disposed waste. In addition to wastewater treatment emissions.	8,624	Relevant, calculated
6	Business travel	Includes emissions from air travel and hotel stays.	534	Relevant, calculated
7	Employee commuting	The majority of GB Corp's employees use company-owned vehicles for their daily commute. A smaller portion uses other means of transportation, the relevance of which will be assessed in future years.	-	Not evaluated
8	Upstream leased assets	No data was available to enable the assessment of this category's emissions.	-	Not evaluated
9	Downstream transportation	Calculated under scope 1, as the transportation of the final products from the factories to the warehouses, and/or show rooms takes place using GB Corp's owned fleet.	-	Not relevant, explanation provided
10	Processing of sold products	This category is not relevant to GB Corp's business as GB Corp does not produce any intermediate products.	-	Not relevant, explanation provided
11	Use of sold products	This should include emissions from the use of sold vehicles.	-	Relevant, not yet calculated
12	End of life treatment of sold products	This category is not yet embraced in the calculations but could include end of life treatment of sold vehicles and spare parts.	-	Relevant, not yet calculated
13	Downstream leased assets	No data was available to enable the assessment of this category's emissions.	-	Not evaluated
14	Franchises	GB Corp does not franchise any of its operations.	-	Not relevant, explanation provided
15	Investments	Emissions resulting from financial activities and/or projects financed by GB Corp.	-	Relevant, not yet calculated



QUALITY ASSURANCE STATEMENT

QUALITY ASSURANCE STATEMENT

To GB Corp's Board of Directors',

We have been appointed by GB Corp to conduct carbon footprint calculations pertaining to GB Corp's operational activities for the period from 1st of January 2023 to the 31st of December 2023. The Scope covered GB Corp's operations in their owned and controlled facilities across Egypt and Iraq; this included service centers, showrooms, factories, admin buildings, warehouses, and outlets.

AUDITORS' INDEPENDENCE AND QUALITY CONTROL

We adhere to integrity, objectivity, competence, due diligence, confidentiality, and professional behavior. We maintain a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

AUDITORS' RESPONSIBILITY

In conducting the carbon footprint calculations, we have adopted the Greenhouse Gas Protocol Guidelines, IPCC Guidelines for Greenhouse Gas Inventories and the ISO 14064-1:2018 specification with guidance at the organization level for quantification and reporting of GHG emissions and removals.

It is our responsibility to express a conclusion about the quality and completeness of the primary data collected/ provided by GB Corp. We have performed the following quality assurance/ quality control tasks:

- Several rounds of data requests were performed whenever the received information was not clear;
- All data presented in this report were provided by the reporting entity and revised and completed by our technical teams;
- For data outliers, meetings were held to investigate the accuracy of the data and new data was provided when requested;
- Any gaps, exclusions and/or assumptions have been clearly stated in the report.

CONCLUSION

Based on the aforementioned procedures, nothing has come to our attention that would cause us to believe that GB Corp's raw data used in the carbon footprint calculations have not been thoroughly collected, verified, and truly represent GB Corp's resource consumption in the reporting period related to all categories/aspects identified in this report. We do not assume and will not accept responsibility to anyone other than GB Corp for the provided assurance and conclusion.

Abdel Hamid Beshara

ENVIRONMENTAL AND ENERGY SERVICES S.A.E C.R. 81672 Tax No. 492-707-389 MASADER

Dr. Abdelhamid Beshara, Founder and Chief Executive Officer

MASADER, ENVIRONMENTAL & ENERGY SERVICES S.A.E CAIRO,
August 2024

environmental & energy services masader

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ABOUT MASADER

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

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