

**BAVARIAN AUTO GROUP**

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Driving for Better Future



# CSR ANNUAL REPORT

## FY 2012

**“Putting Principles into Practices”**

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**Deputy General Manager for CSR**

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## 1. MESSAGE FROM THE CHAIRMAN

Bavarian Auto Group creates and proposes new values to society. With its “Social Engagement” management philosophy, Bavarian Auto strives to be a responsible and integral member of society while sharing common values. Our basic idea has always been that a win-win relationship with the various stakeholders involved—i.e., customers, shareholders, vendors, employees, and local communities—will allow us to achieve sustainable growth and create new value through our business.



Our corporate slogan, “Driving for Better Future,” symbolizes our corporate desire to achieve our goals and build a better future with all stakeholders. In May 2010, I signed a statement declaring that we will support and implement the 10 principles of the Global Compact in the four areas of human rights, labor standards, the environment, and anticorruption. Thus, Bavarian Auto becomes a participant in Global Compact. We are committed to making the global compact and its principles part of the strategy, culture and day-to-day operations of our Group and to clearly stating this commitment to our employees, partners, clients and the public. Also, we espouse public accountability and transparency and will report our progress publicly.

From the first moment of establishing BAG in 2003, we started our social contribution activities by established NGO called Awaliaa Elgaleel work actively now in different area to provide the need people with the basic life requirments. The role of our NGO become more important after January 2011 revolution since Egyptian economy passed hard time which lead to more pressure on our social life.

In Bavarian Auto we believe the hurmans are our main assets and stakholders so providing a comfortable working environment for all employees supported by labour policy respected by all BAG members is continuous target. We have also regional training academy provides technical and soft skills training for our employees and the whole society to develop the knowledge in the area around our business.

Also we are against corruption in our procurement and sales operations. We committed to provide clean business environment with our stakeholders specially suppliers and customers.

Farid El-Tobgui  
Chairman  
May 1, 2013

## 2. BAG SHORT PROFILE

<b>Company Name:</b>	Bavarian Auto Group
<b>Established:</b>	March 2003
<b>Head Office:</b>	Qattamia, Ring Road; Maadi – Heliopolis Direction, Cairo, Egypt.
<b>Chairman:</b>	Farid El Tobgui
<b>Investments:</b>	265 Million USD (As of January 2013)
<b>Number of Employees:</b>	1700 (As of January 2013)
<b>Business:</b>	Automotive ( Manufacturing, Sales and Aftersales)
<b>Plant:</b>	6 <sup>th</sup> October, Egypt.
<b>Show Rooms and Service Centers:</b>	7 showrooms distributed over Cairo and Alexandria.
<b>Overseas:</b>	Sudan Branch

## 3. BAG STRATEGY

**Vision:** A regional entrepreneur of automotive industry and maintain the leadership in our segment.

**Mission:** Establish an automotive group that acts as the center of competence for our brands represented in Egypt, and the surrounding region.

**Critical Success Factor:** Earn our customers' enthusiasm through continuous improvements driven by the integrity, teamwork and innovation of Bavarian Auto people.

**Objectives:**

- Provide several working opportunities for the Egyptian labor force, with professional training.
- Present the highest level of service by international standards.
- Produce vehicles with the highest level of technology and quality by BMW standards.
- Contribute in charity projects, and social events.

## 4. BAG PRODUCTS

### BMW



### MINI



### Brilliance:



**Mahindra**

**Jin Bei**



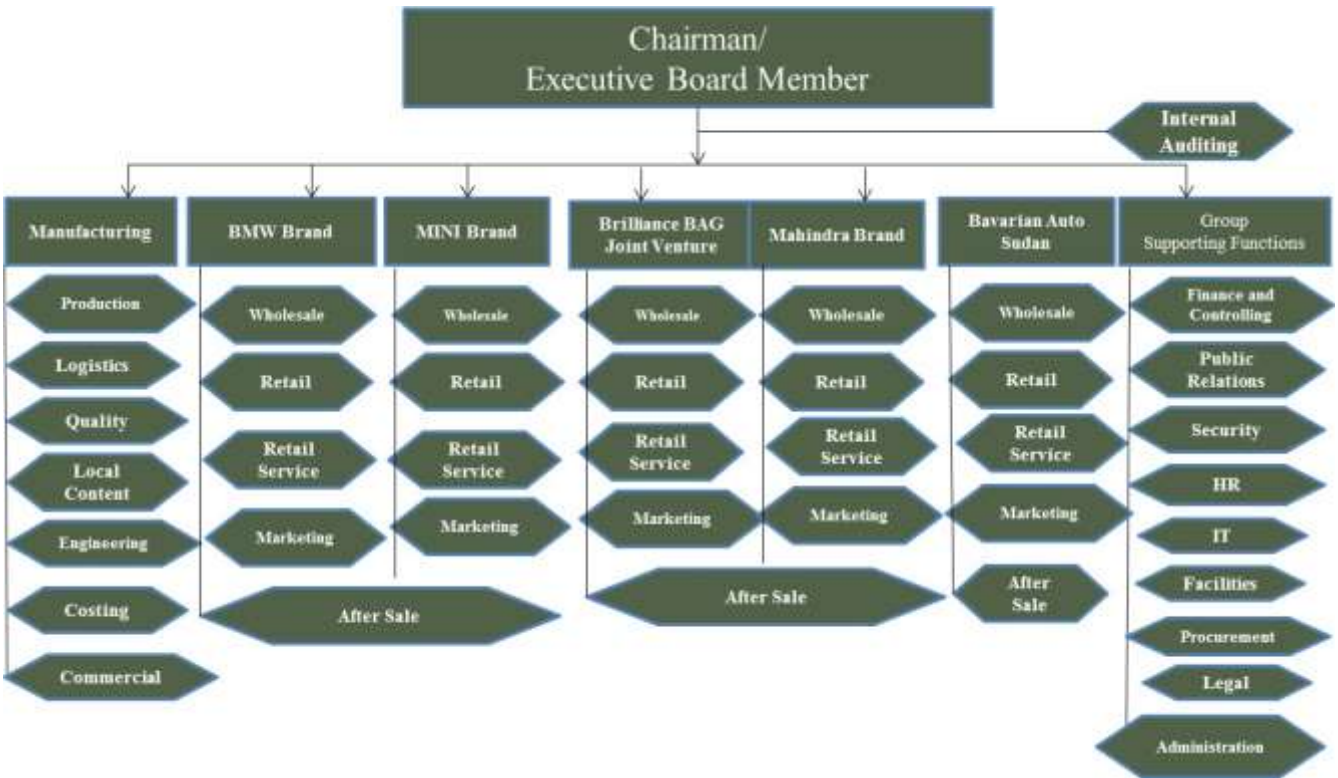
**GreatWall**



## 5. BAG COMPANIES

Company	Activities
<b>Bavarian Auto Manufacturing Co. (BAMC)</b>	<b>Assembly of CKD and SKD cars for BMW, Brilliance, Mahindra and other brands. It also covers the aftersales operation of BAG for BMW, MINI &amp; Rolls Royce.</b>
<b>Bavarian Auto Trading Co. (BATC)</b>	<b>Import and wholesale of CBU and spare parts for BMW, MINI and Rolls Royce models in Egypt.</b>
<b>Bavarian Automotive Co. (BAC)</b>	<b>Retail arm of Bavarian Auto Group for BMW models in the market. The company is joint venture between BAG and its BMW dealers with 55% share for BAG.</b>
<b>Bavarian Contact Car Trading Co. (BCCT)</b>	<b>Financial services for BMW customers.</b>
<b>Royal Auto Trading Co. (RATC)</b>	<b>Import, wholesale and retail of Brilliance models and its spare parts in Egypt.</b>
<b>TransCont</b>	<b>Import and wholesale of CBU and spare parts for Mahindra models in Egypt.</b>
<b>Bavarian Ezz Company</b>	<b>Import and wholesale of all GreatWall models and its spare parts in Egypt. The company is joint venture between BAG and Ezz Elarab.</b>
<b>Bavarian Auto Sudan</b>	<b>Import, wholesale, Retail of cars and spare parts for BMW, Brilliance and Mahindra models in Sudan.</b>
<b>Bavarian Development and Services in Sudan</b>	<b>Retail of cars and spare parts for BMW, Brilliance and Mahindra models in Sudan.</b>
<b>Bavarian for Trading and Investment free zone in Sudan</b>	<b>Import and wholesales of cars and spare parts for BMW, Brilliance and Mahindra models in Sudan.</b>

## 6. BAG ORGANIZATION



## 7. BAG TRAINING ACADEMY

BAG Training academy mission is to establish a vocational training & education academy to support the automotive industry in Egypt and the Arab area.

In these fields, the academy applies new forms of information exchange and knowledge transfer for Managers, Leaders and Teachers of institutions and for technical teachers and instructors. To support practitioners with relevant information we want to strengthen the demand-oriented information and communication about new developments and existing experiences within the professional fields.

The academy aims to support its members in solving their professional problems in daily work and to give relevant answers. Because of this process, the cooperation among organizations within the region will be enhanced.





## 8. CSR VISION

Corporate social responsibility of BAG is the philosophy of the Company's long-term and sustainable development, which enables to harmoniously integrate successful business with basic human values and national development priorities. Socially responsible approach to conducting business envisages the following:

1. High quality satisfaction of our consumers' needs;
2. Strict compliance with legislation;
3. Ensuring labour safety and investing in human potential development;
4. Taking into consideration the expectations and opinions of the stakeholders, systematic approach to building up trustworthy and mutually beneficial relations with them based on ethics requirements;
5. Contribution to development of local communities, in particular through mutually beneficial social partnerships

### **Objectives of BAG CSR policy:**

- Leadership based on our confirmed readiness to build up systematic contribution to tackling public problems in practice and for the long term;
- Harmonious development of dialogue and cooperation in relations between BAG and the key stakeholders;
- Distinct contribution of our socially oriented BAG programs and projects to long-term business sustainability;
- Further perfection of corporate governance practices.

We are striving for achieving a confirmed status and established reputation of successful and reliable company. Such a status will become a ponderable competitive advantage of BAG in today's complex economic and socio-political conditions. Social responsibility of BAG means the successfulness and ethics of business, since this provides people with work and deserving labour conditions and allows them to be confident in their future. In CSR BAG is governed not only by charity motives, but also by sober calculations: business success and sustainability directly depend on social and economic prosperity of the area where we help.

## 9. BAG AND KEY STAKEHOLDERS

Sustainable development of business is possible only in socially favourable environment. From its part, the society quite understandably demands from business to adhere to human values (environmental protection, legitimate forms of ownership, positive economic and social impact of enterprises, etc.), and not to sidetrack difficult issues. The stakeholders - the society groups, with which a business organization interacts either directly or indirectly - form those demands and demonstrate increasing activity in setting up channels of communicating and cooperating with business.

In order to conduct successful and efficient CSR policy, it is fundamentally essential for us to determine the stakeholders and influence groups of priority importance for BAG, clarify their expectations and suggest efficient forms of interaction within the range from dialogue to possible joint actions and programmes. In particular, the key stakeholders are the following target groups, which share common interests with us:

**Shareholders and investors** are directly interested in long-term and sustainable growth of BAG's value, in its proven ability to manage and mitigate risks, as well as in openness and ethic principles and practice of corporate governance.

**Customers** are interested in the quality of products, improvement of legal mechanisms for protection of their own rights, growth of investment and better customer management before and after sales.

**Employees** expect full compliance with legislative regulations in respect to labour relations, and provisions of individual and collective labour agreements; management's respect for individual rights and human dignity; daily concern of BAG for minimizing health and environmental harmful impacts of operations; dedicated assistance to the development of their qualification and direct influence of the business success upon labour remuneration and amount/nature of social package.

**Business partners** are interested in the widest possible application of the principles of transparency, impartiality and fairness, adherence to moral standards supported by legal acts and corporate ethics codes. \

## 10. AREAS AND DIRECTION OF BAG CSR POLICY

When setting up the framework and lines of its social responsibility, BAG is guided by global compact principles which are implemented in BAG's activities in such areas as corporate governance, business ethics, health and safety, labour relations, charity, etc.

### **10.1 Human Rights**

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** make sure that they are not complicit in human rights abuses.

In 2010, we initiated a review of our global human rights strategy. Following this, we articulated our approach in a document, "Our Approach to Human Rights" which explicitly communicates how our business activities promote human rights. This reflects both our heritage and our conviction that respect for human rights is crucial to business success. Our Approach to Human Rights reinforces the key areas where our business activities impact on human rights and how we address this through our Corporate Responsibility.

The following initiatives and program were conducted as a part of our human rights strategy:

### **Education Reform Programs**

#### **Vocational Education Reform Program with the higher ministry of education**

- A mutual cooperation Protocol agreement on October 2009 was signed between Bavarian Auto Group and the Matarya Higher Technical institute valid for 5 years.
- The institute introduced new Car technology section in the 3<sup>rd</sup> and 4<sup>th</sup> years starting from 2010/2011 semester.
- BAG provides suggestion to the study materials, supervise the labs and working stations provided by the institute to provide training and experience transfer from their side on the agreed Celebes.
- BAG would provide training courses for the Engineers and Technicians responsible for this education reform program, and provide visits for the students to its working premises and factory.
- BAG shall grant completion certificate in the field of cars manufacturing and maintenance that would be considered as a valid license in automotive working fields for those of excellent, very good and good grades students.



### Helwan Formula Student Project.

- Formula Student Competition is an annual student engineering competition held in the UK.
- It is run by the IMechE, in partnership with various highly prestigious companies in the industry.
- It promotes careers and excellence in engineering, by challenging university students from all over the World.
- Main Target of the Competition is challenging university students to DESIGN, BUILD, DEVELOP, MARKET and COMPETE as a team with a small single-seater racing car.
- BAG is sponsoring the Formula student competition, from Matarya- Helwan Faculty of engineering students representing Egypt consisting of 5 Technical teams: Frame & body team, Power-train team, Brakes team, Steering team, Suspension team.
- The Egyptian Car got the rank 74 between 119 cars and got the best car share in the competition for first time.



### **Build an Automotive Technical Training School in Menya**

- BAG built an automotive training school in Menya governance contains two theoretical classrooms and one practical school to train the technicians in Upper Egypt on the new automotive technology.
- BAG provides in the training school the certified trainer in addition to the most updated technologies and tools in automotive.
- The training school was built in cooperation with the Rotary club and the governor.
- The first training phase will be conducted by December 2004.



### **Renovation of Primary Schools El Khosos School**

- BAG has an important role in renovation of El Said School at El Khosos, it was agreed to start working on the following:
  - Enhance the bathrooms and playgrounds conditions
  - School Entrances, gates (Outside and Inside) and fences.
  - Kinder garden development and their play area.
  - Provide a computer and Language lab to serve school and the surrounding area.
  - Create a medical file for each student from kinder garden age.
- Provide a fully equipped clinic for emergency with an experienced nurse.
- Train teachers on modern education means.

- Training school's Board of Trustees (BOT) and school administrators on best use of resources and how to manage.

### **Another Education Reform Programs**

- Suzan Mubarak Initiative to Renovation of Primary Schools in Salam City.
- Rotary Club-Renovation of Schools to be capable of changing the "Eliminating Illiteracy" project.
- Sponsor Soft Skills programs for university graduate students with Future Generation Foundation.
- Sponsor couple of research conference organized by different universities
- Sponsoring Graduation Project in Faculties of Engineering
- Summer Training for undergraduate students.

### **Health Sector Support:**

BAG has important contribution in the health sector support:

1. 57357 hospital
  - Financial Support
  - 2 sedan cars for transferring sick people from remote areas to the hospital.
  - 1 ambulance car
  - 1 microbus for moving sick people from Tumor institute to other hospital
  
2. Sponsoring Faculty of Dentist at Ein Shams University.



### **Community Development Programs:**

#### **BAG activities in Abu El Ellaa area are:**

- Monthly Salary for poor families.
- Monthly distributed Food bags and storage food.

- Distributing a ready made meal daily for sick and Elderly people.
- Support in medical treatment for needy people.
- Support in preparation for poor brides.
- Painting some houses for poor families.
- Do the El-Rahman table at Boulak through out Ramadan month.
- Call an Internist doctor to examine those who can move at their homes and perform required lab test and get the needed treatment

**BAG activities in Helwan Area:**

- Clean water project to Helwan area by changing the water pipes and connections.

## **10.2 Labour Rights**

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** The business should support the elimination of all forms of forced and compulsory labor;

**Principle 5:** The business should support the effective abolition of child labor

**Principle 6:** The business should support the elimination of discrimination in respect of employment and occupation.

Employees are the main asset and key stakeholders in BAG. BAG does not use forced labour and we work with suppliers and business partners to ensure they do not use forced labour either. We respect people’s rights to have employee representation. We also conduct the employee climate survey annually to provide insight on employee commitment, engagement, inclusiveness and overall perception of the employment experience. BAG offers a comfortable working environment for all employees supported by labour policy respected by all BAG members. The objective of the labour policy as follow:

1. Attraction, motivation and retaining of talented professionals with a lot of initiative;
2. Continuous extension of knowledge and skills to address the current and prospective business tasks of BAG;

3. Development of managerial potential and provision of highly professional and stable management of the Company;
4. Creation of favorable labour conditions ensuring social insurance and health care for all the employees and their families.
5. Teamwork and good working environment with standard health and safety operations in place.
6. Good Income so the Employee would feel safe and loyal to the company.
7. Good relationships with local authorities make doing business easier.
8. Providing a fully understanding the wider impact of the business can to help the employees develop new products and services.

### **7.2.2 Labour principles**

- Compliance with the existing labour legislation and respect for and observance of human rights;
- Ensuring a decent and competitive reward for the personal contribution of the employees with regard to their professionalism, job complexity and responsibility;
- Investment in the education and training of the employees to help them achieve their full potential and make their substantial contribution to the business success of BAG;
- Providing social support to the employees, the size and forms of which will depend on the efficiency of BAG business.



## **Bavarian Auto Group Code of Ethics & Conduct Policy**

### ***Statement of Policy***

*The BAG recognizes that it has an obligation to its customers and suppliers, competitors, shareholders and the communities where we operate, to observe and maintain the highest standards of business ethics. The Company expects each Employee to act with honesty and integrity, to exercise independent professional judgment and to deter wrongdoing in the conduct of all duties and responsibilities on behalf of the Company.*



## **1. Eligibility & Accountabilities**

1. All BAG employees are expected to comply with the code of ethics while carrying out their duties and responsibilities on behalf of the Company.
2. Directors & Department Heads and management should provide guidance to direct reports to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability.
3. The Human Resources Department (HRD) is responsible for assuring the application of professional ethics in BAG.

## **1. Policy**

### **1. Ethics Guidelines**

#### **1.1. Conflicts of Interests**

- 1.1.1. The Employees should avoid conflicts of interest between themselves and the Company.
- 1.1.2. A "conflict of interest" can occur when the private interest of an Employee interferes in any way – or even appears to interfere – with the interests of the Company as a whole.
- 1.1.3. A conflict situation can arise when an Employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when an Employee, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position in the Company.
- 1.1.4. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company should be disclosed promptly to Human Resources Department (as defined in part 3 of this policy).

#### **1.2. Business Gifts**

- 1.2.1. Employees should not normally accept high value gifts in any form, in connection with their work or employment at the Company, whenever there is a question about the appropriateness of such a matter, Authorized Personnel should be consulted for guidance. The previous rule does not apply on Giveaways distribution (e.g. calendars, company diaries, advertising materials,, etc.) which is an acceptable business practice in general occasions.

### 1.3. Employment of Family Members

- 1.3.1. It is entirely unacceptable according to the company policy to hire candidates having relatives, or family members of any degree. Such situation is a direct conflict of interest case and is from the beginning.
- 1.3.2. New hired employees sign Relatives Declaration Form confirming that there is no family member employed by Bavarian Auto Group, and in case a relative of an employee who signed this declaration exists & was detected the Management has the authority to terminate the employee with an immediate effect.

### 1.4. Company Opportunities

- 1.4.1. Employees are prohibited from using company property, information or position to accomplish personal opportunities or to compete with the company.

### 1.5. Confidential Information

- 1.5.1. Employees should maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated. "Confidential information" includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.
- 1.5.2. Newly hired employees in some critical positions who have access to strategies & highly classified information are required to sign Confidentiality Agreement. This is subject to the consent of Chairman/ EBM.

### 1.6. Fair Dealing

- 1.6.1. Employees should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. None should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

### 1.7. Protection and Proper Use of Company Assets

- 1.7.1. Employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

## 1.8. Accurate Record Keeping and Reporting

1.8.1. Employees should accurately reflect the transactions of the Company in its books, records, accounts and reports, and should maintain an adequate system of internal controls and disclosure controls to promote compliance with the laws, rules and regulations applicable to the Company. Falsification of any Company record is prohibited. All reports, documents or communications authorized or legally mandated for disclosure to the public should be full, fair, accurate, timely and understandable.

## 1.9. Compliance with Laws, Rules and Regulations

1.9.1. Employees should comply with the laws, rules and regulations applicable to the Company.

## 1.10. Harassment

1.10.1. Bavarian Auto Group prohibits harassment of its Employees or applicants by the supervisors, coworkers, clients or vendors. This includes harassment based on race, sex, national origin, religion, color, marital status, disability or impairment, age, or on any other basis prohibited by law.

1.10.2. Any employee who experiences harassment, is required to report the incident immediately to Department Head & the HRD to act accordingly as mentioned below in part 3.

## 2. Reporting of Illegal or Unethical Behavior

2.1. Employees should promote ethical behavior and should encourage Employees to talk to supervisors, managers or a member within HRD, when in doubt about the best course of action in a particular situation.

2.2. If the employee finds this course of action difficult and feel it would be more appropriate to discuss the matter with someone else, he/she should contact the Chief Internal Auditor.

2.3. Violations of the code of ethics will be investigated and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any Employee found to have engaged in any violation will be subject to immediate disciplinary action up to and including possible discharge. Bavarian Auto Group will also take additional action necessary to appropriately correct the situation.

2.4. If an employee notifies a false unethical behavior, the HRD will take the necessary action according to the labor law.

### **Breach of the Code**

Any breach of applicable laws, prevailing business ethics or other aspects of the above code will result in a disciplinary action, which could reach a dismissal. Similar disciplinary action will be taken against any supervisor or manager who directly approves (and/or condones) such a breach or has knowledge of the breach and does not take appropriate remedial action.

### **Reporting Breaches of the Code:**

BAG Employees must report immediately any circumstances, which may involve deviation from this Code to their Manager, Deputy GM, GMs, or Chairman .The internal auditors of BAG are

responsible for reviewing the operations. This review will be reported to the chairman with any breaches of this Code.

8.4 Compliance with the Code – ASE Group Representatives:

**Discrimination or Harassment:**

Employees who engage in acts of harassment and discrimination are subject to various corrective actions that may include termination of the employee as well as the penalties anticipated by the laws. Managers are responsible for establishing and maintaining business environments that are free of harassment and discrimination.

### **10.3 Environment Rights**

**Principle 7:** Businesses should support a precautionary approach to environmental challenges

**Principle 8:** Undertake initiatives to promote greater environmental responsibility

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies

BAG is committed to the manufacturing, sales, and after sales of passenger cars and ensuring that those products meet and exceed customer needs and expectations; in addition to meeting BAG standards concerning Safety, Quality, Environment, Reliability and Durability; offering our products at competitive prices.

We can only achieve our objectives with our qualified people through well-orchestrated teamwork, continual improvement, prevention of pollution, providing a safe working environment as well as compliance with legal and other requirements driven by integrity and innovation.

Commitment to this policy is demonstrated by the implementation of Quality, Environmental and Safety Management System, which satisfies the requirements of ISO/TS 16949:2002, ISO 14001:2004, and OHSAS18001:2007 as minimum requirements.

BAG is vitally interested in the health and safety of its employees. Protection of employees from potential hazards or occupational diseases is a major continuing objective. BAG will exert every effort to provide a safe and healthy work environment.

**Abuse of Drug and Alcohol Policy:**

BAG Management has the right that at any time and without prior notice to make Drug test through a medical check to any of the employees on all levels.

Positive results or refusal of this test will lead to immediate dismissal from work.

**Non – Smoking:** All BAG premises are non-smoking areas.

## ISO 14001 Certificate:



Management Service

# CERTIFICATE

The Certification Body  
of TÜV SÜD Management Service GmbH  
certifies that

**Bavarian Auto Manufacturing Co.**  
4th Industrial Zone  
6th of October City, Egypt

has established and applies  
an Environmental Management System for

**Manufacturing and Assembly  
of Passenger Cars.**

An audit was performed, Report No. **70781576**  
Proof has been furnished that the requirements  
according to

**ISO 14001:2004**

are fulfilled. The certificate is valid until **2014-08-21**  
Certificate Registration No. **12 104 26192 TMS**

Munich, 2011-08-26



EMS-TGA-ZM-67-92

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ISO 14001:2004

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# Environmental Inspection



Table (5): Gas emissions from Flash off Exhaust

1	Value	Unit	Egyptian Law 4/1994 Limits	Comment
1	Amb. Temp	20	°C	---
2	Temp	24	°C	---
3	CO	13.74	mg/m <sup>3</sup>	500 Within law limits
4	CO <sub>2</sub>	8.26	%	---
5	NO <sub>x</sub>	<0.01	mg/m <sup>3</sup>	200 Within law limits
6	O <sub>2</sub>	20.48	%	---
7	SO <sub>2</sub>	2.62	mg/m <sup>3</sup>	1500 Within law limits
8	TTC	0.02	%	---

Table (6): Gas emissions from Boiler Burner

1	Value	Unit	Egyptian Law 4/1994 Limits	Comment
1	Amb. Temp	18	°C	---
2	Temp	108	°C	---
3	CO	6.87	mg/m <sup>3</sup>	500 Within law limits
4	CO <sub>2</sub>	8.26	%	---
5	NO <sub>x</sub>	109.04	mg/m <sup>3</sup>	200 Within law limits
6	O <sub>2</sub>	6.63	%	---
7	SO <sub>2</sub>	13.09	mg/m <sup>3</sup>	1500 Within law limits
8	TTC	0.13	ppm	---



The maximum limits of workplace pollutants are as follows:

Table (11): Maximum limits of workplace pollutants

Substance	Threshold Limits			
	Mean time		Limits of exposure for a short period	
	Ppm	mg/m <sup>3</sup>	ppm	mg/m <sup>3</sup>
CO	25	29	---	---
NO	25	31	---	---
NO <sub>2</sub>	3	3.6	8	9.4
SO <sub>2</sub>	3	3.5	8	13
H <sub>2</sub> S	10	14	15	21
Respirable Particles (PM <sub>10</sub> )	---	3	---	3

From the above results it is clear that all the readings are below the limit of the law 4/1994 except for particulates (PM<sub>10</sub>) at Plastic Paint Booth # 1 and Plastic Paint 2.



### 3.2.3. Heat Stress

Table (14): Work Places temperature, humidity, and heat stress results

Section	Temperature (°C)	Humidity (%)	Heat Stress (°C)
Subassembly Area 1	18.2	52.9	14.4
Overhead Station	17.8	55	14.3
Subassembly Area 2	17.9	54	14.3
Trimline 1	18	55	14.8
Trimline 2	18	54	14.4
Doors Subassembly	18	54	14.4
Mechanical and Electrical Repair Area	18.6	52.4	14.7
Final Line 1	18.3	53.1	14.5
Paint Repair 1	18.8	51	14.8
Finish Line	19	52	15.0
Plastic Paint 1	20	50	15.7
Shower Tent	20	48	15.1
Plastic Paint 2	21	47	16.2
Spray Booth (Base Coat)	22	65	19.2
Sanding Station	21	45	15.9
Mixing Room	22	42	16.4
Plastic Paint Booth # 3	20	47	15.3
Plastic Paint Booth # 1	20	50	15.7

The heat stress was calculated using the following correlation: Black wet thermometer temperature degree = (A x B) + 0.3 x reading of GLOBE thermometer.



### 3.3. Waste Water Measurements

The plant does not produce waste water, except the sanitary waste water resulting from administration building and paint shop.

Table (17): Analysis of waste water sample (1) "Administration Building Sanitary Waste Water"

Item No.	Test	Value (mg/l)	Test Method	Environment Law Limits
1	pH	6.24	Standard method (ASTM D1293-99)05	6 - 9
2	Total Dissolved solids	618	159 - 1 x V <sub>1</sub> x 3 x	2000 mg / l.
3	Total Suspended Solids	200	Standard method (ISO 8466 (1992):1997)01	800 mg / l.
4	Oil & Grease	85	Standard method (ASTM D 421 - 95 (2001)	100 mg/l.
5	Silica	8.42	Standard method (ASTM D3867 - 09)	100 mg/l.
6	Sulfide	9.8	Standard method (ASTM D4658 - 09)	10 mg/l.
7	COD	1062	Standard method (ASTM D1252-08)	1100 mg/l
8	BOD	Less than 2.5 mg/l	Standard method (ASTM D5239-08)	600 mg/l

## Reducing energy consumption Initiative:



FEASIBILITY STUDY FOR INSTALLATION OF PSS UNIT AT BAG  
SERVICE CENTER IN QATTAMIYA

- EXPECTED VALUE OF ELECTRICITY CONSUMPTION IN 2013:  
EGP 420,000.- Based on an average increase of 30% than 2012  
(Already months of Jan & Feb of 2013 are aprx. 50% higher than 2012)
- COST OF SUITABLE PSS UNITS (TWO):  
One main unit: EGP 180,000.-  
2nd unit for the chiller: EGP 60,000.-  
TOTAL: EGP 240,000.-
- EXPECTED YEARLY SAVING 30% IN CONSUMPTION VALUE USING PSS unit:  
EGP 126,000.-
- EXPECTED PERIOD FOR RETURN OF INVESTMENT: 22.8 months.  
ANY INCREASE IN ELECTRICITY TARIFF DURING THIS YEAR AS WELL AS ANY  
INCREASE OF ELECTRICITY CONSUMPTION AT THE SERVICE CENTER, WILL  
CONSEQUENTLY REDUCE THE ABOVE PERIOD AS WE EXPECT A MAX OF 18  
MONTHS FOR SUCH PROJECT.

18 A, Street 199, Maadi, Degla, Cairo - Egypt. Tel./Fax: (+2 02) 25 17 62 27 email: mastersgroup.eg@gmail.com

Bavarian Auto Group



**Bavarian Auto Trading Co.**

### " Electricity "

Month	2011	2012	Difference
January	27,031.90	24,156.30	-2,875.60
February	26,917.00	16,773.60	-10,143.40
March	24,530.00	16,891.50	-7,638.50
April	21,802.70	25,397.50	3,594.80
May	28,654.10	27,393.20	-1,260.90
June	26,578.00	24,096.90	-2,481.10
July	38,207.00	29,534.10	-8,672.90
Total	155,513.70	134,709.00	-20,804.70

# Waste Water Treatment Initiative



## I. Specification

### I.1 Summary

#### 1) Treatment system (Chemical)

- Design capacity : 8m<sup>3</sup>/hr
- Type : Chemical + Settling
- Operating time : 18hr/day

#### 2) Sludge treatment system

- Design capacity : 6m<sup>3</sup>/cycle
- Type : Thickening + Dehydrator system (Filter Press)

#### 3) Chemical dosing system 8m<sup>3</sup>/hr

- Type : Tank + Feed pump

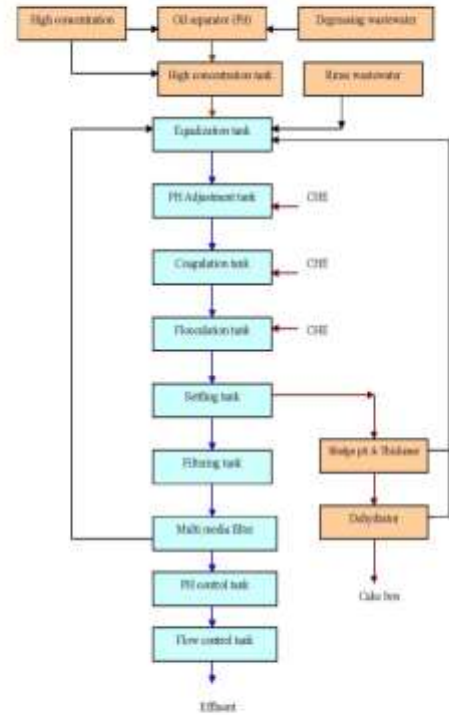
### I.2 Design condition

#### 1) Wastewater Condition

Parameter	Unit	Raw water	Effluent water	Remarks
Flow rate	m <sup>3</sup> /hr	8	8	
pH		6 - 9	7±0.5	
CO <sub>2</sub>	mg/l	600	130	
Suspended solids	mg/l	220	80	
NH <sub>4</sub>	mg/l	15	5	
Zn	mg/l	3	1.5	
Na	mg/l	2	1	



## I.3 Flow chart



BAWARIAN EX121208

L-Waste Water Treatment.doc / Page: 2/18



BAWARIAN EX121208

L-Waste Water Treatment.doc / Page: 3/18



# Health and Safety Certificate: H&S OHSAS 18001/2007

ZERTIFIKAT ♦ CERTIFICATE ♦ 認證證書 ♦ CERTIFICADO ♦ CERTIFICAT

1211626192



## CERTIFICATE

The Certification Body  
of TÜV SÜD Management Service GmbH  
certifies that

**Bavarian Auto Manufacturing Co.**  
4th Industrial Zone  
6th of October City, Egypt

has established and applies  
an Occupational Health and Safety Management System for

**Manufacturing and Assembly  
of Passenger Cars.**

An audit was performed, Report No. **70781576**  
Proof has been furnished that the requirements  
according to

**BS OHSAS 18001:2007**

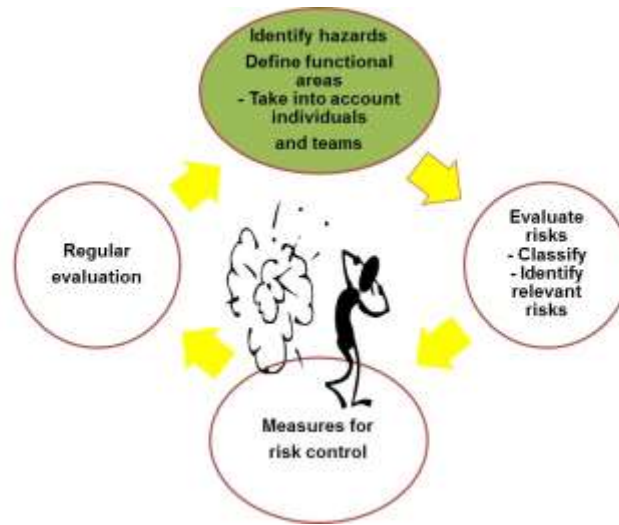
are fulfilled. The certificate is valid until **2014-08-21**  
Certificate Registration No. **12 116 26192, TMS**

  
March, 2011-08-26



TÜV SÜD Management Service GmbH • Zertifizierungsstelle • Hildnerstraße 25 • 80333 München • Germany 

## Risk Assessment Procedure:



**Purpose** The purpose of this procedure is defining the steps that help to perform risk assessment and define the requirements to comply with OHSAS18001:2007

**Scope** The scope of this procedure is concerned with studying the different types of Hazards such as Location hazards, process & auxiliary equipment hazards and task hazard analysis, It also defines the methodology used to perform these studies.

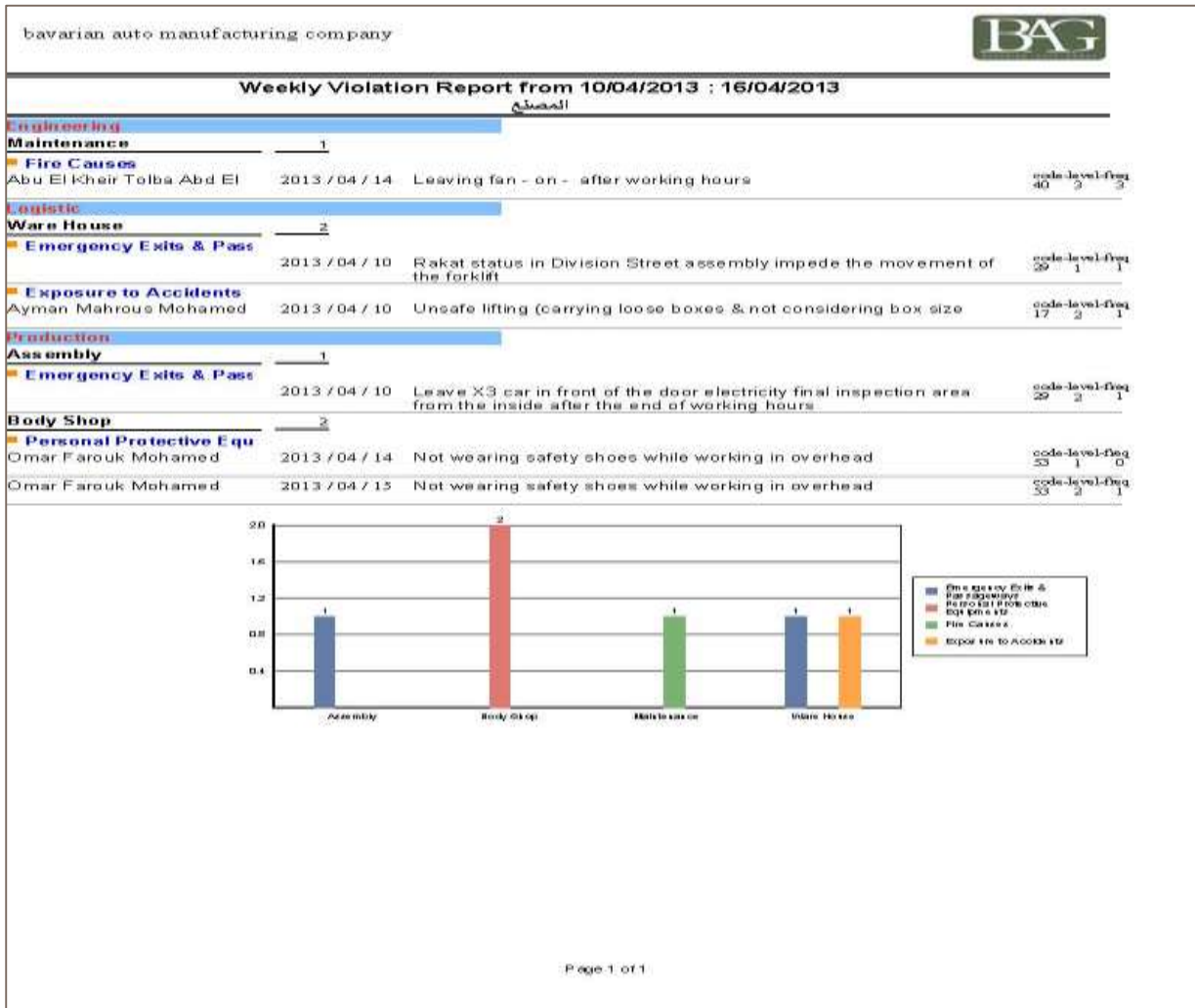
**Outcome:**

Risk Assessment Form											
Hazard	Risk	Existing control	Defences	LO	FE	DPH	NP	HRN	Additional Control	New HRN	
Electrical Shock	Death	All cables are isolated - Trained persons	Clinic and hospital	1	2.5	15	1	37.5	Conducting training for electrical safety – safety signs		
Falling Objects	Death – broken arms or legs – property damage	Arrangement of the objects according to its weight – safety shoes.	Safety shoes – Clinic	1	2.5	15	1	37.5	Implementation of Five S system .		
Poor Housekeeping	Major injury – property damage	Dedicate a time for cleaning every day	First aids – Clinic	1	2.5	2	4	40	Implementation of Five S system .		
Noise	Occupational health disease	Ear plugs or muffle – trained person – safety instructors	Ear plug or muffle	8	2.5	1	2	80	Conducting periodic measurement for noise inside the workshop - conducting training about the etfele of noise on the ears		
Welding vapor and cutting fumes	Occupational illness ( has impact on the respiratory system of the body .	Ventilation system – suction units – mask – open emergency door for more fresh air – trained person .	Personal protective Equipment(Mask) – daily fresh milk to decrease the impact of the fumes on the operator's body .	15	2.5	0.5	4	75			
Carrying heavy objects	Cause back bone diseases	Trained persons – using lifting equipment .	Clinic	10	1.5	0.5	1	7.5	Over head crane		
<b>2- Final Area</b>											
Car Exhaust	Occupational illness ( has impact on the respiratory system of the body .	Ventilation system at the whole factory – movable ventilation unit	Clinic – Movable suction units	15	5	0.1	2	15			
Fire	Death and property damage for factory assets .	Fire extinguisher – hose reel station – fire fighting training – evacuation drills – daily safety tours – emergency team .	Fire Fighting Stations – Hospitable	0.1	5	15	4	30			
Hit by Car	Simple broken at the leg or simple injury	Fixed path for operators , dedicated place for cars and authorized drivers for cars .	Clinic	10	5	0.5	1	25			
QF446		Issue date: 01/08/2007		Version: 1		Version date: 01/08/2007		Page 3/15			

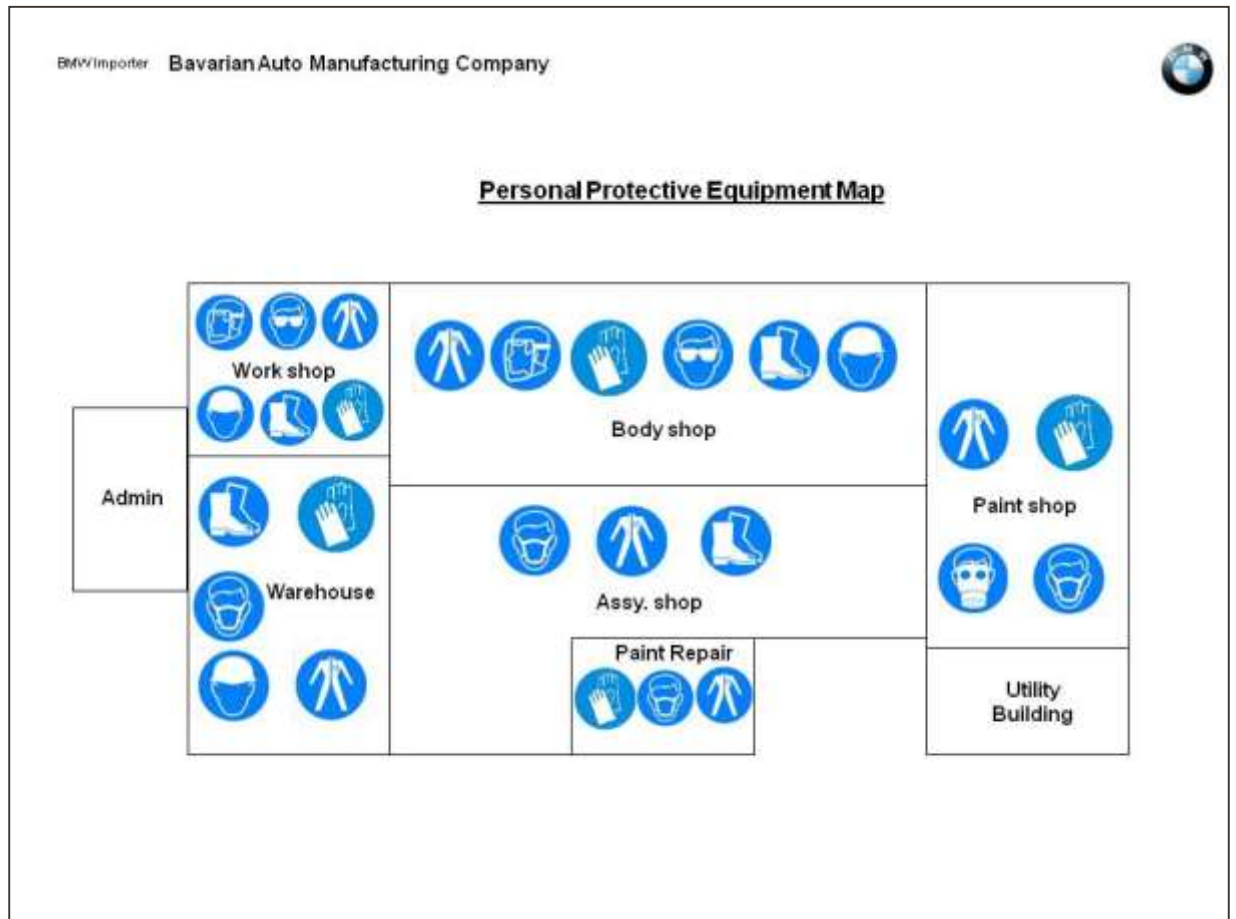
## H&S Training & Awareness:



## H&S Behavior Observation system (Violations):



## Health & Safety PPE:



## H&S Work permit & power isolation systems:

**Purpose:** Isolation procedure are vital constituents to BAG branches safety management system and, as such, need to be carefully defined to ensure that they provide the necessary protection to both personnel and the environment.

**Scope:** To define the minimum requirements for isolation of systems to be operated with BAG

**Outcomes:**

**Bavarian Auto Manufacturing Company**

### Isolation Certificate شهادة عزل

Area: Subassembly IC: ٤٠-٢٥ Time: 40-20 DATE: 28-9-11

Work Permit Ref: ٤٠١/٩/٢٨ Start Date: ٢٨/٩/٢٨ Start Time: ١٠:٢٠

Duration of Isolation (Days, Hours, Minutes): ١٠:٢٠

Work Supervisor: [Signature]

Type of Isolation Requested: Electrical  Mechanical

Description of work to be done: Subassembly تصنيع على بيتش

Electrical / Mechanical Isolation عزل كهربائي / ميكانيكي			
	Locked	Tagged	NO.
Switches / Breakers فصل التيار	<input checked="" type="checkbox"/>		Shut off and isolate prime mover إيقاف وحول مصدر الحركة
Fuses removed إزالة الفوز			Disconnect hydraulic/pneumatic supply فصل مصدر الضغط (هيدروليكي/هوائي)
Main panel switch قطع التوحة الرئيسية	<input checked="" type="checkbox"/>		Close main supply valve (hydraulic/pneumatic) إغلاق مصدر الضغط (هوائي/هيدروليكي)
Interlocking junction boxes and switches قطع التوصيل والمفاتيح المتداخلة			Air supply shut off switch إيقاف مصدر الهواء
Circuit(s) isolated حجب التيار	<input checked="" type="checkbox"/>		Disengage Clutches فصل التروس
Shut off air supply حجب مصدر الهواء			Removed drive belts إزالة حزام الحركة
"No voltage" measurement performed on isolated circuit التأكد من العزل بغير وجود التيار الكهربائي			Bleed down residual pressure تفريغ الضغط المتبقي

**Confirmation of Isolation:**  
I hereby certify that the above isolations and precautions have been taken, the equipment has been proven de-energized by electrical test, tags with ID number shown and all concerned individuals have been adequately informed.

**Person in charge of performing isolation:**  
Signature: [Signature] Date: 28/9/11 Time: 11:00

**Receipt of certificate by person in charge of work:**  
I acknowledge receipt of a copy of this certificate and understand that the equipment has been isolated and is safe to work on. I have personally checked that the correct equipment has been isolated.

**Person in charge of work:**  
Signature: [Signature] Date: 28/9/11 Time: 11:00

**Completion of the work:**  
I hereby confirm that the work detailed above is completed, the personnel and equipment withdrawn and the isolation may now be removed by a

**Bavarian Auto Manufacturing Company**

### Work Permit تصريح عمل

Area: Sup Work Permit Ref: ٤٠١/٩/٢٨ Time: 10-20 Date: 28-9-11

Type of Permit requested (check one or more):  
 Installation  Periodic Maintenance  Corrective Maintenance  Welding in Workshop  
 Working Outside Workshop  Working at Height  Working in Confined Spaces  Window Cleaning

Description of work to be done: تصنيع على بيتش Subassembly

Precautions	Y	N	NA	التدابير الوقائية
PPE: Appropriate Clothing	<input checked="" type="checkbox"/>			لبس ملابس الحماية المناسبة
SAC	<input checked="" type="checkbox"/>			إصدار (إخطار العمال بالخطر)
C (Isolated)	<input checked="" type="checkbox"/>			إصدار بطاقة العزل
Is notification or E-mail announcement being made instructing non-essential personnel to stay clear of working area and informing others on the job?	<input checked="" type="checkbox"/>			هل يتم إخطار غير العاملين بالخطر بالبقاء بعيداً عن منطقة العمل؟
Warn personnel provided in appropriate locations	<input checked="" type="checkbox"/>			تحذير العاملين في الأماكن المناسبة
Lifting Equipment & Tools in good condition "Cables, Scaffolds, Wires, Ropes & Slings, Stages & Ladders, Personnel Basket"	<input checked="" type="checkbox"/>			التأكد من حالة المعدات والأدوات المستخدمة في حالة جيدة (كوابل، سقالات، أسلاك، حبال، سلالم، سلالم، سلال عمال)
Area cleared of all loose materials	<input checked="" type="checkbox"/>			تفريغ المنطقة من المواد الفضائية
Light in working area is on (off)	<input checked="" type="checkbox"/>			التأكد من تشغيل الإضاءة في منطقة العمل
Fire extinguisher at hand, Fire hose provided for quick use and/or Fire blanket available	<input checked="" type="checkbox"/>			وجود مطفئ حريق، خرطوم مياه، سجاد حريق أو بطانية متاحة في مكان العمل
Alarm system audible at work site	<input checked="" type="checkbox"/>			إصدار الإنذار سموعاً في مكان العمل
Disposal cylinders are in good condition and provided with flashback arrestors and pressure gauges	<input checked="" type="checkbox"/>			إصدار الغازات والأكسجين في حالة جيدة مزودة بمقابس وقفز وخوابض الضغط
Working cables in good order and well routed	<input checked="" type="checkbox"/>			تأكد من حالة الكابلات وترتيبها في مكان العمل
Area cleared of all flammable materials	<input checked="" type="checkbox"/>			تفريغ المنطقة من المواد القابلة للاشتعال
Hazardous equipment / materials to be removed (used only under direct supervision and responsibility of the operator)	<input checked="" type="checkbox"/>			إزالة المعدات الخطرة أو المواد الخطرة (تستخدم فقط تحت إشراف مباشر من المشغل)
Air cylinders provided with correct pressure and regulators / Air hoses in good condition and secured with safety lines	<input checked="" type="checkbox"/>			إصدار أسطوانات الغاز بضغط صحيح ومنظم، وخرطوم الهواء في حالة جيدة وأمن مع حبال السلامة

**Additional Precautions:**  
التدابير الوقائية الإضافية

As the permit holder, I have inspected the work site and affirm the safety precautions specified by the Health and Safety Section have been taken and authorize the Work Permit to go into effect.

Name: [Signature] Signature: [Signature]

Validity FROM: 28/9/11 TO: 28/9/11

Extension: FROM: TO: Date: Date:

Requested by: [Signature] Signature: [Signature]

Approved by: [Signature] Signature: [Signature]

Health & Safety Section Head: [Signature] Signature: [Signature]

## H&S Incidents investigation & Reporting:

**Purpose:** This procedure is to ensure that all work related incidents are observed, notified and accurately reported and recorded. Reporting and recording of Incidents are then subjected to precise analysis and therefore highlighting weak points which needs improving.

**Scope:** Recordable incidents should be counted with the factory's recordable incident experience when they occur to an employee assigned to the company. A person is considered to be assigned to the company if his/her time worked is being reported with company should be counted again the company's recordable accident experience. All work related injured occurring on BAG reported for statistical purposes.

**Outcome:**

Bavarian Automotive Manufacturing Company										
INCIDENT REPORT										
		Report No. <u>29110</u>								
To be completed by Section Head	<b>1 Type of Incident</b> Tick off one item: (Accident) or (Near Miss), tick off one or more items <input checked="" type="checkbox"/> - Near Miss <input type="checkbox"/> - Personal injury <input type="checkbox"/> - Fire Explosion <input type="checkbox"/> - Accident <input type="checkbox"/> - Environmental damage <input type="checkbox"/> - Fuel spill / gas leakage <input type="checkbox"/> - Fatality <input checked="" type="checkbox"/> - Material damage <input type="checkbox"/> - Loss of production / downtime									
	<b>2 Time and Place of the Accident / Near Miss</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">H &amp; S Reporter</td> <td style="width: 33%;">Area Section Head</td> <td style="width: 15%;">dd / mm / yy</td> <td style="width: 19%;">Time</td> </tr> <tr> <td>Ch. Mahmoud Hamed</td> <td>Eng. Mohamed Osman</td> <td>29/11/2010</td> <td>10:15 AM</td> </tr> </table>			H & S Reporter	Area Section Head	dd / mm / yy	Time	Ch. Mahmoud Hamed	Eng. Mohamed Osman	29/11/2010
H & S Reporter	Area Section Head	dd / mm / yy	Time							
Ch. Mahmoud Hamed	Eng. Mohamed Osman	29/11/2010	10:15 AM							
To be completed by the Reporter	<b>3 Work Operation</b> <input type="checkbox"/> - Body <input type="checkbox"/> - Paint shop <input checked="" type="checkbox"/> - Assembly <input type="checkbox"/> - Maintenance <input type="checkbox"/> - Catering / administration <input type="checkbox"/> - Inspection <input type="checkbox"/> - Lift / transport <input type="checkbox"/> - Housekeeping / Cleaning <input type="checkbox"/> - Others									
	<b>4 Description of Accident / Near Miss</b> Sub activity (description): Bumped road test. While trying 2 cars on the bumped road the front car driver was moving backward and raising the volume of radio and the rear car driver was going forward and tried to warn through horn the 2 cars crashed leading to damages (pumpers, case...) without personal injury									

## احصائية الأمراض العادية والمزمنة

نموذج احصاء رقم ( ٥ )

عن الفترة من ٠١ / ٠٧ / ٢٠١١ الى ٣١ / ١٢ / ٢٠١١

اسم المنشأة / البافارية لصناعة السيارات

أ - الأمراض العادية

البيان	أمراض الجهاز الهضمي		أمراض الجهاز التنفسي		أمراض الجهاز البولي والتناسلي		أمراض جلدية		ضغط عام	أمراض عصبية	أمراض العظام والمفاصل	طفحيات	أمراض أنف وأذن وحنجرة	أمراض الأسنان	أمراض العيون	غيرها	حالات الجراحة	الجملة
	كبد	غيرها	التهابات الفيروسية	غيرها	كلىتان	غيرها	غيرها	التهابات حساسية										
عدد الحالات	1	11	6	11	19	5	2	4	1		55		9	4		3	20	151
أيام الانقطاع	7	23	24	24	35	19	3	20	1		542		16	11		24	221	970

ب - الأمراض المزمنة

أيام الانقطاع

عدد الحالات

نوع الحالة

10

3

التهابات كبدية

14

2

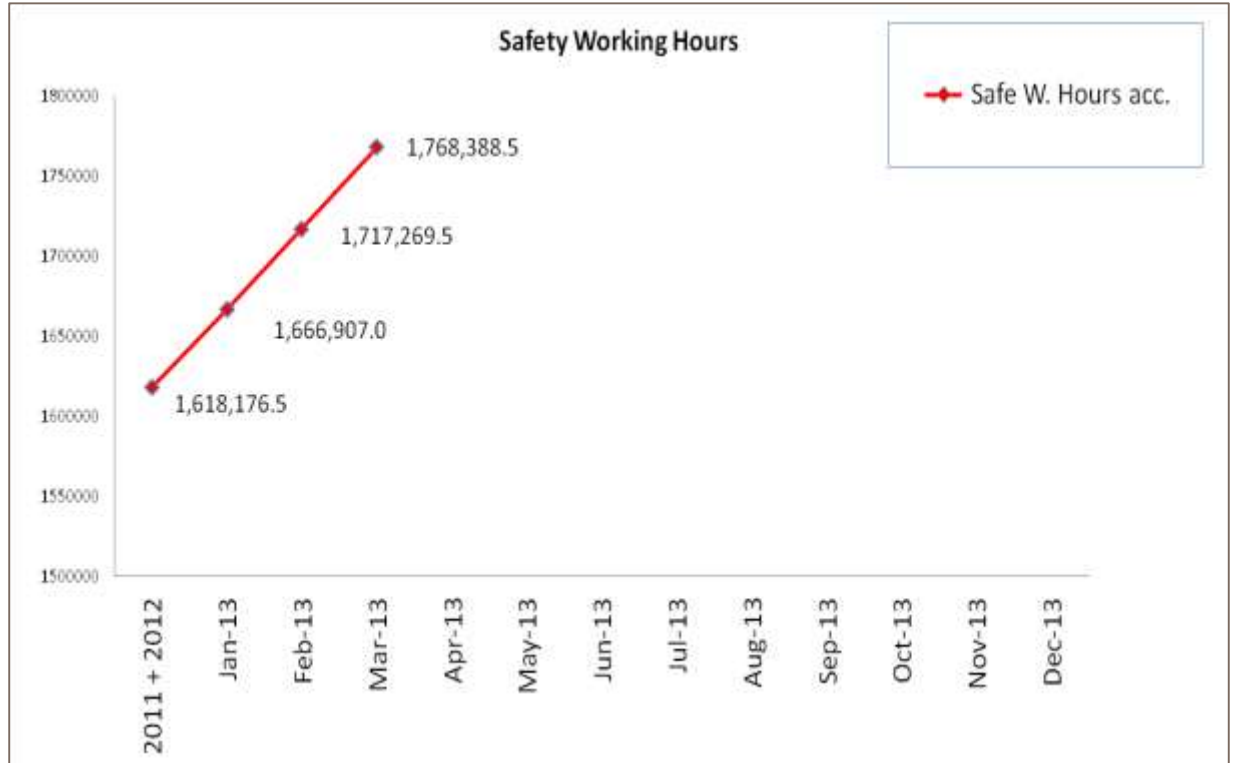
سكر



مسئول السلامة والصحة المهنية

محمود حجاز

## H&S Safe Working Hours





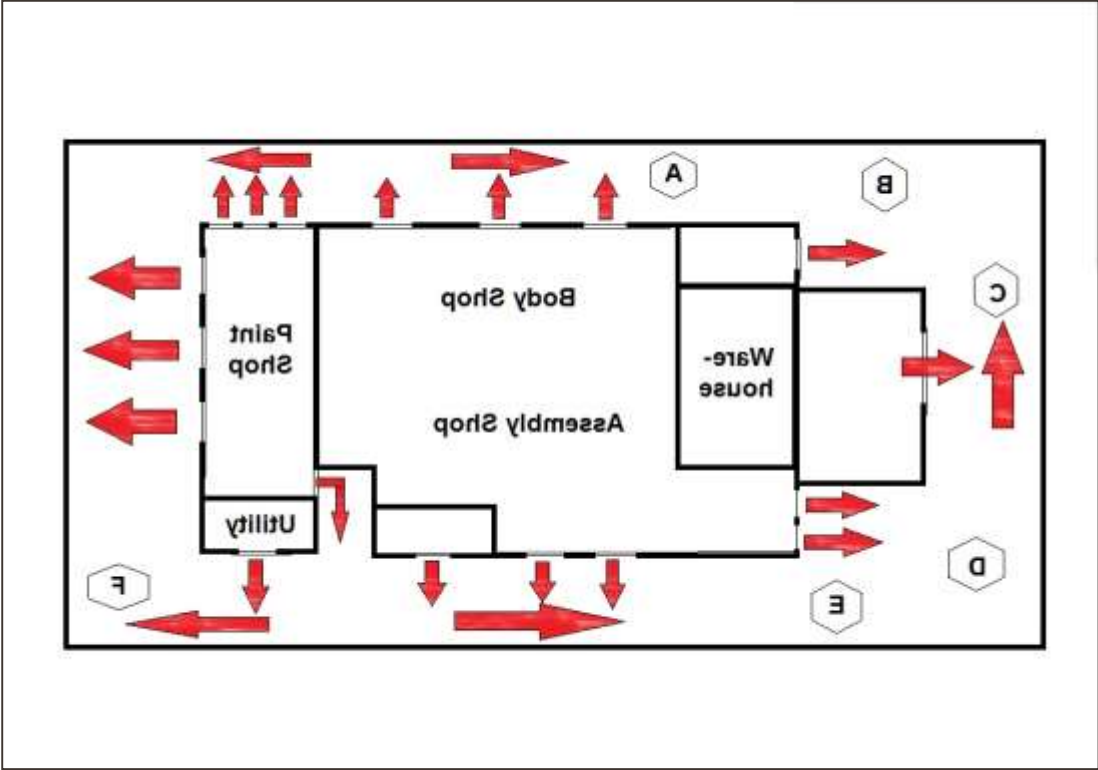
## H&S PPE



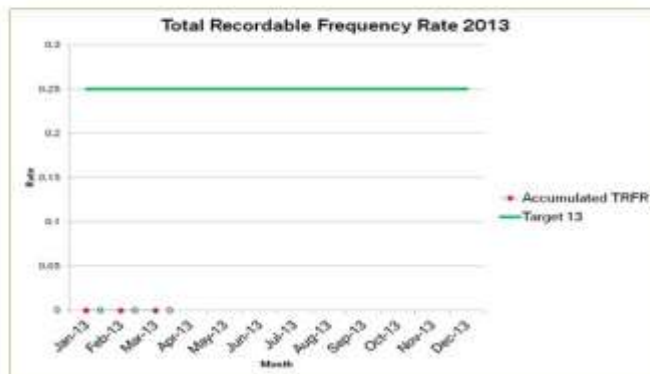
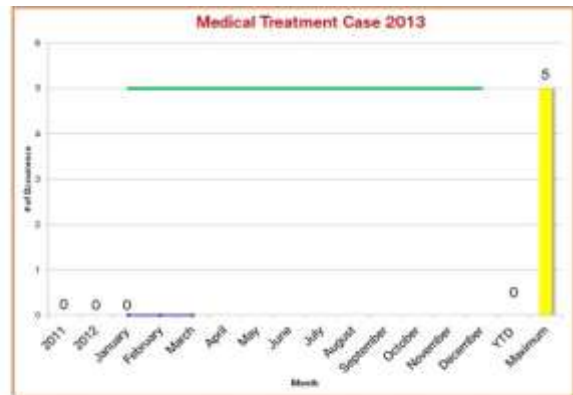
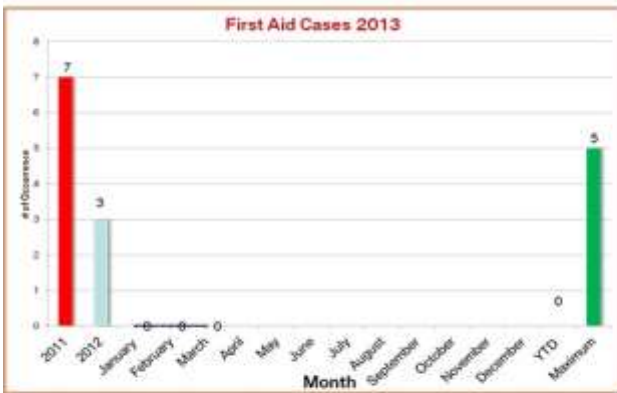
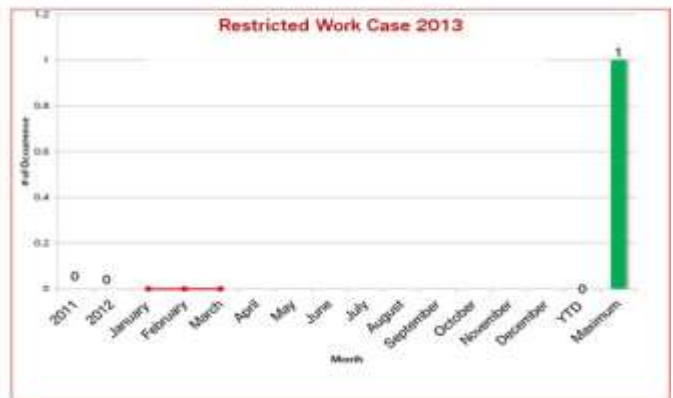
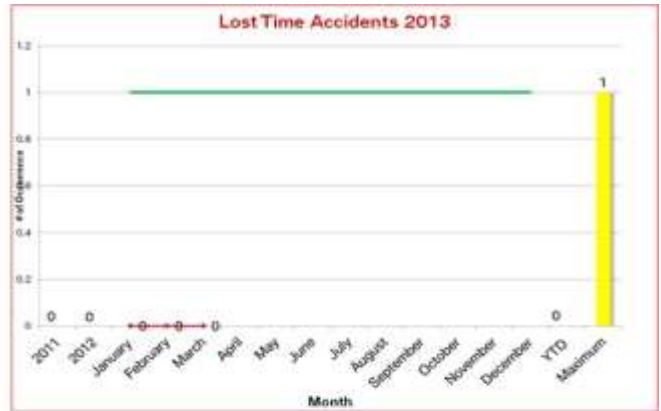
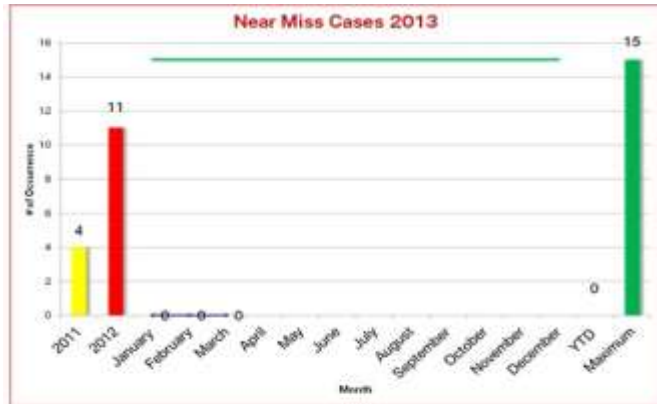
## H&S Work Environment



H&S Emergency Situations



## Health & Safety KPI's



## **10.4 Anti-Corruption**

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery

### **Unacceptable Payments**

Bribes, kickbacks, inducements or similar payments must not be made to or for the benefit of any government official, customer, supplier or any other party in connection with obtaining orders or favourable treatment such as gaining improper advantage in BAG business or operation; or to induce a government official to do something illegal or improper on behalf of or for the benefit of BAG; or for any other purpose.

This prohibition extends not only to direct payments but also to indirect payments made in any form through distributors, representatives, consultants, agents or other third parties.

### **Giving or Receiving Gifts**

Circumstances where receiving gift is prohibited: BAG Employees are prohibited to give, receive, seek or accept any gifts, loans, services, hospitality, entertainment or any other type of gifts from government officials, customers, supplier, or any other party in connection with BAG operations. In addition BAG employees are not to make any personal favours which go beyond the common courtesies associated with accepted ethical Ground Service Provider and general commercial practice.

For avoidance of doubt, any gift received by BAG Employee (or series of gifts from one party) which might, as a matter of judgment, must be reported to the responsible Vice President with full details of the background of the gift.

**On behalf of BAG, I am pleased to submit our Communication on Progress reflecting our continued commitment to the UN Global Compact and its 10 Principles.**

**Dr. Zakaria Elnaggar, Deputy General Manager for CSR**