

**BAVARIAN AUTO GROUP**

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Driving for Better Future



COMMUNICATION ON PROGRESS

MAY 2013 – MAY 2014

Prepared by:

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Acting General Manager for IT, Training and CSR

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## 1. MESSAGE FROM THE CHAIRMAN

I'm pleased to confirm that Bavarian Auto Group (BAG) is supporting the ten principles of the United Nation Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

I would also like to assure you of my intention to promote these principles both among our employees and within our sphere of influence.

BAG creates and proposes new values to society. With its “Social Engagement” management philosophy, BAG 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, BAG 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.

In BAG we believe the humans are our main assets and stakeholders 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 7, 2014



## 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>	400 Million USD (As of January 2014)
<b>Number of Employees:</b>	1620 (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 BAG 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**

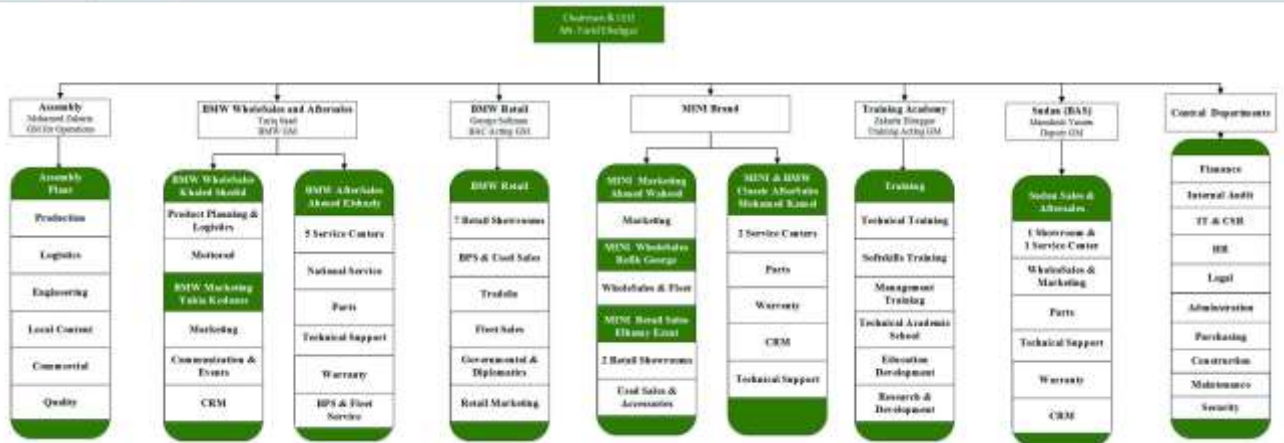


## 5. BAG COMPANIES

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 BAG for BMW models in the market. The company is joint venture between BAG and its BMW dealers with 55% share for BAG.</b>
<b>Royal Auto Trading Co. (RATC)</b>	<b>Import, wholesale and retail of Mahindra, Greatwall models and its spare parts in Egypt.</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

Bavarian Auto Group Main Structure



## 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 favorable 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 programmers. 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.

### **Our commitments, our policy**

BAG respects Human rights and acts in favor of diversity, equal opportunities and contributes to fight against all forms of discrimination and this is through ensuring that all its staff members have understood UNs basic principles and are willing to implement sustainable solutions throughout the organization.

### **Approach and implementation**

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

#### **- Employment Equity**

BAG is an equal opportunity employer and employs personnel without regard to their race, ancestry, place of origin, colour, ethnic origin, language, citizenship, creed, religion, gender, age, marital status, physical and/or mental handicap or financial ability. While remaining alert and sensitive to the issue of fair and equitable treatment for all, BAG has a special concern with the participation and advancement of members of four designated groups that have traditionally been disadvantaged in employment: women, visible minorities, aboriginal peoples and persons with disabilities.

#### **- Harassment**

BAG is Keen to provide a harassment-free environment for its employees. Mutual respect, along with cooperation and understanding, must be the basis of interaction between members and staff. BAG will neither tolerate nor condone behavior that is likely to undermine the dignity or self-esteem of an individual, or create an intimidating, hostile or offensive environment.

There are several forms of harassment, but all can be defined as any unwelcome action by any person, whether verbal or physical, on a single or repeated basis, which humiliates insults or degrades. “Unwelcome”, for the purposes of this policy, refers to any action, which the harasser knows or ought to reasonably know as not desired by the victim of the harassment.

Specifically, racial harassment is defined as any unwelcomed comments, racist statements, slurs, jokes, graffiti, literature, pictures or posters, which may intentionally or unintentionally offend another person.

Sexual harassment is any unwanted attention of a sexual nature such as remarks about appearance or personal life, offensive written or visual actions like graffiti, degrading pictures or physical contact of any kind.

### **- Workplace Violence**

Workplace violence can be defined as a threat or an act of aggression resulting in physical or psychological damage, pain or injury to a worker, which arises during the course of work. Further to the definition of violence, is the definition of abuse. Abuse can be verbal, psychological or sexual in nature. Verbal abuse is the use of unwelcomed, embarrassing, offensive, threatening or degrading comments. Psychological abuse is an act which provokes fear or diminishes a person's dignity or self-esteem. Finally, sexual abuse is any unwelcomed verbal or physical advance or any sexually explicit statement.

BAG has a zero tolerance limit with regards to harassment and violence. Employees engaging in either harassing or violent activities will be subject to discipline, which may include termination of employment, removal from boards or committees and possibly criminal charges

## **Education Reform Programs**

### **Bavarian Technical School**

BAG will open its new technical school by September 2014. The technical school will be three academic years from grade 10 to grade 12. The school will be specialized in the automotive technical studies including electrical & electronics, mechanical and body studies. The school will cover also the studies for automotive manufacturing. We plan to start with only 25 students and to increase the number with the market needs.

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

- A mutual cooperation Protocol agreement on October 2009 was signed between BAG 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 still 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 still provides 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.

## **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:

### **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

#### **Our commitments, our policy**

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.

#### **Approach and implementation:**

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.

### **Environmental Inspection**



Table (5): Gas emissions from Flash off Exhaust

		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>	8.36	%	—	—
5	NO <sub>x</sub>	<0.01	mg/m <sup>3</sup>	300	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	THC	0.02	%	—	—

مركز الأبحاث والدراسات  
بيئية  
جامعة القاهرة  
11/11/2012

Table (6): Gas emissions from Boiler Burner

		Value	Unit	Egyptian Law 4/1994 Limits	Comment
1	Amb. Temp	18	°C	—	—
2	Temp	198	°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>	300	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	THC	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	8.6	8	9.4
SO <sub>2</sub>	3	8.2	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>) in 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	18.2	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 Test	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	15.2
Plastic Paint Booth # 1	20	50	15.7

The heat stress was calculated using the following correlation: Black wet thermometer temperature degree = (A.2) Reading of thermometer + 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	614	159 - 1 x 10 <sup>3</sup> + 3 x	2000 mg / l.
3	Total Suspended Solids	200	Standard method (ISO 8466) (192) (1997)1	800 mg / l.
4	Oil & Grease	85	Standard method (ASTM D 421 - 95) (2001)	100 mg/l.
5	Silicon	8.42	Standard method (ASTM) D3867 - 00	100 mg/l.
6	Sulfide	9.8	Standard method (ASTM) D4658 - 00	10 mg/l.
7	COD	1062	Standard method (ASTM) D1252-00	1100 mg/l
8	BOD	Less than 2.5 mg/l	Standard method (ASTM) D1239-00	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 : **5m<sup>3</sup>/hr**
- Type : Chemical + Settling
- Operating time : 10hr/day

#### 2) Sludge treatment system

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

#### 3) Chemical dosing system 5m<sup>3</sup>/hr

- Type : Tank + Feed pump

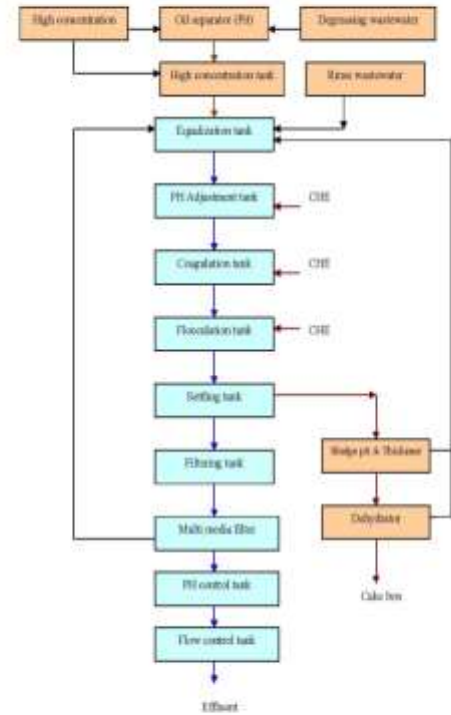
### I.2 Design condition

#### 1) Wastewater Condition

Parameters	Unit	Raw water	Effluent water	Remarks
Flow rate	m <sup>3</sup> /hr	8	8	
pH		6 - 9	7±0.5	
COD <sub>Cr</sub>	mg/l	600	150	
Suspended Solids	mg/l	220	80	
NH <sub>4</sub>	mg/l	15	5	
Zn	mg/l	5	1.5	
Fe	mg/l	2	1	



## I.3 Flow chart



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

ZERTIFIKAT ♦ CERTIFICATE ♦ 認證證書 ♦ CERTIFICADO ♦ CERTIFICAT

1211626192

  
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 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

  
TGA-ZM-07-02

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

## **10.4 Anti-Corruption**

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

### **Our commitments, our policy**

In BAG we believes that corruption in the private sector takes many forms, among them bribery, undue influence, fraud, money laundering and collusion. Corruption distorts markets and has a negative impact on society as a whole, in both the developing and the developed world. Private sector corruption contributes to environmental damage, health and safety problems, economic instability and human rights violations by diverting scarce resources, both financial and human. Private sector corruption erodes confidence in public institutions and deprives citizens of capital needed for economic growth, therefore in our battle against corruption we knew that it is a daring, risky, long drawn-out process and yet we chose to fight against corruption in all its forms.

### **Approach and implementation**

#### **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 chairman 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, Acting General Manager for CSR**