

# SEKEM

Sustainable Development since 1977

## Report | 2019





Dr. Ibrahim Abouleish  
1937-2017

When thinking becomes artistic it moves in images. The image of the four-foldness of life is a grand gesture, in which all components connect in a living motion. The great whole - the all-encompassing idea – embraces and forms the individual manifestations which are embedded like organs in a great organism. SEKEM developed into its current form through organic growth.

Dr. Ibrahim Abouleish

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Dear Readers,

Since the publishing of SEKEM's Vision for 2057, we have been setting two vision goals to focus on every year. For the year 2019, our main two vision goals were the Economy of Love and Unfolding Individual Potential. SEKEM's entire community was engaged on the topics and it was expressed in both annual celebrations, through various performances and speeches. With that in mind, we have been working on developing the label 'Economy of Love' to establish transparency and awareness of the entire value chain, and for the goal of Unfolding Individual potential, we hosted and organized the Social Initiative Forum in collaboration with Goetheanum to share ideas on creative pedagogical practices for individual and holistic potential-unfolding that can help build a sustainable future.



In addition to the annual topics, we have taken actions in regards to SEKEM's ownership. Since 2007, my father and I started to address the question of a legal structure for SEKEM, which would allow it to move away from personal ownership to avoid becoming vulnerable through inheritance in future. Therefore, in 2019, we were able to tackle this topic and develop a solution. In regards to our finances, SEKEM and its subsidiary companies had a good financial year and overachieved our targets. Consequently, we were able to gain back economic strength after the currency devaluation in 2016.

It is certain that in the face of the current COVID-19 crisis, the entire world is looking into making innovative changes, as some of the current economic models have demonstrated flaws. At SEKEM, we are aware of the need for transformative change in society and are even more confident in SEKEM's holistic vision that offers real and sustainable solutions to address the burning issues of our time.

In this report we continue to set the example for transparency on our activities, hoping to inform and inspire our stakeholders and other sustainable development initiatives in Egypt and the world

Yours sincerely

Helmy Abouleish

A handwritten signature in black ink that reads "Helmy Abouleish".

## Fact Sheet



Number of Employees  
**1110**



Total revenue (gross)  
**518.9 Million EGP**



Share of Export sales  
**%34**



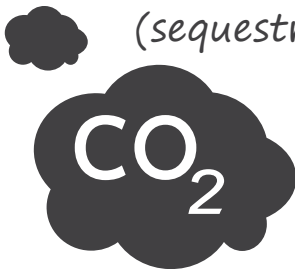
Number of supplying farmers under the EBDA **287**

Total cultivated area (SEKEM + supplying farmers)  
**1892 ha**



Total Number of Trees **130,000**

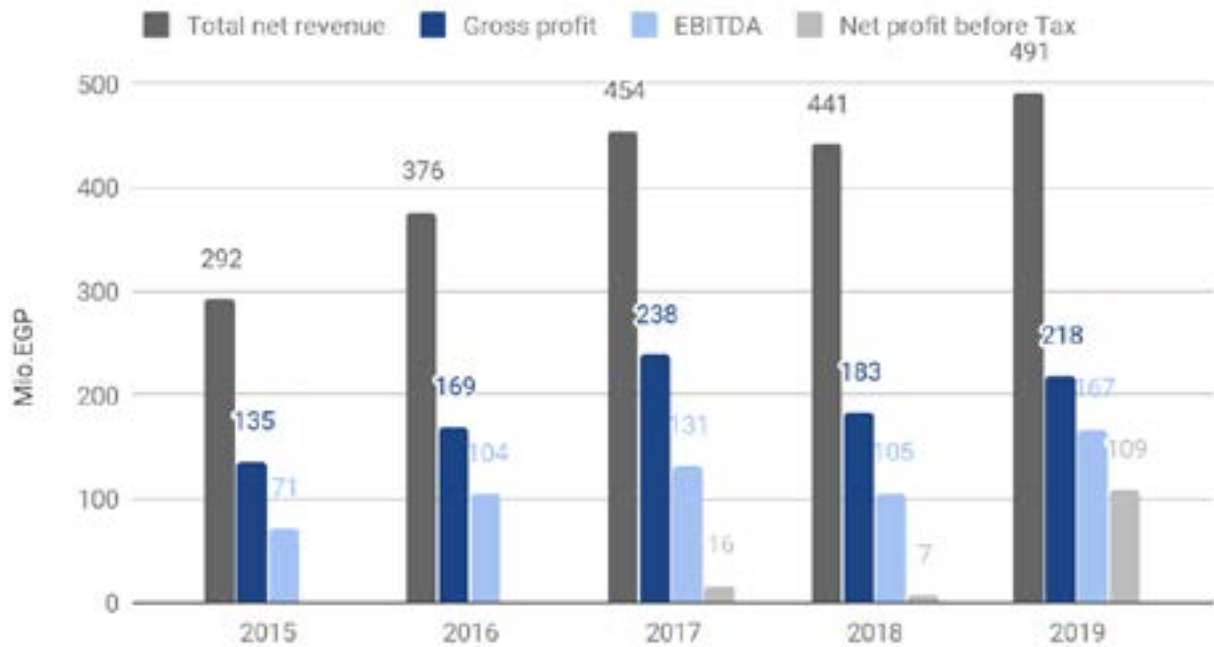
Total Net CO<sub>2</sub> balance (sequestration - emission)  
**+1180 tCo<sub>2</sub>e**



Total number of children and youth enrolled in SEKEM's schools and Heliopolis University for Sustainable Development  
**3227**



## Sekem Consolidated Statement Of income



### SEKEM Consolidated Ratios

Debt / Equity Ratio	4.79
Current Ratio	1.08
Gross Margin	44%
EBITDA Margin	34%

2019 has been a challenging, but successful year for SEKEM and its entities. SEKEM overachieved its consolidated budget and given the appreciation of the Egyptian Pound versus the USD and Euro, SEKEM was able to significantly improve its equity and reduce its debt level. In addition, the intensive work with the international lenders led to a common agreement on restructuring the outstanding amounts of foreign loans granted to SEKEM. SEKEM, its management and the Abouleish Family are very grateful to the support and contribution of its international lenders.

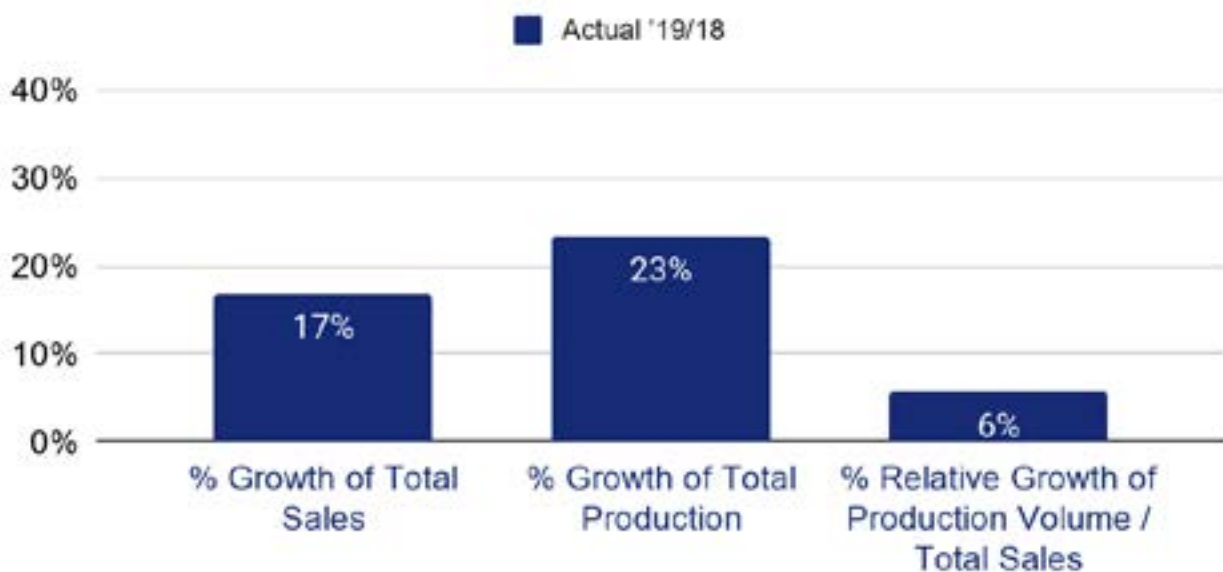
The Heliopolis University is not consolidated with SEKEM and its subsidiaries and hence, the achievements of the university are not reflected in the financial figures in this report.

## Sustainability Highlights

The hereunder presented figures present SEKEM’s Sustainability key metrics for the year 2019. The key metrics are compared to the development of total revenues or weighted average production of SEKEM Holding. Accordingly, most metrics are not presented in absolute numbers, but as a growth percentage between the yearly performance of 2019 and 2018.

We can see that SEKEM’s consolidated growth in sales was driven by a growth in total production that even exceeded the growth of sales. In general, our aim is to decouple economic growth and negative environmental effects, which is the case when looking at our packaging material used, energy consumed, waste produced and compare this to our growth of production. Of course, each subsidiary has its own dynamic but on the consolidated level we are satisfied with our sustainability performance. One major challenge remains the large amount of water consumption for agricultural use that we see as part of an investment in scaling up the holistic SEKEM model while greening the desert.

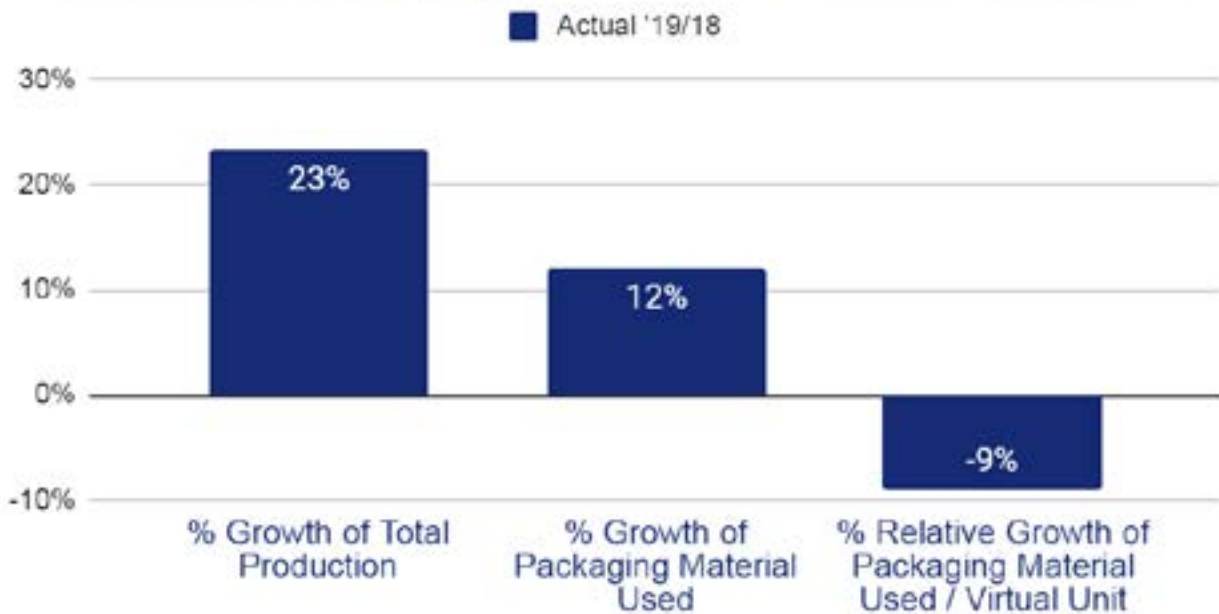
### Growth of Production Volume vs. Sales



SEKEM consolidated, weighted average growth of production volume was higher than its sales in 2019. In general, we intend to achieve the opposite but during the last years production volume was not growing and hence we are happy that the demand in our products increased. Strong production growth was shown by ATOS Pharma that reactivated its factory that was under maintenance during the last year as well as Wahat farm with an increasing date production.

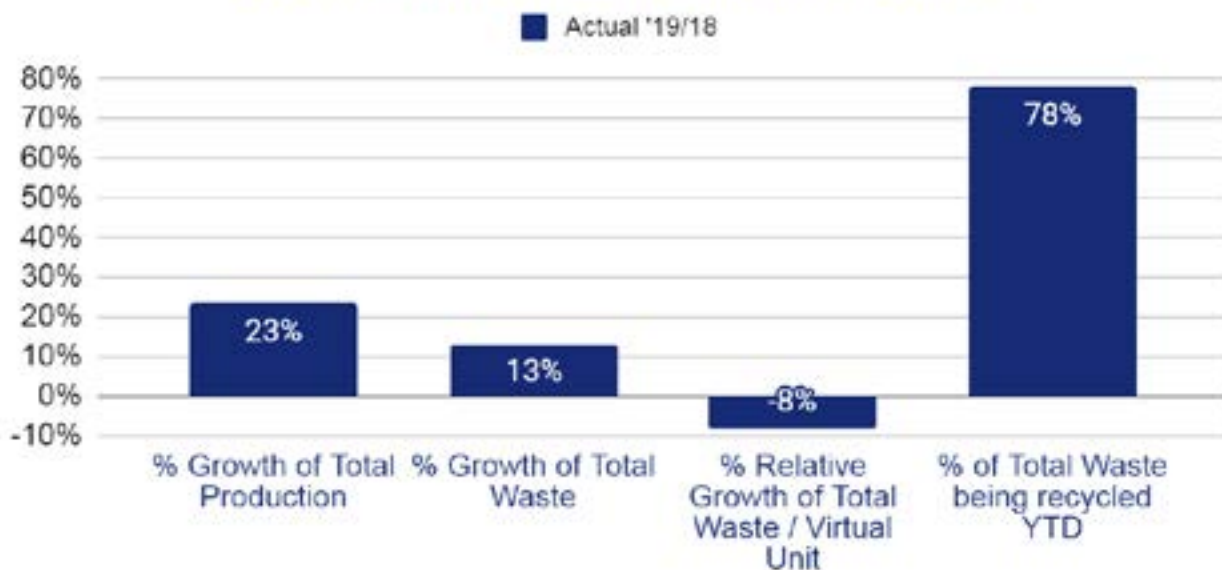


### Growth of Packaging Material vs. Production Volume

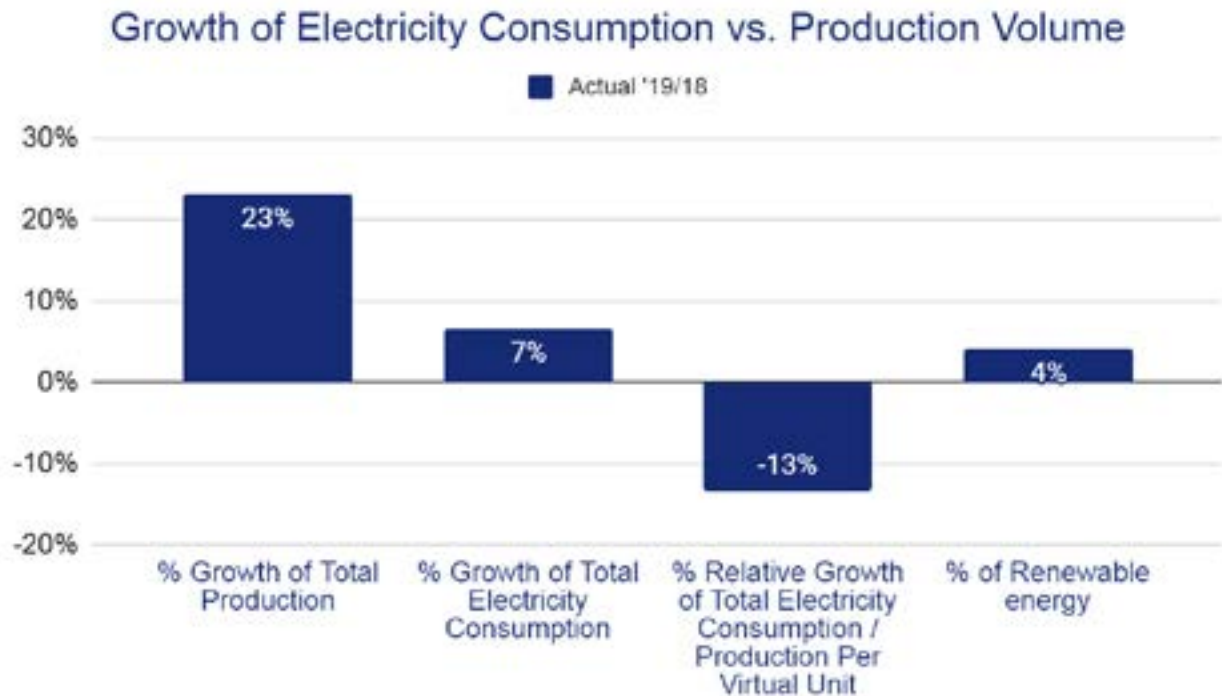


SEKEM improved its packaging material consumption in relation to total production volume. During the last year less packaging material per produced unit was used compared to the year before. This was mainly caused by a difference in product mix. An achievement was the reduction of plastic used from 563 tonnes in 2018 to 533 in 2019.

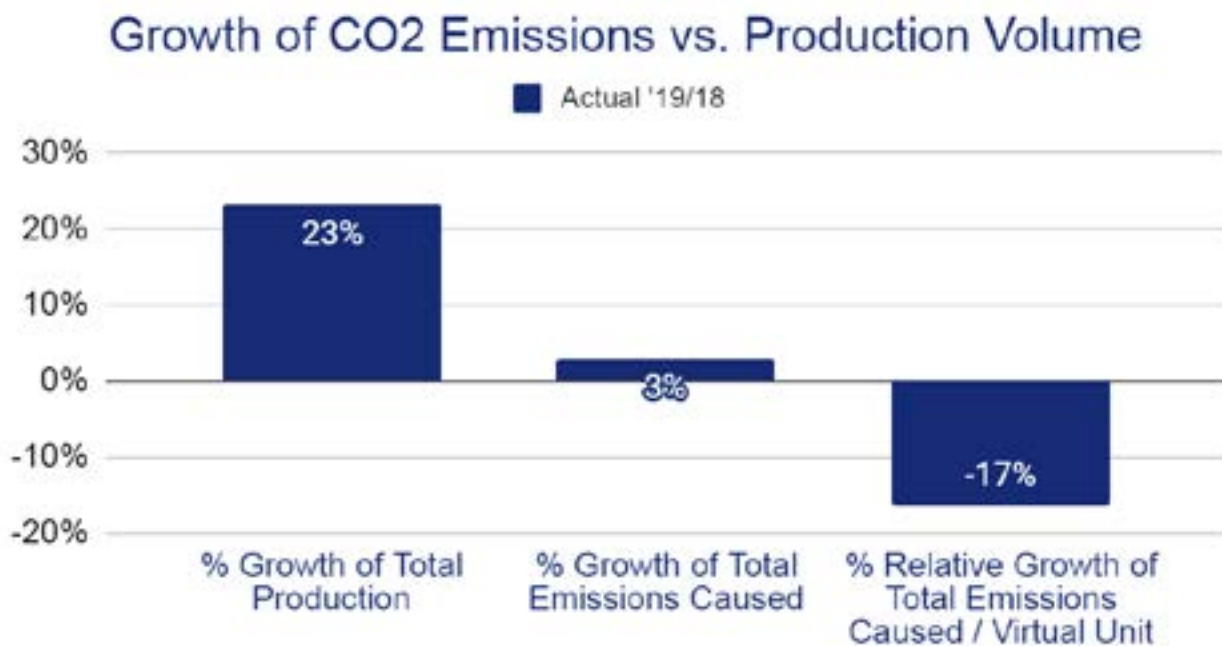
### Growth of Waste vs. Production Volume



SEKEM's production of waste grew less than its production volume. While this is good news in general we acknowledge that this improvement is mainly driven by a reduction of waste from organic raw material at Lotus resulting from a different product mix. In total, SEKEM recycles 78% of all its waste including all its organic waste that is turned into compost, which is a good achievement but our aim is to further improve this.

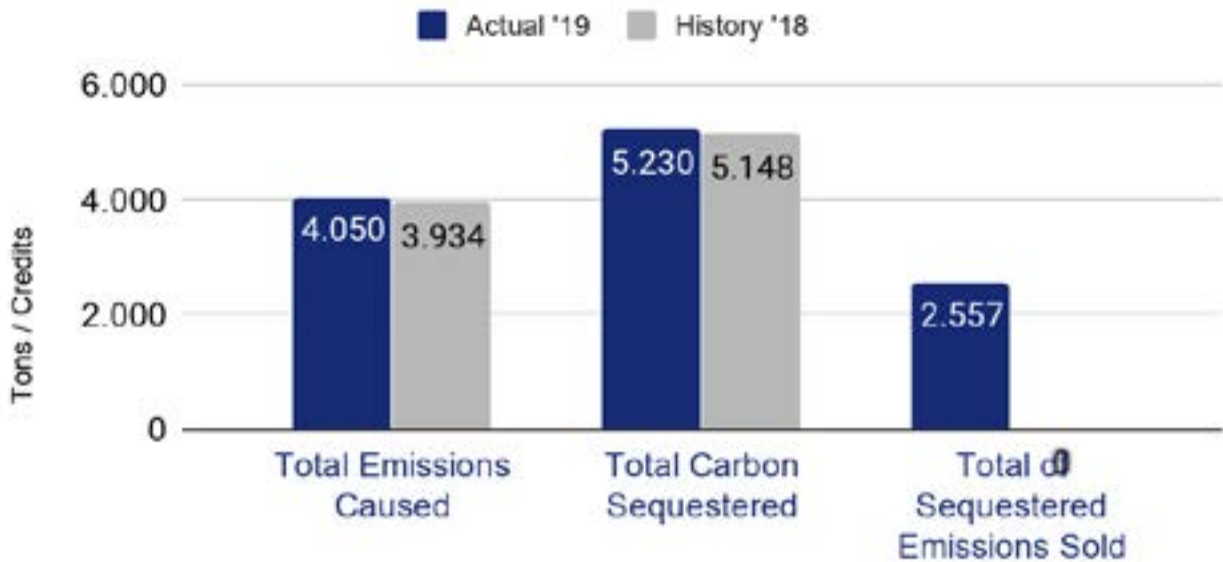


SEKEM's consolidated energy usage (diesel, grid and renewable energy) grew less than its production volume, which is a good result. The increase results from a higher consumption of diesel for power generators from both farms and companies. SEKEM's absolute production of renewable energy increased at the Bahariya desert farm through the installation of three new hybrid energy systems for pivot irrigations but the share of renewable energy stayed relatively on the same level as in previous years.



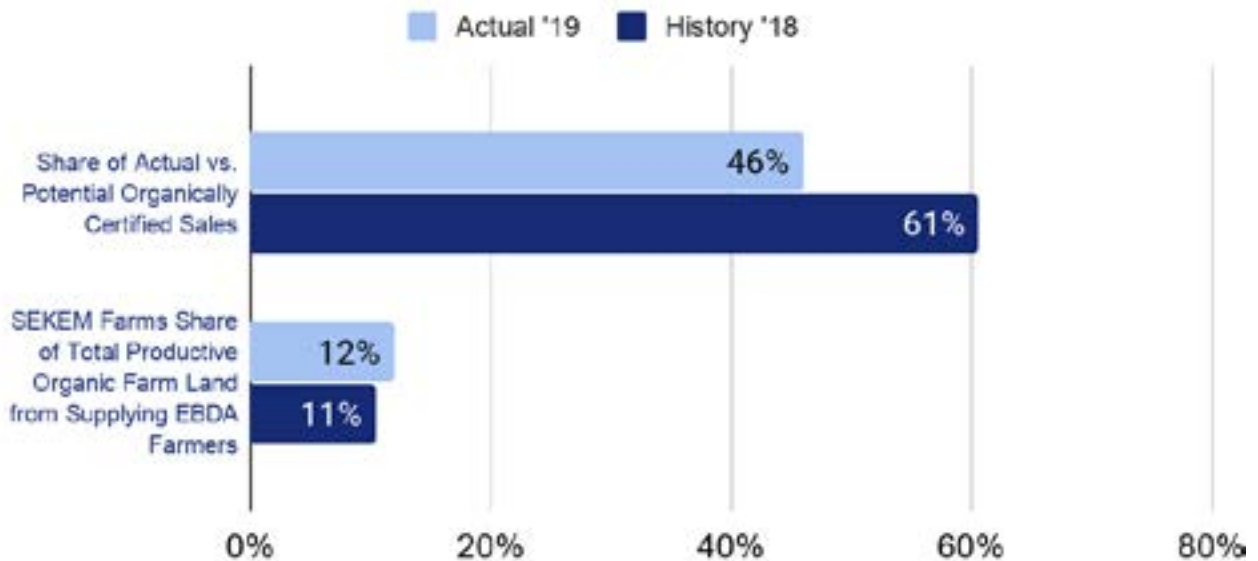
SEKEM's emissions grew less than the production volume, which is a good achievement. The increase of emissions is mainly driven by an increase of diesel consumption from the agricultural sector. In the previous years, energy consumption for water irrigation caused emissions but did not lead to production of dates, which now has changed since the palm trees started to produce dates.

## CO2 Emissions, Sequestration & Carbon Credits Sold



SEKEM can proudly state that it is “carbon positive”, i.e. sequesters more CO2 through its agricultural activities than it emits under its wide umbrella of industrial, social and cultural activities, which increasingly allows SEKEM to generate additional funds for greening the desert. In 2019, Gold Standard retroactively acknowledged that SEKEM generated 1600 carbon credits since 2016, which explains the increased amount of carbon credit sales coming from those credits generated in the past.

## Share of Potential Organically Certified Product Sales &



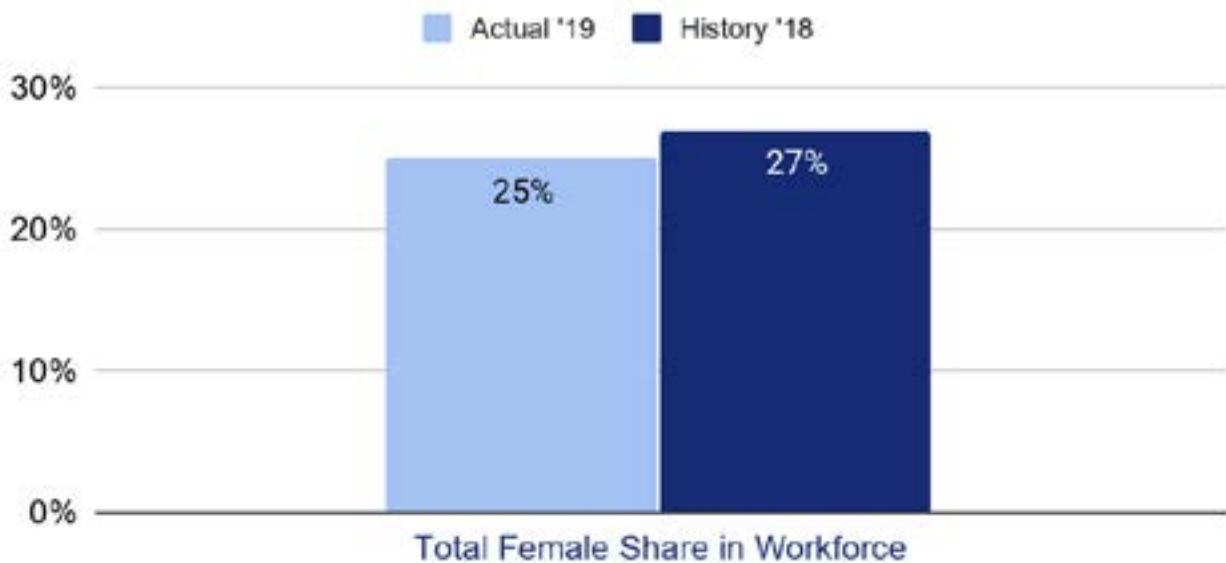
SEKEM's share of potential organic sales decreased due to raw material quality and availability challenges from iSiS' supplying farmers (especially for anise) mainly caused by increased environmental pollution from toxic residues in the available water and/or air, which often leads to the contamination of products that cannot be certified anymore. The share of SEKEM's active farmland increased slightly due to a stronger increase of certified raw materials from SEKEM's own farms and a decrease of certified raw materials from supplying farmers.

### Relative amount of water usage for agricultural use per KG production



More than 99% of SEKEM’s water consumption is caused by the agricultural sector. In general, the relative agricultural water consumption of SEKEM farms remained stable. According to our experience and the regional benchmark the water efficiency of our production in relation to the overall impact on SEKEM in general is acceptable. The decrease in the ratio is affected by our new land reclamation activities at Bahariya desert farm that needs relatively much water.

### Female Share of Total Workforce



The share of females decreased slightly, which requires efforts for improvement. The relatively low share of females is mainly caused by women leaving the company after marriage, which is the local cultural norm in the rural context. The challenge lies in replacing those women by other female, qualified employees in the same position next to the general need to employ more women in total.

## About SEKEM



The SEKEM Initiative was founded to realize the vision of sustainable human development. Its mission is the development of the individual, society and environment through a holistic concept. Above all, SEKEM aspires to be an impulse for continuous development in all parts of life, to be not only a model for, but also a contribution to the development of the entire world.

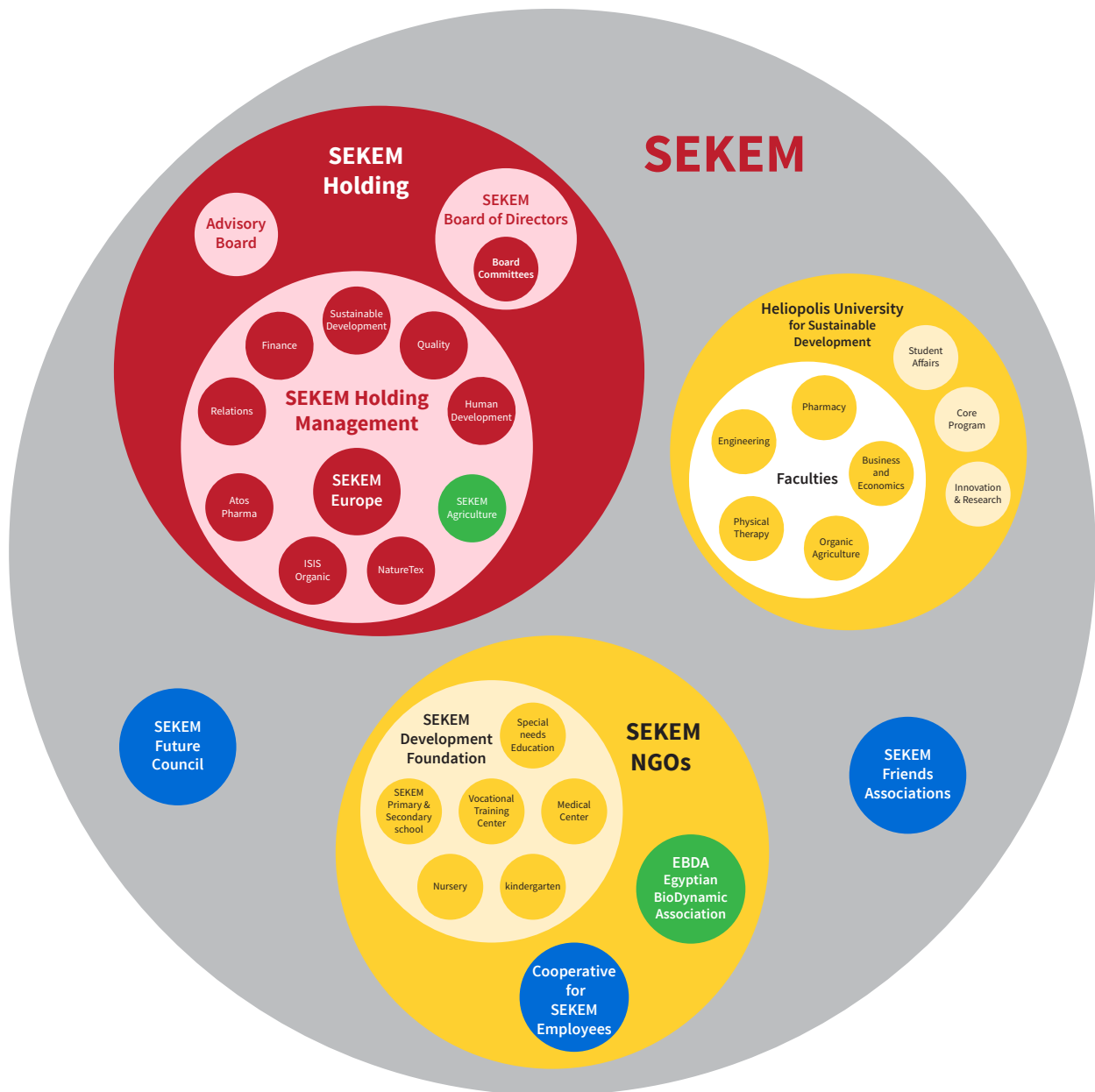
SEKEM's founder Ibrahim Abouleish was a strong visionary leader combining not only occident and orient in his soul but also embodying the qualities of empathic relationship, enlightened inspiration, rational quest for knowledge and enthusiastic pragmatism that created SEKEM, the miracle in the desert. With the help of his family and many other SEKEM pioneers, he built the SEKEM Initiative in the middle of a hostile environment. His visionary power, deeply rooted in the ancient Egyptian culture and anchored in the core principles of Islam, was inspired by European philosophy and aimed towards creating a fourfold commonwealth integrating ecological, economic, cultural and societal life for sustainable development. This is an ongoing, never ending journey and the SEKEM community is still far away from reaching the entire vision. Ibrahim Abouleish said himself, that it will take more than 200 years to reach his vision:

*“Sustainable development towards a future where every human being can unfold his or her individual potential; where mankind is living together in social forms reflecting human dignity; and where all economic activity is conducted in accordance with ecological and ethical principles.”*

*Ibrahim Abouleish*

In 1977, Ibrahim Abouleish started the SEKEM Initiative on an untouched part of the Egyptian desert (70 hectares) 60 km northeast of Cairo. Using Biodynamic agricultural methods, desert land was revitalized and a thriving agricultural business developed. Over the years, SEKEM became the umbrella of a multifaceted agro-industrial group of companies and NGOs. Today, SEKEM is regarded as a leading social business worldwide.

## SEKEM Companies and affiliated Institutions



**Colour explanation:** ■ Cultural life ■ Ecological life ■ Economic life ■ Societal life

### Board of Directors

The Board of Directors advises and supervises SEKEM Holding’s management for the company’s sustainable economic prosperity and wellbeing as well as the implementation of SEKEM’s Vision 2057 and mission in general.

**Executive board members:** Helmy Abouleish (Chairman), Christophe Floride, Konstanze Abouleish

**Non-executive board members:** Ahmed Abou Ali, Elfrieke van Galen, Heather Henryon, Nikolaus von Doderer, Rembert Biemond, Sherif Massoud

The board and its committees are meeting four times per year with a high level of attendance.

## **Board Committees**

The Board of Directors established committees to delegate certain functions and investigate specific topics in order to prepare decisions for the board. Irrespective of the establishment of committees, the final responsibility for SEKEM Holding remains under the Board of Directors.

### *Corporate Governance & Remuneration Committee*

The purpose of the Corporate Governance & Remuneration Committee (CGRC) is to act as soundboard and strategic advisor to the Board of Directors. Special emphasis lies on good governance applied and legal compliance with national and international laws at board level and in the different SEKEM companies as well as to deal with remuneration issues of top management.

### *Audit & Risk Committee*

The purpose of the Audit & Risk Committee (A&RC) is to act as soundboard and strategic advisor to the Board of Directors. Special emphasis lies on SEKEM's accurate and efficient financial and risk management.

### *Sustainable Development Committee*

The purpose of the Sustainable Development Committee (SDC) is to act as soundboard and strategic advisor to the Board of Directors. Special emphasis lies on helping SEKEM to be a renown and recognized as a top player in the field of sustainable development.

### *Strategic Development Committee*

The purpose of the Strategic Development Committee (StraDeC) is to act as soundboard and strategic advisor to the Board of Directors. Special emphasis lies on SEKEM's long-term strategy and financial health of SEKEM Group, including Heliopolis University.

## **Advisory Board**

The purpose of the Advisory Board is to provide refreshing impulses, knowledge and experience available for SEKEM in the area of economic, societal, cultural and ecological life to reach SEKEM's Vision 2057.

## SEKEM Holding

The purpose of SEKEM Holding lies in the healthy value creation for the SEKEM initiative as a whole based on wholesome and healthy food and other products that are of high quality and nourish body, soul and spirit while taking responsibility for the holistic development of the earth, enabling people to unfold their individual potential and develop their full consciousness to embrace the material and spiritual world, and fostering people to live and work together in dignity, mutual respect and tolerance.

### **SEKEM Holding Overview 2019:**

In alignment with SEKEM's social and cultural vision, SEKEM's community celebrated its annual festivities, honouring the co-workers and looking at the SEKEM Vision Goals, and also as a part of a global community, SEKEM participated in one of the biggest food fairs at BioFach in Nuremberg, to strengthen its international network, where a lot of fruitful meetings have been held and new contacts have been established.

In regards to SEKEM's finance, we have been able to pay all of the outstanding dues on time. SEKEM has also come to an agreement on the term sheet with its international lenders. And the Board of Directors meeting has been conducted, for the first time in SEKEM's Farm in Wahat El-Bahareya.

Furthermore, SEKEM Holding's majority shareholders, the Abouleish family, prepared the foundation of the SEKEM Future Council as an association, consisting of long-standing coworkers of SEKEM, who deeply carry its vision and act accordingly.

### *Finance*

**The purpose of the Finance department under the SEKEM Holding is to serve SEKEM's sustainable financial health.**

#### *Overview 2019:*

The Finance Department has been working continuously on the topic of restructuring the debt of SEKEM's international lenders, and all internal approvals of its international lenders were received and the bilateral contracts between SEKEM and its lenders were drafted. In addition, the department continued working on improving its cash and collection management in order to improve SEKEM's cash flow”

The Finance Department has been able to pay all outstanding amounts due in 2019 according to the agreements and given the financial restructuring.



## *Sustainable Development*

**The purpose of the Sustainable Development department under the SEKEM Holding is to foster innovation, research and development towards SEKEM's strategic goals and to assure great sustainable development reporting and advocacy.**

### *Overview 2019:*

The sustainability department launched the 'Greening the Desert' successful crowdfunding campaign to raise € 400.000 and supported the implementation of three pivots. The department also contributed to the making of a machine to upcycle plastic waste under the project 'Precious Plastic'. The team has also been working on conceptualizing and setting up an international work group for the project "Economy of Love". The department worked on preparing the Social Initiative Forum including a crowdfunding campaign. Additionally, the Gold Standard project for Carbon Credits for the Wahat Tree Project has been finalized.

## *Quality*

**The purpose of the Quality department under the SEKEM Holding is to create and maintain high quality processes for the SEKEM companies and regular internal auditing and validation of international certifications in a healthy and safe environment.**

### *Overview 2019:*

The Quality Department carried out the external audit for renewing the GOTS certification for NatureTex and SEKEM Europe successfully and received the QUIZ and Demeter certificate for NatureTex. The EU and NOP certificate has been received for all farms of SEKEM by Control Union as well as the updated GOTS certificate for NatureTex by Icea. Furthermore, iSiS received the Bio Suisse as well as the Demeter certificate and Lotus the renewed Kosher certification. In addition, the department received the ISO 22000:05 Food Safety Certificate for iSiS Organic as well as Lotus by Amy International.



## *Relations*

**The purpose of the Relations department under the SEKEM Holding is to spread, share and market the story and vision of SEKEM internally and externally and foster the relations to employees and key stakeholders and thus creating a very strong corporate image of the company and its subsidiaries.**

### *Overview 2019:*

The Relations team has been working on strategizing the communication means for the coming two years, to create strategic alliances with partners in terms of communication and the repositioning the online shop in Germany

SEKEM was represented in the web-panel discussion with Beacons of Hope on the topic of Food System Transformation. The department also supported the Social Initiative Forum.

## *Human Development*

**The purpose of the FinancHuman Development department under the SEKEM Holding is to support holistic development and human dignity at the workplace with qualified and motivated people.**

### *Overview 2019:*

The Human Development Department has been working on developing and implementing the core program for the coworkers on the farm and Heliopolis University campus to allow the coworkers to participate in cultural and educational activities. The courses include arts, eurythmy, acting, culture, gender equality and first aid. In the context of the core program, a new approach of creating a company choir in NatureTex. The department has conducted training, including coaching leadership and onboarding for new employees and organized internship opportunities at SEKEM's companies for HU students.



## SEKEM Agriculture



SEKEM has been farming organically for over 42 years. More specifically, it applies Biodynamic agricultural methods. Biodynamic agriculture stands for a self contained and self-sustaining ecosystem without any unnatural additions. Soil, plants, animals and humans together create an image of a holistic living organism.

SEKEM's agricultural activities are performed through 3 companies; SEKEM for Land Reclamation SLR, LIBRA and El Mizan, alongside a network of farmers organized under the independent organization Egyptian Biodynamic Farmers Association.

SEKEM for Land Reclamation (SLR) was founded in 2008 for agricultural crop production. SLR started reclaiming and cultivating new pieces of desert land according to biodynamic principles and has enlarged the cultivation area within four years from 110 to more than 400 hectares. The new desert lands in Sinai, Bahareya and Minya are important elements of SEKEM's long-term strategy to focus on growth through raw material security and improved quality.

LIBRA was founded in 1988 and since 2010 LIBRA concentrates its operations on cattle management and compost production.

El Mizan is a plant nursery aiming at providing Egypt's vegetable producers and SEKEM for Land Reclamation with healthy, profitable in- and outdoor grafted seedlings. The company was founded 2006 as a joint venture company between Grow Group Holland and SEKEM Group Egypt.

### *SEKEM Agriculture Overview 2019:*

SEKEM's agriculture team has installed 6 pivots and 4 wells in Wahat farm. Also some 8 km of roads have been prepared, being part of the necessary infrastructure for the project. Furthermore, the first harvest of peppermint has been finished, which has been grown under the first Pivot in Wahat farm.

## iSiS Organic



iSiS Organic produces food that is wholesome, nutritious and delicious, from carefully selected raw materials that are free of any artificial additives or preservatives. The foodstuff processed and packed by iSiS Organic includes organically grown vegetables, honey, dates, herbs, spices, edible oils, and beverages such as herbal tea and juice. Following the principles of transparency, iSiS Organic strives for honest and fair collaboration throughout the entire supply chain. The prices for raw materials are set according to Fair-trade principles and assure a fair distribution of the generated value to the suppliers. The company fosters its long-term relations with its suppliers through guaranteeing purchase of certain amounts of raw material and helping to pre-finance the cultivation.

### *iSiS Organic Overview 2019:*

iSiS Organic launched a marketing campaign, offering a trip to Malaysia to its retailers and customers, with about 110 winners. iSiS Organic joined the honey festival and sponsored two major events in the year 2019: 'Rise', the largest event for fitness for women in Egypt, and 'Food Fight Cancer', a school event with the purpose of raising awareness about the benefits of healthy food and its impact on health. The company also launched two new products; which are Stevia and Moringa powder.

## ATOS Pharma



Atos Pharma, founded in 1986, manufactures and markets an array of natural medicines and health care products of superior quality for effective causal treatment combined with maximum tolerability. The products are developed for different indications: cancer therapy, cardiovascular, dermatology, gastrointestinal, gynaecology, hepato-biliary, immunology, neuropsychiatry, respiratory, rheumatology and urology. ATOS Pharma markets and distributes its products nationally and internationally. ATOS Pharma is committed to a regional leadership position in the field of phyto-pharmaceuticals. Its foremost goal is to promote the utmost benefits of natural medicine in the region. One important cooperation partner is the Pharmacy faculty of Heliopolis University for Sustainable Development that is doing the research and development for new products.

### *Atos Pharma Overview 2019:*

Atos Pharma invested in its employees and conducted advanced sellings skills training in collaboration with the german Chamber of commerce, in addition to a two days training on Neuropatex and Spondex. A new partnership has been established introducing Atos' products to the market in Palestine and Saudi Arabia, while launching the new product 'Prostasan' in the egyptian market. Atos Pharma welcomed a new National Sales Manager, Product Manager and five new representatives. The company suffered from a shortage of raw materials and lower sales yet the OTC line achieved 100% of its target.

## NatureTex



NatureTex is a high quality producer of colorful baby and kids wear, dolls and toys, home textiles, fabrics and assorted adults' items. Naturtex is well known as a producer that uses only organic cotton. NatureTex was founded in 1998, originally under the name of ConyTex. The design and development of the products is done in-house in its own studio, and produced and marketed under its own brand "Cotton People Organic" (CPO), "NatureTex", "Organic Baby", or under private labels such as "People Wear Organic" (PWO) or "Under The Nile". NatureTex competes successfully in the global market for organically produced textiles through the design, manufacturing, and marketing of high quality and beautiful products from Egypt, the home of today's premium cotton production.

### *NatureTex Overview 2019:*

NatureTex celebrated a successful year in a dinner with all of its employees at SEKEM's Guesthouse. NatureTex was able to establish and confirm new partnerships for the Scandanavian market. The company has also sent out its first shipment of hand knitting yarn to taiwan. Thanks to the new machinery that has been purchased, NatureTex was able to improve the production quality and allow more in-house production.

## Lotus



Lotus was founded in 1977 under the name of SEKEM and was the first company within the Initiative. The company, nowadays named Lotus, processes all kinds of Organic herbs and spices from Biodynamical cultivated plants. It produces for its sister companies iSiS Organic and ATOS Pharma, as well as for the export market according to International Demeter Processing Guidelines. Taste, aroma and the natural medicinal effectiveness of the herbal products are the highest priorities for Lotus company.

### *Lotus & LUE overview 2019:*

Lotus and Lotus Upper Egypt obtained the Kosher, EO and NOP certification, received the organic certificate for new contracted farms from Control Union and received the updated certification of Organic (EU) and NOP (USA), valid until September 2020. Both companies had a successful presence in the Biofach Fair. New partnerships established and shipments delivered to the United States, Kenya, and Holland. Lotus was also able to sell its new product, coriander seeds to Japan and started to export the new product chamomile seeds to a client in Portugal. In addition to that, Lotus has developed a new vacuum packing for moringa, to be able to increase sales in the US.

## SEKEM Development Foundation (SDF)



The SEKEM Development Foundation is an independent entity that focuses its efforts to improve the quality of people’s lives and their living conditions and raise awareness for individual’s responsibility towards oneself and the community. Besides this, the responsibilities of the SDF are funding and supporting the SEKEM School for Children with Special Needs, SEKEM’s Community School “Chamomile Children”, SEKEM’s Vocational Training Center, the SEKEM Nursery and Adult Literacy Program and the Medical Center; to cover the community’s needs in all ages.

### *SDF Overview 2019:*

#### **General points:**

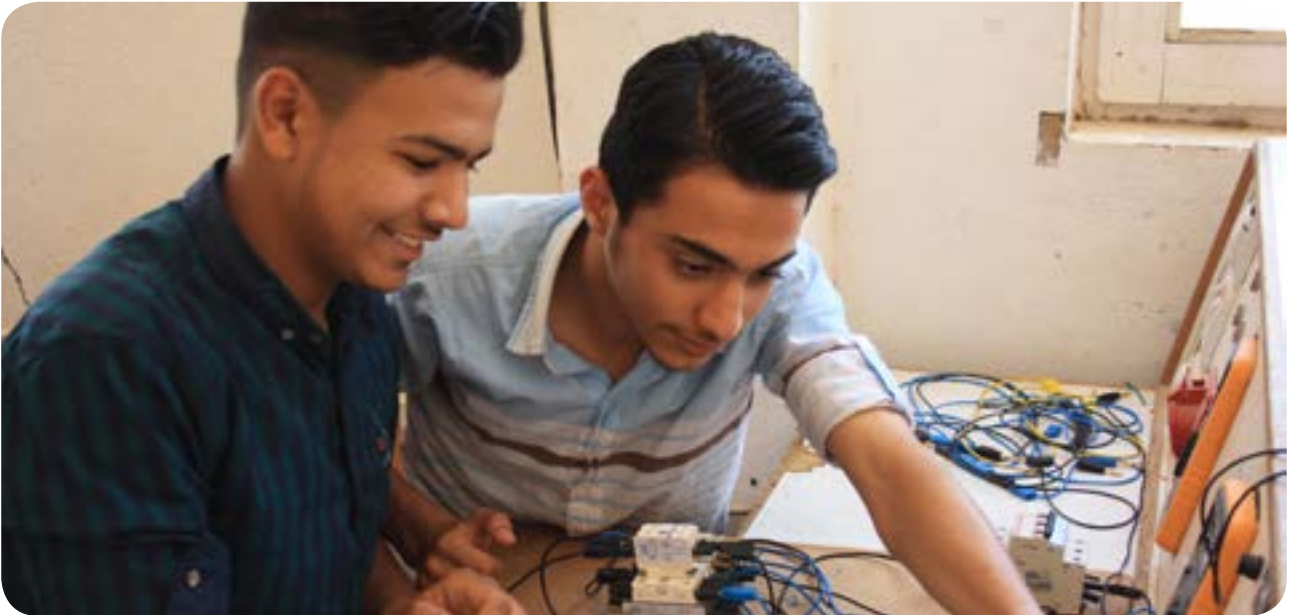
SEKEM companies and schools participated in a talent show. The workshop “Start Your Journey” by “WISE” took place for recruitment, training and communication, along with “FORASNA” forum for the opportunity for networking with the private sector and searching for employment. Also the preparation for the community development program in the neighboring villages was initiated.

#### **School:**

SEKEM School conducted its winter teachers’ training, which is also a part of the SEKEM community development project. The training included claywork, handcrafts and geometrical art, in addition to theoretical training on topics such as the sustainable flower, child development, temperaments, consciousness levels, English courses and individual work. Three Eurythmy teachers received training for 2 weeks at the Waldorfschool in Berlin. Also the teachers participated in the Social Initiative Forum on the topic of Unfolding Individual Potential at Heliopolis University.

As part of a cultural exchange, the SEKEM School Choir welcomed the Berlin Choir consisting of 30 people and they performed together on the school theater stage. The school students conducted the summer school with artistic and sports activities. The different school grades took trips to the pyramids, the religious complex in old Cairo and Fustat park, the city of Alexandria, the Pharaonic village of Giza, and the Saladin Ayoubi Castle.





## **Vocational training center:**

The Vocational Training Center held workshops with GIZ to develop a training curriculum and increase the vocational sections. The workshops also worked on supporting the increase of female educational enrollment and the dual training and education. The VTC received a visit from a committee of the ministry of education to investigate the possibility of opening two sections for bio-agriculture and solar energy. A group of students volunteered to participate in the development of SEKEM's 13 Villages Project. On the cultural aspect, a football competition was held between the school and the VTC students, in addition to a field trip to Fatimid Cairo.

## **Medical Center:**

The medical Center held several lectures and meetings on integrative medicine. On the International hand hygiene day a workshop was held in the medical center about hand hygiene. The health insurance plan for the year 2019/2020 has been approved and the preparation for a health prevention programme for children has been completed. Also, the administrative structures have been reorganized so that cooperation with insurance companies, public authorities and internal processes can be developed.

## Heliopolis University for Sustainable Development



Heliopolis University for Sustainable Development (HU) is the first university in the Middle East with a main goal of sustainable development. When the HU was founded in 2012, by SEKEM's founder Ibrahim Abouleish, it started with only three faculties: Business and Economics, Engineering, Pharmacy and Drug Technology. In 2019, two new faculties were inaugurated: Physical Therapy and Organic Agriculture. The Heliopolis University applies modern educational methods, including the Core Program in each of its faculties, as well as practical education and internship programs to develop the students' sense of individuality and creativity and help them achieve their goals as well as contribute to the society by identifying and resolving problems creatively.

[Read more](#)

## Egyptian Biodynamic Association



The Egyptian Biodynamic Association (EBDA) is one of SEKEM initiatives and an independent non-governmental organization that supports farmers in Egypt to shift from conventional agricultural practices to sustainable, organic and biodynamic agriculture. EBDA is guiding, consulting and caring for more than 500 farmers, which are contracted with SEKEM but situated all over Egypt. EBDA provides training and expertise needed to enable farmers to have their land inspected and certified as organic according to EU standards, or as Biodynamic according to Demeter standard. Since its establishment in 1990 the EBDA gained experience, expertise and success in the Biodynamic cultivation of herbs, cereals, vegetables and cotton in the desert. Through multilateral cooperation with other organizations, EBDA raises awareness of the Biodynamic agricultural method in the Middle East. Since the beginning of the year 2019 the EBDA became a valued partner in promoting organic agriculture in Egypt.

[Read more](#)

## SEKEM Future Council

*The Future Council has existed informally since the beginning of SEKEM. During 2019, a formal establishment of an association under the same name under German law was prepared in order to assure that the vision of SEKEM is kept alive through a circle of committed people working and living at SEKEM. One of the accountabilities from the members is the overall coordination of all different institutions related to SEKEM and an alignment towards the SEKEM Vision 2057. The formal establishment of the SEKEM Future Council is planned to be finalized in 2020*



## SEKEM Holding Financial Statement

Consolidated Statement Of Financial Position

as at December 31, 2019

	31/12/2019	31/12/2018
<b>Assets</b>		
<b>Non -current assets</b>		
Fixed assets	569 548 917	574 080 886
Projects under construction	55 691 027	36 909 901
Plant wealth	34 082 382	34 082 382
Biological assets	2 664 474	2 545 109
Goodwill	53 867 282	53 867 282
Available for sale investments	18 008 980	18 010 399
<b>Total non - current Assets</b>	<b>733 863 062</b>	<b>719 495 959</b>
<b>Current assets</b>		
Inventory	170 469 536	180 028 667
Trade and notes receivables	137 114 253	117 464 853
Debtors & other debit balances	123 337 701	122 428 037
Amounts due from related parties	107 307 009	109 705 802
Cash and cash equivalents	3 810 275	5 656 185
<b>Total current assets</b>	<b>542 038 774</b>	<b>535 283 544</b>
<b>Total assets</b>	<b>1 275 901 836</b>	<b>1 254 779 503</b>
<b>Equity</b>		
Share Capital	211 195 900	211 195 900
Reserves	65 074 168	64 564 762
Foreign operations - foreign currency translation differences	973 260	145 849
Retained losses	( 119 906 591)	( 205 960 393)
<b>Net equity of parent company</b>	<b>157 336 737</b>	<b>69 946 118</b>
Non controlling interests	5 304 005	2 181 039
<b>Total equity</b>	<b>162 640 742</b>	<b>72 127 157</b>
<b>Non - current liabilities</b>		
Long - term loans	603 811 529	361 012 200
Deferred tax liabilities	18 137 690	22 928 192
<b>Total non - current liabilities</b>	<b>621 949 219</b>	<b>383 940 392</b>
<b>Current liabilities</b>		
Bank overdraft	208 780 958	294 883 757
Banks credit balance	494 426	611 897
Amounts due to related parties	7 106 876	--
Short - term loan installments	39 090 384	264 104 621
Suppliers & notes payables	77 163 708	83 970 529
Creditors & other credit balances	150 797 179	147 143 593
Claims Provisions	7 878 344	7 997 557
<b>Total current liabilities</b>	<b>491 311 875</b>	<b>798 711 954</b>
<b>Total liabilities</b>	<b>1 113 261 094</b>	<b>1 182 652 346</b>
<b>Total equity and liabilities</b>	<b>1 275 901 836</b>	<b>1 254 779 503</b>

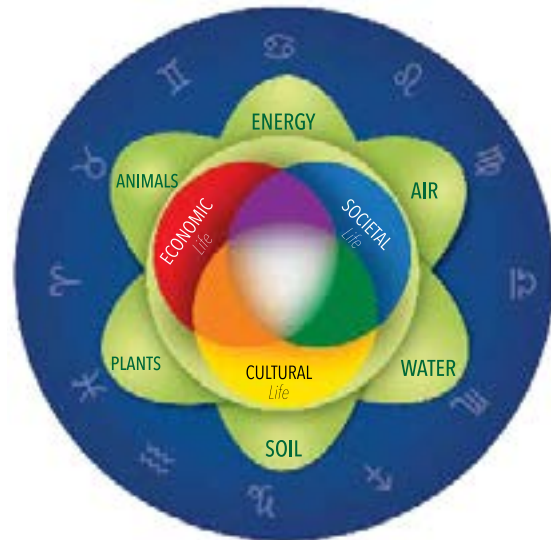
## Consolidated Income Statement for the year ended December 31, 2019

	For the year ended	
	31/12/2019	31/12/2018
Sales (gross)	518 907 891	449 908 437
Cost of sales	(300 616 494)	(266 705 019)
<b>Gross profit</b>	<b>218 291 397</b>	<b>183 203 418</b>
Selling and distribution expenses	(99 871 531)	(79 947 453)
Administrative expenses	(38 411 103)	(39 632 919)
Board of directors remuneration	(1 397 793)	( 539 962)
Other operation expenses	( 110 153)	( 262 625)
Foreign currency exchange translation difference	65 255 875	14 508 188
Other revenue	23 584 190	28 243 798
<b>Operating profit</b>	<b>167 340 882</b>	<b>105 572 445</b>
Net finance cost	(51 216 809)	(93 482 849)
<b>Net profit before income tax</b>	<b>116 124 073</b>	<b>12 089 596</b>
Income tax expense	(6 683 016)	(4 684 361)
<b>Net profit for the year</b>	<b>109 441 057</b>	<b>7 405 235</b>
<b>Profit attributable to:</b>		
Owners of the Company	106 318 091	8 838 234
Non- controlling interests	3 122 966	( 1 432 999)
	<b>109 441 057</b>	<b>7 405 235</b>

## SEKEMs Holistic Development Approach

### Sustainability Flower

The core of the SEKEM Vision 2057 is based on the SEKEM Sustainability Flower, which represents the integration of the four spheres of life – economic, cultural, societal and ecological life. The Sustainability Flower represents a management, assessment and communication tool, which was developed within a network of international organizations from the organic / Biodynamic movement cooperating under the umbrella of the „International Association of Partnership for Ecology and Trade“ (IAP).



### SEKEM Vision Goals

On the 15th of June 2018, one year after SEKEM founder Ibrahim Abouleish passed away, SEKEM formulated its [Vision and Mission Goals for 2057](#). These goals create a visionary path which leads to social innovation and societal transformation in order to address the local and global challenges of today. Every year, SEKEM focuses on two vision goals. This report is one way to illustrate the impact made and progression on serving our goals.

By striving towards our vision and mission, SEKEM addresses the 17 United Nations (UN) Sustainable Development Goals (SDGs). We found it necessary to create our own set of goals with a higher emphasis on our cultural life. Nevertheless, we take inspiration and guidance from the SDGs wherever possible. The reader will see a link between SEKEM's 18 Vision Goals and the 17 UN SDGs presented below.



## SEKEM's Vision Goals

### SEKEM Vision Goals Overview:

#### SEKEM Vision Goals in the Four Dimensions

##### Human Development

- SVG 1: Holistic Education (*Focus Topic 2019*)
- SVG 2: Integral University Model
- SVG 3: Holistic Research
- SVG 4: Integrative Medicine (*Focus Topic 2020*)
- SVG 5: New Culture

##### Ecology

- SVG 6: 100% Organic (*Focus Topic 2018*)
- SVG 7: Self-sufficient Water Management
- SVG 8: 100% Renewable Energies
- SVG 9: Stabilized Biodiversity
- SVG 10: Climate Mitigation
- SVG 11: Zero Waste (*Focus Topic 2018*)

##### Economic Value Creation

- SVG 12: Circular Economy
- SVG 13: Economy of Love (*Focus Topic 2019*)
- SVG 14: Ethical Banking (*Focus Topic 2020*)
- SVG 15: Offer of Biodynamic Products
- SVG 16: Transparent Trading

##### Societal Life

- SVG 17: Social Transformation
- SVG 18: Future-oriented Governance

### SEKEM Vision Goal Priorities for 2019

Out of the 18 SEKEM Vision Goals for 2057, SEKEM chose two focus topics for 2019: “Economy of Love” (SVG#13) and “Unfolding Individual Potential” (SVG#01). In 2020 SEKEM’s Management together with its key stakeholders decided to prioritize two other vision goals, namely “Integrative Health” (SVG#04) and “Ethical Banking” (SVG#14). Although SEKEM is constantly working on all vision goals, the two yearly topics have been emphasised in particular through various events and projects. Focussing on the two topics per year helps us in aligning and prioritizing our efforts from our institutional innovation ecosystem.

### SEKEM Vision Goal 13: Economy of Love

The initiative to work and develop the 13th SEKEM Vision Goal Economy of Love (EoL) has been taken over by the Egyptian Biodynamic Association in Egypt (EBDA). Since the beginning of the year 2019, EBDA has been actively working on establishing the framework of a new value based standard. The development was promoted by the recognition of some missing elements in current standards like Demeter, Organic or Fair Trade. All existing trademarks are mostly focussing on one specific dimension, Demeter and organic with a focus on ecology; Fair Trade mainly focuses on some of the societal criteria. SEKEM is seeking for a holistic standard which includes all four dimensions: Economy, Ecology, Society and Culture. The philosophy of how we work in SEKEM should be carried out and made visible also to other communities and companies.





The EBDA took action and started with the development of an official standard called: Economy of Love. It is a standard and label for holistic farming, production and processing processes. It describes the idea of how different sectors and compounds of an economical and societal system can work together within an associative way. Consumers will be able to get full transparent information about a product background which in the end will have an impact on the buying decision. Forging this connection between the two ends of the value chain, the Economy of Love label is committed to increase the customer's awareness by answering these three crucial questions: What impact does the production process of a product have on.

## 1- the environment

## 2- the people and the community

## 3- the cultural development as well as the individual potential unfolding

Economy of Love enables the consumer to actually have a free buying choice by knowing and choosing the product's impact. In addition, EoL aims to balance day-to-day work with life-long learning. Individual development should therefore be accessible through art. And also, instead of sustaining the environment, regeneration of agricultural land is urgently needed. EoL describes the development of fruitful communities and local associations, which contribute to a more peaceful society.

## The Economy of Love Tracing Tool

The new Tracing Tool of the Economy of Love standard is called **impacTrace**. It is the easiest way to connect the customer or any interested party with the product's diverse background. By scanning the QR-code on the product box, the customer is enabled to gain detailed insights into the whole value chain, as we try to maximize transparency. Hence, **impacTrace** can raise a customer's awareness and help them to identify and build up a relationship while the whole processing process, production and the people with their stories behind them is laid out in front of the customer.

*In relation to the UN Sustainable Development Goals:*



## 4.2.1.1 SVG 1: Holistic Education to unfold potential

### Description of the SEKEM Vision Goal No. 1:

SEKEM ensures that part of the profits generated is used to support cultural activities and promote education opportunities for all community members and those affiliated. SEKEM is convinced that the potential of one individual is evolving with the inclusion of arts and culture. Hence, SEKEM focuses on offering people and students space for their individual development and potential unfolding instead of providing them with universal teaching and learning models. SEKEM wants to evoke questions instead of giving answers in order to fulfill the Vision 2057 which includes the transformation of the educational sector on all levels.

And because the financial stability and security contribute as a factor in the cultural life, SEKEM chooses to exceed the living wage set by the government, to provide better life means and conditions to its employees and daily workers and to facilitate their individual development.

### *Projects:*

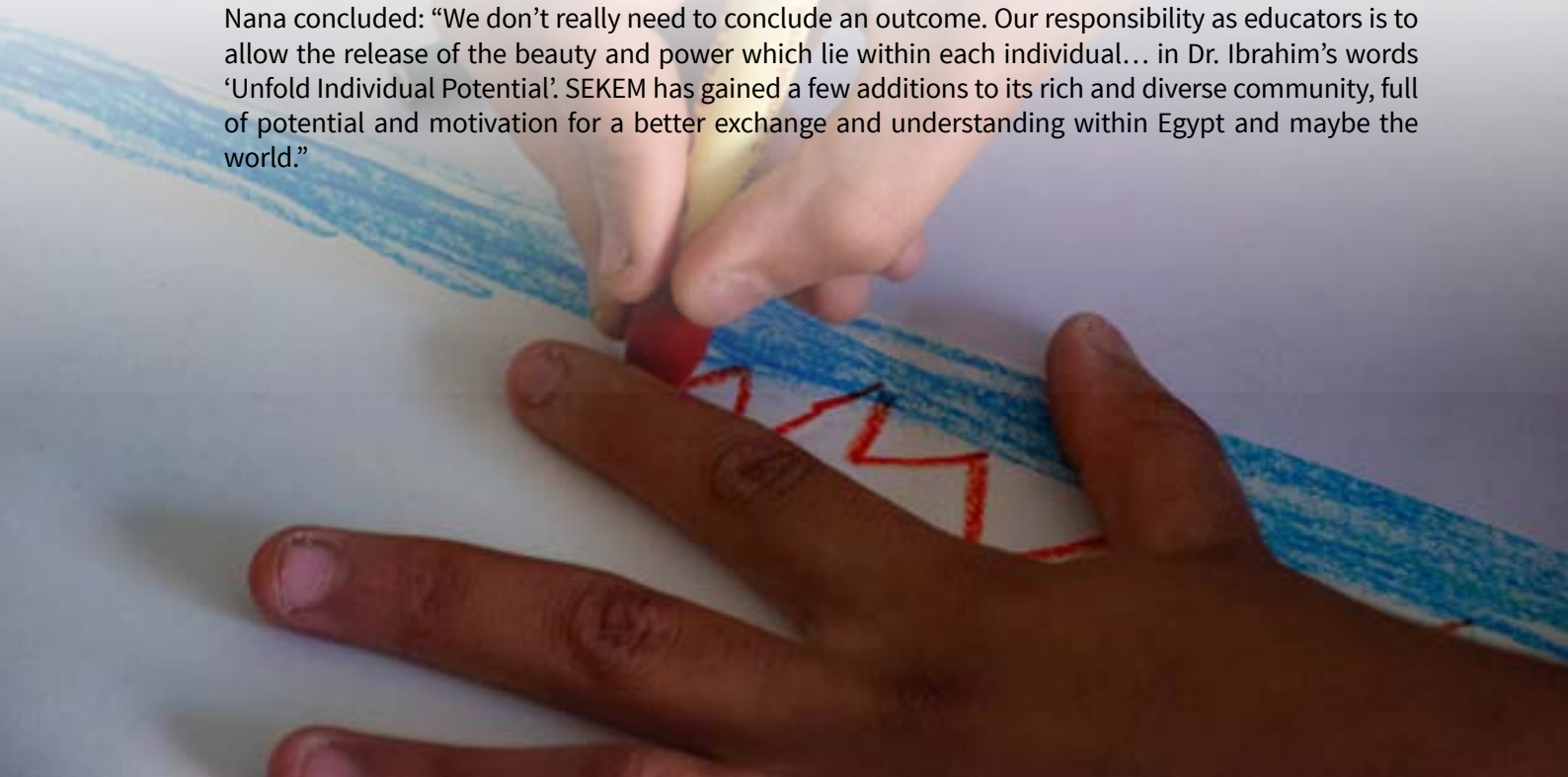
#### 1- Core Program

##### Summer School “Intercultural Dialogue for Sustainable Development”

In July, the social eurythmy practitioner Nana Woo, opened up an intercultural dialogue as the theme for the summer school in cooperation with SEKEM, Heliopolis University and the Center for Arab-West Understanding. For one week, 20 participants explored the question of whether we are nowadays able to truly communicate and understand each other, especially in regard to the strong cultural effects. They got to experience in depth, in a regulated dialogue through different activities, the wealth of knowing, communicating and exchanging with the other.

Also, they had the chance to learn about SEKEM, the founder Ibrahim Abouleish and the daily life in the companies. Through various activities and a final performance the young people demonstrated their potential, talent and maturity as well as their concerns, challenges and frustrations.

Nana concluded: “We don’t really need to conclude an outcome. Our responsibility as educators is to allow the release of the beauty and power which lie within each individual... in Dr. Ibrahim’s words ‘Unfold Individual Potential’. SEKEM has gained a few additions to its rich and diverse community, full of potential and motivation for a better exchange and understanding within Egypt and maybe the world.”



## 2- Social Initiative Forum

In December, SEKEM and Heliopolis University hosted the Social Initiative Forum where more than 250 people from all over the world came together to learn from one another different ways and examples on how to unfold individual potential. The vision was to enable and empower all humans as individuals and as community members at the same time. Several initiatives presented themselves so that a network between inspiring and exemplary ideas was tied. SEKEM as a host showed that the impossible is achievable when you have a clear vision and deep belief in mind. Being part of this visionary network is enriching and the upcoming developments for which the foundation was laid during the SIF in Egypt are worth looking forward to.

### *Ongoing Projects in SEKEM School*

SEKEM School is organizing regular training and working circles for its teachers. Each teacher receives three trainings per week. In addition, the school follows the concept of a coaching system where old teachers observe classes of the younger teachers and the other way around, followed by reflective meetings.

A new organizational structure was developed at the SEKEM Schools – from a management based hierarchy system to a system which is spreading responsibility and tasks in different working circles among the teachers.



## *Hand In Hand (HIH) Nursery*

The nursery project was initiated in cooperation with the Hand in Hand program of SEKEM's German partner company "Rapunzel Naturkost" and the SEKEM company Lotus and aims to develop two kindergartens in the neighbouring villages of SEKEM. This project is the start of SEKEM reaching out to surrounding areas to improve the living standard of the children and families. New education programs with a focus on creative programs such as art classes or movement courses are initiated in cooperation with the SEKEM Schools.

## *EDU CAMP III*

EDU CAMP III is the succeeding project of EDU CAMP I and II, where schools are offered consulting and innovative ideas towards rebuilding the curriculum including sustainable, social and environmental aspects.

## *Literacy program launched in all firms*

SEKEM is providing literacy classes for employees in order to teach them how to read and write. A total of 6 people joined the program from Naturetex. Furthermore the company has created a small book library facility to provide people with access to books and literature.

## *Core program for all SEKEM company employees*

All SEKEM companies employees are engaged in the Core Program on SEKEM main farm. The Core Program team have developed a program for the personal development of employees as individuals and a community. The program has always been a part of SEKEM's holistic development, but this year was redesigned to accomplish the SVG: Unfolding Individual Potential. The program is planned to be annually repeated and will include the Heliopolis University community.

[Read more](#)

## *The Education for Sustainable Development program for all SEKEM teachers*

SEKEM' educational institutions' teachers received training in various domains such as pedagogy, general knowledge, artistic skills. The training is a full year project, the teachers participate for 6 hours per week during school time and every day during vacation time. This program works on the development of teachers as individuals as well as educators, to equip them to interact and understand their students.

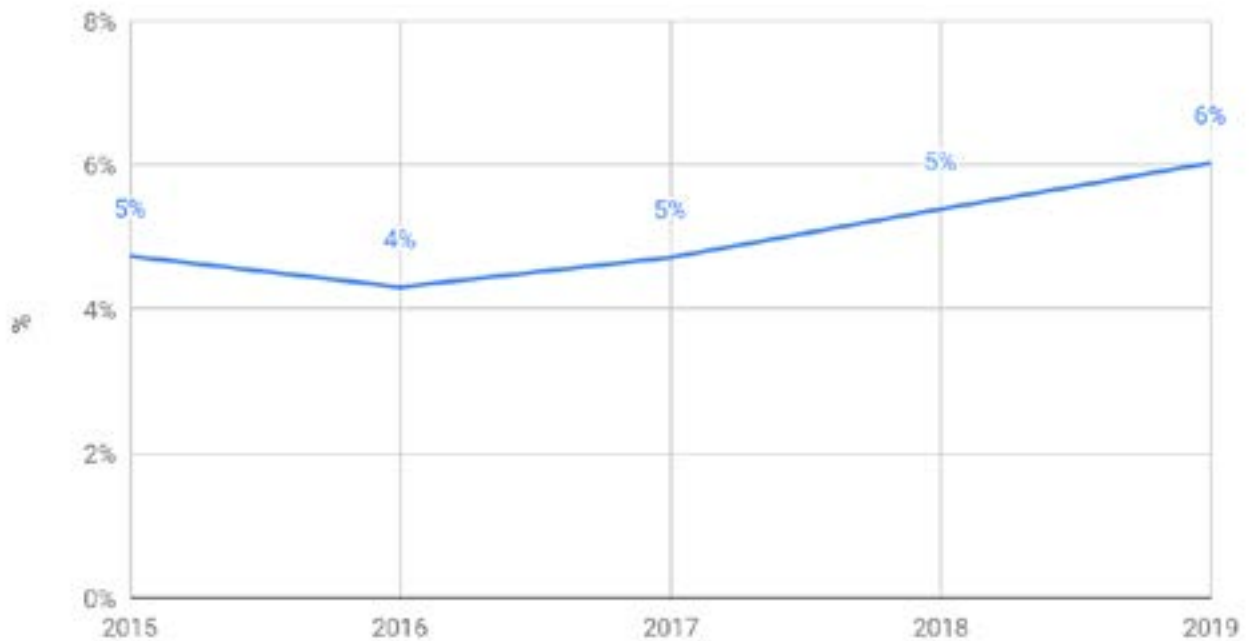
[Read more](#)

## *In relation to the UN Sustainable Development Goals:*



## Relevant Indicators to achieve the SVG 2027

### Share of working time spend for training activities vs.



The share of working time spent for training activities remained almost constant in recent years. SEKEM is working further on reaching the goal of 10% of the working time spent for activities related to potential unfolding of its employees. This includes the training and activities under the Core Program but also daily employee circles, vision meetings, celebrations and other artistic interventions at the firms, such as the yearly orchestra cravane.

The average working time for SEKEM employees is 47.8 hours per week.

[Read more](#)

## Other SEKEM Vision Goals along the Four Dimensions of SEKEM's Sustainability Flower

### *Cultural Life*

#### **SVG 2: Integral University Model**

*Description of the SEKEM Vision Goal No. 2:*

The SEKEM Vision Goal for an Integral University Model implies that the Heliopolis University for Sustainable Development (HU) is an integrative part for knowledge creation and education within SEKEM's overall institutional innovation ecosystem. Therefore, the HU emphasises on the development of individual consciousness, economic solidarity, social justice and environmental balance in Egypt and the world as an inherent part of its curricula and research.

HU was founded to provide a fertile ground for new ideas to emerge and spread and to give students a foundation on which further personal growth and development can happen. In addition to the qualification that students attain in their studies, HU provides the opportunity of unfolding potential and discerning their own giftedness and interests. The basis of this is the Core Program in which all students participate among others classes in fine arts, acting, movement or music.

#### *Projects:*

##### **Introduce Module based learning at HU**

Heliopolis University has taken several steps with the objective of shifting to active rather than passive learning experiences and to develop student-centered learning activities in order to keep the students more engaged, and be able to better understand real-world problems and further develop higher-order cognitive abilities.

##### **Reinventing exam assessments and evaluation**

HU has developed new assessment models based on multi performance techniques that focus on illustrating what the students have learned. A variety of methods are introduced: online assessment, Bubble Sheet Method, projects prototypes, presentations, defenses, individual reports, group reports, reflective student essays, online discussion forums, and many more.

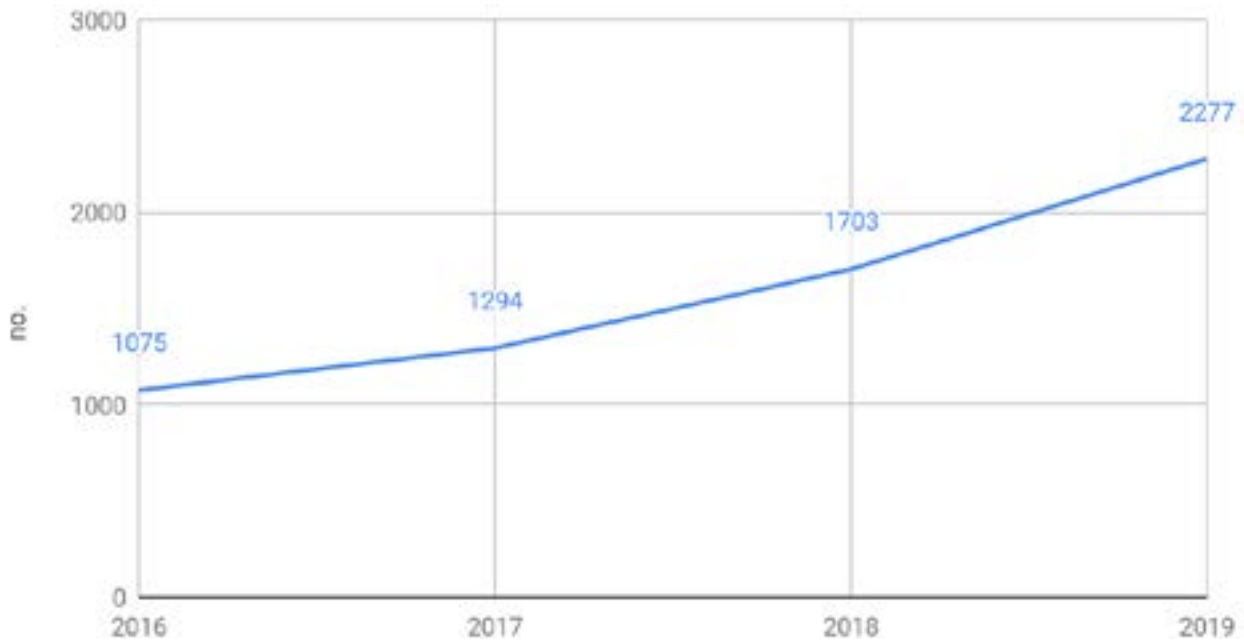
##### **Establish education for sustainable development ESD for all HU academic staff**

The ESD program for staff members and assistant teachers at Heliopolis University started in February 2018 and the first graduates are expected to finish in September 2020. The program includes following team building, communication and cooperation, teaching competences, leadership skills, critical and creative thinking, emotional intelligence, human development, community based learning courses.

**Establish Core Program for HU admin staff**

*Indicators:*

Share of working time spent for training activities



The number of students has increased in the year 2019, to reach 2277 students. The Faculty of Pharmacy was able to obtain the approval to increase the capacity to 300 students per intake, while it was only 150 in the year 2018. In addition to the opening of two new faculties, which are Organic agriculture and Physical Therapy.

*In relation to the UN Sustainable Development Goal's:*



## SVG 3: Holistic Research

*Description of the SEKEM Vision Goal No. 3:*

Progress and awareness-raising are only possible if the existing, as well as the new, is constantly questioned and further developed. Research builds an important factor for SEKEM to be able to hold itself accountable and to explore new ways of serving the main purpose of sustainability. For SEKEM, investments in research are justified based on the value it creates for society and human development. Despite high economic pressure, SEKEM is investing a share of its company profits to foster knowledge creation, works with various partners on projects for sustainable development and focuses on spiritual and cultural development.

*Projects:*

### Overview on (HU Research Projects)

Heliopolis University had in total running 44 research & development projects such as [13 village projects](#), HU FABLAB, MICROCREDIT, [SIF EGYPT](#), [ESTEDAMA](#) serving our 18 SEKEM Vision Goals.

*In relation to the UN Sustainable Development Goal's:*



*Relevant Indicators to achieve the SVG 2027:*

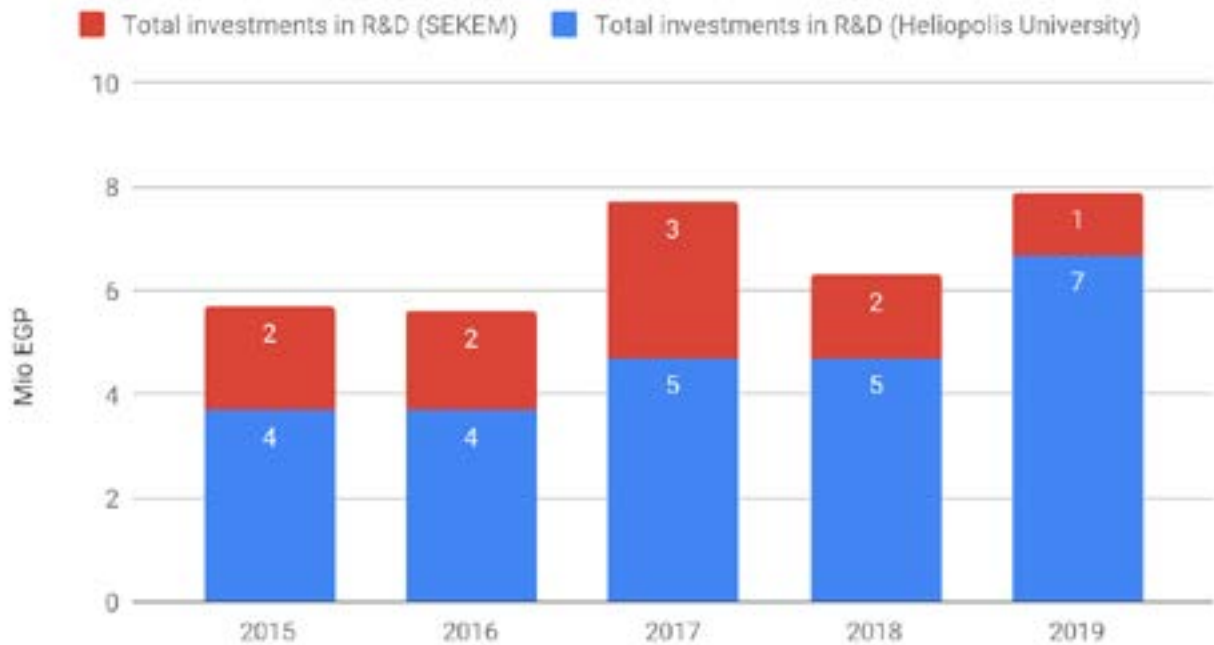
Share of investments in R&D of total sales



Over the last years, SEKEM mobilized a research budget around 2% of SEKEM's total sales. This can be seen as an achievement given the tight financial and economic situation of SEKEM and Egypt in general.



### Total investments in R&D



The total expenses in research and development (R&D) are coming from SEKEM’s subsidiaries and Heliopolis University where production relevant research is performed. Especially the water, microbiology, and pharmaceutical labs from the different faculties are used to improve SEKEM’s soil management as well as to develop new phyto-pharmaceutical products for ATOS Pharma.

## SVG 4: Integrative Medicine (Priority for 2020)

### *Description of the SEKEM Vision Goal No. 4:*

Human health is not only dependent on short term medication to fight separated symptoms but should be seen as a holistic system which includes the physical as well as the spiritual body. Bringing the human health in balance with natural, spiritual and social treatments is one of SEKEM's major goals when it comes to rethinking the classical health system in Egypt. For its Vision Goal No. 4, SEKEM commits itself to integrate a holistic view on the human being including body, soul, and spirit and to disseminate this approach and understanding in Egypt.

### *Projects:*

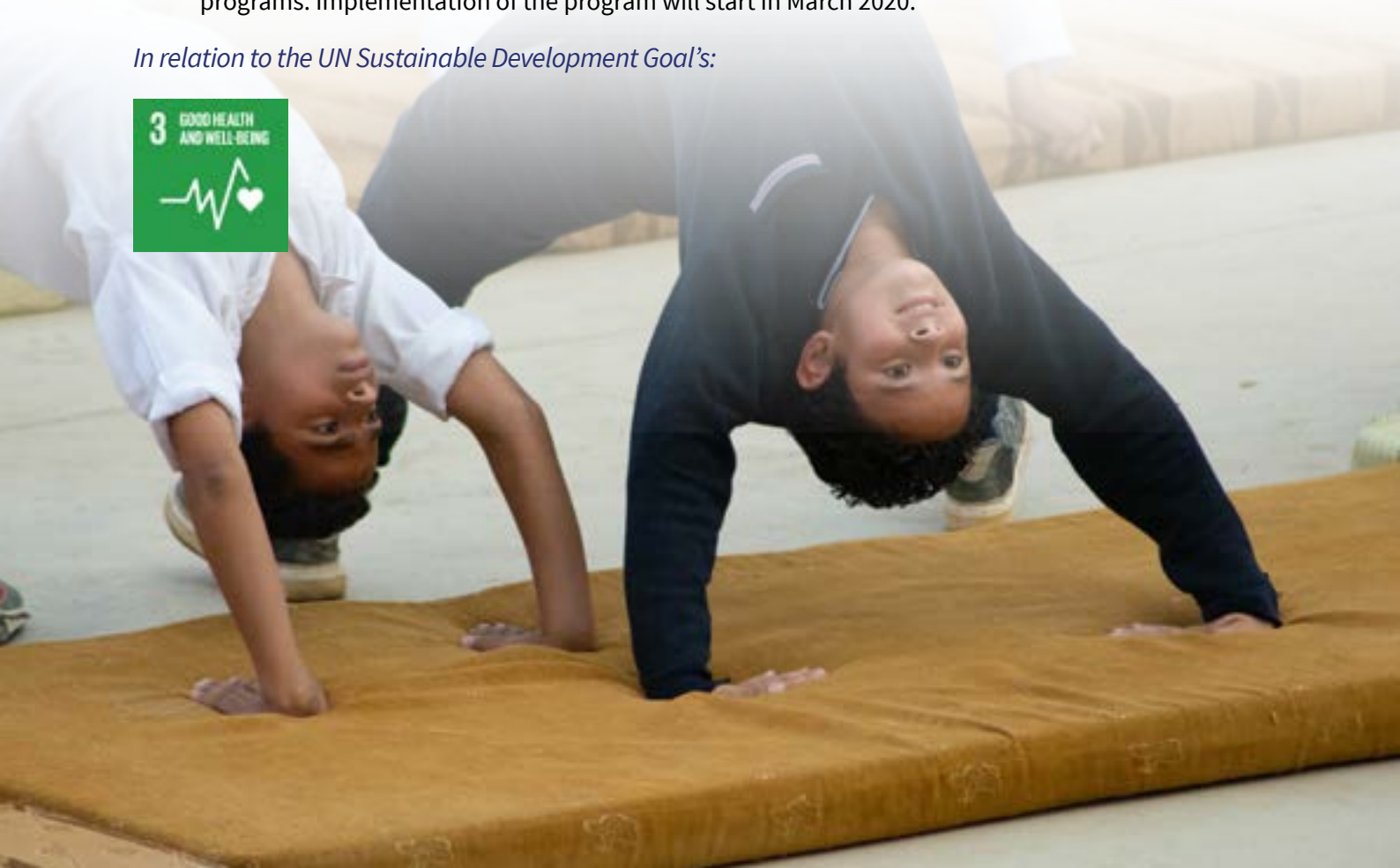
#### **Integrative Physical Therapy**

At Heliopolis University in November, the Faculty of Physical Therapy, in cooperation with representatives of the Medical Section (Dornach, Switzerland), held a first exchange on the topic of integrative physiotherapy. The methods Spacial Dynamics and Rhythmic Massage were presented to the staff members. The method of phenomenology was presented using the example of the human skeleton to lecturers and students. The result of the meeting was the decision to continue the work in 2020 with the aim of deepening the professional exchange and exploring the prerequisites and possibilities for the implementation of integrative methods.

#### **Integrative Children's Health Program**

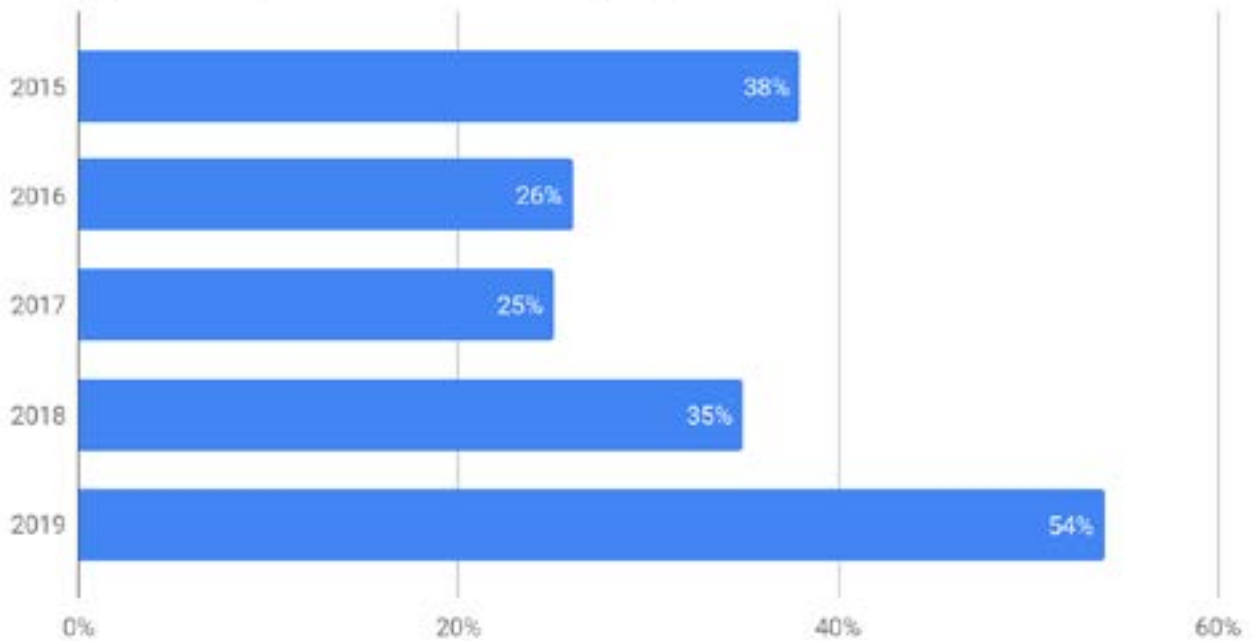
The SEKEM integrative children's health program and a health care booklet has been developed by the SEKEM Medical Center. It includes elements from the Egyptian and German medical prevention programs. Implementation of the program will start in March 2020.

### *In relation to the UN Sustainable Development Goal's:*



*Relevant Indicators to achieve the SVG 2027:*

complementary insurance of employees



We improved the ratio of employees with private health insurance because we contracted with Medshield, an insurance company which is offering good services with good prices affordable for more employees through many branches of pharmacies, hospitals and clinics in all parts of Egypt.

## SVG 5: New Culture

*Description of the SEKEM Vision Goal No. 5:*

SEKEM is committed to cultivate and include the local as well as global cultures within the work and living environment. As a share of their working time, every employee is taking part in various cultural events and training. This is supported as well through regular festivals in which all SEKEM employees, children from the SEKEM schools, HU students, EBDA farmers and other friends participate. Music input as well as artistic exercises are always included before management meetings. SEKEM entertains a Space of Culture together with HU, in which celebrations of arts and movements as well as lectures are presented on a weekly basis partly open for the public.

*Projects:*

### SEKEM's Annual Spring Festival: "Economy of Love" – the star of the festival

SEKEM celebrated the 2019 Spring Festival, the commemoration of the birthday of Ibrahim Abouleish, founder of SEKEM. This year SEKEM especially dedicated its celebration to the topic of "Economy of Love". It might sound like an unexpected combination of words, but it should be a daily experience for each of SEKEM's employees. This is one of SEKEM's goals in its Vision for 2057. "Economy of Love" is a broad concept that goes far beyond the principles of Fairtrade by including the four dimensions of the sustainability flower (economy, ecology, society and culture) and is meant to touch each member in the SEKEM community.

[Read more](#)

### SEKEM Celebrates Its 43rd Anniversary

SEKEM celebrated its 43rd anniversary and the school's 30th anniversary under the theme of "Unfolding Individual Potential" by inviting all its community members, partners and friends. Every year, the annual festival revolves around one goal of the SEKEM Vision for 2057. This year's focus was around unfolding individual potential, which had been the main mission of SEKEM's founder Ibrahim Abouleish who summarized it like that: "Sustainable development towards a future where every human being can unfold his or her individual potential."

[Read more](#)



## Space of Culture

The ‘Space of Culture’ events occur regularly on SEKEM Farm as well as on the Heliopolis University campus. SEKEM’s art team prepares weekly performances, and they also invite external talents to perform for the SEKEM community. The Space of Culture additionally organizes a talent show for employees half annually.

Several times a year, the artists go from company to company and perform there in the “music caravan”. The performances include poetry, choir, orchestra, celebration of religious feasts.

[Visit the Space of Culture Website](#)

*In relation to the UN Sustainable Development Goals:*



## *Ecological Life*

### **SVG 6: 100% Organic**

According to SEKEM's True Cost Accounting study, conducted by the [HU Carbon Footprint Center](#), Organic agricultural methods have proven to be more cost efficient, especially when taking into consideration the cost of the environmental and health damage caused by the conventional methods. Prominent effects of intensive agriculture are topsoil depletion, groundwater pollution and scarcity, increasing cost of production and as a result socio-economic instability. Organic farming has proven to be remarkably effective in reversing the negative impact of agriculture on the environment. Agricultural inputs in organic farming systems are proven to enhance the soil structure, maintain water quality, increase soil organic matter and increase biodiversity as well as yields.

Raising awareness and increasing sustainable agriculture especially organic and biodynamic farming practices are essential for SEKEM. Economic activities can only be fair and serve people if the environment of today's and future generations is not exploited. With our commitment for sustainable and regenerative agricultural practices, SEKEM successfully transformed 680 ha of desert land into fertile soil and was further involved in reclaiming and cultivating more than 2,300 ha of organic and biodynamic land with contracted farmers spread over Egypt.

### *Projects:*

#### **Greening the Desert - Phase 1 successfully completed (or almost out?)**

Creating out of nothing is the best way to describe the Greening The Desert project which follows the footsteps of SEKEM main farm.

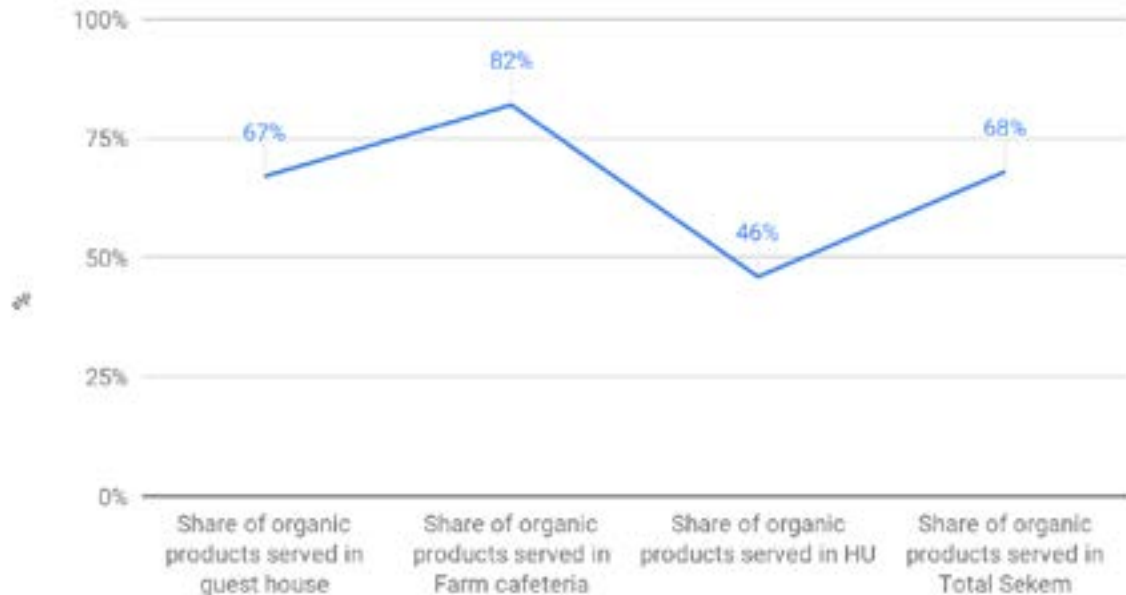
In March 2019, a crowdfunding campaign was initiated and we managed to raise 400,000 Euro, which supported the completion of phase 1, where we cultivated a variety of medicinal herbal plants such as chamomile, peppermint, and spearmint over 63 hectares.

[Visit Greening the Desert website](#)



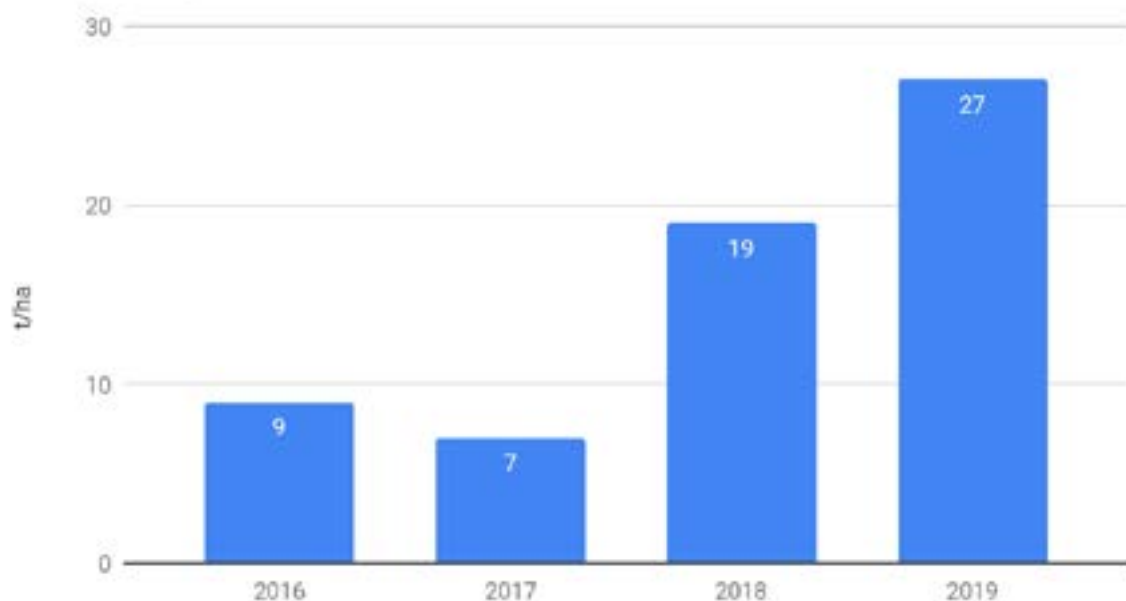
## 100% Organic in Cafeterias, HU and guesthouse

### Share of organic products used



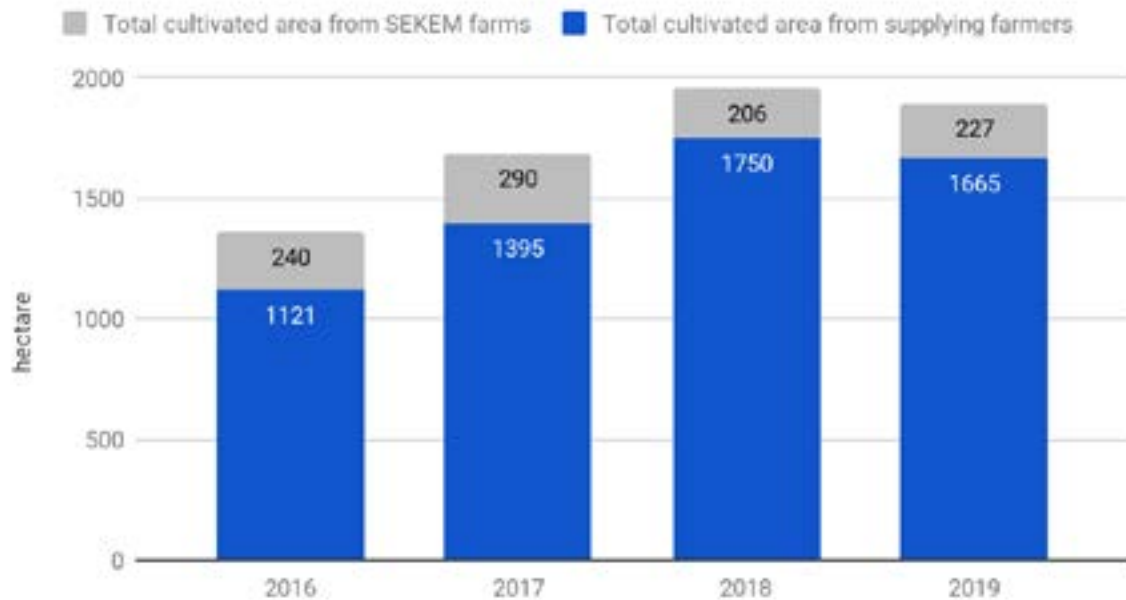
SEKEM has initiated a project to increase the organic consumption of its own community, as a step towards our goal of 100% Organic Egypt by 2057. As one can see, challenges on the supply side of cafeteria supplies remain and major cooking inputs, such as pasta need to be substituted with organic raw materials.

### Compost per hectare



We have increased the amount of compost per hectare because of the new land reclamation activities ongoing at the Wahat Bahariya desert farm. In total, we produced 6068 tons of compost in 2019 compared to 3821 tons in 2018.

### Total cultivated area



The cultivated area of supplying farmers decreased, which is a concern for SEKEM’s management and reflects an increased environmental pollution and the negative effect on farming outputs. Consequently, SEKEM’s strategy is to increase its own cultivated farm land in the new land, which is less affected by pollution. SEKEM is addressing this challenge with the new standard of Economy of Love that puts the priority of the integrity of the farmer to organic and biodynamic practice and processes besides other positive social and cultural benefits.



## SVG 7: Self-sustaining Water Management

*Description of the SEKEM Vision Goal No. 7:*

With more than 100 million people, Egypt is already below the water poverty line given by the United Nations, while at the same time the limited water resources have to serve the needs of even more people in the coming years. Due to the heavy use of more than 80% of water within the agricultural sector the potential of saving water by using water efficient technology is high. Towards 2057, SEKEM aims towards the optimisation of water consumption and focuses together with HU on research programs and implementation of innovative concepts like desalination of salt and brackish water and water recovery through humidity condensation. Furthermore, SEKEM fosters awareness creation and strives to build a community of interest in order to establish a framework of cooperational water resource management among EBDA farmers and other stakeholders.

*Projects:*

### Wastewater

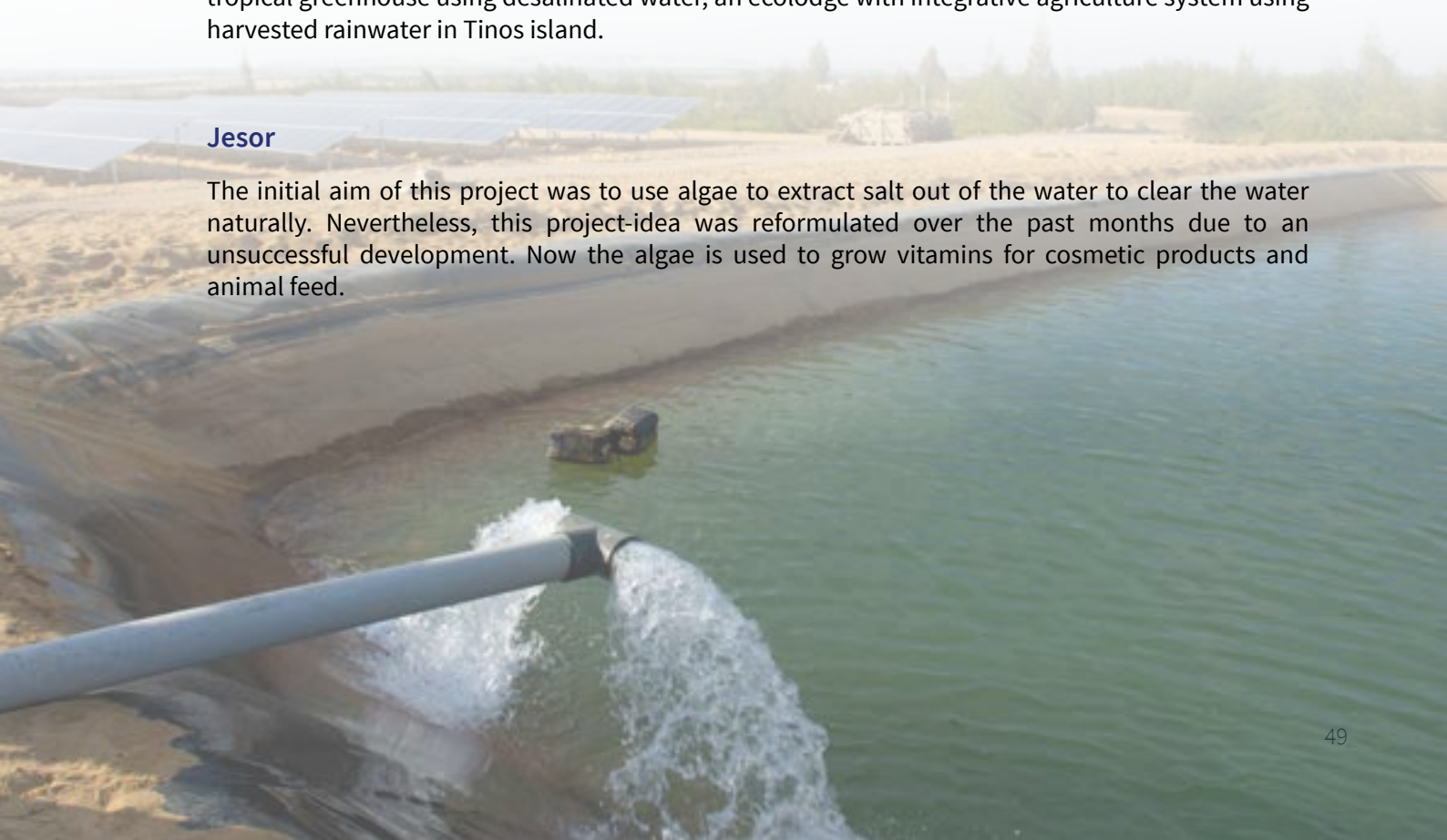
In 2018, a cooperation with the TU-Berlin elGouna campus was initiated to investigate which technologies are suitable for decentralised systems that require little or no maintenance. This cooperation was continued in 2019, and further cooperation partners were identified. The aim is to develop robust, sustainable solutions for decentralised water treatment, a first demonstrator is currently being built and is foreseen to be completed in spring 2020.

### Hydrosa

In 2019, we designed an agroforestry on Lesvos Island that is irrigated by treated wastewater, a tropical greenhouse using desalinated water, an ecolodge with integrative agriculture system using harvested rainwater in Tinos island.

### Jesor

The initial aim of this project was to use algae to extract salt out of the water to clear the water naturally. Nevertheless, this project-idea was reformulated over the past months due to an unsuccessful development. Now the algae is used to grow vitamins for cosmetic products and animal feed.



## DeVilag

DeVilag is a curriculum development project in the faculties of Engineering and Organic Agriculture that focuses on the needs of small scale and subsistence farming and thus aims to align educational activities with societal needs. Furthermore, it supports the cooperation and integration of the extension services offered by EBDA. Another area of activity is the development of online courses and thus the strengthening of HU's expertise in modern teaching methodologies.

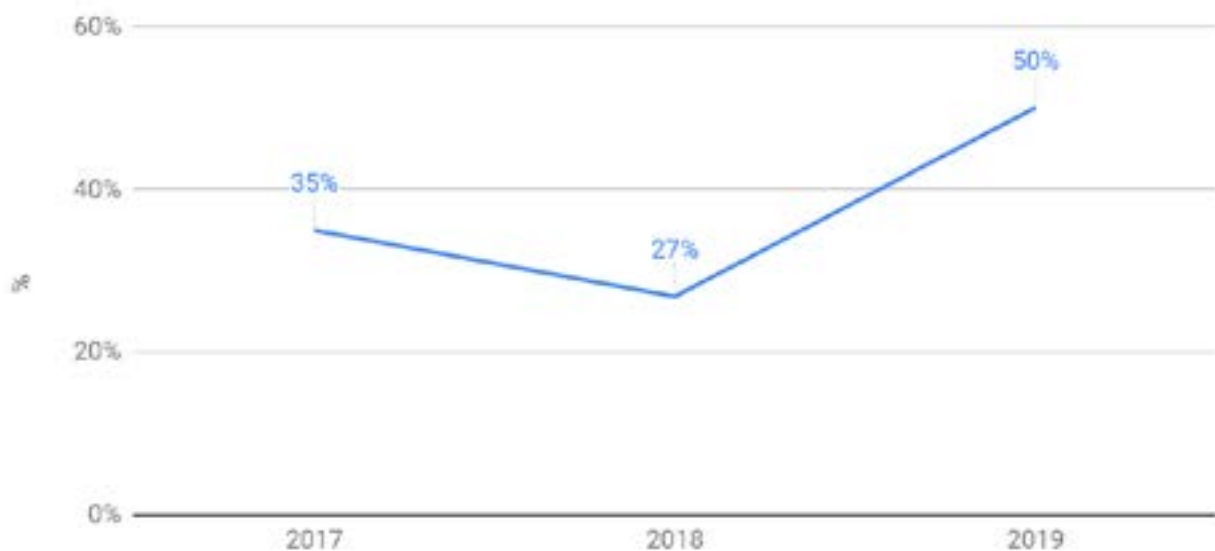
[Read more](#)

*In Relation to the UN Sustainable Development Goals:*



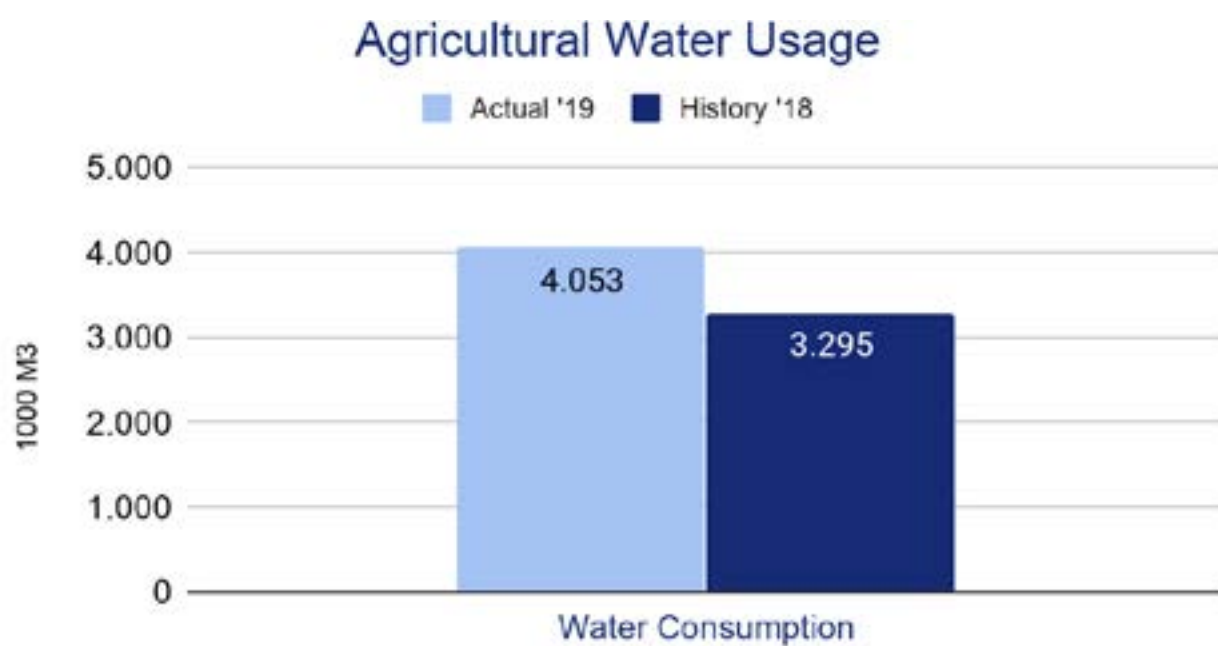
*Relevant Indicators to achieve the SVG 2027:*

Share of water usage for agricultural use on SEKEM farms from fossile water source



Share of water usage for agricultural use on SEKEM farms from fossile water source

In 2019 the water amount from water sources reached 50% due to a strong increase of water uptake from fossil groundwater at Wahat Bahareya farm which is the only SEKEM farm that depends on fossil groundwater sources. New land reclamation activities are depending on this ground water source that has access to the largest aquifer of the world. SEKEM is aware of the inherent challenge of dealing with an endless resource and proactive search for finding solutions for this.



The overall increase of agricultural water consumption was mainly driven by an increase at SEKEM's desert farm at Wahat Bahariya, where three new pivot irrigation systems were installed.

## SVG 8: 100% Renewable Energies

*Description of the SEKEM Vision Goal No. 8:*

As one of the largest oil and gas producers in Africa, Egypt plays a crucial role in the regional energy market. In the long term, SEKEM strives to support a transition towards renewable energies. A study of the International Renewable Energy Agency (IRENA) found that with sufficient investments, renewables could provide 22% of Egypt's total final energy supply in 2030. SEKEM aims to cover its own energy system 100% on renewables by 2057. Together with HU and international partners SEKEM is constantly working on an awareness creation in Egypt to foster a timely paradigm shift towards sustainable energy production and consumption.

*Projects:*

### **Greening The Desert project with Hybrid energy system Pivot irrigation**

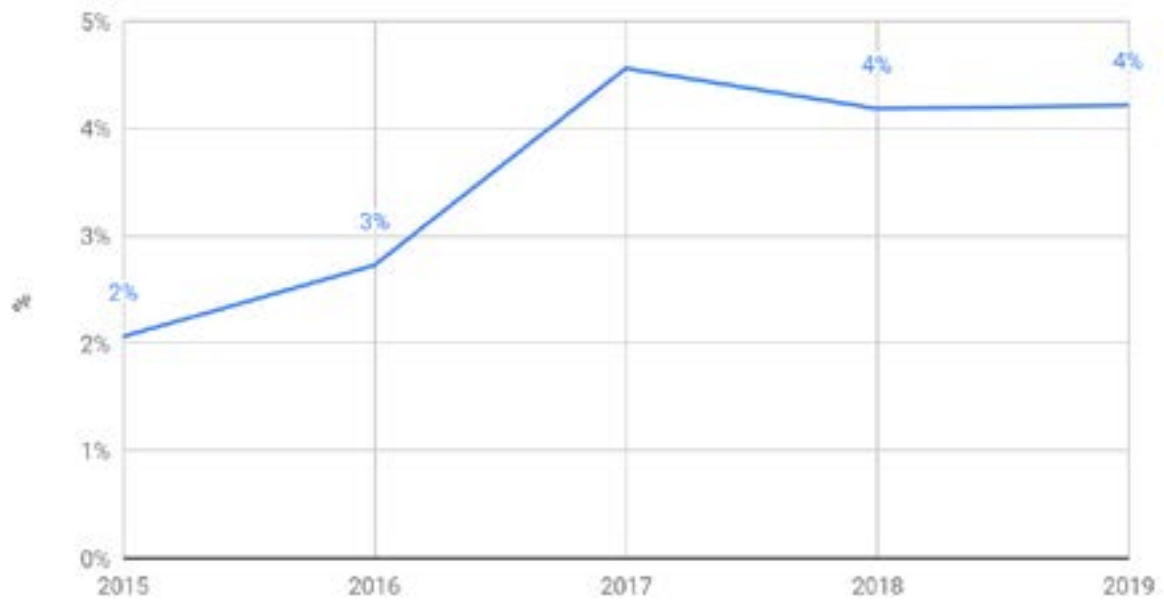
In the first phase of the Greening the Desert Project, three pivot irrigation systems have been installed and connected with solar systems to minimize CO2 emissions. In total, 5 pumps are running on hybrid energy solutions that combine PV and conventional diesel generator systems to assure stability and sufficient water supply.

*In relation to the UN Sustainable Development Goals:*

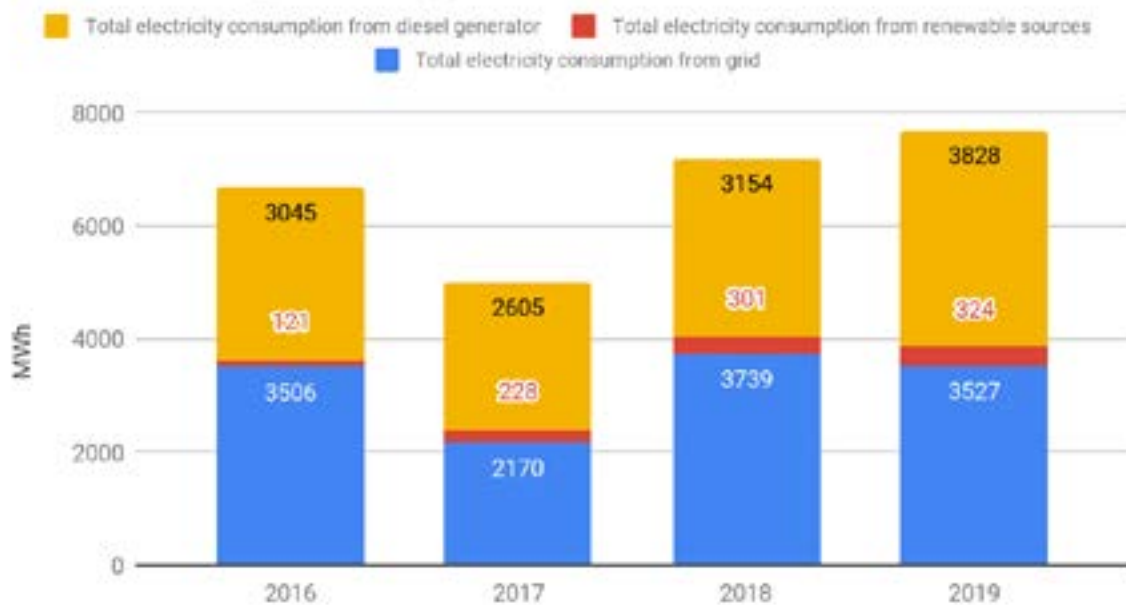


## Relevant Indicators to achieve the SVG 2027

### Share of electricity consumption from renewable sources vs.



### Total electricity consumption



The renewable energy production capacity has been increased at the Wahat Bahariya desert farm which led to a higher total consumption of solar energy from 301 MWh in 2018 to 323 MWh in 2019. At the same time the non-renewable energy consumption has increased, which explains the relatively stable share in energy production.

## SVG 9: Stabilized Biodiversity

*Description of the SEKEM Vision Goal No. 9:*

Preserving and enhancing biodiversity (animals, plants, and microorganisms) is one of SEKEM's Vision Goals for 2057. Biodiversity is intimately linked to human wellbeing and the foundation of ecosystems as the source of life. SEKEM as a pioneer in the Egyptian organic movement does not make use of any pesticide or other chemical additives, which harm the environment. Together with HU, SEKEM conducts ongoing research projects in order to offer knowledge and products for increasing natural biodiversity. This knowledge is open sourced and shared with any interested stakeholder, especially farmers.

*Projects:*

### Protecting Egyptian Bees from Extinction Project

SEKEM and “Rapunzel Naturkost” have started collaboration in the Hand in Hand (HIH) program in 2018 to fund a project for conserving the endangered Egyptian Bees of the Nile Valley; the *Apis Mellifera Lamarckij*. In 2019, we have established 100 beehives of the purebred, which not only contributes to the protection of the endangered species, but also the natural pollination and production of organic honey.

[Read more](#)

### Seed breeding

For more than two years SEKEM has professionally experimented with its own agricultural seed production. During the second half of the year 2019, SEKEM developed a portfolio of heirloom seeds which are ready to be distributed to various shops nationwide in Egypt.

*In relation to the UN Sustainable Development Goals:*



## SVG 10: Active Climate Mitigation

*Description of the SEKEM Vision Goal No. 10:*

As the consequences of climate change are increasingly affecting our planet and people and the scientific community essentially agree on climate change being one of the biggest threats of our time, it becomes more and more apparent that ethical economic practices require a paradigm shift. In a modern production system, emissions are unavoidable but can be reduced and compensated. SEKEM strives to become a role model as a climate positive community in Egypt and aims to prevent all forms of ecological repercussions caused by its economic activities. Through tree planting and biodynamic agriculture SEKEM was able to sequester more CO<sub>2</sub> than it emitted through its economic activities and thus became climate positive in 2019.

*Projects:*

### Carbon Footprint Center

Over the past few years, the interest in global warming and climate change has grown exponentially. People have realized that it is time to act in order to meet those challenges and to help mitigate climate change. Therefore, Heliopolis University takes initiatives by setting up the Carbon Footprint Center to identify sources of greenhouse gas emissions and to calculate the amount of such gases emitted due to the operation of the assessed organization over a specific period of time.

[Read more](#)

### SEKEM Tree Project

[SEKEM Tree Project](#) is the first Gold Standard certified project in Egypt and the Middle East. In the context of the SEKEM Tree Project, desert and arable land is being reclaimed, which provides an environment suitable for various plants, animal species and insects. In addition, air quality is positively affected and soil conditions are improved considerably, as biodiversity increases in the area where plant and animal species are absent. The project aims to plant 100,000 trees by 2020 to sequester CO<sub>2</sub>. Currently SEKEM has claimed 2000 certificates for having sequestered 2000 tons of carbon dioxide already.

[Read more](#)

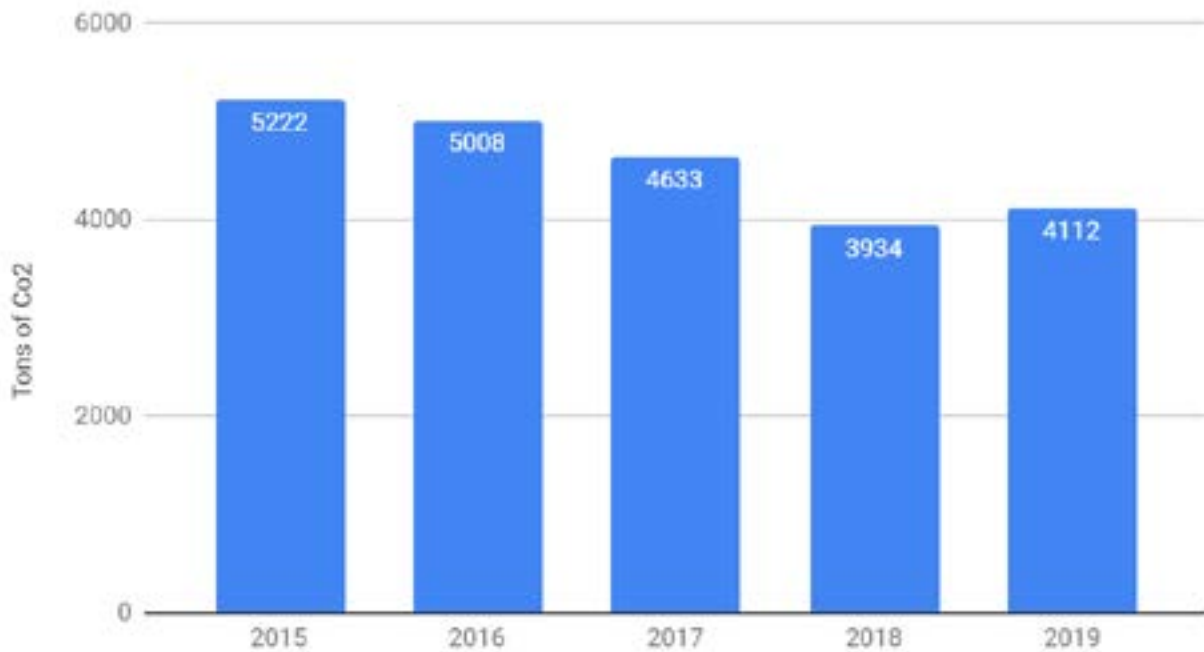
### Increase of the sea shipments

In 2019, NatureTex has increased its sea shipments to 31% as opposed to 26% in 2018. Our objective is to reach 90% of sea shipment to reduce our carbon footprint. Some orders are too small to be shipped by sea and hence, from today's perspective, only sea shipments do not seem realistic.

*In relation to the UN Sustainable Development Goals:*



### Total amount of corporate emissions



The SEKEM emissions fall under scope 1 emissions (direct emissions), which are direct greenhouse gas emissions (GHG) from sources that are owned or controlled by SEKEM eg. our own power production through generators, vehicles etc., and scope 2 emissions (indirect emissions) account for GHG emissions from the generation of purchased energy that is consumed by the SEKEM. Furthermore, we have included all business flights from scope 3 emissions that reflect all other indirect emissions. The decreasing trend of the corporate emissions from 2015 to 2018 result mainly from a changed product mix in recent years as well as the outsourcing of distribution activities by iSiS company.



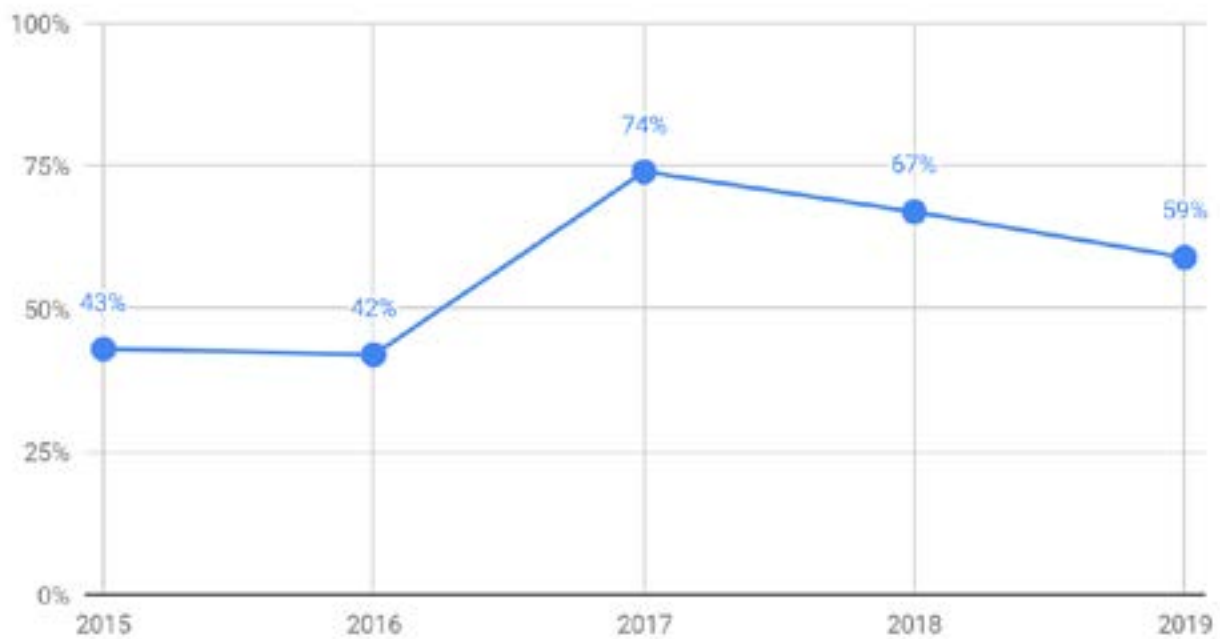
## SVG 11: Zero Waste

*Description of the SEKEM Vision Goal No. 11:*

With the Vision Goal 11 “Zero Waste”, SEKEM tackles the problem of improper waste management, which is currently one of Egypt’s major environmental challenges and will demand innovative solutions for the future. In Egypt, garbage is burned illegally and pollutes the air, groundwater and soils. As mentioned before this affects SEKEM’s ability to source organically certified raw materials. Given those challenges in Egypt the Vision Goal “Zero Waste” was one of the focus topics in 2018.

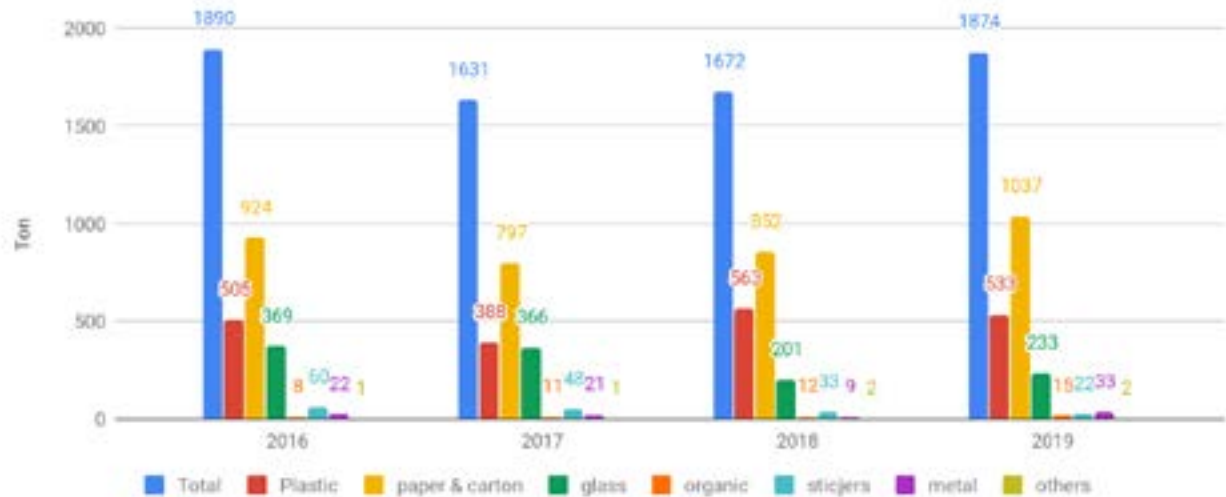
SEKEM is working towards a waste free community and production. One of our priorities is to shift to alternative packaging materials and to maximise the share of recycled waste. Besides, SEKEM continuously creates awareness about reducing and recycling waste among the SEKEM community and beyond.

### Share of non-organic waste recycled



All organic waste is recycled by SEKEM for its compost production. In 2019, 59% of SEKEM’s remaining non-organic waste was recycled by external service providers to whom we sell our sorted waste. This ration shall still be improved.

## Packaging Material Used



SEKEM is happy about the fact that the packing material input for production has increased 12% despite the fact that production increased 23%. iSiS is responsible for the increase in packing material by using 1557 tons in 2018 and 1712 tons in 2019 with a 14% growth in production

### Projects:

#### Precious Plastic: Downsizing Egypt's Waste Mountains

SEKEM has run its own waste separation and waste management on the main farm already for a long time. Now the focus lies on banning plastic bags completely or only using recycled ones when customers require it. SEKEM's Vision Goals for 2057 include: Zero waste and circular economy. An important first step towards these goals has been taken by a trainee and a student from Europe, Florian Mende and Lilli Pohl. "Precious Plastic" is a global forum that enables anyone to recycle their plastic waste on the spot. The platform gives for example instructions for the construction of recycling machines using simple and locally available materials.

[Read more](#)

## *Economic Life*

### **SVG 12: Circular Economy**

*Description of the SEKEM Vision Goal No. 12:*

SEKEM's vision is not only about reducing negative externalities from economic activities but furthermore to strengthen the environment for generations to come. Referring to that, it is apparent that the current production system which relies on extraction and alteration of nature for human wealth and profit in the short term needs to shift. The only system in which livelihoods can be sustained in the long run and the preservation of nature is possible is in a circular economy. A circular economy replaces the concept of use and throw away with recycling, repairing and restoration. There is a shift towards renewable energies and the elimination of waste through the use of superior materials and products. SEKEM's Vision 2057 is built around a concept in which the basic understanding is to care for the durability of products and to consume and produce only according to real needs.

*In relation to the UN Sustainable Development Goals:*



## SVG 14: Ethical Banking

*Description of the SEKEM Vision Goal No. 14:*

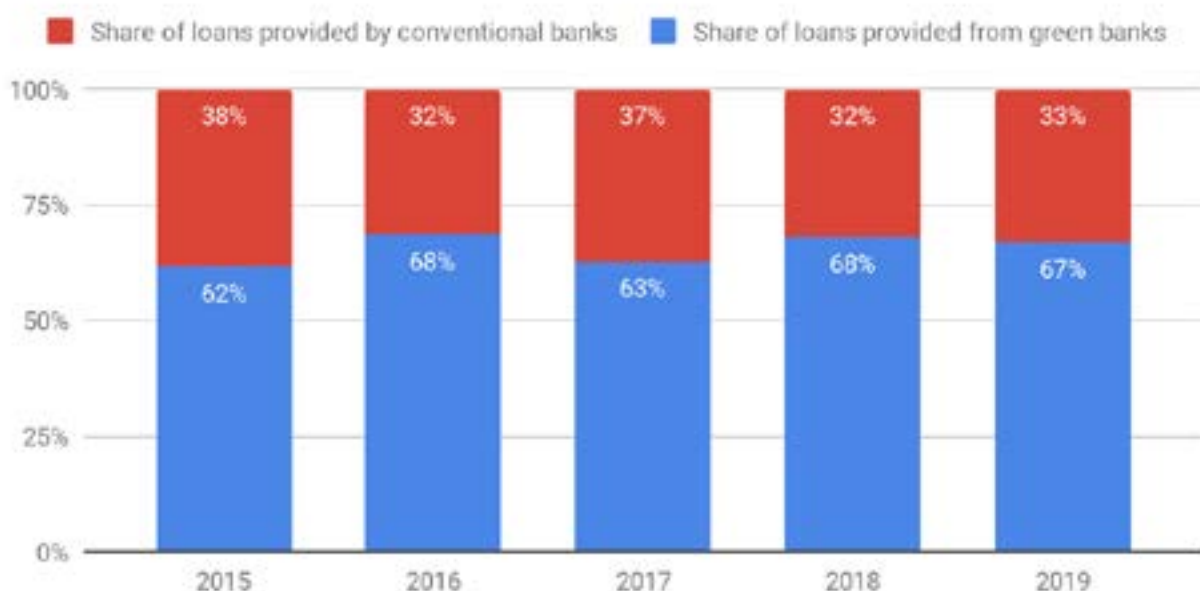
For SEKEM, the main difference between ethical and conventional banking lies in the purpose through which investors and investees are connected. Meaningful investment in consciousness of social and environmental implications rather than profit driven investment is the core of an ethical banking system. In cooperation with its economic partners and the HU, SEKEM strives to establish an alternative model of ethical banking in Egypt with the main purpose of serving the common good. SEKEM fosters long term partnerships in which partners are connected through a mutual interest of supporting human development and the preservation of nature.

*In relation to the UN Sustainable Development Goals:*



## Relevant Indicators to achieve the SVG 2027

### Share of loans provided from ethical banks vs conventional banks



The share of total loans provided by conventional banks is based on the lacking offer from ethical finance institutions in Egypt. While all loans provided by ethical banks are taken up in Euro, the whole share of conventional banks refers to local Egyptian banks. The variation of share of loans provided in the last few years was due to currency exchange rate variations and not due to raising new credits.

## SVG 15: Offer of Biodynamic Products

*Description of the SEKEM Vision Goal No. 15:*

Biodynamic farming means not only healthy soil and animal treatment but also includes the health of the human body. SEKEM and HU follow the SVG 15 in order to create a national and international institution for supporting and activating biodynamic farming and the awareness of biodynamic nourishment all over Egypt and the neighboring countries. SEKEM believes that this is an essential step in order to serve the society with healthy nutrition and the production of pesticide free medicine as well as cotton.

*Projects:*

### Order of Organic Food

SEKEM launched its project “Order of Organic Food” which targets to provide a healthy nutrition to all its employees. On multiple days per week, all of SEKEM’s employees have the possibility to acquire Biodynamic food on the main farm and at HU for a special reduced price. In 2019, 8% of the employees have placed orders. Meanwhile, SEKEM farm cafeteria was able to serve 82% of organic products, 67% at the guesthouse, and 46% in HU cafeteria.

### Biodynamic Seed Production

In 2019, SEKEM launched a new project for the production of Demeter certified seeds. The long term goal is to be able to supply all contracted farmers of SEKEM with high quality biodynamic seeds produced in SEKEM. In 2018, SEKEM started its first trials with Demeter seeds provided by the international partner companies Sativa, Bingenheimer Saatgut and Cementis Vivas. These companies support and consult SEKEM in developing the biodynamic seed production and soon also organic seed breeding.

### Organic Textiles are available for the SEKEM Community

Activation awareness about biodynamic products doesn’t stop with food, but also entails other products like clothing. Therefore, NatureTex started to produce basic essentials for male and female from leftover fabrics. The idea is to continue with this project and to develop new styles that can be produced if there is a low season in production. The items need to be affordable for the people that work or live around SEKEM.

*In relation to the UN Sustainable Development Goals:*



## SVG 16: Transparent Trading

*Description of the SEKEM Vision Goal No. 16:*

SEKEM's vision of trade is based on the idea of providing a fair share for all participants working in an associative economy. This involves everybody along the value chain, customers receiving high quality products and producers, manufacturers and retailers receiving a fair share that covers their needs and enables them to produce according to ethical principles. Changing the trade system towards fair prices, fair working conditions, truly sustainable production methods and human development opportunities requires enough transparency to enable consumers to make competent decisions. Accordingly, SEKEM is working on traceability and more transparency on all levels and giving consumers and partners further information about the background of each product.

*Projects:*

### **SEKEM Online Shop in Germany**

SEKEM Online Shop started to change its strategy by focusing more on Egyptian and SEKEM typical products by taking some products out of the range and adding new ones. We worked on the design and quality of some products and started to sell CO2 certificates. We could increase our turnovers (sometimes even double) compared to 2018. A SEKEM calendar for 2019 was designed and offered. The SEKEM Shop became more a SEKEM Fan Shop with several kinds of products than an online shop for organic food stuff.

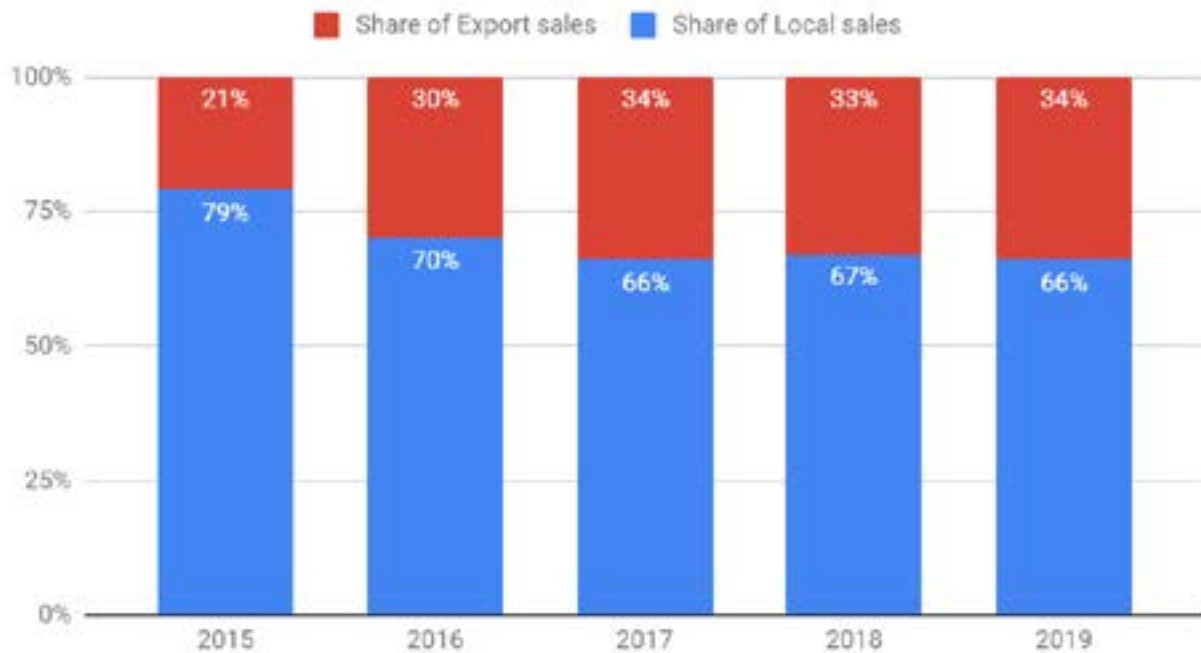
[Visit SEKEM Shop](#)

*In relation to the UN Sustainable Development Goals:*



## Relevant Indicators to achieve the SVG 2027:

### Share of Local sales and Share of Export sales



The total local sales in 2018 was 290 million EGP and in 2019 340 million EGP. In 2018, the total export sales was 149 million EGP and in 2019 174 million EGP. iSiS is leading the increase in local sales (from 246 million EGP in 2018 to 290 million EGP in 2019) as well as export sales (from 32 Million EGP in 2018 to 38 Million EGP in 2019). In general, SEKEM aims towards 50% share each in order to hedge naturally the risk of currency fluctuation.

## 4.2.4. Societal Life

### SVG 17: Social Transformation

*Description of the SEKEM Vision Goal No. 17:*

SEKEM's goal of social transformation requires fundamental changes in our thinking, awareness and acting. SEKEM and HU are aiming for a societal transformation based on fair and just relationship between people and institutions respecting human rights. Equality is the basic value underlying this sphere of life in the sense that all individuals should have the same opportunities for education and access to basic health infrastructure. SEKEM wants to offer space for individual development including equal opportunities as well as the provision of medical services to all of its employees and surrounding community members.

*Projects:*

#### **Wahat Farm Community Building**

“Greening The Desert” project’s vision is to develop a self-sustainable community, in which people from different cultural backgrounds come together to live, work and share the same vision and mission. This approach of sustainable community building is a conscious effort of SEKEM to replicate its model of social innovation.

[Read More](#)

#### **13 Villages Project**

SEKEM and Heliopolis University reinitiated the 13 Villages project with students, as well as teachers, professors and staff of SEKEM and Heliopolis University, building on the first project’s experience and knowledge of the area. The project includes gathering, separating and recycling waste, building sanitary rooms, raising awareness on health through medical convoys, trainings on Biodynamic agriculture and composting, restorations and maintenance of buildings, illiteracy classes, scholarships and employment for children with special needs, and supporting small projects. The first step of the project was data collection through questionnaires and surveys, to plan for the most efficient development points. In order to provide the villagers with the best opportunities, some of the services have already started, such as the composting training for instance.

[Read More](#)





## SEKEM as an Outstanding Practice

SEKEM was announced by the World Future Council as an Outstanding Practice in Agroecology 2019, advancing the transition towards agroecology from the global South for its leading role as a social business worldwide. The Egyptian initiative received this recognition among 15 best practices, beating 77 nominations from 44 countries across Africa, Asia and Latin America.

[Read more](#)

*In relation to the UN Sustainable Development Goals:*



**Relevant Indicators to achieve the SVG 2027:**

### Share of Female in Middle and Top Management



SEKEM aims towards having an equal share of female and male employees by 2027. Therefore, it is key to implement this change from the top in order to shift the culture and awareness of employees and managers. Hence, it is important to increase the share of women in middle and top management. Currently, SEKEM is below its own expectations and wants to increase the share in the coming years.

## SVG 18: Future-oriented Governance

### *Description of the SEKEM Vision Goal No. 18:*

Leadership and the rise of self-organization is a key to evolve the potential of individual capacity on a collective level. SEKEM believes that good leadership depends on human consciousness and always depends on the context of culture and people. Different people need different structures in order to be motivated or directed toward fulfilling an aim or serving a purpose. The founder of SEKEM, Dr. Ibrahim Abouleish compared the art of leadership with conducting a symphony. SEKEM's goal for 2027 is to develop an integral approach to governance and leadership that addresses different consciousness levels towards more self-organization and decentralized responsibility.

### *Projects:*

SEKEM is experimenting with an innovative governance system for self-organization. One pilote case is the company NatureTex in which the management operates with agile meeting formats and uses transparent ways of clarifying roles and responsibilities among employees.

[Read more](#)

### *In relation to the UN Sustainable Development Goals:*



# Annex

## SEKEM Sustainability Indicators Table

SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Cultural Life	Number of babies in SEKEM Nursery	no.	SDF	38	27	27	26
Cultural Life	Number of children in SEKEM kindergarten	no.	SDF	47	53	50	50
Cultural Life	Number of students in SEKEM School	no.	SDF	303	297	580	644
Cultural Life	Number of students in SEKEM special education	no.	SDF	34	37	27	32
Cultural Life	Number of students in vocational training center	no.	SDF	64	191	195	224
Cultural Life	Total man hours of training provided	man-hours	Holding	19450	20546	22435	24418
Cultural Life	Average hours of training per employee	hrs	Holding	13	20	20	22
Cultural Life	Number of students in Heliopolis University	no.	HU	1075	1294	1703	2277
Cultural Life	Share of investments in R&D of total sales	%	All SEKEM	1.50%	1.70%	1.40%	1.61%
Cultural Life	Total investment in R&D (SEKEM & HU)	million EGP	All SEKEM	6	8	6	8
Cultural Life	Total number of funded research projects running in the reporting period	no.	All SEKEM	19	20	11	28

SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Cultural Life	Total number of medical center visits	no.	SDF	44205	45412	34443	35705
Cultural Life	Number of employee visits at the Medical Center	no.	SDF	5663	6855	5608	11060
Cultural Life	Number of external visitors at the Medical Center	no.	SDF	38542	3309	28835	24645
Cultural Life	Share of employees with private health insurance	%	Holding	26%	25%	35%	54%
Cultural Life	Share of employees with private live insurance	%	Holding	100%	100%	100%	100%
Cultural Life	Number of fatal injuries	no.	Holding	0	0	0	0
Cultural Life	Total number of work related injuries	no.	Holding	5	4	3	2
Cultural Life	Total number of working days lost due to sick leave etc.	no.	Holding	2320	1720	1680	1394
Cultural Life	Number of students in professional training for eurythmy	no.	HU	8	8	6	382

SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Ecologic Life	Share of net revenue of potentially organically certifiable products	%	Holding	73%	65%	59%	46%
Ecologic Life	Total number of bee hives	no.	Company	35	29	29	50
Ecologic Life	Number of dairy cows per 10 hectare of cultivated land	no.	Company	6	5	5	5
Ecologic Life	Total number of dairy cows	no.	Company	135	132	129	141
Ecologic Life	Share of animals that are kept according to demeter standards	%	Company	75%	75%	75%	75%
Ecologic Life	Total amount of compost produced	t	Company	2250	1982	3821	6068
Ecologic Life	Total registered area (SEKEM + supplying farmers)	ha	EBDA	2011	2033	2063	2886
Ecologic Life	Total amount of water usage for company and personal use	m3	Holding	89717	17479	15491	18422
Ecologic Life	Total amount of water usage from bottled water production	m3	Company	no data	10782	18364	20830
Ecologic Life	Total amount of water usage for agricultural use on SEKEM farms	m3	Company	2405438	3186521	3295027	4053245
Ecologic Life	Total amount of water usage for agricultural use on SEKEM farms from fossile water source	m3	Company	1304334	1115586	884755	2029890

<b>SD Flower</b>	<b>Indicator</b>	<b>Unit</b>	<b>Scope</b>	<b>2016 - Actual</b>	<b>2017 - Actual</b>	<b>2018 - Actual</b>	<b>2019 - Actual</b>
<b>Ecologic Life</b>	Share of organic matter in farm soils (0 - 10cm)	%	Company			69.20%	66.20%
<b>Ecologic Life</b>	Share of organic matter in farm soils (0 - 35cm)	%	Company			48.20%	46.50%
<b>Ecologic Life</b>	pH - Value of Farm Soils (1:2.5)	no.	Company			7.75	7.77
<b>Ecologic Life</b>	Sodium Absorbtion Ratio	no.	Company			0.41	0.448
<b>Ecologic Life</b>	Share of organic matter of produced compost	%	Company			25-30%	25-30%
<b>Ecologic Life</b>	pH - Value of Compost	no.	Company			7.3	7.3
<b>Ecologic Life</b>	Carbon / Nitrogen Ratio	no.	Company			13:01	13:01
<b>Ecologic Life</b>	Amount of effective micro-organisms per gram	no.	Company			11*10 <sup>10</sup>	11*10 <sup>10</sup>
<b>Ecologic Life</b>	Share of water usage for agricultural use on SEKEMfarms from fossile	%	Company	54.00%	35.01%	26.85%	50.08%

SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Ecologic Life	Share of waste water recycled and reused for tree irrigation	%	All SEKEM	100%	100%	100%	100%
Ecologic Life	Total amount of gasoline consumption	L	Holding	741	281756	685250	721735
Ecologic Life	Total amount of gasoline consumption for vehicles	L	Holding	426	265703	369805	338892
Ecologic Life	Total amount of gasoline consumption for power generation	L	Holding	305	16053	315445	382843
Ecologic Life	Relative amount of gasoline consumption per 1000 EGP sales	l/ 1000 EGP	Holding	2	1	2	1
Ecologic Life	Relative amount of gasoline consumption per ton of production	l/t	Holding	16	16	29	26
Ecologic Life	Total electricity consumption from grid	MWh	Holding	3506	2170	3739	3527
Ecologic Life	Total electricity consumption from renewable sources	MWh	Holding	121	228	301	324
Ecologic Life	Share of electricity consumption from renewable sources	%	Holding	2.73%	4.56%	4.18%	4.22%

SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Ecologic Life	Relative amount of electricity consumption (grid, diesel and renewables) per million EGP net sales	kWh / 1000 EGP	Holding	11817	22188	17	16
Ecologic Life	share of sales revenues of products with known carbon footprint	%	Holding	80%	84%	86%	83%
Ecologic Life	Total amount of corporate emissions (scope 1+2)	tCO2e	Holding	3764	3491	3528	3691
Ecologic Life	Total amount of emissions scope 1	tCO2e	Holding	2011	2033	1834	1927
Ecologic Life	Total amount of emissions scope 2	tCO2e	Holding	1753	1458	1694	1763
Ecologic Life	Relative amount of emissions per thousand EGP sales	kgCO2e / 1000 EGP	Holding	10	6	8	8
Ecologic Life	Relative amount of emissions per ton production	tCO2e / t	Holding	29	27	0.15	0.13
Ecologic Life	CO2 sequestration from soil	tCO2	Company	768	928	902	1335
Ecologic Life	CO2 sequestration from trees	tCO2	Company	3423	4382	4521	3362
Ecologic Life	Total sequestered CO2	tCO2e	Holding	4191	5310	5423	4697



SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Ecologic Life	Newly planted trees in 2019	no.	Company	29160	7000	4200	30000
Ecologic Life	Total weight of waste	t	Company	745	518	383	433
Ecologic Life	Total weight of plastic waste	t	Company	25	12	20	26
Ecologic Life	Total weight of paper & carton waste	t	Company	44	21	36	35
Ecologic Life	Total weight of glass waste	t	Company	71	31	4	14
Ecologic Life	Total weight of organic waste	t	Company	493	23	301	330
Ecologic Life	Total weight of hazardous waste	t	Company	0	0	0	0
Ecologic Life	Total weight of other waste	t	Company	112	12	23	28
Ecologic Life	Share of non-organic waste recycled	%	Company	27%	52%	67%	59%
Ecologic Life	Relative amount of waste production per 1000 EGP sales	Kg / 1000 EGP	Company	2.00	0.44	0.92	0.88
Ecologic Life	Share of organic waste	%	Company	66%	78%	78%	76%

<b>SD Flower</b>	<b>Indicator</b>	<b>Unit</b>	<b>Scope</b>	<b>2016 - Actual</b>	<b>2017 - Actual</b>	<b>2018 - Actual</b>	<b>2019 - Actual</b>
<b>Ecologic Life</b>	Relative amount of waste production per ton of production	kg / t	Company	16	13	16	16
<b>Ecologic Life</b>	Total weight of all packaging material input	t	Company	1890	1632	1672	1874
<b>Ecologic Life</b>	Total weight of plastic material input for packaging	t	Company	505	388	563	533
<b>Ecologic Life</b>	Total weight of paper & carton material input for packaging	t	Company	924	797	852	1037
<b>Ecologic Life</b>	Total weight of glass material input for packaging	t	Company	369	366	201	233
<b>Ecologic Life</b>	Total weight of organic material input for packaging	t	Company	8	11	12	15
<b>Ecologic Life</b>	Total weight of stickers material input for packaging	t	Company	60	48	33	22
<b>Ecologic Life</b>	Total weight of metal material input for packaging	t	Company	22	21	9	33
<b>Ecologic Life</b>	Total weight of others material input for packaging	t	Company	1	1	2	2
<b>Ecologic Life</b>	Share of recycled packaging material input	%	Company	not available	not available	50.95%	55.35%

SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Ecologic Life	Share of sales revenues from new products and services	%	Holding	20.00%	11.00%	9.00%	2.00%
Ecologic Life	Share of Local sales	%	All SEKEM	70.00%	66.00%	65.99%	66.17%
Ecologic Life	Share of Export sales	%	All SEKEM	30.00%	34.00%	34.01%	33.83%
Ecologic Life	Share of loans provided by conventional banks	%	Holding	31.53%	37.25%	32.00%	33.00%
Ecologic Life	Share of loans provided from green banks	%	Holding	68.47%	62.75%	68.00%	67.00%
Ecologic Life	Amount of production (total SEKEM industries)	t	Holding	45890	39341	23931	27512
Societal Life	Ratio of highest to lowest annual full-time salary	no.	All SEKEM	1:31	1:28	1:26	1:36
Societal Life	share of net profit invested into community development	%	All SEKEM	35%	25%	23%	20%
Societal Life	Non-monetary benefits in relation to overall salaries	%	All SEKEM	10%	10%	11%	10%
Societal Life	Share of employees in middle and top management that participated in SEKEMsophia workshops and/or vision meetings	no.	Holding	no data	29%	29%	
Societal Life	Number of supplying farmers	no.	Holding	477	287	305	287

SD Flower	Indicator	Unit	Scope	2016 - Actual	2017 - Actual	2018 - Actual	2019 - Actual
Societal Life	Number of Senior Managers	no.	Holding	160	160	18	7
Societal Life	Number of Middle Managers	no.	Holding	574	587	93	93
Societal Life	Number of Specialists	no.	Holding	124	102	462	379
Societal Life	Number of Labourers	no.	Holding	11	11	568	631
Societal Life	Number of Daily Workers	no.	Holding	475	479	163	142
Societal Life	Share of Workforce in middle and top management	%	Holding	84.46%	86.86%	9.73%	9.01%
Societal Life	Share of Female in total workforce (without daily workers)	%	Holding	22.00%	25.00%	24.76%	17.44%
Societal Life	Share of young employees (below the age of 36)	%	Holding	64.00%	63.00%	62.32%	47.78%
Societal Life	Share of employees with disabilities	%	All SEKEM	2.00%	2.00%	2.36%	2.18%
Societal Life	Employee turnover*	%	Holding	2%	2%	1%	1%
Societal Life	Absentee rate	%	Holding	1.80%	1.90%	1.60%	0.24%

\*The turnover rate is calculated for employees that work for SEKEM for more than 1 year.

# Auditor's Statement



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*Translation of Auditor's Report  
Originally Issued in Arabic*

## AUDITOR'S REPORT

**To the shareholders of Sekem holding for investment company "S.A.E"**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **Sekem Holding for Investment Company (S.A.E.)** which comprises the consolidated statement of financial position as of December 31, 2019, the consolidated statements of Income, Comprehensive Income, Changes in Shareholders' Equity and Cash Flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements include some subsidiaries that were audited by another auditor. These subsidiaries have assets and revenue amounted to EGP 261 470 470 and EGP 68 107 067 respectively which represent 13 % and 10% respectively of total consolidated assets and revenue of the group .

### **Management's Responsibility for the Consolidated Financial Statements**

These consolidated financial statements are the responsibility of company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the company's preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion the financial statements referred to above present fairly in all material respects the financial position of **Sekem Holding for Investment Company (S.A.E.)** as of December 31, 2019 its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in light of governing laws and regulations.

### **Emphasis of matter**

Without qualifying our opinion, as described in Note No. (33) of the accompanying notes of the financial statements regarding subsequent events , the company management has no available information to make disclosure about the effect of the subsequent event after the date of the financial statements on the balance of assets , liabilities and the operation outcome on the upcoming period due to spread of the coronavirus worldwide the outcome and the balance may change in material amounts on the next period if the information is available to the management company . this will help the company detect the amount of the subsequent events on the balance of the assets and liabilities.

WAHID ABDEL GHAFFAR



WAHID ABDEL  
GHAFFAR & CO  
Baker Tilly, Wahid Abdel Ghaflar & Co.  
Accountants and Consultants

Cairo/ April 5, 2020

## Index of abbreviations

<b>bfz</b>	Berufliche Fortbildungszentren der Bayrischen Wirtschaft gGmbH
<b>BMZ</b>	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
<b>EBDA</b>	Egyptian BioDynamic Association
<b>EGP</b>	Egyptian Pound
<b>EoL</b>	Economy of Love
<b>GOTS</b>	Global Organic Textile Standard
<b>ha</b>	Hectare
<b>HU</b>	Heliopolis University for Sustainable Development
<b>Icea</b>	Certification body for textiles and organic cosmetics
<b>IRENA</b>	International Renewable Energy Agency
<b>NOP</b>	National Organic Program
<b>R&amp;D</b>	Research & Development
<b>SDG</b>	Sustainable Development Goals
<b>SVG</b>	SEKEM Vision Goal

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