



SEKEM

Sustainable Development since 1977

Report | 2018

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Dear Readers,

on the 15th of June 2018, the first commemoration day of my fathers' earthly farewell, we published our Vision 2057. As my father took a look into the future 40 years ago and created a vision for sustainable human, environmental and economic development, we also took a look ahead and summarized our mission and goals for a sustainable Egypt. No matter, whether it is about 100% Organic agriculture, an Economy of Love or the free potential unfolding, human development is always in the focus of all our activities and plans.

2018 has been a wonderful, yet challenging year. The devaluation of the Egyptian Pound in 2016 still impacts the country and SEKEM. However, SEKEM has been able to grow with its companies achieving good results and the Heliopolis University has been able to open the Faculty of Physical Therapy as well as the Faculty for Organic Agriculture.

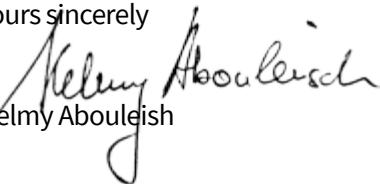


Let me emphasize the integrated nature of this report, that traditionally reflects on our holistic development approach. This is why we name it the SEKEM Report. Every year now, we want to put a special focus on two of the 18 SEKEM Vision Goals: 100% Organic Egypt and Zero Waste. In the following report you will find more details on these two 2018 main topics.

We framed our Vision for 2057 knowingly very positive – for some it might even sound crazy – although we are aware of the challenges of the past years, which continue until today (namely the devaluation of the Egyptian currency (2016) and the associated inflation) as we believe in miracles and a promising future. This report is an example of how we can still promote sustainable development within a challenging environment – not least, thanks to our reliable partners and like minded friends around the globe.

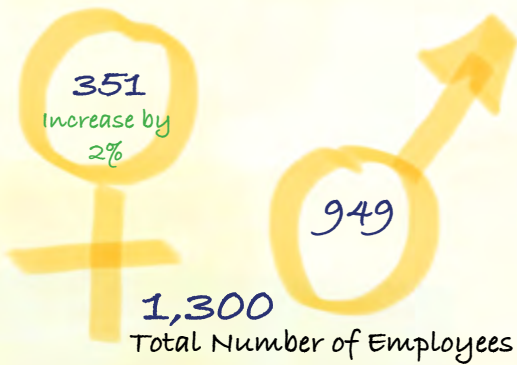
As we did, when summarizing our future Vision 2057, we now confidently look forward to what is coming from the future towards us and to what we can shape into the future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Helmy Abouleish'. The signature is fluid and cursive, with a long, sweeping underline that extends to the left and then loops back under the name.

Helmy Abouleish

Fact Sheet




Export Sales: EGP 149.39m
32% of Consolidated Revenues



Local Sales: EGP 311.89m
68% of Consolidated Revenues



Net Sales in EGP Million

2017 = 453.96

2018 = 440.55 decrease by 2%

Total Weight of Waste

2017 = 518 tons

2018 = 372 tons

Decrease by 28%



Total Number of Trees
on SEKEM Farms

2017 = 132,800

2018 = 137,000

Increase by 3%



Cultivated Area SEKEM
& Supplying
Farmers

2017 = 1,121 ha

2018 = 1,390 ha



Total Man
Hours of
Training
Provided

2017 = 21,826

2018 = 22,873



SEKEM has been

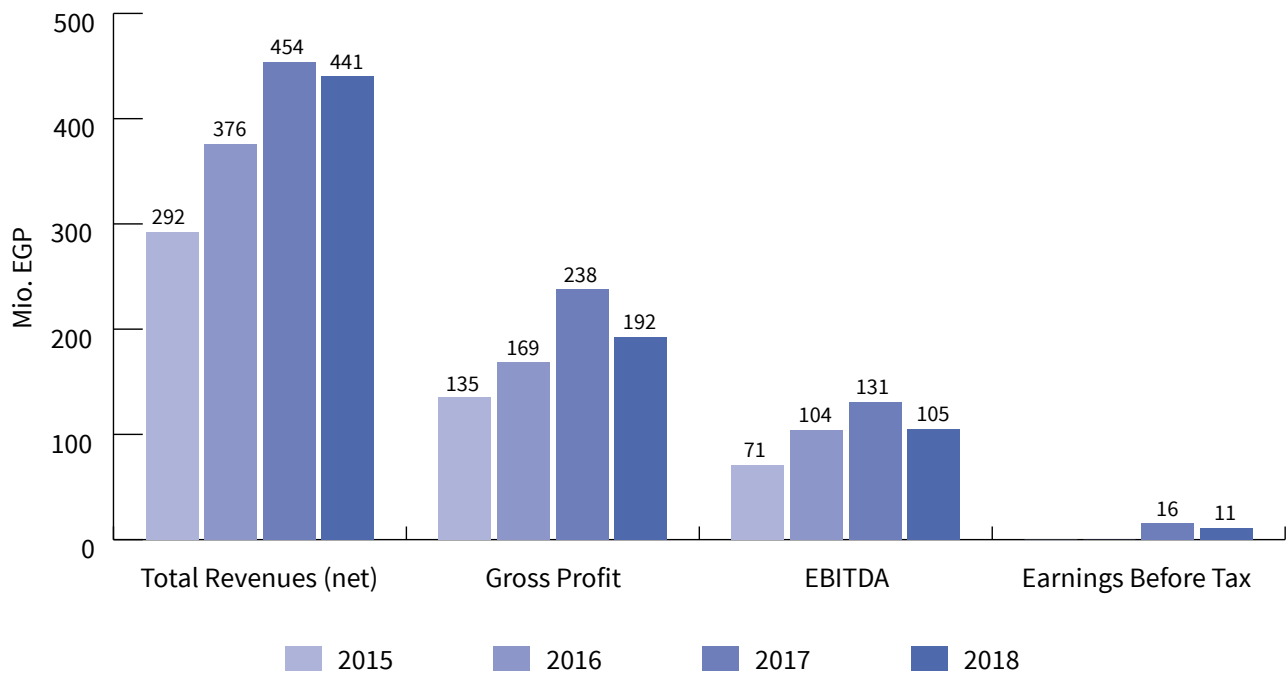
CO₂ Positive

in 2018



Fact Sheet

SEKEM Consolidated Statement of Income



2018 has been a challenging year, however, the results achieved are close to what has been planned. The reduction in revenues mainly results from the devaluation of the Egyptian Pound in 2016, which increased the prices, yet Lotus and NatureTex mostly used raw materials, which were purchased prior to the devaluation and price increase. 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.

SEKEM Consolidated Ratios

Debt / Equity 14.90

Gross Margin 40.72%

Current Ratio 1.01

EBITDA Margin 23.34%

SEKEM Initiative has been CO₂ Positive in 2018.

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 striving 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 Institutions

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 three companies and 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 2018:

In 2018, SEKEM Agriculture did not make any investments, but was able to cover its operational costs from its own cash-flow. The cultivated area was kept relatively stable at 282 hectares, which means that there is future potential for cultivating already reclaimed land and investing into new land reclamation activities.

SEKEM is committed to find innovative financing methods, such as crowdfunding for *Greening the Desert*. The launch of such a project was prepared in the end of 2018 and will be effective in the first quarter 2019. This will help SEKEM in the future to source more raw materials from new lands that suffer less from environmental pollution - a problem that effected the ability of SEKEM farms and supplying farmers to deliver high quality products. The pollution problem is a major risk for SEKEM because it affects the certification of farms regardless the organic or biodynamic principles applied.

Read More about Greening the Desert



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 2018:

In terms of revenues, ISIS Organic remains to be the biggest subsidiary of SEKEM Group. In 2018, the company defended its market position against a strong, international company, which tried to enter the Egyptian market of herbal teas. In addition, ISIS has launched the SEKEM Demeter Brand in Egypt and introduced the brand in Europe, via a German-based online shop. Furthermore, the company prepared the launch of the SEKEM Demeter brand in Italy as well as the Benelux states.



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, cardiolovascular, dermatology, gastro-intestinal, 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.

ATOS Pharma Overview 2018:

ATOS Pharma has been reviewing and updating its product portfolio during the year 2018, striving to focus on key products and reach more independence from price regulations through the Egyptian Ministry of Health. Furthermore, the company went through the process of upgrading its facilities, in order to match all criteria of the Good Manufacturing Practice (GMP) certification, which has been successfully obtained at the end of 2018. This certificate allows ATOS Pharma to also export its pharmaceutical products. The goal is to start with Saudi Arabia, The United Arab Emirates and Kuwait. Exporting selected ATOS Pharma products shall start in 2019, in order to increase availability of phytopharmaceuticals in Middle East and Africa.



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 2018:

The textile company NatureTex has had a successful year 2018, introducing the new handknitting-yarn line. In addition, the company has started initiatives to reintroduce and cultivate cotton crops, which are required for the formerly famous Egyptian Cotton products. Together with farmers in the Delta Region SEKEM started to cultivate high quality, long-fiber cotton - striving to increase the amount of organically cultivated cotton in Egypt, but also bring back ancient, high value varieties. The brands “People Wear Organic” (PWO) and “biobaby“, whose textiles are mainly produced by SEKEM’s company NatureTex, were awarded three times by the “German Brand Award 2018“: The natural textile brand PWO won in the two categories “Sustainable Brand of the Year” and “Fashion”.



Lotus & Lotus Upper Egypt (LUE)

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 & Lotus Upper Egypt (LUE) overview 2018:

In 2018, Lotus and Lotus Upper Egypt (LUE) faced challenges as a result of the increasing pollution within the country. The company had already higher demands than they could serve and now, in addition, increasing trouble in regard to traces and contamination resulting from the pollution. Accordingly, the company is tackling the question on how to extend areas of production in new lands, such as desert areas, yet, on the other hand, how to support those farmers in the Delta Region, whoms products might not be Demeter / organic certifiable today or in the future. The company remains to keep its focus on high quality and reliability towards its clients, yet faces the difficult situation between supporting its long-standing supplying contracted farmers versus quality and price (Economy of Love) towards its clients.

SDF

The SEKEM Development Foundation focuses its efforts on improving the quality of people's lives and their living conditions as well as raising awareness for the 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, the "Chamomile Children", SEKEM's Vocational Training Centre, the SEKEM Nursery and Adult Literacy Program as well as the Medical Centre; to cover the community's needs in all ages.

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, it started with only three faculties: Business and Economics, Engineering, Pharmacy and Drug Technology. In 2018, 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.

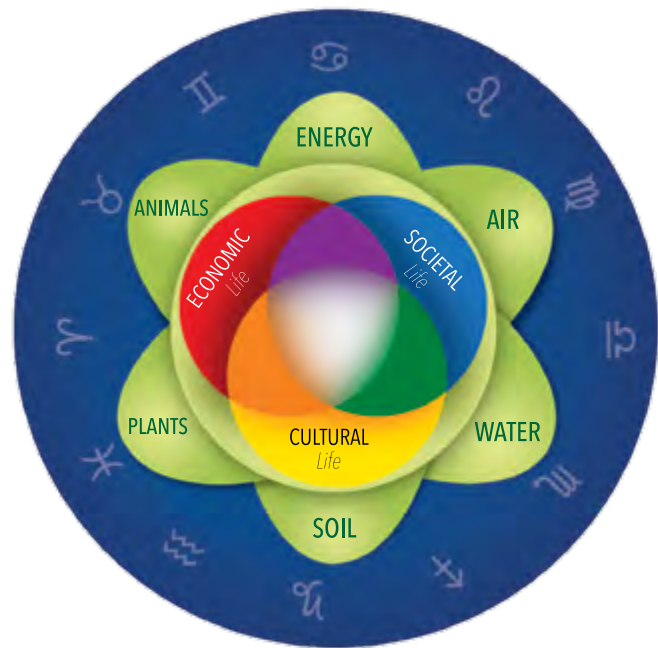
Read more @ <https://www.hu.edu.eg>



SEKEMs Holistic Development Approach

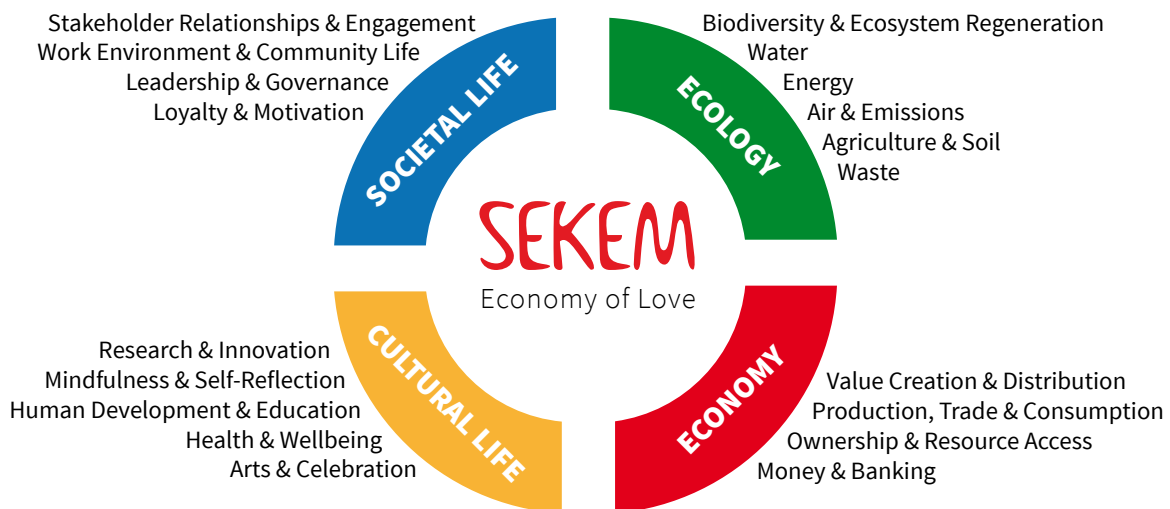
Sustainability Flower, Economy of Love and SEKEM Vision Goals

The SEKEM Vision can be expressed in the Sustainability Flower, which implies development in the four spheres of life – economic, cultural, societal and ecological life. The Sustainability Flower represents a management, assessment and communication tool that was developed within a network of international organizations from the organic / Biodynamic movement cooperating under the umbrella of the „International Association for Partnership for Ecology and Trade“ (IAP). It contains a set of indicators that reflect SEKEM’s impact and performance within the four spheres of life along different aspects.



Economy of Love

The different aspects from the Sustainability Flower go hand in hand with a paradigm shift of how to look at business operations or an economy as a whole. In the current times of global and local disruptions and massive social and ecological challenges, SEKEM decided to create a framework, which is not just expressing the underlying, holistic understanding of SEKEM’s development approach but can also inspire other companies or institutions. SEKEM structures its understanding of “Economy of Love” (EoL) consistently along the four dimensions of the Sustainability Flower because a sustainable economy is never possible without taking culture, society and nature into account. Valuing all those aspects, an EoL is about much more than fair prices for producers or decent working conditions. EoL aspires to heal and develop people, society and the earth and not to maximize profit.



SEKEM Vision Goals (SVG) 2027 and 2057

Grounded in its original vision, SEKEM recently formulated its SEKEM Vision Goals (SVG) for the coming 40 years. On the one hand, these goals describe how we see Egypt in 2057 from a very radical, yet sustainable perspective. On the other hand, we also derived concrete goals for SEKEM in the year 2027, ten years ahead - a reflection of what we need to achieve as an organization and community of practice in order to transform Egypt as a society and embody our interpretation of an Economy of Love.

As the Vision 2057 has been published in 2018 SEKEM is still in the process of adapting its impact assessment tool, the Sustainability Flower, to align our every day work with our vision. This report is one first step towards an improved sustainability impact assessment, management and communication that is integrated with our philosophy and vision.

Next to SEKEM's own Vision Goals the initiative acknowledges the importance of the Sustainable Development Goals (SDGs) adopted by all United Nations Member States in 2015. The SDGs have already been presented and linked to SEKEM actions in the Sustainability Report of 2016. SEKEM's vision is very much linked to the SDG's and comes with an action plan with already ongoing projects.



SEKEM's Vision Goals

SEKEM Vision Goals Overview:

SEKEM Vision Goals in the Four Dimensions

Human Development

- SVG 1: Holistic Education
- SVG 2: Integral University Model
- SVG 3: Holistic Research
- SVG 4: Integrative Medicine
- 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
- SVG 14: Ethical Banking
- SVG 15: Offer of Biodynamic Products
- SVG 16: Transparent Trading

Societal Life

- SVG 17: Social Transformation
- SVG 18: Modern Governance

SEKEM Vision Goal Priorities for 2018

Out of the 18 SEKEM Vision Goals for 2057, SEKEM chose two focus topics for 2018: “100 % Organic” and “Zero Waste”. 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 facilitating the implementation of an innovative ecosystem. This shall ensure the long term alignment of SEKEM’s projects and corporate strategy with the ambitious goals for 2057.

Vision Goal 6: 100% Organic

Why we need a transformation towards Organic Agriculture

The introduction of new technologies in the conventional agricultural sector has led to tremendous growth. But the related hidden cost of intensive and growth driven agriculture are significant. 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. “True Cost Accounting” measures and values external costs of environmental impacts in monetary terms. Based on that, Organic agriculture has a slightly higher direct input cost of production but it enables a reduction of external costs such as environmental repercussions and adverse health effects and therefore results in better cost effectiveness and profitability in the long term for society as a whole. The pressure on the environment throughout conventional agriculture is high. In the area of the crowded Nile Delta, burning waste and high intensive pesticide usage make it very difficult to guarantee the purity of the products that are cultivated organically. A solution is to expand production into new lands in the desert that face less pollution. This is a long-term, strategic development that SEKEM is actively pushing forward.

Raising the awareness and importance to increase sustainable agriculture especially Organic and Biodynamic practices is 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 the current commitment for Organic agriculture, SEKEM strives to further increase the awareness and demand for Organic products. This effort is dedicated to the fulfillment of SEKEM’s vision of 2057 which includes the transformation of the agricultural sector in Egypt towards a mainstream of Organic and sustainable agricultural practices.

Together with contract farmers and partner associations, SEKEM is working on setting a new mainstream standard of agricultural methods in Egypt, which leads to 100% Organic agriculture. During the past 40 years 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 contract farmers spread over Egypt.

Helmy Abouleish became President of Demeter International which is also expressing one step into a more connected and exchanged basis within the international organic sector.

In June 2018 Helmy Abouleish had been elected by the Demeter International board as their new president. Demeter International is the biggest certifier for Biodynamic agriculture worldwide and has member organizations in 19 countries. Altogether, more than 187.000 ha land are Demeter-certified.

Read more

Projects:

Let's Seed the Future

SEKEM community, friends and partners got together under the campaign “Let's Seed the Future” to plant the first seeds of raising awareness towards the 100% Organic agriculture goal. The initiative wants to raise societal consciousness regarding the use of Organic products and the importance of Organic agriculture in Egypt.

EBDA Workshop

Since the revolution in 2011 the area of cultivated and reclaimed land has been stagnated. In order to counteract this development SEKEM is providing workshops to its partners of the “Egyptian BioDynamic Association” (EBDA). The incentive of those workshops is to restructure and reconstruct the EBDA to meet those challenges. Furthermore the goal for the COAE, the certification body of the EBDA, is to regain accreditation for all Organic labels.

Organic Agriculture in Egypt

The project “Organic Egypt” is a three-years project which focuses on enhancing the Organic agriculture sector in Egypt and improving the competitiveness of its production in national and international markets. Partner organizations are FAODA and EBDA, both associations working with their members from agriculture and industry on developing the Organic sector in Egypt.

Faculty of Organic Agriculture

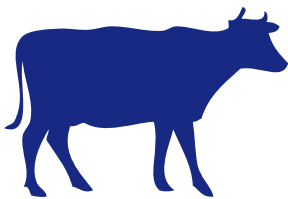
In 2018, HU opened the first Faculty of Organic Agriculture in Egypt and the first 27 students started their studies. As part of the curriculum, SEKEM offers a unique intensive course in Biodynamic agriculture in cooperation with the agricultural section of the Goetheanum in Switzerland.

In relation to the UN Sustainable Development Goals:



Relevant Indicators for the SVG

Amount of Dairy Cows



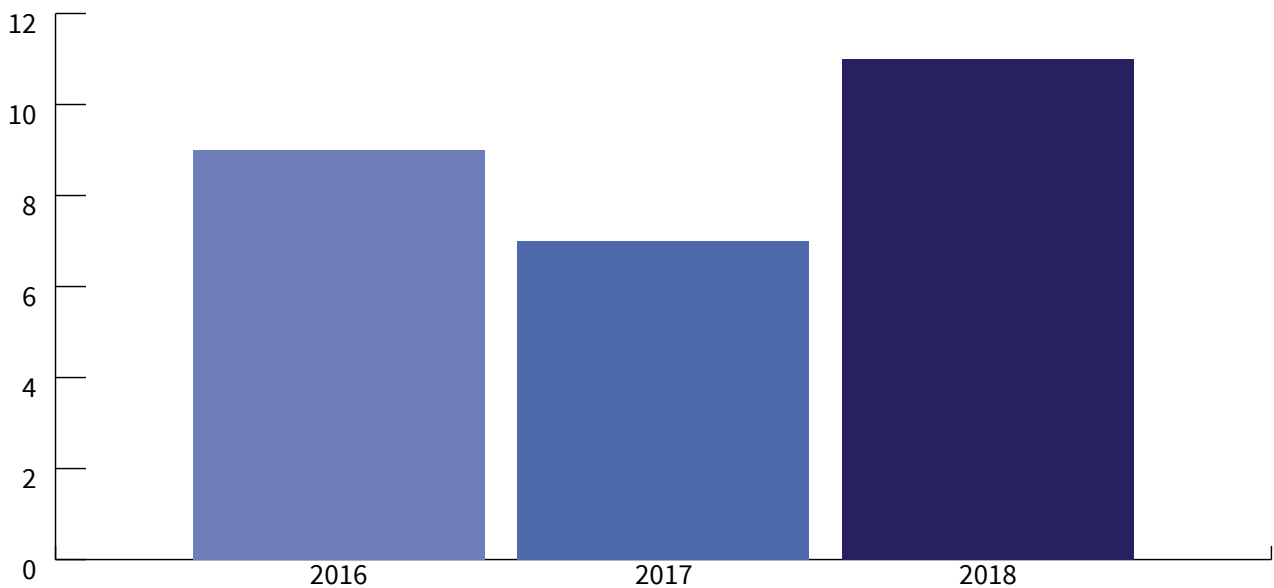
2018: 129

2017: 132

2016: 135

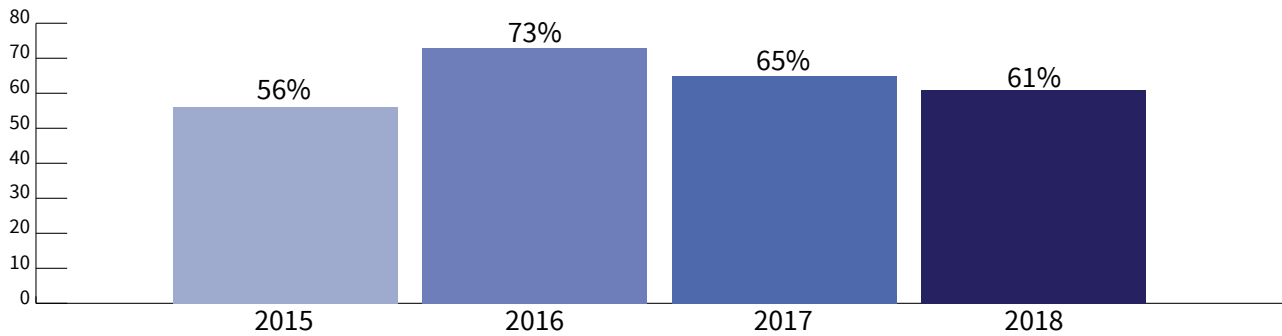
Using biodynamic-production methods, SEKEMs agriculture strongly depends on cow manure for the production of compost. Most of the needed cow manure is provided by SEKEMs own cows. But since a lot of compost is needed in the reclamation of desert land SEKEM recently needed to obtain some of its cow manure from external sources.

Compost Production per Hectare



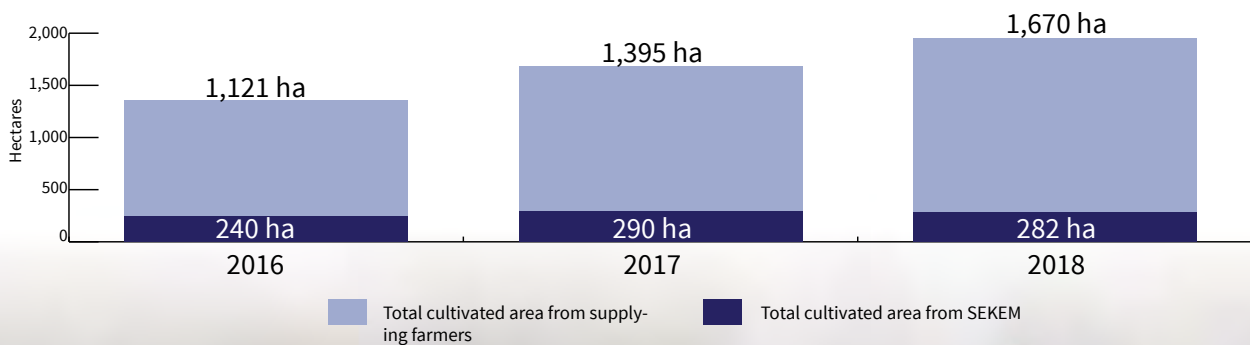
Compared to the data of 2017, SEKEM increased its total production of compost in 2018 to 3000 tons in total. With over 1,000 tons more produced compost, SEKEM now reaches 11 tons per hectare in 2018 compared to 7 tons in 2017. This increase was achieved through better management of the compost site as well as different crop fertilization needs that vary according to the crop rotation plan. In general, the average number of compost per hectare does only reflect a rough trend that still needs to be contextualized for each field location because the need for compost action depends strongly on the existing soil fertility.

Share of Revenue (net) from Organic Certified Products



Due to contamination by pollution, SEKEM was not able to certify all its products organically or in Demeter quality. This issue is related to the high density and proximity of conventional and organic farming in the Nile delta and the general environmental problems Egypt is facing.

Total Cultivated Area



While in 2018 SEKEM kept its area of cultivated land relatively stable the net area of cultivated land from supplying farmers went up from 1395 to 1670 ha. This was mainly driven by an increase of farmer numbers from 287 to 305 farm entities.

SEKEM Vision Goal 11: Zero Waste

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, only 60% of the waste is collected and less than 3% recycled. Garbage is burned illegally and pollutes the air, groundwater and soils. Given those challenges in Egypt the Vision Goal “Zero Waste” was one of the focus topics in 2018.

Avoiding and reducing waste production remains pivotal as garbage is a tremendous threat for the environment and society. Acknowledging this, SEKEM is working towards a waste free community and production. But as a share of waste cannot be avoided or reduced, one of our priorities is to shift to alternative packaging materials and to innovate the recycling system. Besides, since tackling the problem of improper waste management requires the participation of the whole society, one of SEKEM’s major efforts is creating awareness among the SEKEM community and beyond.

Projects:

Zero Waste Project

SEKEM’s Zero Waste project relies on three pillars: raising awareness, dealing with the existent waste and preventing the production of more waste.

SEKEM, all its subsidiary companies and its sociocultural initiatives work on the reduction of waste and the substitution of non recyclable materials through biodegradable equivalents. In 2018, SEKEM started with a variety of projects. Every company tries to implement alternatives for plastic packaging and advise the managers of every sector on how to act more sustainable. Besides, SEKEM is working on creating awareness by organizing workshops, summarizing action plans for its companies and giving presentations to its employees.

Precious Plastic

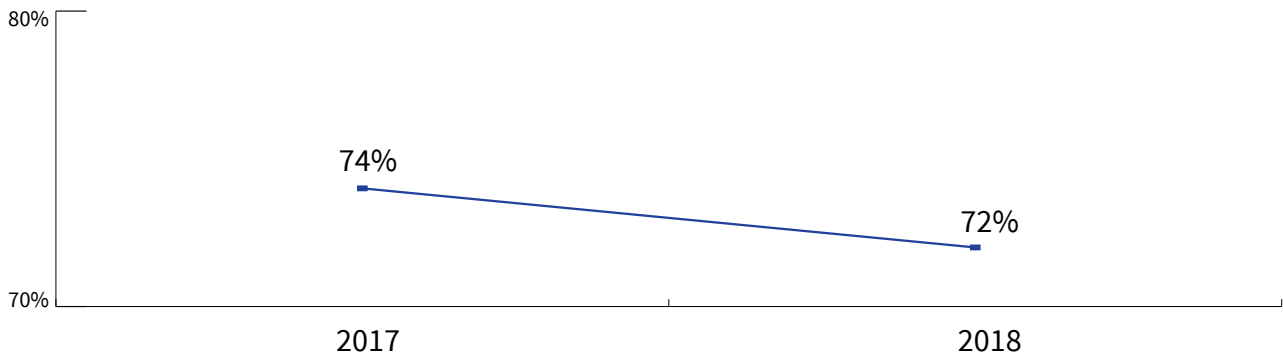
“Precious Plastic” is an open source community from the Netherlands that enables anyone to recycle their plastic waste on the spot. In 2018, SEKEM built a total of 8 machines (4 in duplicate) for plastic waste recycling and set up two workspaces, one at the SEKEM main farm and another one at the campus of the Heliopolis University. “Precious Plastic” with the SEKEM addition “Zero Waste” is more than a workshop for plastic waste recycling – awareness raising and concrete educational approaches are integrated as a main focus of this project.

In relation to the UN Sustainable Development Goals:



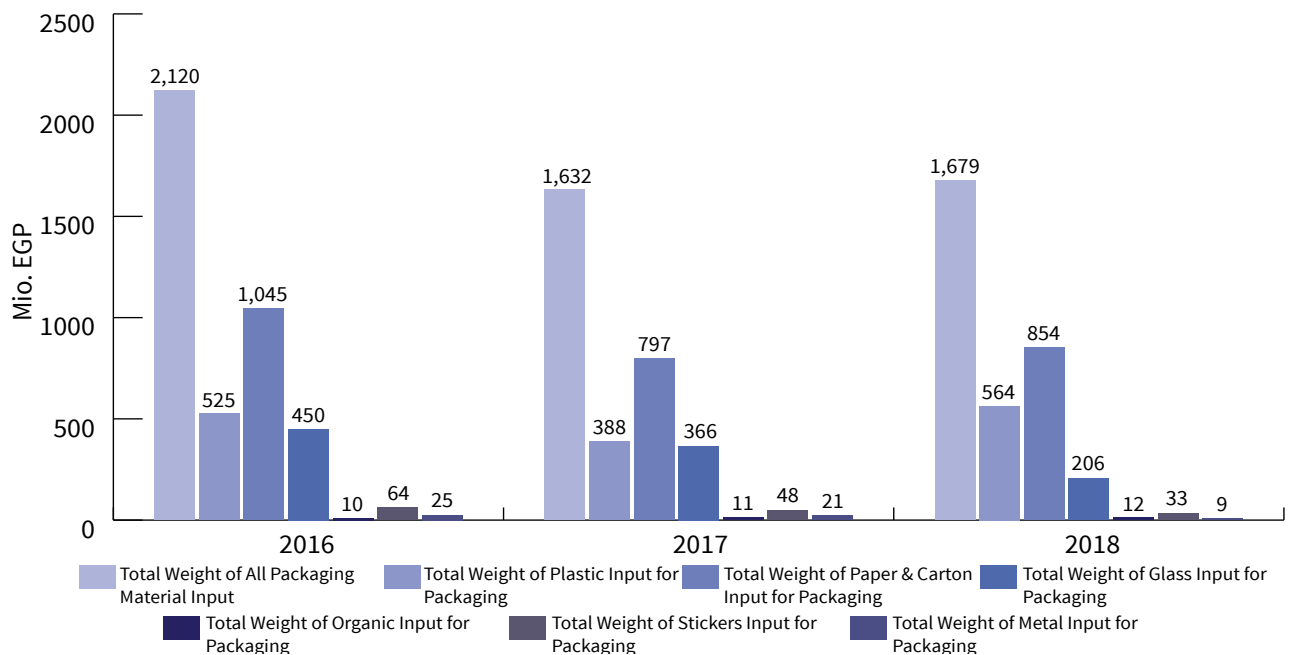
Relevant Indicators for the SVG

Share of Non-Organic Waste Recycled



In 2018 more than 70% of SEKEMs waste was recycled by service providers that SEKEM is selling their waste to. SEKEM is further working on replacing non recyclable inputs to tackle the remaining 28% of waste that is not yet being recycled.

Packaging Material Used



The displayed changes in material used for packaging result mainly from changes in production mix. In 2018, SEKEM assessed the potential of using other packaging materials, especially with the goal of reducing plastic waste. Since the conversion is time and cost intensive, the results didn't show already in 2018.

SEKEM Vision Goals in the Four Dimensions

Cultural Life

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 fulfil the Vision 2057 which includes the transformation of the educational sector on all levels.

Projects:

Ongoing Projects in SEKEM School

SEKEM School is organizing regular trainings 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

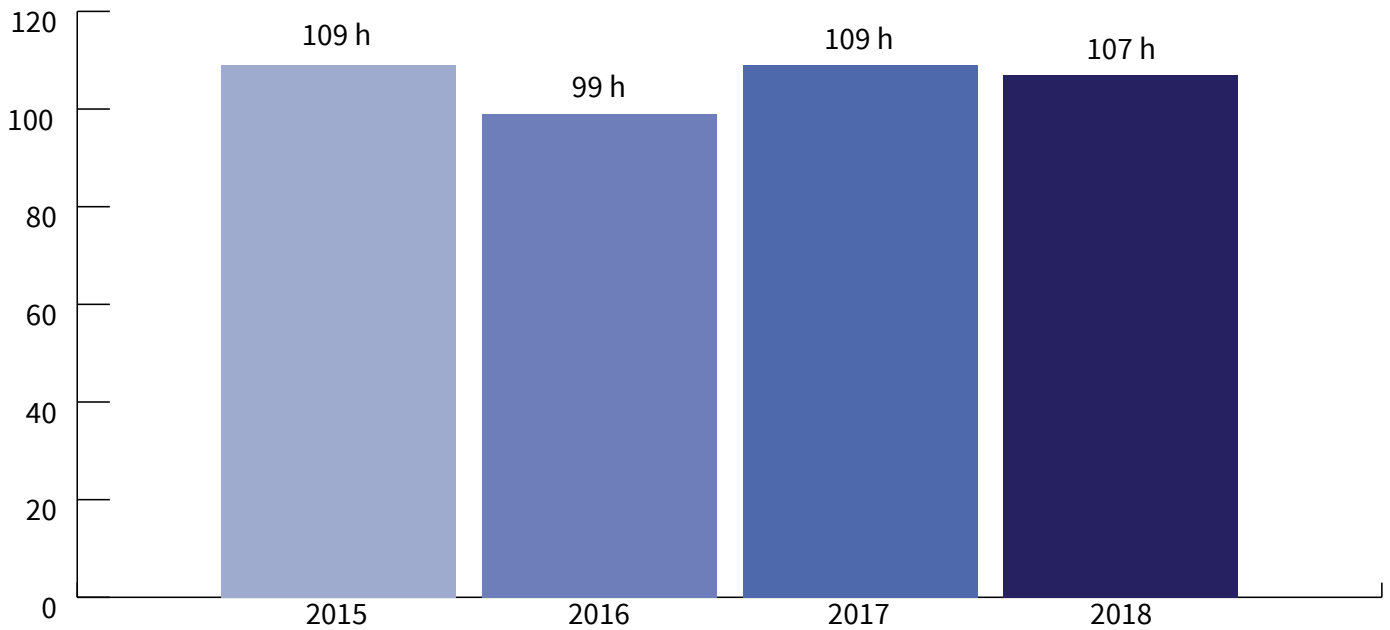
EDU CAMP III is the succeeding project of EDU CAMP I and II, where schools are offered consulting and innovative ideas towards rebuilding the curriculum including sustainable, social and environmental aspects.

In relation to the UN Sustainable Development Goals:



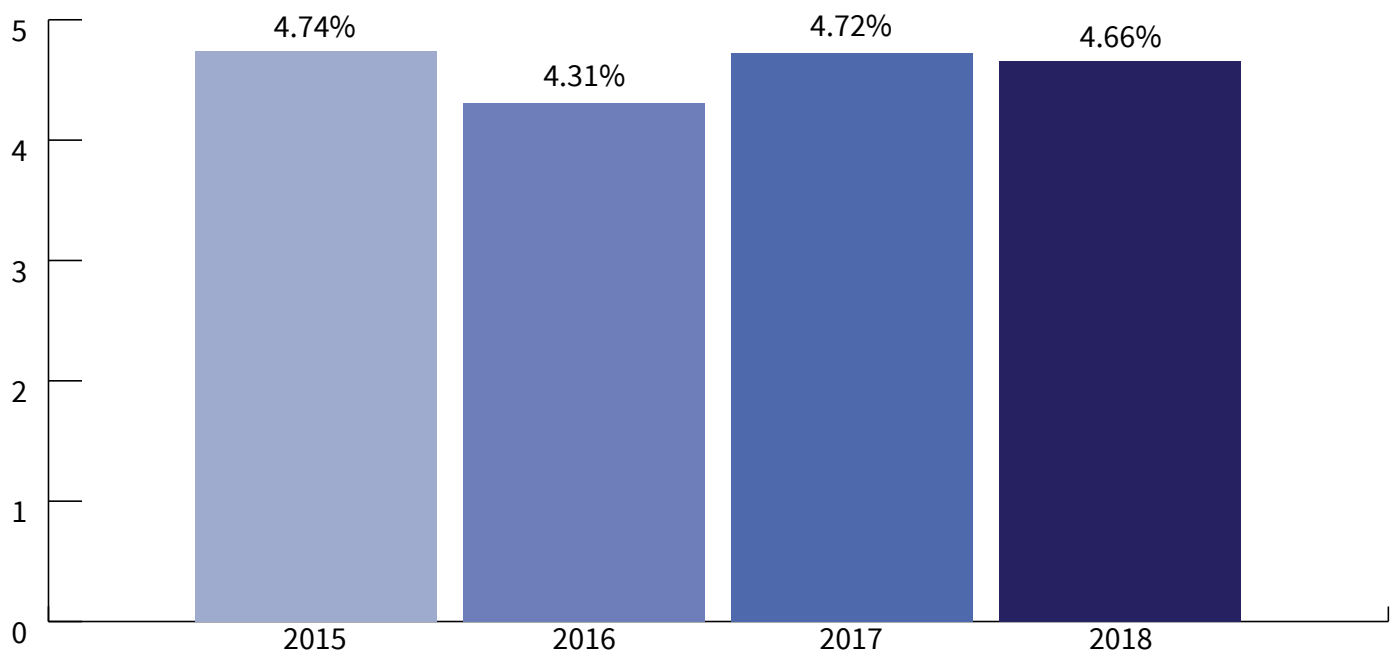
Relevant Indicators for the SVG

Average Training Hours per Employee



This number reflects the total amount of man-hours of training divided by the total amount of employees multiplied with the average working hours per employee per year. The average working time for SEKEM employees is 47.8 hours per week.

Share of Working Time Spend for Training Activities



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.

SVG 2: Integral University Model

Description of the SEKEM Vision Goal No. 2:

The SEKEM Vision Goal for a Integral University Model implies that the Heliopolis University (HU) becomes a pioneer scientific institution that offers innovative approaches of sustainable development. 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.

The 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:

Update on recent development projects in Heliopolis University

2018 has been an important year for Heliopolis University. Two new faculties opened its doors at the beginning of the winter semester: The Faculty of Organic Agriculture, the first of its kind in Egypt and a Faculty of Physiotherapy. More than 1,700 young Egyptians are now studying at the SEKEM University. In line with this strong growth, the internal capacities of HU have been directed in particular towards the training and further education of the lecturers.

Project: HU Entrepreneurship Centre for Social Impact (ECSI)

The ECSI envisages to support sustainable development towards a future where every human being can unfold his or her individual potential through reinforcing entrepreneurship while creating value. The idea is to provide customized support services for early stage entrepreneurs enabling them to create a fully sustainable business which can create a positive impact to local and global markets.

Students enrolled at Heliopolis University



2018 = 1,703

2017 = 1,294

2016 = 1,075

The ECSI envisages to support sustainable development towards a future where every human being can unfold his or her individual potential through reinforcing entrepreneurship while creating value. The idea is to provide customized support services for early stage entrepreneurs enabling them to create a fully sustainable business which can create a positive impact to local and global markets.

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 regardless of eventual financial returns. 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:

SEKEM DOK-Trial

SEKEM's DOK-Trial goes into its second year. In 2017, SEKEM started a trial in which Biodynamic agriculture is compared with Organic and conventional agriculture. For this purpose, SEKEM is cultivating three plots of land under controlled conditions and measures the soil property improvements, yield, water usage and strives to determine the difference between these three cropping methods from a true cost accounting perspective. In a previous research paper, SEKEM was already able to show that Biodynamic farming for the examined products is the cheapest production method when seen from a perspective that takes external cost and benefits into account.

Research for natural plant protection:

In 2018, SEKEM reconvened the research and development of natural plant protection products. The Faculty of Organic Agriculture at the HU is doing research on plant protection through application of micro-organisms and was able to report first successes. Meanwhile, SEKEM for Land Reclamation is developing plant protection through natural extracts like neem-oil.

Current research areas at Heliopolis University

- Phyto Pharmaceutical Industry
- Biodynamic Agriculture
- Renewable Energy
- Sustainable Economics and Green Technologies
- Social Sciences and Humanities
- Community Development
- Arts and Music

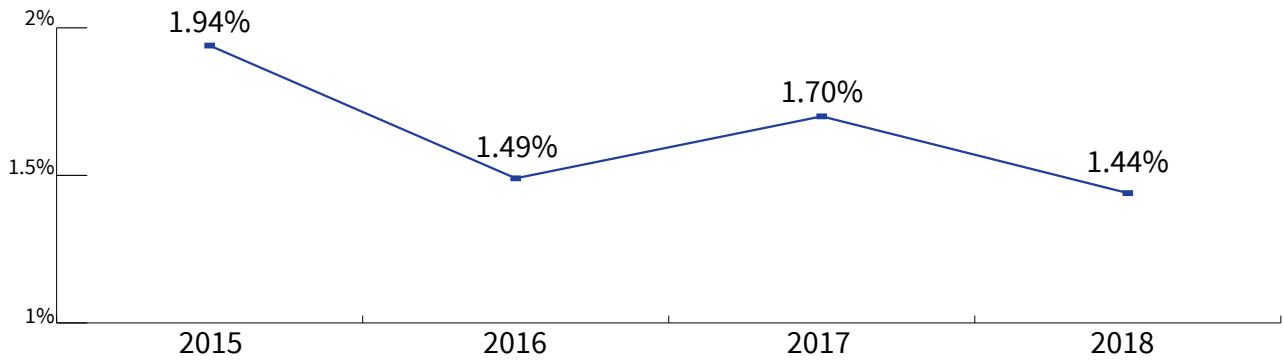
Read more

In relation to the UN Sustainable Development Goals:

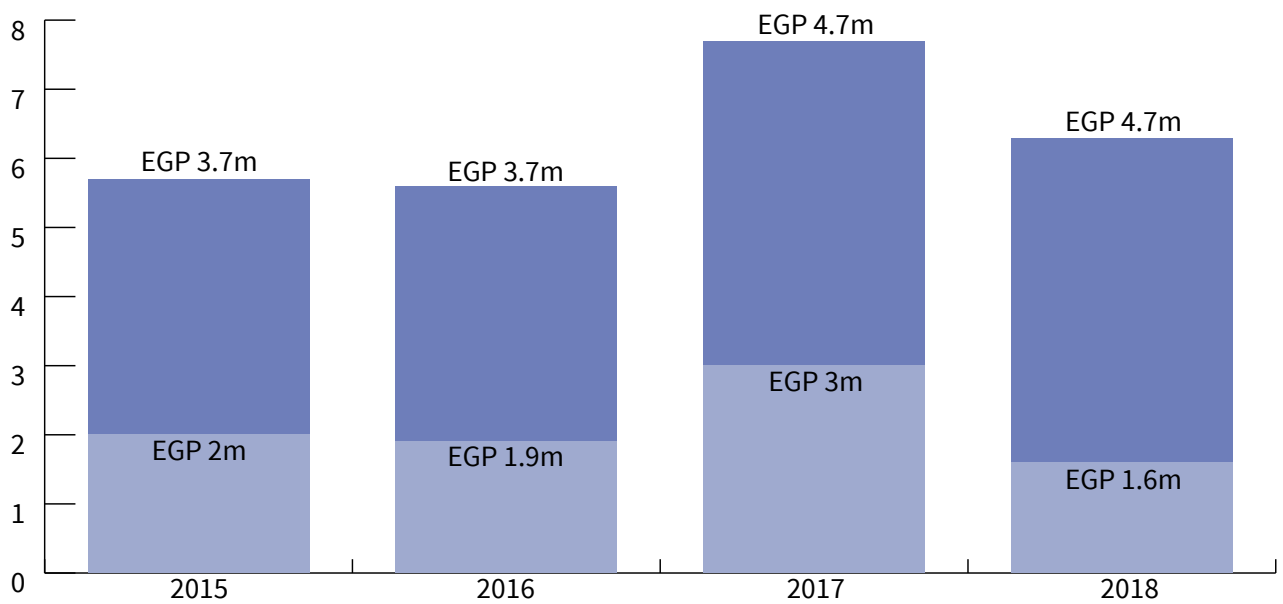


Relevant Indicators for the SVG

Share of Sales Invested in R&D



Total Investments in R&D



The total expenses in RnD 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. In 2018, the company expenses for RnD efforts went down due to different cash management priorities.

SVG 4: Integrative Medicine

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 body 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 rethink the classical health system in Egypt. For its Vision Goal No.. 4, SEKEM commits itself to integrate and cultivate integrative medicine by taking also spirituality into account and to disseminate this approach into the national health system.

Projects:

Health Incorporated in the Core Business

Health is central to human happiness and well-being. To ensure healthy lives, the SEKEM Holding developed different varieties of medical insurances which benefit all SEKEM employees in order to ensure the well-being and healthy development of the community.

Integrative Physiotherapy

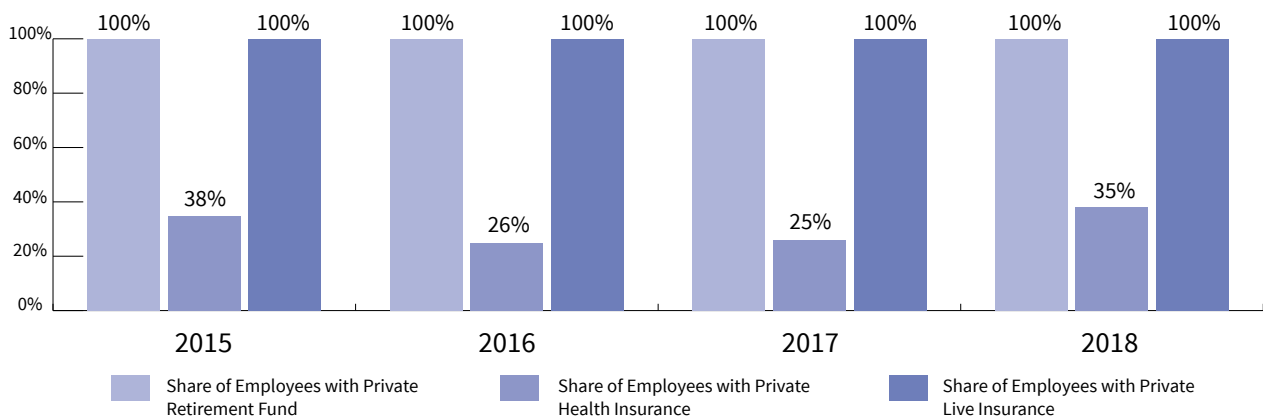
At Heliopolis University, the new Faculty of Physiotherapy started with creating a curriculum which integrated a new and holistic approach towards alternative treatments such as implementing special dynamics in classical physiotherapy.

In relation to the UN Sustainable Development Goals:



Relevant Indicators for the SVG

Complementary Insurance of Employees



SVG 5: New Culture

Description of the SEKEM Vision Goal No. 5:

SEKEM is committed to constantly cultivate and include the local culture as well as international cultures within the work environment. As share of their working time every employee is taking part in various cultural events and trainings. This is supported as well through regularly festivals in which all SEKEM employees, children from the SEKEM School, HU students and farmers participate. Music input as well as artistic exercises are always included before management meetings. SEKEM's goal for 2027 is to co-create a Space of Culture together with the HU, in which celebrations of cultural, arts and movements are combined to one regular festival. In 2018, SEKEM hosted 32 events in the Space of Culture at the HU and at the main-farm. The idea of a Space of Culture will find awareness and shall spread into whole Egypt by 2057.

Projects:

SEKEM's Annual Spring Festival

Same time as every year, SEKEM hosted it's spring festival on the main-farm. With music, short skits, eurythmy pieces and inspiring speeches the festival was once again a great experience for all workers and families. At the open theatre, the whole SEKEM Community celebrated spring in commemoration of the birthday of its founder, Ibrahim Abouleish.

Read more

SEKEM 41. Anniversary

With the SEKEM festival end of summer 2018 SEKEM celebrated it's 41st anniversary under the slogan "Let's Seed the future". SEKEM co-workers and students from Heliopolis University gathered and planted wheat and olive trees together. A symbolic act to encourage the SEKEM Vision Goal 2057 "100% Organic".

Read more

SEKEM Museum of Natural History

In 2004, Dr. Wolfgang Schad, a German evolutionary biologist, found stones studded by prehistoric men on the SEKEM fields. One reason for the existence of these historic objects comes from the scientific assumption that around two million years ago people of the Palaeolithic Age left Africa to travel to the Middle East. They passed most probably between the Nile Delta and the Red Sea. This is how people crossed the area where SEKEM Farm is located today. The findings are therefore of great importance for exploring human prehistory and are exhibited at the SEKEM Museum of Natural History and Human Prehistory.

Read more

Space of Culture

In 2018, the Space of Culture launched its own Website and hosted several concerts, speeches, art exhibitions, theatre plays for SEKEM co-workers and all interested people from Cairo. The driving philosophy of the Space of Culture is based on the connection and integration of various cultures in a central point in Egypt. It represents meeting of the East, West, North, and South in Egypt, the crossroad of civilizations. Here, all cultures and ideas shall enmesh in a series of dialogues, performances, exhibitions, etc to enrich the region with a diversity of ideas, beauty, and cultures.

Visit the Space of Culture Website

In relation to the UN Sustainable Development Goals:



Ecology

SVG 7: Self-Sustaining Water Management

Description of the SEKEM Vision Goal No. 7:

By now, Egypt is already below the water poverty line given by the United Nations, while in 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 water within the agricultural sector, especially among the farms in the Egyptian desert, the potential of saving water by using innovative concepts is particularly high. Towards 2057, SEKEM and the HU focus on the optimisation of water consumption. Therefore research programs and implementation of innovative concepts like desalination of salt and brackish water and water recovery through humidity condensation will be focused. SEKEM fosters awareness creation and strives to build a community of interest in order to establish a framework of cooperational water resource management.

Projects:

Wastewater

In 2018, a cooperation with the TU-Berlin elGouna campus was initiated to investigate which technologies that are suitable for decentralised systems that require little or no maintenance. Such systems will be vital to promote sustainable wastewater treatment in remote areas (like sites where desert land is reclaimed) not connected to the main sewage system.

Hydrosa

This project was initiated with European partners to find new solutions for water recycling and waste water treatment in order to reuse it for agriculture. SEKEM is mainly responsible to initiate a research for suitable plants, which can grow and cultivate within the environment of reused water.

Jesor

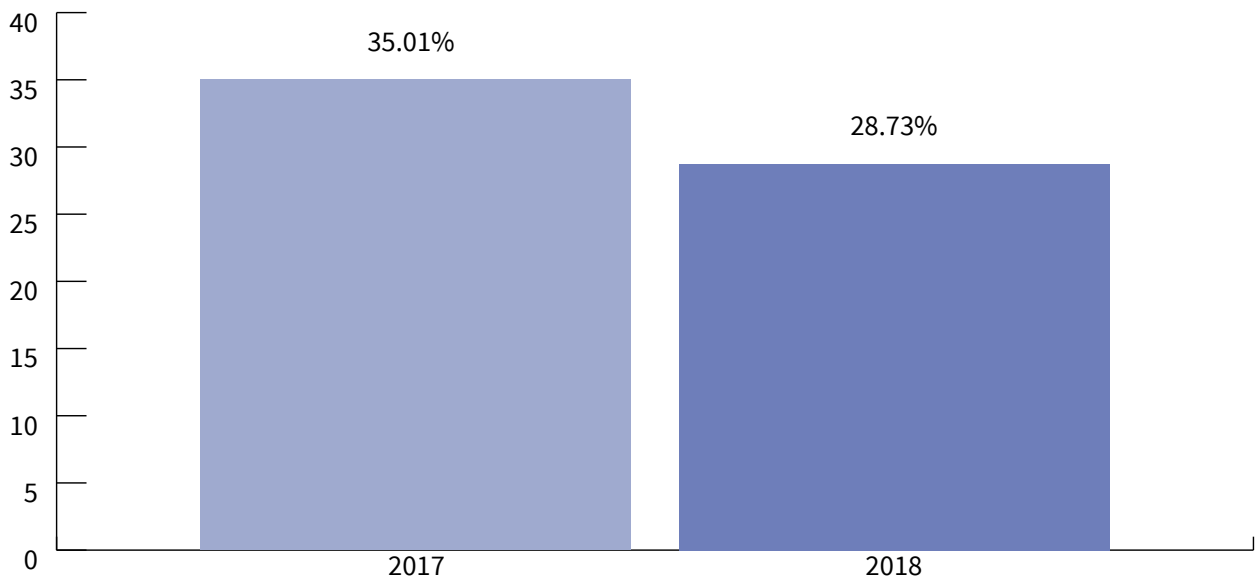
The initial aim of this project was to use algae to extract salt out of the water to clear the water naturally. Nevertheless this project-idea was reformulated over the past months due to an unsuccessful development. Now the algae is used to grow vitamins for cosmetic products and animal feed.

In relation to the UN Sustainable Development Goals:



Relevant Indicators for the SVG

Share of Water Usage for Agricultural Use on SEKEM Farms from Fossil Water Source



The share of water usage from fossil water source for agricultural use on SEKEM farms shows a sudden drop from 35% in 2017 to 28% in 2018. This mainly results from a change of the cropping plan between 2017 and 2018. In 2018 there has been a change to less water intensive crops on SEKEMs farm in the Bahariya-Oasis, which is SEKEMs only farm that relies on fossil groundwater.



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 local energy market. In the long term, the SEKEM Vision Goal strives to engage Egypt more and more in renewable energy production. A study of the International Renewable Energy Agency (IRENA) found that with sufficient investments there is the potential of generating 53% of Egypt's energy demand with renewable energies in 2030. Towards 2057, SEKEM is working on its own energy system. The energy production will be solely based on renewable energy sources which are naturally replenished on a human timescale. In this context SEKEM is developing the use of renewable energy in its own entities. Together with the HU and international partners SEKEM is constantly working on an awareness creation in Egypt to foster a fast paradigm shift towards sustainable energy production and consumption.

Projects:

Renewable Energy

In collaboration with Weleda, one of SEKEM's partners from Europe, a new solar power system has been established on SEKEM's farm in Wahat El Bahariyya. Weleda supported SEKEM financially in implementing this module for providing the housing on the farm with green energy.

[Read more](#)

Partner Project SEKEM Energy

SEKEM is very keen on further increasing its involvement in sustainable energy activities. Together with the Austrian partner SEKEM Energy and HU, SEKEM is cooperating with several companies and universities in Europe and Egypt to be involved in the energy transition process. A prominent recent example is the installation of solar driven water pumps on SEKEM's farm in the Bahariyya oasis that was supported by the Austrian Development Agency (ADA).

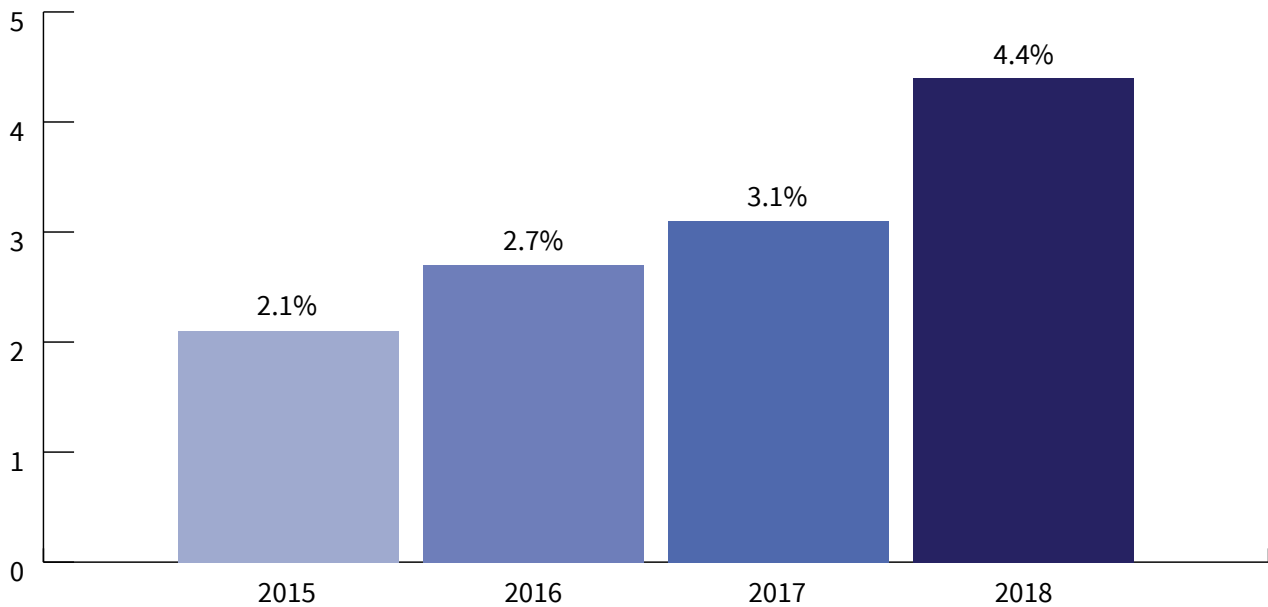
[Read more](#)

In relation to the UN Sustainable Development Goals:



Relevant Indicators for the SVG

Electricity Consumption from Renewable Sources



The share of energy consumption from renewable sources grew constantly over the past years. SEKEM is working on its long term goal of 100%-renewable energy and tries to increase the share of renewable energy year by year. The increase in 2018 is mainly due to a new solar-power plant that SEKEM installed on its farm in the Bahariya-Oasis in cooperation with the long term partner Weleda and SEKEM Energy from Austria.



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 well being and the foundation of ecosystems as the source of life. SEKEM as an Egyptian Organic pioneer does not make use of any pesticide, which harms the environment. Together with the HU, SEKEM conducts intern research projects in order to offer concepts and ideas for increasing the natural biodiversity. This knowledge will be open source communicated and shared with the circle of stakeholder relations.

Projects:

Protecting Egyptian Bees from Extinction Project

SEKEM and the German Organic company "Rapunzel Naturkost" are collaborating in the ongoing development program, Hand in Hand (HIH). The long-standing SEKEM partner funded a project for conserving the endangered Egyptian Bees of the Nile Valley, the *Apis Mellifera Lamarckij*.

Read more

In relation to the UN Sustainable Development Goals:



SVG 10: 100% Active Climate Mitigation

Description of the SEKEM Vision Goal No. 10:

As the visibility of the consequences of climate change is growing and the scientific community essentially agrees on climate change being one of the biggest threats of our time, it becomes more and more apparent that ethical economic practices require a main approach to act. 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 CO₂ than it emitted through its economic activities and thus became climate positive in 2018.

Projects:

Carbon Footprint Center

In 2011, the Carbon Footprint Center (CFC) was established at the HU with the intention of building a knowledge center for carbon footprint assessments and related services. Based on its assessments the CFC is providing consultancy services with the sake of improving its customer's sustainability performance. Besides, since 2015 the CFC is responsible to measure SEKEM's environmental impact regarding emissions as well as CO₂ sequestration. In 2018 the CFC started selling Carbon Credits to some of its business partners and provided carbon footprint assessments to its first major industrial customer.

In relation to the UN Sustainable Development Goals:



CARBON OFFSET CERTIFICATE

Project Name
Greening The Desert
Certificate Number
19-GTD-XXXX

The Carbon Footprint Center verifies that **Max MusterMan** retired **XXX tons** of CO₂ Emissions by supporting the SEKEM afforestation projects and biodynamic agriculture in Egypt.

CARBON FOOTPRINT CENTER

3 Belbes Desert Road
P.O. 2834 El Horraya Heliopolis
Cairo, Egypt
Tel.: (+202) 265 88 124
Email: cfc@hu.edu.eg
cfc.hu.edu.eg

Underlying methodologies:

- Gold Standard Afforestation Guidelines
- Cool-Farm-Tool
- Reality assessments of Soil and More International and the Louis Bolk Institute

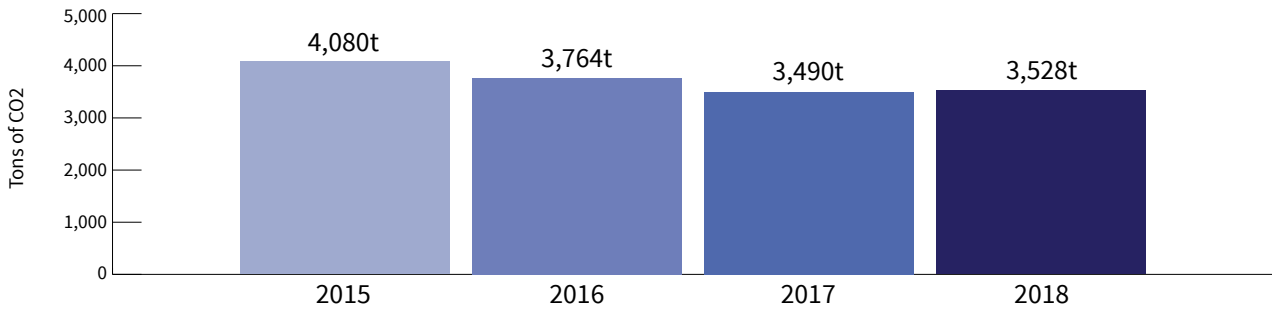
Carbon Footprint Center Director
Maximilian Abouleish - Boes

XX.XX.2019



Relevant Indicators for the SVG

Total Corporate Emissions (Scope 1* + 2**)

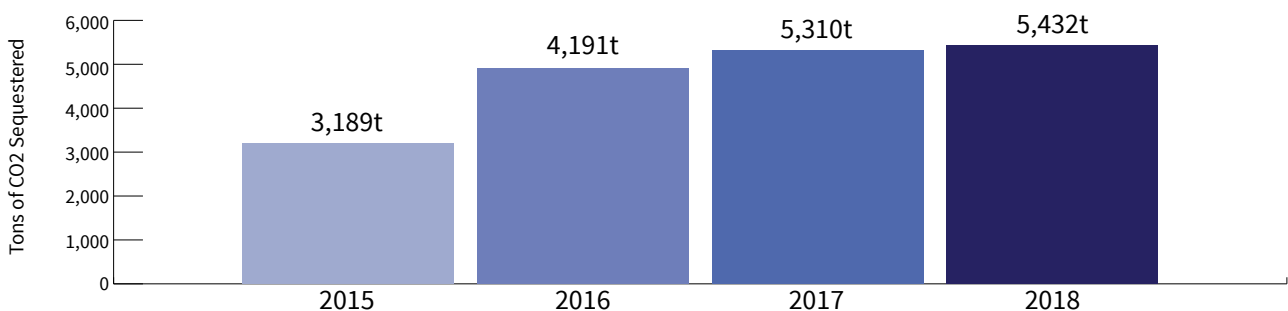


*Scope 1 emissions (direct emissions) are direct GHG emissions from sources that are owned or controlled by a company eg. company owned power plant, vehicles, generators

**Scope 2 emissions (indirect emissions) account for GHG emissions from the generation of purchased energy that is consumed by the respective company

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 some activities by ISIS organic. The emissions dropped from over 4,000 tCO₂ in 2015 to 3520 tCO₂ in 2018.

CO₂-Sequestration



The total sequestered CO₂ has constantly increased in the past years. This is mainly due to sequestration based on the planting of new trees on SEKEMs farms. SEKEMs total sequestered CO₂ was able to outbalance SEKEMs total emissions and thus makes SEKEM CO₂ positive in 2018.

Economic Value Creation

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 extractivism 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 a circular economy. A circular economy replaces the concept of use and throw away with recycling, repair, restoration, shifts toward 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 longevity of products and to consume and produce only according to real needs.

In relation to the UN Sustainable Development Goals:



SVG 13: Economy of Love

Description of the SEKEM Vision Goal No. 13:

SEKEM is based on the four spheres of life - economic, cultural, societal and ecological life. Together with its partners, SEKEM is committed to follow a sustainable and holistic economic model that focuses on the promotion of human development based on the principles of love and solidarity. The SEKEM Development Foundation is playing a key role in structuring social and solidarity work. Besides, fair prices, true cost accounting and traceability of products are significant in an Economy of Love (EoL).

Projects:

Establishing an Economy of Love Framework

SEKEM is establishing a framework for an Economy of Love to spread and develop the idea of this innovative and solidarity system. This concept is based on the confidence that consumers' decisions can shape the whole economic system. The concept which SEKEM is developing can be applied by companies and institutions and should enable consumers to answer the following question for everything they consume:

Question No 1: Social/Societal Life

Which impact does the production of the respective good have on the involved members and community of the value creation chain?

Question No 2: Environment:

Which impact does the production of the respective good have on the environment?

Question No 3: Human Development:

Which impact does the production of the respective good have on the cultural development within the community and the potential unfolding opportunities of the concerned people?

If a consumer is able to answer all these questions based on transparency and traceability, the first step towards an EoL is done.

Female Empowerment:

SEKEM developed more opportunities for its female employees in order to foster a balanced working society, by assisting them to combine work and family life. SEKEM, for example, provides places for the newborns at the SEKEM Nursery, when their mothers return to work. Besides, SEKEM offers them trainings for technical and social leadership as well as on-the-job training.

[Read More](#)

InnoEgypt, Empowering Young Entrepreneurs

In the framework of the EU-Egypt partnership that includes promoting social entrepreneurship and innovation, SEKEM cooperates with the project “InnoEgypt”. With an overall budget of 1,870,000 Euros, the two-year project fosters incubating innovative projects emerging in Egypt in the four industrial priority sectors: Agro-Food, Construction and Energy, Information and Communication Technology, Textile and Handcrafts.

[Read more](#)

Social Fund

For all the employees with an own family, SEKEM offers four bonus payments for cultural cases such as Ramadan. These bonuses are constantly increasing from year to year. In addition to that, there is the opportunity to request a special bonus in cases of special needs in emergency cases, long-time medical treatments, wedding, birth of child or in case of death.

In relation to the UN Sustainable Development Goals:



SVG 14: Ethical Banking

Description of the SEKEM Vision Goal No. 14:

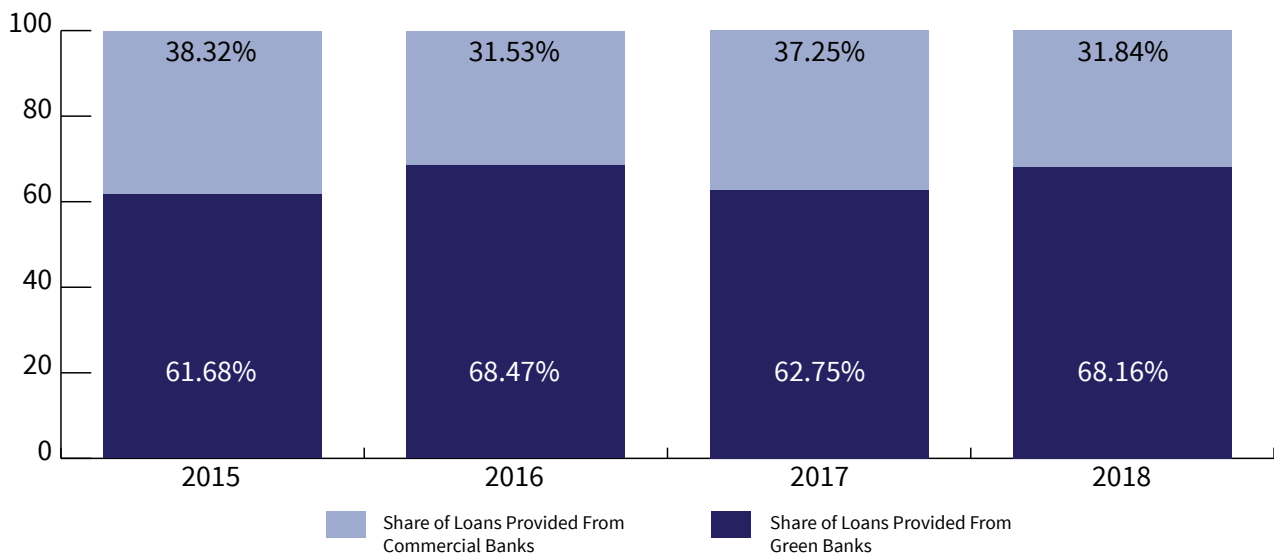
For SEKEM, the main difference between ethical and conventional banking lies in the purpose through which investors and investees are connected. Meaningful investment in consciousness of social and environmental implications rather than profit driven investment is the core of an ethical banking system. 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 commonwealth. 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 for the SVG

Share of Loans Provided from Green Banks vs Commercial Banks



The share of loans provided by commercial banks is based on the lacking offer from green finance institutions in Egypt. While all loans provided by green banks are taken up in Euro, the whole share of commercial 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 foodstuff 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 the HU, served to them for a special discounted price.

Biodynamic Seed Production:

In 2019, SEKEM started a new project for the production of Demeter certified seeds. The long term goal is to be able to supply all of SEKEM’s farmers with high quality Biodynamic seeds produced in SEKEM. In 2018, SEKEM started first trials with Demeter seeds provided by the international partner companies Sativa, Bingenheimer Saatgut and Cements Vivas.

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 and truly sustainable production methods and human development opportunities requires enough transparency to enable consumers to take competent decisions. Accordingly, SEKEM is working on traceability and more transparency on all levels. Giving consumers and partners further information about the backgrounds of each product is.

Projects:

Launching the new SEKEM Online Shop in Germany

In March 2018, SEKEM Europe GmbH started to run a new SEKEM Online Shop for Germany and other EU member states. Customers can order various healthy and Demeter-certified products directly from SEKEM by home-delivery. With the new SEKEM Online Shop, SEKEM wants to offer its many friends in Germany and across Europe the opportunity to buy sustainable products from Egypt transparently under the SEKEM Brand.

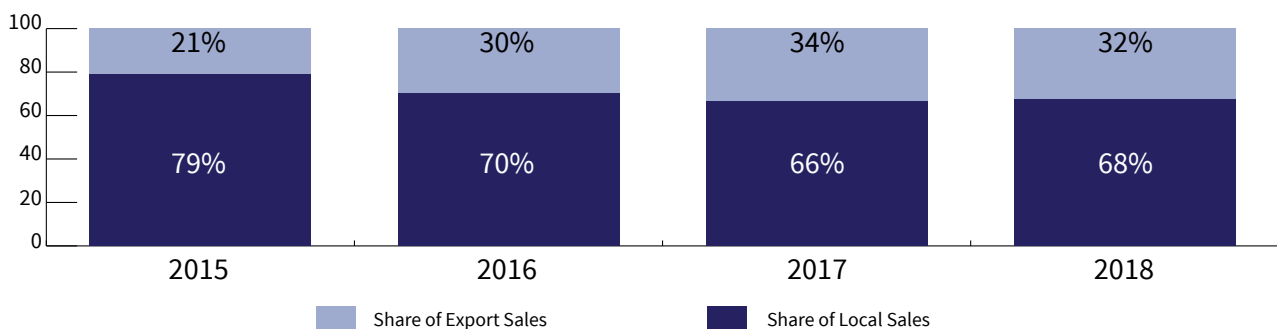
Visit SEKEM Shop

In relation to the UN Sustainable Development Goals:



Relevant Indicators for the SVG

Share of Sales in Local versus Export Market



In 2018, SEKEM was able to increase the local sales by 2%, whereas the export sales in 2018 declined by 4% compared to 2017.

Societal Life

SVG 17: Social Transformation

Description of the SEKEM Vision Goal No. 17:

SEKEM's goal of Social Transformation requires fundamental changes in societal thinking, awareness and acting. SEKEM and the HU are aiming for a societal transformation towards a common idea of a fair and awareness based acting, including the increase of partnerships and cooperation of companies and institutions. SEKEM wants to offer space for individual development including equal opportunities as well as the consideration of individual needs and specialized training. In order to reach this goal, SEKEM has already launched SEKEMSophia, a program in which new and innovative governance models are approached for institutions and communities.

Projects:

The Luxembourg Peace Prize

On June 22, SEKEM had been awarded the 2018 Outstanding Environmental Peace Prize during the Luxembourg Peace Prize ceremony. The “Schengen Peace Foundation and the “World Peace Forum” recognized SEKEM for its commitment to sustainable development with an integral dedication. The prize for Outstanding Environmental Peace seeks an individual or organization which builds peace directly or promotes culture of peace via environmental initiatives or practices.

[Read More](#)

SEKEMsophia Symposium

The SEKEMsophia Symposium is a new format for visitors that allows deeper insights into the backgrounds of SEKEM and it's companies. During the five-days event, the participants deal with the philosophy of SEKEM and how it is implemented in everyday life. Getting to know SEKEM as a social innovation – this was a wish that brought 25 people from all over the world to SEKEM in the last week of November 2018.

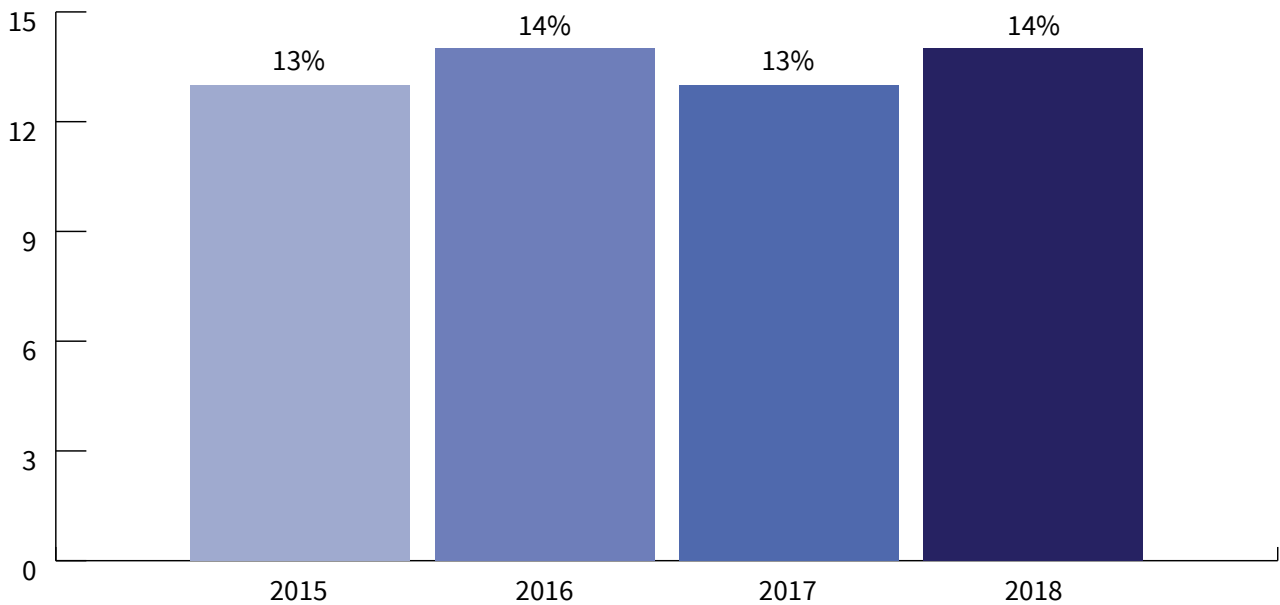
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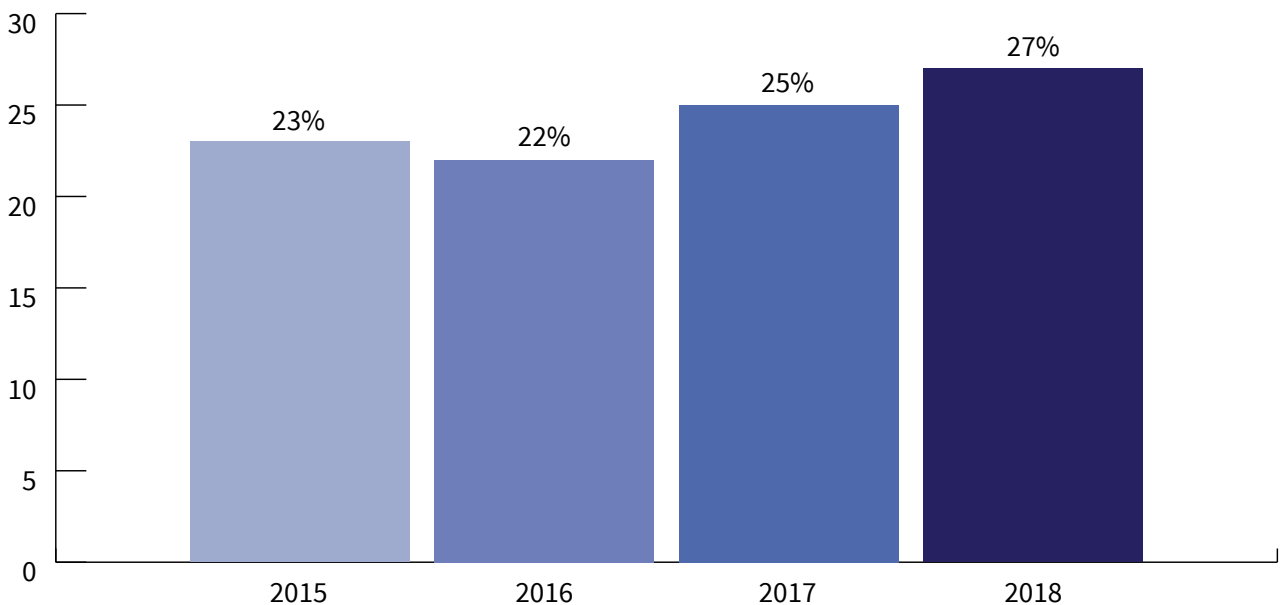


Relevant Indicators for the SVG

Females in Senior and Middle Management Positions



Share of Females in Total Workforce (excl. Daily Workers)



Over the past three years SEKEM was able to constantly increase its share of female workforce. The development shows a share of 22% in 2016 which now increased to 27% in 2018.

SVG 18: Governance

Description of the SEKEM Vision Goal No. 18:

Leadership and the rise of self responsibility is a key to evolve the potential of individual capacity on a collective level. SEKEM believes that right and good leadership depends on human consciousness. Different people need different structures in order to be motivated or directed toward fulfilling an aim or purpose. SEKEM’s leadership goal for 2057 is to develop modern forms in its executive, judiciary and legislative governance system that support people on different consciousness levels and align a community towards a common goal. Within this Vision Goal, SEKEM already started some pilot projects which can be seen in the community, management circle and the company NatureTex.

Projects:

Implementing New Governance Systems

Being aware of specific cultures and contexts SEKEM is building on elements of working within circles and workgroups by an emerging governance system that calls SEKEMSophia. The aim to build an agile governance structure together with a holistic human development approach to become more agile and sustainably manage our succession. SEKEMSophia is not a fixed governance model that is applied in one company but takes into account that different contexts and different employees require different forms of leadership. SEKEM is providing management training to employees in management positions in order to enable them to guide their teams reflecting individual needs and potential.

[Read More](#)

In relation to the UN Sustainable Development Goals:



Relevant Indicators for the SVG

Share of Middle & Top Management that participated in SEKEMSophia Workshops



In 2018 there has been a slight increase in absolute numbers of employees visiting SEKEMSophia workshops. The long term-goal is to increase this share to 100%.

Index of Abbreviations

bfz	Berufliche Fortbildungszentren der Bayerischen Wirtschaft gGmbH
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
EBDA	Egyptian BioDynamic Association
EGP	Egyptian Pound
HU	Heliopolis University for Sustainable Development
R&D	Research & Development
ha	Hectare
EoL	Economy of Love
SVG	SEKEM Vision Goal
SDG	Sustainable Development Goal

Ecological Life

Aspect	Indicator	Unit	Scope	2018	2017	2016	Comment
Agriculture & Soil	Total number of bee hives	no.	Company	29	29	35	
Agriculture & Soil	Number of dairy cows per hectare of cultivated land	no.	Company	0.5	0.5	0.6	
Agriculture & Soil	Total number of dairy cows	no.	Company	129	132	135	
Agriculture & Soil	Share of animals that are kept according to demeter standards	%	Company	100%	75%	75%	In 2018, all three animal categories at SEKEM (cows/bulls, sheep, bees) are kept according to Demeter standard.
Agriculture & Soil	Total amount of compost produced	t	Company	3,000	1,982	2,250	
Agriculture & Soil	Total cultivated area (SEKEM + supplying farmers)	ha	EBDA	1,952	1,685	1,361	
Air & Emissions	Share of sales revenues of products with known carbon footprint	%	Holding	80%	84%	80%	
Air & Emissions	Total amount of emissions scope 1	tCO2e	Holding	1,834	2,033	2,011	
Air & Emissions	Total amount of emissions scope 2	tCO2e	Holding	1,694	1,458	1,753	
Air & Emissions	Total amount of emissions (scope 1-2)	tCO2e	Holding	3,528	3,490	3,764	
Air & Emissions	Relative amount of emissions per thousand EGP sales	kgCO2e / 1000 EGP	Holding	8	8	10	
Air & Emissions	Relative amount of emissions per ton production	tCO2e / t	Holding	27	27	29	
Air & Emissions	CO2 sequestration from soil	tCO2	Company	902	928	768	
Air & Emissions	CO2 sequestration from trees	tCO2	Company	4,521	4,382	4,151	
Air & Emissions	Total sequestered CO2	tCO2e	Holding	5,423	5,310	4,919	
Energy	Total amount of gasoline consumption	m3	Holding	687	764	731	
Energy	Total amount of gasoline consumption for vehicles	m3	Holding	372	424	426	ISIS Organic outsourced distribution increasingly to external partners.
Energy	Total amount of gasoline consumption for power generation	m3	Holding	315	340	305	Less electricity cuts in 2018 resulted in a lower consumption of gasoline & increased electricity consumption
Energy	Relative amount of gasoline consumption per 1000 EGP sales	l / 1000 EGP	Holding	1.6	1.7	1.9	
Energy	Relative amount of gasoline consumption per ton of production	l / t	Holding	18	19	16	
Energy	Total electricity consumption (grid, diesel and renewables)	MWh	Holding	6,844	6,520	4,439	
Energy	Total electricity consumption from grid	MWh	Holding	3,388	2,915	3,506	Less electricity cuts in 2018 resulted in a lower consumption of gasoline and increased electricity consumption
Energy	Total electricity consumption from renewable sources	MWh	Holding	301	202	121	

Indicators related to the SEKEM Report – 2018

Aspect	Indicator	Unit	Scope	2018	2017	2016	Comment
Energy	Share of electricity consumption from renewable sources	%	Holding	4.4%	3.1%	2.7%	
Energy	Relative amount of electricity consumption (grid, diesel and renewables) per million EGP net sales	kWh / Mio EGP	Holding	15,535	14,363	11,817	
Energy	Relative amount of electricity consumption (grid, diesel and renewables) per ton of production	kWh / kg	Holding	184,041	165,730	96,732	
Biodiversity & Ecosystem Regeneration	Total number of trees	no.	Company	137,000	132,800	125,800	
Biodiversity & Ecosystem Regeneration	Newly planted trees in 2018	no.	Company	4,200	7,000	29,160	
Waste	Total weight of waste	t	Holding	372	518	745	Reduction of waste mainly driven by less organic waste from Lotus company due to different product focus with higher purity
Waste	Total weight of plastic waste	t	Holding	20	25	25	
Waste	Total weight of paper & carton waste	t	Holding	36	34	44	
Waste	Total weight of glass waste	t	Holding	4	34	71	
Waste	Total weight of organic waste	t	Holding	290	404	493	
Waste	Total weight of hazardous waste	t	Holding	0	0	0	
Waste	Total weight of other waste	t	Holding	23	21	112	
Waste	Share of non-organic waste recycled	%	Holding	72%	74%	42%	
Waste	Relative amount of waste production per 1000 EGP net sales	Kg / 1000 EGP	Holding	0.8	1.1	2.0	
Waste	Share of organic waste	%	Holding	78%	78%	66%	
Waste	Relative amount of waste production per ton of production	kg / t	Holding	10	13	16	
Water	Relative amount of water usage for agricultural use per area (on SEKEM farms)	m3 / ha / day	Company	30	30	27	
Water	Total amount of water usage for company and personal use	m3	Holding	15,935	17,479	89,717	2016 value still contains consumption from bottled water production from ISIS Organic.
Water	Total amount of water usage from bottled water production	m3	Company	19,543	10,782	no data	
Water	Total amount of water usage for agricultural use on SEKEM farms	m3	Company	3,079,025	3,186,521	2,405,438	
Water	Total amount of water usage for agricultural use on SEKEM farms from fossile water source	m3	Company	884,755	1,115,586	1,304,339	
Water	Share of water usage for agricultural use on SEKEM farms from fossile water source	%	Company	29%	35%	54%	
Water	Relative amount of water usage for company and personal use per 1000 EGP sales	l / 1000 EGP	Holding	36	39	239	
Water	Relative amount of company water usage per ton production	l / t	Holding	428.5	444.3	1,955.1	
Water	Share of waste water recycled and reused for tree irrigation	%	All SEKEM	100%	100%	100%	

Cultural Life

Aspect	Indicator	Unit	Scope	2018	2017	2016	Comment
Arts & Celebration	Total cultural events (space of culture Farm and Hu)	no.	All SEKEM	32	no data	no data	
Health & Well-being	Total number of medical center visits	no.	SDF	54,151	45,412	44,205	
Health & Well-being	Number of employee visits at the Medical Center	no.	SDF	9,555	6,855	5,663	
Health & Well-being	Share of employees with private health insurance	%	Holding	35%	25%	26%	Value driven by employees' choice
Health & Well-being	Share of employees with private live insurance	%	Holding	100%	100%	100%	
Health & Well-being	Number of fatal injuries	no.	Holding	0	0	0	
Health & Well-being	Total number of work related injuries	no.	Holding	3	4	5	
Health & Well-being	Total number of working days lost due to sick leave etc.	no.	Holding	1680	1720	2320	
Human Development & Education	Number of babies in SEKEM Nursery	no.	SDF	27	27	38	Sekem nursery for babies of SEKEM employee only
Human Development & Education	Number of children in SEKEM kindergarten	no.	SDF	52	53	47	
Human Development & Education	Number of students in Heliopolis University	no.	HU	1,703	1,294	1,075	
Human Development & Education	Number of students in SEKEM School	no.	SDF	284	297	303	
Human Development & Education	Number of students in SEKEM special education	no.	SDF	37	37	34	
Human Development & Education	Number of students in vocational training center	no.	SDF	195	191	64	
Human Development & Education	Number of students in professional training for eurythmy	no.	HU	6	8	8	
Human Development & Education	Total man hours of training provided	man-hours	Holding	139,474	137,298	133,047	
Human Development & Education	Average hours of training per employee	hrs	Holding	107	109	99	
Research, development & Innovation	Share of investments in R&D of total sales	%	All SEKEM	1.4%	1.7%	1.5%	
Research, development & Innovation	Total investment in R&D (SEKEM & HU)	EGP	All SEKEM	6.4	7.7	5.6	
Research, development & Innovation	Total number of funded research projects running in the reporting period	no.	All SEKEM	11	20	19	
Research, development & Innovation	Patents owned	no.	All SEKEM	0	0	0	

Economic Life

Aspect	Indicator	Unit	Scope	2018	2017	2016	Comment
Research, development & Innovation	Share of sales revenues from new products and services	%	Holding	9%	11%	20%	
Money & Banking	Share of externally owned company shares that are owned by green banks	%	Holding	100%	100%	100%	
Money & Banking	Share of loans provided from conventional banks	%	Holding	32%	37%	32%	
Money & Banking	Share of loans provided from green banks	%	Holding	68%	63%	68%	
Production, Trade & Consumption	Share of net revenue of actually organically and/or demeter certified products	%	Holding	61%	65%	73%	This share refers to those products that potentially can be certified organically and/or demeter
Production, Trade & Consumption	Number of supplying farmers	no.	Holding	305	287	477	
Production, Trade & Consumption	Amount of production (total SEKEM industries)	t	Holding	37,187	39,341	45,890	
Production, Trade & Consumption	Total weight of all packaging material input	t	Holding	1,679	1,632	2,120	
Production, Trade & Consumption	Total weight of plastic material input for packaging	t	Holding	564	388	525	
Production, Trade & Consumption	Total weight of paper & carton material input for packaging	t	Holding	854	797	1,045	
Production, Trade & Consumption	Total weight of glass material input for packaging	t	Holding	206	366	450	
Production, Trade & Consumption	Total weight of organic material input for packaging	t	Holding	12	11	10	
Production, Trade & Consumption	Total weight of stickers material input for packaging	t	Holding	33	48	64	
Production, Trade & Consumption	Total weight of metal material input for packaging	t	Holding	9	21	25	
Production, Trade & Consumption	Total weight of others material input for packaging	t	Holding	2	1	2	
Production, Trade & Consumption	Share of recycled packaging material input	%	Holding	2%	3%	1%	
Value Creation & Distribution	Share of export sales	%	Holding	32%	34%	30%	
Value Creation & Distribution	Share of local sales	%	Holding	68%	66%	70%	
Value Creation & Distribution	Total net revenue	million EGP	Holding	441	454	376	
Value Creation & Distribution	Gross profit	million EGP	Holding	192	238	169	
Value Creation & Distribution	EBITDA	million EGP	Holding	105	131	104	
Value Creation & Distribution	Net profit before Tax	million EGP	Holding	10.5	16.3	0.6	
Value Creation & Distribution	Total amount of internal investments	million EGP	Holding	8.0	9.7	0.0	
Value Creation & Distribution	EBITDA margin	%	Holding	24%	29%	28%	
Value Creation & Distribution	Gross profit margin	%	Holding	44%	52%	45%	

Societal Life

Aspect	Indicator	Unit	Scope	2018	2017	2016	Comment
Value Creation & Distribution	Ratio of highest to lowest annual full-time salary	%	Holding	1:26	1:28	1:31	Lowest salaries increased to 1700 EGP per month
Value Creation & Distribution	Share of net profit invested into community development	%	Holding	10%	10%	10%	
Value Creation & Distribution	Non-monetary benefits in relation to overall salaries	%	Holding	11%	10%	10%	
Loyalty & Motivation	Absentee rate	%	Holding	1.6%	1.9%	1.8%	
Loyalty & Motivation	Employee turnover	%	Holding	11%	7%	7%	ISIS and Naturetex have been affected by employee fluctuation
Loyalty & Motivation	Share of employees in middle and top management that participated in SEKEMsophia workshops and/or vision meetings	no.	Holding	29%	29%	no data	
Work Environment & Community Life	Number of daily workers	no.	Holding	163	168	160	
Work Environment & Community Life	Number of labours	no.	Holding	568	587	574	
Work Environment & Community Life	Number of middle managers	no.	Holding	93	95	124	
Work Environment & Community Life	Number of senior managers	no.	Holding	14	11	11	
Work Environment & Community Life	Number of specialists	no.	Holding	462	402	475	
Work Environment & Community Life	Total number of employees	no.	Holding	1300	1263	1341	
Work Environment & Community Life	Share of young employees (below the age of 36)	%	Holding	65%	63%	64%	
Work Environment & Community Life	Share of females in senior and middle manager positions	%	Holding	14%	13%	14%	
Work Environment & Community Life	Share of females in total workforce (excl. daily workers)	%	Holding	27%	25%	22%	
Work Environment & Community Life	Share of employees with disabilities	%	All SEKEM	2%	2%	2%	

The column “Scope” in the indicator list refers to the scope of data collection used to measure the performance of the respective indicator. The following scopes are relevant:

- All SEKEM** All Institutions under the umbrella of SEKEM are included (SEKEM Holding, SDF, and HU)
- Company** Only one subsidiary is reflected in the data collection (e.g. SEKEM for Land Reclamation or ISIS Organic)
- Holding** All SEKEM subsidiaries are included (SEKEM Agriculture, Atos Pharma, ISIS Organic, NatureTex, Lotus)
- SDF** SEKEM Development Foundation is reflected only
- EBDA** Egyptian Biodynamic Association is reflected only
- HU** Heliopolis University for Sustainable Development is reflected only

SEKEM

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