

COMMUNICATION ON PROGRESS

UN Global Compact



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MESSAGE FROM CTC GROUP PRESIDENT



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14th April 2022

Message from CTC Group President

The world in general & Sudan in particular has seen significant change over the past period. We are faced with deep social issues, urgent environmental and economic challenges, as well as a global pandemic. Nonetheless, we are determined to persevere and manage the challenges of protecting our employees, delivering on promises to customers, adhering to ethical and sustainable business principals, as well as carrying through with our social and environmental responsibilities and civic duties. Our corporate values have been our biggest source of inspiration during these difficult times and we have seen amongst our employees all shining examples of teamwork, value consciousness and quality focus, integrity, customer focus, professionalism, employee focus, and an even greater spirit of moving forward. Our sustainability strategy is firmly built on the guiding principles of each of our core values and is aligned to the United Nations Sustainable Development Goals to deliver positive impact. We are committed to the ten principles of the UNGC through sustainability. Our sustainability efforts focus on agriculture, youth development, workforce welfare, environment & community relations. We integrate the ten principles in our sustainability approach & business model. We have taken this commitment very seriously and have ensured that our responsibility starts with myself and with my senior management team running all the way down and across the organization.

The year 2021 started with high hopes and a lot of positivity where we saw much progress on the ground in terms of Sudan re-engaging with the International Financial Community and indicators of progress including exchange rate stability and Sudan meeting the conditions for debt relief. On the back of these positive indicators CTC Group started rolling out significant investments and business expansions. It was however also a very difficult year with significant price increases after the removal of subsidies which had a direct impact on the cost of living. CTC Group Management through the year has tried to remain close to its employees, and to ensure that we respond in a timely manner to alleviate as much as possible the negative impact of the increases in the cost of living on all CTC Group family members. The last quarter of 2021 has unfortunately been especially challenging on multiple levels both business and personal. The ongoing instability continues to pose a daily challenge and we understand this is very testing for all.

Over its 65 years of history CTC Group has grown from a small family business with less than 15 employees to being one of the largest private sector companies in Sudan employing over 1,500 staff members. Today the Group operates in all 18 states of Sudan, and manages a diversified business portfolio across multiple sectors, agriculture, technology, industry, finance and engineering. At this time we would like to reconfirm our belief in the long term potential of Sudan and our ongoing commitment to continue investing in CTC Group businesses and importantly CTC Group staff, and their continued development.

Our growth in terms of reach, scale and impact has spurred an even greater sense of responsibility and urgency to do more and to do better. I am glad to share with you our annual Communication on Progress [COP] and share some of the amazing work and progress that our Group has and will be actively engaged in to make our business a more socially and environmentally responsible and resilient business operation.

In the next pages, you will witness our commitment to making in difference in the lives of people & the environment, while also improving what we do internally.

Ahmed Elamin Ahmed Abdellatif

President, CTC Group

OUR BUSINESS

OUR BUSINESSES

Under our tagline "Moving Forward"
We strive to touch lives in all walks of life.

CTC Group was founded with a vision to develop not just a growing business, but an enterprise that would benefit the people of Sudan by providing them with products and services that enhanced their quality of life. Whether it is agricultural inputs, household appliances, construction machinery, telecommunication, automobiles, or information technology – CTC Group has always held the view to fulfill a larger societal purpose and to bring economic prosperity that transcends the marketplace into the homes of people in Sudan.



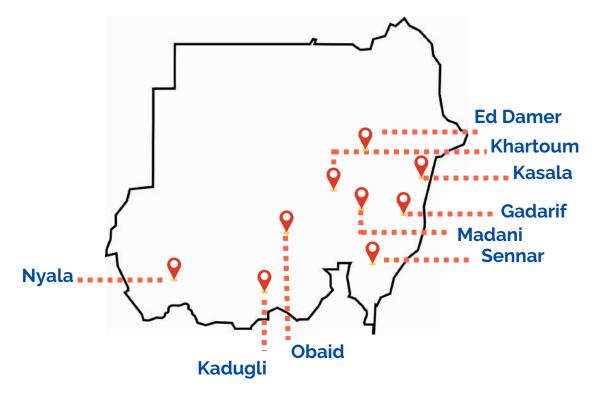
Throughout its 65 years, CTC Group has had to adopt its business practices to the evolving needs of our customers and stay ahead of the competition by introducing best practices and innovating to find sustainable solutions and business models to continue our business growth as well as building strong partnerships with global brands across the world that share our values and principles.

OUR BUSINESS LOCATION

Globally



Locally



OUR BUSINESS PARTNERS



















































































Human Rights

.CTC Group adheres to strict code of ethics that supports and safeguards the human rights of all employees .The code is circulated amongst all employees at all levels. Moreover, a handbook on HR policies for all employees is available on our internal network.

We continue giving due focus to the well-being of our employees, Many concrete steps have been taken to develop and promote the well-being of our employees and the workforce linked to our operations;

Work-life balance initiatives:

At CTC we have taken many initiatives to create a work culture where a stable work-life balance can be achieved;

- At CTC Group, we maintain a full productive & decent work environment for all women & men, by providing the best possible salaries and benefits that meet their needs and family commitments.
- CTC Group has been supporting its employees with monthly free food packages to
 provide nutritious food that will ensure a healthy lifestyle. This year we will leverage
 our food packages to include more healthy food items with the most competitive
 prices in the market.
- CTC Group will support the accessibility to quality education to all permanent employees with children by providing financial assistance to them for their children from day-care to university effective educational year 2023-2024.
- Scholarships are offered to all permanent staff from the most vulnerable groups, who dropped out of the formal education system for different social or economic challenges. The program will award a full-tuition scholarships to qualifying CTC Group employees pursuing graduate degrees or other certificates.





Health & Safety:

- CTC Group in collaboration with the Ministry of Health organized Covid 19 vaccinations to staff and their families. 1879 No. of employees & family members.
- Sudan is in the midst of a deep political & economic crisis, in addition to the economic impact caused by COVID-19. Most Sudanese are experiencing dramatic increases in basic food prices. Due to the mentioned challenges, CTC Group continues to assist its employees with subsided meals during working hours.
- In our workplace, a sound health and safety policy is crucial for ensuring the wellbeing of our employees. CTC Group has worked on reducing the health and safety risks on its premises and has devised safety policies for employees to safeguard them against potential health or safety risks.
- Safety management of a hazardous environment is a key component of our sustainability drive. We ensure a low risk work zone by conducting regular checks on the premises and through following international standards to protect our employees from potential risks as part of our ISO certification process.
- CTC Group's Learning and Development department has conducted different courses that focused on firefighting, security, safe use of cleaning products and safe driving.





 In October and as part of the international campaign for raising awareness on breast cancer and mental health, CTC Group organized a campaign under the theme 'TOGETHER WE FIGHT, TOGETHER WE WIN' that included activities such as a seminar to promote early detection of breast cancer. In addition, the campaign also focused on female mental health. CTC Group in cooperation with its partners offered free clinical detection visits for all attendees and 50% discount voucher for mental health-consultation services.



Cont. - Health & Safety:

• According to the latest data from the United Nations in 2021, 303,330 people in Sudan have been affected by floods across the country since the beginning of the rainy season in the second half of July. This is a significant increase from the 60,000 affected as of 22 August. Furthermore 14,820 homes have been destroyed and 45,390 damaged. CTC Group adopted the human rights-based approach to disaster response and recovery for disaster affected people last year - in collaboration with CSOs, CTC Group has contributed to help affected areas through direct financial support or supply chain facilities.















Supporting & Empowering small Farmers in the most marginalized social groups:

CTC Group has been a partner of choice for many regional and international institutions and organizations. We are proud of our recent partnership with FAO & WFP, where we are working together to support and improve agricultural productivity in the most affected regions of Sudan. The project aims to improve productivity and yield through providing a portfolio of integrated services and products that cater for the full agricultural cycle in 4 localities in South Darfur. The project targets the most vulnerable farmers in the state and encourages economic inclusion through empowering small farmers to become business owners and equip them with the necessary know-how. CTC Group is committed to different initiatives that respect all people's rights to own, use, develop and control their lands and resources.





















PRINCIPLE 2: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

CTC Group will not tolerate ethical misconduct in any form be it; workplace bullying, threats of violence, insubordination, ridicule, discriminating jokes/language & personal insults (racist/sexist terms), sharing sexually explicit, offensive or violent materials (via electronic devices or other means), or any other form of workplace harassment.

Zero harassment workplace:

The purpose of the policy is to communicate to all employees, including supervisors, managers, and directors that no incident related to harassment will be tolerated by CTC Group. Any employee who does not follow this policy is bound to face disciplinary action..

This Policy ensures that each employee is treated with dignity and respect, and does not face any kind of bulling or harassment from seniors or fellow employees. All employees are encouraged to completely understand their obligations under this policy.

https://ctcgroupltd.com/download_file/192/271



PRINCIPLE 2: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.

We set up different hotlines for our different businesses to identify, report, and track incidences with corrective and remediation processes in place where incidences are found.

Report wrongdoing when you see it.

Questionable unethical behaviors are investigated & appropriate proper action is taken accordingly.

Contact the HR Departme	ent directly, or any of the desi	gnated personnel below
	Headquarter Offices	
<u>4109</u>		<u>2112</u>
Central Advanced Digitech [CAD]	DEM & DELTA	Engineering [Service Center]
<u>4354</u>	<u>4519</u>	2243



Labour

PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

AT CTC Group we are working together with suppliers and collective institutions such as trade unions, farmers' associations and many others. We protect our workforce's rights including;

- Freedom of joining unions & collective associations.
- CTC Group is not performing anti-union discrimination, including requirements that a worker not join a union or relinquish trade union membership for employment, or dismissal of a worker because of union membership or participation in union activities.
- CTC Group supports all the rural workforce throughout its value chain to establish
 organizations that protect their rights, improve their communication and enhance
 their working conditions. CTC Group supported the establishment of small
 farmers' Union in Blue Nile region and Gararif states.

PRINCIPLE 4: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

CTC Group supports & protects basic labor rights to achieve productive and decent work for all employees. Therefore, CTC Group is committed to zero - tolerance workplace towards all forms of forced labor and modern slavery to protect the human rights of our contracted staff (permanent and temporary) and out-sourced staff, along the value chain.

PRINCIPLE 5: THE EFFECTIVE ABOLITION OF CHILD LABOUR

CTC Group established its recruitment processes in order to identify and prevent child labor in all the businesses it operates;

- We clearly state that children under minimum working age are not recruited- CTC Group only recruits staff above 18 years old. (National Labor Laws states that working age is 16 years old)
- Outsourced staff are restricted to the same age verification policy to ensure zero child labor throughout our business activities.



PRINCIPLE 6: THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

CTC Group keeps job descriptions as relevant and realistic as possible and asks only relevant questions during the interview process. We ensure that the applicant's job goals are in line with the organization's work culture, and he/she possesses the desired skill-sets and experience.

During the screening processes, whether external or internal, the applicants are required to go through a selection and assessment process to determine their suitability for the expected job role.

CTC Group follows a strict policy for talent acquisition so that the process is fair and equitable. The policy gives equal opportunity to all applicants, ensuring that only a candidate with a specific skill-set, experience, and personality is selected.

CTC Group expects everyone involved in the recruiting process to follow and engage in a fair, unbiased, and transparent manner. We ensure that teams follow best practices that do not involve any malpractice while recruiting people.







Environment

PRINCIPLE 7: PRECAUTIONARY CHALLENGES

BUSINESSES APPROACH

SHOULD SUPPORT A TO ENVIRONMENTAL

CTC Group's overall sustainability approach enhances its operation's positive contributions toward nature and the environment, while minimizing negative impacts. We believe that economy and nature go hand in hand and we can't have sustainable business development if we do not have a sustainable environment. This ideology makes us give back to society with our environmentally-friendly approach to doing business.

Caring for environment while developing and growing our business is a challenging step that all responsible companies have to consider to mitigate environmental impacts that are generated due to consumption of energy and water, waste generated, and promotion of products.

To ensure complying with the national environmental guidelines, CTC Group has contacted Nubian Stone Consultancy to conduct Environmental and Social Impact Analysis for new business, as per the standards of the Higher Council for Environment and Natural Resources



PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Rehabilitation of Community Ecosystems

CTC Group has been developing cutting-edge well-being projects through various partners. The essence of our environmental projects is to help embed green and regenerative behavioural change within our staff and local communities, and encourage them to think positively towards the environment.

• The Nuwar Project is just the start of CTC Group's efforts to address and investigate some of the environmental issues that hinder the development of our communities. We are very proud to announce that CTC Group has supported and promoted local interventions to contribute positively to the environment by initially planting 3,000 fruit seedlings with support of our staff and local communities in River Nile state. We are targeting 11,500 fruit trees till the end of 2022 in five different Sudanese states, while involving the local communities and our partners to support the development of tree planting practices that will contribute to improving the well-being of our communities.

11,500 Planned 3,000 Planted

















PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Environmental Awareness Campaigns:

The goal of CTC Group's awareness initiatives is to increase the community knowledge on ongoing programs. We pursue community engagements to increase awareness of the positive and negative impacts of individual and corporate activities. A seminar was conducted to share the experience among experts from social communities, environmental advocates, and farmers, and encourage them to take responsible steps towards safeguarding their environment and rehabilitating their local ecosystems.













PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Farmers-to-Farmers visit:

CTC Agro & CTC Engineering - in their regular field visits as part of their pioneering "Farmers to Farmers (F2F) Program" mainly focus on farmers' development and empowerment. It helps farmers build capacity, develop the necessary skills, and adopt good sustainable agricultural practices.

The program brings together groups of farmers to engage in a process of field-based learning. The cornerstone of this program is its unique methodology of the agro-ecosystem analysis. This methodology helps farmers to understand how the field-based analysis can simply be conducted and how to analyze the interactions between crop/livestock, pests, diseases, weeds, water, soil and weather conditions.

Main environmental issues were discussed in the latest visit to Damazin soil erosion, climate change and the impact of The Grand Ethiopian Renaissance Dam on the Blue Nile ecosystem .























PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

CTC Group's overall sustainability approach is to enhance our operations' positive contributions toward nature and environment, while minimizing negative impacts. We strongly believe that we cannot achieve sustainable development without having a strong focus on a healthy environment;

CTC Group has implemented sustainable solutions to reduce, reuse and recycle the possible waste generated and segregate the waste at our operation and facilities. We managed to recycle internally about 7.6 tons of Plastic Resin (Poly propylene (PP) - our generated waste to be used as production inputs, which have in return minimized the purchased amount of (Poly propylene –PP).

CTC Group has a huge interest in a "circular economy" that focuses on reducing materials footprints and preventing disposal in landfills. Its approach focuses on re-using materials already in circulation, and recycling others.















PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Technology and innovation are the key resources that can accelerate change in the community and environment. CTC Group has adopted sustainable innovative technologies to make a real difference among stakeholders, by introducing new technologies that boost efficiency and productivity, but with minimal environmental impact:

 Digitech, our consumer electonics business, has introduced its most innovative Best Laundry Solution with Artificial Intelligence Washing Technology, LG Vivace washing machine. Its powerful 3D Multi-Spray reaches every inch of the laundry with an inverter motor control pump, to increase the reaching time of detergent with laundry for deeper cleansing. It also reduces clothes damage due to unnecessary friction and shortens cycle time with less energy consumption.









Anti-corruption

PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

CTC Group works as a united team, applying excellent governance to everything we do, to earn our stakeholders' trust and respect. We never compromise on our fairness, honesty, integrity, and at the same time adhere to all international standards of business. We strongly believe that good governance affects and enhances our performance. It is crucial for risks, opportunities, and the ability to innovate, therefore, strong governance is at the heart of our succession plan, innovation, expansion, and business continuity.

Our excellent governance framework helps us toward our goals, objectives and improvements; while maintaining strong legal and ethical standards.

Risk management:

CTC Group performs several risk management drills during the annual internal audit such as operational risk, financial risk and reputational risk to help protect and prevent suck risks. In term of frequency, our audit cycle depends on the nature of the project and the political and economic circumstances of the country. Moreover, our risk-rating methodology covers fine level minor, moderate, significant, severe and catastrophic. These risks are presented using different shapes and colors in our audit reports to help decision makers give the commensurate priority to the audit points raised.

Corporate quality value:

For over 65 years, CTC Group has been one of Sudan's leading companies. Our success is built on having a clear quality value statement, which states:

"we believe that we will achieve continuous growth by providing quality services and products, by understanding needs and expectations of our interested parties, and by being acknowledged as the best in the business by all our customers and interested parties"

CTC Group has put in place a quality management system, as a management tool, in accordance with the iso 9001-2015. CTC Group is committed to implementing this system and improving the effectiveness of the system continually. Our top management and staff are committed to adhering to the applicable requirements of quality management system as well as the applicable legal requirements. CTC Group is committed to continue improving the effectiveness of the system by determining risks and opportunities in the business and by supporting its strategic directions.

ISO POLICY:

CTC Group has implemented the International Standards Organization (ISO) policy to standardize and ensure that CTC Group departments & functions follow similar quality standards and procedures.

PRIORITY SDGS

The United Nations has developed 17 sustainable developemnt goals (UNSDGs) that have been adopted by most of the countries around the world. Proudly CTC Group has also confirmed its commitment toward the UNSDGs and algined them with the national development themes and pillars.

We believe that the private sector has been invaluable at every stage of the New Sudan plans. By addressing, implementing and mapping our sustainability strategic direction and goals with both the New Sudan plan and UNSDGs, CTC Group also aims for an impactful outcome.



01 — Priority SDG

Creating employment opportunities and promoting jobs security, including the provision of decent work, respecting labor rights, improving skills and paying living wages that provides employees a path out of poverty,



02 — Priority SDG

CTC Group continues to play a key role in maintaining the sustainability of national agricultural production, through developing the local farming communities to meet increased food demands of the future, and building the capacity needed to strengthen crops production resilience by making full use of technical & scientific knowledge.



03 — Priority SDG

CTC will continue providing access to health-care for its employees and their families and supporting access to health-care for those in our supply chain. We encourage healthier lifestyles through providing decent working conditions, onsite vaccinations, providing maternity leave and many other facilitites.



04 — Priority SDG

CTC Group supports vocational education and youth programs through providing trainings to staff, contractors, technicians and university students to acquire the best employment skills in different sectors that in return improve their employment opportunities.

PRIORITY SDGS



05 — Priority SDG

Respecting women's right and supporting women empowerment across the workplace and community, especially women in the agriculture sector.



06 — Priority SDG

Respecting the human right to safe drinking water and sanitation through availing water supply in the most vulnerable areas in Sudan



07 — Priority SDG

CTC Group is promoting responsible products that have less impact on the environment and high value to stakeholders. CTC Group is very proud that solar energy is now part of its business portfolio.



08 — Priority SDG

We believe that giving due focus to the well-being of our workforce, will positively affect productivity, motivation, teamwork & morale building and will reduce work-related stress.



09 — Priority SDG

CTC Group is promoting responsible products that have less impact on the environment and high value to stakeholders. CTC Group is very proud that organic agri commodities are part of its business portfolio.



10 — Priority SDG

Exploring ways to engage low-income population in our value chain, employees, dealers, distributors, and suppliers in order to contribute to their income growth.

PRIORITY SDGS



11 — Priority SDG

Integrating disaster risk management into our business models and practices to increase business resilience, protecting livelihoods throughout the supply chain, ensure continuity of services.



12 — Priority SDG

We provide reliable, relevant, clear, transparent, and accessible information on the price, safe use, environmental attributes, maintenance, storage and disposal of our products to help make informed decisions.



13 — Priority SDG

As part of our environmental impact analysis, CTC Group is currently measuring the CO2 emissions in its facilities as part of the GHG emissions analysis, starting March 2022, Scope 1 and Scope 2



15 — Priority SDG

Over the last 65 year, CTC Group was always advocating for the best sustainable agriculture practices and the best use of natural resources - through introducing advanced agriculture technologies, building capacity and internal mirco-financing facilities.



16 — Priority SDG

CTC Group has 9 TTCs (Technology Transfer Centers) across Sudan. We believe that our presence in conflict and conflict-effected regions will promote peace through our corporate investment, employment, community relations and social inclusion and development.



17 — Priority SDG

CTC Group strongly believes in maximizing the outcomes and the impacts of its programs and social investments. With this approach, CTC Group has always been a partner of choice for national and international organization - UNICEF, USAID, UNDP, JICA, UNISCO, Save the children and many others.

