

# **OPERATIONAL NEWS**

## CRESCENT ENTERPRISES VENTURE CAPITAL (CE-VC) - GULFTAINER - CE-VENTURES

### Crescent Enterprises launches US\$150 million corporate venture capital division 50% to be allocated to new businesses in the MENA region

Crescent Enterprises announced the launch of its corporate venture capital arm, which aims to invest US\$150 million across multiple sectors over the next three years, at the Sharjah Entrepreneurship Festival on 21 November. At the event, Crescent Enterprises' CEO Badr Jafar said: "In the Middle East we are approaching a juncture where the private sector needs to drive the next wave of innovation and growth, whilst at the same time addressing our region's most acute social, economic and environmental challenges. It is clear to us that alongside our existing businesses, corporate venture capital is a powerful way to achieve this, and therefore it is the right time to formalize this rapidly growing side of our business. It gives me great pleasure to announce that we are creating Crescent Enterprises' Venture Capital arm, CE-VC, which will invest US\$150 million over the next three years, 50 percent of which will be targeted towards start-ups across the MENA region."



Badr Jafar added "Over the years, Crescent Enterprises has invested in a number of high-growth sectors from ports and logistics to healthcare, recognising the strong business case to diversify. We have also been quietly active in the corporate venture capital space. In fact, over the past two years, we have made one investment every month on average. In the last six months alone, we have invested in a wide range of start-ups from a Silicon Valley-based drone company for the industrial sector and robotic surgery technologies, to an e-commerce platform for fisheries in India. We also seeded entrepreneur graduates from the American University of Sharjah who are developing an artificial intelligence project management system."

The new venture capital arm CE-VC, one of the largest corporate venture units in the Middle East and North Africa, will focus on strategic investments in early to later-stage start-ups across the world.

"This programme is central to our overall business strategy as we prepare for tomorrow's business environment. This also directly ties in with our ambitions to put the region on the map as brand-creators, rather than brand-adopters," concluded Badr.

### Gulftainer

Gulftainer Wins Port and Terminal Operator Award at Seatrade Maritime Awards 2017



Gulftainer is a subsidiary of Crescent Enterprises.

Gulftainer, the world's largest privately owned port operator, won the Port and Terminal Operator Award at the Seatrade Maritime Awards Middle East, Indian Subcontinent and Africa 2017 for the second consecutive year in October. Currently in its 14th year, the Seatrade Maritime Awards recognises the paramount contributions of companies to the maritime industry across the Middle East, Indian subcontinent, and Africa.

Tom Nauwelaerts, Managing Director of Momentum Logistics, Gulftainer's thirdparty logistics division, received the award on behalf of the company at a ceremony in Dubai. Gulftainer stood out among competition from DP World UAE Region, Abu Dhabi Ports, Red Sea Gateway Terminal, Saudi Global Ports Company, and SOHAR Port and Freezone. At the event, an expert panel of judges selected the winners from over 70 finalists

across 20 categories. Evaluation criteria included a consistent demonstration of all-round operational excellence, and maintaining the highest standards of cost and supply chain efficiency, automation, and customer service, among others.

### **CE-Ventures**

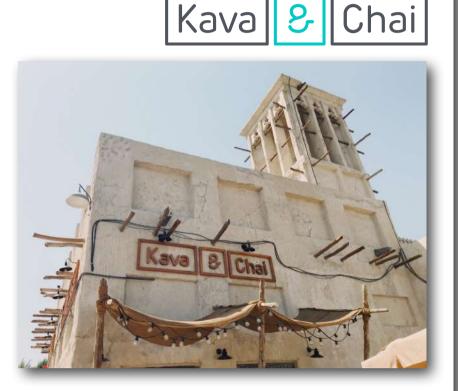
CE-Ventures launches first incubated business, Kava & Chai, at Marsa Al Seef and American University of Sharjah

CE-Ventures' first incubated business, Kava & Chai, a specialty tea and coffeehouse that is inspired by Arab traditions and tastes, opened its doors to the public at Marsa Al Seef and American University of Sharjah. Designed to bring to life the Emirati culture and heritage, Marsa Al Seef location

inspires both residents and tourists with its authentic ambience. The American University of Sharjah flagship branch is a hub of social activity, with hakawati storytellers, open mic nights, and cultural events planned throughout the year. In addition, Kava & Chai's mobile kiosk fuelled creativity at the Sharjah

Entrepreneurship Festival 2017, and raised funds for cancer patients at the 24-hour cancer fundraiser Relay for Life. Committed to sustainable practices, Kava & Chai works with eco-friendly suppliers and offers direct trade coffee to consumers. The coffeehouse's roasters

build direct relationships with coffee farmers. All staff uniforms and food and beverage packaging are made from renewable materials. CE-Ventures is currently planning on expanding the Kava & Chai brand across the UAE and beyond.



**CE-Ventures is a division of Crescent Enterprises that internally** develops early stage concepts into viable businesses.

## STRATEGIC INVESTMENTS

FRESHTOHOME - GROWTHGATE CAPITAL - WAMDA CAPITAL - SAMENA LIMESTONE HOLDINGS

#### **FreshtoHome** Crescent Enterprises Leads a Series A Round in FreshtoHome

Crescent Enterprises led a Series A round in FreshtoHome in September, entering the early stage venture space in India. FreshtoHome is India's largest e-commerce venture for fresh, chemical-free seafood, poultry, and meat. The company has deployed a proprietary technology platform that disintermediates the traditional supply chain for meat and seafood retail and allows for consumers to receive high quality seafood and meat directly from the source. Currently in its second year of operations, FreshtoHome caters to seven major Indian cities, including Bangalore and Delhi. The company has undertaken steps to expand across the Middle East in the coming years. Crescent Enterprises will provide strategic support and guidance to FreshtoHome as it expands regionally.





Growthgate Capital announced the sale by its majority-owned JetSet Equity Partners of 51 per cent of the capital stock of Gama Group MENA, the manager and operator of private jets across the Middle East and North Africa, in October.

Growthgate and Crescent Enterprises led the negotiations with Gama Aviation plc, who prior to the transaction owned 49 per cent of Gama Group MENA, and both parties concluded the deal for a cash consideration of US\$ 5.1 million. Following the acquisition, Gama Aviation plc will own 100 per cent of Gama Group MENA.

As Gama Aviation plc is a publicly listed company whose shares are traded on the London Stock Exchange, the deal represents a rare cross-border acquisition between the UK and the UAE.

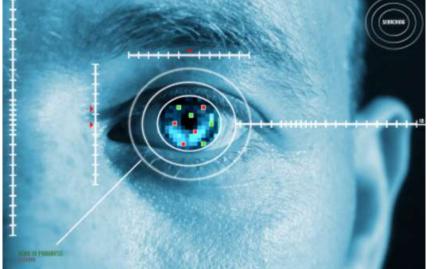
"This transaction represents the best ingredients in a partnership between capital and management. Whilst we invested funds, time, and support, Gama Aviation invested expertise and management skills, which all contributed to the value creation process of a first-rate aviation venture," said Karim Souaid, Managing Partner of Growthgate Capital. The owners of JetSet Equity Partners' include Growthgate Capital, Crescent Enterprises and Felix Trading Co.

Growthgate-backed IrisGuard Closes its Latest Funding Round - from Goldman Sachs' Merchant **Banking Division** 

IrisGuard, the UK-based pioneer in Iris Recognition Technology (IRT) payment solutions, announced an investment from Goldman Sachs' Merchant Banking Division. IrisGuard was founded in 2001 by its current CEO Imad Malhas and Rudain and Karim Kawar.

Growthgate invested back in 2010, through an injection of growth equity capital, at a time when IrisGuard had limited country coverage and scope of services, which were essentially focused on security and credentialing features.

Today, IrisGuard serves millions of unbanked customers through its innovative EyePay® Platform, used by the United Nations and government aid agencies around the world. These programs rely on IrisGuard for the delivery of financial aid, by providing beneficiaries with cash based transfers and other assistance using iris recognition.



**Growthgate Capital** Growthgate Capital sells Majority Stake in Gama Group MENA

IrisGuard's ground-breaking technology is especially suited to individuals with no bank accounts, such as migrant workers, displaced persons, refugees, natural disaster victims, and social welfare recipients. IrisGuard allows such individuals to access cash withdrawals, food vouchers, bank wires and money transfers using solely their eyes for identity verification and ensuring a fully-secure transaction. These solutions significantly reduce levels of fraud, making sure humanitarian aid reaches its intended recipient. The EyePay® Platform is also blockchain-ready, with IrisGuard working in partnership with the United Nations to enable goods to be purchased using iris recognition and settled directly on the blockchain. This project is the largest private fork of the Ethereum blockchain implementation to date for humanitarian assistance. Authenticating the last mile is achieved through an iris recognition system designed by IrisGuard, where the eye becomes the key that cannot be lost, stolen, forged, copied, or forgotten.

"We are very excited about the investment from Goldman Sachs, with their relevant experience in innovative and leading FinTech companies. This is also a tribute to IrisGuard's pioneering EyePay® Platform and our strong growth prospects. The investment is well timed as IrisGuard expands its merchant network services into new territories around the world," commented CEO Imad Malhas.

Crescent Enterprises is a Founding Shareholder in Growthgate Capital.

### Wamda Capital

Wamda Capital topped Forbes Middle East's 50 Most Active Investors list for 2017, which recognises organisations that are fueling the entrepreneurship scene across the Middle East and North Africa through funding. The list includes other venture capital firms in addition to angel investment firms, corporate capital venture funds, accelerators, and incubators.

Since inception, Wamda Capital is estimated to have invested US\$60 million into technology startups that span various sectors, including advertising, consumer electronics, fashion, fintech, and food and beverage. Wamda Capital's portfolio includes the ride-hailing unicorn Careem and several Forbes Middle East's Top 100 Startups in the Arab World for 2017, such as The Luxury Closet, Mumzworld, vallacompare, and Arabia

Weather.Crescent Enterprises is a Limited Partner in

Wamda MENA Ventures I.



Wamda Capital ranked the most active investor in the Arab world by Forbes Middle East

Crescent Enterprises is a Limited Partner in Wamda MENA Ventures I.

#### Samena Limestone Holdings RAK Ceramics Announces Q3 2017 Financial Results

RAK Ceramics reported net profits of AED 84.7 million, which represents an increase of 365 per cent year-on-year, for the third quarter ended 30 September. Total revenue grew to AED 705.2 million, an increase of 9.2 per cent compared to the same period last year.

Core revenues increased by 14.1 per cent year-on-year to AED 643.6 million, driven by robust growth in the UAE, Saudi Arabia, India, and Bangladesh. Core revenue contribution represented an all-time high of 92 per cent of total revenues because of the continued implementation of RAK Ceramics' value creation strategy. Non-core revenue declined by 24 per cent year-on-year in-line with the company's strategy to divest non-core operations.

"RAK Ceramics has made steady progress in 2017 and we continue to deliver on our Value Creation Plan initiatives by investing in core business growth, maintaining cost efficiencies, growing our market share in the UAE, restructuring our Indian operations, and implementing our strategy to drive further profitability in Saudi Arabia," commented Abdallah Massaad, RAK Ceramics' Group CEO. "As a result of our strategy to exit non-core and non-performing businesses operations we have lightened the balance sheet, increased margins, and enhanced returns for our shareholders."

Crescent Enterprises is a Limited Partner of Samena Limestone Holdings, that owns 30.6 per cent stake in RAK Ceramics.

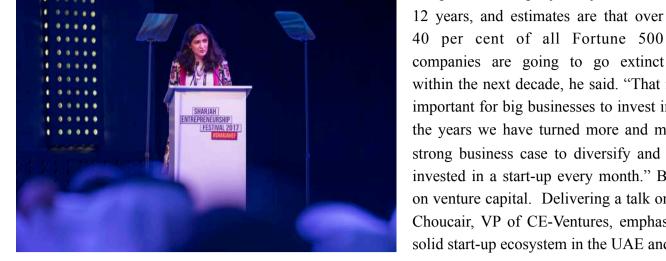
## **INDUSTRY EVENTS**

SHARJAH ENTREPRENEURSHIP FESTIVAL - ARAB SUPPLY CHAIN INITIATIVE - UNITED NATIONS - SHARJAH FDI FORUM SUPERRETURN MIDDLE EAST - MIDDLE EAST FAMILY INVESTMENT SUMMIT - ASIAN BUSINESS ANGELS FORUM AND **VENTURE ENGINE** 

### **Sharjah Entrepreneurship Festival**

Crescent Enterprises participates at the Sharjah Entrepreneurship Festival

Committed to nurturing the regional entrepreneurship scene, Crescent Enterprises participated at the inaugural Sharjah Entrepreneurship Festival held by the Sharjah Entrepreneurship Center, Shera'a, on 21 and 22 November. Themed 'Recharge Your Entrepreneurial Spirit', the festival gathered over 1,500 students, entrepreneurs, various professionals, government officials, and potential investors to celebrate entrepreneurship and exchange knowledge about the national startup ecosystem through a series of talks, workshops, hands-on activities, and networking events. At the festival, Crescent Enterprises' CEO Badr Jafar took part in a keynote panel along with Abraaj Group CEO Arif Naqvi and Wamda Executive Chairman Fadi Ghandour, where he emphasised the potential of corporate venture capital in the region and across the globe. Badr Jafar highlighted that corporate venture capital has had quite an exciting journey, especially in the last five years, and makes up for 40 per cent and 50 per cent of all US and Asian investments respectively. The average





within the next decade, he said. "That is a super scary notion. This makes it even more important for big businesses to invest in start-ups. Our legacy is in oil and gas, but over the years we have turned more and more towards venture capital, because it makes a strong business case to diversify and support talent. In the last six months, we have invested in a start-up every month." Badr said, illustrating Crescent Enterprises' focus on venture capital. Delivering a talk on the regional angel investment landscape, Samer Choucair, VP of CE-Ventures, emphasised the role angel investors play in creating a solid start-up ecosystem in the UAE and the wider region.

#### **Arab Supply Chain Initiative** Crescent Enterprises Participates in the Arab Supply Chain Initiative

As the 4th Industrial Revolution (4IR) continues to take over major business challenges and discussions across the world, the 'Building Digital Economies in the Arab World' summit in Sharjah, organised by the Regional Business Council (RBC) in the Middle East and North Africa, in association with the World Economic Forum (WEF), takes a regional lead in addressing how joint leadership across the MENA region can build stronger economies, steer young people towards entrepreneurship and shape the course of the 4IR. Sheikha Bodour bint Sultan Al Qasimi, Chairperson of the Sharjah Investment and Development Authority (Shurooq), and the Chairperson of RBC, took the lead by unveiling the newest initiative, the 'Arab Supply Chain Initiative', to encourage businesses to incorporate further start-ups and small and medium enterprises (SMEs) into their procurement programmes by 2020. Badr Jafar, CEO of Crescent Enterprises, delivered a speech on Crescent Enterprises' commitment to SMEs by illustrating the company's two-year old SME procurement programme, highlighting the benefits gained from increasing the participation of SMEs in its supply chain.





implemented with the target of achieving 20% share of SME participation in the global procurement across the portfolio of operating businesses by 2018; however, supported by a compelling business case, CE's programme resulted in an increase in SME participation from 7% in 2014 to 29% in 2016, with the number of startups working with Crescent Enterprises growing three-fold to 1,040. In view of the positive impacts experienced from increased participation from SMEs, Crescent Enterprises has revised its commitment to achieve a target of 35% SME participation in the supply chain by 2018.

Crescent Enterprises' programme, "Challenge 20 by '18", was

He also explained how the company overcame the challenges it faced when dealing with SMEs. Badr concluded by offering recommendations to improve the overall SME ecosystem in the region. For more information on Crescent Enterprises' case study, please click here.

### **United Nations**

Badr Jafar Calls for Global Purpose Hubs at UN High-Level Forum on Innovation and Technology

While the rapid pace of technological change presents unprecedented opportunities to innovate, it is equally important to harness the power of technological innovation to address complex economic, social, and environmental challenges, said Badr Jafar, Crescent Enterprises' CEO, in his closing keynote address at the United Nations High-Level Forum on Innovation and Technology, as part of the 72nd Session of the United Nations General Assembly (UNGA) at the UN headquarters in New York on 18 September.

Acknowledging that the pursuit of technological disruption has produced a plethora of innovative business ideas and generated massive shareholder value, Badr added: "as an investor looking for a social multiplier effect on my invested capital I often struggle to find the relevance of many of these ideas to the billions in need. Venture capitalists, and their obsession with banking on the next billion-dollar unicorn, rather than banking on the next big solution that could impact a billion lives, share this responsibility."



He added that a level playing field for technological advancements is needed to drive equitable and inclusive development and help meet the 17 UN Sustainable Development Goals (SDGs). To this effect, Badr put forth the idea that rather than just innovation hubs, what we need today are 'purpose hubs', a new breed of human-centric innovation hubs where companies prioritise the use of technology to inclusively serve humanity and our habitat by consciously integrating the needs of society into their operations and creating shared value for all stakeholders.

Illustrating his point, Badr referenced the MENA region, and its youthful and vibrant population, as the ideal example of an untapped market that holds immense potential to develop purpose hubs and scale meaningful opportunities for future generations. He further pointed out that purpose hubs should evolve in ways that cater to unique regional challenges, adding that: "unless we curate solutions specific to local needs and nuances, the unintended consequences of cookie-cutter tech could easily see this intensify in years to come as even more jobs become obsolete." Emphasising the

importance of technology, he also cautioned: "technology doesn't drive change. It enables change. Technology in itself is not the agent of change – it is a tool. We, the connected people, are the agents of change. History will judge us on whether we used these tools for the collective betterment of humanity, or for exacerbation of our human flaws." Urging the audience to transition from dialogue to action, Badr outlined in his keynote address three actionable steps that can help build a resilient

ecosystem that fosters innovation. These often unspoken requirements according to Badr included: 1- establishing and protecting a level playing field underpinned by sound corporate governance practices,

2- embracing diversity in all its forms, and

3- adopting an interdisciplinary approach that draws on science as well as the humanities. Held at the UN Headquarters ahead of the 72<sup>nd</sup> session of the UN General Assembly, the one-day event titled 'SDG Innovation' was convened by the

Secretary General and the United Nations SDG Action Campaign. The event featured a series of interactive dialogues, panel discussions and keynote addresses that examined the role of technology and innovation in driving sustainable development and solving the most pressing global challenges.

> **Crescent Enterprises Participates at Sharjah FDI Forum** Crescent Enterprises sheds light on supporting SMEs at the Sharjah FDI Forum

Samer Choucair, stressed the importance of reducing start-up costs and relaxing due diligence to support small and medium enterprises at the Sharjah FDI Forum, held on 18 September.

As per Samer, the due diligence experienced by regional start-ups is significantly greater than that exercised on start-ups in the USA. He identified bureaucracy, bankruptcy and debt laws, and the high cost of setting up businesses as other obstacles to the Middle Eastern start-up scene.

Samer explained that although the UAE government is intensifying its efforts to promote entrepreneurship, there still needs to be greater education around early-stage investment.

"Obviously, it's much riskier to invest in start-ups, and that turns off investors who are used to brick-and-mortar type investments that have a very clear return and moderate risk that's easy to measure. It's natural; we're progressing rapidly towards where we need to be when it comes to earlystage, high-risk investment because of the exposure we have to the rest of the world," concluded Samer.

### SuperReturn Middle East

Crescent Enterprises Participates in Leading Discussions at SuperReturn Middle East 2017 Forum



trends in business, investment, private equity, and venture capital at the SuperReturn Middle East 2017, which was held on 23 October in Abu Dhabi. Crescent Enterprises' three representatives, Neeraj Agrawal, Executive Director, Tushar Singhvi, VP - Corporate Development and Investments and Ghada Abdelkader, Manager, Corporate Development & Investments, took part in various panels at the annual conference. The three Crescent Enterprises representatives were on various panels that covered themes on on identifying quality deal-flow in the region, the digital disruption of private equity, and assessing operational value and adding capability. At a panel titled 'Identifying and Accessing Quality Dealflow', Neeraj described strategic capital allocation methods and explained how investors can access promising opportunities at the right valuation in the current environment. In a session on digital disruption impacting private equity, Tushar talked about how technology has become an integral and

Crescent Enterprises participated in discussions on the latest

disrupting power for businesses, and how digitisation presents an immense opportunity for investors to enhance value. He then highlighted the key criteria that investors should carefully consider to assess the potential of their target companies and investments vis-à-vis digitisation. Speaking at a panel titled 'Assessing Operational Value Add Capability', Ghada addressed the role of operating partners in driving value add and emphasised the role of corporate governance in implementing changes across businesses in the region.

> Middle East Family Office Investment Summit Crescent Enterprises Participates in at the Middle East Family Office Investment Summit



Ghada Abdelkader, Crescent Enterprises' Corporate Development and Investments Manager, participated in a panel on 'Private Equity vs Venture Capital' at the Middle East Family Office Investment Summit held on 26 October in Dubai.

She highlighted key differences between the two types of investments, explained when to examine each asset class and shared her observations of emerging trends and the rise of venture capital in the MENA region. The summit served as a platform for delegates from various business sectors to exchange insights on the investment climate and explore business synergies.

**Asian Business Angels Forum and Venture Engine** Tushar Singhvi Participates on the Judging Panel of Venture Engine, Sri Lanka's Leading Annual Entrepreneurship Programme

Tushar Singhvi, VP, Corporate Development and Investments, participated on the Judging Panel at an annual competition for aspiring entrepreneurs in Sri Lanka, Venture Engine, on 11 October in Colombo.

Organised by the Lankan Angel Network, the event gathered over 200 government officials, venture capitalists, angel investors and entrepreneurs from more than 25 countries to recognise and support promising entrepreneurial ideas across Sri Lanka. Venture Engine, was held in conjunction with the Asian Business Angels Forum (ABAF) which is Asia's largest annual start-up investor forum.

Among the 12 finalists, Roar Media, South Asia's new media platform that creates quality content in five languages English, Sinhala, Tamil, Hindi, and Banglawas, was selected as the winner for 2017.



## CORPORATE CITIZENSHIP

MERCYCORPS - SHARJAH INTERNATIONAL CHILDREN'S FILM FESTIVAL - AMERICAN UNIVERSITY OF SHARJAH

#### MercyCorps Crescent Enterprises Hosts the First MercyCorps' MicroMentor Workshop in the Middle East and North Africa

Crescent Enterprises hosted Mercy Corps' MicroMentor Design and Discovery workshop for the Middle East and North Africa region on

29 October at its headquarters in Sharjah. MicroMentor is a mentoring platform developed by international humanitarian aid agency MercyCorps to connect entrepreneurs, experienced professionals, and corporate employee volunteers with one-to-one mentoring relationships in order to strengthen the global economy. The Design and Discovery workshop gathered MircroMentor staff members, members of Crescent Enterprises, university students, and programme partners such as Shell and Global Investment Bank, among others. The aim of the workshop was to explore the current opportunities and



challenges facing the launch of the platform in the region. Attendees discussed the current entrepreneurship and mentorship landscapes in the region and identified the key parameters to tailor MicroMentor's online platform to Arabic-speaking users. The workshop culminated with the development

Sharjah International Children's Film Festival Crescent Enterprises Supports the Sharjah International Children's Film Festival for the Fourth Consecutive Year



of a pilot programme for the platform in the UAE.

Committed to promoting arts among the youth in the Middle East, Crescent Enterprises supported the Sharjah International Children's Film Festival, the first children media literacy event in the region, held from 8 to 13 October, for the fourth consecutive year. Launched in 2013, the annual festival serves as a platform for children and teenagers to learn about diverse cultures, gain tolerance and understanding, and develop their artistic skills. The 2017 edition of the festival gathered over 25,000 attendees to view 124 films made by, about, and for the youth from 59 countries across the world. The various productions tackled such universal themes as empathy, love, pride, acceptance, and animal welfare. The festival also included several workshops on storytelling, photography, and the latest filmmaking techniques.

### **American University of Sharjah**

Crescent Enterprises Recognised as a Key Corporate Partner of the American University of Sharjah

Crescent Enterprises was recognised as a key corporate partner of the American University of Sharjah (AUS) at the annual Corporate Appreciation Dinner, held on 16 October in Dubai. Every year, Crescent Enterprises offers mentorship to aspiring student entrepreneurs at the AUS Enterprising Youth event. In 2017, over 180 students from various UAE universities participated in the AUS Enterprising Youth initiative and 102 teams submitted their entrepreneurial ideas for review.



## **CORPORATE INSIGHTS**

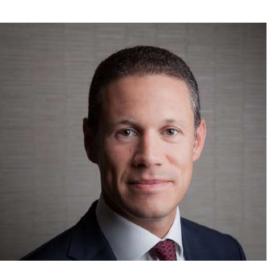
CEO INSIGHT - SUCCESSION PLANNING AMONG FAMILY BUSINESSES - HARVARD BUSINESS REVIEW IN ARABIC

Crescent Enterprises remains a leader in community development and social engagement through its relationship with various philanthropic organisations, upholding its belief that businesses can, "do good, while doing well" at the same time. Although Crescent Enterprises is committed to a wide variety of initiatives on a global scale, it consciously focuses its resources in the areas of Community & Education, Entrepreneurship, Environment, Arts & Culture and Corporate Governance.

#### **CEO Insight: Harnessing the power of business innovation to create solutions** Businesses possess inherent potential to serve as a catalyst and positive incubators of change

#### Badr Jafar, CEO of Crescent Enterprises, was interviewed by 'Thrive Global' as part of their inaugural feature on the 'power of purpose'.

Purpose is at the center of the conversation about the way we work and live. Science has now validated that a sense of purpose is essential to every aspect of our well-being. And on a collective level, purposedriven companies are more resilient, better able to navigate an ever-changing business climate, and grow in a sustainable way. We talked to leaders about the role that purpose plays both personally and professionally in the world today.



How did you first discover purpose in your work?

As far back as I can remember, I was always fascinated with invention and the process of creating something useful for others. As a child I would spend hours piecing objects together to build new tools or machines. As you would expect the vast majority of my designs did not function the way I had planned, however I distinctly remember taking inspiration from Edison's lightbulb quote I came across in a schoolbook where he famously proclaimed, "I have not failed. I've just found 10,000 ways that won't work," which to me underscored the value of perseverance and iterative creativity.

The experimentation didn't stop there. Fresh out of the university, I went on to explore the world of business with a series of jobs in various industries including energy, transport, aviation and retail. My frustration at being unable to find definitive meaning in the work I was pursuing compelled me to take on the challenge of creating start-ups with a difference. With a venture trail of failures and a couple of notable successes and exits, I took my newfound passion for 'business with a soul' and joined my family business 17 years ago with a view to applying this business philosophy to affect positive change within geographies we operate in.

The convergence of these seemingly disconnected experiences is now a passion that I espouse for harnessing the power of business innovation to create solutions to our greatest challenges, whether social, environmental or economic in nature. In simple terms, there is a common theme in the businesses I choose to get involved with today, which is a deep sense of purpose.

### How does purpose show up for you in your work now?

I believe wholeheartedly in the saying that poverty is not only a lack of money, but a lack of a sense of purpose. By extension, a business without purpose is a poor one, regardless of how much profit it might be raking in. At Crescent Enterprises, we have taken this priority very seriously by embedding corporate citizenship and sustainability into the core of our operations in order to create systems of shared value. Our roadmap for achieving this vision is actioned through the promotion of good governance, socioeconomic development, talent empowerment, and environmental conservation through our activities. To this end, we have partnered with a number of institutions in the public and private sectors that share our values and principles, which include the World Economic Forum, Education for Employment, Ashoka, Endeavor, the Sharjah Entrepreneurship Centre (Sheraa), among several others.

One of our priority interventions is to unlock opportunities and corresponding needed skills for youth amid the current wave of technological disruption, and by doing so help to address the MENA region's acute unemployment crisis. For example, as part of our work with the World Economic Forum, we are on track to deliver on our pledge to equip 1,000 young people with essential skills by the end of 2017. Our work through the Pearl Initiative, a non-profit private-sector-led organisation that was established in cooperation with UN agencies, also supports our sustainability goals. The organisation endorses the importance of corporate governance and accountability to the long-term success of businesses across the Gulf region of the Middle East.

### Do you have a clear sense of your life's purpose? How has that evolved? Do you expect it to keep evolving?

If there is anything that keeps me awake at night, it is the possibility of being limited. Specifically, I fear being limited as a father, as an entrepreneur, and more generally, as someone who can affect positive change for those I connect with. In effect, overcoming these limitations head-on becomes a constant challenge, but one that gives me a great sense of purpose.

I have always thrived on diversity and can't imagine a world where I would wake up doing the same thing each day. I believe that the convergence of knowledge and experience across different disciplines and sectors gives us a more holistic understanding of the issues that we face as a society, and therefore presents an enhanced view of how to address these challenges.

In fact, my role models are some of the great polymaths of our time and individuals who I believe have mastered this practice of specialized diversification, such as Leonardo Da Vinci, Benjamin Franklin, Omar Khayyam, and as it happens my grandfather. True innovation has always occurred at the intersection of the humanities and sciences. The Islamic 'golden age' of the 8th and 9th centuries, which openly embraced ideas across a wide variety of disciplines and cultures, including from Chinese, Greek and Persian scholars and practitioners, is a prime example. If anything, this is a reminder of how crucial it is for science, culture, technology and effective policymaking to converge if we are to sustainably scale meaningful opportunities for our youth and future generations.

### What do you think are some ways businesses today can 'live' purpose? How do you think about instilling purpose in others?

Businesses are at the forefront of engaging with individuals and communities across the world on a daily basis, and therefore possess inherent potential to serve as catalysts and positive incubators of change. Businesses of all shapes and sizes have an unparalleled opportunity to create opportunities for all members of society, not just to earn a living, but to invest their own energy into a purpose that uplifts them as well as others around them.

It is encouraging to see more companies gradually embrace the belief that a socially-centered purpose is ultimately a competitive advantage in today's rapidly changing environment, and that such a purpose is wholly compatible with commercial and financial success. This renewed social contract between business and society requires an uncompromising and resilient determination to keep operating models dynamic with existing market challenges and opportunities in order that companies can contribute to shaping a stable macro-economic environment.

### It's said that 'we measure what matters and what matters gets measured.' If your business has metrics of meaning and well-being in addition to

A socially relevant purpose is increasingly transcending profit as a company's end goal, because the business community is recognising that profit is fundamentally a symptom of success, not its cause. That said, in order to achieve growth that is sustainable and responsible, it is important to have clear and measurable objectives in order to assess and communicate impact in a transparent manner to one's stakeholders. This is not transparency for transparency's sake; reporting results in this manner inevitably creates a sense of accountability within the business and its management, which in turn enhances trust with internal and external stakeholders. And with trust increasingly being recognized as the most important commodity within the workplace, measurement and reporting impact is also an extremely important business tool.

At Crescent Enterprises, we evaluate our progress and performance through annual sustainability reports. These reports examine a wide variety of sustainability indicators that are aligned with the UN's sustainable development goals (SDGs) and are incorporated into our vision of enabling sustainable growth. This vision defines our sustainability performance under four pillars: enabling ethical business, enabling a stronger society, enabling talent, and enabling stewardship of the planet. In addition to economic value and employment opportunities that we generate, we also assess our contribution to the wider communities in which we operate. For example, in 2016, our corporate citizenship programmes, many of which are imbedded in our business activities, directly impacted over 134,000 individuals from different walks of life. We also measure the extent to which we minimise our ecological footprint, through metrics such as the reduction of energy or water consumption per employee.

Whilst our sustainability reports have traditionally been issued separately to our annual reports, we plan to integrate all our results into a single report from 2018 onwards, which we believe will help validate the inextricable links behind commercial and societal gains within our operating landscape. The underlying objective behind these all these metrics should be to demonstrate how businesses can consciously and actively integrate the needs of society into their operations, and in doing so embrace the business case behind adopting these measures. Viewed from this perspective, there clearly doesn't have to be a trade-off between purpose and profit. With the 'zero-sum-game' myth between the two duly busted, this should help foster a new generation of highly successful business leaders with deep social commitment.

As featured in **Thrive Global** on 18 September, 2017.

financial metrics, what are they? If not, what could they be?

Crescent Enterprises CEO, Badr Jafar, continues to raise awareness on today's most relevant challenges and opportunities including entrepreneurship, corporate governance, business sustainability, women in the workplace, and smart energy policy through his blog badrjafar.com.

#### Kirsty Smallman Writes to the Oath Magazine Kirsty Smallman Writes on Succession Planning Among Family Businesses



successful succession planning among family businesses in the September issue of the Oath Magazine, the law publication for corporations in the Middle East. In her article, Kirsty first described the prominence of family businesses to the economy of the Middle East before revealing that most of such businesses lack a proper succession plan.

Kirsty Smallman, Legal Counsel at Crescent Enterprises, published an article on the keys to

The author presented the restructuring of ownership interests as a sustainable legal practice that growing family businesses can adopt to protect their ownership across generations. The flexibility of this practice makes it suitable for big and diversified family businesses. Kirsty explained that robust corporate governance structures are a key lever to successful

succession planning as they promote transparency and accountability across companies. She concluded with an enumeration of professional networks and associations that can support family businesses in developing effective succession plans. To read Kirsty's article, visit theoath-me.com.

#### Harvard Business Review in Arabic Don't Set Too Many Goals for Yourself

Crescent Enterprises is proud to support the Middle East's leading Arabic business portal, Aliqtisadi, on its new management section hosting Harvard Business Review (HBR) articles, syndicated in Arabic for the first time.

With this resource, executives will have access to valuable information in a business context, with locally and regionally relevant topics that might otherwise be discussed in prominent Western publications. It is Crescent Enterprises' goal to fill this informational gap with a revered publication such as HBR.

- To view the article in Arabic, <u>click here</u>.

The New Renaissance Partners Program

Crescent Enterprises expanded its strategic partnership with Harvard Business Review (HBR) to support the 'Renaissance Partners' program, which aims to make high quality business content in Arabic accessible to the Middle East region.



HBR Arabia magazine, available in print and online, features carefully curates content in Arabic, including news updates on the economy, advice columns on entrepreneurship, interviews with leading businessmen from the region, among others. While this partnership will aid in developing the platform further, the main benefit on offer is the gift subscriptions that would be made available to readers who cannot afford the standard fee.

## CRESCENT

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