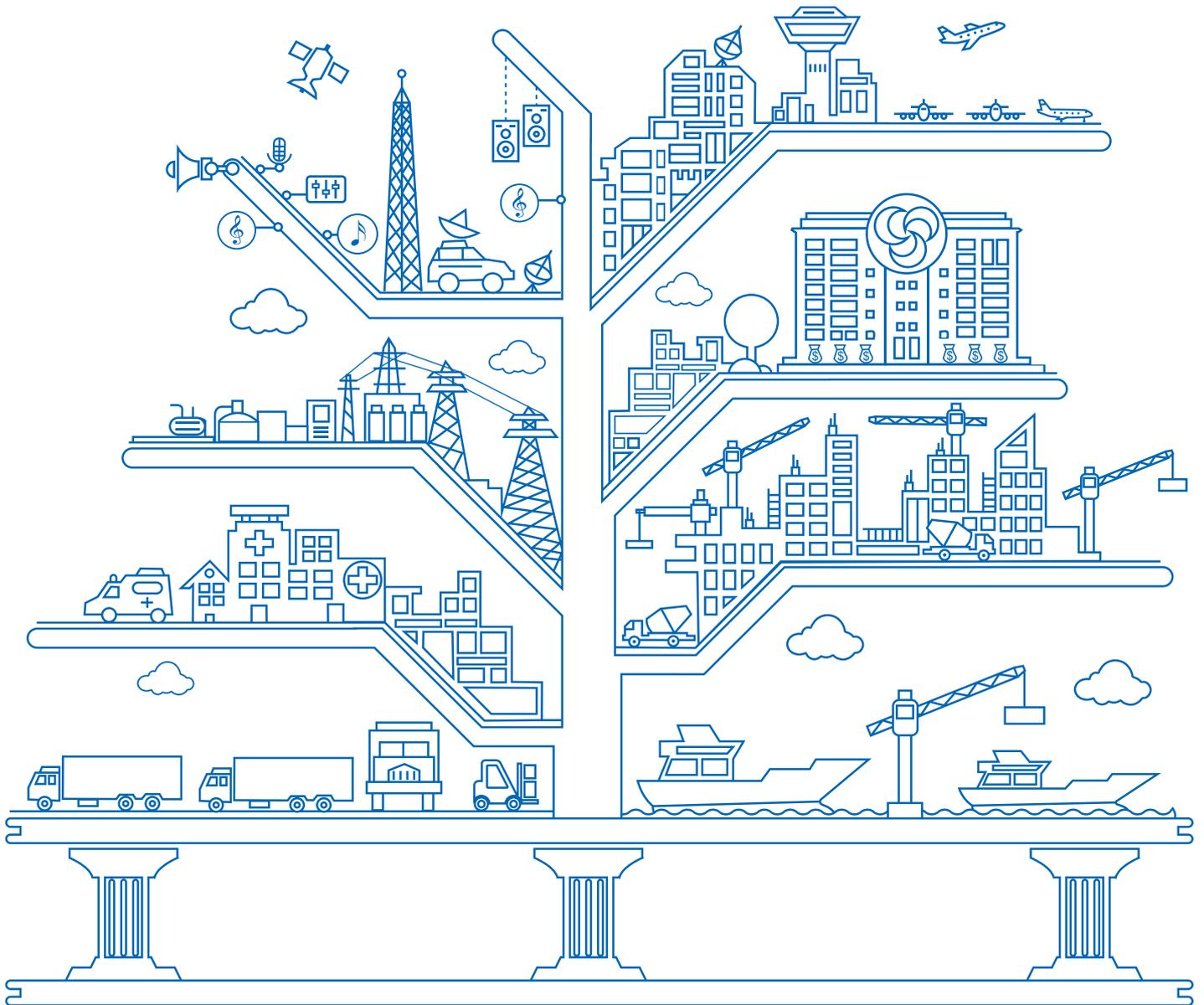


Sustainability Report 2013

Setting the Foundation





About this report

This report represents the first step in our journey towards a more sustainable future for Crescent Enterprises (CE) and our companies. A future where we enhance economic progress with social equity and environmental responsibility.

Through this report, we are setting the foundation for the integration of sustainability in our business. Key performance indicators in this report are on a Crescent Enterprises level and will be used as a baseline for future reporting. Wherever applicable, we also disclose some best practice examples from our companies. Going forward, our objective is to widen the boundary of our sustainability report by developing a governance structure to coordinate and collect sustainability-related data from all our companies.

This report covers our performance for the calendar year 2013.



This report is printed on 100% recycled paper, and has been designed to optimize paper usage.

Contents

CEO statement	04
About us	06
Our sustainability journey	11
How we conduct our business	14
Our governance	14
Anti-corruption and bribery	16
Privacy and information security	17
Compliance	18
Public policy, partnerships and memberships	18
Our economic footprint	20
Financial performance	21
Market presence	21
The power of our employees	24
Diversity and equal opportunity	25
Employment and well-being	27
Training	28
Career development	28
Health and safety	30
Local community impacts and benefits	32
Infrastructure development	33
Local hiring	34
Local sourcing and procurement practices	35
Environmental stewardship	36
Energy and water	37
Waste management	38
Biodiversity	40
Connecting with society	41
Community	42
Entrepreneurship	44
Environment	45
Corporate governance	45
Arts and culture	46



CEO statement

Welcome to Crescent Enterprises' (CE) first sustainability report.

This inaugural sustainability report is setting the foundation for our strategic sustainability path for the years ahead. It represents our commitment towards integrating sustainability into our business, and to publish an integrated report disclosing both our financial and non-financial performance within the next few years. This report includes our approach to governance and compliance, our commitment to our employees and other stakeholders, our investments in the community, our sense of environmental responsibility and other areas in which Crescent Enterprises is leading by example. This report also presents case studies from our companies' performance throughout 2013.

Our region is going through a period of complex socio-economic and other changes. The recent unrest in some Arab states was essentially sparked by one young man's reaction to his own desperate economic condition. The events that followed in the region have shown how intertwined social, economic and environmental issues are, and how a disruption in one of these pillars has a knock-on effect on the rest.

We strive to recognize these issues and are adjusting our strategic direction to factor these external elements into our day-to-day operations and business development.

Many countries in the Middle East and North Africa continue to undergo complex political, social, and economic transitions. However, the economic climate throughout 2013 improved, which prompted us to expand our operations within the region, make conscious investments and strategic partnerships with world-class companies and highly motivated management teams, thereby realizing significant achievements for each of Crescent Enterprises' group companies.

To succeed as a conglomerate operating across several geographies, we recognize the need to be actively engaged in the development of the societies we operate in. We realize our strategic growth opportunities are dependent on our responsible and transparent business behavior and operations, supported by a strong commitment to value creation. For CE, sustainability is about aligning our overall business strategy to meet societal needs, while optimizing our environmental impact. It is our goal to integrate sustainability thinking in everything we do and to encourage similar attitude throughout our group of companies.

Being part of a family business group provides an inherent personal connection with our stakeholders, with which we have established ongoing partnerships towards our passion for social and community development. Our existing foothold and recent expansion wouldn't have been possible without them. Our next challenge is to embed our commitment to sustainability into every aspect of our business activities.

Our policies and principles are the foundation of how we conduct our business. We continue to strive to gain a better understanding of the impact our operations have on the economies we operate in, and through our operating and investment guidelines, we hope to make wiser and more conscious decisions.

Our employee handbook serves as a guide to foster the development of our most valuable asset, our employees. Through our local practices and infrastructure developments, we are continuously contributing towards the local communities we operate in. Across the board, we are actively adopting more energy efficient and environmentally-friendly ways of conducting business. We follow global best practices in waste management and closely monitor our energy and water usage with a view to reduce consumption, and encourage these practices across the board.

While Crescent Enterprises is focused on the future, we also have a long heritage of corporate citizenship. Throughout 2013, we intentionally focused our corporate citizenship resources in the areas of Community, Entrepreneurship, Environment, Arts & Culture and Corporate Governance, aligning ourselves with leading global organizations and thought leaders to drive our sustainability initiatives to fruition. Our partnerships and collaborations played an important role in developing more strategic social engagement.

We are sharing our commitment to sustainability through this report in order to encourage our employees, stakeholders and partners to engage in a dialogue about the ways we can all be more responsible stewards of the natural world and our communities. This 2013 report, which sets the benchmark, outlines our challenges in more detail and helps us define our commitments and goals moving forward.

We welcome your feedback on this first report and on any aspect of our sustainability commitment and approach to help us improve and advance our reporting efforts over the years ahead.

Badr Jafar
Chief Executive Officer

About us

Crescent Enterprises (CE) is a UAE-based conglomerate operating across eight core sectors of the global economy, including ports and logistics, power and engineering, business aviation, healthcare, media and entertainment, real estate and construction, IT commerce, and private equity. Through its 19 subsidiaries and associate companies, CE has an international presence in 22 countries represented by more than 6,000 people.

Established in 2007, CE is a wholly owned subsidiary of the family business Crescent Group. Adopting a long-term investment and operating philosophy, CE has been a leader in growing a diversified regional and global group of operating companies; building sustainable, scalable and profitable enterprises that have grown and diversified its presence globally.

About Crescent Group

The Crescent Group is one of the most progressive family business groups in the Middle East & North Africa (MENA) region. The Crescent group traces its origins back to 1971, when Crescent Petroleum, the first company to produce oil from the Emirate of Sharjah, was formed. It was later and alongside the diversification of the United Arab Emirates that Crescent Group invested in a variety of other industries and markets, prompting the creation of Crescent Enterprises. Today, the Crescent Group operates through its two subsidiaries, Crescent Petroleum and Crescent Enterprises, with more than 25 diversified companies across the energy and non-energy sectors.

Operating across **8** core sectors International presence in **22** countries Employing **6,038** people **19** companies and associate companies



Ports and Logistics	Business Aviation	Power & Engineering	Healthcare	Technology Media & Entertainment	Private Equity Investments	Financial Services	Construction & Real Estate
Gulfair Group	Crescent Aviation	Crescent Power	Crescent Healthcare	Crescent Technologies	Crescent Investments*	Crescent Capital	Crescent Construction
Momentum Logistics	Gama Aviation	URUK Group	Clinical Pathology Services (CPS)	Global Gumbo Group			
				Teshkeel Media Group			

■ Subsidiaries ■ Affiliates

*Includes Private Equity investments in The Abraaj Group, Growthgate Capital, TVM Capital Healthcare Partners and Siraj Palestine Fund.

Our key business sectors



Ports and logistics



- ⊙ Gulfair: The largest private and independent terminal operator in the world in terms of throughput volumes, managing 10 port terminals
- ⊙ Acknowledged as the ‘fastest container terminal operator in the world’ by industry leaders
- ⊙ 7 million twenty-foot equivalent units (TEUs) in 2014, expecting to reach 18 million TEUs by 2020
- ⊙ Presence in 9 countries across the globe
- ⊙ Supporting the well-established port management business, Momentum Logistics, a subsidiary of Gulfair, provides a complete suite of third-party logistics (3PL) and supply management solutions. It operates one of the largest heavy transport fleets in the UAE, Iraq, Turkey and Pakistan; a freight-forwarding business; inland container depots; container repair facilities and a shipping agency that undertakes local ship/cargo agency work, among other logistics businesses.



Gulfair: CMA-CGM Marco Polo on its first visit to Khorfakkan Container Terminal

Key sustainability topics related to the Ports and Logistics sector include: environmental management – water and marine pollution; as well as waste management; carbon offsetting and transport efficiency; health and safety issues; labor conditions; and impacts and contribution to local community development, employment, and infrastructure.



Business Aviation Gama Aviation

- ⊙ Gama Aviation: A leading global business aviation services provider, operating across 25 international bases across Europe, the Middle East, Asia and the US.
- ⊙ Over 75 business aircrafts under management
- ⊙ Flies over 4,000 medevac missions a year
- ⊙ 70% increase in the number of business aviation movements in Sharjah since being managed by Gama
- ⊙ Gama Aviation’s operations are strategically situated across the globe to give its customers the optimum transit and technical stop between North America and the Middle East, with executive terminals and fixed based operations located in Glasgow, UK; Teterboro, New Jersey; and Sharjah, UAE.



Gama: Gama’s Beechcraft leading Authorised Service Center

Key sustainability topics related to the Aviation sector include: Greenhouse Gas (GHG) emissions; carbon offsetting; energy efficiency initiatives; air quality; materials and waste; fuel consumption and alternative fuels; fleet technological improvements; sourcing strategy; customer satisfaction; impact on communities; occupational health and safety; and lobbying and political contributions.



Power and Engineering **URUK** **أوروك**

- URUK Group: A leading engineering, procurement and construction company in Iraq focused on the power sector that has pioneered the rebuilding of Iraq's energy infrastructure.
- Projects worth US\$800 million executed in the Iraqi power sector over the last 5 years
- Providing electricity to more than 100,000 homes in Iraq
- Providing jobs to more than 1,600 people
- 6 million man-hours without any major incident



Uruk: The 168MW Taji Power Plant

Key sustainability topics related to the Power and Engineering sector include: environmental assessment and management; emissions to air; biodiversity management; building materials sourced; local sourcing; labor conditions; migrant workers; relationships with sub-contractors; public-private partnerships; risk management; and community engagement.



Healthcare



- Clinical Pathology Services (CPS): A UAE-based company providing high quality world class pathology services in the Middle East; the Middle East's first laboratories to hold the Clinical Pathology Accreditation (CPA-UK) standard.
- Providing over 2,000 tests and 40 profiles
- The first laboratory in the UAE to achieve the General Civil Aviation Authority accreditation for the purpose of carrying out drug and alcohol testing for the aviation industry.
- Affiliations with Guy's, King's College, and St. Thomas' NHS Trust hospitals in the United Kingdom
- CPS has Certificates of Assurance from: RANDOX International Quality Assurance Scheme (RIQAS), UK National External Quality Assurance Scheme (UK NEQAS), and the College of American Pathologists (CAP).



CPS' Lab Technicians

Key sustainability topics related to the Healthcare sector include: healthcare waste management; toxic chemicals and materials; customer privacy; regulatory compliance; innovation; and staff training.



Construction & Real estate



- Over the years, several real estate transactions in fast developing areas have been made resulting in the development of various residential and commercial properties.

Key sustainability topics related to the Construction & Real estate sector include: financial implications due to natural disasters; voluntary investments in social infrastructure and assets; energy consumption; energy savings; water use management; employment practices - sub-contracted, temporary and part-time labor; local community engagement and community resettlement; and occupational health and safety.



Media & Entertainment



- Global Gumbo Group (G3): A first-of-its-kind cross-cultural music and entertainment company, co-founded with Grammy Award-winning music producer Quincy Jones and based in the UAE and the US.
- G3 sets out to shape the future of the music industry and associated entertainment in the MENA Region by developing multimedia opportunities across each entertainment platform, by nurturing new Arab talent and acquiring crossover content from the area to launch on a global level.
- G3 launched Dubai Music Week (DMW) in collaboration with Dubai World Trade Center. DMW in 2013 was attended by 50,000 people, who experienced 6 days of live music performances, 8 hours of workshops and panel discussions, over 120 speakers and music industry professionals from around the world joined the conferences and seminars and over 30 artists ranging from celebrities, bands and emerging talents took the stage.



G3: Dubai Music Week

Key sustainability topics related to the Technology, Media & Entertainment sector include: responsible marketing communications; innovation; energy efficiency of operations; emissions to air; green IT – low carbon equipment; paper recycling; labor conditions - contractors, subcontractors, freelancers and interns; workforce turnover; training and education – use of new technologies; customer privacy and data protection; and intellectual property rights.



Private Equity Investments



CE actively evaluates investment opportunities across the regional and global landscapes with a view of maintaining a balanced spread across different strategies, managers, sectors, geographic regions and vintage years. Through its subsidiary, Crescent Investments (CI), CE has investments in the following Private Equity initiatives:

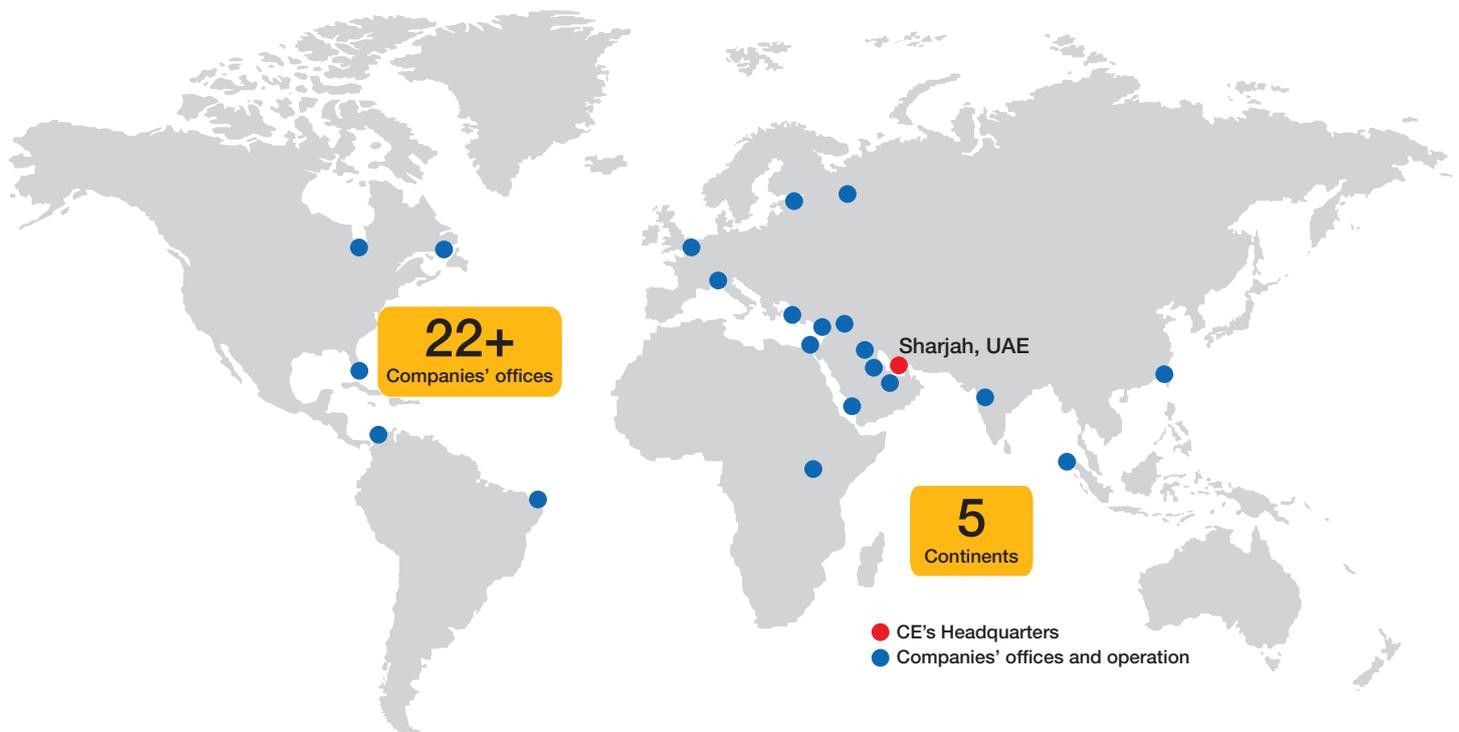
- The Abraaj Group:** The Abraaj Group is a leading investor operating in the growth markets of Asia, MENA, Turkey and Central Asia, Sub-Saharan Africa and Latin America. The company currently manages US\$7.5 billion across 20 sectors and country-specific funds, which include private equity and real estate investments. Abraaj has been a pioneer in sustainability and the integration of environmental, social and governance (ESG) principles in its business, with sustainability at the core of its investing process.
CI is a founding investor in the Abraaj Group with a holding in the General Partner (GP) entity and as a Limited Partner (LP) across several Abraaj funds. CI has representation on Abraaj's Board of Directors.
- Growthgate Capital:** Growthgate Capital is a growth investment firm engaged in direct equity investments focusing on mid-sized companies in the GCC and other select markets of the wider MENA region. Growthgate Capital has a capital base of US\$200 million; and assets under monitoring have reached US\$1.7 billion in 2013.
CI is a founding shareholder and investor in GrowthGate Capital, and has representation on GrowthGate's Board of Directors and Investment Committee.
- TVM Capital Healthcare Partners:** TVM Capital Healthcare Partners is a private equity and growth capital firm focused on investments in the healthcare markets of the MENA Region and India. The firm is affiliated with TVM Capital worldwide, which has been managing healthcare and life science capital for 30 years, during which it has made more than 120 investments and performed more than 90 exits, including 40 initial public offerings on US and European stock markets.
CI is a Limited Partner in TVM Capital Healthcare and has representation on the Fund Advisory Board.

- ◎ **Siraj Palestine Fund:** With a vision that Palestine is in need of new financial tools to develop the country and attract local and international investors, Siraj Palestine Fund developed the first private equity fund in the history of Palestine. Launched in February 2011, Siraj Palestine Fund I, a US\$90 million private equity fund was comprised of direct equity investments in viable start-up, small and medium enterprises (SMEs) and relatively large enterprises across various economic sectors in Palestine.

CI is a Limited Partner in Siraj Palestine Fund and has representation on the Limited Partners' Board.

Key sustainability topics related to the Private Equity sector include: risk management; responsible investment – considering global megatrends such as climate change and water scarcity; community investments; opportunities for operational efficiencies; corporate governance; local and global regulation; partnerships; and measuring value creation.

We have an increasingly global reach operating in 22 countries across five continents.



Operating across multiple geographies presents us with a complex global value chain, which in-turn poses significant challenges in the way we manage and measure our sustainability performance. As we are at the beginning of this journey, we are committing to work with our group companies to guide and advance the way we perform across the three sustainability pillars – economic growth, environmental protection and social equality.

To exchange best practice knowledge, we are part of several initiatives discussed in more detail in the following sections. We are a founding member of the Pearl Initiative for enhancing corporate governance, transparency and accountability across the GCC region; a platinum member of the Emirates Wildlife Society - World Wildlife Fund (EWS-WWF); a founding member of the Centre of Excellence for Applied Research and Training.

CE and our operating companies are focusing on sustainable and scalable future business development. We understand that value is built over time, which is why we are committed to collaborating with highly motivated management teams and entrepreneurs who are dedicated to building and sustaining long-term partnerships. Through these mutually beneficial relationships, we are not only able to enhance the value of the firm, but also to complement our existing success. Our motivations are unwavering in these partnerships, with the objective to take the business and its stakeholders to the next level of growth by designing and implementing necessary strategic and operational changes.

Our sustainability journey

Sustainability is a term that is interpreted differently among corporations, governments and individuals alike. Every interpretation has specific relevance and tailored significance depending on the industry, geography, interests and market drivers. However, one common thread among all interpretations is creating and sustaining long-term integrated value. At the core of sustainability is the concept of longevity and maintaining prosperity for future generations. The three main pillars of sustainable development include economic growth, environmental protection, and social equality. As we embark on the first few steps toward a sustainable future for our group of companies, we are mindful that a truly sustainable strategy will attempt to balance these three pillars, and treat each of them with the respect and importance it merits.

CE has a growing and diversified group of companies operating globally. Given the breadth of our operations, we recognize the far-reaching impact we have on the economy, society and environment in which we conduct our business. This report aims to communicate our efforts to manage these impacts and track our economic, social and environmental performance. As we take this first step in our sustainability journey, we leveraged leading global practices for guidance on “how” to develop our first sustainability report, and more importantly “what” to include in our report. To guide us in achieving this goal, we also used the principles of the Global Reporting Initiative (GRI) guidelines, which are the most widely adopted framework for sustainability reporting. In accordance with the GRI guidelines, we conducted a stakeholder engagement and materiality exercise to determine what to include in our first sustainability report. We also reviewed global megatrends and industry best practices to examine our impacts in the wider context of sustainability. The subsequent sections describe our efforts to develop a report that addresses the most material concerns of our key stakeholders.

“



For us, sustainable performance is more than operational and financial results. With this in mind, we are embarking on this sustainability reporting journey to highlight our commitment to dialogue and transparency, by setting the foundation on which we hope to build on together.

Ravi Kumar,
Executive Director

”

Stakeholder Engagement

We are a diverse and multinational group of companies operating across varied geographies, economies and communities. As such, our business operations impact a broad range of stakeholders and we recognize that regular, open dialogue is key to understanding their concerns, addressing their needs and maintaining our license to operate.

We identified and narrowed down our list of key stakeholders to the following:



As this is our first sustainability report, we have involved our key stakeholders in defining the boundaries of this report's content. We believe that including key stakeholders representatives in our first materiality exercise demonstrates our level of commitment toward sustainability. Although the exercise was limited to internal stakeholders within CE and our group companies, we performed peer research and benchmarking analysis on material issues for global companies across the various sectors of our group companies. The results were incorporated into our overall materiality analysis. Going forward, we aim to engage with all our prioritized stakeholders listed here and incorporate their inputs into our sustainability strategy.

During the exercise, we had representatives from different functions and departments including the executive suite, investments & corporate development, accounts, business processes and systems, human resources, corporate citizenship, infrastructure projects, legal, IT and insurance departments. The heads of

Stakeholder inclusiveness is the process of identifying and prioritizing key individuals and entities that are affected or can be affected by an organization's activities.

Materiality analysis is the process of identifying and prioritizing key focus areas for an organization and its stakeholders to address in the sustainability report.

these respective departments represent key decision makers for our organization. We organized a full day materiality work shop where the concepts of sustainability were introduced to the attendees. The awareness session served as precursor for the materiality discussion to follow. Due to the varying interpretations of "sustainability", it was useful to have an introductory session to align our key stakeholder's expectations. To ensure impartiality and completeness of our approach, we enlisted the help of a specialist consulting firm to guide the materiality workshop session.

Materiality

During the materiality workshop we have identified a number of aspects that we deemed were material for the operations of CE, as well as for our group companies. Given the diversity of our companies ranging from ports management and logistics, engineering procurement and construction of power plants, aviation, healthcare, and private equity, we have listed a wide range of potential material aspects, and developed report themes around it.



The materiality assessment exercise is an important process that helps us assess diverse stakeholder expectations and allows us to identify key sustainability issues that may present challenges and/or opportunities for the business in the future.

Neeraj Agrawal,
Executive Director



Theme	Rationale	Material aspects
Governance and Transparency 	Demonstrates transparency by disclosing details of governance structure as well as management approach to material issues such as anti-corruption, bribery, privacy and information security, compliance, and CE's involvement in public policy.	<ul style="list-style-type: none"> • Governance • Compliance • Anti-corruption and bribery • Privacy and information security • Public policy
Economic Performance 	During materiality workshop, economic performance was deemed the most material aspect. As a holding company, CE's economic results, both direct, and indirect are considered highly material to CE and its stakeholders.	<ul style="list-style-type: none"> • Market presence • Financial performance • Market share
Our People 	Disclosing information on employee benefits, training, and diversity can differentiate and position CE as an attractive employer in the market.	<ul style="list-style-type: none"> • Training and career development • Employment and well-being • Diversity and equal opportunity • Labor practices
Local Impact 	This theme involves going beyond CSR. Quantifying effects of CE on community through local hiring, procurement practices, infrastructure development, and meeting basic needs.	<ul style="list-style-type: none"> • Local sourcing (suppliers, SMEs) • Local hiring (job creation) • Infrastructure development • Health, Safety and Environment (HSE)
Environmental Stewardship 	Although this aspect does not impact CE business as much as our group companies, it is considered material to external stakeholders, and is one of the three pillars of sustainability. Long-term sustainability can only be achieved through balancing economic, social and environmental factors.	<ul style="list-style-type: none"> • Quality management systems • Energy, water, waste, biodiversity
Social Responsibility 	CSR initiatives feed into the "social" pillar of sustainability and are an effective way to interact directly with the community and support community causes.	<ul style="list-style-type: none"> • Supporting entrepreneurs • Supporting SMEs • Academic partnerships • Social partnerships

After identifying the material aspects impacting our business, we prioritized them on the basis of the relative size of each of our companies and awarded more weightage to the material aspects of the larger companies within our group. We also had to take into

consideration the availability of data. If the aspect was deemed material, but the tools to capture this data or information are not available, then this gap will become a target to achieve for our next sustainability report.

How we conduct our business

In the age of growing expectations about transparency and accountability, companies should demonstrate a strong and consistent commitment to compliance, disclosure and responsible business conduct. When organizations behave safely, ethically, and responsibly, they build long-lasting loyalty and trust with their various stakeholders. Fostering a culture of integrity also helps attract and retain talented employees and enables companies to access capital and new opportunities.

Our governance

The Crescent Group Board of Directors oversees the activity of its two main subsidiaries, Crescent Enterprises and Crescent Petroleum. The Board is primarily responsible for oversight of the overall strategy for Crescent Enterprises (CE) and Crescent Petroleum, and for the management of key strategic, financial and operational risks.

We have dedicated several committees to oversee policies and procedures in specific areas across our companies.

The Executive Committee

Our Executive Committee focuses on high-level oversight and decision-making related to CE and its group companies. The role of the Executive Committee primarily includes:

- reviewing CE’s strategic plan and mission;
- formulating guidelines to manage CE’s capital resources;
- instituting the policies and procedures relating to the governance and operations of CE;
- reviewing and approving major business decisions;
- providing oversight on CE’s investment functions and evaluating and approving CE’s investment policies;

Crescent Group Board of Directors
Hamid Jafar, Chairman
Majid Jafar, Vice Chairman
Badr Jafar, Managing Director
Razan Jafar, Director
Neeraj Agrawal, Director
Ravi Kumar, Director

CE Executive Committee
Badr Jafar, CEO
Neeraj Agrawal, Executive Director
Ravi Kumar, Executive Director

- evaluating and approving all investment transactions, including mergers, acquisitions, divestitures, restructurings, reorganizations and any other form of investments; and
- reviewing and approving matters related to financing and risk management.

The Investment Committee

Our Investment Committee focuses on investment-related matters within CE. The role of the committee primarily includes:

- providing oversight on CE's investment functions and evaluating CE's investment policies;
- evaluating and putting forth recommendations as appropriate on all investment opportunities as per the agreed upon investment guidelines;
- identifying key business risks and assessing the risk environment in which CE operates; and
- evaluating the effectiveness of risk mitigation activities and providing direction for the allocation of resources and assignment of responsibilities for activities addressing business risks.

HR Committee

Our HR committee focuses on employee related policy matters within the CE. The role of the committee primarily includes:

- overseeing the Company's compensation and benefits policies; and
- reviewing guidelines for recruitment and performance evaluation.

Currently, at CE, we do not have a formal sustainability governance structure. Initiatives are directly coordinated by our senior management and encouraged throughout our group companies. As we are progressing and developing a more sophisticated sustainability management approach, we are looking to establish a structured governance system involving not only representatives for CE but from our group companies as well.

At CE, we are committed to the highest standards of corporate governance. We promote and encourage responsible behavior throughout our group companies.

Our values outlined in our Employee Handbook form the foundation for the way we work. They govern the way we behave, the decisions we make and the policies and procedures we develop and follow. Our Employee Handbook covers areas as diverse as our values, open and transparent communications, good faith, anti-retaliation, combating corruption, employment practices and employee development.

CE Investment Committee

Neeraj Agrawal, Executive Director

Ravi Kumar, Executive Director

Tushar Singhvi, VP – Corporate Development & Investments

CE HR Committee

Badr Jafar, CEO

Ravi Kumar, Executive Director

Rene Hansen, Head of HR & Organisational Development

It guides our employees and contractors to meet the standards and behaviors expected from them. Through the Code of Conduct, we seek to promote ethical and honest business conduct, and to support compliance with relevant laws and regulations.





Our Environmental, Social and Governance (ESG) Principles policy has been established in recognition that these issues have a strong impact on the long-term business operations of our company and our group companies. The set of principles outlined within the policy ensures that ESG considerations are taken into account during investment evaluation, decision-making processes and further management approach. Through the policy, we also focus on communicating ESG topics within our existing group of companies and encouraging these principles throughout their own operations and regions. The policy also re-emphasizes the importance of considering our ethical obligations - anti-money laundering, anti-corruption and anti-bribery.

Anti-corruption and bribery

We actively strive to combat corruption in all its forms, which include bribery, forgery, facilitation or grease payments and kickbacks. Corruption limits our ability to contribute to the development of the countries where we operate as it erodes trust and good governance practices. We have therefore developed procedures communicated via our Code of Conduct to implement adequate measures to fight corruption, and we strive to encourage similar behavior throughout our group companies.

An important aspect of our work is engagement in regular interactions with governments around the world. Thus, respecting national and international laws, as well as local cultural values is important to us.

We constantly seek to minimize and avoid any potential risks related to money laundering, conflict of interest, bribery and corruption.

Going forward, we are establishing a company-wide anti-bribery training for all of our employees and will work with our group companies to spread and enhance this practice.



Privacy and information security action throughout CE's companies

Gama Aviation

Gama has developed a Data Protection policy and principles communicated through the company's handbook. The policy sets out rules on data protection and the legal conditions that must be satisfied in relation to the obtaining, handling, processing, storage, transportation and destruction of personal information. Gama's data protection compliance manager is responsible for ensuring compliance with the policy. It is also a specific stipulation of Gama employment contracts that all information provided during employment remains confidential.

Clinical Pathology Services (CPS)

Being a pathology laboratory, CPS deals with confidential customer data on a daily basis. To ensure that all personnel comply with high standards of customer privacy and data protection, CPS has implemented a comprehensive Data Management Policy and IT security systems.



CPS's UK accreditation ensures people across the MENA region have access

to a medical testing laboratory equal to the very best in the world. When a patient's specimens are sent for testing, they need absolute confidence in two areas. First, that there is strict privacy and confidentiality about their tests and, second, that the results are 100% accurate.

**Dr Peter Cruse, CEO,
Clinical Pathology Services**



Anti-corruption and bribery policies and action throughout CE's companies

Gulftainer

Gulftainer has developed a dedicated anti-corruption policy which is applied throughout the Gulftainer Group and its affiliates, subsidiaries, directors, employees, consultants, agents and all business partners in all their interactions and transactions. The policy describes a zero-tolerance in relation to all forms of corruption and ensures compliance with a series of national and international laws, among which are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the OECD Guidelines for Multinational Enterprises, as well as the United Nations Global Compact Principles. Investigation of potential breaches of the policy are conducted by the Legal department and disciplinary action is taken accordingly.

Gama Aviation

The Audit Committee at Gama Aviation has the responsibility to review the Group's risk register, including any potential social and environmental impacts. Gama places significant importance to the topic of anti-corruption and operates in line with the UK Bribery Act from 2010.

Privacy and information security

The issue of privacy is two-fold. On one side, privacy concerns our employees and the confidentiality of their personal information. On the other, this issue relates to our customers and protecting their personal data.

Compliance

We strive to go beyond simple compliance with national and international laws and regulations and develop our policies in line with respected standards.



Compliance action throughout CE's companies

Gama Aviation

Gama reports emissions in compliance with the EU Emissions Trading Scheme (ETS) expectations. Its UK operations have been ISO 9001 certified and are now undertaking a gap analysis research to determine requirements for ISO14001 and OSHAS18001. Gama is also in process of developing detailed Key Performance Indicators (KPIs) and objectives including KPIs in the compliance area.

CPS

In its Quality Policy, CPS discusses its strong commitment to continuous compliance with the UK's Clinical Pathology Accreditation (CPA) Ltd system and standards, and outlines specific list of actions including compliance with all relevant environmental legislations.

Gulftainer

Gulftainer recognizes the importance of environmental and social regulations that could affect the operations and has documented legal register for all activities in compliance with these requirements. Gulftainer operates in nine different countries and complies with all the respective national regulations in each of them.

Gulftainer strives to ensure compliance with regulatory requirements; however, does not directly interact with any regulatory body. For instance, in compliance with environmental regulations, Gulftainer has partnered up with Bee'ah - a governmental body for Environmental Protection for disposing its hazardous and non-hazardous waste.

Gulftainer is an Integrated Management System (IMS) certified company by DNV. Gulftainer has also been ISO 9001:2008, OHSAS 18001:2007 and ISO 14001:2004 certified since 2010.

Public policy, partnerships and memberships

As a founding member of the Pearl Initiative, the private sector-led not-for-profit organization developed in partnership with the United Nations Office of Partnerships, CE is striving to promote greater transparency, accountability and best business practices in the Gulf Region. By working alongside the Initiative's management team, We play a vital role in engaging the private sector and stakeholders in the GCC to adopt and spread the principles of responsible business conduct.



His Excellency Sheikh Nahyan Bin Mubarak Al Nahyan with The Pearl Initiative Board of Governors at the Inaugural Board Meeting at the American University of Sharjah, UAE



Public policy, partnerships and memberships activities throughout CE's companies

Gama Aviation

Gama has played a major role in the full UK public enquiry for the increase of annual allowable aircraft movements at Farnborough Airport. Gama is also a member of the British Business & General Aviation Association, European Business Aviation Association, National Business Aviation Association and Middle East Business Aviation Association. Gama Aviation plays an active role within all of these associations and supports lobbying of government in relevant areas, shaping and suggesting public policy and industry initiatives.

Gulftainer

Gulftainer manages the facilities of port authorities and as such the company remains in close cooperation with the local government to tackle any issues related to terminals, customs and security. Where appropriate, Gulftainer provides support and advice on shaping the policy within the ports environment. Its subsidiary, Momentum Logistics, is a member of the UAE National Association of Freight and Logistics (NAFL) and its representatives participate in regular meetings and forums to help affect policy and legislation to improve the issues of health and safety within the industry.



Our economic footprint

In recent years many organizations have started to rethink and reinvent their business approach to find new growth opportunities and sustain business in the long term. History has revealed that innovative companies that anticipate change and adjust their operational models accordingly are more likely to succeed and prosper in the long run.

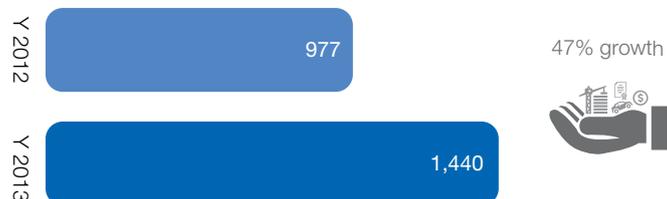


Financial performance

In 2013, we have leveraged our existing knowledge and expertise across a broad range of economic sectors. We broadened the focus to include opportunities beyond the Middle East, North Africa and South Asia (MENASA) region to incorporate our global ambitions. Our total assets have been increasing at a healthy rate of 47% growth, and our revenue has increased 87% over the past year. These gains are a combination of organic growth of our businesses through increasing operational revenue and shareholder value, as well as inorganic growth via strategic investments and joint venture acquisitions. This growth also resulted in increased employment opportunities and in increasing the total number of overall wages paid.

In 2013 as there was an improvement in the global economic picture, we at Crescent Enterprises have dedicated our resources to strategically invest into our well-established group of companies, expand their geographic footprint and support their further development.

CE - Total assets (US\$ Mn)



CE - Revenue (US\$ Mn)



CE - Projects and investments executed (US\$ Mn)



CE - Total employees wages (US\$ Mn)



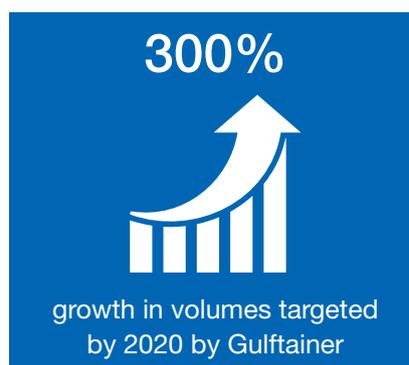
As a relationship-driven firm, we at Crescent Enterprises are committed to build both internal and external partnerships based on transparency, accountability and mutual trust. As a result, 2013 saw a steady growth in our assets, revenues, and projects execution, and we are continuing to explore and invest in sustainable, scalable businesses and ventures.

Tushar Singhvi, VP Corporate Development and Investments



Market presence

Gulftainer



Our ports and logistics company, Gulftainer, for example, has seen a consistent growth over the past decade. In December 2013, Gulftainer unveiled a new vision and identity as one of the most ambitious terminal operators in the world. The company announced plans to increase its capacity three-fold by 2020 by expanding into more mature markets globally and reaching a portfolio of 35 terminals across five continents.



Today, Gulftainer manages more terminals in the Middle East than any other port operator. This has been made possible through well-defined long-term investments across all its port terminals which have helped build the required infrastructure and enhance productivity levels to grow the levels of trade in the countries we operate in. Gulftainer is targeting strong growth during the next seven years and is aiming to grow its global portfolio to reach 35 terminals across five continents during this time.

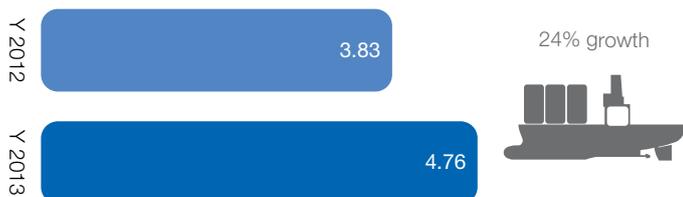
Peter Richards,
Managing Director, Gulftainer Group



In 2013, Gulftainer acquired 51% stake of the Gulf Stevedoring Contracting Company (GSCCO), to manage the Northern Container Terminal in the Port of Jeddah, the Jubail Industrial Port and the Jubail Commercial Port in the Kingdom of Saudi Arabia. As a result of this acquisition, Gulftainer became the largest private port operator in the Middle East, operating the highest number of terminals. Gulftainer is also the only terminal operator in the region that provides access for shipping lines into the entire Middle East region through the Mediterranean Sea, Red Sea, Gulf of Oman and Arabian Gulf.

In Brazil, Gulftainer has invested in the further development of Recife Port by installing new equipment to help speed up the handling of both general and containerized cargo. The port has a unique geographic location that gives it prime access to a large consumer market, making it an ideal hub for businesses.

Gulftainer - TEU's Mn



Governmental payments growth (%)



We are very pleased with Gulftainer's steady twenty-foot equivalent unit (TEU) volume growth of 24% over the past two years to reach 4.76 TEU Mn. Gulftainer has now expanded to include operations in nine countries and is considered the largest private independent port operator and manager in the world in terms of throughput volumes operated. Our payments to local governments in the countries we operate increased significantly in 2012-2013.

URUK

URUK saw a revenue generation tripling in 2013 and has completed the first phase in the 1,460 MW Al Mansurya gas power plant in the Diyala governate in Iraq valued at US\$540 million.

URUK's shareholder base presents the company with unique access to an international network of service providers and a diverse asset base that facilitates its operations in Iraq.

URUK - EPC contracts executed value (US\$ Mn)



URUK - Cumulative power generation capacity commissioned (MW)



*2013 - Work in progress

URUK continues pioneering the efforts to rebuild the infrastructure of Iraq. Executed projects increased from US\$85 million in 2012, to US\$459 million in 2013.

As international literature suggests, crucial power generation investment may create impact for its downstream customers in three separate, but related, ways:

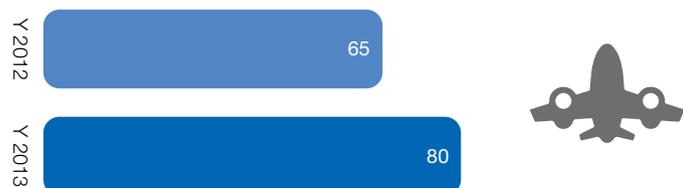
- At a macroeconomic level, electricity consumption is statistically linked with economic growth due to its supply-side impact on industrial productivity and diversification.
- A more reliable power supply avoids a range of business costs and encourages establishment of more businesses, particularly SME's
- A cheap energy supply makes energy-intensive industry cost-competitive, domestically and especially in global export markets.

The increased power capacity under commissioning from 418MW in 2012 to 1,142MW in 2013 has strengthened the Iraqi economy by providing vital infrastructure assets that enable economic growth and prosperity, as for each 1MW increase in power generation capacity, it is anticipated that the GDP output will increase by about US\$1,200.

Gama Aviation

In 2013, Gama revealed its new brand identity reflecting its evolvement from a regional company to one of the world's top aviation services companies, as evident by its expansion into new markets and the growth in the number of its managed and charter aircraft fleet. To serve larger volumes of VIP and business customers, Gama has invested US\$6.5 million to construct a 2,500m² maintenance hangar and an executive aircraft handling facility in Glasgow, Scotland in 2013.

Gama - No. of aircrafts operated



In the UAE, to meet the growth in the number of business aviation movements, Gama Aviation has invested in a new VIP passenger handling facility at Sharjah International Airport, expected to open in 2014.

Private Equity Holdings

Our private equity investments have also marked some high achievements. The Abraaj Group has completed 15 exits enabling it to realize roughly US\$700 million for its investors and US\$1.7 billion from 30 investee companies since the beginning of 2012. Growthgate Capital enhanced its assets under monitoring by 15% and performed its first exit amongst its Saudi investments in 2013. TVM Capital Healthcare Partners has expanded its base of portfolio companies as well as repositioning itself to venture into international markets; and Siraj Palestine Fund has welcomed two new investments to its portfolio.

At a CE level we have developed and set in place an Environmental, Social and Governance (ESG) Principles policy that allows us to consider ESG matters during our investment process. The main focus points of the policy are:

- Ensuring ESG considerations are incorporated into our investment evaluation and decision making processes, active ownership practices and ongoing reporting activities, and
- Taking a balanced view of the broad ESG consideration and risks (as opposed to adopting specific positive or negative screens)

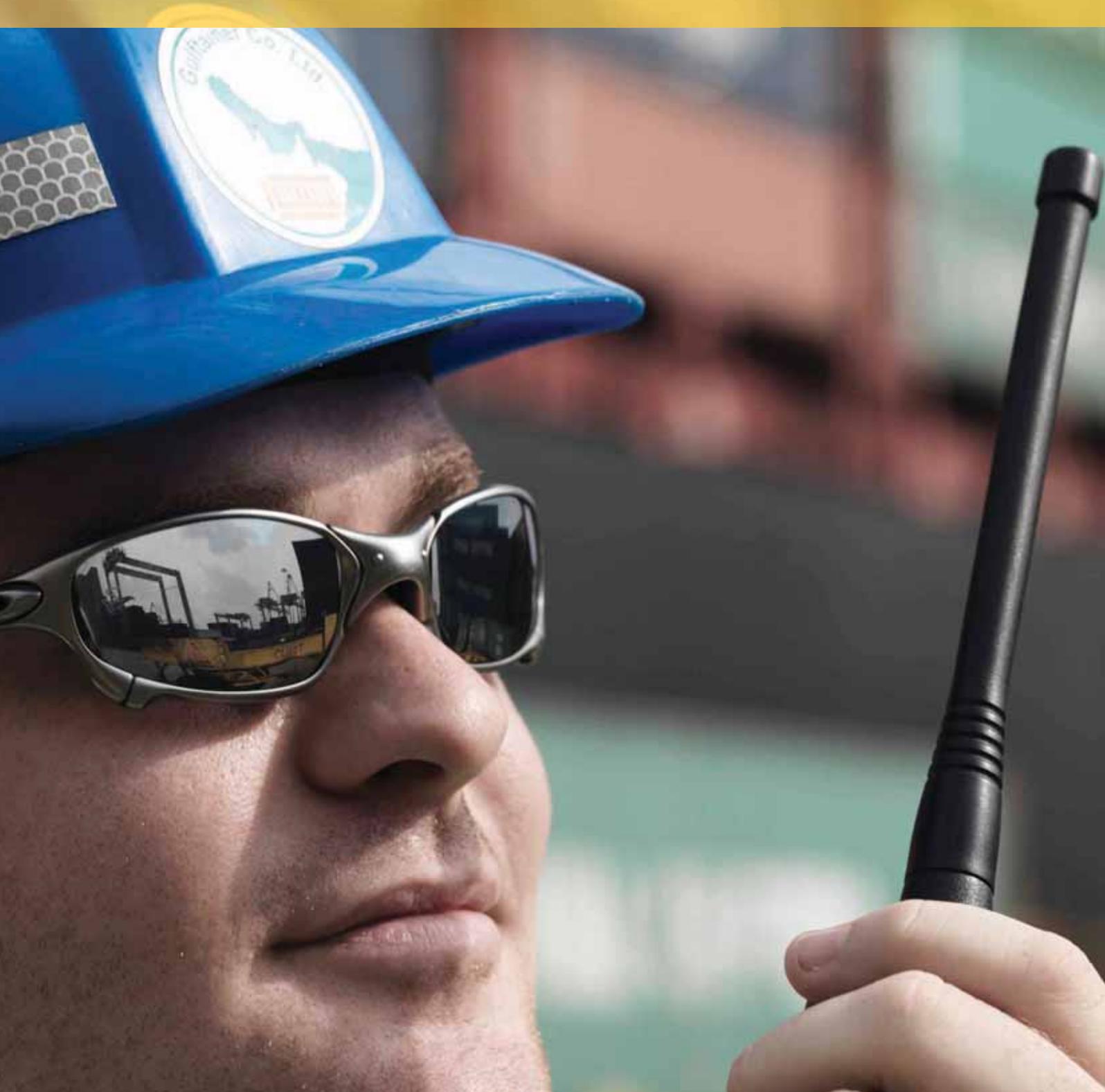
Our ESG-integrated approach demonstrates our commitment to responsible investment as an essential element for risk assessment and maximizing future returns.





The power of our employees

Organizations are a collection of people above all else. As an organization we exist to generate value in the community by creating jobs, and in turn, those jobs generate economic value for our companies and communities. It is a co-dependent relationship where our interests and those of our employees are aligned. Behind our brand name and logo is a dedicated group of individuals who work diligently towards achieving our common goals and objectives.



We named this section the “Power of our Employees” purposefully because we are aware that our very existence depends on the power of our employees. Fulfilled employees are more productive employees. When employees have a sense of purpose and belonging they are more likely to go exert that extra effort towards fulfilling organizational targets. Through this sustainability journey, we will begin tracking certain key performance indicators (KPIs) to further empower our employees and improve their working conditions. As the section below demonstrates, our dedication towards our employees started with the inception of our company. This sustainability report is the ideal platform to share with our stakeholders our efforts in this space so far, as well as our aspirations going forward.

We engage with our employees on a daily basis and actively seek their input into CE’s performance as well as sharing any expectations on how to improve our working experience. In this section, we will highlight the culture of our workplace and the policies and procedures to uphold them. Our policies include Employee Handbook, Whistle Blower Policy, Employee Development Policy, Talent Development Cycle and Success Factors performance management system.



Team building day

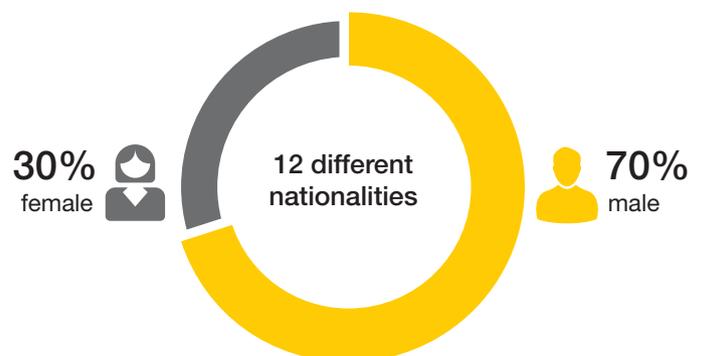
The principle document that ties all the other policies together is the Employee Handbook. The Handbook is a framework that guides our behavior and shapes the relationship between those who work for us, and those who work with us. It communicates our Values and Code of Conduct to all our employees, and outlines our global policies, procedures and benefits to our entire workforce. The Handbook outlines several policies such as our Open Door policy which encourages a culture of transparency by establishing specific communication channels available to all employees to share their thoughts and opinions.

Diversity and Equal Opportunity

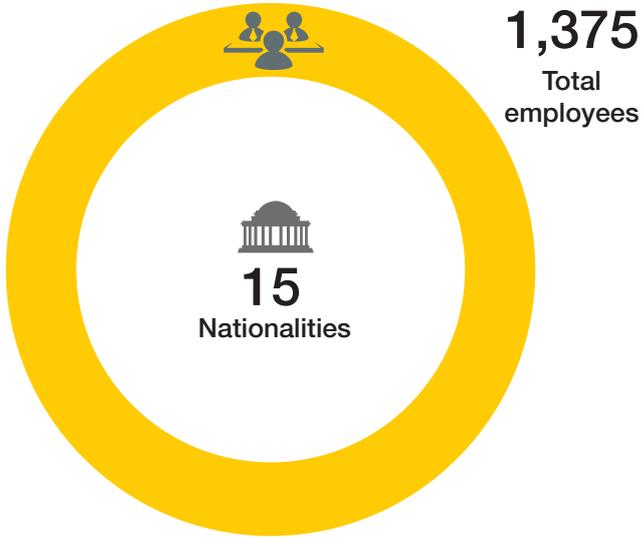
Our commitment to diversity and equal opportunities is explicitly disclosed in our Employee Handbook. We are extremely proud of the diversity represented through our employees. We have 12 nationalities in our head office alone. The diversity of the workforce in our companies is also a source of pride for us. We are committed to provide equal employment opportunity for all staff regardless of race, color, religion, sex, age, national origin or disability. We strive to create a work environment free from unlawful discrimination and harassment. Therefore, all employment policies, systems and processes are periodically reviewed to ensure that employees are treated fairly. We strictly prohibit harassment in employment on the basis of sex, race, color, religion, age, national origin, disability or any other factor. Harassment in employment is prohibited, both in the workplace and off the premises, including at social activities conducted or sponsored by Crescent Enterprises.

Our companies are similarly committed to diversity and equal opportunity principles. In the cases of Gulftainer and URUK, the majority of employees are male due to several practical reasons working in remote areas in Iraq and Saudi Arabia, and labor intense jobs in the Power and Engineering sectors. These sectors tend to be heavily male dominated not just in the region, but globally as well. Our commitment to diversity goes beyond gender equality, we provide equal opportunity employment to many nationalities in our head office and our companies. Here we present some sample statistics of our workforce:

Gender Diversity at CE



Ethnic Diversity at URUK



Foosball Tournament at CE's offices



Gender Equality at CPS

Although CPS has no formal policy on employment diversity, CPS employs more women (60%) than men (40%). CPS also employs people from eight different countries and four continents. This shows that CPS is committed to providing equal opportunity employment based on merit alone.



Our employees painting during a Team building day



Policy Commitments at Gama Aviation

Gama's HR handbook specifically addresses Equal Opportunity & Employment and Harassment, stating that not only is it unacceptable, but unlawful.

"The company does not discriminate against staff on the basis of their gender, sexual orientation, marital or civil partner status, gender re-assignment, race, color, nationality, ethnic or national origin, religion of belief, disability, age, pregnancy or maternity", HR Handbook

Imteyaz Program

We offer the Imteyaz program to employees, which is specifically directed towards supporting the medium to long term business objectives of the company by providing substantial employee development related to an employee's current and anticipated areas of potential role expansion within the company.

Employment and well-being

The well-being of our employees is of paramount importance to us and is the catalyst behind all of our activities. We constantly strive to provide our employees with all the benefits expected of a leading global organizations, including:

- Interest-free housing loans to employees to cover housing advances
- Relocation allowance
- Relocation air tickets
- Temporary accommodation upon relocation
- Shipment of personal effects

• Educational allowance

- Performance-based bonuses
- Annual home leave/flight entitlements to employees and their dependents
- Annual leave allowance

• Long-service benefits and employee welfare

- Sick days allowance
- Maternity and paternity leave allowance
- Bereavement/compassionate leave
- Hajj Leave

• Medical insurance to employees and their dependents

- Personal accident insurance
- Employees are entitled for 15 days study leave to encourage employees to initiate their personal development plans

6,038

people employed by CE and its subsidiaries and affiliates



The company does care for its employees as has been proven on many occasions. This does provide me with a caring attitude towards the company. I have a feeling of belonging which also provides me with a deep sense of loyalty.

Ghada Abdelkader,
Senior Associate-Corporate Development & Investments



We offer all our employees (from junior to senior levels) educational allowance to cover tuition fees for their children's education.

For example, long-service employees who have served at least 20 years in the company are eligible to receive funding support for their children's university education. As an example, a junior employee was able to put his children through a very good higher education program and as a result his children are now well established and supporting the extended family.

We also provide long-service employees who retire with international medical insurance for the remainder of their lives.

We offer the same comprehensive medical insurance coverage to all our employees from junior to senior levels.

Training

Our target is to reach an average of 40 hours of training per employee per year. Until recently, this data was loosely tracked, however, the IT department has built a training registration system called the “Electronic Training Registration System” which will allow us to track this key performance indicator. Generally, we aim to provide the appropriate training for each role to ensure our employees have the technical skills required to fulfill their job roles. Additionally, we send employees for external training courses that would improve their skill set, and add value to our operations. For external training we have a “Conference and Forum Policy”, which provides our employees with pre-defined framework to make decisions about attending work-related forums and conferences. Going forward, we plan to assess our sustainability-related training needs and evaluate the opportunity to conduct sustainability awareness sessions for our employees.



I thoroughly enjoy these courses because I learnt something new about leadership. The training was not just theoretical and had a good amount of practical activity and case studies to go through that would help me put this learning to practice.

Peter Teesdale, Head of Infrastructure Projects-a participant in “Stepping up to Leadership” training



Career development

We have a robust performance management system, called Success Factors. The system is developed by SAP and is considered one of the most advanced Organizational and Personnel Performance system in the world. At times, employees may wonder how they contribute to the organization’s overall mission? A manager may wonder what his team is contributing to not only his goals but also his superiors’ goals? The analytics and reporting in this system allows us to view aligned goals from the top of the organization, to the front desk of an employee. This alignment is a powerful force driving our organizational goals, and this system allows us to track it in real time.

We are moving toward a competency based development system called Job Family Competency Based Curriculum. This project will identify/add technical competencies to all job descriptions. We have taken steps towards this goal including alignment meetings with the HR team and all Directors and functional managers, agreed on competencies for each job function, and on forming a development plan that addresses our current and future needs. We aim to complete the project by December 2014.



Team building activity

This year we started following a process called the Crescent Talent Development Cycle. The intention is to provide our employees and leaders with the development activities that should be occurring on a quarterly basis. We are taking a holistic approach to the development of our employees, not only because it makes good business sense but also because we know it has a positive impact on employee satisfaction, which in turn has a positive impact on their performance. As we continue to mature this mutually beneficial relationship with our employees, we will soon be proposing a Crescent Wellness program, which will complement what we are focusing on in skill and knowledge development.



Developing the skills of our employees is a fundamental priority across Crescent Enterprises. Through our state of the art competency based program, “SuccessFactors”, we’re able to assess our gaps, and provide targeted training specific to our business requirements and the needs of our employees.

Rene Hansen, Head of HR & Organisational Development



Annual Talent Development Cycle



Developing Employee Capabilities at CPS



CPS' Lab Technicians

CPS is committed to its employees and recognizes that a well-trained, appropriately qualified and supported workforce is the only way to meet their objectives. CPS commitment to this idea is evident through its Training and Development Policy. In addition, CPS utilizes a Quality Management Matrix. The matrix outlines objectives, methodology, performance indicators and measurement techniques. One of the objectives specifically addresses staff training and development. All objectives will support in obtaining Continual Medical Education (CME)

and Continuing Professional Development (CPD) points, which consist of educational activities that serve to maintain, develop or increase the knowledge, skills and performance of Physicians, Nurses, Allied Health and Traditional, Complementary and Alternative Medicine (TCAM). The performance of the employees is also tracked through performance appraisal forms, which are sent to supervisors for periodic assessment and nurturing.

Labor Practices

We comply with applicable labor laws wherever we operate and hire only those candidates who are eligible to work where they will be employed. We are aspiring to conduct a risk assessment in order to get a better understanding of potential human and labor right violations that could happen in our supply chain.

Health and safety

We are committed to providing everyone with a safe, healthy and productive workplace and always strive to achieve zero injuries and work-related illnesses. This commitment has been clearly outlined in our Employee Handbook.



Safety is a top priority at Gama Aviation



Our innovative and fully integrated 'Safety in Numbers' campaign ensures everyone in the Gama team can respond to the challenges that face us all in the industry and further demonstrates our commitment to enhancing our safety culture in particular.

Hannah Smith, Head of Risk Management and Assurance, Gama Aviation



Gama has introduced the "Safety in Numbers" campaign reflecting on the company's strong commitment to further invest in enabling its employees to deliver safer and supportive operation environment for its customers.

The campaign highlights 10 critical areas of safety, and operational and environmental risks and encourages Gama's team to continually explore opportunities for improvement, ensuring that Safety, Security and exceptional Service Delivery are at the heart of everything that Gama delivers. For more detail please visit: <http://www.gamaaviation.com/safety/>

A detailed Health & Safety policy has been included in the Company Handbook. Gama also complies with National Aviation Authority safety regulation and policies in place by respective Aviation Authorities in each country it operates in.

Gama is in the process of drafting Key Performance Indicators (KPIs) for the business among which the safety indicators play a major role. Some of the KPIs that have been developed include:

- Lost time (in hours) due to accidents (including fatalities) per 100,000 hours worked
- Lost time (in hours) due to non-fatal accidents per 100,000 hours worked
- Number of fatalities per 100,000 hours worked
- Number of non-conformance with legal or internal standards in safety inspections
- Number of reportable accidents per 100,000 hours worked (including fatalities)
- Number of reportable non-fatal accidents per 100,000 hours worked
- Percentage of attendance at employee feedback meetings
- Percentage of corrective actions closed out within specified timeframe



Lab Safety at CPS

CPS has developed both HSE Policy and Manual for its employees, and all lab visitors are required to sign document outlining health and safety rules.



Safety Commitments at Gulftainer



Gulftainer: Gulftainer Mooring Gang tying off vessel at Khorfakkan Container Terminal

In its UAE operations, Gulftainer is committed to ensure that all employees living and working within its own facilities are aware of health and safety requirements within the federal and Sharjah Port Authority (SPA) laws/regulations. Gulftainer's CSR policy clearly outlines company's commitment to HSE.

Gulftainer does not directly conduct but provides assistance to SPA in terms of Health, Safety & Environment awareness sessions and related materials. It also participates in similar sessions organized by the SPA.



Six million safe man-hours at URUK



Uruk: Uruk's management at Al Mansuriya site

the site, including compliance of all subcontractors to guidelines.

After recording nearly 6 million man-hours without any major incident on its sites at Taji, Qudus and Mansuriya and establishing world class HSE policies and extensive quality control audits in Iraq, URUK was certified with ISO 2008-9001 standards.

Safety issues have a different dimension in Iraq in particular, where guidelines for routine safety practices must be enhanced by taking into account both internal and external safety factors. The breadth of URUK's safety checks covers all aspects within

- Site Safety Activities
- Emergency Safety Activities, Data Sheets & Instructions
- Medical Service On Site
- Work Safety Guidelines & Procedures
- Safety Procedure Administration
- Orientation
- Regular Training
- Regular Review Meetings
- Corrective Action
- Reporting
- Accident, Injury & Near Miss Reporting and Investigation Procedures
- Welfare Arrangements
- Job Hazard Analysis
- Staff Qualification and Appointment
- Subcontractor Safety Performance & Evaluation



Local community impacts and benefits

The concept of creating shared value has been embraced by businesses around the world and reflects their activities to advance the economic, environmental and social conditions of the societies in which they operate. By doing so, companies contribute to the development of local regions which ultimately results in enhanced local economic competitiveness.



We contribute actively to the socio-economic development of the countries in which we operate by providing employment opportunities, by working with local suppliers, and by improving the local infrastructure.

Local procurement is another way we can add value to the communities where we operate. We are often constrained in selecting suppliers for certain specialized equipment that are manufactured outside the regions in which we operate, however wherever possible we prioritize local products. Going forward, we are planning to work with our companies towards development and embedding of specific environmental and social criteria into supplier assessment procedures.

We have an extensive and structured internship program in the UAE and we are strongly committed to address youth employment across the regions in which we operate. Recognizing the pace with which the region is developing and the great number of jobs that would need to be created in the coming 20 years, in 2013 we have partnered as a founding Gulf supporter with the non-for-profit organization Education for Employment (EFE) to help scale up employment opportunities and to provide an ongoing strategic support, advice and networking.

6,038

people employed by CE and its subsidiaries and affiliates



326 job opportunities created in 2013

In the process of streamlining our sustainability efforts and management, we aspire to develop a more formal, strategic and systematic approach to local hiring in the coming years.



Badr Jafar and Ron Bruder, Founder of EFE

Infrastructure development



Gulftainer – Supporting infrastructure developments in Iraq



Gulftainer: Iraq Container Terminal (ICT)

Since 2009, Gulftainer has been significantly contributing to the infrastructure development of the Umm Qasr Port facility in Iraq. As a globally competitive company with an aggressive expansion strategy, Gulftainer has invested in excess of US\$150 million to date in Iraq, committing itself to providing the country with the necessary port, transport and logistics links necessary to assist in its redevelopment. Developing the ports in Iraq have enabled goods and services to enter the country at a more affordable cost, thereby reducing the cost of goods and keeping inflation rates low. Operations at the Iraq Container Terminal (ICT) at the Umm Qasr Port increased handling capacity at the port by 500,000 TEUs. In 2013, ICT registered stellar volume growth rate of 245%, double the size of 2012, which has played a key role in the enhancement of trade in Iraq.



URUK – Matching basic needs



Taji Power Plant

URUK’s senior management has been involved in Iraq’s most important energy projects for the last three decades, including electricity plant construction and rehabilitation which have been developed in remote and challenging locations. In 2012, URUK has opened the Taji Power Plant - the first fast track project in Iraq. The Taji plant, representing the first in a series of initiatives the government has undertaken to improve the utilities infrastructure in the country, will provide electricity for up to 50,000 homes.

URUK has also led Al Qudus plant expansion work, and worked in consortium with Alstom to build the

724MW Al Mansurya gas-fired power plant in the Diyala Governorate, northeast of Baghdad. Al Mansurya plant will add generation capacity to Iraq’s electricity network by providing enough electricity to the entire Diyala Governorate and a part

of Baghdad, located 80 km away from the plant. URUK is proud to participate in the reconstruction of Iraq’s energy infrastructure with this new plant which will support the country in building up secure electricity supplies for the future. The new plant will also increase the flexibility and reliability of the grid and has led to the creation of 1300 jobs.



We have made it part of our mission to help Iraq’s reconstruction through innovation and by investing heavily in people and infrastructure.

Dr. Jafar D. Jafar, CEO, URUK



Local hiring



Gulftainer – Partnering with local universities

In the UAE, Gulftainer has been proactive in building relationships with local universities to target national graduates. In Sharjah, Gulftainer works with Tatweer to improve leadership capabilities and is currently in discussion to facilitate candidates, shortlisted through a rigorous selection process participating in projects for Gulftainer.

In Iraq, Gulftainer engages with local community groups to find out ways of providing employment opportunities for the locals.



Gama Aviation – Creating local job opportunities

In 2013, with the construction of a new hangar and maintenance facility for Gama Engineering that opened at Glasgow airport, the company contributed toward job creation in the region. In addition to the facility constructed, a new Fixed Based Operation (FBO) passenger part has been developed which led to additional job opportunities.

The new venture between Gama Inc and Wheels Up has led to the creation of local jobs - over 35 pilot and support staff positions in 2013 and over 100 positions are expected during the course of 2014.

Gama is also actively involved in providing both work placements and apprenticeships with local colleges as well as work experience program to local schools focussing on engineering, flight operations, and office-based professions. Gama proactively aims to recruit such positions through local hiring.

Local sourcing and procurement practices



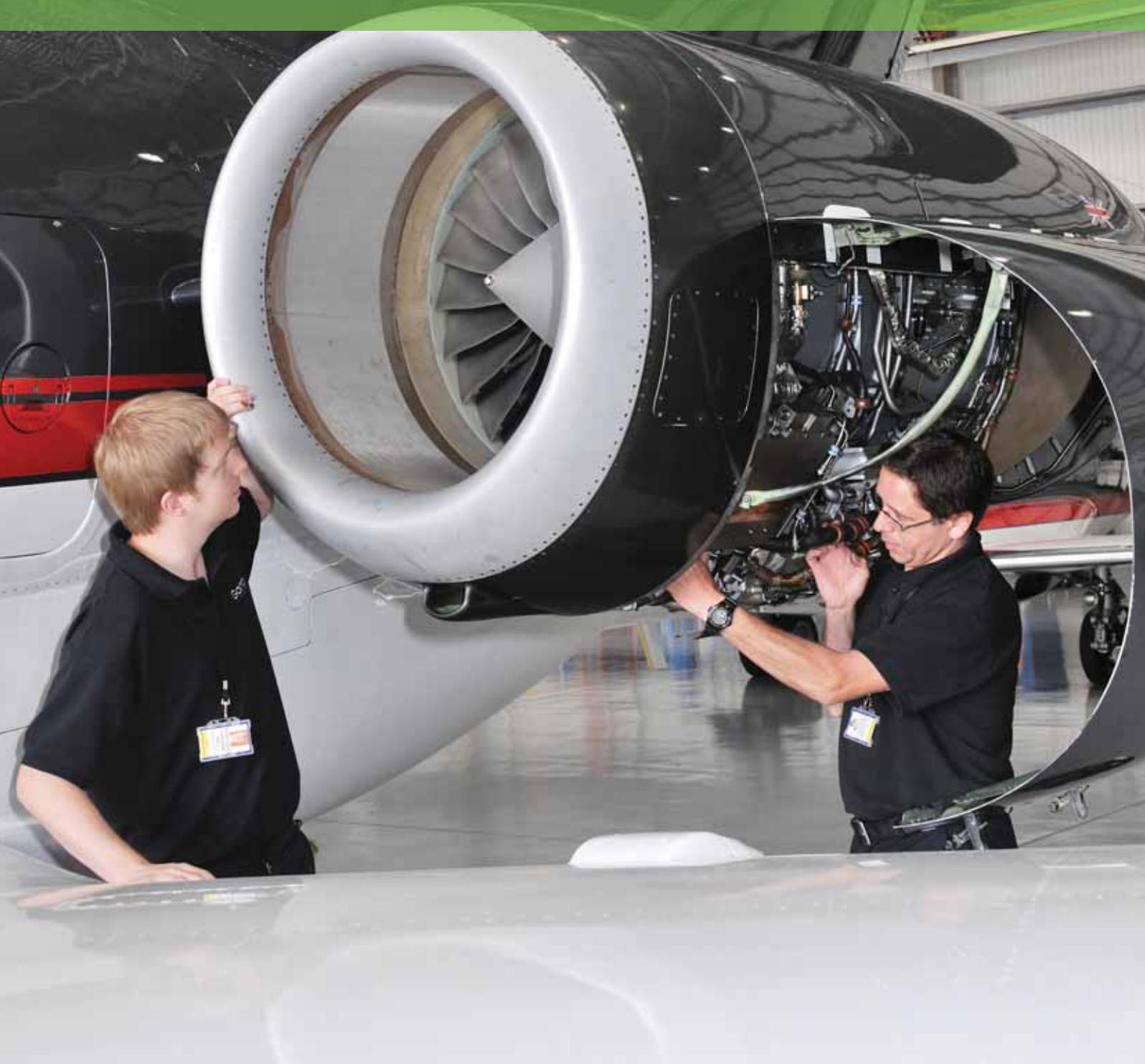
Gulftainer's suppliers policy

Gulftainer is often constrained in selecting suppliers for certain specialized equipment that are manufactured outside the region, however wherever possible local suppliers and contractors are given preference. In Iraq, 85% of the civil work was completed by local contractors in 2012, which increased to 100% in 2013.



Environmental stewardship

Environmental stewardship begins with understanding how global development megatrends such as natural resources depletion, air and water contamination, biodiversity loss, and increased greenhouse gas emissions, affect the environment and business operations over the long term. On a global scale, companies innovate to find new more resource efficient ways of conducting their operations. In this section we disclose current environmental performance information throughout our group companies and establish a baseline from where to set improvement targets.



Resource scarcity, air and water pollution, loss of biodiversity, and climate change are examples of global environmental issues that require a global solution. The most significant barrier to effective environmental legislation has been the lack of responsible commitment. The ongoing climate change debate is only one example of how challenging it is to tackle this topic on a global scale. At CE, we believe that every party/entity/individual has the capability to take ownership and become the change they want to see in the world. Starting with this report, we aim to expand on our disclosure on environmental performance and set improvement targets accordingly, as we move along the path to integrating sustainability into our business.

We at CE are committed to being a positive agent of change in this field. Our dedication to environmental issues is revealed in our ESG Policy. Our investment decisions take into consideration environmental performance of our target investments alongside social and governance issues.

At present we monitor the energy and water consumption in our head office, as well as in our companies' operations. Our aim is to establish a baseline and publicly disclose our consumption figures with a view to improve those figures in our upcoming reports. GulfTainer partners with a local waste management company that is recycling waste generated from day-to-day activities. Gama Aviation

strictly monitors the carbon emissions generated from their flights to remain in compliance with the European Union Emissions Trading Scheme. The subsections below discuss these and other initiatives in more details.

CPS has set ambitious targets to reduce energy consumption by as much as 30% by the end of 2015.

Energy and water

We have undertaken the following measures to reduce our energy consumption:

- Applying solar reflective film to all windows in the head office. The heat resistant film reflects approximately 74% of the total solar energy aimed at the building, thereby preserving the temperature of the building more efficiently.
- Readjusting the thermostats in the building to 27 degrees after working hours.
- All lightings are switched off after normal working hours, and common area lightings are controlled by sensors.



Energy Efficient Technologies at URUK

Al Mansurya Plant: In consortium with Alstom, a leading Engineering Procurement Construction (EPC) multinational firm, URUK won a contract with the Iraqi Ministry of Electricity to build a 724MW gas fired power plant in the Diyala Governorate, Northeast of Baghdad. Al Mansurya plant will add generation capacity to Iraq's electricity network by providing enough electricity to the entire Diyala Governorate and a part of Baghdad, located 80km away from the plant.

The plant will utilize natural gas as feedstock. Natural gas is considered a cleaner alternative to fuel gas or coal. The biggest advantage is low NOx emissions of 25 vppm down to 65% GT load thanks to Alstom's unique environmental burner design. Other benefits include:

- Reduced cost of electricity
- Lower environmental footprint
- Increased flexibility and reliability



Climate change initiatives at Gama Aviation

The European Union's Emission Trading Scheme (ETS) is the foundation for the European Union's policy to combat climate change. It is considered the most cost effective market based mechanism for reducing industrial greenhouse gas emissions. The system works on a "cap and trade" principle. Each entity involved in the scheme is allocated a maximum limit of greenhouse gases it can emit during the course of a year. If the entity exceeds its limit, it will have to go to the market and buy "emission credits." Conversely, if it emits less than its allowance then the entity can go and sell those emission credits in market. The cap or limit is lowered periodically to reduce overall emissions. The ETS includes over 11,000 power stations and industrial plants in 31 countries, and since 2013 has also included the aviation sector. It is considered the biggest international system for trading greenhouse gases emission allowances.



The aviation industry has often struggled with the concept of sustainability as it is all too often linked directly to environmental emissions. While this is undeniable, and we through our fuel saving schemes, do our utmost to reduce those emissions, we take a wider view. I'm proud to say at Gama Aviation we are active in all three spheres (environmental, social and economic) of sustainable business practice. These are, and will remain, high priorities for us around the globe; after all good business practice in the 21st century requires us to serve the needs and obligations of each.

**Marwan Khalek, CEO,
Gama Aviation**



Direct emissions from aviation account for only 3% of EU's total greenhouse gas emissions, however these emissions are increasing rapidly and are projected to grow 70% over 2005 levels by 2020.

Therefore policy makers thought it prudent to include aviation sector in the EU ETS, the benefits of which are several and include:

1. Contribute to reduction of overall greenhouse gas emissions
2. Encourage innovation and improvement in fuel efficiency/alternative fuels
3. Incentivizing reduction in operating costs

Gama Aviation is a member of the European Union Emissions Trading System or (EU ETS). Under ETS, airlines receive tradable allowances covering a certain level of CO₂ emissions from their flights per year.

The amount of CO₂ emissions is calculated using a fuel emission factor. Gama uses Jet Kerosene which has a 3.5 ton of CO₂ per ton of fuel (tCO₂/t Fuel) multiplier factor. In 2013, Gama's flights within EEA amounted to 9,133 tCO₂, which is below the threshold of 10,000 tCO₂, meaning Gama were exempt from trading in any certificates for this year.

Waste management



Waste management at Gama Aviation

In Gama offices, all recyclables, i.e. paper, aluminum and plastics are separated into three different types of bins for recycling. Safe removal and disposal instructions are in place for toner cartridges and other hazardous wastes to minimize impact on environment. Electronic waste is handled by donating electronics to a local charity that recycles and reuses the devices wherever possible.



The 3 Rs at Gulftainer

Gulftainer has appointed Bee'ah - a UAE government approved agency - for waste disposal and management at its Sharjah facilities. Gulftainer's primary waste materials are e-waste, used oil and oil filters, used batteries, used tyres, scrap (metal and pvc) and office waste such as paper, plastic bottles and cans.

Gulftainer began working with Bee'ah on waste management at its Sharjah facilities in July 2013. In the same month Gulftainer initiated the "3 Rs" campaign - reduce, reuse, and recycle. Total waste recycled for 2013 was 26,930kg. Breakdown is provided below:

Waste type	July to December 2013 (Kgs.)
Office Collection (Paper, Plastic Bottles and Cans)	 1,080
e-Wastes (Used Computer Peripherals)	 1,150
Used Tyres	 9,700
Used Batteries and Filters	 13,000
General Scrap (Metal and PVC)	 2,000
Total Quantity Recycled	26,930



Quality and Environmental Management

Gulftainer

Gulftainer was recently awarded the ISO certificate for its Integrated Management System and successfully implemented ISO 9001:2008 for Quality Management; ISO 14001:2004 for Environmental Management System; and OSHAS 18001:2007 for Occupational Health and Safety Assessment System.

Gama Aviation

Gama has obtained ISO 9001 compliance in UK engineering companies and has just undertaken a gap analysis to determine requirements to attain ISO 14001 and OSHAS 18001.

URUK

ISO 9001:2008 Compliant

Biodiversity



Marine Conservation at Gulftainer

Conservation of marine life is a primary concern to Gulftainer since their activities are in close proximity to the sea and because they operate under the Sharjah Ports Authority (SPA). The Emirate of Sharjah places high priority on the preservation of the natural environment and protecting native species habitats. Gulftainer has partnered with the Emirates Wildlife Society – World Wide Fund for Nature (EWS-WWF) in their Marine Turtle Conservation Project for the past three years. The Marine Turtle Conservation Project is now monitoring a total of 79 hawksbill turtles, fitted with small satellite transmitters to collect data on this critically endangered species, which will be used to inform decision-makers and develop conservation strategies in the region. We have already started to see evidence of our cleanup and conservation efforts as turtles can be seen on a regular basis swimming next to large container ships.



Gulftainer supports the EWS-WWF Marine Turtle Conservation Project

Our collaboration with EWS-WWF has been a rewarding and positive experience for Gulftainer. Going forward, we look to establish more strategic partnerships with NGOs that share our corporate values and collaborate on environmental-related projects.



Connecting with society

Our Corporate Citizenship activities have matured over the years and are now seen as a tool for tangible value creation. Expectations are mounting on companies to integrate the needs of the local communities into their business operations, otherwise they risk to lose their “social license to operate.” Strategic partnerships are on the rise to redefine the role of Corporate Citizenship and related initiatives.



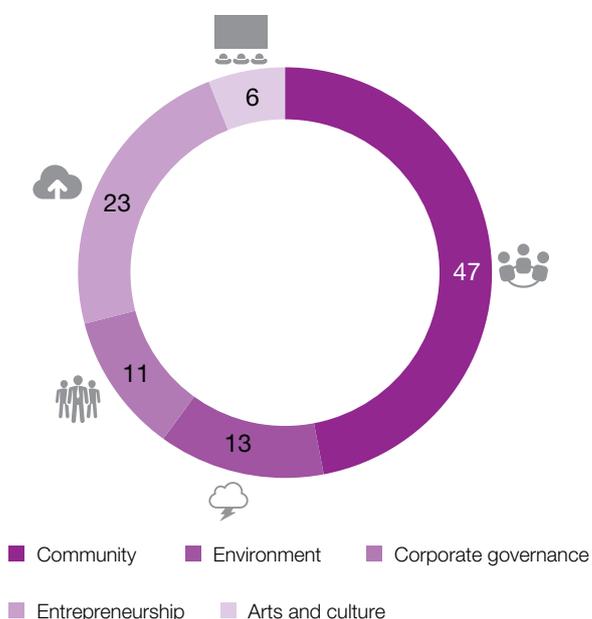
Our commitment to the communities where we operate started long before the development of our first sustainability report. Since our inception, we have been actively engaged in several community initiatives. We strongly believe our structured approach to social responsibility is a key factor to the overall sustainability of our company and the communities around us. Over the years we have formed strategic partnerships with impact investment institutions, NGOs and other community organizations whose purpose is aligned with our vision. We leveraged the expertise of our partnerships to achieve more tangible impacts in our communities. Going forward we aim to formally incorporate corporate citizenship criteria in our investment evaluation making it a part of the overall assessment of potential investments.

By focusing our efforts on material social issues in our countries of operation, we are able to achieve tangible benefits in our communities. In order to maximize our impact, we decided to adopt a structured approach in our social responsibility efforts.

CE pledges 5% of its projected annual net cash flow toward its corporate citizenship budget.

Our social responsibility strategy initiatives fall under five themes: Community, Entrepreneurship, Environment, Arts & Culture, and Corporate Governance. The chart below shows the percentage spent on each of our corporate citizenship themes during 2013:

CE - Corporate citizenship % spend in 2013



Our Mission statement

At CE, we are committed to improving the quality of life of the communities we serve. We do this by growing and managing a group of businesses to deliver products and services of real value; and striving for leadership, global competitiveness and purpose in the business sectors in which we operate. We are bound by our sense of duty and proud to pursue this aim in partnership with all our stakeholders, developing our assets, including our people to their fullest potential and making a lasting, positive contribution to society.



Corporate Citizenship is at the core of our mission to create and sustain social value and our community engagement is a key priority as we strive to reinforce change and to positively impact the markets and societies in which we operate and across the world.

**Nermeen Mansour, Manager,
Corporate Citizenship**



Community

Community focus is one of the five main pillars of our corporate citizenship strategy. Our current initiatives have focused on education as we believe it is the foundation of a sustainable society. Going forward, we aim to launch initiatives targeting health and sports to complete our holistic approach to CSR in our communities.



Our Corporate Citizenship Manager with the children inaugurating the school in Nepal

Dubai Cares “Adopt a School”

Our extensive partnership with Dubai Cares has presented us with the opportunity to immediately address the lack of educational infrastructure for underprivileged and neglected children throughout the world. In 2013, we committed our efforts and support to Dubai Cares’ “Adopt a School” initiative to fund the construction of CE’s school in Nepal, engaging our employees in its development. After one year of planning and several weeks of building, the school opened its doors to more than 160 children, aged 5 to 12, where it will host primary classes and serve as a space for adult literacy classes as well.

Education for employment

Youth unemployment in the Arab world is a growing social issue. The youth population in the Arab world is growing expeditiously and the lack of jobs could lead to greater social unrest.

While there were many factors leading to the recent unrest in some Arab states, fair living wage requirements and improved quality of life are seen as the main driver.

This issue led us to form a partnership with Education for Employment (EFE), an international network of affiliated non-profit organizations dedicated to creating economic opportunities for unemployed, high-potential youth in the Middle East and North Africa. As part of the partnership, CE is acting as a founding Gulf supporter, working to provide EFE with ongoing strategic guidance and networking support, and to explore opportunities to jointly recruit, train, and place young Arabs within Crescent Group companies, develop custom training programs for specific job profiles, and provide job support to new employees sourced through EFE.

Cambridge Judge Business School “Global Consulting Project”

As part of our commitment to educational initiatives and cultivating young talent, we welcomed a group of five full-time MBA students from the Judge Business School, University of Cambridge to our dedicated internship program for undergraduate and post graduate students for the second year in a row. Through the university’s annual, Global Consulting Project (GCP), these students applied their theoretical practice to work, by spending four weeks at CE’s

headquarters in Sharjah to research and deliver a strategic plan for a subsidiary of the firm, and then present it to our Board of Directors.



MBA students from the Judge Business School, University of Cambridge

Center of Excellence for Applied Research and Training (CERT)

In 2012, we became a founding member of the Centre of Excellence for Applied Research and Training (CERT), the commercial, research and training arm of the Higher Colleges of Technology (HCT), which is the largest higher education institution in the UAE. In collaboration with the HCT and CERT, we sponsored 50 graduating student projects, through which critical support is provided toward the ongoing development of UAE national students as well as access to job opportunities within CE and our companies.



Jafar Center for Executive Education, American University of Sharjah: Delivering leadership programs and training

We spearheaded the creation of the Jafar Center for Executive Education, which offers a variety of executive education programs directly to businesses and government institutions in the UAE and the GCC. In addition to leadership development programs adapted

to the needs of each client organization, the Center creates and delivers short courses on specialized topics, conducts review classes for professional certifications, and provides expert advisory or consulting services. Each course or project is led by a faculty member who brings western academic training and experience while working in the Gulf business environment.



Gama Aviation's road safety awareness initiatives

Gama sponsors children safety education and has previously supported initiatives such as safe road use education leaflets for children on both local and national scales.

Gama undertakes a program of local school lectures and briefings given by pilots in schools within the local area of Global Headquarters in Farnborough, UK.



United Nations World Humanitarian Day "The World Needs More"

We are a proud supporter of the 2013 United Nations World Humanitarian Day campaign, "The World Needs More," a unique initiative that utilizes social media, turning words into money in support of humanitarian efforts and initiatives around the world. For the full length of the campaign, we sponsored the word "Entrepreneurs," to highlight the power of enterprise to lift people out of poverty and transform lives.

Entrepreneurship

Social entrepreneurship is aligned with our values and is part of our commitment to foster entrepreneurs in the region and encourage growth and innovation. This is a fundamental value shared by CE's management and employees and is the cornerstone of our corporate citizenship mission. Going forward, we are committed to continue facilitating and supporting entrepreneurial initiatives locally and regionally.

MENA+Social Good

We joined a global community from over 53 countries, in the inaugural, one-of-a-kind virtual summit dedicated to exploring how technology, social media, and the internet enable constructive engagement to catalyze positive impact in the MENA Region. The MENA+Social Good summit was directed at creating a neutral conversation aiming to spark collaboration, foster innovation and promote partnerships surrounding the current obstacles Arab youth face including unemployment and the encouragement of philanthropy. With 17 global in-person independently organized livestream events happening simultaneously around the world, the summit succeeded in reaching over 27.53 million through Twitter and trended third globally with over 6,000 comments.

Cherie Blair Foundation "Mentoring Women in Business"



Cherie Blair and Badr Jafar at the launch of the partnership

We joined forces with the Cherie Blair Foundation for Women to empower, mentor and support female entrepreneurs in a number of countries across the Middle East. Drawing from the 6,000+ strong workforce of CE and our companies, a group of female Arabic-speaking mentors were selected to provide their professional expertise and guidance to the Foundation's "Mentoring Women in Business" program for a one year course via an online mentoring platform. Mentors provide advice and guidance on various business aspects from marketing, communications and technology to accounting, finance and human resources. Additionally, we will contribute to the development of the mentoring platform and facilitate its roll-out across other parts of the world.

Environment

We included an environmental focus in our corporate citizenship strategy as we believe a truly holistic approach must take into account environmental matters alongside social issues. Our approach aims to increase awareness by partnering with NGOs and other entities and encourage responsible environmental practices in our communities.



Emirates Wildlife Society – World Wildlife Fund for Nature (EWS-WWF)



"Whatever floats your Boat" Sharjah Container Terminal workers enter race to raise funds for Emirates Wildlife Society

Through our annual platinum membership with EWS-WWF, we support various initiatives that address environmental conservation, awareness and education, conserve biodiversity, tackle climate change and reduce the UAE's ecological footprint. This initiative is supported by both CE and GulfTainer.

This year, our support has enabled EWS-WWF to achieve many environmental education and conservation projects in the UAE such as Be'ati Watani, Heroes of the UAE, Wadi Wurayah National Park, Marine Turtle and more. We are also exploring additional employees' engagement opportunities for next year.



Green Abu Dhabi "Cleaning of the Mangroves"



A team of CE employees taking part in the Mangrove cleanup

In an effort to combat the dire effects of the rapid industrialization of Abu Dhabi on the vibrant mangroves that line its shores, we joined New York University students under the local initiative "Green Abu Dhabi" to collect debris and refuse from the coasts of the region to restore these vital ecosystems. Each mangrove clean-up is undertaken with the cooperation of the Municipality of Abu Dhabi City and the Emirates Wildlife Society-World Wildlife Fund, and under the patronage of Shaikh Nahyan Bin Mubarak Al Nahyan, UAE Minister for Culture, Youth and Community.

Corporate Governance



As a founding member of the Pearl Initiative, the private sector-led not-for-profit organization developed in partnership with the United Nations Office of Partnerships, we are working to promote greater transparency, accountability and best business practices in the Gulf Region. By working alongside the initiative's management team, we are actively engaging the private sector and stakeholders in the GCC to adopt and spread these principles.

In September 2013, at the United Nations Global Compact Leadership Summit in New York, the Pearl Initiative and the United Nations Global Compact signed a strategic partnership to collaborate on a number of programmes throughout the Middle East and North Africa. Through this unique partnership both entities will leverage international and regional expertise, combining global best business practices with locally relevant imperatives, in order to foster competitive economic growth, sustainable social development and spur job creation.



Pearl Initiative signs a strategic partnership with the United Nations Global Compact

The agreement with UN Global Compact, the world's largest corporate sustainability initiative with 8,000 business participants in 145 countries, will enable the Pearl Initiative to improve responsible business practices throughout the region, such as corporate governance, diversity, transparent reporting, anti-corruption, responsible investment, and integrity within the supply chain. Subsequently, this initiative will work to help advance business models to protect against unethical practice and improve business standards overall.

Arts & Culture

We are supporting arts and culture as we believe the arts is intrinsic to the development of our societies and economies alike. The arts offer the best representation of people; they transcend politics, race, religion, color and language and are a healthy approach to generating cross-border dialogue. We are proud to have established partnerships within the music and arts industries, including the Global Gumbo Group - a joint venture with Quincy Jones Productions, with which we believe we can leave a lasting impact as we see music and art as cultural bridges from the Middle East to the rest of the world.

Dubai Cares “Burj of Giving”

We took an active role in the Dubai Cares fund-raising initiative “The Burj of Giving,” to raise funds to improve

children’s access to quality primary education in developing countries. The event commissioned 20 renowned Emirati artists to paint 2.5 meter replicas of the Burj Khalifa, later to be auctioned off for sale. With our support, in addition to several other key donors, the event raised AED 1 million.



G3 nurtures musical talent



Quincy Jones, Badr Jafar and Moroccan children

Global Gumbo Group (G3), a joint venture between CE and Quincy Jones Productions, promotes the development of contemporary musicians and artists by providing them a platform to express themselves creatively and channel their voices toward a positive form of self-expression. The exposure raises international awareness about the culture of the region and portrays a humanitarian message. In 2011, G3 collaborated with 24 of the most popular singers from countries across the Arab World to produce a single named ‘Tomorrow-Bokra’. This musical production raised funds to support arts programs in schools, orphanages and for special needs children across the Arab World. Funds raised through the project have been distributed to global organizations (Save The Children, UN World Food Programme and the Abu Dhabi Music & Arts Foundation) to launch a ground-breaking platform for education in the arts across the Arab world throughout 2012 and 2013. The ‘Tomorrow-Bokra’ initiative also facilitated the launch of an innovative Healing and Education through Arts (HEART) program, to benefit more than 5,000 disadvantaged children in Palestine and the UN World Food Program (WFP) – associated schools in Jordan.



We value your feedback

For more information on sustainability at Crescent Enterprises, please contact Ms Nermeen Mansour, Manager, Corporate Citizenship at nmansour@crescent.ae

Crescent Enterprises
Crescent House
Buhairah Corniche,
PO Box 2222,
Sharjah,
United Arab Emirates

T: +971 6 554 7222
F: +971 6 554 7888
mail@crescententerprises.com
www.crescententerprises.com
Follow us on Twitter: @CrescentEnterp

