

ENGAGING WITH PURPOSE

ABOUT THIS REPORT

This is the fourth sustainability report issued by Crescent Enterprises. It documents our performance and activities from 1 January, 2016, to 31 December, 2016, and includes select business updates up to the issuance date of the report.

As a key aspect of our sustainability vision, Enabling Sustainable Growth, this report evaluates our performance against our established framework. Additionally, it highlights our ambitions and targets for the future, which reinforce our enduring commitment to sustainability.

The reporting boundary covers our activities, in addition to those of our incubation hub division, CE-ventures, and our operating businesses. These include Gulftainer, Uruk Engineering & Contracting, Gama Aviation plc, and Momentum Logistics. Clinical Pathology Services (CPS) has not been included with our operating businesses as we have concluded the sale of 100 per cent of our stake in it in 2016. The reporting boundary excludes disclosures on our strategic investments and the private equity funds we invest in.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards: core option. We have been a signatory to the United Nations Global Compact (UNGC) since July 2013 and recognise the United Nations Sustainable Development Goals (SDGs). This report highlights a range of contributions to achieving the SDGs in areas aligned with our sustainability roadmap. Finally, this report serves as our third annual Communication on Progress on how we are upholding our commitment to implementing the 10 UNGC principles and supporting broader UN goals.



This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals. We welcome feedback on its contents.

We welcome your feedback on our sustainability commitments and progress. Please direct your feedback to cesustainability@crescent.ae.



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ENGAGING WITH PURPOSE

In an increasingly interconnected world, engagement is the key to achieving success in everything we do. In 2016, the world witnessed new challenges that can only be overcome through closer collaboration between the public sector, the private sector, and society at large. Political uncertainty, economic instability, and societal demands for improved governance and transparency have highlighted the importance of responsible social and economic practices. Adapting to these emerging trends requires a strong connection between people and businesses.

At Crescent Enterprises, we understand the importance of engagement, and always engage with purpose. Our partnerships are built around a common objective: contributing to the greater good. This inspires us to infuse our work practices with a deeper sense of meaning. Our multi-stakeholder approach to engagement also allows us to plan for the long-term with the goal of producing a lasting positive impact for our commercial and community stakeholders alike.

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A MESSAGE FROM OUR CEO

At Crescent Enterprises, we understand that sustainability is integral to our commercial longevity and the cornerstone of creating a more prosperous and inclusive future. That's why we have developed an integrated and proactive approach to address potential social, governance, and environmental concerns in real time by embedding sustainability in our mission, corporate culture, and daily business practices.



Entitled *Engaging with Purpose*, our sustainability framework has allowed us to maintain and expand our positive impact at a time of great political and economic uncertainty by consistently focusing on matters that are of strategic importance to our stakeholders. Although global events impacted our revenues in 2016, we have continued to make meaningful contributions to both individuals and communities through our various sustainability initiatives during the year.

Our direct impacts, such as the revenue we generated and employment opportunities we created, represent our most tangible and visible contributions. However, our indirect impacts, such as the US\$124 million we paid to governments in taxes, fees and other charges, and the infrastructure developments we supported, have been equally important contributions to the communities in which we operate. We further augmented these contributions with a range of corporate citizenship activities, which reached 34,476 individuals from all walks of life in 2016.



US\$ 386
million economic value generated



4,585
employees



23%
Exceeded pledged budget for corporate citizenship programmes by 23%



100%
paperless procurement



3
new businesses incubated



34,476
community members reached through our corporate citizenship programmes

To fight corporate corruption, we have continued to promote transparency and accountability among enterprises in the Middle East and North Africa region. Our affiliation with the Pearl Initiative has supported the publication of case studies on good governance in the region as well as the hosting of a major regional forum on sustainability, attended by over 700 industry leaders in 2016. The forum invited regional business leaders to make a public commitment to supporting responsible and inclusive growth, and we were one of 166 companies to sign the pledge.

We always strive to be considerate of the environment on which we all depend. In 2016, we took steps to boost the energy efficiency awareness of our employees and experienced a 33 per cent reduction in energy consumption and a 21 per cent reduction in water consumption per employee at our head office. Our operating businesses have also continued to monitor their environmental performance, leading to a measurable increase in recycling programmes and a reduction in waste generation. We are conscious of our resource use and will continue to minimise our ecological footprint wherever we can by supporting public conservation agendas.

Ultimately, our sustainability achievements reflect the commitment and dedication of our employees. To provide them with a supportive and empowering work environment, we have continued to refine our employment policies and practices. We have also prioritised the health and safety practices of our operating businesses. Despite intensive health and safety improvements and training activities, we regret to report that Gulftainer, our ports and logistics business, lost a colleague in an accident at the Khorfakkan Container Terminal in the UAE—the company has spared no effort to support the deceased's family, and is working diligently to intensify health and safety training in order to prevent such occurrences in the future.

We realise that tackling the world's most pressing challenges requires the collaboration of multiple players. Thus, we remain proud to support the UN Sustainable Development Goals and are a signatory to the United Nations Global Compact, which we consider to be a unique global platform for harnessing the capabilities and goodwill of the private sector in support of sustainable development.

Over the years, our family business has proved capable of capturing, preserving, and creating value in line with the prevailing trends due to our dynamism and perseverance. As we look to the future, we are committed to ensuring that the goal of Enabling Sustainable Growth remains deeply integrated across all aspects of our operations.

Badr

Badr Jafar
CEO, Crescent Enterprises

ABOUT US

Crescent Enterprises is a multinational company headquartered in the United Arab Emirates (UAE). The company boasts diversified global operations in various market sectors through its operating businesses, strategic investments, and business incubation activities. Its operations encompass sectors including ports and logistics, power and engineering, business aviation, and healthcare. Crescent Enterprises employs 4,585 people in 20 countries across five continents.

Our values



Diversity and inclusion

Respect cultural diversity and work effectively and inclusively with every individual



Entrepreneurship

Foster a culture of impact innovation by supporting the exchange of knowledge



Responsibility

Serve the community and protect the environment in which we work



Integrity

Conduct business ethically and adhere to the highest governance standards at every level of our operations

Our global footprint

Highlighted locations indicate where Crescent Enterprises has operating businesses or strategic investments.



Our operating businesses



Gulfair is the largest privately owned port management company in the world, delivering world-class performance for its customers for over 40 years.



port terminal of the year by Seatrade Maritime Awards

- ISO 9001 (quality management): 2015 compliant
- OHSAS 18001 (occupational health and safety): 2007 compliant
- Silver Royal Society for the Prevention of Accidents Achievement Award

7.6%

decrease in lost time injury frequency

- ISO 14001 (environmental management): 2015 compliant
- 86,604 kg of waste recycled
- 12 per cent decrease in paper consumption



Uruk Engineering & Contracting (Uruk) offers turnkey solutions in engineering, procurement, and construction across projects ranging from oil and gas to petrochemicals, waste water, and infrastructure.

Zero

incidents of corruption reported

- Zero fines for non-compliance with laws and regulations
- ISO 9001 (quality management): 2008 compliant

45%

of staff are local employees

- 70 per cent of purchases are locally procured
- 111 new jobs created



Gama Aviation plc is a global business aviation services company listed on the London Stock Exchange's AIM that operates in 44 locations across five continents and manages a fleet of over 165 aircraft.

Zero

lost time in hours due to accidents

- 1 reportable accident per 100,000 hours
- ISO 9001 (quality management): 2008 compliant*
- 92 per cent of staff are local employees

165

aircraft under management

- 7,565 emergency medevac undertaken
- 12.6 per cent revenue growth
- ISO 14001 (environmental management): 2008 compliant*

*Applicable to European operations



Momentum Logistics is a fully integrated, third party logistics provider that offers a complete suite of supply chain management solutions. It provides transportation, freight forwarding, warehousing, logistics cities, and container services.

34.8%

increase in distance travelled per accident

- ISO 9001 (quality management): 2015 compliant
- OHSAS 18001 (occupational health and safety): 2007 compliant

Safety & Quality Assessment System (SQAS) qualified

- 240 multipurpose trailers
- 110 commercial vehicles
- ISO 14001 (environmental management): 2015 compliant

Our strategic investments



Crescent Investments is the private equity and alternative investments division of Crescent Enterprises. Its long-term strategy is geared towards maintaining a balanced portfolio of alternative asset class investments, including private equity, venture capital, real estate, and other structured investments.

Our business incubator



To promote the growth of ingenious social enterprises in the region, Crescent Enterprises Ventures (CE-Ventures) conceives and develops early-stage concepts into viable businesses across diverse sectors, with a focus on creating positive social impact. CE-Ventures empowers small and medium-sized enterprises by exclusively contracting them for all services and products it requires.

In 2016, CE-Ventures has developed three new business concepts that aim to create economic, social, and environmental value.

The concepts outlined below illustrate the varied impacts of entrepreneurship:



“At CE-Ventures, we endeavour to create and develop innovative businesses that generate a sustainable social impact and address economic, social, and environmental challenges. We strongly believe that this triple bottom line approach to doing business is the most effective way to generate shared value for all our stakeholders.”

SAMER CHOUCAIR
VP, CE-Ventures,
Crescent Enterprises



Shamal

Health and Safety
Respecting Human Rights



Shamal is the hot, dry, north-westerly wind blowing across Iraq and the Arabian Peninsula creating large sandstorms. In the Middle East, adequate work attire is necessary to protect field workers from the challenging climate.

Inspired by the lack of workwear options tailored to our regional environment, CE-Ventures has incubated Shamal, a venture aimed at providing high-technology workwear that keeps workers safe, cool, and comfortable. This, in turn, increases worker efficiency and productivity.

Developing the product required intensive engagement with numerous stakeholders, from research institutes that specialise in the thermal comfort of clothing systems and experts in textiles and technical fabrics, to CEOs of construction companies, workers, foremen, and safety engineers.

This was followed by the production and testing of several prototypes both in advanced laboratories and in the field, including gathering worker feedback over the course of a year. The product is now in the final development stages, where the cooling impact of the final prototype is being measured and quantified using the latest controlled testing technologies.



Kava & Chai

Healthy Living
Environment



Kava & Chai (“coffee and tea” in Arabic) is a home-grown, world-class coffee and tea brand with global ambitions that incorporates Arab culture and traditions in a positive and intimate way.

Coffeeshouses have historically been associated with shared experiences and the exchange of ideas. In Constantinople, Cairo and Mecca, the world’s original coffeeshouses hosted preachers and poets, politicians, and storytellers.

Kava & Chai was created to bring a multitude of people together to exchange great ideas.

In February 2017, Kava & Chai launched its first kiosk in Crescent House. This will be followed by the launch of its flagship store in the American University of Sharjah and two additional stores in Marsa Al Seef and Habtoor City in Dubai before the end of the year. London and New York locations are also being scouted.

To minimise its environmental impact, Kava & Chai utilises materials from recycled and renewable sources, including bioplastics, bagasse, crystallised polylactic acid, and polylactic acid.



Joint Venture for Energy Efficient Lighting

Environment



The current global demand for energy efficiency and a lower carbon footprint has paved the way for investments in energy-efficient lighting solutions.

CE-Ventures, in collaboration with LuminWorld, initiated a joint venture (JV) that focuses on retrofitting existing infrastructures with LED lighting technology.

This technology utilises 80% less energy and has a longer lifetime than non-LED lighting solutions.

Currently, the JV is undertaking two pilot projects in the UAE and Jordan. In Amman, Jordan, it is supporting the municipality in retrofitting the city’s highway lighting. It is also consulting on introducing the technology to the entire country.

In the UAE, the JV is working with an outdoor container depot in Sharjah to build lighting fixtures that illuminate the facility while consuming up to 60% less energy than mainstream lightings.

The JV also highlights our belief in the potential power of public-private partnerships (PPP) to help address some of the region’s greatest economic challenges.

SPEARHEADING CORPORATE SUSTAINABILITY



Our sustainability journey

Sustainability is central to our overall business strategy. We always strive to create lasting social value through our operating businesses and strategic investments in addition to our business incubation division.

We carefully consider the implications of our activities on the environment and the communities in which we operate, and we place our stakeholders at the core of our business model.

At Crescent Enterprises, we also endeavour to align our sustainability priorities with global issues, as the fight for human rights, climate action, and good governance requires coordinated global action.

We are thus committed to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards, and the United Nations (UN) Global Compact. We advocate the endorsement of UN Sustainable Development Goals (SDG) among corporations in the Middle East and North Africa region.

Through the realisation of our 'Enabling Sustainable Growth' vision, we aspire to set an example for other regional players to follow.

Our sustainability framework

This is the second year that we report our progress against our sustainability framework, which helps us achieve our sustainability vision, 'Enabling Sustainable Growth'.



2012 ●●●●●●●●●● 2013 ●●●●●●●●●● 2014 ●●●●●●●●●● 2015 ●●●●●●●●●● 2016/17 ●●●●●●●●●●➔

- Introduced Corporate Social Responsibility concepts and activities in our annual report

- Identified focus areas for strategic social responsibility initiatives: community, entrepreneurship, environment, arts and culture, and corporate governance

- Became a UN Global Compact signatory
- Created a baseline for sustainability reporting data
- Developed first sustainability report *Setting the Foundation*

- Established Crescent Enterprises' Corporate Social Responsibility Committee
- Developed second sustainability report *Redefining Growth* in accordance with GRI G4- core option

- Developed and introduced a 2015-2018 sustainability roadmap centred on four pillars, and complemented by concrete targets and key performance indicators
- Introduced the Corporate Citizenship to reinforce engagement with stakeholders

- Reviewed the Corporate Citizenship Committee's focus areas in alignment with internal sustainability targets and SDGs
- Became a Women Empowerment Principle (WEP) signatory
- Developed third sustainability report *The Business Imperative* in accordance with the GRI G4- core option

- Closely monitored progress against the roadmap
- Increased stakeholder engagement activities
- Piloted a new corporate citizenship model
- Developed fourth sustainability report *Engaging with Purpose* in accordance with the GRI Sustainability Reporting Standards- core option

Stakeholder engagement

As a regional family business with a global footprint, Crescent Enterprises works with a diverse range of stakeholders to pursue its sustainability goals. These relationships foster greater innovation, collaboration, and transparency, which maximises our combined impact.

In 2016, we engaged our stakeholders in our sustainability activities by:

- conducting regular meetings to evaluate the targets we have set in our sustainability framework through our Sustainability Committee and Corporate Citizenship Committee;
- engaging with our employees through multiple channels, from our annual team building day to regular performance feedback sessions;
- participating in conferences, roundtables, and publications. These include global platforms like the World Economic Forum, regional events such as UN Global Compact, and industry-related conferences; and
- collaborating with community partners to improve social, economic, and environmental well-being.

Who are our stakeholders?



“AUS is honoured to have the support of Crescent Enterprises in preparing our students for the competitive job market. Students need to continually improve and refine their knowledge and skills to thrive in the dynamic marketplace. As an Enterprising Youth Strategic Partner, Crescent Enterprises has mentored our students by facilitating a series of workshops and supporting us in our annual event. Through these efforts, Crescent Enterprises has demonstrated its commitment to help develop the next generation of leaders.”

Björn Kjerfve
Chancellor,
American University of Sharjah



What are our stakeholders saying?

We have conducted a survey targeting our internal and external stakeholders to receive their feedback on our corporate sustainability activities. Their inputs have helped us to refine our sustainability commitments for 2017 and beyond.

As we had promised to plant a Ghaf tree for every response we received, we have planted a total of 111 trees in the UAE.



Materiality and the UN Sustainable Development Goals (SDGs)

Materiality is the identification of topics that are important to our stakeholders and organisation. Materiality is integral to our annual sustainability reporting and sustainability target-setting processes.

At Crescent Enterprises, we are keen to involve our stakeholders in every step of our materiality process. During our annual materiality assessment, we invited our internal and external stakeholders to discuss sustainability topics and evaluate them against external benchmarks.

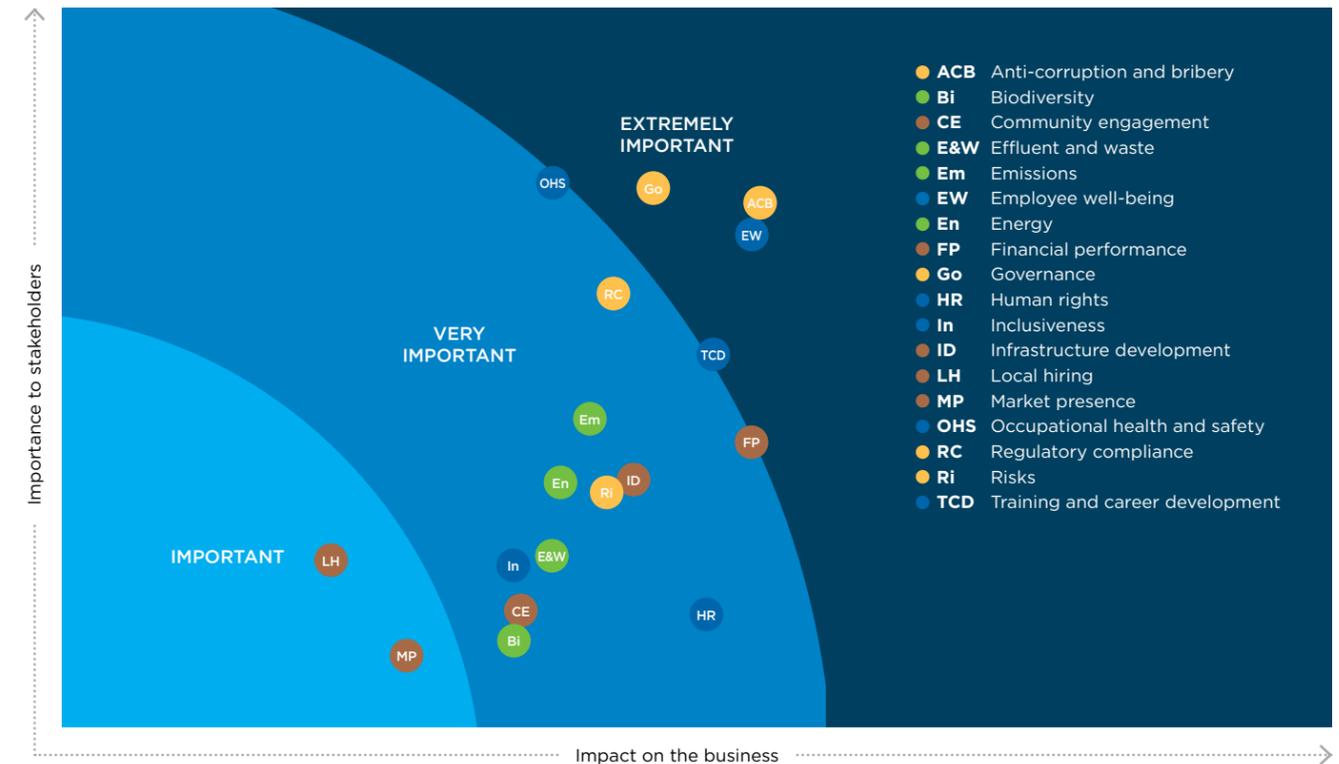
We also engaged a panel of sustainability experts to provide an independent view of materiality at Crescent Enterprises. Ultimately, we explored 18 topics. The results are reflected in order of importance in the opposite materiality matrix.

The 18 topics have been ranked in order of importance to our external stakeholders against their impact on our organisation.

As indicated on the materiality map, topics such as anti-corruption and bribery, employee well-being, and governance, are extremely important to our stakeholders and business, while local hiring and market presence have a secondary importance.

Our company considers human rights to have a high impact on our business, as we are a signatory to the UN Global Compact. However, our stakeholders have rated it as low importance. Topics that are extremely important for both our stakeholders and our company are placed as high priority in our activities.

To ensure that our targets are relevant to global sustainability agendas, we cross-referenced the UN SDGs to our material topics. We also related the latter to our sustainability pillars to further help our employees and our operating businesses to understand materiality within their respective contexts.



Material topics

Enabling ethical business

- Anti-corruption and bribery
- Human rights
- ESG risks
- Governance
- Regulatory compliance

Enabling a stronger society

- Financial performance
- Infrastructure development
- Market presence
- Local hiring
- Community engagement

Enabling talent

- Employee well-being
- Occupational health and safety
- Training and career development
- Inclusiveness

Enabling stewardship of the planet

- Energy
- Emissions
- Effluents and waste
- Biodiversity

Sustainability roadmap: Achievements and future steps

Our Pillars	Material Topics	Sustainable Development Goals and UNGC Principles	2016 Targets	2016 Update	Plans for 2017
<p>Enabling ethical business</p> 	<ul style="list-style-type: none">  Anti-corruption and bribery  Human rights  ESG risks  Governance  Regulatory compliance 	<ul style="list-style-type: none">  Goal 17: Partnerships for the goals  Goal 16: Peace, justice, and strong institutions  Principle 10: Anti-corruption 	<ul style="list-style-type: none"> Enhance risk management function and adapt ESG risk management evaluation Roll out anti-corruption training to employees of Crescent Enterprises and its operating businesses Educate Crescent Enterprises' employees on sustainability issues to foster creative problem-solving Endorse green supply chain practices by achieving paperless procurement Structure stakeholder engagement process across Crescent Enterprises and operating businesses, and seek feedback on sustainability initiatives 	<ul style="list-style-type: none"> Established a committee to monitor and mitigate investment-related risks Enhanced information security risk management Developed Anti-Money Laundering (AML) and Anti-Bribery and Corruption (ABC) manual Delayed AML and ABC training to 2017 Hosted sustainability talks and activities to engage our employees and raise their awareness on sustainability-related matters Achieved paperless procurement Enhanced stakeholder engagement across different functions Distributed sustainability survey to evaluate our initiatives 	<ul style="list-style-type: none"> Conduct ESG risk assessment for new sectors and markets of operation Roll out the AML and ABC policy trainings to employees of Crescent Enterprises and operating businesses Continue to enhance employees' sustainability awareness and advocacy through structured programmes and communications Conduct site audit for at least ten suppliers Continue to engage with key stakeholders and actively seek feedback
<p>Enabling a stronger society</p> 	<ul style="list-style-type: none">  Financial performance  Infrastructure development  Market presence  Local hiring  Community engagement 	<ul style="list-style-type: none">  Goal 4: Quality education (external)  Goal 5: Gender equality (external)  Goal 8: Decent work and economic growth  Goal 9: Industry, innovation, and infrastructure 	<ul style="list-style-type: none"> Expand geographic footprint for further diversification Finalise criteria for corporate citizenship partner selection Identify areas to increase potential for local procurement across Crescent Enterprises and our operating businesses Support community capacity building initiatives 	<ul style="list-style-type: none"> Identifying target markets for expansion and undertaking deep analysis of these markets Identified a specific set of selection criteria that highlights such focus areas of Crescent Enterprises' partners as efficiency and impact, technical strength, and sustainability Achieved local procurement at Crescent Enterprises Identified key capacity building themes, such as entrepreneurship skills and artistic skills, and launched related initiatives accordingly 	<ul style="list-style-type: none"> Finalise our business and geographic expansion strategy Conduct annual review of the selection criteria based on lessons learned and develop an impact assessment model for programmes that target communities Continue to seek suppliers' feedback through supplier engagement surveys
<p>Enabling talent</p> 	<ul style="list-style-type: none">  Employee well-being  Occupational health and safety  Training and career development  Inclusiveness 	<ul style="list-style-type: none">  Goal 3: Health and Well-being  Goal 4: Quality education (internal)  Goal 5: Gender equality (internal)  Principles 1-2: Human rights  Principles 3-6: Labour 	<ul style="list-style-type: none"> Conduct employee satisfaction surveys at Crescent Enterprises Roll out Crescent Enterprises' Wellness programme Target zero fatalities across Crescent Enterprises and operating businesses 	<ul style="list-style-type: none"> Conducted employees' satisfaction surveys on various business service functions, and implemented suggestions received wherever appropriate Introduced Mother and Wellness policy Delivered health and wellness talks and programmes Conducted fire warden training in our head office Enhanced Health, Safety, and Environment (HSE) function across operating businesses Deeply regretted to report one fatality (please refer to p.39) 	<ul style="list-style-type: none"> Continue to seek employees' feedback through surveys and aim to achieve higher levels of satisfaction Standardise health and safety tracking across Crescent Enterprises and our operating businesses Assess realistic targets for diversity Target zero fatalities across Crescent Enterprises and our operating businesses
<p>Enabling stewardship of the planet</p> 	<ul style="list-style-type: none">  Energy  Emissions  Effluent and waste  Biodiversity 	<ul style="list-style-type: none">  Goal 7: Affordable and clean energy  Goal 13: Climate action  Goal 14: Life below water  Goal 15: Life on land  Principles 7-9: Environment 	<ul style="list-style-type: none"> Plan and deliver sessions to educate employees on environmental topics 	<ul style="list-style-type: none"> Initiated workshops, trips, and awareness campaigns to educate employees on environmental issues 	<ul style="list-style-type: none"> Refine measurements of environmental performance Set targets for resource efficiency (energy, water, waste)

Note: Internal refers to Crescent Enterprises' employees and operating businesses, whereas external refers to our community at large.

ENABLING ETHICAL BUSINESS

As a company that operates around the globe, we understand the importance of ethical business practices, and the role they play in supporting integrity throughout our operations. At Crescent Enterprises, we strive to enable ethical business by promoting exemplary governance practices, accountability, and compliance to cement trust, credibility, and legitimacy with our stakeholders. We also aim to inspire ethical business practices throughout the region and be recognised as change leaders.

Related United Nations Global Compact Principle



Related Sustainable Development Goals



Advocating for greater transparent and accountable business practices in the Gulf region as one of the the founding partners of the Pearl Initiative



Developed Anti-Money Laundering (AML) and Anti-Bribery and Corruption (ABC) manual



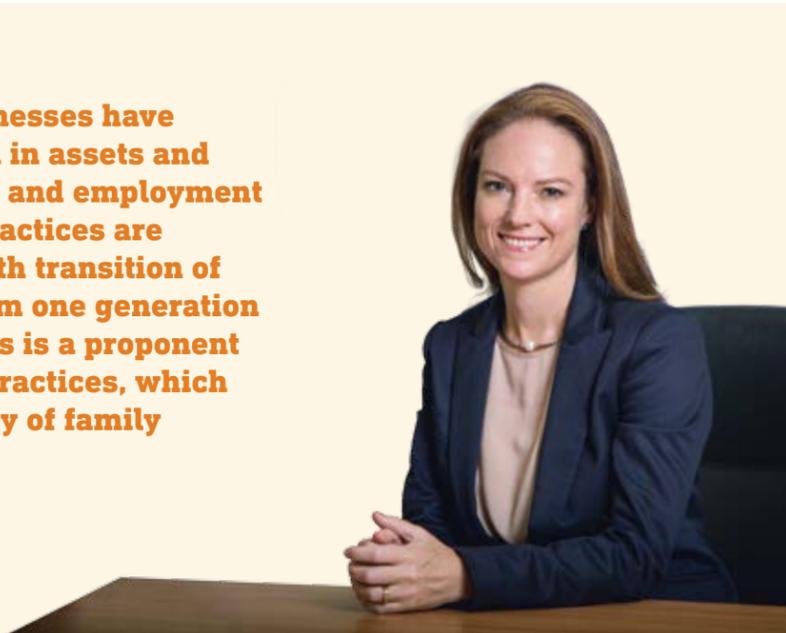
Globalisation helps advance ethical business practices by entrusting the private sector with international governance responsibilities, encouraging transparency among multinational companies, and spearheading technological innovations.

Our company has consistently sought to foster a work environment that stresses accountability, integrity, and fairness.



“In the Middle East, family businesses have accumulated over US\$1 trillion in assets and are vital contributors to wealth and employment creation. Strong governance practices are essential to ensuring the smooth transition of assets and business values from one generation to another. Crescent Enterprises is a proponent of corporate governance best practices, which are crucial for the sustainability of family businesses across the region.”

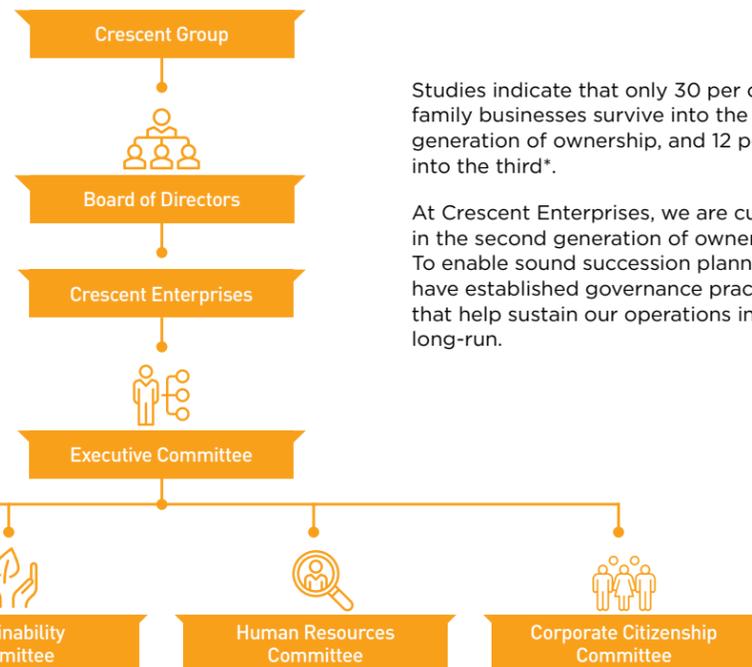
Carla Koffel
Executive Director,
Pearl Initiative



How we are governed

We believe that corporate governance is pivotal for the continuity of family businesses.

Over US\$1 trillion of assets owned by family firms across the Middle East are expected to pass from one generation to the next in the coming five to ten years. Most of these transitions will be from the second generation to the third one, where a loss of value typically occurs.



Studies indicate that only 30 per cent of family businesses survive into the second generation of ownership, and 12 per cent into the third*.

At Crescent Enterprises, we are currently in the second generation of ownership. To enable sound succession planning, we have established governance practices that help sustain our operations in the long-run.



Board of Directors

The Crescent Group Board of Directors oversees the activities of Crescent Enterprises. It evaluates its strategic direction and risk management system whilst adhering to sound corporate governance principles.



Investment Committee

The Investment Committee assesses decisions related to investment, divestment, joint ventures, and other strategic partnerships within Crescent Enterprises and its operating businesses. It is also responsible for implementing our ESG principles within evaluation and decision-making processes.



Human Resources Committee

The Human Resources Committee manages all employee-related policy matters, in alignment with our pledge to the UN Global Compact to provide safe and fair working conditions. Ensuring compliance with our Code of Conduct is a primary role of this committee.



Executive Committee

Our Executive Committee oversees our activities and those of our operating businesses. It performs strategic reviews, assesses capital resources, and evaluates investment and operational opportunities.



Sustainability Committee

Our Sustainability Committee develops and oversees the implementation of our sustainability roadmap, monitors progress, engages with various stakeholders, and drives the understanding and uptake of sustainability at all levels of the organisation.



Corporate Citizenship Committee

Our Corporate Citizenship Committee develops and monitors the implementation of a disciplined approach to achieve our corporate citizenship and sustainability objectives.

Our commitment to corporate governance

As one of the founding partners of the Pearl Initiative, a non-profit organisation developed in partnership with the United Nations Office of Partnerships, we advocate for greater transparency, accountability, and exemplary business practices in the Gulf region.

We work alongside the Pearl Initiative's management team, playing a vital role in engaging and encouraging the private sector to adopt the principles upon which the initiative was built. In 2016, the Pearl Initiative hosted 11 roundtables that educated 1,297 attendees on diversity, corporate governance, and anti-corruption.

Case study:

Pearl Initiative and UN Global Compact's regional forum

In its quest to engage with the wider regional community, the Pearl Initiative and UN Global Compact held their second joint regional forum under the theme "Sustainability in Action: Business and the UN Sustainable Development Goals".

The Pearl Initiative and UN Global Compact Second Regional Forum served as a successful call to action — encouraging collaborative strategy and action plans towards creating diverse, prosperous, and competitive economies.

The forum invited regional businesses to pledge to responsible growth. Crescent Enterprises is proud to be one of the 166 leaders to sign the pledge.

The Business Pledge



* "Family companies: To have and to hold", *The Economist*, April 2015. Web.

Enhancing risk management

Our Environmental, Social, and Governance principles

As we advance our sustainability agenda, we recognise the importance of considering Environmental, Social and Governance (ESG) risks and opportunities into our business, and its impact on our long-term performance.

Building on our ESG efforts from previous years, this year our ESG consideration process works in active ownership and management of operating businesses.

We incorporated ESG principles as an additional layer into our investment process to mitigate material impacts on our investments and complement our financial risk and return analysis.

Crescent Enterprises' ESG principles:

- Incorporating ESG considerations into our investment evaluation and decision-making processes, active ownership practices, and ongoing reporting activities.
- Taking a balanced view of broad ESG considerations and risks—as opposed to adopting specific positive or negative screens.
- Considering our ethical obligations in all business conduct (anti-money laundering, anti-corruption, anti-bribery).
- Encouraging the company and its employees' commitment to the communities we serve.
- Regularly developing human resource policies and practices that affirm employees' equality, and setting objective performance measurement criteria.

- Reducing the environmental impact of our activities by reducing water and energy consumption, waste recycling, and reducing paper use.
- Encouraging our operating businesses to promote ESG principles among their organisations and communities.

Our IT security practices

With the rapid evolution of technology and the Internet of Things, Information Technology (IT) is central to our risk management processes and governance.

In 2016, Crescent Group improved its IT security and raised awareness via assessment surveys and 21 educational workshops for its employees at our Sharjah headquarters.

The objectives of the surveys were to assess the Crescent Group employees' current knowledge of the organisation's IT security processes and procedures, and identify areas for improvement.



21
Sessions conducted



75%
Of employees attended

Topics covered



Password protection



Pause, think, and act



Staff security awareness



Social engineering

Case study: SAP implementation at Gulftainer

To promote efficient business practices, Gulftainer implemented a SAP suite of applications that enable faster and more consistent transmission of integrated information to relevant decision-making authorities, enhance accounting and reporting benefits, and increase data security.

Gulftainer first introduced the platform to its UAE operations and now plans to implement it in its other locations.



“At the IT security workshop, I came to realise the amount of threats that we face online every day. I am now aware of effective security measures that help me protect myself online, whether at work or at home. As technology is advancing by leaps and bounds, I value the company's constant efforts to educate us on and protect us from the latest IT threats.”

Sheela Lazarus
Administrative Coordinator,
Crescent Enterprises



Compliance

To promote ethical business practices, we have been a signatory to the UN Global Compact since 2013 and always strive to go beyond the requirements of laws and regulations.

Compliance with our Code of Ethics helps us safeguard human rights, prevent corruption, and oppose all forms of child and forced labour.

Our Code of Ethics includes a dedicated anti-bribery and corruption programme, which enables us to maintain an ethical and professional work environment.

We conduct a continuous analysis of compliance risks within our businesses, and our whistle-blower process aims to identify instances of misconduct as soon as they arise.

We cultivate a culture of compliance throughout our business activities, which includes our supply chain management. Our supply chain policy promotes ethics and good governance practices across the value chain. We encourage our suppliers to adopt ethical principles and seek to procure goods and services that promote responsible behaviour.

Zero

Incidents of reported corruption

Zero

Fines and non-monetary sanctions for non-compliance with laws and regulations



ENABLING A STRONGER SOCIETY



To raise standards of living in the countries we serve, we endeavour to tackle the widespread challenges of unemployment, social inequality, and economic instability. Through our activities, we seek to build mutually beneficial partnerships with our stakeholders, initiate platforms for collaboration to address socio-economic issues, and promote inclusive growth.

Related Sustainable Development Goals



Economic value generated
US\$ 386 mn

Employee wages and benefits
US\$ 94 mn

Number of community members reached
34,476

Exceeded pledged budget for corporate citizenship programmes by
23%



Addressing socioeconomic challenges in our society, such as unemployment and lack of infrastructure, requires active participation from the private sector. As a global business, we recognise our responsibility to help address these issues in a sustainable manner.

Through our activities we seek to build mutually beneficial partnerships with our stakeholders, open platforms for collaboration to address socioeconomic issues, and promote inclusive growth.



“The private sector is a key driver of economic growth in the Middle East and plays a crucial role in infrastructure development. Thanks to its dynamism and flexibility, it is also a springboard for social innovation. The region’s infrastructure market is expected to see increased activity over the coming years. This will enhance the competitiveness of the private sector and spur the much-needed creation of new jobs.”

Dimitris Tsitsiragos
Vice President for New Business,
International Finance Corporation



Our direct and indirect economic value

Through every activity of our operating businesses, strategic investments, and new ventures, we aspire to create tangible social and economic value for the people we serve.

We pride ourselves on providing ample employment opportunities to qualified professionals from across the region, and helping governments to fund the revitalisation of public infrastructure through the payment of taxes and royalties.

In addition, we pledge a minimum of five per cent of our projected annual net cash flow toward our corporate citizenship budget targeting social development. In 2016, Crescent Enterprises exceeded the budget it pledged for corporate citizenship programmes by 23 per cent.

Our sound diversification strategy, which guides our growth across sectors and geographies, has enabled us to exhibit resilience in 2016 despite global economic and geopolitical adversity.

Economic value generated and distributed (US\$ million)



Revenue



*2015 figures restated



Employee wages and benefits



Payments to governments

(Royalties and taxes)



23%
Exceeded pledged budget for corporate citizenship programmes by 23%

Gulftainer

In 2016, Gulftainer handled 6.2 million TEUs (twenty-foot equivalent units), a four per cent decrease from 2015 driven by economic challenges and consolidations across the global shipping industry. In the UAE, container volumes across all ports dropped by approximately six per cent throughout 2016. The introduction of direct service routes to Iran and throughout India has also affected transshipment volumes.

In the Kingdom of Saudi Arabia, the volume of Gulftainer’s operations increased by 10 per cent from 2015 despite austerity measures. The Northern Container Terminal on the West Coast handled 28 per cent more transshipments in 2016. Although the low oil prices affected gateway cargo, the overall performance in the Saudi market exceeded expectations.

In the USA, Gulftainer USA launched a weekly cargo service, Blue Stream Service, to facilitate product delivery across North America, Central America, and Europe.

Gulftainer was recognised as the Port Terminal Operator of the Year in 2016 by the Seatrade Maritime Awards - Middle East, India, and Africa, based on quality, innovation, improved efficiency, and successful investments in port operations.

Momentum Logistics

In early 2016, Momentum Logistics welcomed a new Managing Director, Tom Nauwelaerts, who brings with him a wealth of expertise in supply chain management across the UAE and Europe.

Also last year, Momentum Logistics introduced ‘land-bridge’, a breakthrough service that integrates ports and logistics, offering clients a seamless supply chain mechanism from port-to-door, and vice-versa.

The container repair division of Momentum has recorded an impressive 315 per cent increase in refrigerated container (reefer) revenue, a 22 per cent increase in inspection volumes, and a 28 per cent increase in its sales business.

To further expand its geographical and industrial footprint, Momentum is currently planning to acquire 40 skeletal and reefer trailers.

Gama Aviation

Gama Aviation has achieved total group revenue of US\$432.4 million, representing growth of 12.6 per cent year-on-year and a robust financial performance.

Its two divisions, Air—including aircraft management, charter, and special mission—and Ground—comprised of Fixed Based Operations (FBO), base maintenance, line maintenance, and design and modifications—have faced a mix of opportunities and challenges across their regions of operation during the year.

Aircraft under management have increased by 12.2 per cent to reach 165 aircraft in 2016.

In the USA, revenue from air operations grew by 30.2 per cent in 2016 as Gama Aviation won a significant number of contracts. Ground operations yielded a 16.8 per cent revenue growth, driven by three new line maintenance bases.

In Europe, air operations maintained a steady recovery against a backdrop of market challenges with revenues down 5 per cent due to exiting underperforming contracts. Ground operations revenue declined by 20 per cent as a result of lower levels of discretionary spend on modifications, improvements, and refurbishment works.

In the Middle East, at Sharjah International Airport, ground operations attracted new customers, which increased the company’s line and base maintenance coverage. With fleet growth coming late in 2016, revenues declined by 9.6 per cent over the period but are expected to grow in 2017 along with continued improvements in margins.

Air operations in Asia continued to develop albeit from a low base. Although the division is still in its initial phase, it already has a promising pipeline of managed aircraft contracts.

Uruk Engineering & Contracting

The current political climate in Iraq remains unstable, and low oil prices have impacted the national economy and budget. As a result, the government did not award any construction projects in 2016.

Fortunately, as Al Mansuriya power plant’s surroundings have returned to a state of relative security, Uruk did obtain the contract for repair and replacement of damaged items at the plant in 2016.

Infrastructure development

In 2016, we have embarked on a mission to develop infrastructure that raises standards of living across all our countries of operation. From expanding ports to developing aircraft fleets, we have enhanced infrastructure across the land, sea, and air.



Gulfstream



Gulfstream USA took a 40,000-square-foot warehouse on lease from Port Canaveral, located near its new container terminal, to better meet the import and export needs of its clients.

The warehouse offers cross-docking, storage, inventory control, and last mile distribution to the Orlando area.



Momentum Logistics



In Iraq, Momentum Logistics moved in early 2017 to Erbil, a region ripe with opportunities in the retail, manufacturing, and transportation and logistics sectors.

Not only does the new location enable Momentum to better serve its clients, but it also helps streamline its operations by bridging the gap between shippers and consignees.



Gama Aviation



In the USA, Gama Aviation expanded its footprint by inaugurating a maintenance base in Massachusetts. It also added aircraft, turboprops, and jets to the Wheels Up fleet, which accounts for most of its USA operations.

In early 2017, Gama Aviation merged its USA aircraft management and business with that of BBA Aviation plc, adding over 90 aircraft to its managed fleet and becoming the USA's largest aircraft management business.

In the UAE, Gama Aviation received approval to expand its fixed base operations in Sharjah International Airport to accommodate its growing clientele and increase its market share by seven per cent by 2024. Moreover, Gama Aviation aims to build a US\$8 million maintenance hangar in Sharjah to enhance the capacity of its local fleet.



Uruk Engineering & Contracting



To expand its operations, Uruk has been pursuing opportunities to increase its involvement in the oil and gas sector and extending its services to projects commissioned by the government.

In 2016, Uruk participated in the third Qualitative Fair of Electricity in Iraq to showcase its contributions to Iraq's energy needs. It highlighted its role in the prompt completion of the 724 MW Al Mansuriya power plant project, which is considered the most prominent infrastructure initiative in Iraq.

Corporate citizenship in practice

In our quest to be regional leaders in corporate citizenship, we have enhanced our corporate citizenship approach in 2016 by further studying the influence and impact of our activities on our stakeholders.

To address the root causes of enduring community challenges, we have aligned our key corporate citizenship focus areas with our sustainability objectives and the UN SDGs.

Our approach aims to foster a culture of empowerment, excellence, and respect throughout our workforce, and to go beyond passive charity and financial contributions.

Our new corporate citizenship programme is in its testing phase with a variety of initiatives and partners, and we currently intend to roll it out in 2017.



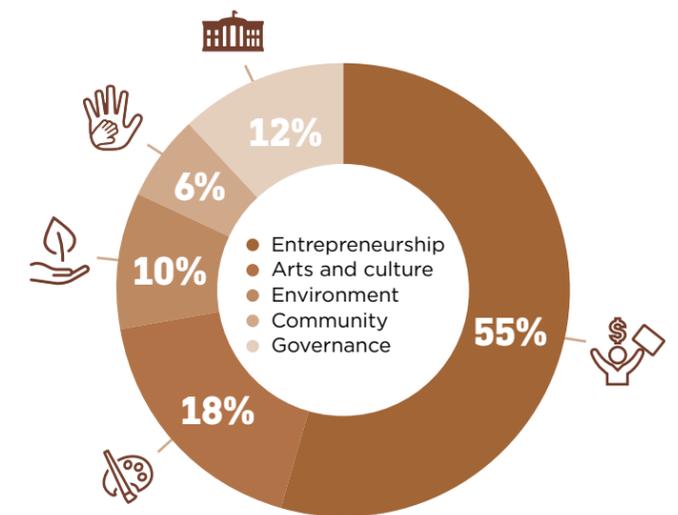
Corporate citizenship spending breakdown

A minimum of five per cent of our projected annual net cash flow is dedicated to our corporate citizenship programmes, which include:

- Implementing projects that provide creative solutions to community challenges.
- Advocating for community causes and serving as catalyst for initiatives aligned with our goals.

To help raise the leaders of tomorrow, we also seek to support youth development programmes that address social entrepreneurship, employability, good governance, sustainability, and the arts and culture.

In 2016, our corporate citizenship programmes focused on developing entrepreneurship—including soft skills that are not usually taught in schools—among schoolchildren, university students, young entrepreneurs, and businesswomen.



Our corporate citizenship programmes are further illustrated on pages 28-31.

Our corporate citizenship programmes

Investing in the entrepreneurial capabilities of children and young people

For the first time in the Emirate of Sharjah, an entrepreneurship programme was introduced for kids as a pilot by Crescent Enterprises in partnership with the Sharjah Ladies Club.

Over a course of three days, 11 girls aged 8-13 participated in a series of workshops aimed at improving their entrepreneurial skills. The young participants learned how to identify promising business ideas and to create business models, which they then pitched to a panel of investors.



Supporting young innovators

Our Executive Director Neeraj Agrawal participated as a judging panellist at the annual INJAZ Al-Arab Young Arab Entrepreneurs Competition, which gathered 20 teams of young Arab entrepreneurs to compete for the titles of "University Company of the Year", "School Company of the Year", and seven other awards.

 **20** Teams participated from 13 countries



Providing expertise to the American University of Sharjah students

Our management offered their expertise and encouragement at the American University of Sharjah's Enterprising Youth event, which explored the UAE entrepreneurship scene through workshops, discussion panels, and a start-up pitch competition.

 **300** Students participated

 **24** Teams pitched their businesses



Sharing knowledge and experience with Columbia Business School students

For the second consecutive year, we welcomed to our offices MBA students from Columbia Business School on an educational trip to the UAE, to strengthen ties between nations and help support the leaders of tomorrow.

During their visit, we introduced the 32 students to our operating businesses and strategic investments across the globe. We then highlighted the best practices we seek to follow before concluding with a tour of the Sharjah Container Terminal, managed by GulfTainer.

The event was an occasion for us to share our own history and demonstrate how our small homegrown family business became the trusted, diversified, and global conglomerate that it is today.



Empowering female entrepreneurs to succeed

To further empower female entrepreneurs in the Middle East, we have partnered with the Sharjah Ladies Club to support their Collage Talent Centre and Ebriez Exhibition.

The aim is to help equip 11,000 women and children with the appropriate entrepreneurial skills to set up their own businesses while providing them with a space to pursue their aspirations.

In June 2016, 33 female entrepreneurs promoted their products at the Ebriez Exhibition. Together with the Club, we aim to reach 11,000 community members, providing them with entrepreneurial skills through educational and talent workshops.

 **33** Women entrepreneurs

 **11,000** Community members

Empowering Arab women

The 30% Club GCC is a regional platform that gathers leaders from multiple sectors to enhance the representation of women in organisational boards and senior positions.

In 2016, our CEO Badr Jafar offered his insights on the business prospects for women in the region, how business leaders can help catalyse change, and the future role of women in business.

He also highlighted some of our own policies and practices, which we hope will pave the way for greater participation of women in leadership positions in the region.

Women's Empowerment Principles

We are a signatory to the Women's Empowerment Principles (WEP), which aim to advance the status of women across all sectors and economic activities. We support gender equality through our equal opportunities policies and community capacity-building programmes that help women break through the glass ceiling.

Embracing creativity and empowering talent and art

To nurture creativity, artistic talent, and independent thinking, we supported the Sharjah International Children's Film Festival, the first dedicated children's film festival in the UAE and the Gulf Cooperation Council.

The festival aspires to encourage creativity and enhance the media literacy of children and the youth while showcasing their filmmaking abilities.



Film submissions



Children participation



121 Films screened

333 Workshop attendees

59 Countries reached



"It was a unique opportunity for me to learn filmmaking skills from industry luminaries. I am thrilled to have won this prize and feel energised by this experience, which has made me more confident about my future in the filmmaking industry. I strongly encourage all aspiring filmmakers to participate in the festival next year."

Aisha Alzaabi (pictured right)
Winner of Best UAE Short Film,
Sharjah International Children's Film Festival



Showcasing art and culture from the region

To highlight creative talent from the region and create greater awareness of

Arab culture on a global scale, Crescent Enterprises supported the Arabian Sights Film Festival that took place at the Washington, DC International Film Festival.

The festival showcases the works of young Arab talent, which are often overlooked in mainstream American theatres.

Case study:

Corporate citizenship at GulfTainer

In 2016, GulfTainer released a corporate citizenship policy to expand the company's positive economic, social, and environmental impacts.

GulfTainer conducts corporate citizenship activities throughout the year, and the new policy provides a more strategic and coordinated framework for these initiatives.

The policy centers on four pillars: environment, employability, health and safety, and governance. Two of the company's committees—the operational committee and the strategic committee—have been mandated to oversee its implementation.

Corporate citizenship spending in 2016



ENABLING TALENT



To help generate value for thousands of stakeholders across the world, we seek to build a work environment that not only encourages and rewards achievement and dedication, but also ignites creativity and passion. At Crescent Enterprises, we aspire to be recognised as an employer of choice.

Related United Nations
Global Compact Principle



Related Sustainable
Development Goals



4,585

Total number of employees



406

Number of new jobs created



30%

Local employees



Note: The above data is calculated for Crescent Enterprises and our operating businesses.

From promoting diversity to supporting learning and development, we invest in our people's health and well-being, and provide every opportunity for them to reach their full potential. We are particularly focused on developing the advanced competencies and specialist knowledge required to help our people grow and excel.

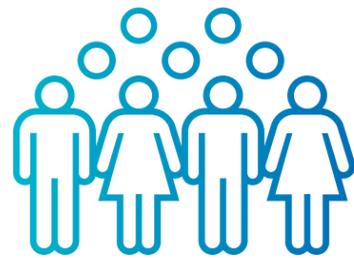
Our people

Our workforce size has fluctuated over 2016. While we had 675 new joiners at the beginning of the year, our total workforce volume declined by six per cent by the end of the year, mostly due to the sale of Clinical Pathology Services, industry challenges, and the expiry of some short-term employment contracts.

In a region marked by dynamic migration patterns, we pride ourselves on inspiring long-term dedication from our staff: 15 per cent of our employees and those of our operating businesses have been working with us for over ten years.

Crescent Enterprises and our operating businesses

Number of employees



4,585

Long service employees

<10 years

3,823 83%

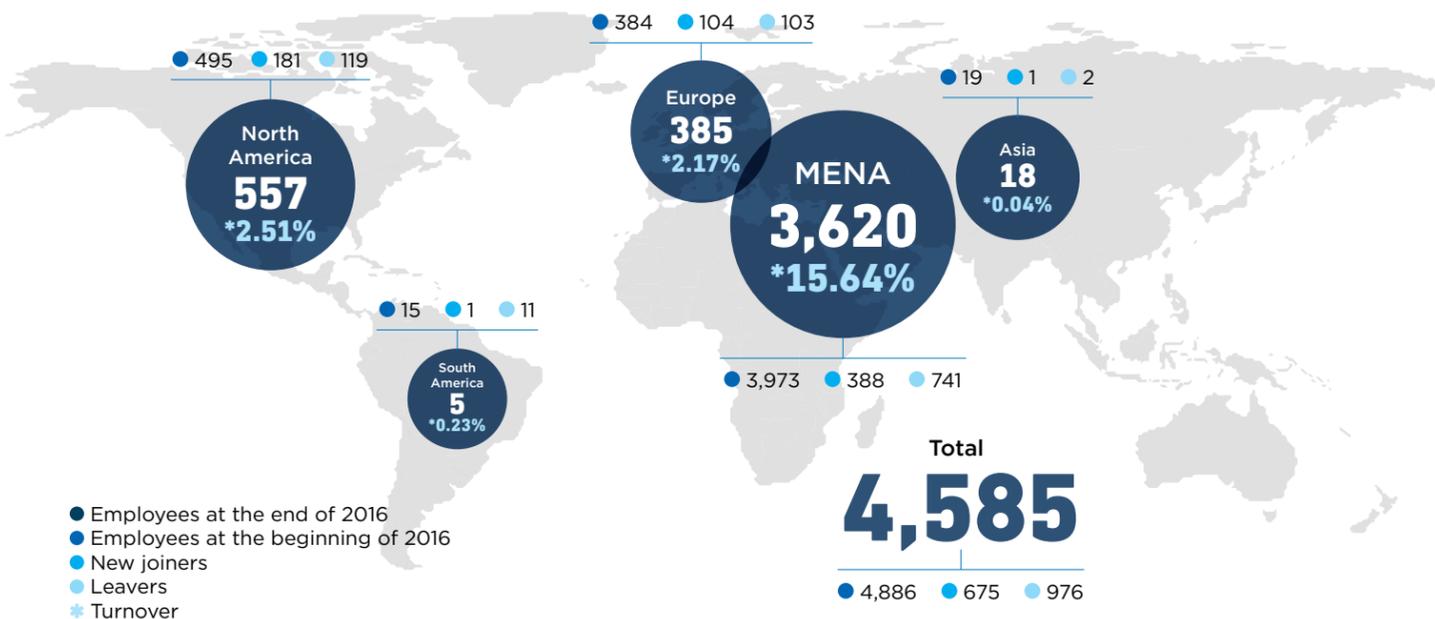
10-20 years

688 15%

20+ years

74 2%

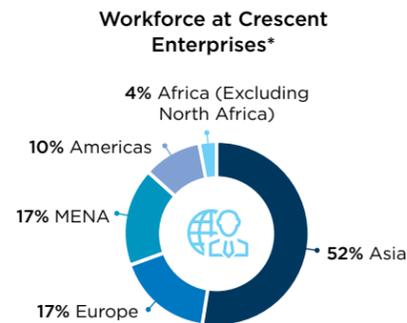
Employee turnover by region (at the end of 2016)



Local hiring and diversity

Currently, local hires represent an average of 30 per cent of employees across Crescent Enterprises and our operating businesses. The relatively low percentage reflects the high number of expatriates across the Middle East and North Africa (MENA), where 79 per cent of our employees are located.

We plan on maintaining our efforts to attract local professionals while embracing the diversity of our workforce. We currently employ nationals from 12 countries while Gulftainer employs nationals from 37 countries.



*Excluding our operating businesses

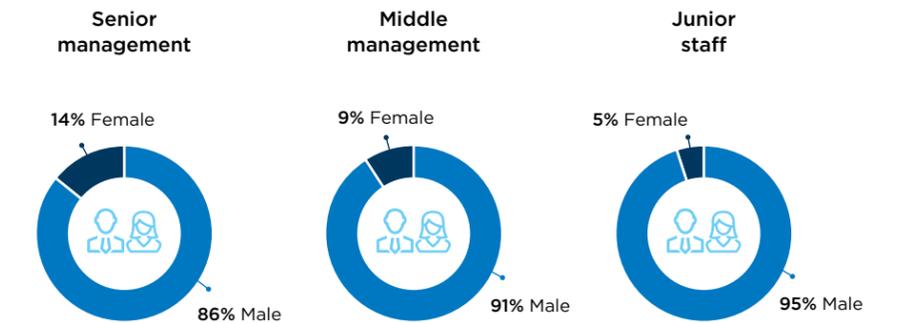
Inclusion and gender equality

The industries of our operating businesses are labour-intensive and male-dominated, which is reflected in the gender breakdown of our employees.

We acknowledge that the diversity of our workforce necessitates a better gender balance across all levels of our operations.

Nonetheless, compared to industry averages, we boast higher percentages of women in senior positions than in junior positions.

We constantly seek to provide equal opportunities and encourage women to occupy leadership positions.



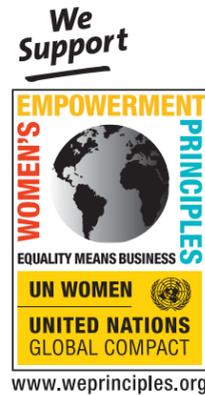
“The Mother and Wellness policy is a step forward for the women in our company. The unique benefits provided to pregnant women and new mothers like myself make it possible to balance between work and family. I am proud to be part of an organisation that actively supports women in their personal and professional development.”

Sumaya Sulaiman
Receptionist



In line with our equal opportunities policy, we combat discrimination and reward employees of the same grade equally, irrespective of their gender. We aim to make sure that no job applicant or employee receives less favourable treatment on any grounds that are not relevant to good employment practices.

As Crescent Enterprises is a signatory to the UN Global Compact Women's Empowerment Principles, we consider gender issues throughout the spectrum of our activities. This report serves as a communication on progress and documents some of our key contributions in this area.



Crescent Enterprises' commitment to the UN Global Compact Women's Empowerment Principles

Principle	2016 Progress
 <p>1. Establish high-level corporate leadership for gender equality</p>	Crescent Enterprises is committed to providing equal employment opportunities by selecting candidates and treating employees on a merit basis only. We do not tolerate any form of discrimination. Anyone who engages in such conduct may be subject to disciplinary action in line with our policy.
 <p>2. Treat all women and men fairly at work - respect and support human rights and non-discrimination</p>	Crescent Enterprises supports an inclusive environment free of discrimination through our policies and procedures that maintain equality across the workplace. We are proactive in identifying areas where we can advance equal and human rights practices.
 <p>3. Ensure the health, safety, and well-being of all women and men workers</p>	We adopted a Mother and Wellness policy that supports new mothers in balancing their work and family commitments. Furthermore, all our workers have health insurance which is annually reviewed and updated.
 <p>4. Promote education, training, and professional development for women</p>	Our female employees are given equal access to the same education and training programmes as their male counterparts. We encourage and empower female employees to be productive members of the society and economy and to participate in local business networks that focus on building awareness, educating, promoting professional opportunities, and catalysing positive change in the community.
 <p>5. Implement development, supply chain and marketing practices that empower women</p>	We are currently in the process of assessing how we can more meaningfully advance this principle in the future.
 <p>6. Promote equality through community initiatives and advocacy</p>	Some of our corporate citizenship initiatives (described on pages 28-30) advance equality and women's empowerment specifically.
 <p>7. Measure and publicly report on progress to achieve gender equality</p>	Our annual sustainability report functions as a tool to report on our progress towards our sustainability roadmap and initiatives, of which gender equality is an essential element.

The Mother and Wellness policy we enacted in 2016 surpasses regulatory requirements by supporting female employees throughout pregnancy, maternity, and early motherhood. The benefits include flexible working arrangements, transportation support, financial support for newborns, and a relaxation facility in our head office. We also extended our maternity leave policy to 90 days, which is twice the length of the period prescribed by the UAE labour law.

Healthy living

We seek to embed healthy living in our corporate culture, and recognise the relationship between health and productivity. We are committed to providing health-related programmes that benefit our employees, their families, and our organisation.

We continuously evaluate and improve the medical insurance plan that we provide to all employees and their dependents. We also believe in the importance of raising our employees' awareness of important health issues.

In 2016, we organised 'Wellness Talk' sessions on non-communicable diseases such as diabetes and hypertension, and highlighted how following a balanced lifestyle can help prevent them. We also offered routine tests that evaluate blood pressure, sugar levels, and Body Mass Index, in addition to consultations with a dietician.

Case study:

Khorfakkan Container Terminal accommodation improvements

Gulftainer seeks to offer a work environment that encourages healthy living, morale, and comfort. In 2016, it completed the second phase of improvements to the Khorfakkan Container Terminal accommodation facilities by enhancing workers' living quarters, including their bedrooms, living rooms, kitchens, and washrooms.

The first phase of the improvement project aimed to enhance employees' living arrangements by introducing a greater variety of meals to cater to different nationalities and expanding recreational areas and sports facilities.



“The improvements at our accommodation are great. With the new facilities, we have more spaces to interact with each other. This has brought us closer together. I am happy to be part of a company that values our well-being and comfort.”

Abdul Khader
Lasher, Khorfakkan Container Terminal,
Gulftainer



Stimulating professional development

In 2016, we have developed a holistic approach to help us identify learning and development needs in alignment with our pre-existing performance management systems, succession planning, and competency framework. We complemented our annual performance cycle by adding a step on the identification of performance and development needs.

We also devised several employee learning tools, including a Training Needs Analysis process, which our training department introduced to line managers through interactive workshops. The initiative led to the concept of the Crescent Learning Week, which is an HR initiative that was rolled out in early 2017 to provide full-day trainings to employees.

Case study:

Crescent Enterprises' community day: "Recipes for Success"

To strengthen our employees' team spirit in a relaxed environment, we organised a team building activity, "Recipes for Success", in 2016.

We invited teams of employees to create delectable dishes under the supervision of trained chefs.

To find the recipe for success, each team member had to not only experiment with ingredients, but also communicate with other team members effectively while discovering their respective strengths and weaknesses.



Case study:

Gama Aviation launches a new training platform

As pilot training is a primary interest of Gama Aviation, it seeks to uphold safety regulations and maintain a breadth of relevant knowledge and skills. Gama Aviation has therefore launched a new platform in 2016 to train its roster of 450 pilots on safety regulations and critical skills.

Earlier in the year, Gama Aviation signed a partnership agreement with CAE, the world's second largest business aviation training organisation, to meet the part-FCL base training requirements of the European Aviation Safety Agency, which came into effect in June 2015.

Gama also established its own Civil Aviation Authority-approved training organisation, and intends to provide training to pilots on up to 30 aircraft.

Workplace health and safety

To safeguard the health and safety of our employees, we aim for a zero-accident work environment across all our operations. We have implemented management systems and continuously seek to improve our health and safety performance.

We provide annual fire safety and emergency preparedness workshops at our head office and have selected office fire wardens to support effective evacuation in case of emergency. Regular fire drills are held annually to ensure the effectiveness of our fire procedures.

Health and safety at Gulfair

For Gulfair, employee safety is a priority as it ensures smooth operations in environments that involve heavy mobile equipment and complex technical systems.

The company regularly conducts safety training to prevent work accidents and ensure that each employee is aware of his or her responsibility to exercise reasonable caution and care at work. It regularly improves its safety management reporting systems to better monitor and refine its safety performance.

Unfortunately, despite its intensive safety efforts, Gulfair lost an employee due to an accident at the Khorfakkan Container Terminal. The employee sustained a serious injury while working and although he was rushed to the hospital, he passed away shortly after.

Gulfair deeply regrets this incident and has conducted a thorough investigation to determine the root cause of the incident and take remedial actions to prevent such events in the future.

As nurturing a strong safety culture is at the top of its CSR agenda, Gulfair has acquired automated external defibrillators, which are portable devices that help treat sudden cardiac arrest; and plans to install them across its UAE sites throughout 2017. Basic training on life support and first aid has also improved the emergency preparedness of Gulfair's employees in the UAE.

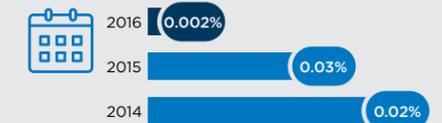
Number of lost time injuries



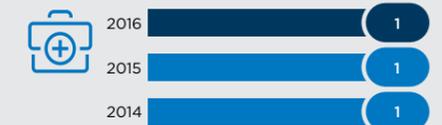
Lost time injury frequency



Absentee rate



Work-related fatalities



Health and safety at Gama Aviation

Gama Aviation complies with the safety regulations and policies of the national aviation authorities in its countries of operation.

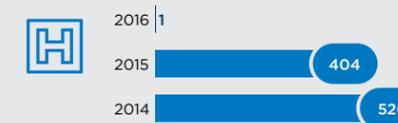
In 2016, Gama Aviation contracted additional auditors to conduct HSE auditing under the OHSAS 18001 and ISO 14001 criteria. This improvement in oversight significantly increased the number of findings and reduced closure time for 2016.

Gama Aviation monitors the outcomes closely through its Safety Review Boards and its accountable managers.

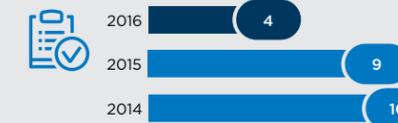
Number of fatalities per 100,000 hours



Number of reportable accidents per 100,000 hours*



Percentage of corrective actions closed within 60 days



Lost time in hours due to accidents per 100,000 hours



Number of non-conformance with legal or internal safety inspections



* In 2014 and 2015, data reflected the European operations only, whereas 2016 included data from global operations.

ENABLING STEWARDSHIP OF THE PLANET



Following the global quest to limit temperature increase this century to two degrees Celsius as per the 2015 Paris Agreement, the Middle East needs to balance economic growth and reducing greenhouse gas (GHG) emissions.

At Crescent Enterprises, we recognise that we have to play our part in mitigating climate change by proactively reducing our GHG emissions through increasing operational efficiencies and collaborating with stakeholders to preserve the environment.

Related United Nations Global Compact Principle



Related Sustainable Development Goals



Reduced energy consumption per employee by

 **33%**

Reduced water consumption per employee by

 **21%**

Achieved paperless board meetings, saving

 **6,304 papers**

Planted

 **111 trees**



ENABLING STEWARDSHIP OF THE PLANET

The increased awareness of the need for greater balance between economic development and environmental conservation is a global phenomenon. Achieving it requires the collective efforts of both the public and private sectors.

At Crescent Enterprises, we welcome the national agenda on climate change and long-term initiatives such as the UAE Vision 2021, and recognise the importance of environmental stewardship across all of our activities. We are taking proactive climate action by fostering environmentalism across our company and closely monitoring our own ecological footprint.

Our direct environmental impact derives from our international operating businesses and our head office in Sharjah. At these locations we have emphasised waste reduction and environmental education throughout 2016 by introducing recycling at our head office, conducting multiple awareness sessions for our employees, and achieving paperless procurement and board meetings.

Our water and energy footprint

To raise awareness on energy efficiency amongst our employees, we held an event entitled Energy Efficiency in the Private Sector, the first in a series of sustainability talks. Under the theme of Accelerating Energy and Water Efficiency in the Private Sector, we welcomed climate and energy experts from the Emirates Wildlife Society - World Wide Fund for Nature (EWS-WWF) at our head office to promote energy conservation and efficiency. These discussions offered valuable insights on how to mitigate and adapt to the challenge of climate change and provided practical ideas on how to improve our corporate performance in this critical area.

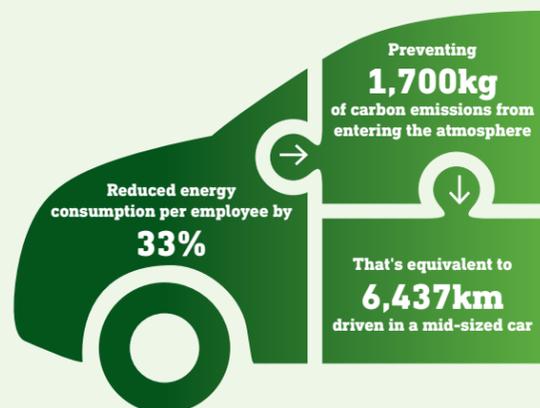
These efforts led to tangible improvements in our environmental performance. Specifically, we decreased our energy and water consumption per employee by 33 per cent and 20 per cent, respectively.

Energy consumption at Crescent Enterprises' head office

Energy consumed per employee (kWh)



%YoY change

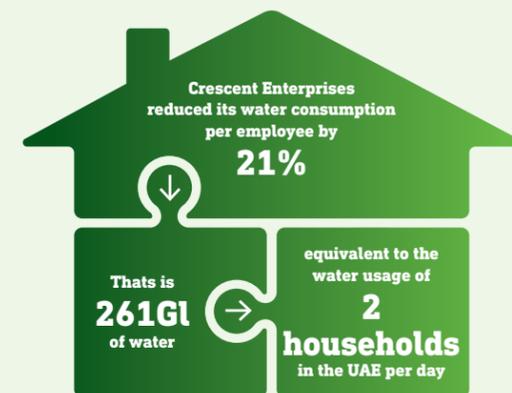


Water consumption at Crescent Enterprises' head office

Water consumption at Crescent Enterprises' head office



%YoY change



Case study:

Gama Aviation enhances water access in Tanzania

Employees of Gama Aviation took their advocacy to new heights by climbing Mount Kilimanjaro, Tanzania, to raise funds for local hospital, Komboi.

The hospital had previously relied on water from an unclean river as it lacked access to a constant supply of sanitary water.

The funds raised will enable the hospital to build new toilets, showers, baths, and sinks, in addition to raising awareness on hygiene.



"Climbing Mount Kilimanjaro was one of the most challenging yet rewarding experiences. Having seen the challenges faced by the local hospital, all of us were personally invested in the cause. It was inspiring to see how everyone came together as a team and was determined to make a difference."

Adam Neaves
Europe Charter Sales Manager,
Gama Aviation



Reduction of paper waste

In a region where per capita waste production averages 2kg per day,* Crescent Enterprises continuously strives to adopt the latest waste-reduction measures.

Following the successful implementation of paperless board meetings in the previous year, which resulted in saving approximately 6,304 sheets of paper in 2016, Crescent Group has now also launched paperless procurement initiatives. The group achieved a fully digitised process for the reception and evaluation of bids and has introduced techno-commercial clarifications that have prevented nearly 200 reams of paper waste in 2016.

Furthermore, the Crescent Group's recycling efforts are estimated to have saved 172 trees in 2016 through the Shred-it initiative.

Paper saved at Crescent Enterprises head office



Similar initiatives were implemented at GulfTainer, where a paperless policy was introduced in 2016 that included new mechanisms for monitoring, measuring, and minimising printing.

* Zafar, S. "Waste-to-Energy Outlook for the Middle East". EcoMENA, November 2016. Web.

Recycling efforts at Crescent Group

Crescent Group has partnered with Bee'ah, a Sharjah-based waste management company, to devise and implement a recycling scheme that encourages employees to recycle paper, plastic, and aluminium.

At the outset of the scheme, Crescent Group placed recycling bins on one floor of its head office to promote the concept of recycling to staff. Their excellent response enabled the recycling of 250kg of waste. During the second phase in late 2016, recycling bins were introduced to the entire Crescent Group head office.

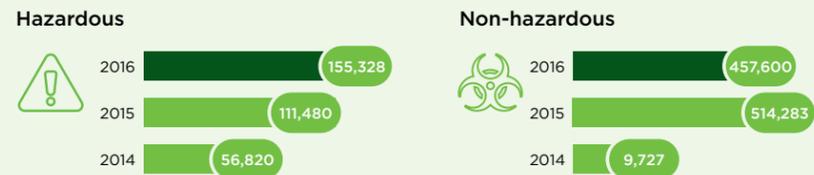
As the improper disposal of electronic waste (e-waste) can contaminate the environment with toxic substances, we initiated a new e-waste collection unit at our head office in partnership with recycling company EnviroServe. In 2016, Crescent Group recycled 54kg of e-waste such as laptops, batteries, keyboards, and printers.

Case study: **Gulftainer recycling programme**

Our operating businesses continuously endorse energy efficiency initiatives and waste reduction strategies. This year, Gulftainer greatly enhanced its recycling programme.



Waste generated at Gulftainer (kg)



Waste recycled at Gulftainer (kg)



“Energy and water resources optimisation plays a prominent role in environmental conservation. We were delighted to visit Crescent Enterprises and share the latest insights and practices in conservation and efficiency. In the region, water scarcity is an issue, and domestic energy consumption per capita is one of the highest globally. We are appreciative of Crescent Enterprises’ commitment to environmental stewardship, and we were honoured to be given the opportunity to raise awareness on climate change issues and promote action.”

Nadia Rouchdy
Project Manager,
Climate & Energy
Finance,
EWS-WWF



Supporting environmental efforts in through our partnership with the Emirates Wildlife Society

The Emirates Wildlife Society (EWS), in association with the World Wide Fund for Nature (WWF), is a non-profit organisation that seeks to protect the biodiversity of the UAE.

As an annual platinum corporate member of EWS-WWF, we support various initiatives that aim to endorse sustainability, tackle climate change, and reduce the UAE’s ecological footprint. Our support has helped the organisation to deliver many important environmental projects such as Earth Hour, marine and terrestrial conservation, and minimising the UAE’s role in the illegal wildlife trade.

EWS-WWF key achievements in 2016 include:

- 5.5 million people across seven emirates celebrated Earth Hour
- 40 companies participated in a workshop titled: ‘Road to Sustainability —Barriers, Opportunities, and Employee Engagement’
- 18 green turtles tagged for the 2016 season under the Marine Conservation Programme
- Catalysed development of a UAE Vehicle Fuel Economy standard to reduce fuel consumption and CO2 emissions

Throughout the year, we also inspired our employees and their families to support two of EWS-WWF’s environmental conservation initiatives:

- Caracal Challenge: employees undertook a 15km full moon trek in Al Razeen desert, Abu Dhabi, to connect with nature and raise funds for EWS-WWF.
- Coastal sanctuary visit: employees planted mangroves at a coastal sanctuary and reserve in Dubai, and attended an interactive presentation on pressing environmental issues.

GRI G4 CONTENT INDEX

GRI Standard	Disclosure	Page	Omissions	UNGC	SDG
General Disclosures					
GRI 102:	102-1	Name of the organisation	Inside cover		
General Disclosures 2016	102-2	Primary brands, products, and services	Pages 5-7		
	102-3	Location of headquarters	Page 4		
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	102-13	Membership of association	Page 19		
	102-14	Statement from senior decision maker	Pages 2-3		
	102-16	Values, code of conduct, code of ethics	Page 4		
	102-18	Governance structure	Page 18		10
	102-40	List of stakeholder groups	Page 10		
102-41	Collective bargaining agreements	N/A	None, collective bargaining agreements are prohibited under UAE labour law		
102-42	Identifying and selecting stakeholders	Page 10			
102-43	Approach to stakeholder engagement	Page 11			
102-44	Key topics and concerns raised	Pages 11-13			
102-45	Entities included in the consolidation of financial statements	Page 5			
102-46	Defining report content and topic boundaries	Inside cover			
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GRI Standard	Disclosure	Page	Omissions	UNGC	SDG
	102-48	Restatement of information	Inside cover		
	102-49	Changes in reporting	Inside cover		
	102-50	Reporting period	Inside cover		
	102-51	Date of most recent report	Inside cover		
	102-52	Reporting cycle	Inside cover		
	102-53	Contact point for questions regarding the report	Inside cover		
	102-54	Claims for reporting with the GRI Standards	Inside cover		
	102-55	GRI content index	Can be found on Crescent Enterprises' website		
	102-56	External assurance	N/A		External assurance was not sought for this report
Material topics					
Anti-corruption and bribery					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Pages 12-16		
	103-2	The management approach and its components	Pages 18-21	10	16, 17
	103-3	Evaluation of the management approach	Pages 18-21		
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Pages 20-21	10	
	205-2	Communication and training about anti-corruption policies and procedures	Pages 20-21	10	
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Employee wellbeing					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Pages 12-15, 32	1-6	
	103-2	The management approach and its components	Pages 34-39		
	103-3	Evaluation of the management approach	Pages 34-49		
GRI 401: Employment	401-3	Parental leave	Pages 35-36	6	5
GRI 405: Diversity and equal opportunities	405-1	Diversity of governance bodies and employees	Page 35		5

GRI Standard	Disclosure	Page	Omissions	UNGC	SDG
Occupational health and safety					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Pages 12-15, 32		
	103-2	The management approach and its components	Pages 38-39		
	103-3	Evaluation of the management approach	Pages 38-39		
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 39	1, 2	3
Financial performance					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Pages 12-15, 22		
	103-2	The management approach and its components	Pages 24-25		
	103-3	Evaluation of the management approach	Pages 24-25		
GRI 201: Direct Economic performance	201-1	Direct economic value generated and distributed	Page 24		9
Energy					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Pages 12-15, 40	7, 8, 9	7, 13
	103-2	The management approach and its components	Page 42		
	103-3	Evaluation of the management approach	Page 42		
GRI 302: Energy	302-1	Energy consumption within the organisation	Page 42	8	
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	302-4	Reduction of energy consumption	Page 42		

GRI Standard	Disclosure	Page	Omissions	UNGC	SDG
Community Engagement					
GRI 103: Management approach	103-1	Explanation of the material topics and its boundaries	Pages 12-15, 22, 27-31		
	103-2	The management approach and its components	Pages 22, 27-31		
	103-3	Evaluation of the management approach	Pages 22, 27-31		
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessment, and development programmes	Pages 28-31	1-6	4, 5, 8, 15
Infrastructure development					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Page 26		
	103-2	The management approach and its components	Page 26		
	103-3	Evaluation of the management approach	Page 26		
GRI 203: Indirect economic impact	203-1	Infrastructure investments and services supported	Page 26		
Employment and market presence					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Pages 12-15, 40		
	103-2	The management approach and its components	Pages 34-35		
	103-3	Evaluation of the management approach	Pages 34-35		
GRI 401: Employment	401-1	New employee hires and turnover	Page 34		
GRI 202: Market presence	202-2	Portion of senior management hired from local community	Page 35		The data only represents the percentage of employees hired from local community
Effluents and waste					
GRI 103: Management Approach	103-1	Explanation of the material topics and its boundaries	Pages 12-15, 40	7, 8, 9	14
	103-2	The management approach and its components	Pages 42-44		
	103-3	Evaluation of the management approach	Pages 42-44		
GRI 306: Effluents and waste	306-2	Waste by type and disposal method	Page 44		14

We value your feedback

We welcome any questions, comments, or suggestions on this report and on our sustainability commitments and performance. Please send your feedback to:

Crescent Enterprises
 Crescent House
 Buhairah Corniche
 PO Box 2222, Sharjah
 United Arab Emirates
 Attn: Crescent Enterprises - Sustainability

You can also direct your feedback to:
cesustainability@crescent.ae

UN Global Compact and GRI Sustainability Reporting Standards

The content index for both the UN Global Compact and the GRI Sustainability Reporting Standards can be found in our digital version on our website: crescententerprises.com



This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.
 We welcome feedback on its contents.

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