شركة نفط الهلال
Crescent Petroleum



EMPOWERING RESILIENCE

SUSTAINABILITY REPORT 2019-2020

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ABOUT THIS REPORT

Crescent Petroleum is pleased to present its Sustainability Report for 2019 and 2020, covering a period of two years from 1 January, 2019 through to 31 December, 2020.



This is our fifth sustainability report, outlining how our business strategy and related activities align with our commitment to create lasting, positive social, economic, and environmental impact in the region where we live and work.

This report highlights our efforts and initiatives during the COVID-19 pandemic, the impact of the pandemic on our operations, and how the cumulative progress of our sustainability initiatives in recent years enabled us to confidently respond to the challenges that arose. We also set out our future goals and vision of a sustainable and resilient organisation. This report has also been externally assured by Ernst & Young as per ISAE3000 standard for assurance of non-financial information, ensuring accuracy and consistency in the data in the years to come.

This report is prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards: Core Option. It also outlines our commitment to the 17 Sustainable Development Goals (SDGs) of the *United Nations (UN) 2030 Agenda for Sustainable Development*, with disclosures of relevant SDGs for each of our priority areas.

Our sustainability strategy is built on four strategic pillars that reflect topics that are material to our business. These topics have been identified in detailed engagements with stakeholders, leadership, and the communities we serve. The pillars are: Delivering on Our Promise, Empowering Our Teams, Ensuring Our Teams' Safety, and Our Commitment to the Environment.

There have been no significant changes in scope or boundary from the previous reporting period in 2018-2019. The reporting boundary includes all operations in the United Arab Emirates (UAE) and the Kurdistan Region of Iraq (KRI) and excludes the performance of affiliate companies, unless stated otherwise.

The data set presented in this report spans 2019 and 2020 and in most cases is based on actual performance data from 1 January 2019 to 31 December 2020, unless explicitly stated otherwise. Measures for greenhouse gas (GHG) emissions, for example, amount to our best estimates based on the combination of associated quantitative measures and accepted industry methodologies. Other information derived from accepted assumptions, standard guidelines, or industry accepted methodologies is also mentioned specifically.

All currency figures are in US dollars, and all quantitative disclosures are in metric units, unless otherwise specified.

This report also outlines long-range plans and includes several forward-looking statements that are based on the latest forecasts available at the time of reporting. All forward-looking statements are management's best estimates and projections at the time of publication, and not necessarily a guaranteed outcome.

We welcome your feedback and suggestions regarding this report and our sustainability journey in general at cpsustainability@crescent.ae.





CEO FOREWORD

EMPOWERING RESILIENCE

"At our core we believe that empowering our people and communities to tackle some of the Middle East's key energy challenges is not just good business, but also critical to our long-term success."



Our 2019-2020 sustainability report outlines the progress Crescent Petroleum has made across our core sustainability goals as we continue on a journey begun in 2015. This report is published amid the COVID-19 pandemic, which has had a major impact on every part of the world. The loss of so many lives has been tragic, and the economic consequences of the crisis will likely be felt for some time to come.

We have spent the past decades building and cultivating resilience in our operations and in our staff, as well as in the communities where we operate. COVID-19 put all our efforts to the test, as it did those of every government, community, and company around the world. In these trying times we have seen the best in our people, as they worked collaboratively to ensure uninterrupted operations and continued to support the community as it faced the crisis.

This is a time when teamwork becomes paramount and when long-term planning proves its worth; a time when people and organisations test their mettle and when the ability to collaborate becomes central to helping others tackle the seemingly insurmountable challenges.

Over the past several years, we have focused on empowering our teams, both at our operations in the KRI and at our offices in Sharjah, with a view to enabling them to respond to unpredictable social, economic, and environmental risks. These efforts are anchored in good governance, valuing both internal and external relationships, strengthening our value chain, and championing leadership in our people, in addition to digitisation of processes. These steps have been key to identifying and mitigating risks and have reinforced the resilience exhibited during 2020.

In the following pages we outline the steps we have taken over the past two years to align our business strategy with our commitment to creating lasting, positive social, economic, and environmental impact in the regions where we live and work. In the five years since we began our sustainability journey, we have progressed, learned, and made constant improvements. The sustainability journey has also helped us build resilience within our business.

At our core we believe that empowering our people and our communities to tackle some of the Middle East's key energy challenges is not just good business, but also critical to our long-term success. We have worked to reinforce that spirit in everything we do. We regard ourselves as enablers who have leveraged our people and our know-how to help tackle some of the region's key problems.

As the world grapples with the "new normal" we are committed to making a positive difference in the lives of people and our communities. This report informs and focuses on our sustainability efforts, especially as we tackle the COVID-19 challenges.

We look forward to celebrating Crescent Petroleum's 50th anniversary in 2021 and aim to look back at this time with pride and to continue serving as active contributors to the sustainable recovery we must now all strive to deliver together.

Majid Jafar
Chief Executive Officer

PERFORMANCE HIGHLIGHTS BY PILLAR

2019 and 2020

Crescent Petroleum's industry knowledge, strong relationships, and cultural understanding of the Middle East and North Africa (MENA) region are unrivalled. These factors, combined with our reputation for agility and excellence, make us the partner of choice for regional resource-holders and international oil companies seeking to expand into the MENA.



Delivering on our promise

Generating socioeconomic impact:

63%

of procurement orders placed with local suppliers

KRI IN 2019.

Nurturing local communities:

$7.98 million

invested in community initiatives in between 2019 and 2020.

58%

of procurement orders placed with local suppliers

KRI IN 2020.

Empowering local talent:

80%

of our KRI workforce were local nationals in 2019.

85%

of our KRI workforce were local nationals in 2020.

Empowering our teams

Empowering women:

24%

of our UAE workforce were women in both 2019 and 2020.

Nurturing talent:

50,000+

hours of training provided to employees throughout 2019 and 2020.

Offering stable employment:

95.26%

in 2019 and

96.25%

in 2020 of our workforce were permanent employees.

Ensuring our teams' safety

Keeping our people safe:

Zero Lost Time Injury (LTI)

recorded in both 2019 and 2020, and zero Recordable Injuries in 2020.

1.8 million

km driven in 2020 with

zero major accidents.

Maintaining process safety and integrity:

Zero

loss of primary containment events from process facilities.

Our commitment to the environment

Ensuring operational excellence:

Zero

significant oil spills maintained across operations since 2018.

Mitigating emissions:

1,006 trees

saved since 2015 by partnering with Shred-it in the UAE.

Promoting cleaner energy:

41.98 million

tonnes of CO_2 emissions avoided since 2008,

the equivalent of removing

9 million

cars off the roads for 1 year.

OUR MISSION

To creatively unlock the benefits of the region's energy resources and to have a transformative impact on the communities that we serve.





OUR VALUES



ETHICS

We maintain integrity in all our business dealings, remaining honest, professional, and fair, even in the most difficult situations.

ENTERPRISE

We pride ourselves on our creativity, agility, initiative, and can-do attitude. We are guided by resourcefulness, not red tape.

RESPONSIBILITY

We are accountable for our actions and follow through on our commitments. We admit our mistakes and make sure we learn from them.

SAFETY CONSCIOUSNESS

We adhere to strict safety standards.We anticipate and work to prevent risks before they materialise. We avoid actions that may endanger another person or adversely affect their health or well-being.

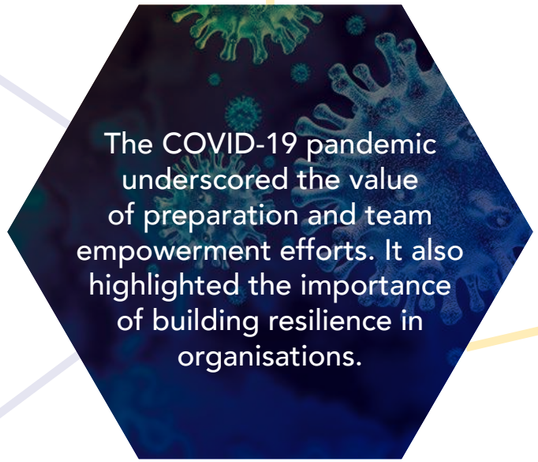
COURAGE

Our boundless ambition makes us passionate about undertaking new and daring projects. When put to the test, whether individually or as a team, we find solutions not excuses.

CARE

We treat employees as family and are courteous and respectful towards one another. We embrace our social responsibility, committed to making the world a better place.

LESSONS LEARNED FROM OUR COVID-19 RESPONSE





When the COVID-19 pandemic struck in March 2020, we faced the most significant test of our sustainability and continuity efforts. We have spent decades building and cultivating resilience in our operations and in our staff. We have championed leadership and teamwork across our operations and have empowered management to be able to respond to a crisis.

Like almost every company around the world, we faced the dual challenges of ensuring the needs of the business and maintaining uninterrupted operations, coupled with the real threat to the health and well-being of our employees. We were also faced with potential disruptions to our supply chain and to our customers, as well as the impact on the communities near our operations. We were also faced with travel restrictions into and out of the KRI and restrictions on movement within the region, significantly impacting our flexibility and ability to bring additional resources to bear.

Immediately our team members organised in expert groups to tackle the eventualities and risks of an infection. Our immediate focus was on the operations within our Khor Mor gas processing plant, where the potential spread of the virus could pose an immediate threat to continuing operations. In turn, management embraced a policy of “keep it out”, taking all steps to ensure the virus never entered the plant.

The most immediate step was a reduction of all but the most important activity at the plant to ensure the bare minimum manning and reduce movement of people and machinery to and out of the plant. All major development activities were put on hold, and work teams were reduced to only those necessary for operations to continue safely.

A dedicated response team met regularly to assess issues, and in-depth weekly senior management meetings ensured that risks were assessed, and decisive action was taken.

Equally important, we worked with local health authorities in the KRI to support them in improving testing and quarantining capacity. We supplied the local hospital in the town of Chemchemal with two dedicated polymerase chain reaction (PCR) testing machines and testing supplies to enable the hospital to better assess and track the spread of the virus in the area. We also contributed ventilators and related supplies to help the medical infrastructure to cope with a surge of patients.

Within our operations we began a regimen of quarantining and testing staff at each shift change to ensure that any potential cases of COVID-19 infection emerged prior to entry into the plant. The added testing capacity from our support also allowed us to test staff more quickly and regularly, further minimising the risk.

Meanwhile at our offices in Sharjah, as well as in Erbil and Sulaymaniyah in the KRI, staff were encouraged to work from home and only critical employees came to the office, further reducing the risks of spreading the virus. All meetings were held virtually and face-to-face staff interaction was minimised.

Our digital transformation, begun several years earlier, proved fortuitous and significantly eased our transition to remote working, enabling continued teamwork and collaboration to tackle challenges as they arose.



The ultimate result of these efforts was that infection rates among our staff were kept to a minimum. Our operations continued uninterrupted and we were able to weather the worst of the pandemic even as peers looked to us as an example of successful mitigation. There were ancillary benefits as well, most notably in the digital transformation of our business that will yield efficiencies for years to come.

In these trying times we have seen the best in our people, who worked together to ensure uninterrupted operations and reach critical milestones in production and development. These included the successful execution of the Khor Mor Plant By-Pass project, achieving a new gas sales record of over 435 MMSCF/day, four years of Lost Time Incident (LTI)-free operations at the plant, as well as community support initiatives for COVID-19 response, and maintaining the safety and well-being of all employees.

In addition to reaffirming our dedication to enhancing the region’s energy landscape, the pandemic has inspired us to renew our commitment to our environment, to our people, and to the communities where we operate. We intend to reinforce our sustainability journey by scaling-up resource efficiency, contributing to public development agendas in our areas of operation, and by continuing to safeguard our people while giving back to our communities.

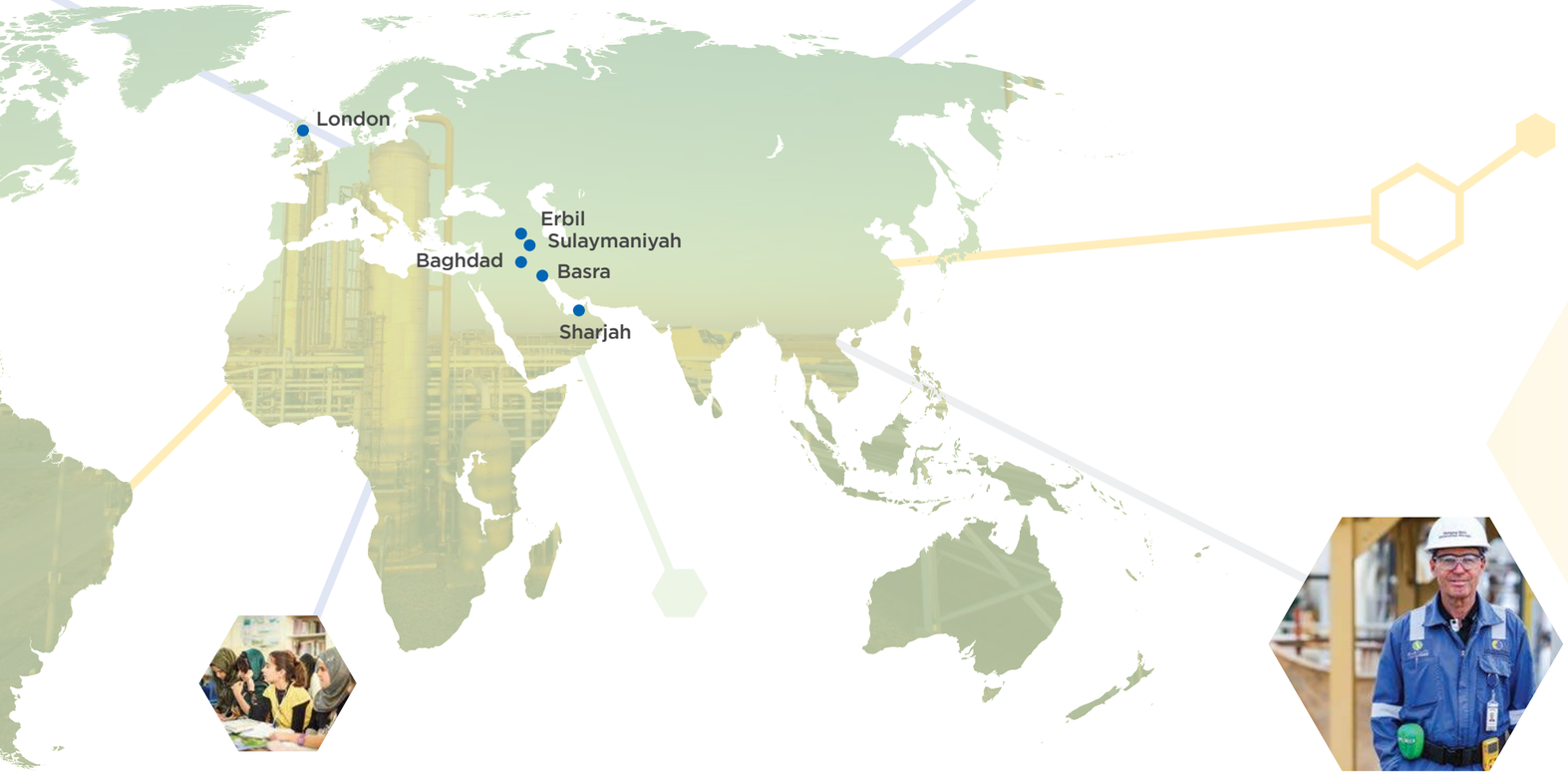
We look to 2021 with cautious optimism. While we recognise that the pandemic’s socioeconomic challenges will linger for many years to come, we also appreciate the unique opportunities presented by the “new normal” and are determined to leverage them to further generate inclusive value for all our stakeholders.

Most of all we are left with a tremendous sense of gratitude to all those who sacrificed and worked hard through this difficult time. We celebrate the spirit of resilience as our employees worked long hours and in challenging circumstances to ensure gas supply continues to fuel power plants in the KRI, and that company operations remain stable. Although the pandemic is far from over, every member of our team can be proud of the individual impact they have had on the company during this historic time.

ABOUT CRESCENT PETROLEUM



Market presence



Current production of gas is

430 MMSCF/day.

Construction (EPC) of the first of 2

250 MMSCF/day

gas processing trains planned at the plant, which together will more than double our production capacity, with plans for a 3rd train in several years.

Additional gas production of

250 MMSCF/day

following the completion of the construction of the gas processing plant to boost local electricity generation.

For the past 49 years Crescent Petroleum has worked to creatively unlock the benefits of energy resources and deliver transformative impact on the communities we serve. From our offices in Sharjah, in the UAE, we have grown to be the first and largest private upstream exploration and production company in the Middle East, with international offices in the UK and Iraq.

Crescent Petroleum is a subsidiary of Crescent Group ("the group"), a diversified privately owned business primarily located in the UAE. The group also includes Crescent Enterprises, a multinational company that operates across four distinct platforms—CE-Operates, CE-Invests, CE-Ventures, and CE-Creates—, which work in synergy to develop innovative, sustainable, and profitable businesses. Crescent Petroleum is also the founding and largest shareholder in Dana Gas, the Middle East's first and largest regional private-sector natural gas company.

The Kurdistan Gas Project

In 2007 Crescent Petroleum, together with Dana Gas, entered into agreement with the Kurdistan Regional Government (KRG), which provided title and exclusive rights to appraise, develop, produce, market, and sell petroleum, including natural gas, domestically and for export, from the Khor Mor and Chemchemal fields in the KRI.

The agreement marked the start of the Kurdistan Gas Project, operated jointly by Crescent Petroleum and Dana Gas, and enabled the development of the KRI's gas extraction and production sector while reinforcing its socioeconomic development.

In 2009 Pearl Petroleum was formed as a consortium with Dana Gas and Crescent Petroleum as major shareholders and joint operators. OMV, MOL, and RWE subsequently joined the consortium, with a ten per cent share each.

Gas began flowing in October 2008, a record 15 months from the start of construction, through newly built pipelines from Khor Mor to power plants in Chemchemal and Erbil. Crescent Petroleum and Dana Gas celebrated the tenth anniversary of production operations in 2018.

Crescent Petroleum and Dana Gas, currently produce approximately 110,000 barrels of oil equivalent (BoE) per day, comprising gas, condensate, and LPG. Gas today accounts for more than 85 per cent of total production from the Khor Mor plant, amounting to 110,000 BoE.

Total production from inception (2008) to 31 December 2020, is approximately 322 million BoE, with total capital investment amounting to $1.9 billion during the 12-year period.

In 2019 Crescent Petroleum and Dana Gas signed a 20-year Gas Sales Agreement with the KRG to enable production and sales of an additional 250 MMSCF/day to boost local electricity generation, significantly expanding the current 430 MMSCF/day production. A major oil and gas services provider was appointed in January 2020 to lead the engineering, procurement, and construction (EPC) of the first of two 250 MMSCF/day gas processing trains at the plant, which together will more than double production capacity, with further plans for a third train to be added within several years. However the COVID-19 pandemic impacted business operations across the world and in the KRI, particularly the supply chain of the EPC contract and local site access for the preparatory construction work. Movement restrictions and other disruptions forced the EPC contractor and the joint operators to take all commercially reasonable steps to mitigate the impact of COVID-19, causing delays in the delivery of the project. The operator resumed work on the civil engineering works for the expansion project in December 2020.

Long-term development plans

In 2018 Crescent Petroleum secured three concessions within federal Iraq for the development of gas fields in Diyala province, as well as the Khidhr Al Mai exploration block in southern Iraq, promising to expand the company's gas footprint in the country. The concessions set Crescent Petroleum apart as holder of the largest number of blocks in Iraq, with the largest exploration area of any other international oil company operating in the country.

The new concessions, which were initialled by Iraq's Ministry of Oil in 2018, are awaiting final signature. Following signature, Crescent Petroleum would develop the gas fields at Gilabat-Qamar and Khashim Ahmer-Injana and would create thousands of new jobs for Iraqis, both directly and indirectly through our contractors and partners, while helping reduce the country's reliance on imported gas and its related costs. The potential of low-cost, reliable gas serving power plants in federal Iraq promises to deliver considerable socioeconomic benefits to the country for decades to come.

OUR CORPORATE GOVERNANCE

We strive to maintain the highest standards of integrity and accountability in all business practices and audit those aspects regularly.

Our Board of Directors and Executive Committee monitor the operational, commercial, technological, and compliance related risks across our business and in all our projects.

The Board convenes every quarter to review the company's strategy and evaluate its business, financial performance, and operational risks. The Board has designated an Executive Committee to oversee strategy and decision-making, review strategic plan and mission, develop capital management guidelines, and set company policies.



Crescent Group
Board of Directors

Crescent Petroleum
Executive Committee

Crescent Enterprises
Executive Board

Human Resource Review Committee

- Responsible for all employee policies.
- Revises the compensation and benefits policies annually.
- Regularly amends the recruitment and performance evaluation guidelines.

Business Development Investment Committee

- Oversees Crescent Petroleum's business development.
- Monitors investment opportunities and recommends final investment decisions.

Kurdistan Operations Joint Operating Committee

- Facilitates and monitors key operational matters in the KRI.
- Comprises nominated representatives from Crescent Petroleum and Dana Gas.



Kurdistan Operations Training and Development Committee

- Provides guidance and support regarding the implementation and monitoring of learning and development activities in the KRI.
- Regularly evaluates the quality of in-house and external training programmes.

OUR LEADERSHIP



Hamid Jafar
Chairman [1]



Majid Jafar
Vice Chairman, Crescent Group
CEO, Crescent Petroleum [1, 2]



Badr Jafar
Managing Director, Crescent Group
President, Crescent Petroleum [1, 2]



Razan Jafar
Director [1, 2]



Neeraj Agrawal
Chief Financial Officer [1, 2]



Abdulla Al Qadi
Executive Director,
Exploration and Production [2]



Ravi Kumar V
Chief Corporate Officer [1, 2]



Mohammed Makkawi
Executive Director,
Projects [2]



Drazen Petkovich
General Counsel and
Executive Director, Legal [2]



Thomas Watts
Executive Director,
Projects [2]



1 Crescent Group Board member
2 Crescent Petroleum Executive Committee member

OUR SUSTAINABILITY JOURNEY

Since our inception in 1971, we have embraced sustainability as a core pillar of our business, compelling us to consider the needs and priorities of future generations as we work to meet our business priorities.



We firmly believe that sustainability makes good business sense, and the COVID-19 pandemic has only emphasised how the integration of sustainability into business operations is key to building resilience. The non-financial metrics of serving our stakeholders, communities, and the environment ultimately lead us to create greater value for our shareholders and other stakeholders.

We launched our first formal sustainability report in 2015 and have progressed each year since, embedding industry best practices into our daily operations and our strategy while delivering lasting impact on the economy, on communities, and on the ecology in our host countries. Through the iterative process over the past five years we have identified four key pillars that encompass our contributions to the UN SDGs:



Delivering on our promise

Empowering our teams

Ensuring our teams' safety

Our commitment to the environment



HIGHLIGHTS OF OUR SUSTAINABILITY JOURNEY





2015

Launched sustainability reporting journey with

Energizing Growth,

which is aligned with GRI G4 reporting guidelines.

Report highlights how our operations ensure cleaner and reliable energy in the KRI.

Key initiatives

- Bolstered safety and security protocols in the KRI.
- Launched Centre for Economic Growth, an Abu Dhabi-based collaboration between INSEAD and private-sector entities in the Middle East to promote youth employment and economic growth.
- Introduced paper recycling in the UAE.

2016

Published

Responsive and Resilient,

which identifies the four key priority areas of our sustainability framework.

Report illustrates how we respond to global and industry challenges.

Key initiatives

- Included health, safety, and environmental performance among key performance indicators.
- Initiated *Second Step Cards*, a system to report near miss cases in the KRI.
- Supported Global Shapers Initiative and World Economic Forum (WEF) Future of Human Capital (Oil and Gas) working group.
- Introduced plastic and aluminum recycling in the UAE.

2017

Issued

Partnering for Prosperity

in line with GRI Standards.

Report describes the shared value we create through our long-term partnerships with employees, organisations, and communities.

Key initiatives

- Developed *Asset Integrity Management System* to identify Safety Critical Elements.
- Partnered with Chatham House for thought leadership and AMAR International Charitable Foundation for empowering the displaced.
- Introduced e-waste recycling in the UAE.

2018

Produced

Energy with Impact,

which was externally assured by EY as per ISAE 3000 standard.

Report showcases the impact of our decade of operations in the KRI and the projected benefits of our expansion plans.

Report demonstrates how we generate inclusive value through our commitment to the socioeconomic development of our region.

Key initiatives

- Undertook ten-year impact assessment through PwC to evaluate socioeconomic and environmental benefits generated in the KRI.
- Promoted self-empowerment among women employees in the UAE and the KRI.
- Embraced Social Performance (SP) function.
- Launched Community Action Programme 2018-2022 to catalyse the KRI's development per the UN SDGs.



2019-2020

Released

Empowering Resilience,

which outlines the alignment and relevance to UN SDGs.

Report focuses on our response to COVID-19 and summarises the initiatives taken at policy level to address the pandemic both in the UAE and the KRI.

Report presents a forward-looking approach to maintaining sustainability practices and building resilience.

Key initiatives

- Sponsored 2019 Special Olympics World Summer Games.
- Sponsored Chatham House Iraq Initiative field-based project to inform international policy towards Iraq.
- Sponsored Edraak Career Readiness online specialisation for young professionals in the Arab speaking world.
- Supported the KRG's COVID-19 mitigation efforts.



ASSESSING THE MATERIALITY OF SUSTAINABILITY MEASURES

We conducted a detailed materiality assessment exercise to define the measures that matter most to our sustainability efforts.



We consulted our major corporate units and reviewed the topics that impacted their individual functions. We then categorised these material topics according to their environmental, social, and governance (ESG) measures, and assessed their respective relevance or impact on the business, whether high, medium, or low.

The resulting material topics were further validated with our senior management as well as with select external stakeholders to arrive at the final material topics.

Materiality assessment process

Review existing materiality topics
Define potential material topics through detailed review of existing material topics and peer review.

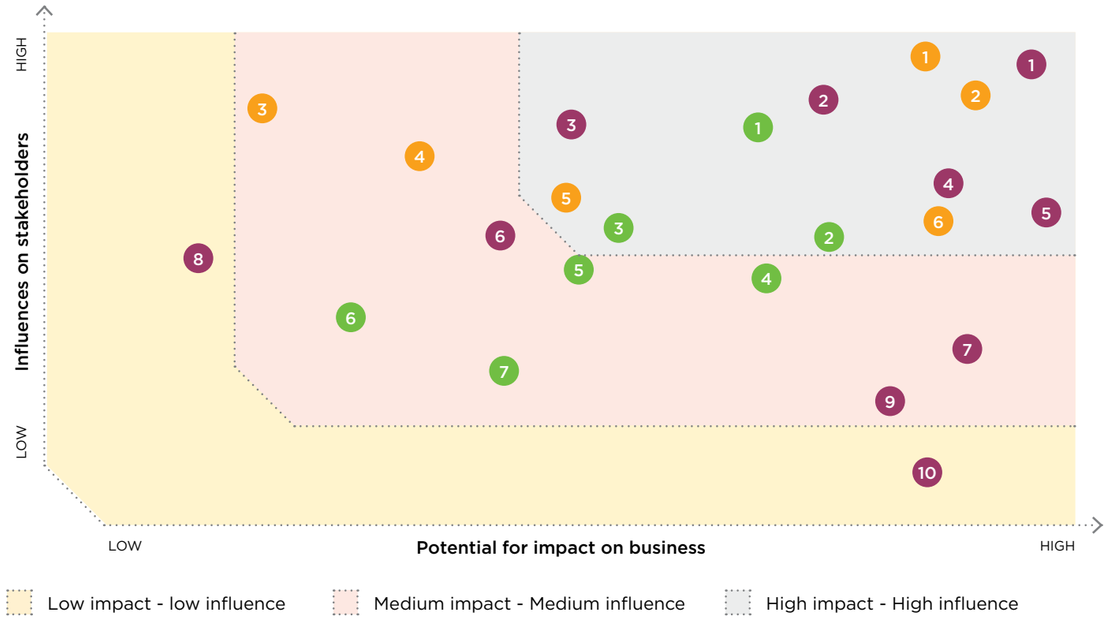
Lead stakeholder consultations
Major company functions review and agree on material topics.

Rate materiality topics
Rate relevance of material topics as high, medium, and low based on feedback from consultations.

Priortise material issues
Prioritise material issues in alignment with GRI materiality matrix.

Validate material topics
Validate material topics in consultation with management and external stakeholders.

Following internal reviews and engagement, the materiality matrix for the years 2019 and 2020 is presented below. While most topics highlighted in 2018 remain unchanged in level of materiality, the training and capacity building of employees has emerged as a high priority material topic for 2019 and 2020 compared to 2018, when it was deemed medium priority.



Environmental

1. Greenhouse gas emissions
2. Transition to lower carbon energy market
3. Energy use, energy efficiency
4. Water management
5. Waste management
6. Effluent management
7. Biodiversity

Social

1. Security practices
2. Engagement with local communities, social performance initiatives
3. Localisation and job creation
4. Diversity and human rights
5. Occupational safety
6. Training and capacity building of employees and local contractors

Governance

1. Process safety, asset integrity, and emergency preparedness
2. Anti-corruption, bribery
3. Compliance with regulations
4. Information security
5. Achieving financial targets, market presence
6. Customer satisfaction, marketing
7. Risk management
8. Research and development, and innovation
9. Internal engagement
10. Procurement practices

Delivering on our promise

Our core mission drives us to help improve the quality of life in the areas where we operate, through both our operations and our Social Performance activities. We also invest in high-level global events that aim to promote cleaner energy and social sustainability in our region.





Our commitment to the UN SDGs:

By prioritising local employment and procurement we create shared prosperity, and growth in the areas where we operate.

Health and wellness are integral to our Health, Safety, Security, and Environment (HSS&E).

We support capacity building and promote career readiness skills across the MENA region.

We have consistently supported the transition to cleaner energy in the KRI since 2008.

We are committed to the economic growth and infrastructural development of the areas where we operate.

We are committed to the inclusion of people of the determination* by championing them.

Our Social Performance function aims to raise the quality of life of local communities.

We partner with community organisations to enhance the impact of our Social Performance activities, and with local suppliers to support local talents and economies.

* The official UAE term to designate people with physical and/or intellectual challenges.

2019 and 2020 Highlights

Generating socioeconomic impact:

63%

of procurement orders placed with local suppliers in the KRI in 2019, and 58% in 2020.

Empowering local talent:

80%

of our KRI workforce were local nationals in 2019, and 85% in 2020.

Nurturing local communities:

$7.98 million

invested in community initiatives between 2019 and 2020.

Promoting education:

Partnered with Edraak in 2019 to provide

career-readiness

skills training.

Working together:

Supported the

KRG

in tackling the spread of COVID-19 in the KRI.

Enabling inclusion:

Sponsored the

Special Olympics

World Games
Abu Dhabi 2019.

“We have closely coordinated with relevant authorities since the first reported outbreak of COVID-19 in the KRI, helping enable local leaders and initiatives with both financial and qualitative support.”

Bahroz Husain Amin
Social Performance Investment Supervisor, KRI



Direct impact on the community

The natural gas we produce is transported by pipeline to power plants in the KRI, fuelling well over 80 per cent of the power generation in the region. By ensuring reliable supply of natural gas to the region we help the KRG deliver improved services to the region’s six million residents. In turn, our operations have helped improve the quality of life in the KRI, powering households and local industries, and stimulating economic growth. A detailed impact assessment study conducted by PwC on the Kurdistan Gas Project and sponsored by Crescent Petroleum and Dana Gas determined that between 2008 and 2018 our operations saved the KRI approximately $25 billion by replacing diesel with natural gas, enabling improved electricity services and empowering the regional economy.

That impact became critical during the COVID-19 pandemic, as we completed the successful execution of the Khor Mor Plant By-Pass project, allowing us to achieve a new gas sales record of over 435 MMSCF/day.

Our teams adopted stringent health and safety measures to minimise the risks of COVID-19 infection and keep operations running smoothly, ensuring uninterrupted energy supply at a time when most people were confined to their homes. While we worked to ensure the health and safety of our employees, we also had to operate under stringent local laws and global guidelines that limited the movement of our people.

Preparing young people for the workforce



Our KRI Summer Training Programme 2019 welcomed 59 student trainees from various universities into departments like Operations, Maintenance, HSSE, Supply Chain, and Drilling. We tailored our training programme to each student’s career interests and received overwhelmingly positive feedback from the trainees. We offered full-time employment opportunities to the two best-performing trainees.

We also participate in year-round career fairs to recruit young trainees and help connect the youth to the job market. In 2019, we participated in six career fairs in the KRI and UAE, and in 2020 we took part in an online career fair in the UAE.

We are committed to nurturing the region’s youth in our quest to build a more prosperous and inclusive future. As part of this commitment we provide year-round training opportunities to college students and fresh graduates, both in the UAE and the KRI, offering work experience and training to hone skills and make young talent more prepared to employment, including to Crescent Petroleum.

In 2019 we partnered with Edraak, the Arab world’s leading platform for Massive Open Online Courses (MOOCs), to develop a series of open and free online career readiness courses to help bridge the gap between the skills acquired during school or university and those required by the labour market. *The Career Readiness* specialisation, which launched in April 2020, has delivered three successive online courses: English for the Workplace, Digital Literacy for the Workplace, and Business Essentials. The online certificate programme aims to equip job seekers with the basic communication and work skills required in the modern workplace. The programme, held in Arabic, had more than 235,000 people registered by October 2020, and is targeting a total of 500,000 registrations across the Middle East before its conclusion.

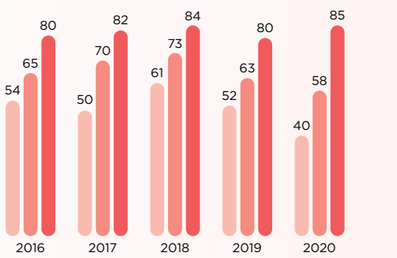
As policymakers and business leaders in the region tackle the challenges of youth unemployment, we believe it is critical to reinforce efforts to develop soft skills for the modern workplace. Our partnership with Edraak is an extension of our core mission of leveraging our understanding of the Middle East to promote cleaner energy and social sustainability.



Investing in the local economy

We prioritise local talent whenever we can and favour local suppliers when possible to generate economic opportunities for communities across our operations. PwC determined that the capital investment in the first decade had an employment effect of 20,000 jobs, out of which 10,000 jobs were direct employment in the region.

In 2020 we engaged with 551 suppliers, both local and overseas. Spending on local suppliers fell to 40 per cent in 2020 compared to over 50 per cent in recent years due to the COVID-19 pandemic. Capital expenditure projects were put on hold due to the pandemic, reducing the procurement of building materials, hiring of construction equipment, and civil works and numerous other projects in which local suppliers predominate. In turn most procurement in 2020 focused on essential plant operations and supplies procured from overseas. As we resume normal operations and restart capital expenditure projects, we will continue to prioritise local hires and local procurement across all areas of operation.



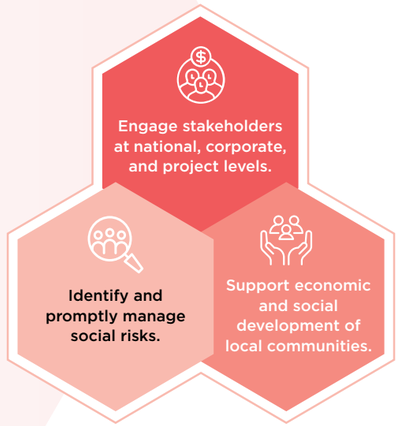


Leveraging Social Performance

The Social Performance (SP) function was established in 2018, building on the traditional Corporate Social Responsibility (CSR) function to deliver more strategic planning and greater impact. SP has worked to build deeper and more strategic relationships with stakeholders and helped to identify critical opportunities and programmes before they are needed to maximise our impact on all aspects of society, from education to the delivery of basic services to surrounding villages where we operate.

As part of this effort, we work to identify and evaluate opportunities aiming to create a virtuous cycle of progress and development. Detailed monitoring, planning, and execution in collaboration and coordination with the KRG helps us deliver programmes on a variety of budgets and levels.

The SP function aims to accomplish the following three key objectives:



Social Performance impact

Our impact begins with us as a major employer in the KRI and Sharjah. Beyond our direct involvement, we are also an important contributor to the communities that we serve. We take pride in how the communities around us have thrived and grown, as evidenced by better education, improved health outcomes, and rising incomes. Even during the COVID-19 pandemic, our SP team remained engaged with the community, supporting with information and understanding about how to avoid infection, as well as with supplies of staple foods and protective supplies at various times.

Our stakeholders are the universe of individuals, organisations, and communities that can directly affect or be affected by our operations. We endeavour to address their needs and expectations as we engage with them at the international, corporate, and project levels. Each must be engaged in a targeted manner appropriate to their needs and timeframe.

Our key stakeholder groups and the respective mechanisms for engaging them.





Empowering our communities

We firmly believe that supporting neighbouring communities to thrive and grow is pivotal to our business. Our SP initiatives strive to improve the quality of life in and around our operations by promoting healthcare, education, and the arts. They also strive to encourage social inclusion of people of determination, as well as internally displaced people (IDPs) and vulnerable children.

Our activities in 2019 and 2020 focused on bolstering the employability and self-sufficiency of the region's youth, including those from marginalised communities. During those years we invested $4.16 million in the KRI and $3.82 million in Sharjah to support development in line with UN SDGs.

Major projects we undertook in 2019 and 2020:

Quality of life



Supplying **70,000 litres** of potable water daily to over 700 people in Chemchemal and Shorsh in 2019.

Building a **water storage pond** for 57 dwellers in Kuchik Nakhshina village in 2019.

Repairing the road between Qadir Karam and Zarda as well as the roads connecting 16 villages in the area in 2019, benefitting 2,000 residents.

Delivering basic **food staples** to 265 families in Qadir Karam, Chemchemal, and Khor Mor in 2019.

Delivering **1,850 packages with staple food** for families in Chemchemal and vicinities during the COVID-19 lockdown in 2020.

Supplying **electric power** to the 1,435 residents of Qadir Karam and 5 villages surrounding Khor Mor plant in 2019 and 2020.

Supplying 13 off-grid villages of 1,400 inhabitants with **8,900 litres of diesel** monthly to fuel local generators in 2019 and 2020.

Providing **5,000 litres of fuel** supply quarterly to the 36 residents of Turka village in 2019 and 2020.

Implementing **water supply** projects in Sheikh Hameed, Taza Shar, Qadir Karam, Cham Shurkhaw, and Shorsh to provide 31,632 residents with potable water in 2019 and 2020.

Supporting efforts to tackle COVID-19 in the KRI



Crescent Petroleum, together with Dana Gas, has been a major supporter of the KRG in tackling the spread of COVID-19 since the pandemic began in March 2020.

Early April we donated medical equipment to the Chemchemal Directorate of Health as part of their *Stop COVID-19* campaign, including provision of two PCR testing machines, medical personal protection equipment (PPE), and viral transport media (VTM), among other pieces of medical equipment, to support prophylactic and diagnostic efforts. We also provided two ventilators, three patient monitors, six infusion pumps, and two pump stands for treatment of critical patients at a time when such equipment was especially scarce.

We also delivered care packages, including food and hygiene products, to 1,850 households surrounding our areas of operation in the Sulaymaniyah province.

We closely monitor public health developments in the region and seek to identify new opportunities to support the KRG's anti-COVID-19 efforts.

Education and arts

Refurbishing Zagros Preparatory School, Khor Mor Gawra Primary School, Sheikh Hameed School, Qadir Karam Primary and High School, and Qaitul Primary School in 2019, benefitting 750 schoolchildren.

Offering classroom equipment to Rokhana School and Media Primary School in 2019, benefitting 530 schoolchildren.

Helping expand the facilities of Gull Kindergarten in Chemchemal in 2019, benefitting 140 children.

Supporting 18 teachers across new disciplines in Qadir Karam schools in 2019.

Employing 90 drivers to transport over 180 students from 21 villages to schools in Qadir Karam, Sheikh Hameed, and Takya Jabari in 2019.

Sponsoring the 14th Sharjah Biennial, ***Leaving the Echo Chamber***, held between March and June 2019.

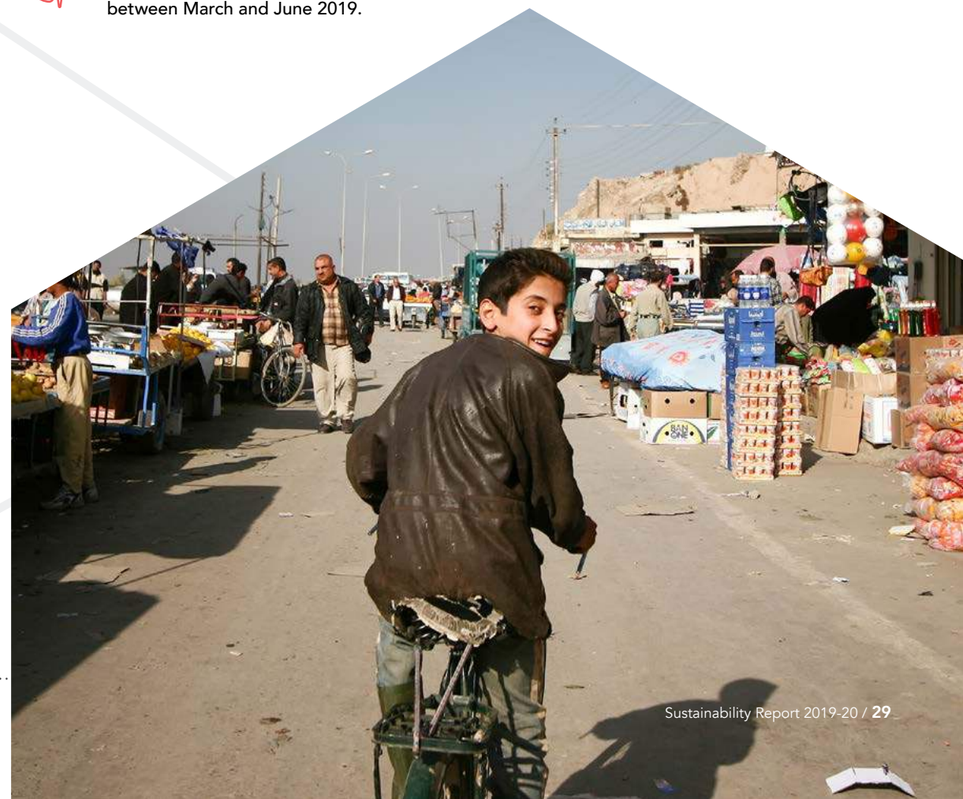
Sponsoring the International Publishers Association's Amman IPA Regional Seminar, Jordan, in 2019.

Partnering with Edraak, the Arab world's largest MOOC portal, to launch *The Career Readiness* specialisation, which has benefitted over 235,000 learners in 2020.

Sponsoring **Iraq Children Foundation** to empower over 250 orphans and displaced children in 2019.

Supporting the American University of Sharjah's (AUS) Iraq Public Leadership Program to nurture 25 aspiring leaders in 2019 and an additional 30 in 2020.

Sponsoring AUS' institutional advancement events in 2019 and 2020, including the annual Alumni Reunion Dinner, Career Fair, and the Alumni and Corporate Sports Games.





Health and wellness

Refurbishing **ambulances and providing drivers** to serve Qadir Karam Health Centre in the KRI in 2019, benefitting 2,500 people.

Refurbishing **medical centres** in Sheikh Hameed and Qadir Karam in 2020, benefitting 50 patients.

Distributing **firefighting equipment** in Qadir Karam in 2020.

Sponsoring **AMAR International Charitable Foundation** to deliver healthcare services and vocational training for over 16,000 Yazidi IDPs in the KRI in 2019.

Sponsoring **2nd and 3rd annual UAE Rare Disease Day** organised by High Hopes Pediatric Therapy Center, February 2019 and February 2020.

Sponsoring the 2nd annual paediatric cancer campaign in the UAE, **Ana-vation** by Friends of Cancer Patients, in which 180 schoolchildren participated, February to May 2019.

Sponsoring the 2nd biennial cancer fundraiser in the UAE, **Relay for Life** by Friends of Cancer Patients, November 2019.

Sponsoring breast and prostate cancers awareness campaigns in **Iraq by Together Organization for Humanitarian Relief and Development**, October to November 2020.

Empowering the people of determination

Sponsoring the **Special Olympics World Games Abu Dhabi 2019**, in which over 7,500 athletes participated, March 2019.

Participating in the **Emirates NBD Unity Run**, November 2019.

Supporting **Emirates Association for the Visually Impaired, Rashid Center for the Determined Ones, Awladouna Center for People with Disabilities, Special Needs Future Development Center, and Senses Residential and Day Care for Special Needs** in 2019 and 2020.



Sponsoring the Special Olympics World Games Abu Dhabi 2019

Crescent Petroleum sponsored the Special Olympics World Games Abu Dhabi 2019, which welcomed over 7,500 athletes with intellectual challenges from 200 countries of around the world.

The biennial event promotes inclusion and the empowerment of people of determination to enable them to reach their full potential. The UAE became the first Arab country to host the World Games, with 24 sporting competitions held across Abu Dhabi and Dubai in March 2019.

Crescent Petroleum helped organise multiple activities for the athletes, including hosting a dinner and art workshops in Sharjah, and taking part in the opening and closing ceremonies of the games. Several Crescent Petroleum employees also volunteered at the games, serving as ushers and guides, while others manned a booth to engage with the athletes.

“I volunteered at the Special Olympics to better understand and serve the people of determination,” said Mohammed Mohinuddin, a volunteer from our warehouse team. “They are immensely capable, and I would like to further support their inclusion in society.”

The Special Olympics celebrated the 2019 World Games as “one of the largest, most inclusive, most unified, most diverse, and most successful World Games” in its 51-year history.

Supporting clean energy and social sustainability

Our core mission of promoting cleaner energy and social sustainability underpins our support of initiatives that bring greater understanding of our industry and the region’s society and economy.

In 2019 and 2020 we engaged in numerous thought-leadership and policy programmes and energy events in two main streams: leadership in the energy transition and development of Iraq and the region.

Leading thought-leadership initiatives

We have supported key events focused on the future of energy and the low-carbon transition. These include:

Sponsoring the **Chatham House MENA Energy conference**, January 2019.

Participating in the inaugural **SALT Conference** Abu Dhabi in December 2019.

Sponsoring the **Atlantic Council Global Energy Forum**, January 2019 and January 2020.

Sponsoring the **Atlantic Council white paper**, *The Role of Oil and Gas Companies in the Energy Transition*, January 2020.

Participating in the **East Mediterranean Gas Forum**, August 2020.

Participating in **Siemens Energy’s MEA Energy Week**, October 2020.

Participating in the **World Economic Forum in Davos**, January 2019 and 2020.

Participating in the **17th World Economic Forum on the Middle East and North Africa**, April 2019.

Sponsoring the **24th World Energy Council Congress,** September 2019.

Sponsoring the **12th annual Arab Forum for Environment and Development conference**, November 2019.

Sponsoring ***The Good Fight Against GHG Emissions* conference**, September 2019.



Launch of the Crescent Ideas Forum at the Atlantic Council Global Energy Forum

In January 2020 Crescent Petroleum launched the Crescent Ideas Forum, a leadership roundtable aimed at engaging and educating decision makers in key issues affecting oil and gas and other industries in the Middle East region.

The inaugural Crescent Ideas Forum roundtable, titled - Empowering the Low Carbon Transition, hosted ministers, industry leaders, and senior officials from international organisations to discuss the carbon transition in the industry. The meeting also launched the white paper “The Role of Oil and Gas Companies in the Energy Transition,” sponsored by Crescent Petroleum and developed in collaboration with the Atlantic Council, outlining how energy companies can lead through the energy transition and help pave a path to lower carbon emissions around the world.

The Crescent Ideas Forum later hosted David Malpass, president of the World Bank in 2020, as well as HE Mohammad Barkindo and HE Dr Fatih Birol for The Outlook on Energy in a virtual gathering in Novermber.



Supporting Iraq's growth and development

Sponsoring the **Atlantic Council Iraq Initiative** in 2019 and 2020.

Participating in the **CWC Iraq Petroleum Conference**, June 2019.

Organising Powering **Iraq's Energy Future special panel event** at the World Energy Council forum in Abu Dhabi, September 2019.

Participating in **Basra Megaprojects—Oil, Gas & Environment Conference**, October 2019.

Participating in the **Iraq Britain Business Council Autumn Conference**, December 2019.

Sponsoring the **Chatham House Iraq Initiative** in 2019 and 2020.

Sponsoring the 8th Conference of the **Iraqi Environment and Health Society-UK**, February 2020.

Sponsoring Frontier Exchange's ***Iraq Finance Expo***, June 2020.

Sponsoring the **Iraq Oil & Gas Show**, December 2020.



Sponsoring of the Chatham House Iraq Initiative

In 2019 we entered into a sponsorship agreement with Chatham House to support the Iraq Initiative, a fieldwork-based policy initiative that aims to support institution-building and policy development in Iraq to encourage stronger governance and policy and empower economic growth and development.

Our continued support in 2020 has enabled the initiative to facilitate high-profile engagements with policy makers in Iraq and decision-makers in London, Sulaymaniyah, and Mosul, most notably the hosting of President Barham Salih for a private breakfast reception followed by a keynote speech at Chatham House in June 2019, and the hosting of numerous ministerial delegations in person in 2019 and virtually in 2020.



Crescent Petroleum

Crescent Petroleum participated in two initiatives by the WEF to help the MENA region begin to address the socio-economic crises generated by the COVID-19 pandemic:

- The Sustainable Development Impact Summit in September 2020, which laid a sustainable recovery roadmap for the region; and,
- The Jobs Reset Summit in October 2020, which called for more inclusive employment practices and championed efforts like the *Edraak Career Preparedness* specialisation sponsored by Crescent Petroleum.



Empowering our teams

Crescent Petroleum has grown and thrived through its people, who have always gone above and beyond the call of duty. We regard our employees as our greatest asset, from those leading teams to those ensuring the oil and gas facilities continue to work reliably, and those engaging with the community. Their loyalty to the company was on show throughout the COVID-19 pandemic, when employees worked extended shifts for long periods and worked collaboratively to ensure uninterrupted operations. We invest in them to help them lead and grow as employees and as people.





Our commitment to the UN SDGs:

- Our internal engagement policies work to support employees' emotional and physical well-being.
- We promote lifelong learning among our employees and provide them with quality training opportunities for professional growth.
- We prioritise women's empowerment throughout the employee tenure.
- We are committed to creating job opportunities for local talent in both the UAE and the KRI.

2019 and 2020 Highlights

Empowering the youth:
15.36%
of our workforce were aged between 22-30 years old in 2019, and 12.44% in 2020.

Empowering women:
24%
of our UAE workforce were women in both 2019 and 2020.

Embracing diversity:
41 countries
represented in our workforce in 2019, and 39 in 2020.

Offering stable employment:
95.26%
in 2019 and 96.25% in 2020 of our workforce were permanent employees.

Nurturing talent:
50,000+ hours
of training provided to employees throughout 2019 and 2020.

Fostering loyalty:
22 employees in 2019 and 2020 were serving
20+ years
with Crescent Petroleum.

“In response to the COVID-19 pandemic, we enabled our teams to work from home where possible and optimised the manpower in our operations by focusing on critical tasks. We regularly engage with our employees to communicate the latest safety measures and to ensure their health and well-being.”

Smitha Nair
Administration Officer, UAE



Cultivating resilient teams

Our integrated business strategy allows us to remain nimble and flexible to shifting dynamics and disruptions. We maintain a relatively flat organisation in which everyone contributes and where employee growth and development is considered a long-term advantage.

We therefore aim to empower our teams with the skills to think strategically, make decisions quickly, and tackle challenges as they arise. This has proven critical to delivering uninterrupted gas supply, particularly during the COVID-19 pandemic, when our teams tackled complex challenges in short order including lockdowns, curfews, and quarantines.

Fostering diverse teams

We embrace diversity and inclusion as a competitive advantage that makes good business sense. We define diversity broadly to include personality, lifestyle, and outlook, in addition to ethnicity, gender, religion, age, and physical abilities. We believe multiple perspectives lead to better decision-making and more robust problem-solving that makes business sense.

At the centre of our culture is teamwork and we strive to build diverse, cohesive teams that exhibit a wide mix of perspectives and skills. These include women, youth, and people of diverse backgrounds. We also aim to offer permanent employment whenever appropriate to build institutional memory and depth of expertise.

Looking forward, we seek to embrace the talents of people of determination in our workforce, in keeping with our support of inclusion and empowerment.

Instilling our mission and values

We strive to ensure that our mission and values resonate with all employees to enable them to build meaningful careers in line with their aspirations. Employee loyalty is a testament to the impact of our human resources strategy.

Despite the economic challenges and market turmoil witnessed during 2020, Crescent Petroleum worked hard to minimise job losses and major impact on staff and their families.

We have introduced a new laptop or tablet allowance to enable parents to support their children’s online education.

A furlough programme during the summer period ensured that employees maintained full benefits, including life, personal accident, and health insurance, despite reduced hours of employment. Most employees were reinstated to full-time employment following the defined period.

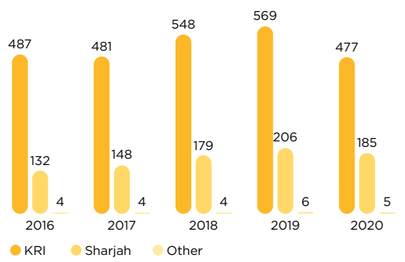
Celebrating our female talent

As of 2019 women in Crescent Petroleum’s UAE workforce reached close to 25 per cent of staff, while the average representation of women in the overall UAE workforce was 11.39 per cent*. To recognise the impact that women have in our operations, we marked the first Crescent Women’s Day in early March 2020 to celebrate the achievements of our women employees and foster positive relationships across departments. The celebration included a motivational speech, a team-building competition, and various team activities.

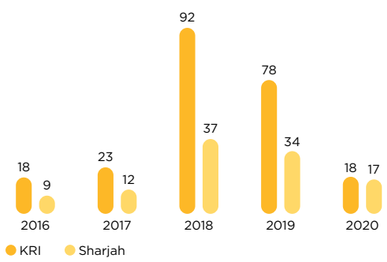


* https://www.statista.com/statistics/634082/uae-total-number-of-workforce-by-gender/#:~:text=In%202019%2C%20the%20number%20of,around%204.51%20million%20in%202018.

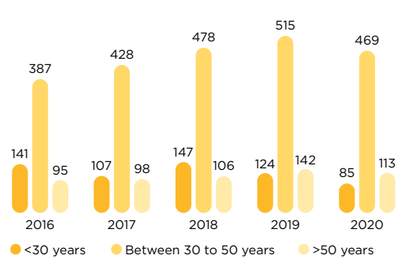
Employees by location (no.)[1]



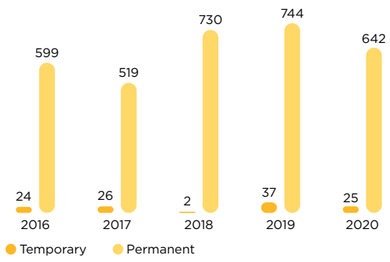
New hires by region (no.)[2]



Employees by age (no.)[1]



Employees by contract type (no.)[1]



1. Represents total number of employees in the respective years as of 31 December of that year.
2. Represents total number of new hires in the respective years, the 2018 data includes 55 drilling consultants.

Nurturing employee well-being

Our Human Resources Department strives to ensure our employees' emotional and physical well-being by encouraging work-life balance, teambuilding activities, awareness events, and healthy lifestyles.

In the UAE special leave policies are available for those studying, welcoming new-borns, or attending to sick family. Our regular team-building activities aim to strengthen team camaraderie in celebrations of UAE National Day and religious occasions such as Ramadan, Diwali, and Christmas.

In the KRI we offer paid time off to newlyweds, new mothers and caregivers, as well as those moving house. We celebrate major religious occasions together and hold outdoor activities for our office employees.

The Crescent Sports Committee coordinates sports and wellness activities of our employees in the UAE, including participation in the AUS Ramadan Corporate Sports Games and the annual Crescent Bowling Tournament. Our basketball and cricket teams hold year-round practice matches and compete in intramural matches.

We encourage our employees in both the UAE and the KRI to pursue their own personal interest as well. In the UAE colleagues have organised football and golf events to enhance both fitness and professional relationships in a relaxed environment. In the KRI in February 2019, three colleagues raised the company's flag after climbing atop the second-highest peak in the region, the Halgurd Mountain. Such efforts work to strengthen teams and inspire staff to be ambitious and creative, and to embrace that spirit in their work with us.

Due to the COVID-19 pandemic we suspended employee events and gatherings from March 2020 onwards, for health and safety reasons, and instead launched an employee wellness newsletter, *Crescent Together*, to inspire employees to follow best health and wellness practices while cultivating their physical stamina and mental resilience. We intend to resume holding in-person well-being events when the pandemic ends.





Raising cancer awareness

We encourage healthier living among all employees. In 2019 we partnered with oncologists to raise awareness of common cancers among women and men worldwide.

We held workshops in Sharjah, Erbil, and Sulaymaniyah to outline the risk factors for breast cancer, in addition to symptoms and treatment options for our women employees and guests. All sessions stressed the importance of regular self-examinations, check-ups, and early detection.

In the UAE we organised a workshop to teach male employees about prostate and testicular cancers, and how to detect early conditions. Attendees participated in a 30-day social media challenge to help dispel the stigma of both cancers.

In 2020 we held a breast cancer webinar to refresh the knowledge of our women employees in the UAE.

Investing in our people

During 2019 and 2020 our employee training efforts reinforced the drive for continuous learning and growth by enabling all employees to build new skills and capabilities. Training was made available to all staff regardless of their position. Throughout the two years our employees undertook more than 50,000 hours of training, both in-person and online. The average training hours in 2019 rose to 51 hours, up by 25 per cent per cent from 2018.

In 2020 the number of training hours dropped to 15 hours per employee due to a short-term change in priorities dictated by the COVID-19 pandemic. Nonetheless, we made various online courses available to employees, particularly those in the KRI who took part in training sessions during their quarantine periods. We intend to resume regular learning and development activities once business and public health conditions improve.

In the KRI we provide a variety of technical training to all employees, including Plant Operations, Camp Management, Supply Chain, HSSE, IT, and Organisational Development. We offer English language courses to our local national staff and seek to advance the careers of our fast learners through our Competency Assurance Programme, which helps us identify opportunities for internal promotions.

Our ongoing training efforts also include Arabic language courses for non-speakers, in addition to technical training to select employees in the UAE. We also encourage our employees to pursue higher education and technical qualifications in their areas of specialisation, and we celebrate their individual accomplishments.

In the UAE Crescent Petroleum launched two key initiatives in 2019, the month-long Crescent Learning Month and the Crescent Toastmasters Club. Crescent Learning Month is an internal training programme designed to promote essential business skills, build greater understanding of major corporate functions, and spark engagement among employees.

Crescent Toastmasters Club is a corporate club affiliated with Toastmasters International, the non-profit organisation that aims to develop leadership and communication skills. As of December 2020, the club has held 25 meetings, both in-person and online, to teach employees in the UAE organisation, interpersonal, critical thinking, presentation, and public speaking skills.



Launching Crescent Learning Month to promote lifelong learning

Our Human Resources Department held the first Crescent Learning Month in February 2019, offering all employees a choice of 16 learning events to cultivate business skills, organisational awareness, and develop soft skills.

The initiative comprised three two-day workshops facilitated by the PwC Academy on essential business skills such as report writing, emotional intelligence, and financial literacy. Open sessions complemented these registration-only workshops, featuring internal subject matter experts who shed light on the activities of their respective departments, as well as external experts who discussed critical soft skills, including work-life balance and cultural sensitivity.

A total of 83 employees benefitted from the initiative.

MANAGING HEALTH, SAFETY, SECURITY, AND THE ENVIRONMENT

Our approach

Sustainable development is a pillar in Crescent Petroleum's business strategy. Since our start in 1971, we have worked to balance economic development with the broader long-term needs of the community, promoting social and environmental sustainability, and mandating responsible operations across all our locations.

This approach is reflected in our core values, which make the health, safety, security, and social and environmental impacts of our operations as key indicators of our success, requiring us to work closely with industry partners and local and regional leadership to build enduring relationships with the communities where we operate and live.



The company has established a series of principles underpinning our commitment to maintaining high standards of performance in all areas of business and operations. These include:

- **Conducting activities in a responsible manner that protects the health, safety, and security of our workforce and the public;**
- **Maintaining the integrity of our assets;**
- **Minimising impact on the environment and using resources efficiently;**
- **Monitoring and managing the impact of our activities on neighbouring communities;**
- **Holding mutually beneficial community relationships and engaging with our local stakeholders in a transparent and inclusive manner;**
- **Creating shared value and delivering lasting positive socioeconomic benefits to our host countries and communities; and,**
- **Aligning our operations and activities with the UN SDGs within our sphere of influence.**

The company's HSSE&SP Management System Framework provides a systematic approach to delivering our objectives, and assigns clear responsibilities and consistent processes to identify, control, measure, and monitor HSSE&SP risks in the business.

Raising standards

During 2019 we focused on five key areas for improvement:

Improving risk management process and execution:

A revised risk management process was developed for use in expansion projects in the KRI, and was successfully applied across facilities, drilling, and seismic activity planning and execution. This was achieved through practical coaching of specific project teams in the principles and application of good risk management approaches.

Refreshing Control of Work (CoW) systems in preparation for expansion works:

The CoW process for production operations in the KRI was fully reviewed and revamped during the year, with dedicated training and refreshers implemented across all shifts. The expansion project CoW process was developed to support construction activities and deployed in early works.

Enhanced reporting and investigation, with particular emphasis on near miss events and high potential incidents:

We have improved reporting and review of near miss performance with increased emphasis on learnings to reduce risk in the KRI. The incident investigation process and root cause analysis approach were refreshed with increased training undertaken.



Strengthening contractor management process, from selection, through execution, to monitoring and review:

A revamped contractor management process was developed and deployed for all contracts associated with the expansion project in the KRI, drawing upon industry guidance. Contractor onboarding processes were enhanced with an improved contractor kickoff process, clarity of expectations, and review and monitoring processes.

SP management:

We have enhanced and expanded Social Performance management ahead of the start of expansion activities in the KRI. The SP Department was enlarged with highly experienced regional and field social performance managers, together with additional field operatives in place. An SP Standard and supporting procedures were developed and deployed. Social investment programmes were refreshed and closely managed throughout the year, targeting themes of education, health, infrastructure, and agriculture. Additionally, emphasis was placed on local sourcing and employment. SP formed an integral part of contractor evaluation for all expansion activities.

Process safety and integrity:

Safety Critical Elements were reviewed, areas of improvement identified, and Written Schemes of Examination refreshed.

As we continue to progress our sustainability journey, we have identified several new priorities moving forward. These include:

- Development of the HSSE&SP management system framework for our KRI expansion.
- Refreshing the hazard and operability assessment of our existing production operation.
- Development and delivery of a geographic information system (GIS)-based social performance data management system.
- Review and assessment of proprietary HSSE&SP performance management platforms for adoption in the capital projects in the KRI.

Ensuring our teams' safety

Crescent Petroleum ensures that hazards inherent in its activities, ranging from production operations to drilling to major capital project construction to regular production operations, as well as infrastructure including IT, are subject to systematic identification, assessment, and control. This approach is fundamental to our safe operations. Information on the hazards, risks, and controls of operation is communicated to the workforce through inductions, training, written procedures, toolbox talks, awareness programmes, and regular safety meetings.

This approach is applied to all activities under our control, including activities by third-party contractors.





Our commitment to the UN SDGs:

Our elevated safety standards illustrate our commitment to employee health and safety.

We have consistently maintained a safe and decent work environment for our employees.

2019 and 2020 Highlights

Fostering a culture of safety:

Zero

Lost Time Injury (LTI) recorded in both 2019 and 2020, and zero Recordable Injuries in 2020.

Ensuring integrity of operations: :

Zero

loss of primary containment from process plant.

Promoting road safety:

4.6 million km

driven in 2019 and 2020 with no major road accidents.

Accelerating our digital transformation:

Adopted remote working technologies and heightened

IT security.

Launching ERP:

Implemented a

SAP

solution to streamline operations.

“Crescent Petroleum seeks to operate in a safe and responsible environment by mitigating and controlling risks. It has adopted a forward-looking approach to shielding both plant and office workers from the pandemic while maintaining daily operations, resulting in better outcomes and minimal disruptions. I am proud to work at a company that considers the safety of employees and their families as its chief priority, investing in our teams and ensuring an optimal work environment by offering year-long safety training and leadership programmes.”

Berivan Sherko Mahmood
Drilling Operation Geologist, KRI



Operational and risk controls

Crescent Petroleum has adopted the International Oil and Gas Producers Association (IOGP)’s *Life Saving Rules*, embodied in its *Rules for Staying Alive*. These mandate the minimum controls expected to address the recognised highest hazard operational and construction activities.

The *Rules for Staying Alive* cover:

- Permit to work
- Lifting operations
- Energy isolations
- Working at heights
- Driving
- Confined space entry
- Excavation
- Protective equipment
- Simultaneous operations



Ensuring our contractors uphold our standards

Contractors comprise a significant part of Crescent Petroleum’s workforce and play an important role in providing facilities, equipment, services, and labour to support our operations.

The company has an established contractor management process overseeing contractor prequalification, selection, monitoring, and performance review. Special attention is paid to contractors engaged in the highest-risk activities.

The contractors’ own HSSE&SP systems are assessed during the selection process to ensure that they are able to meet our strict standards, including a full review of HSSE&SP programmes, performance, and regulatory track record, including sustainability criteria. Bid evaluation includes a thorough assessment and verification of bid submissions, with evaluation outcomes integrated into overall bid selection criteria alongside commercial and technical assessments.

Crescent Petroleum monitors both its own and its contractors’ systems to ensure their continued effectiveness, and senior-level engagement with contractors ensures that expectations are clear and ongoing performance receives appropriate attention.

Land transport safety

Driving-related incidents are the single biggest cause of fatalities in the oil and gas industry, and Crescent Petroleum applies the guidance issued by the IOGP to reduce risks in this critical area.



Process safety

Crescent Petroleum uses the American Petroleum Institute (API) and IOGP guidance definition of process safety. Simply put, we manage the integrity of our facilities through good design, operations, and maintenance.

Process safety risks are assessed using recognised industry approaches such as hazard identification; hazard and operability review; technical safety assessments, including layers of protection analysis, safety integrity level analysis, and fire and explosion assessment; job safety analysis; and task-based risk assessment.

Safety teams define critical elements and establish appropriate operational, testing, and maintenance procedures for all critical systems.

Security

Crescent Petroleum has established effective security arrangements in its operations. The security plan provides appropriate protection for personnel and assets, and covers existing operations, remote well and rig locations, and personnel and materials movement. The security plan establishes layers of protection, covering organisation, procedural, and hardware control measures.

The security plan is based on risk and threat assessment provided by an independent security risk consultancy together with ongoing assessment and risk analysis by the internal security department. The assessment methodology assesses intent and capability of potential actors, as well as attractiveness of the assets, in determining the threat level on a five-point scale. The threat level is then used to determine appropriate levels of response measures, allowing for escalation or de-escalation should atmospherics and assessed threats change.

Regular monitoring of security incidents and intelligence takes place through a variety of means, including subscription services, private security provider reports, and local intelligence.



Delivering continuous improvement

Crescent Petroleum saw a significant improvement in occupational injury performance in the KRI in 2019, with a 50 per cent reduction in Total Recordable Injury Frequency (TRIF), and zero LTI. This improved in 2020 with zero Recordable Injuries experienced through the year. In every injury case the injured parties have made full recoveries and the incidents were each subject to full investigations with appropriate remedial action. We believe that our focus on contractor management and hazard and risk awareness has positively affected the occupational safety results achieved.

Ongoing focus on operational integrity resulted in zero loss in primary containment incidents in our production operations in 2019 and 2020. Review and verification of multiple Safety Critical Elements, and continual optimisation of our inspection programme contributed to this result.

Additional control measures were introduced to further improve our land transport safety programme, which contributed to there being no significant motor vehicle accidents in 2019 and 2020.

TRIF





Accelerating our digital transformation

In 2019 and 2020 we accelerated our ongoing digital transformation journey to improve process efficiency, transparency, and resilience. With the onset of the COVID-19 pandemic, our digital readiness enabled us to work seamlessly from home.

Our primary digital transformation initiatives have included the adoption of Microsoft Azure Windows Virtual Desktop for employees to securely access corporate data remotely. We have also decommissioned Skype for Business in favour of the more comprehensive business communication platform Microsoft Teams. We have trained our employees on the use of Microsoft Teams, other virtual conferencing programmes, electronic signatures, and PDF tools throughout 2020 to enable them to work from home effectively.

Moreover, we have enhanced our data analytics and visualisation capabilities to support a data-driven culture across the company and provide key decision-makers with business intelligence (BI) services. This entailed the introduction of an SQL analytics platform and of Microsoft Power BI, in addition to the development of interactive and immersive dashboard and analytics reports that offer actionable insights for decision-makers.

Finally, we have created a data warehouse to store outdated applications, or legacy systems, more efficiently. We have migrated all legacy applications data to Microsoft SQL Database, which enables us to avoid the licencing costs of such applications, and we created data reporting models to easily retrieve archived information.

Securing our networks

Protecting our corporate data from abuse, breaches, and theft is a priority of our IT Department. We have reinforced our data protection measures in 2019 and 2020 by adopting novel cybersecurity and network integrity solutions and continuing to raise awareness among our employees. We are also currently implementing the KnowBe4 platform to help us conduct more interactive trainings on Information Security Awareness.

Key digital security initiatives in 2019 and 2020

Security awareness

We bolstered security awareness with an ongoing campaign that includes workshops, a security newsletter *Secwire*, video mailers, and regular screensavers throughout the year.

Cybersecurity assessment

We periodically conduct vulnerability scanning for applications and websites to identify gaps, recommend patches, and provide detailed reporting.

Security monitoring

We upgraded our security incident and event management (SIEM) to 24/7 monitoring and implemented security orchestration, automation, and response (SOAR) for better incident response.

Azure Services

We implemented a firewall in Microsoft Azure to enhance security and configured it as a virtual private network (VPN) gateway for users to access corporate resources. This ensured that our corporate leased line was used only for critical business services and provided better connectivity to our employees in KRI. We also implemented Windows Virtual Desktop in Azure for a more efficient use of the Internet leased line in Sharjah. This helped employees to connect to corporate resources securely.

Data centre firewall

Another datacentre firewall is adopted in Sharjah to enhance threat detection capabilities. This has also enabled better segmentation of servers into different security zones with granular access permissions.

Endpoint Detection and Response

We implemented Microsoft Advanced Threat Protection (ATP) as an (EDR) solution across all our servers and laptops. The EDR enhances the visibility of threat activities on endpoints to help protect against various attacks. It is also integrated with the security monitoring service to provide Managed Detection and Response (MDR).

Vulnerability assessment

We conducted a vulnerability assessment of our infrastructure to identify and address any vulnerabilities.

Infrastructure monitoring

We enhanced the monitoring of our infrastructure by implementing PRTG Network Monitor, which also alerts us of any downtimes.

Security enhancement

We enhanced security on user machines by implementing an administrator password manager, integrated with Active Directory, and multi-factor authentication for our external-facing applications.

Launching an integrated ERP system

We focused on widening our digital transformation efforts to further safeguard our corporate data and simplify our processes throughout 2019 and 2020. Most significantly, we accelerated our digital transformation journey with the implementation of the SAP Enterprise Resource Planning (ERP) system for enhanced efficiency, accountability, planning, reporting, collaboration, productivity, and data security across our areas of operation in the UAE and the KRI.

We became the first company to implement SAP S/4HANA Oil and Gas Model Company 1809, a preconfigured process solution that prioritises industry best practices. We have achieved go-live in a record time of eight months, ahead of schedule and within budget, in early 2020.

The solution, which supersedes multiple application software and processes previously used in the business, simplifies and streamlines processes across drilling operations, plant maintenance, supply chain management, projects, funds management, and human resources functions. The SAP system provides integrated, detailed business information, and offers greater flexibility and mobility, in addition to eliminating paperwork and boosting overall efficiencies.



Digital transformation journey recognised at SAP Quality Awards 2020 - MENA

Crescent Petroleum is the Gold Winner of the Business Transformation ME South category at the SAP Quality Awards 2020 MENA.

A panel of independent jury and SAP senior executives conferred the award, deeming our ERP implementation to be the most successful one across all industry verticals in the region. Such a success stems from our commitment to the core values of “Enterprise” and “Courage”.

Our ERP system currently encompasses more than 300 apps for real-time and common-work centres functions. We will continue to introduce dashboards and mobility solutions for our maintenance team, as well as sensor-driven predictive maintenance capabilities. In the future, these applications will also stretch into hydrocarbon accounting and measurement to reinforce our sustainability efforts.





Our commitment to the environment

We work to minimise our environmental impact by promoting process efficiency in all of our operations. We also support organisations and events that promote cleaner energy and sustainability in the wider region.

In January 2020 we outlined a range of efforts to help reinforce our sustainability, including long-term reduction of operational flaring, implementing plans to eliminate single-use plastics from our locations, and reducing our use of water, electricity, and fuel.





Our commitment to the UN SDGs:

We are committed to reducing our water footprint through recycling and reuse.

We promote responsible energy consumption across our operations.

We continuously seek to reduce flaring and recycling waste.

We are consistently working towards reducing our GHG emissions while ensuring zero significant oil spills.

2019 and 2020 Highlights

Ensuring operational excellence:

Zero

significant oil spills across operations since 2018.

Promoting cleaner energy:

41.98+ million tonnes

of CO_2 emissions avoided since 2008.

Reduction in Scope 1 emissions:

10%

over the last five years to 295,000 tCO_2e.

Reducing waste:

40.21%

reduction in liquid hazardous waste in 2019 and 29.91% reduction in non-hazardous waste compared to 2020 as compared to 2018.

Energy intensity:

11.58%

reduction in energy intensity in last five years.

Reduction in flaring:

40%

over the last five years to c. 0.5% by end 2020.

OUR APPROACH TO THE ENERGY TRANSITION AND TO MITIGATING CLIMATE CHANGE

We recognise the impact of carbon emissions on climate change and support the goals of the Paris Agreement, adopted at COP21 in 2015 to substantially reduce GHG emissions and limit the global temperature rise to 2 degrees Celsius while pursuing means of limiting the increase even further to 1.5 degrees.



The Kurdistan Gas Project helps meet the growing demand for energy in the KRI with cleaner-burning natural gas for electricity generation, enabling the region to avoid the use of more carbon-emitting oil and diesel and in turn support the goals of the Paris Agreement. Gas today accounts for more than 85 per cent of total production from the Khor Mor plant, amounting to 110,000 BoE.

Our carbon emissions efforts are also focused on increasing energy efficiency and reducing GHG across our operations. We will update our progress in future reports. We are also supportive of international efforts to improve disclosure of climate-related aspects in our industry and endeavour to collaborate in joint-industry efforts and evolve our reporting approach accordingly.

We will also continue to support our host country governments in their pursuit of sustainable development and national policy commitments to reduce their emissions under the Paris Agreement, and firmly believe that gas will play a critical role in powering the carbon transition. However, we believe that the nature and pace of this change will vary among countries and regions, reflecting their economic and development priorities.

Measuring and reporting our GHG emissions

Our Scope 1 emissions include both (i) measured emissions from non-routine flaring, generation of electricity and steam, and petrol/diesel consumption in our vehicles, based on industry standard conversion factors; as well as (ii) estimates for routine flaring, safety flaring, venting, and fugitive methane emissions, which have been identified during recently completed studies and not included in previous reports.

Until now the Khor Mor Gas plant had partly measured flaring of gas and had no means of making accurate measurement of flaring. The quantification of flared gas and fugitives from our Kurdistan operations was conducted based on estimation using other quantitative measures.

In line with our emissions strategy, budgets and work programmes were established to implement additional metering capabilities during 2020 to accurately measure and report on our emissions performance. However the COVID-19 pandemic forced a delay in these efforts as all work requiring outside contractor support was deferred until 2021. Now, with the pandemic easing, we are pursuing these initiatives in 2021, installing new meters and completing calibration of old meters during the second quarter of 2021.

In addition, all vents to the atmosphere from condensate and LPG bullets have been reviewed and revised to reflect more accurate estimations. Work has also commenced in identifying and recording critical areas such as fugitive gas emissions from sealed surfaces, valve stems, and flanges.

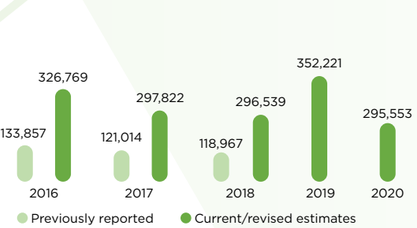
Based on preliminary findings from these initiatives and an independent third-party assessment in early 2021, we have re-estimated our Scope 1 emissions for the past five years, which now include the unmetered emissions due to flaring in our Early Production Facility and the estimate of fugitive methane emissions.

As a result, the Scope 1 emissions for 2020 are estimated at 295,000 tCO_2e. At the restated levels, after taking into account the effects of various emission reduction measures put in place in early 2021, our annual Scope 1 emissions are expected to fall to approximately 240,000 tCO_2e.

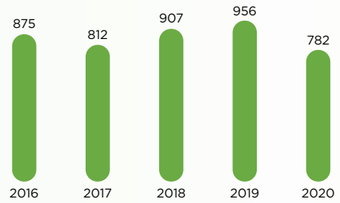
Of the total, approximately 75% is attributable to the use of fuel gas for generating electric power within the plant itself while the remainder is attributable to flaring and fugitives. As our “near zero flaring” initiatives progress, we expect this to be reduced further in the coming two years.

The indirect (Scope 2) emissions are primarily attributed to the electricity consumed at our offices and warehouses in Sharjah, UAE and Erbil, Iraq.

Scope 1 Emissions (tCO_2e)



Scope 2 Emissions (tCO_2e)



“Sustainability is a key pillar in all our operations as we strive to work more efficiently and responsibly. The COVID-19 pandemic has only underscored the importance of measuring and benchmarking our environmental sustainability measures as a central part of our business strategy.”

Frederick Winson
HSE Engineer, UAE





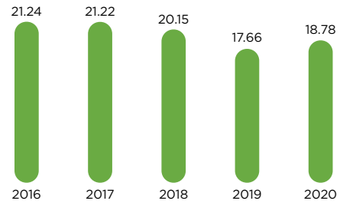
Reducing our energy intensity

We monitor our annual energy consumption to help us assess our environmental impact and to identify opportunities to reduce energy intensity, as measured against our total gas and liquids production. Over the past five years our energy intensity has improved by 11.58 per cent after a series of modifications and process improvements at the plant.

As we continue our long-term expansion programme in coming years, we expect to make further improvement in operational benchmarks against our peers.

Our energy intensity since 2016

Energy intensity (kwh/BoE)



Our digital transformation efforts have also enabled significant reductions in energy consumption in several areas:

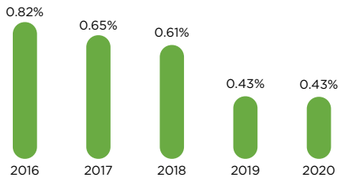
- Laptop efficiency: All our laptops have Energy Star ratings and have efficient solid-state drive (SSD) as their primary storage.
- Online collaboration: We have also adopted collaboration tools such as Microsoft Teams and deployed a company-wide Intranet platform.
- Cloud adoption: We have transitioned some of our workloads to the cloud to reduce physical server energy consumption and currently host 45 per cent of our servers on the Microsoft Azure cloud platform.
- Storage refresh: We decommissioned three ageing storage boxes in our data centre to save space, electricity, and cooling requirements.
- Server optimisation: We reduced the total number of servers by 26 per cent by consolidating services and decommissioning older units.

Flaring

Our Khor Mor plant is centred around a Cryogenic LPG plant comprising two trains as well as an Early Production Facility (EPF). The EPF was set up primarily to facilitate early delivery of gas to power plants. Over the past 5 years, 91 per cent of gas flaring occurred at the EPF, while the cryogenic plants contributed around 9 per cent.

Flaring from our Khor Mor plant production operation stood at approximately 0.5 per cent of the total raw gas processed in 2020. As a result of certain measures implemented in Q2, 2021, the gas flaring has now reduced to 0.12 per cent. We will continue to strive towards further reductions in the coming years through continuous process optimisation, improved maintenance initiatives, and greater liquids recovery.

Gas flared as a percentage of gas production



Despite the flaring, production from the EPF has had tremendous downstream economic and environmental benefits for the KRI. We estimate that the gas produced has enabled the KRG to avoid 4.7 million tonnes of CO_2 emissions by replacing diesel with gas to generate power in the KRI over the past five years thanks to the EPF. Below we outline the total avoided GHG emissions as a result of the Kurdistan Gas Project (including from EPF related production).

42 million tonnes of CO_2 emissions avoided over the past 13 years. Equivalent to:

- GHG emissions from 9 million passenger vehicles driven for one year.
- GHG emissions avoided by 9,000 wind turbines running for a year.
- CO_2 emissions from 11 coal-fired power plants in one year.
- Carbon sequestered by 694 million tree seedlings grown for 10 years.



Avoided GHG emissions as a result of Kurdistan Gas Project

Since 2008 Khor Mor plant operations have enabled the KRG to avoid 41.98 million tonnes of CO_2 emissions by replacing diesel with gas to generate power in the KRI. This has enabled the KRG to avoid the use of expensive diesel for power generation, resulting in an estimated net saving to the KRG of $25 billion since inception.

In 2019 and 2020 the company avoided 9.46 million tonnes of CO_2 emissions due to gas for diesel substitution with associated cost savings of $1.05 billion. These estimates are based on a PwC methodology set out in the *Kurdistan Gas Project – Impact Assessment Report 2018: A ten year look back and look ahead* (www.kurdistangasproject.com) published in 2018. This impact from operations will only increase in the coming decade as gas utilisation for electric power grows, offseting diesel generation further.

Crescent Petroleum supports *The Good Fight Against GHG Emission* conference



Crescent Petroleum was the strategic partner of *The Good Fight Against GHG Emission* conference held by University of Cambridge Energy Policy Research Group and the Massachusetts Institute of Technology Center for Energy and Environmental Policy Research in September 2019 in the UK.

The event gathered policy makers, academics, and business leaders—including Crescent Petroleum President Badr Jafar—as they explored the challenges and opportunities of a global transition to a low-carbon economy.

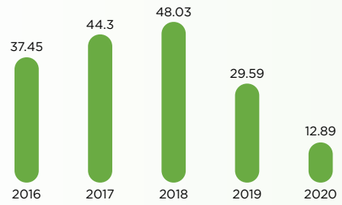
Minimising our waste

We are committed to reducing pollution at source through the recycling and reuse of resources as well as the treatment and responsible disposal of waste. In 2020 we recycled close to 257 kg of e-waste at our headquarters.

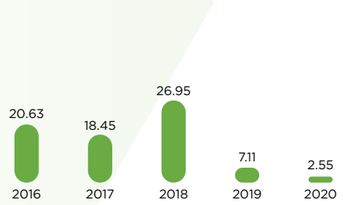
We have taken steps to eliminate the use of all single-use plastics from our business premises and have reduced our paper consumption using our newly implemented SAP ERP system, which features online transaction processing to eliminate unnecessary paperwork.

Hazardous waste (tonnes)

Used filters, medical waste, fluorescent lights



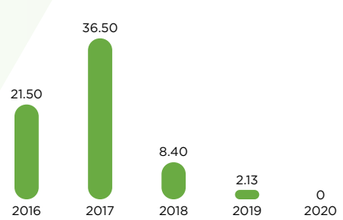
Batteries, e-waste



Waste oil and lubricants

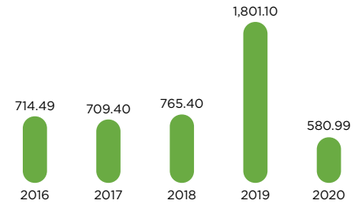


Others

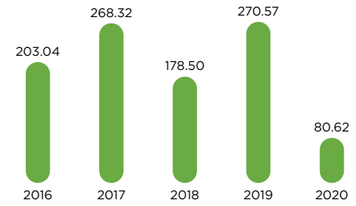


Non-hazardous waste (tonnes)

Paper, cardboard, discarded food and packaging, glass, kitchen waste



Tires, scrap metal, e-waste, aluminum, scrap wood, plastics



Monitoring our water consumption

Water is a shared resource. Although our operations are not water-intensive, we focus on efficiently managing our water consumption by minimising the consumption of fresh water in our operations and increasing the share of recycled water in the overall water consumption in our operations.

Our primary area of water consumption is in the testing and cooling phases of our gas operations. We consumed a total of 99,103 m^3 of water in 2019 and 102,107 m^3 in 2020.



OUR CONTRIBUTIONS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We endorse the *United Nations 2030 Agenda for Sustainable Development* and seek to align our operations and activities with the prescribed SDGs.

Our sustainability pillars	SDGs	Relevance	Highlights
Delivering on our promise	**SDG 1: No Poverty**	Acute deprivation and exclusionary processes accentuated by natural calamities make poverty persist, and eliminating poverty requires inclusive social protection practices.	• Through our strategy of local employment and procurement, we aim to provide opportunities for generating income in the communities where we work. • We have invested $7.98 million in community initiatives in 2019 and 2020, including $4.16 million in the KRI.
Delivering on our promise, Empowering our teams, Ensuring our teams' safety	**SDG 3: Good Health and Well-being**	Promoting health and well-being is critical to sustainable development.	• We supported the second and third annual UAE Rare Disease Day organised by the High Hopes Pediatric Therapy Center in Dubai. • We endorsed the Relay for Life, a 24-hour cancer fundraiser held by the Friends of Cancer Patients at the American University of Sharjah.
Delivering on our promise, Empowering our teams	**SDG 4: Quality Education**	Quality education is the foundation of sustainable societies. In addition to improving quality of life, it enables people to tackle the world's greatest challenges.	• We partnered with Edraak to develop a series of career readiness courses to boost youth employability. • We ensure training and upskilling for our employees as per international best practices. • In 2019 and 2020 we delivered more than 50,000 man-hours of training to our employees.
Empowering our teams	**SDG 5: Gender Equality**	Women remain a mostly untapped source of talent as they are underrepresented in the global business world.	• We are committed to attracting, nurturing, and retaining female talent. • Women represent over 24 per cent of our UAE workforce and growing.
Our commitment to the environment	**SDG 6: Clean Water and Sanitation**	Access to water, sanitation and hygiene is a human right, yet billions still lack access to these basic services.	• We are committed to reducing water consumption by promoting the use of recycled water in our facilities and significantly reducing total withdrawal. • We also ensure that all effluent from our operations is properly treated before disposal or reuse.
Delivering on our promise, Our commitment to the environment	**SDG 7: Affordable and Clean Energy**	Access to electricity and energy efficiency in poorer countries need to be improved, with emphasis on clean and safe cooking fuels.	• Our operations help supply the KRI with more reliable electricity supply. • We are consistently working to boost the energy efficiency of our operations.
Empowering our teams, Ensuring our teams' safety	**SDG 8: Decent Work and Economic Growth**	Sustained and inclusive economic growth can drive progress, create decent jobs for all, and improve living standards. Yet, employment disparities remain across regions and age groups.	• We placed 63 per cent of our procurement orders with local suppliers in 2019 and 58 per cent in 2020. • We have maintained zero LTI in both 2019 and 2020.
Delivering on our promise	**SDG 9: Industry, Innovation, and Infrastructure**	Investments in infrastructure—transport, irrigation, energy and information and communication technology—are crucial to achieving sustainable development and empowering communities.	• We are committed to the economic growth and infrastructural development of the KRI. • Our SP function supports clean energy transition and infrastructural development surrounding our areas of operation.
Delivering on our promise	**SDG 10: Reducing Inequalities**	Improving access to equal opportunities for all important to create a more inclusive and sustainable society.	• We sponsored Special Olympics World Games Abu Dhabi in 2019, which attracted 7,500 athletes of intellectual determination from 200 countries.
Delivering on our promise	**SDG 11: Sustainable Cities and Communities**	Cities are hubs for ideas, commerce, culture, and science. They enable people to advance socially and economically.	• We invested a total of $7.98 million in local communities in 2019 and 2020.
Our commitment to the environment	**SDG 12: Responsible Consumption and Production**	Sustainable consumption and production are about promoting resource and energy efficiency as well as sustainable infrastructure.	• We have optimised the use of energy and water across our operations. • We have reduced waste generation and significantly expanded recycling efforts compared to 2018. • Flaring from our production operation represented 0.7 per cent of total raw gas processed in 2020, and we aim to continue to reduce that level.
Our commitment to the environment	**SDG 13: Climate Action**	Climate change is now affecting every country on every continent. It is disrupting national economies and affecting lives.	• We have achieved a 10 per cent reduction in Scope 1 emissions over the last five years to 295k tCO_2e. • We have helped avoid over 41.98 million tonnes of CO_2 emissions through diesel replacement in the KRI during the same period.
Delivering on our promise, Empowering our teams, Ensuring our teams' safety	**SDG 16: Peace, Justice, and Strong Institutions**	The protection of individual rights entails the implementation of worldwide birth registrations and the creation of more independent national human rights institutions around the world.	• Corruption risks are high in our areas of operation; therefore, we remain vigilant and continue to upgrade our governance systems and processes.
Delivering on our promise	**SDG 17: Partnership for the Goals**	Partnership is key to achieving the SGDs at all levels across countries, communities, and businesses.	• We have partnered with various reputable organisations for the implementation of our SP initiatives, employee training, and environmental initiatives.

ACRONYMS AND GLOSSARY

API	American Petroleum Institute
ATP	Advanced Threat Protection
AUS	American University of Sharjah
BI	Business intelligence
BoE	Barrel of Oil Equivalent
CEO	Chief Executive Officer
COVID-19	Coronavirus disease 2019
CoW	Control of Work
CSR	Corporate Social Responsibility
EDR	Endpoint Detection and Response
EPC	Engineering, procurement, and construction
ERP	Enterprise Resource Planning
ESG	Environmental, social, and governance
EY	Ernst & Young Global Limited
GHG	Greenhouse gases
GIS	Geographic information system
GRI	Global Reporting Initiative
HSSE	Health, safety, security, and environment
ISAE 3000	International Standards of Assurance Engagements
IDP	Internally displaced person
IT	Information technology
IOGP	International Oil and Gas Producers Association
KRI	Kurdistan Region of Iraq
KRG	Kurdistan Regional Government
LPG	Liquefied petroleum gas
LTI	Lost time injury
MDR	Managed Detection and Response
MENA	Middle East and North Africa
Mmboe	Million barrels of oil equivalent
MMscf	Million standard cubic feet
MOOC	Massive open online course
PCR	Polymerase chain reaction
PPE	Personal protective equipment
PwC	PricewaterhouseCoopers
SAP SE	Systems, Applications & Products in Data Processing
SDG	Sustainable Development Goal
SIEM	Security incident and event management
SOAR	Security orchestration, automation, and response
SP	Social Performance
SQL	Structured Query Language
SSD	Solid-state drive
tCO_2e	Tonnes of carbon dioxide equivalent
TJ	Terajoules
TRIF	Total Recordable Injury Frequency
UAE	United Arab Emirates
UN	United Nations
WEF	World Economic Forum
VPN	Virtual private network
VTM	Viral transport media

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GRI 103: Management Approach Disclosures			
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	103-2	The management approach and its component	26
	103-3	Evaluation of management approach	26
GRI 203: Indirect Economic Impacts			
	203-2	Significant Indirect Impacts	28-32
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	26
	103-2	The management approach and its component	26
	103-3	Evaluation of management approach	26

Category	GRI indicator number	Definition	Page number/Remark
GRI 204: Procurement Practices			
	204-1	Proportion of spending on local suppliers	26
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	52
	103-2	The management approach and its component	52
	103-3	Evaluation of management approach	52
GRI 302: Energy			
	302-1	Energy consumption within the organisation	54-55
	302-2	Energy consumption outside organisation	Not reported
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	57
	103-2	The management approach and its component	57
	103-3	Evaluation of management approach	57
GRI 303: Water and Effluents			
	303-1	Interactions with water as a shared resource	57
	303-2	Management of water discharge-related impacts	57
	303-3	Water withdrawal	57
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	52
	103-2	The management approach and its component	52
	103-3	Evaluation of management approach	52
GRI 305: Emission			
	305-1	Direct GHG emission (Scope 1)	53
	305-2	Indirect GHG emission (Scope 2)	53
	305-4	GHG emission intensity	53
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	56-57
	103-2	The management approach and its component	56-57
	103-3	Evaluation of management approach	56-57
GRI 306: Effluents & Waste			
	306-2	Waste by type and disposal method	56-57
	306-3	Significant spills	56-57

Category	GRI indicator number	Definition	Page number/Remark
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	36
	103-2	The management approach and its component	36
	103-3	Evaluation of management approach	36
GRI 401 Employment			
	401-1	New employee hires and employee turnover	37
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	44
	103-2	The management approach and its component	44
	103-3	Evaluation of management approach	44
GRI 403 Occupation Health & Safety			
	403-1	Occupational health and safety management system	44
	403-2	Work-related injuries	46
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	39
	103-2	The management approach and its component	39
	103-3	Evaluation of management approach	39
GRI 404: Training and Education			
	404-1	Average hours of training per year per employee	39
	404-2	Programmes for upgrading employee skills and transition assistance programmes	39
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	36
	103-2	The management approach and its component	36
	103-3	Evaluation of management approach	36
GRI 405: Diversity and Equal opportunity			
	405-1	Diversity of governance bodies and employees	36
GRI 103: Management Approach Disclosures			
	103-1	Explanation of material topic and its boundaries	26-27
	103-2	The management approach and its component	26-27
	103-3	Evaluation of management approach	26-27
GRI 414: Supplier Social Assessment			
	414-1	New suppliers that were screened using social criteria	26-32

ASSURANCE STATEMENT

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Independent accountant's assurance report

To the board of Directors and Management of Crescent Petroleum Company International Limited

Scope
We have been engaged by **Crescent Petroleum Company International Limited** to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the 'Engagement', to report on **Crescent Petroleum Company International Limited's** environment and social performance indicators in the 2019 and 2020 sustainability report including Three (3) disclosures below:

- Disclosure 303-1: Water Management
- Disclosure 401-1: Localization and job creation
- Disclosure 403-9: Occupational safety

(the "Subject Matter") for the year 01 January 2019 and ended 31 December 2019 and for the year 01 January 2020 ended 31 December 2020.

Other than as described in the preceding paragraph, which sets out the scope of our Engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by **Crescent Petroleum Company International Limited**
In preparing the **Subject Matter**, **Crescent Petroleum Company International Limited** applied the Global Reporting Initiative Standards (GRI) (the **Criteria**).

Crescent Petroleum Company International Limited's *responsibilities*
Crescent Petroleum Company International Limited's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our Engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'), and the terms of reference for this Engagement as agreed with **Crescent Petroleum Company International Limited** on 8th March 2021.Those standards require that we plan and perform our Engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements,* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. Our work did not include physical visits to any of the Crescent Petroleum's operating facilities and operating assets due to health and safety restrictions linked to the COVID-19 pandemic.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Three (3) disclosures mentioned above and related information and applying analytical and other appropriate procedures.

Our procedures included:

a) Conducting interviews with personnel to understand the business and reporting process
b) Conducting interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period
c) Checking whether the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
d) Undertaking analytical review procedures to support the reasonableness of the data
e) Identifying and testing assumptions supporting calculations
f) Undertaking reviews of the presentation of the Subject Matter in the 2019 and 2020 Sustainability Report

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g) Testing, on a sample basis, underlying source information to check the accuracy of the data

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion
Based on our procedures and the evidence obtained, no matters have come to our attention that causes us believe that the Subject Matter information for the years ended 31 December 2019 and 31 December 2020 is not prepared, in all material respects, in accordance with the applicable Criteria.

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