



SHARE **INSIGHT**

BUILD **KNOWLEDGE**

CREATE **NETWORKS**

INSPIRE **ACTION**

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Letter from our Founder

With the support of our partners, the Pearl Initiative has grown considerably since its inception in 2010. We strive to increase our reach and engagement with the Private Sector across the Gulf Region to raise awareness on how accountability and transparency can enhance the Gulf Region's competitiveness, as well as find innovative ways to support organisations taking action in improving corporate governance practices.

The Gulf Region is on the cusp of change. Today we are experiencing visionary government agendas such as the KSA Vision 2030 and UAE Vision 2021; the Private Sector can no longer be a bystander, we must become part of the solution. For the Pearl Initiative, this solution is organisations implementing strong corporate governance practices.

Corporate governance, once seen as a value-add in traditional corporate structures, is now the bedrock of business competitiveness and sustainability. This is not just for large organisations either, entrepreneurs and MSMEs facilitate more rapid and steady growth with strong governance practices at the core of their organisations. This circle is not complete without philanthropy; we have the opportunity to increase the efficiency of at least \$250 billion per year that is donated in and from this region while ensuring accountability to funders and the public.

The Pearl Initiative believes in bringing locally relevant and culturally sensitive solutions for our region and harnessing the resolve we need to see positive change. It is the role of the Pearl Initiative to be connecting leaders from across all sectors of the Gulf Region to come together to achieve our shared vision of a prosperous Gulf regional economy for generations to come, underpinned by strong corporate governance practices.

Badr Jafar

Badr Jafar
Founder, Pearl Initiative



About the **Pearl Initiative**

OVERVIEW

Our Mission

The Pearl Initiative brings together business, government and civil society decision makers to share best business practices, with a view to maximising the economic opportunities available to companies within the Region. The Pearl Initiative also helps Gulf-based university students identify and embrace strong ethics as they embark on their future careers.

Prominent business leaders from across the Gulf Region launched the Pearl Initiative in 2010 as a non-profit vehicle for the Private Sector to take the lead in adopting higher standards in corporate governance, accountability and transparency. The Pearl Initiative believes that proactively raising standards in these areas enhances business innovation, opportunity and value creation. In other words, at the company level, it simply makes good business sense. At the sector and regional levels, high standards of corporate governance, diversity, and integrity are key drivers of competitiveness, investment, job creation and sustainable economic growth.



WHAT WE DO

With its growing network of partner companies, the Pearl Initiative is committed to driving collective action, exhibiting decisive leadership and sharing knowledge and experience to positively influence regional businesses and student communities. Through this approach, the Pearl Initiative is committed to assisting its stakeholders to implement higher standards of corporate governance, diversity, integrity and reporting.

To reach and influence the business and student communities, the Pearl Initiative:



Shares Insights

We generate and publish reports, insights and best practice references to help businesses independently enhance their capabilities.



Builds Knowledge

We help build knowledge by bringing experts together with businesses and host a series of complimentary workshops, roundtables, focus groups and training sessions.



Creates Networks

We bring together business, government and civil society decision makers to share best business practices and help maximise the economic opportunities available in the Region.



Inspires Action

Our focus on impact and collective action guides what we do to ensure we are working together with the community to inspire action and expand opportunities for all.



Impact

Since Inception in 2010 to December 2017

13

Regional
Insight
Reports

97

Events and
Workshops in the
Gulf Region

6,574

University Students Reached
Through our Workshops and
Case Study Competitions

6,827

Senior Executive Participants
from Across the Gulf Region
at our Events

30

Universities Engaged Across
the Gulf Region



About our **Programmes**

PROGRAMME DOMAINS

The Pearl Initiative delivers programmes that foster greater insight and perspective of why corporate governance matters to business in the Gulf Region. It facilitates discussions about how to practically improve corporate governance practices, and inspires both current and future business leaders to appreciate the business imperative behind these principles and practices. We support businesses of all sizes and engage directly with business leaders and university students from across the Gulf Region.

In 2016, the Pearl Initiative’s programme domains were:

- Corporate Governance 360
- Anti-Corruption Best Practices
- Diversity in Business Leadership
- Integrated Reporting
- Business Pledge



Programme Domain 1: Specific Corporate Governance Topics

The Pearl Initiative focuses on various specific topic areas that are of key interest and importance to the Gulf Region. These include:

<p>01</p> <p>Anti-Corruption Best Practices</p>	<p>02</p> <p>Diversity in Business Leadership</p>	<p>03</p> <p>Integrated Reporting</p>
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Programme Domain 2: Governance by Sector

To facilitate an effective, entrepreneurial and prudent management culture that can deliver the long-term success to a business, the Pearl Initiative has developed tailored programmes for specific sectors/types of organisations across the Gulf Region. These include:

<p>01</p> <p>Corporate Governance in Micro, Small and Medium Enterprises</p>	<p>02</p> <p>Corporate Governance in Family Firms</p>	<p>03</p> <p>- new - Governance in Philanthropic and Non-Profit Organisations</p>	<p>04</p> <p>- new - Corporate Governance in the Tech Industry</p>
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Programme Domain 3: Knowledge Transfer

The Pearl Initiative’s Business Pledge programme brings the Gulf Region’s business leaders and students together to showcase initiatives that promote sustainable growth based on good corporate governance practices. The Pearl Initiative also brings the world’s leading business schools to the Gulf to provide Executive Education tailored to the Region. These include:

<p>01</p> <p>Business Pledge</p>	<p>02</p> <p>Executive Education</p>
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Programme Domain 1: Specific Corporate Governance Topics



ANTI-CORRUPTION BEST PRACTICES

Commenced 2015

Building communities and resources to encourage the implementation of better integrity and transparency practices

Our Anti-Corruption Best Practices programme aims to develop practical tools and insights that will assist companies to understand the value of higher levels of integrity and transparency within their businesses. The programme focuses on providing businesses with the tools to independently and confidently evaluate their integrity practices and find cost-effective ways to improve their policies and processes.

Achievements include the launch of the 'Gulf Integrity Indicator' which has been developed to assist companies to understand and implement integrity practices focusing on six key pillars. The indicator is a first of its kind in the Gulf Region and while initially piloted with a small community in 2017, is now being rolled out to engage companies across the Region. As part of this programme, we also hold roundtable events in seven cities, engage expert speakers, and share knowledge and insight about the practical application of corporate integrity practices in the Gulf Region. Finally, through this programme, we held a series of case study competitions and have engaged 435 students across 20 universities creating case studies on 123 companies.

Looking forward, the Pearl Initiative will expand the Gulf Integrity Indicator and share related insights and references to help businesses implement and enhance corporate integrity practices. We are also in the process of establishing an academic task force to help guide the programme's future expansion within the academic curricula of the Gulf Region's universities to better prepare future business leaders on how to adopt practical business integrity practices across multiple industries.

Projects within this programme include:

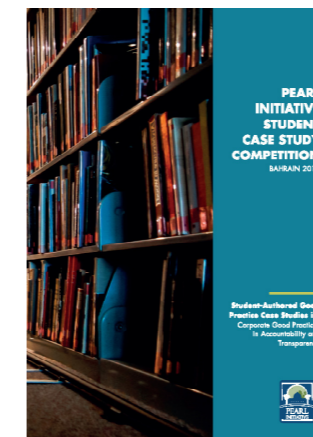
Gulf Integrity
Indicator

Collective
Action

Student
Case Study
Competition

Programme Partner:

SIEMENS
Ingenuity for Life



Programme Domain 1: Specific Corporate Governance Topics



DIVERSITY IN BUSINESS LEADERSHIP

Commenced 2015

Embracing Diversity as a Business Imperative

The bottom-line business case for higher levels of diversity is well researched and increasingly understood. Good corporate governance encompasses a rigorous system spanning all aspects of accountability and business practices. Diversity means having the right mix of experience, skills and perspectives as part of the leadership team to maximise views and opportunities the business can take advantage of and is one of the facts of modern business: a diverse organisation is a competitive one.

Achievements include the expansion of our 2015 regional insight report, 'Women's Careers in the GCC', that addressed the drivers and obstacles for women reaching leadership positions in Gulf companies. We worked with NAMA Women Advancement Establishment to publish a new report that shared four (4) case study best practices being implemented in the Gulf Region (including Olayan Group, PepsiCo, Petroleum Development Organisation (PDO) and GE and hosted a series of events around the Gulf Region to discuss the key findings. The Pearl Initiative published a report in partnership with NAMA Women Advancement Establishment focused on women's careers across four sectors in the UAE: ICT and STEM, Energy and Environment, Finance and Investment and Healthcare. It analyses how women are engaged in the workforce, reasons for this level of engagement and how greater engagement can be achieved.

Looking forward, the Pearl Initiative will once again expand its research and explore women's engagement in the economy across the Gulf Region as a whole. It will also introduce research not only around gender diversity issues but also look at other areas such as age and nationality. We will also host a series of events throughout the Gulf Region to share our findings and develop a set of resources and collaborative network to overcome diversity issues and challenges in the Gulf Region collectively.

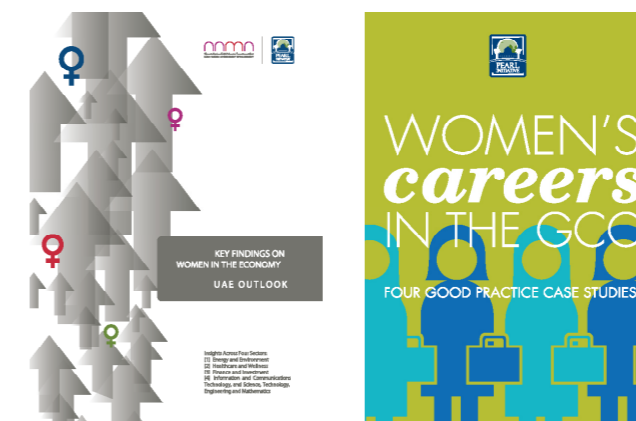
Projects within this programme include:

Women in the
UAE Economy

Women in the
Gulf Economy

Diversity
Research

Programme Partners:



Programme Domain 1: Specific Corporate Governance Topics



INTEGRATED REPORTING

Commenced 2015

Encouraging companies to integrate financial, environmental, social and governance information into their reporting frameworks

The Pearl Initiative has established strategic partnerships with The Prince’s Accounting for Sustainability Project (A4S) - established by HRH The Prince of Wales in 2004 - and the Abu Dhabi Sustainability Group (ADSG) on this programme, which strives to improve transparency in corporate reporting in the Gulf Region by focusing on encouraging businesses to integrate financial, environmental, social and governance information in their annual reports.

Achievements include the establishment of the Gulf Finance Leaders Circle of Practice (COP) which is a group of regional CFOs that come together to develop finance practices and gain insights from one another. The group shares practical approaches and oversees the development of case studies and guidance materials to share with the broader business community. The COP has established a board of leading CFOs that have convened in four roundtables events in the past. The first resource developed by the COP was a case study report, titled “Managing Future Uncertainty” highlighting the good reporting practices of four companies (Etihad Airways, National Bank of Abu Dhabi, Masdar and Abu Dhabi Airports).

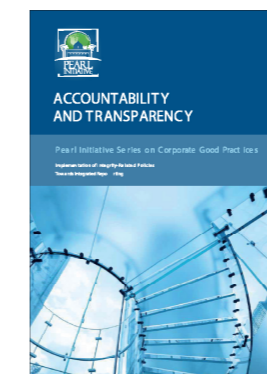
Looking forward, the Circle of Practice, with the support of the Pearl Initiative, will conduct a regional benchmarking exercise and publish case studies. This project will provide the opportunity to benchmark existing practice across all key areas, develop regional case studies, as well as help to identify future projects.

Projects within this programme include:

Circle of Practice

Regional Benchmarking Exercise

Programme Partners:



Programme Domain 2: Governance by Sector



CORPORATE GOVERNANCE IN MICRO, SMALL AND MEDIUM ENTERPRISES

Commenced 2017

Boosting the resilience of the Region’s MSME community through corporate governance

Micro, Small and Medium-sized businesses (MSMEs) account for over 90% of all companies operating in the Gulf and are anticipated to provide the bulk of the economic growth and job creation in the short- and long-term. Through this programme, we aim to empower the MSME community to be as competitive and resilient as possible through the introduction of cost-effective and practical corporate governance capabilities.

Achievements include the roll-out of a regional survey that helped us gain insights into the current state of corporate governance within the Gulf Region’s MSME community and some of the most critical challenges they face. We used the results and analysis of this survey to inform the development of a comprehensive thought leadership report that provides a snapshot of the current state of corporate governance within the MSME community. We also established a collaborative network of organisations that support MSMEs throughout the Region. This network, along with support from the International Finance Corporate of the World Bank (IFC), provided us with regional-specific insights and helped host several regional events where we gathered and shared data on critical issues and challenges MSMEs face.

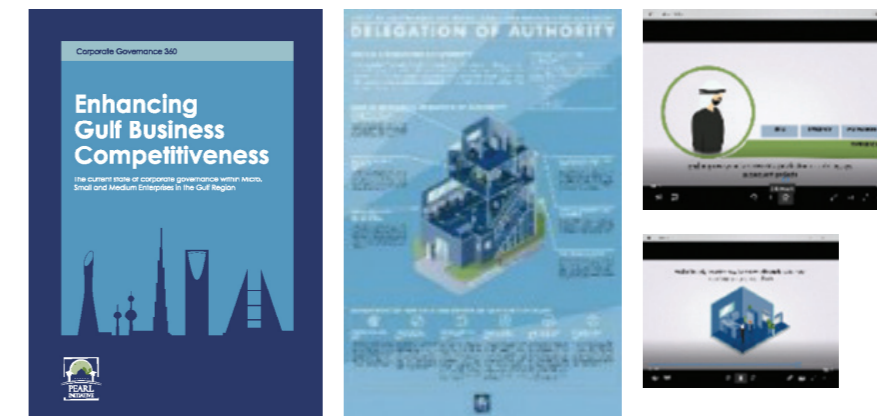
Looking forward, the focus will now shift to developing a series of reference materials (such as editable templates, infographics and short videos) made available through a web-based interface, to help MSMEs independently adopt cost-effective corporate governance practices within their business. The Pearl Initiative will also be delivering a series of workshops and training seminars for MSME executives and students of entrepreneurship across the Gulf Region.

Projects within this programme include:

Corporate
Governance
for MSMEs

MSME Online
Resource
Platform

Programme Partners:



Programme Domain 2: Governance by Sector



CORPORATE GOVERNANCE IN FAMILY FIRMS

Commenced 2010

Sustainable frameworks to support Family Firms as they transition and grow

Our work focuses on the business case for long-term value creation through the adoption of best governance practices in Family Firms. Family businesses generate approximately 80% of gross domestic product (GDP) outside the oil sector, and only 15% of these firms continue to create value after the third generation. Bearing this in mind, we aim to raise awareness and understanding of governance issues, trends and existing best practice to encourage the adoption of sound governance in Family Firms.

Achievements include the development of a collaborative thought leadership report published in partnership with PwC that looks into the various complex issues affecting Family Firms (such as challenging successions of power, differential governance patterns over time, and a reliance on informal business structures and procedures). By becoming aware of, and improving their corporate governance structures, many family-owned firms have successfully faced and overcome obstacles in their succession challenges. Additionally, through our partnership with Tharawat Family Business Forum, the Pearl Initiative published a collection of case studies that highlighted good governance practices throughout regional organisations.

Looking forward, the Pearl Initiative will build on the previous research and delve deeper to gain a more profound insight on the factors driving success in Family Firms, including when and how to engage the next generation most effectively. This research will be presented as a regional case study report that will enable its readers to learn about the institutional and cultural ingredients within successful Family Firms.

Projects within this programme include:

Good
Governance in
Family Firms

Programme Domain 2: Governance by Sector



GOVERNANCE IN PHILANTHROPIC AND NON-PROFIT ORGANISATIONS

Commenced 2017

Enhancing the impact of the Gulf Region’s philanthropic and non-profit ecosystem

Well-governed philanthropic and non-profit organisations are more likely to have a clearly set strategy, deliver on goals, make effective decisions and ensure the efficiency and impact of their programmes. Better governance practices, including impact measurement and transparency of reporting, are also likely to enhance the effectiveness of organisations. Through this programme, the Pearl Initiative will promote improved standards in the Gulf Region’s philanthropic and non-profit organisations and seek to raise awareness about the value of institutional philanthropy.

Achievements include a comprehensive project that looked to fill the current data gaps around the implementation of governance practices within the philanthropic and non-profit ecosystem of the Gulf Region. Based on a regional survey, focus group meetings and one-to-one discussions, the research shed light on the governance expectations of institutional donors and compared them to current practices adopted by philanthropic and non-profit organisations. We have published our findings in a thought leadership report titled ‘The State of Governance in Philanthropy’.

Looking forward, we plan to emphasise the role of an open platform for all actors in the philanthropic and nonprofit ecosystem to discuss the different ways in which the effectiveness of giving can be enhanced in the Region. Moreover, we are looking to focus on specific governance capabilities and deliver workshops and toolkits for the benefit of all organisations involved in the Gulf Region’s philanthropic and non-profit ecosystem.

Projects within this programme include:

Programme Partners:

Governance in the Philanthropic and Non-Profit Ecosystem



Programme Domain 2: Governance by Sector



CORPORATE GOVERNANCE IN THE TECH INDUSTRY

Commenced 2018

Aligning expectations between investors and Tech Firms on corporate governance capabilities that can be adopted across the various development stages of Tech Firms

The primary objective of this newly launched programme is to shed light on the current corporate governance practices being adopted by technology businesses in the Gulf and to understand the corporate governance capabilities that will be most beneficial across each stage of a tech business's lifecycle.

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The Technology Industry often faces challenges regarding growth, governance and investors' appeal that are different from other industries. These challenges have been the focal point of discussions between entrepreneurs and investors across the Industry and have seen a surge of attention due to the associated risks within such a fast-paced and rapidly evolving industry.

The research will form the baseline against which we can launch more specific and targeted projects that will address the gaps in awareness, knowledge, and implementation across the Region's Technology Industry. We intend to work with programme collaborators, funders, stakeholders and leaders in the Technology Industry (representing both technology businesses and Investors) to gain a clear understanding of the current state of the industry and what can be done to foster its growth and global competitiveness.

Projects within this programme include:

Governance in
the Tech Industry

Programme Domain 3: Knowledge Transfer



BUSINESS PLEDGE

Commenced 2016

Ensuring our future leaders appreciate the value of sustainability, inclusion, integrity and collaboration

The Business Pledge highlights the role the Private Sector plays in promoting responsible and sustainable growth based on good corporate governance practices in the Gulf Region. To underline the commitment that already exists in this region and to inspire others to act, the Pearl Initiative launched the Business Pledge to call upon senior business leaders in the Gulf to commit to adhering to the principles of ethical and responsible conduct when interacting with society.

Achievements include the development and launch of the Business Pledge which has already received more than 150 signatories from across the Region. An essential element to the pledge is bringing the business leaders and students together to share how organisations are implementing initiatives in line with the commitment of the Business Pledge. We have held seven Business Pledge sessions to date (in Bahrain, United Arab Emirates and Saudi Arabia), yielding three student-authored case study reports.

Looking forward, the programme aims to expand further and provide an opportunity to hundreds of university students to personally engage with business leaders and observe the actions these leaders are taking to honour their pledge to enhance governance within their business. The students will continue to produce case study reports based on these deep engagement sessions that will be showcased on our website and collated annually in regional case study publications.

Projects within this programme include:

Programme Partner:

Business Pledge

Business Pledge – Student Community



Programme Domain 3: Knowledge Transfer



EXECUTIVE EDUCATION

Commenced 2015

Learning new tools, frameworks, and methods to enhance corporate governance practices in the Gulf Region

Business leaders face complex challenges in a world of globalisation, technological revolution, and the accelerating rate of disruptive change. This programme aims to enhance the knowledge of senior executives across the Gulf Region on the importance of good corporate governance and how to incorporate best practices within an organisation.

Achievements include hosting a two-day ‘Corporate Governance, and Effective Board Leadership Programme’ designed and delivered by Cambridge Judge Business School and the Pearl Initiative. This intensive programme brought together business owners, directors and senior executives to make sense of the contemporary corporate governance landscape in the Gulf Region and analyse how to implement effective board leadership in the context of the Gulf Region. This is the second programme hosted with Cambridge Judge Business School.

Looking forward, we plan to explore how tailored executive education programmes can be offered to support our programmes and to enhance governance practices across the Gulf Region. Additionally, based on the results of a 2017 survey conducted by our partners, we identified Corporate Governance in Health Care, Non-Profit Organisations and Micro, Small and Medium Enterprises (MSMEs) to be the most interesting and needed topic areas for executive education programmes in the Gulf Region and are incorporating dedicated training programmes into our programme plans. We have also explored the launch of Family Firms-focused executive education programmes.

Projects within this programme include:

Corporate Governance and Effective Board Leadership

Executive Leadership and Trust

Programme Partner:





Governance in Focus **Forum Highlights**



About the Forum

World markets are rapidly evolving, and the Gulf Region’s Private Sector has an increasingly global impact on this evolution. The Governance in Focus forum, co-hosted with Saudi Aramco, was held in Riyadh, KSA and served as a platform for renowned business and government leaders to discuss the important role that corporate governance plays in:



Enhancing
Business
Resilience



Attracting
Investment



Technological
Disruption



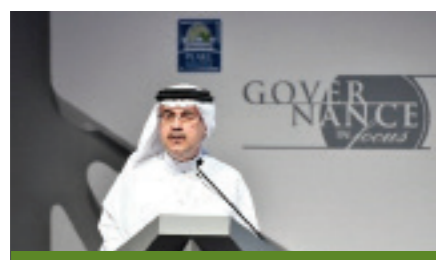
Shifting
Geo-economic
Landscapes

Opening Sessions



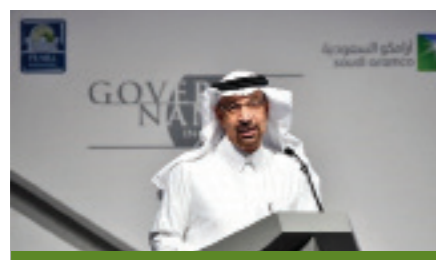
Introductory Message: ‘Corporate Governance: The Foundation of Corporate Sustainability’

Badr Jafar, Founder, Pearl Initiative and CEO, Crescent Enterprises



Welcome Address: ‘Saudi Aramco: From Regional to Global – Leadership in Governance’

Amin Nasser, President and CEO, Saudi Aramco



Keynote Address: ‘Governance in Strategic Sectors: Impact on National Competitiveness’

HE Khalid Al Falih, Minister of Energy, Industry and Mineral Resources of Saudi Arabia and Chairman, Saudi Aramco

Forum Highlights

36

High-level
speakers

350

Attendees

04

Panel
Discussions

02

Thematic
Workshops

Thematic Workshops: Putting Theory in Practice

From Grant Makers to Change Makers: Governance Models for Philanthropy

Facilitator:

Dr Natasha Matic, Chief Strategy Officer, King Khalid Foundation

Experts:

- May Taibah, General Manager, Nafisa Shams Academy
- Florence Bulte, Head of Sustainable Engagement, Chalhoub Group
- Mohammed Al Shoshan, Manager, Public Relations Operations Department, Saudi Aramco



Saudi Vision 2030 emphasises the important role of the philanthropic sector in achieving national economic and social objectives. The need for strong governance practices applies in this sector much like in any other sector. This practical workshop, featuring leading regional and global philanthropic organisations, explored models of effective governance that the organisations can use to maximise impact. It also highlighted how governance frameworks for philanthropic organisations may differ from those in the commercial sphere.

Driving MSME Competitiveness in a Vibrant Marketplace

Facilitator:

Sheikh Fahim bin Sultan Al Qasimi, Partner, AQ&P

Experts:

- Sheikha Abdulla AlFadhel, Director of SME Development Department at Ministry of Industry, Trade and Tourism
- Khalid Al Khudair, Founder and CEO, Glowork
- Marwan Al-Suwaidi, Acting Executive Director and Director of Finance, Khalifa Fund for Enterprise Development
- Bilal Ballout, Co-Founder and CEO, BMB Group
- Samir Suleymanov, Head of Strategic Initiatives Unit, The World Bank Group



Small and Medium-size enterprises are often cited as the backbone of the economy, relied on as a critical source of employment, innovative ideas, and social capital. However, MSMEs face significant challenges related to scaling, both globally and, more significantly, in the Gulf Region. This workshop explored how good governance and business practices can support sustainability and growth within the MSME sector, as well as on the role of national business leaders in fostering a fruitful MSME sector.

Plenary Panels

Private–Public Dialogue on Governance



This plenary panel addressed corporate governance frameworks from a variety of stakeholder perspectives. Private sector participants shared their thoughts on how governance frameworks for a wide variety of companies — from closely held family businesses to large, publicly listed conglomerates — have evolved over time to ensure corporate sustainability. Public-sector experts, in parallel, considered how governments affect the adoption of good governance practices. The goal of the panel was to understand how the state and private enterprise can work together to delineate governance frameworks that promote robust competition, social-capital creation, and enhanced productivity.

Moderator:

John Deferios, CNNMoney Emerging Markets Editor

Panellists:

- HE Dr Hamad Sulaiman A. Al-Bazai, Vice Minister of Finance of Saudi Arabia
- HE Ahmed Ali Al Sayegh, Chairman, Abu Dhabi Global Market
- Alain G. Bejjani, CEO, Majid Al Futtaim Holding
- Rick Haythornthwaite, Chairman, MasterCard & Centrica and Advisory Partner, Moelis & Co.
- Lubna S. Olayan, Deputy Chairman and CEO, Olayan Financing Company

Governance for Diversification: Supporting National Champions



As set forth in 2030 Vision, economic diversification is a major policy objective of the Kingdom of Saudi Arabia. The same is true of other resource-rich economies in the Gulf Region, Central Asia, and beyond. Good governance of leading companies operating in the natural resource sectors, as well as in industry verticals such as telecommunications, transportation, healthcare and others, is necessary to ensure that citizens receive critical goods and services. It is also essential to fostering the internationalisation and growth of national business leaders, and to enable them to tap into vast global markets. This panel explored how governments can foster businesses by enabling good governance and, at the same time, how businesses can leverage good governance to support international competitiveness and diversification.

Moderator:

Saad AlMatrafi, Bureau Chief – Riyadh, Al Arabiya

Panelists:

- H.E. Dr. Khaled Al-Sultan, Rector, King Fahd University for Petroleum and Minerals
- Yousef Abdullah Al-Benyan, Vice Chairman & CEO, Saudi Basic Industries Corporation (SABIC)
- Jamal Fakhro, Managing Partner, KPMG and First Deputy Chairman, Shura Council, Bahrain
- Joaquim Levy, Managing Director and CFO, The World Bank Group

Governance in a Digital World: Creative Disruption and New Technologies



The panellists discussed the disruptive business impact of new technologies and how they can be harnessed to support good governance, development, and economic opportunity. Technological evolution represents both an immense opportunity and risk for global and regional economies. In sectors such as financial services, technology is poised to disrupt the banking sector and revolutionise capital markets. At the same time, many business sectors, as well as government entities, are seeking to prepare for as yet unknown technological shifts and to develop capabilities to address uncertainties in the technology arena. Not least among the risks that businesses face in this new environment is the risk to boards and senior executives from new and constantly changing fields such as cybersecurity and data privacy.

Moderator:

Fadi Ghandour, Co-Founder, Aramex and Executive Chairman, Wamda Group

Panellists:

- Tony Bates, CEO, Social Capital Growth
- Magnus Olsson, Co-Founder and Chief Experience Officer, Careem
- Abdulrahman Tarabzouni, CEO & Managing Director, STV
- Will.i.am, Musician & Creative Innovator

Governance for Long-Term Value Creation: ESG and Social Capital



Mobilising private and public capital for long-term investment in critical national priorities such as infrastructure development has been on the top of the agenda of global policymakers. The panel discussed how long-term, sustainable investment flows could be organised in order to finance the corporate sector. It was noted that this is the focus of a number of global and national initiatives, targeted at the largest sovereign and private institutional investors who have emerged as critical global economic players. This panel focused on how institutional investors can leverage good governance in support of their stewardship objectives, as well as to create a positive social and environmental footprint.

Moderator:

Alissa Amico, Managing Director, GOVERN, the Economic & Corporate Governance Centre

Panellists:

- HE Dr Sheikha Al Maskari, Chairperson, Al Makari Holding
- Khalid Al Hussan, CEO, Tadawul
- Valerie Haertel, Global Head of Investor Relations, BNY Mellon
- Sammy Kayello, Chairman & CEO, Morgan Stanley MENA



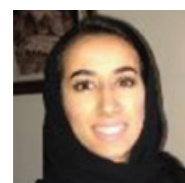
University **Engagement**

STUDENT ADVISORY BOARD



The Student Advisory Board was created to foster awareness amongst the student community about the Pearl Initiative and promote the Pearl Initiative’s programmes. In that capacity, the Student Advisory Board is expected to offer recommendations on and support university-related programmes and to provide suggestions on how best to engage with the Gulf Region’s student community. The Student Advisory Board should represent (at the least) 6 universities from across a range of countries in the Gulf Region. The criteria for the nomination of students shall be to identify individuals known to promote or support the Pearl Initiative’s core objectives and its mission. Registered undergraduate and postgraduate students are eligible to sit on the Student Advisory Board.

The current Student Advisory Board (SAB) is comprises:



Rahaf Alsaieri
Effat University



Jawaher Alshkili
Sultan Qaboos
University



Ahmed Janahi
Ahlia University



Ghanimah Al Munaifi
University of Kuwait



Ahmed Al Hashimi
Abu Dhabi University



Alanoud Al Sarhan
Prince Sultan
University



Rahsi Shafana
American University
of Sharjah

Student Case Study Competition



“Since 2013 some of our senior students have entered the Pearl Initiative Student Case Study Competitions to engage and inspire these students in understanding the real-life application of integrity, ethics, responsibility, governance, transparency and accountability within a business context. I have observed and strongly believe that this important initiative is helping ensure that when our students leave the world of academia, they

are better prepared for the world of commerce, with the practical application of ethics and values at the heart of their business education.”

- Dr Alawiya Allui, Associate Chair, Prince Sultan University

I would like to express how wonderfully I enjoyed conducting this case study and how it added very valuable knowledge under my belt. It was my first time to participate in a case study competition, and I didn’t expect to be the first-place winner, I just wanted to challenge myself and be at least one of the top 10, but luckily, I went beyond that which made me so happy and made me eager to continue writing and hope to publish more in the future.

- Ghaida Saad Alqahtani, King Saud University

Strategic Partnerships





2017

Financial Position

General Commentary

Key Financial Highlights

- Increase in net assets from US\$ 1,251,000 as at 31 December 2016 to \$1,714,000 as at 31 December 2017.
- Pearl Initiative has a partner base of 38 members who contributed partnership support of US\$ 900,000 in 2017.
- Pearl Initiative witnessed receipt of programme support of US \$960,00 in 2017.

Pearl Initiative highly appreciates the generous support and contribution made by our partners and collaborators. In addition to the regular annual support received from all our partners, a number of organisations supported several new initiatives by providing programme-specific support- namely the Siemens Integrity Initiative support for the Anti-Corruption Best Practices Programme; Bill & Melinda Gates Foundation support of the Governance in Philanthropic and Non-Profit Organisations programme 'RWE for their generous commitment of US \$2.5 million in 2015 (payables over a five year period), and Crescent Petroleum for their substantial contribution of administrative support for the organisation.

Legal Status

Pearl Initiative Inc. was incorporated on 10 October 2010 as a Not-For-Profit Corporation under section 402 of the Not-For-Profit Corporation Law of the State of New York. The Entity has incorporated a Branch 'Pearl Initiative Inc.' on 16 June 2015 as a 'Branch of a Foreign Company' under commercial license no. 93003 issued by the Dubai Creative Clusters Authority, Government of Dubai - Dubai - United Arab Emirates.

Summarised Principal Accounting Policies

Basis of Preparation

The financial statements of the Entity have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB).

Recognition of Partnership support

Partnership support is recognised when it is probable that economic benefits will flow to the Entity and the membership income can be measured reliably. Membership income is recognised as per the contractual arrangements with members and in the relevant accounting period.

Recognition of Programme Support

Programme support is recognised as support when

- the Entity is entitled to such programme support ;
- the programme support can be measured reliably; and
- it is probable that economic benefits of the programme support will flow to the Entity. The Entity shall be entitled to the programme support when it establishes control over the rights or other access to sponsorships based on the contractual arrangements with Funders.

Statement of Financial Position

as at 31 December 2017 (in USD '000)

	Y2017	Y2016
Assets		
Non-current assets	5	6
Current assets	1,958	1,475
Total assets	1,963	1,481
Liabilities		
Non-current liabilities	24	24
Current liabilities	226	206
Total liabilities	250	230
Net Assets	1,714	1,251

Statement of Financial Activity

for year ending 31 December 2017 (in USD '000)

	Y2017			Y2016		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Support						
Programme support	961	-	961	1,032	-	1,032
Partner support	-	902	902	-	940	940
Transfer from restricted	(679)	679	-	(331)	331	
Total Support	281	1,582	1,863	671	1,271	1,942
Expenses						
Programme	-	(996)	(996)	-	(894)	(894)
Organisational	-	(410)	(410)	-	(317)	(317)
Total expenses	-	(1,406)	(1,406)	-	(1,211)	(1,211)
Other Income	-	6	6	-	261	261
Change in net assets	281	182	463	583	135	718
Net assets at 1 Jan	1,254	(3)	1,251	671	(138)	532
Net assets at 31 Dec	1,535	178	1,714	1,254	(3)	1,251

Our Partner Companies

As of June 2018. Listed alphabetically



Looking Forward

We are pleased to share the 2017–2018 Annual Report of the Pearl Initiative, to look back at the accomplishments of the past year with pride and to look ahead to a progressive future that rests on the accomplishments of our past work.

In 2017 we witnessed the launch of three new programmes: The **Governance in Micro, Small and Medium Enterprises programme**, which aims to support the MSME community in the Gulf Region with best practices in corporate governance that are suitable for their long-term sustainable growth; the **Governance in the Philanthropic and Non-Profit Sector programme**, in partnership with the Bill & Melinda Gates Foundation to enhance the effectiveness of giving in the Gulf Region; and building on our previous work in **Diversity in Business Leadership**, a partnership with NAMA Women Advancement Establishment in which we published a research piece dedicated to analysing the role of women in the UAE national economy. Looking forward, we plan to expand this research Gulf-wide.

In 2018, we continue to expand our activities and programmes as a part of our commitment to support sustainable growth in the Gulf Region. In the first half of the year, we published three thought leadership reports. In partnership with Saudi Aramco, we hosted the **Governance in Focus Forum**, which was attended by over 300 senior-level executives and featured some of the most influential regional and international business leaders as speakers. We also launched the **Gulf Integrity Indicator**, a tool that aims to help companies evaluate their corporate integrity practices against both regional and international standards. In the second half of 2018, we will be releasing a series of toolkits and guidelines geared towards helping MSMEs implement strategic corporate governance structures for long-term value creation, and we will also be launching the on **Governance in the Tech Industry programme**, which will examine governance structures in one of the fastest growing economic sectors in the Gulf Region.

As ever, we strive to innovate and expand our offerings to best support the organisations that operate in the Gulf Region to grow sustainably through the adoption of good corporate practices. Our accomplishments could not have been achieved without the steadfast support and guidance from our partners, collaborators, and the Pearl Initiative team. We aim to continue working tirelessly towards our goal of a transparent and effective business community that is built on the foundations of accountability and transparency.



Carla Koffel

Executive Director, Pearl Initiative





www.pearlinitiative.org