



PEARL INITIATIVE

*Annual Report
2015*







PO Box 26666

Sharjah

United Arab Emirates

Tel: +971 6 515 4605

Fax: +971 6 515 4066

enquiries@pearlinitiative.org

www.pearlinitiative.org

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01 FOUNDER'S MESSAGE



BADR JAFAR
FOUNDER & CHAIR OF
EXECUTIVE COMMITTEE
PEARL INITIATIVE

"I would like to thank the Board of Governors of the Pearl Initiative for their leadership role, passion and commitment."

2015 marks a five-year successful track record for the Pearl Initiative, as the leading Gulf business-led organisation promoting a corporate culture of accountability and transparency.

The founding premise of the Pearl Initiative is that accountable, transparent and well-governed businesses together form the fundamental building blocks of a competitive and sustainable economy in the Gulf Region.

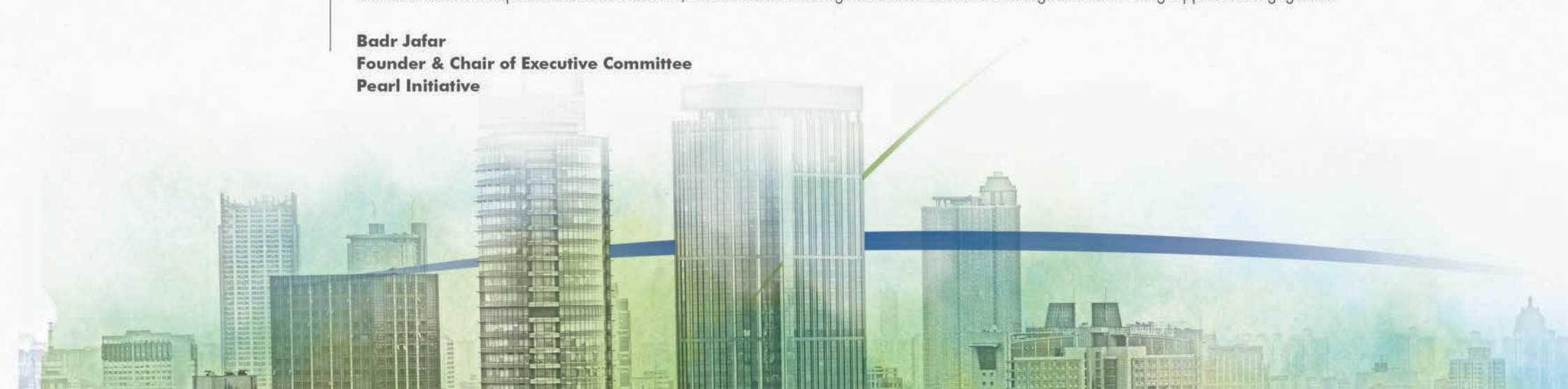
As a non-profit organisation, the Pearl Initiative differentiates itself by continually producing energetic high-quality programme work on a rigorously managed budget. In the first five years of its existence, the Pearl Initiative has built a reputation for delivering impactful collaborative programme outcomes, research and insight, roundtable interactions, and innovative university initiatives across our programme streams.

So far, the Pearl Initiative has influenced 5,480 business leaders and 5,980 university students through publishing 7 regional insight reports, holding 65 roundtable forums and engaging with 25 universities across the Gulf Region.

I would like to share my sincere gratitude to His Highness Dr Sheikh Sultan Bin Mohamad Al-Qasimi, Member of the Supreme Council of UAE and Ruler of Sharjah and the Pearl Initiative's Founding Patron and His Excellency Sheikh Nahayan Mabarak Al Nahayan, Minister of Culture, Youth and Community Development, UAE and the Honorary Chairman of the Pearl Initiative for their continued patronage and support.

I would like also to thank the the Board of Governors of the Pearl Initiative for their leadership role, passion and commitment. Commendation is also due to the Partner Companies of the Pearl Initiative, who have made the organisation the success it is through their unwavering support and engagement.

Badr Jafar
Founder & Chair of Executive Committee
Pearl Initiative



02 EXECUTIVE DIRECTOR'S MESSAGE



IMELDA DUNLOP
EXECUTIVE DIRECTOR
PEARL INITIATIVE

"I would like to thank all our stakeholders, including Programme Partners, Partner Companies, experts and of course our dedicated staff, for their unwavering commitment and collaboration."

I am delighted to present the Annual Report of the Pearl Initiative, including an independent financial audit, for the calendar year 2015. 2015 has been another highly productive year for the Pearl Initiative, encompassing a number of groundbreaking achievements.

A few key 2015 achievements include:

- The very successful inaugural Pearl Initiative and UN Global Compact Forum for the Gulf Region held in Dubai on 16th April 2015. "Corporate Accountability Matters: Business Integrity and Value Creation Beyond 2015".
- 11 high-level forums across almost every major city in the Gulf Region, on topics such as anti-corruption good practices, diversity in leadership teams and integrated reporting.
- Our extremely well-received Pearl Initiative Research Report "Women's Careers in the GCC: The CEO Agenda", published in April 2015.
- The first high-level Executive Education Programme jointly held by the Pearl Initiative and Cambridge University Judge Business School on "Leadership and Trust", in Dubai in March 2015.
- The succinct and impactful Pearl Initiative "Practical Guide to Anti-Corruption in the Gulf Region" published in December 2015.
- Welcoming "Chalhoub Group" and "Sharjah Business Women Council" to our continuously growing network of Partner Companies.

All Pearl Initiative activities and programmes aim to positively influence the thinking and behaviour of current and future corporate leaders, highlight the business case for the highest standards in corporate accountability, governance and transparency.

I would like to thank all our stakeholders, including Programme Partners, Partner Companies, experts and of course our dedicated staff, for their unwavering commitment and collaboration.

Imelda Dunlop
Executive Director
Pearl Initiative

03 ABOUT THE PEARL INITIATIVE

Established in 2010 in cooperation with the United Nations Office for Partnerships, the Pearl Initiative is the leading Gulf business-led non profit organisation promoting a corporate culture of accountability and transparency as a key driver of competitiveness across the Region.

The Pearl Initiative is created by and for the Private Sector to proactively take a lead in raising standards of corporate governance and integrity in order to enhance business competitiveness, opportunity and value creation, and simply because it makes business sense.

In 2013, the Pearl Initiative signed a strategic partnership with the United Nations Global Compact to collaborate on a number of programmes in countries across the Middle East and North Africa. This strategic partnership leverages international and regional expertise in order to combine global best practices with locally relevant imperatives.

Through collaborative stakeholder engagement and joint corporate action, the Pearl Initiative has a positive impact on the business environment and fosters competitive economic growth, sustainable social development and job creation.

With the aim of driving forward a culture of corporate governance, transparency and accountability in the Gulf Region of the Middle East, the Pearl Initiative holds ongoing activities, programmes and events in all major cities across the countries of the Gulf Cooperation Council (GCC).

The Pearl Initiative delivers:

- Collaborative action programmes
- Regional insight, case studies and research-based reports
- High-level interactive roundtable forums and workshops
- University collaborations



Vision

A thriving economy in the Gulf Region strengthened by a Private Sector that embraces good governance as a key pillar of sustainable growth.



Mission

To be the leading Gulf business-led organisation promoting a corporate culture of accountability and transparency, as a key driver of competitiveness.



The Pearl Initiative key topics of interest are:



The Pearl Initiative, along with its growing network of Partner Companies, is committed to driving joint action, exhibiting positive leadership and sharing knowledge and experience – in order to positively influence the entire regional business and student community towards implementing higher standards in areas such as corporate governance, anti-corruption, diversity in business leadership, integrity and reporting.

About this Report's Scope and Boundary:

This report provides summary descriptions of activities organised, supported and participated in by the Pearl Initiative during the year 2015.

Frequency: This report is published annually.

Previous Report: Pearl Initiative Annual Report 2014.



04 GOVERNANCE

Founding Patron

His Highness Dr Sheikh Sultan Bin Mohamad Al-Qasimi,
Member of the Supreme Council of UAE and Ruler of Sharjah.

Chairman - Hamid Dhiya Jafar, Crescent Group

Vice-Chairman - Abdulaziz H. Aljomaih, Aljomaih Group

Vice-Chairman - Riad Al Sadiq, Al Habtoor Leighton Group

Abdulaziz Al Sowailim, EY

Abdulla Mazrui, Mazrui Holdings

Arif Naqvi, Abraaj Group

Amir Dossal, Global Partnerships Forum

Badr Jafar, Crescent Enterprises

Fadi Ghandour, Aramex

Fahad Al Turki, ATCO Group

Sheikha Hanadi Bint Nasser Al Thani, Amwal

Hani Ashkar, PwC

Helal Saeed Almarri, Dubai Department of Tourism and Commerce Marketing

Malas, Gateway Partners

Jamal Fakhro, KPMG

Khalid Al-Rajhi, Rajhi Partners

Rashad M. Al Zubair, Zubair Corporation

Samer Khoury, Consolidated Contractors Company

Varouj Nerguizian, Bank of Sharjah

Board of Governors

The members of the Board of Governors are prominent business leaders from across the Gulf Region and they contribute their time on voluntary basis, in order to oversee the strategy and direction of the Pearl Initiative. The Board of Governors meets regularly at locations across the Gulf Region.



Board meetings
held in 2015

29 March

20 & 21 November

The Executive Committee

The Pearl Initiative Executive Committee is the decision-making body that directs the organisation's ongoing operational activities. The Executive Committee meets regularly.

Executive Committee

Badr Jafar

CEO, Crescent Enterprises

Amir Dossal

Founder, Global Partnerships Forum

Imelda Dunlop

Executive Director, Pearl Initiative

ExCom meetings held in 2015

27 January	24 February
28 April	30 June
18 August	6 October



Integration Board

The Integration Board, which meets at least twice a year, is an effective vehicle for Partner Companies to provide input on the direction and activities of the Pearl Initiative.

It also facilitates the cross-fertilisation of ideas, experiences and opportunities across the community of Partner Companies.

Ultimately, it ensures that the Pearl Initiative is delivering programmes that optimise value to the regional business community.

Integration Board meetings held in 2015

7 June

28 October



05 FINANCIAL SUMMARY

GENERAL COMMENTARY

As an independent non-profit organisation, the Pearl Initiative's annual budget consists of the committed annual contribution and programme sponsorship of our partner companies and this funds all our activities. The financial results show that in 2015 the Pearl Initiative successfully improved its financial position. Partner company contributions and programme sponsorship increased 51% from US\$954,000 to US\$1,442,000 primarily due to new partners and other initiatives. Operating surplus increased 180% from nearly US\$83,000 in 2014 to more than US\$230,000 in 2015 due to increased contributions and subscriptions. The current ratio has significantly improved from 0.88 in 2014 to a healthy ratio of 1.12 in 2015. Total assets have more than doubled from US\$509,000 in 2014 to US\$1,059,000 in 2015 also largely as a result of increased contributions and sponsorships. Further strengthening the financial position in the short and long term, this year the Pearl Initiative entered into an agreement with RWE to contribute \$2.5 million over a five-year period and was awarded a three-year grant from The Siemens Integrity Initiative. Crowe Horwath audits the Pearl Initiative's financial statements.

Legal Status

Pearl Initiative Inc. was incorporated on 10 December 2010 as a Not-For-Profit Corporation under section 402 of the Not-For-Profit Corporation Law of the State of New York.

PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and IFRS Interpretations committee (IFRIC) interpretations as issued by International Accounting Standards board (IASB). The financial statements have been prepared in accordance with the historical cost convention. The Statements provided in this Report serve as a summary of the full Audited Financial Statements.

Contributions and Sponsorships

Contributions and sponsorships are recognised when it is probable the economic benefit will flow to the entity, and can be measured reliably. Contributions and sponsorships are recognised as per contractual arrangement with partners and in the relevant accounting period.

Liabilities

Liabilities of the company includes financial liabilities, provision for employees' end of service benefits and deferred contributions. All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. Provision for employees' end of service benefits is made for employees' termination gratuity in accordance with UAE labour law for the accumulated period of service as at the reporting date. Contributions received from the customers are accounted as deferred contributions to the extent that they pertain to the period subsequent to the reporting period.

Foreign Currency

Since most of the entities' transactions are in United States Dollar (USD), or a currency pegged to the USD, the functional currency of the entity is the USD. Assets and Liabilities in foreign currencies are translated to USD at the rate of exchange ruling at the Statement of Financial Position Date. Transactions in foreign currencies are translated into USD at the rate of exchange prevailing on the date of the transaction.

Financial Risk Management

The entity's management set out the overall business strategies and its risk management philosophy. The entity's overall financial risk management program seeks to minimise potential adverse effects on the financial performance of the entity. The entity policies cover specific areas such as market risk (including foreign exchange risk, interest rate risk), liquidity risk, and credit risk. Periodic reviews are undertaken to ensure that the entity's policy guidelines are complied with. There has been no change to the entity's exposure to these financial risks or the manner in which it manages and measures risk.

For a better understanding of the financial performance and financial position of the entity, please refer to the audited financial statements which shall be available upon request.



INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Pearl Initiative Inc., (the entity) which comprise the statement of financial position as at 31 December 2015, and statement of comprehensive income, statement of changes in reserves and statement of cash flows for year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

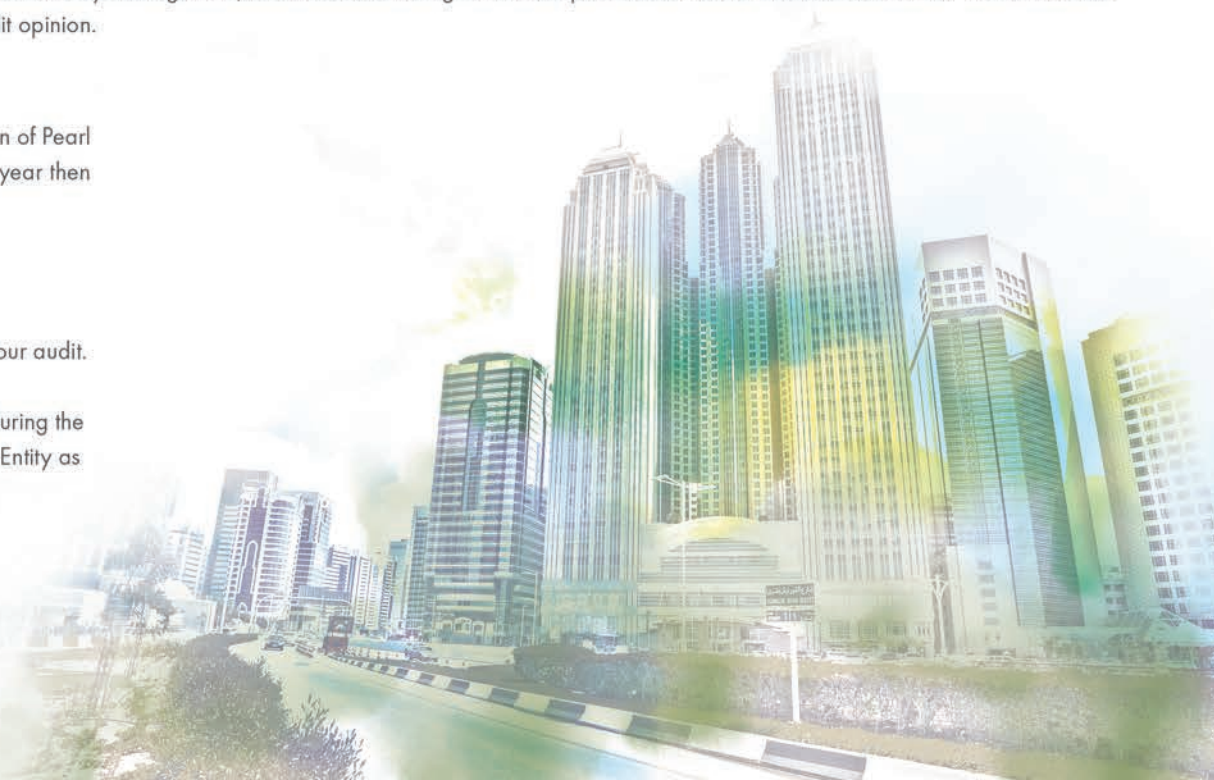
In our opinion, the financial statements present fairly, in all material respects, the financial position of Pearl Initiative Inc. as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

We further confirm that:

1. We have obtained all the information and explanations, which are considered necessary for our audit.
2. Proper books of accounts have been maintained by the Entity.
3. According to the information made available to us, we are not aware of any contraventions during the year of the applicable laws; which might have materially affected the financial position of the Entity as at 31 December 2015 or the financial result of its operations for the year then ended.

For Horwath Mak
James Mathew FCA, CPA(USA)
Managing Partner





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Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

STATEMENT OF FINANCIAL POSITION

As of 31 December 2015, in USD		
	2015	2014
ASSETS		
Current Assets	1,052,595	509,281
Non-Current Assets	6,638	-
Total Assets	1,059,233	509,281
LIABILITIES		
Current Liabilities	940,163	580,111
Non-Current Liabilities	86,657	127,424
Total Liabilities	1,206,820	707,535
NET ASSETS	32,413	(198,254)

STATEMENT OF FINANCIAL ACTIVITIES

For year ending 31 December 2015, in USD		
	2015	2014
Contributions and Sponsorships	1,441,874	954,698
Program Services and Administrative Expenses	(1,211,207)	(872,022)
Total Operating Surplus	230,667	82,676
Other Comprehensive Income	-	-
Net Comprehensive Surplus	230,667	82,676

06 STAKEHOLDERS

The Pearl Initiative has a large number of internal and external stakeholders, which are involved at the strategic, operational and programme-impact level. These stakeholder groups provide important input to our operations and activities or are affected by them. They have been identified through internal procedures including the Pearl Initiative team and Executive Committee. The Pearl Initiative stakeholders according to their level of engagement are:

Internal Operational Stakeholders:

This group of stakeholders oversee our strategy and implement our plans and programmes.

External Operational Stakeholders:

This group of stakeholders is an integral part of our operations and is key to the delivery of our outreach programmes and activities.

Direct Impact Stakeholders:

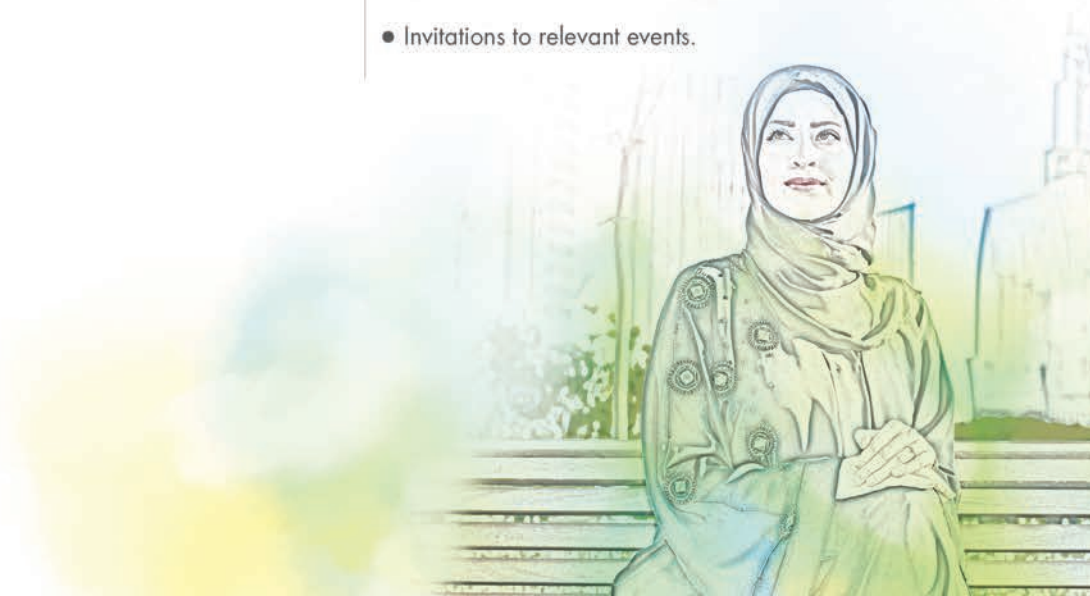
This group of stakeholders has direct impact or directly impacted by our operations, programmes and activities.



The table below illustrates our engagement with our main stakeholder groups. This includes engagement, stakeholders' issues & needs and our approach in response to the issues & needs of each group.

Stakeholder Group	Engagement	Stakeholder Issues & Needs	Pearl Initiative's Approach
Private Sector	<ul style="list-style-type: none"> ● Programmes and Reports ● Interactive Forums ● Social Media and Press Communications ● Website 	<p>Increase awareness and adoption of good business practices in order to:</p> <ul style="list-style-type: none"> ● enable business to mitigate risks and attract investment, business partners and best employees, ● drive innovation, value & job creation and sustainable regional economic growth. 	<p>Use the Initiative's programmes and activities as a vehicle for the Gulf business community to:</p> <ul style="list-style-type: none"> ● take a lead in adopting higher standards in corporate accountability, transparency and governance, ● demonstrate the business case for doing so in order to positively influence the entire regional business & student community.
University Students	<ul style="list-style-type: none"> ● Workshops and Seminars ● Annual Case Study Competitions ● Social Media and Press Communications ● Website 	<ul style="list-style-type: none"> ● Better understanding of the business world and the importance of corporate governance to the sustainability of business. ● Access to relevant local success stories, role models and studying material. ● Better preparation for entering the world of commerce, with the practical application of ethics and values at the heart of their business education. 	<p>Providing university students across the region the opportunity to gain experience by participating in:</p> <ul style="list-style-type: none"> ● interactive seminars, workshops and discussions with regional and international business leaders. ● inspiring Case Study Competitions which also provides them with relevant local case studies to be used as teaching material.
Our Partners	<ul style="list-style-type: none"> ● MOUs and Agreements ● Interactive Roundtable Forums ● Social Media and Press Communications ● Quarterly Newsletters ● Website 	<ul style="list-style-type: none"> ● Leading the way in raising the bar on business standards and good practices. ● Leave a legacy for the development of university students, the entrepreneurs and business leaders of the future. ● Provide direction and input to the Pearl Initiative's strategies, plans and activities. 	<ul style="list-style-type: none"> ● Providing our partners with upfront activity plans and invitations for executives to participate in various activities, right across the GCC and internationally. ● Offering opportunities to participate in practical executive training programmes on topics of interest from leadership, integrity and governance to risk, compliance, anti-corruption and integrated reporting. ● Getting privileged access to a community and conduit to the latest insight, tools, resources, trends, research and analysis.

Stakeholder Group	Engagement	Stakeholder Issues & Needs	Pearl Initiative's Approach
International Entities	<ul style="list-style-type: none"> ● MOUs and Agreements ● Collaboration in Roundtable Forums ● Collaboration in Research and Reports ● Social Media and Press Communications ● Website 	<ul style="list-style-type: none"> ● Reaching out to the business community in the Gulf Region to raise its awareness of the latest international business good practices in areas of accountability, governance and transparency. ● Gaining insights on the challenges and relevant accomplishments of the region's business community. 	<p>Through constructive collaborations, the Initiative's programmes, activities and university collaborations are used as a vehicle to reach out to the regional business community and raise awareness of common topics of interest.</p>
Suppliers & Contractors	<ul style="list-style-type: none"> ● Contracts ● SLAs 	<ul style="list-style-type: none"> ● Transparency, timely payment, fair bidding process. 	<ul style="list-style-type: none"> ● Transparent and standardized process. ● Honoring commitments.
Government Entities	<ul style="list-style-type: none"> ● Interactive Forums ● Meetings 	<ul style="list-style-type: none"> ● Collaborative dialogue on common issues 	<ul style="list-style-type: none"> ● Share platforms on topics of interest at Pearl Initiative and other events. ● Provide conduit to Private Sector on mutual topics of interest.
Civil Society and Relevant Initiatives	<ul style="list-style-type: none"> ● MOUs and Agreements ● Collaboration in Roundtable Forums ● Collaboration in Research and Reports ● Social Media and Press Communications ● Website 	<ul style="list-style-type: none"> ● Knowledge sharing and collaboration on various activities to maximize impact and increase reach. 	<ul style="list-style-type: none"> ● Open knowledge sharing and collaboration on common topics of interest ● Invitations to relevant events.



<p>Our Employees</p>	<ul style="list-style-type: none"> ● Formal and informal meetings ● Social Events ● Sharepoint tool 	<ul style="list-style-type: none"> ● Career development, benefits, salary, timely payment, training, and transparency. 	<ul style="list-style-type: none"> ● Continuous investment in the team by regularly conducting necessary development review, appraisals, and health insurance system.
<p>Integration Board</p>	<ul style="list-style-type: none"> ● Meetings ● Reports and minutes of meetings 	<ul style="list-style-type: none"> ● Provide input on the direction and activities of the Pearl Initiative. ● Enable the cross-fertilisation of ideas, experiences and opportunities across the community of Partner Companies. 	<ul style="list-style-type: none"> ● Including input of Partners in Pearl Initiative’s plans and activities.
<p>Board of Governors</p>	<ul style="list-style-type: none"> ● Quarterly Meetings ● Reports and minutes of meetings 	<ul style="list-style-type: none"> ● Volunteer to oversee the strategy and direction of the Pearl Initiative. ● Lead the progress of change. 	<ul style="list-style-type: none"> ● Include input and insights in planning of the Pearl Initiative’s various activities. ● Report progress and achievements.
<p>Executive Committee</p>	<ul style="list-style-type: none"> ● Monthly Meetings ● Reports and minutes of meetings 	<ul style="list-style-type: none"> ● Provide input, approval and follow up on operational issues. 	<ul style="list-style-type: none"> ● Include input and insights in planning of the Pearl Initiative’s various activities. ● Report progress and achievements.



07 KEY ACHIEVEMENTS IN 2015



The inaugural Pearl Initiative & United Nations Global Compact Forum for the Gulf Region

The Pearl Initiative and the United Nations Global Compact held the inaugural Gulf Region Forum on 16th April 2015. The Forum, entitled “Corporate Accountability Matters: Business Integrity and Value Creation Beyond 2015” was held under the patronage of His Highness Sheikh Hamdan Bin Mohammed Bin Rashid Al Maktoum, Crown Prince of Dubai.

This important Forum contributed to improving corporate accountability, transparency and governance, through providing a vehicle for over 600 regional and international business leaders and representatives from UN organisations, government and civil society to share lessons learned and explore effective ways to engage in activities and partnerships that advance critical sustainable business development priorities across the Region.

The inaugural Forum began with a video address from the Secretary General of the United Nations, Ban Ki-Moon. It also included keynote speeches and panel discussions from international and regional business leaders including Her Excellency Reem Al Hashimy, UAE Minister of State and Board Representative Higher Committee & Director General Bureau, Dubai Expo 2020, Sir Mark Moody Stuart, President & Chairperson, Foundation for the UN Global Compact, Sheikha Hanadi bint Nasser AlThani, Founder and Chairperson of Amwal and Hussain Al Nowais, Chairman, Al Nowais Investments.



"Business can drive progress. But not just any business will do. Sustainable development demands principled business. It requires strong accountability."

An excerpt from the keynote speech of Ban Ki-Moon, Secretary General of the United Nations.

36 Regional and International Speakers

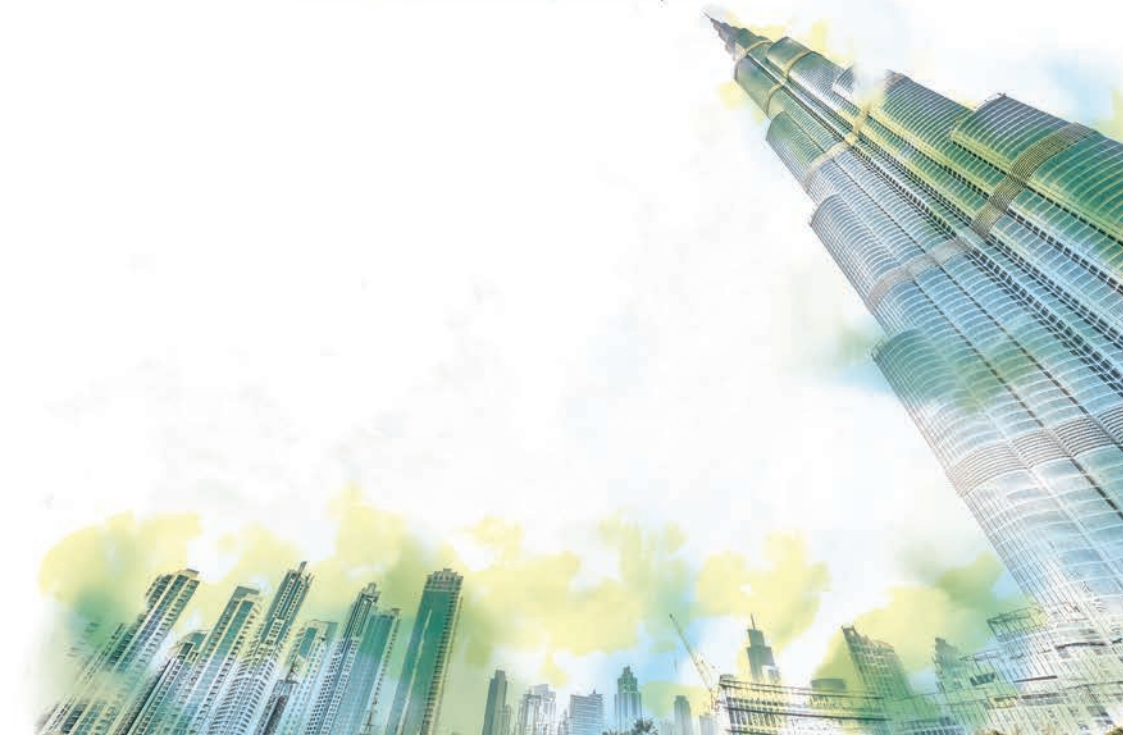
600 high-level participants from across the Middle East and beyond

157 press articles and news pieces covering the Forum regionally and internationally



"Initiatives like Pearl are very significant; bringing together governments and business to forge fundamental change across the social spectrum."

An excerpt from the keynote speech of HE Reem Al Hashimy, UAE Minister of State and Board Representative Higher Committee and Director General Bureau, Dubai Expo 2020



Plenary Sessions



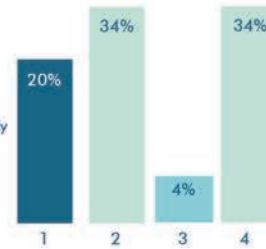
Under the theme “Sustainable Leadership and Competitiveness”, the opening plenary session highlighted the importance of sound principles and values as the cornerstone of cultural and ethical leadership in the Gulf Region and how they can be translated through to business competitive advantage in increasingly globalised and fast-moving markets. It also addressed the outlook for the sustainable competitiveness of the regional economy.



The second plenary session marked the launch of the Pearl Initiative Report “Women’s Careers in the GCC - The CEO Agenda” which details research findings on women and their careers in the region and offers some practical recommendations to business leaders on how to address the ‘leaking pipeline’ of female talent in their organisations. The Report presents the culmination of several months of research and a survey of over 600 women in senior positions across GCC countries.

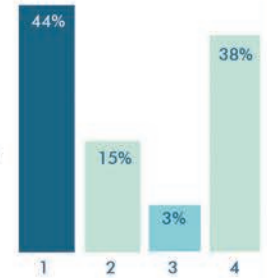
The Sector with the greatest role in Development in our Region is:

- 1- The Private Sector
- 2- Governments
- 3- Civil Society
- 4- All of the above equally



The sector with the greatest role in creating productive jobs in our region is:

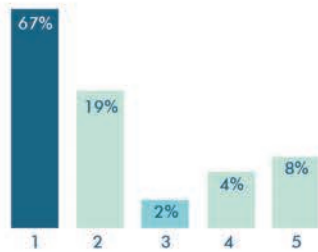
- 1- The Private Sector
- 2- Governments
- 3- Civil Society
- 4- All of the above equally



The final plenary session explored how regional and multinational players increasingly see any shortfall in high levels of integrity and transparency as a key business risk. An active improvement of governance structures and countering corruption therefore becomes a business imperative. The panelists discussed the role of governance in countering risk and its wider impact on stability, economic growth and the society.

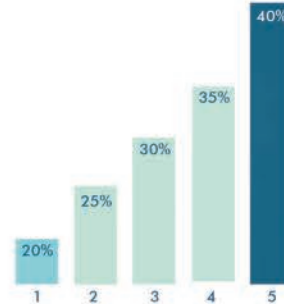
All companies in the Gulf Region (publicly-listed and privately held) should be obliged to implement good governance and accountability practices and report them publicly

- 1- Strongly agree
- 2- Partially agree
- 3- Neutral
- 4- Partially disagree
- 5- Strongly disagree



Shareholders and investors in the Gulf Region are currently getting all the information they need on the companies in order to make effective decisions

- 1- Strongly agree
- 2- Partially agree
- 3- Neutral
- 4- Partially disagree
- 5- Strongly disagree



Roundtable Sessions

In the afternoon, three parallel roundtable sessions were held to discuss in depth certain topics and ensure high interaction between participants:



Integrity through the Value Chain

This roundtable discussed the role of the Private Sector along with governments and civil society in applying ethical standards and ensuring integrity across the value chain.



Governance and Transparency in Business and Civil Society

This roundtable highlighted the importance of governance and transparency and their role in achieving successful outcomes whatever the organisation's mission.



Family Matters; Governance Matters

The third roundtable discussed the lessons that can be shared and learned about the governance principles and frameworks that work in the Gulf Region and ensure a healthy transition of well-governed and sustainable business through to the next generation and beyond.



Awards Dinner and Recognition Ceremony

The Forum concluded with an evening Awards Dinner held at the Ritz Carlton Hotel DIFC. His Excellency Sheikh Nahayan Mabarak Al Nahayan, UAE Minister of Culture and Knowledge Development, and Honorary Chairman of the Pearl Initiative, joined regional and global business leaders at the evening ceremony. His Excellency Sheikh Nahayan honoured and recognised three outstanding business leaders for their services to promoting a culture of corporate responsibility, fighting corruption and advancement of Arab women in leadership in the Gulf Region. Honorees were His Excellency Dr. Abdullah A. Al Abdulkader, Vice President for Saudi Arabia’s National Anti-Corruption Commission (Nazaha); Georg Kell, Executive Director of the UN Global Compact; and Haifa Al Kaylani, Founder Chairman of the Arab International Women’s Forum.

The Awards dinner concluded with an enlightening speech by the evening’s guest speaker; Lord Michael Hastings of Scarisbrick CBE.



Forum Outcomes

Designed to advance corporate sustainability and responsible business practices, the Pearl Initiative, with the engagement of the UN Global Compact and its other Programme Partners, committed to the following:

- Support the formation and building of UN Global Compact Local Networks in countries within the Gulf Region, to facilitate the progress of companies engaged in the Global Compact with respect to implementation of the United Nations Sustainable Development Goals SDGs.
- Leverage the Forum launch of the Report “Women’s Careers in the GCC: The CEO Agenda” to run a series of roundtables across the Gulf Region on gender diversity in leadership and the UN Women’s Empowerment Principles.
- Develop a succinct toolkit on corporate anti-bribery and corruption good practices, with specific relevance to the Gulf Region.
- Identify and disseminate good practice examples of experiences and learning within companies implementing corporate accountability, transparency and governance practices within the Gulf Region.
- Expand Pearl Initiative Programmes that directly impact the thinking and behaviour of students at universities across the Gulf Region, so that they can enter the workforce with personal integrity and accountability at the heart of their business education.



Diversity in Business Leadership Programme

The Pearl Initiative’s Diversity in Business Leadership programme emphasises the business case for greater gender diversity at senior levels, as well as delivering insight on the practical ways that companies can incorporate more women in senior management and board positions. Phase one of the programme included the Pearl Initiative’s ‘Women’s Careers in the GCC: The CEO Agenda’ Report, which was launched during the inaugural regional forum with the UN Global Compact. The report determined the degree to which women are engaged in regional workforces and leadership positions, and examined their attitude towards career advancement to provide advice to companies looking to diversify their senior roles.

Women’s Careers in the GCC: The CEO Agenda Report

Key Findings and Recommendations

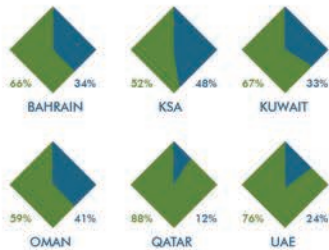
Significant progress has been made in the GCC in terms of the number of women in tertiary education and in the workforce, but the number of women in senior management and board roles in the GCC is still very low. In the GCC, female enrollment in tertiary education is on average 68% (UAE 76%) but the female workforce participation ranges from 20% in Saudi Arabia to 34% in the UAE. Moreover, less than 2% of listed board positions are held by women.

EVIDENCE FOR THE GENDER GAP

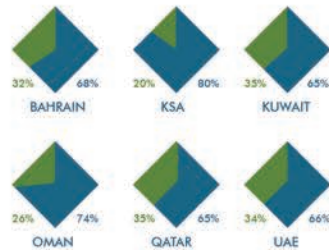
◆ Female ◆ Male

ENROLLMENT IN TERTIARY EDUCATION (BY GENDER)*

LABOUR FORCE PARTICIPATION (BY GENDER)*



FEMALE ENROLLMENT RATIO IN TERTIARY EDUCATION EXCEEDS THAT OF MALES

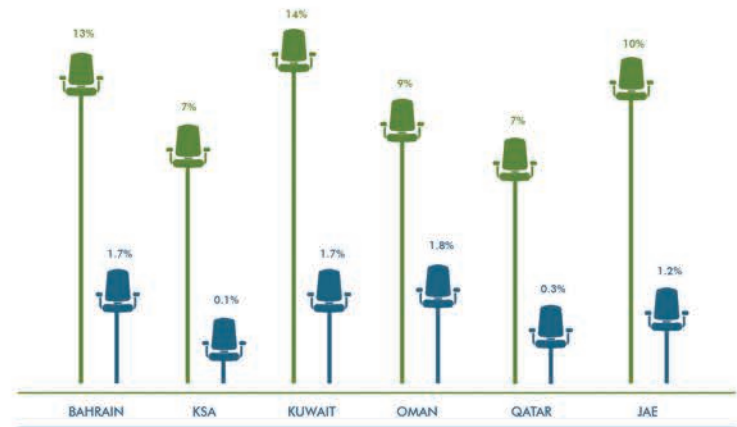


MALE LABOUR PARTICIPATION RATIO LARGELY EXCEEDS THAT OF FEMALES

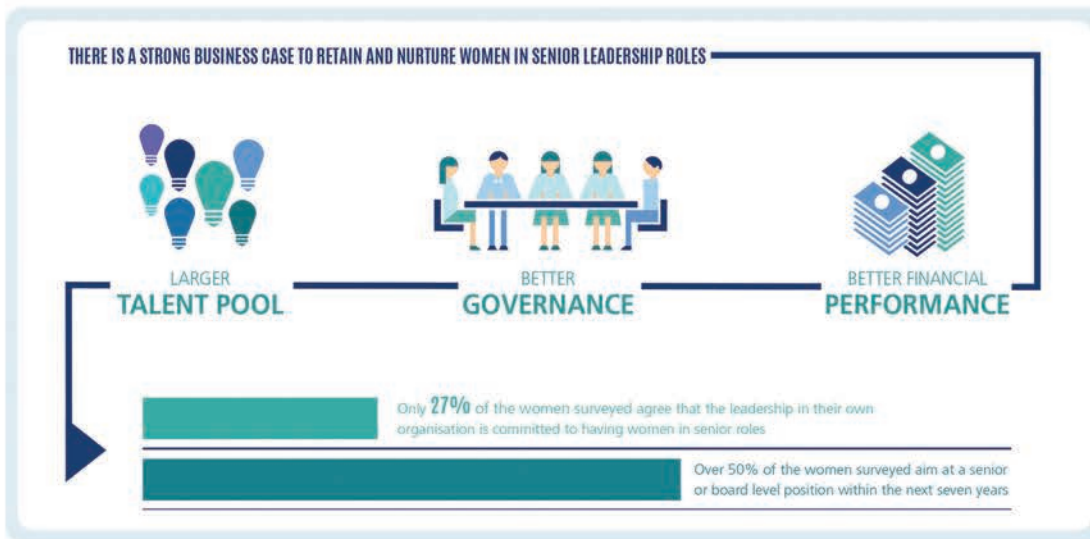
* THE GENDER GAP REPORT 2014, WORLD ECONOMIC FORUM & UNITED NATIONS STATISTICS DIVISION.

WOMEN IN SENIOR ROLES IN THE GCC

- ◆ legislators, Senior Officials & Manager roles held by women by country
- ◆ Board Seats held by women by country



The Business Case

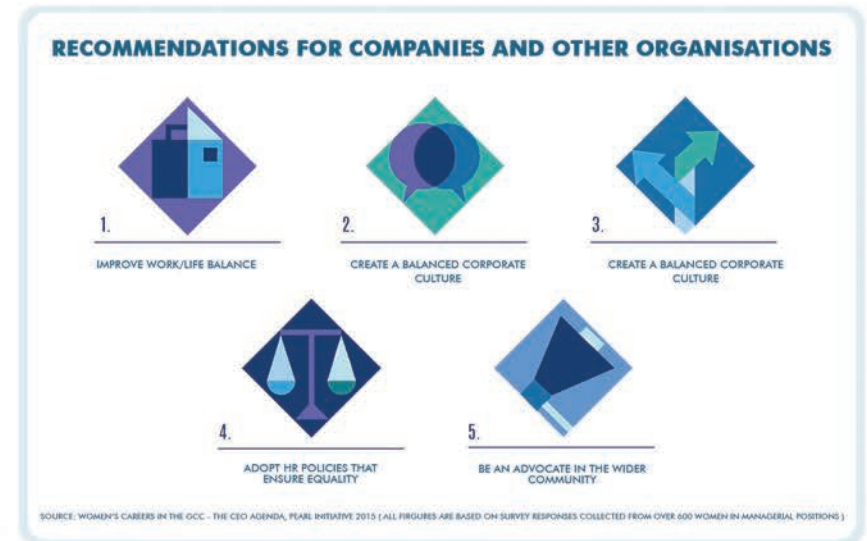


What is causing the talent gap?

- Over 50% want to reach senior positions (Personal Ambition)
- 75% feel that their families are supportive; however traditional role models are still prevalent
- Only 45% find it feasible to achieve a good work/life balance
- Only 35% believe men are open to having a female manager
- 76% believe that the most important direct influence in the workplace is their line manager
- Only 27% believe that their organisation's leadership is committed to having women in senior roles
- 80% feel that simply being a woman puts them at a disadvantage at work
- 1/2 of the women opt out by taking career break, other opt out by starting their own business leaving the workforce entirely

What can organisations do to improve the situation?

Pearl Initiative's research focused on identifying the causes for this talent gap in the GCC and to find what GCC CEOs can do to achieve gender diversity at senior levels.



Senior Executive Education Programme with Cambridge Judge Business School



Under its Ethical Leadership Development Programme, the Pearl Initiative and Cambridge Judge Business School, University of Cambridge held an intensive Senior Leadership and Trust Programme for Middle East business leaders in Dubai on 23 and 24 March 2015.

Trust is essential to the success of companies, other organisations and a business leader's own effectiveness, so the two-day Programme focused on trust and leadership at all levels including corporate governance, organisational performance and behavioural economics.

The programme was designed by the Executive Education division of Cambridge Judge Business School, and was taught by Cambridge Judge faculty experts Dr. Philip Stiles, University Senior Lecturer in Corporate Governance and Co-Director of the Centre of International Human Resource Management, and Dr. Khaled Soufani, Senior Teaching Faculty in Finance and Director of the Cambridge Executive MBA Programme.

Participants learned how to build trust in an inter-connected, globalised world in which boundaries between businesses and employees, suppliers and competitors are increasingly porous, so leaders need to build up their powers of trust and persuasion. Participants also focused on their individual leadership development, and developed plans to sharpen those skills through interaction with the Cambridge faculty.

Anti-Corruption Best Practices



The Pearl Initiative launched a three year collective action programme to raise awareness and encourage the adoption of integrity practices in businesses across the GCC in collaboration with the Siemens Integrity Initiative. The programme has three key objectives:

- The development of an integrity indicator tool to spur greater integrity practices in privately held and publicly listed businesses in the GCC.
- Facilitate the creation of a collective action community to enhance dialogue between the business community, civil society and the government, highlighting the business benefits of aligning interests and incentives to implement higher standards.
- Engage business leaders by encouraging universities across the region to include practical experience of integrity practices in their curricula. This aspect will also engage students through activities and projects, including case study competitions.

Practical Guide to Anti-Corruption in the Gulf Region

The Pearl Initiative continued its Corporate Best Practices Series with the publication of “Practical Guide to Anti-Corruption in the Gulf Region” in December 2015. The Report offers a practical guide for regional companies to incorporate anti-corruption measures into their operations, and demonstrates that tackling corruption can boost job creation and profits and promote international expansion of companies across the Region.

The Business Case

There is a strong business case for tackling corruption. Companies that have a strong set of anti-corruption good practices in place, perform better and are able to grow sustainably.

Facts about Bribery and Corruption

Anti-Corruption Good Practice is a practical guide for business leaders and professionals to better understand corruption in the Gulf Region, its impact on businesses and how to counter it. The guide includes relevant global and regional data on corruption.

The Business Case for Fighting Corruption

Access to deals with multinationals

International Expansion

Job Creation

Increasing Profits

Key Steps to set up an Anti-Corruption Compliance Programme

The guide includes six practical steps to establish an anti-corruption programme for businesses operating in the Gulf Region:

- Know and understand the company's environment
- Become familiar with the accepted standards and guidance for designing an effective compliance programme
- Conduct a corruption risk assessment
- Design and implement the anti-corruption compliance programme
- Monitor and audit the programme
- Periodically re-asses risk and modify the programme

IN THE GULF REGION

RESEARCH BY THE PEARL INITIATIVE SHOWS THAT :

AWARENESS AMONG BUSINESS LEADERS IN THE REGION IS INCREASING :

- More than **80%** agree that bribery and corruption is major problem in the Middle East
- And almost **60%** believe that the business case for the better standards and governance practices is not yet fully understood.
- **Half** of the respondents strongly agree that organisations in the region appear to have very specific definitions on acceptable levels of gifts and entertaining
- **1/3** of the respondents agree that companies in the GCC insist that their agents and third party business partners comply with anti-bribery and corruption policies.

IMPLEMENTATION REMAINS A CHALLENGE:

- **63%** of GCC family firms say they have a code of ethics but **2/3** admit it's not fully implemented.
- **45%** of the companies say they have an anti-bribery and corruption policy, but again only **1/3** say it's fully implemented.
- **70%** of respondents think that companies in the Gulf Region are not carrying out comprehensive, systematic and regular risk assessments.
- **Over 1/3** of the respondents agree that their organisation is carrying out regular internal training on compliance and anti-bribery and corruption.



Roundtables on Anti-Corruption

Frank and open discussions on the challenges of operating in difficult markets, as well as wide exchanges of strategic imperatives and regionally-relevant corporate good practices. The aim is always to share insights and learning between organisations, and help improve policies and actions to mitigate the risk of possible corrupt practices within organisations.



In 2015, the Pearl Initiative held two high level Anti-corruption Roundtable Forums. The aim is to share insights and learning between organisations, and help improve policies and actions to mitigate the risk of possible corrupt practices within organisations.

The "Corporate Integrity, Transparency and Competitiveness" Workshop in collaboration with Asharqia Chamber of Commerce in Dammam and the "Raising Anti-Corruption Standards in the Gulf Region Forum" in collaboration with World Economic Forum and in cooperation with United Nations Global Compact, UAE Local Network in Dubai.



Roundtables on Corporate Reporting Best Practices

The Pearl Initiative programme on Corporate Reporting is in collaboration with HRH The Prince of Wales' Accounting for Sustainability (A4S) Project. In 2015, both organisations signed a Memorandum of Understanding (MoU) to promote Integrated Thinking and Reporting in the Private Sector across the region. This includes holding awareness-raising sessions around the region in order to introduce the concepts and benefits of integrated reporting. Also, providing a regional network through which interested organisations can gain knowledge, benefit from mutual support and share experiences.

The Pearl Initiative held the "Integrated Thinking and Sustainability in Corporate Reporting" Forum in Bahrain. The one-day forum provided a platform for participants to discuss the value of Integrated Reporting, a new approach to corporate reporting that demonstrates how organisations can create real value.

The Pearl Initiative also collaborated with the Abu Dhabi Sustainability Group and the Prince of Wales's Accounting for Sustainability Project to hold the first GCC Finance Leaders Meeting on Corporate Reporting in Abu Dhabi. The primary aim of finance professionals is to provide a valuable service that protects their organisations against financial risks and earns them profit. This meeting highlighted that those same services can also be used to create sustainable value for society.



OUR ACHIEVEMENTS IN 2015 AT GLANCE



2
Regional
Insight Reports



5
Universities
engaged across
the Gulf Region



1045
Business Leader
Participants in our
Event Discussions



11
High-Level forums held
in 5 cities across the Gulf Region



100
University Students
reached through
our Workshops



Held the inaugural
Regional Forum
with the
United Nations
Global Compact



Led a Senior Executive
Education Programme
with Cambridge
University Judge
Business School



08 OUR PARTNERS

Our Partner Companies are instrumental in demonstrating their leadership and support for the values of the Pearl Initiative, in the firm belief that improving corporate accountability and governance is fundamental to fostering future competitive economic growth, spurring job creation and enhancing sustainable social development in the Gulf Region. Partner Companies commit to an annual cost contribution to the Pearl Initiative and, as a non-profit organisation, this funds all our activities.

Partner Companies:

- Provide direction and input to Pearl Initiative plans and activities.
- Demonstrate that the Private Sector is proactively driving the process.
- Are part of an alliance that is clearly leading the way in raising the bar on standards and good practice.
- Leave a legacy for the development of students, universities and the entrepreneurs and business leaders of the future.

Pearl Initiative Partner Companies as of end of 2015 (in alphabetical order)

Partner Company	Origin	Industry Sectors
Al Habtoor Leighton Group	UAE	Construction
Al Jomaih Group	Saudi Arabia	Trading & Manufacturing
Al Mal Capital	UAE	Investment
Al Turki Holding	Saudi Arabia	Investment & Development
Aramex	UAE	Logistics & Transportation
ATCO Group	Saudi Arabia	Trading & Manufacturing
Bahrain Mumtalakat Holding Company	Bahrain	Investment
Bank of Sharjah	UAE	Banking & finance
Chalhoub Group	UAE	Retail & Distribution
Chemanol	Saudi Arabia	Petrochemical
Consolidated Contractors Company (CCC)	UAE	Construction
Construction Products Company (CPC)	Saudi Arabia	Construction
Crescent Enterprises	UAE	International Conglomerate
Crescent Petroleum	UAE	Oil & Gas
Dana Gas	UAE	Oil & Gas
Dubai World Trade Centre (DWTC)	UAE	Hospitality

Partner Company	Origin	Industry Sectors
Enshaa	UAE	Investment & Real Estate
Ernst & Young	Saudi Arabia	Professional Services
GE	International	Conglomerate
Global Partnerships Forum	International	Not for profit
GrowthGate Capital	Bahrain	Private Equity
Gulf Petrochemical Industries Company (GPIC)	Bahrain	Petrochemicals
Gulfainer Group	UAE	Logistics
KPMG	Bahrain	Professional Services
Linklaters LLP	International	Law
Majid Al Futtaim Holding	UAE	Property/Retail/Leisure
Mazrui Holdings	UAE	Conglomerate
Nesma Holding Co. Ltd	Saudi Arabia	Conglomerate
Petrofac	UAE	Oil & Gas
Philips	International	Conglomerate
Pinsent Masons	International	Law
Pricewaterhouse Coopers (PwC)	UAE	Professional Services
Rajhi Partners	Saudi Arabia	Investment
SABIC	Saudi Arabia	Chemicals
Sharjah Business Women Council	UAE	Non Profit
Tamer Group	Saudi Arabia	Conglomerate
The Abraaj Group	UAE	Private Equity
Thomson Reuters	International	Professional Services
Zubair Corporation	Oman	Conglomerate

09 LOOKING AHEAD

The Pearl Initiative Vision is a thriving economy in the Gulf Region underpinned by a Private Sector that embraces good governance as a pillar of sustainable growth. Our clear and continuing Mission is to be the leading Gulf business-led organisation promoting a corporate culture of accountability and transparency as a key driver of competitiveness. We will continuously strive to deliver high quality outcomes and find innovative ways to influence the thinking and behaviour of current and future business leaders towards implementing best practices in corporate accountability, transparency and governance.

We aim to strengthen and expand the Pearl Initiative's impact through 2016 and beyond through:

- Deepening our collaboration with prominent leading international and regional programme partners and universities.
- Developing succinct, practical and useful toolkits on specific corporate accountability, transparency and governance good practices, with particular focus on application within the Gulf Region.
- Identifying and disseminating more case study examples of experiences and learning with companies implementing good practices within the Gulf Region.
- Expanding Pearl Initiative Programmes that directly impact the thinking and behaviour of students at universities across the Gulf Region.
- Further developing our Programmes with key focus on the following streams; Anti-corruption, Integrity, Diversity in Business Leadership, Corporate Governance in SMEs and Integrated Reporting.

The Pearl Initiative has reached a milestone of a successful five-year track record in 2015.

We look forward to continuing to drive advancement and impact through the next five year phase of the Pearl Initiative journey.



With special thanks to the Partner Companies of the Pearl Initiative, as of end 2015:



شكر خاص للشركات الداعمة لمبادرة بيرل كما في نهاية عام ٢٠١٥:

