

In acknowledgement of the Pearl Initiative's important contribution towards fostering a corporate culture of transparency and accountability, it has been awarded with a Special Consultative Status by the United Nations Economic and Social Council (ECOSOC).

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2019-2020 ANNUAL REPORT

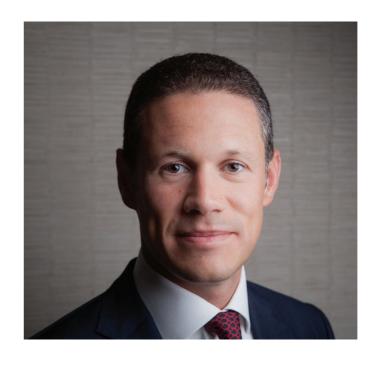
LETTER FROM THE FOUNDER

Today, in light of the extensive socio-economic impacts of the continuing COVID-19 pandemic, the scaling of corporate governance measures to help facilitate more sustainable and inclusive growth in the economies of the Gulf Region has never been more important.

Sound corporate governance expands access to capital and is conducive to value creation and economic growth. It promotes collaboration by breaking down siloed thinking and empowers us to make better decisions, ultimately mitigating risks and enhancing the sustainability of businesses and other organisations.

In the face of impending systemic change, there lies a tremendous opportunity to rethink the structures upon which businesses are built. Corporate stewardship and ESG factors are not ornamental, but rather are fundamental to our resilience and the prosperity of future generations. The successful implementation of these practices hinges upon a robust corporate governance framework that enables creativity and innovation.

With its continued focus on promoting corporate governance best practices across the Gulf Region's private sector, the Pearl Initiative has been working closely with stakeholders to understand their current challenges and opportunities and build interventions that will provide necessary support to businesses. These interventions include equipping businesses with the appropriate tools and knowledge to build vigorous systems of corporate governance, allowing them to build greater investor appetite and trust, promote long-term financial viability, and



respond to operational disruptions brought on by the pandemic with greater agility and efficiency. From the development of guides, to the delivery of practical workshops and webinars, the Pearl Initiative has duly responded and will continue to scale up its efforts to generate meaningful impact across its programmes.

In acknowledgement of the Pearl Initiative's contribution towards creating a corporate culture of transparency and accountability, it has recently been awarded with Special Consultative Status by the United Nations Economic and Social Council (ECOSOC). Under its Special Consultative Status, the Pearl Initiative can appoint and designate authorised representatives to the UN Headquarters in New York and the UN offices in Geneva and Vienna. The Pearl Initiative will also be authorised to attend meetings of the ECOSOC, as well as all UN bodies that are open to non-profit organisations, including the General Assembly, thereby allowing the Pearl Initiative to communicate about its corporate governance activities in the Gulf Region with more decision-makers at the highest levels.

In delivering on our mission, and on behalf of our Board of Governors, I would like to share our sincere gratitude to His Highness Dr Sheikh Sultan bin Muhammad Al Qasimi, Member of the Supreme Council of the United Arab Emirates, Ruler of Sharjah and the Pearl Initiative's Founding Patron, and His Excellency Sheikh Nahayan Mabarak Al Nahayan, Minister of Tolerance of the United Arab Emirates and the Honorary Chairman of the Pearl Initiative, for their continued patronage and support.

I would also like to thank all my colleagues on the Board of Governors for their dedication, guidance, and oversight throughout the year, as well as all our partners for their belief in the importance of the Pearl Initiative's mission and value proposition, and their support without which the organisation's work would not be possible. With your continued support and enthusiasm, the Pearl Initiative is very well positioned for the future. I would also like to recognise the team at the Pearl Initiative for their continued hard work and commendable commitment.

Bod Jofa.

Badr JafarFounder, Pearl Initiative

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ABOUT PEARL INITIATIVE

VISION

A thriving economy in the Gulf Region underpinned by a Private Sector that embraces good governance as a 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.

Prominent business leaders from across the Gulf Region formed the Pearl Initiative in 2010 to create a non-profit vehicle for the Private Sector to collectively take the lead in adopting higher standards in corporate governance, accountability, and transparency to enhance business innovation, opportunity and value creation.

With over 30 regional and international partners, the Pearl Initiative brings together business, government, and civil society decision-makers to share best business practices and to help maximise the economic

opportunities available to companies within the region. The Pearl Initiative also supports Gulf-based university students in identifying and embracing strong ethics as they embark on their careers.

The Pearl Initiative seeks joint collaborative action between regional and global business leaders, international institutions, government bodies, and wider initiatives in the Gulf Region while sharing knowledge and experience in order to influence the entire regional business and student community.

OBJECTIVES



SHARE INSIGHTS

The Pearl Initiative generates and publishes reports, insights, and best practice references to help businesses independently enhance their capabilities.



BUILD KNOWLEDGE



The Pearl Initiative helps build knowledge by bringing experts together with businesses and hosts a series of complimentary workshops, roundtables, focus groups and training

sessions.



CREATE NETWORKS

The Pearl Initiative brings together business, government, and civil society decision-makers to share best business practices and help maximise the economic opportunities available in the region.



INSPIRE ACTION

The Pearl Initiative's focus on impact and collective action guides organisational action to ensure community-based collaborations and expand opportunities for all.

IMPACT IN NUMBERS

8,667 High-level participants across the Gulf Region

Universities engaged

Prominent regional and international speakers

29

Regional insight reports and publications

Events and workshops across the region

> 7,337 University students

* As of 03 May 2020

PEARL INITIATIVE **OVER THE YEARS**





The Pearl Initiative is founded in cooperation with the United Nations Office for Partnerships in New York City, USA

The Governance in Family Firms programme is launched



The Pearl Initiative offices open at the American University of Sharjah, UAE

The Integrated Reporting programme is launched in collaboration with Accounting for Sustainability (A4S)



The first CEO Summit on Ethical Leadership is held in Abu Dhabi, UAE

The first United Nations roundtable forum on Corporate Accountability and Governance is held in New York City, USA



The Pearl Initiative enters into a strategic partnership with United Nations Global Compact

The Saudi Arabia Student Case Study Competition is held



The Diversity in Business Leadership programme is launched in collaboration with the Sharjah Business Women's Council (SBWC)

The UAE Student Case Study Competition is held



The inaugural collaborative regional forum with United Nations Global Compact is held in Dubai, UAE

2015

The Executive Education programme is launched

Best Practices programme is launched in partnership with the Siemens Integrity Initiative

The Anti-Corruption



The 2016 **Gulf Business** Leaders Survey on Sustainable Development Goals is published

The Business Pledge programme is launched

The Pearl Initiative's

redesigned website and mobile application are launched



2017

The second collaborative regional forum with **United Nations** Global Compact is held in Dubai, UAE

The Governance in Philanthropy programme is launched with support from the Bill & Melinda Gates Foundation

The Governance for Micro, Small, and Mediumsized Enterprises (MSMEs) programme is launched with support from RWE and Crescent

Enterprises



2018

The inaugural Governance in Focus Forum is held in collaboration with Saudi Aramco in Riyadh, Saudi Arabia

The second phase of the Governance in Philanthropy programme is launched with support from the Bill & Melinda Gates Foundation and King Khalid

Foundation



The second phase of the 'Women in the Economy' research project is launched

The Family Business Survey is launched

The 'Gulf Business Philanthropy Circle' is launched

The Corporate Governance **Fundamentals** online platform for MSMEs is launched

United Nations **ECOSOC** awards Special Consultative Status to the Pearl Initiative

Boards project is launched



2020

The UAE Family **Business Report** is published in collaboration with the Sheikh Saoud bin Khalid bin Khalid Al Qassimi Chair in Family **Business**

The Circle -Pearl Initiative's Online Centre for Philanthropic Governance is launched

The Pearl Initiative Webinar Series is launched in response to the COVID-19 global pandemic

A survey on MSME aovernance is launched

The Family Business

PEARL INITIATIVE PEARL INITIATIVE

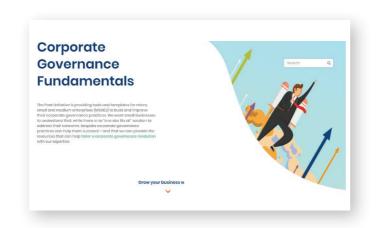


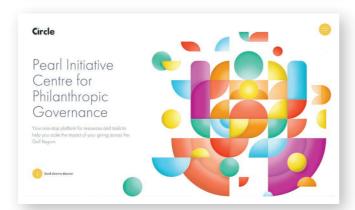
PUBLICATIONS AND RESOURCES AT A GLANCE

ONLINE PLATFORMS

In an effort to expand the reach of our resources, guides and research on the governance of micro, small and medium-sized enterprises (MSMEs) as well as the governance of philanthropic and non-profit organisations, we launched regional online platforms featuring practical guides and toolkits made available to all our stakeholders at no cost.

Please click on the images to access the platforms directly.

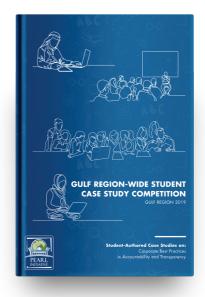


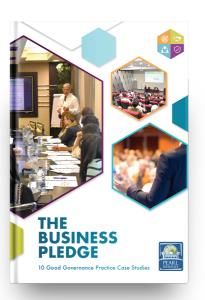


PUBLICATIONS

In line with our mission to generate regionally relevant data on the corporate governance landscape, we published a range of thought leadership reports.

Please click on the publications below to access them directly.















2019-2020 ANNUAL REPORT / PROGRAMME ACHIEVEMENTS

GOVERNANCE BY THEME

The Pearl Initiative focuses on various specific topic areas that are of key interest and importance to the Gulf Region. These include the Anti-Corruption Best Practices and Diversity in Business Leadership programmes.

ANTI-CORRUPTION BEST PRACTICES

Programme Partner

SIEMENS
Ingenuity for life

Commenced 2015

Anti-corruption is an integral part of any corporate compliance system, and as such, the Anti-Corruption Best Practices programme commenced in 2015, in partnership with the Siemens Integrity Initiative. The programme aims to develop resources and advance conversations that will lead companies to understand the inherent value of incorporating high levels of integrity and transparency within their organisations. It also provides businesses with the tools to independently and confidently evaluate their integrity practices and find cost-effective ways to improve their policies and processes.

As part of this programme, the Pearl Initiative has promoted its Gulf Integrity Indicator, which was developed to assist companies to better understand and implement integrity practices by focusing on six key pillars. Through this programme, the Pearl Initiative held a series of case study competitions and have engaged 435 students across twenty (20) universities creating case studies on 123 companies.

In the past year, the Pearl Initiative has held several roundtables across the Gulf Region to share knowledge and insights about the practical application of the highest corporate integrity best practices, to guide and enhance business implementation. The roundtables held over the past year touched upon a range of topics, including whistleblowing, the role of management and shifts in the landscape of corporate integrity.



Corporate Governance Compliance: Accountability of Managers, 22 October 2019, Jeddah, KSA

Name of Event	Date held	Location	Outcome
Roundtable Whistle Blowing: A Pillar of Sound Corporate Governance	18 September 2019	Manama, Bahrain	This roundtable brought senior executives together to engage in discussions and share ideas, experiences and knowledge on the practical implementation of whistleblowing measures within organisations and some of the key challenges they face.
Roundtable Corporate Governance Compliance: Accountability of Managers	22 October 2019	Jeddah, KSA	The panel discussion centred around the importance of managers and the role they play in implementing ethics and integrity policies, as well as the factors that influence their policy decisions.
Roundtable The Changing Face of Business Integrity: A Kuwaiti Perspective	05 December 2019	Kuwait City, Kuwait	The roundtable engaged business leaders and decision-makers in strategic dialogue to shed light on the importance of introducing business integrity frameworks.
Webinar Governance in Healthcare: Boosting Stakeholder Confidence	25 March 2020	Online	This webinar discussed the importance of enhancing the competitiveness of the Gulf Region's healthcare sector by raising standards of corporate and clinical governance.

DIVERSITY IN BUSINESS LEADERSHIP

Programme Partner



Commenced 2014

Good corporate governance encompasses a rigorous system spanning all aspects of accountability and business practices, which include the right mix of experience, skills, and perspectives to transform business perspectives and opportunities. The Diversity in Business Leadership programme is therefore committed to increasing awareness among the business community, making the case for attracting, retaining and developing diverse business teams.

Between May 2019 and April 2020, the Pearl Initiative spearheaded the launch of new research focused on the nature and extent of women's experiences across the Gulf Region's economy.

A regional survey was launched in May 2019 to understand women's experiences in the regional economy, and the survey was released across five (5) countries. Primary research was also conducted through stakeholder meetings and calls to gauge the sentiments of women in the regional economy. The survey showed interesting trends in gendered preception-related discrepancies related to workplace norms and practices. It also revealed what women employees seek in the construction of a supportive workplace environment.

Following the survey and the primary research, the Pearl Initiative organised a roundtable and a series of workshops – one of which was at the Women's Economic Empowerment Summit 2019, organised by NAMA Women Advancement Establishment and UN Women. The Pearl Initiative also organised a webinar for students to guide them on the best way to conduct interviews for the upcoming Student Case Study Publication, filmed a fireside chat video featuring an expert in gender and management, launched an animated video and an infographic featuring key findings from the 2019 survey.



Comprehensive Approaches to Building Business Diversity, 10 December 2019, Sharjah, UAE

Name of Event	Date held	Location	Outcome
Stakeholder Meeting Women in the Economy	12 June 2019	Sharjah, UAE	This focus group initiated the primary research on the Diversity in Business Leadership programme by convening women leaders in business to gauge their thoughts on women's experiences in the Gulf economy.
Roundtable Women in the Economy: The UAE Outlook	30 September 2019	Sharjah, UAE	This roundtable presented data from the 2018 UAE-focused research undertaken by the Pearl Initiative and NAMA, and introduced audiences to the new research being undertaken at the regional level to understand the nature and experiences of employment for women.
Workshop Comprehensive Approaches to Building Business Diversity	10 December 2019	Sharjah, UAE	This workshop launched the key findings of the survey and data collection undertaken in 2019 to examine women's experiences in the regional workforce. Based on those outcomes, solutions to support women employees were noted and discussed.
Workshop Making the Business Case for Diversity	22 January 2020	Sharjah, UAE	With the key findings of the 2019 data collection, we structured a series of three (3) workshops which noted the experiences of women employees across the Gulf Region and their suggestions to companies for increased support and diversity and inclusion
Workshop Making the Business Case for Diversity	29 January 2020	Kuwait City, Kuwait	initiatives. This gap analysis formed the basis of the workshops and taught attendees how to structure effective support and retention solutions for women employees in their respective companies.
Digital Workshop Making the Business Case for Diversity	12 April 2020	Online	-



2019-2020 ANNUAL REPORT / PROGRAMME ACHIEVEMENTS

GOVERNANCE BY SECTOR

To facilitate an effective, entrepreneurial, and prudent management culture that can deliver the long-term success to businesses, the Pearl Initiative has developed tailored programmes for specific sectors/types of organisations across the Gulf Region. These include Governance in MSMEs, Governance in Philanthropy and Governance in Family Firms.

GOVERNANCE IN MSMES

Regional micro, small, and medium-sized enterprises (MSMEs) are the backbone of the Gulf Region's national economies, and require business support which can be found in corporate governance implementation. The overriding trends emanating from these events are through the Governance in Micro, Small, and Medium-sized Enterprises programme, the Pearl Initiative introduced why governance is essential for small businesses and how it can be adopted for business sustainability.

At the start of 2019, the Pearl Initiative launched a unique digital platform featuring eleven (11) graphic guides and eleven (11) animated videos explaining the basics of corporate governance. Building on this, between May 2019 and April 2020, a series of knowledge transfer activities were hosted to educate MSMEs

Programme Partner







on the principles and applications of corporate governance. A new phase and research were also launched in collaboration with AQ&P, and a survey was disseminated to examine the understanding and application of good governance practices across regional MSMEs.

As a result of the restrictions enforced as a result of the COVID-19 pandemic, the Pearl Initiative was able to rapidly pivot the programme to a series of strategic webinars, each addressing a topic relevant to the business resilience of MSMEs. To date, the programme has held webinars on topics such as finance, communications, and women in entrepreneurship.



#GovernToTheTop: Guidelines for Next-Level Business Success, 11 September 2019, Dubai, UAE

Name of Event	Date held	Location	Outcome
Roundtable #GovernToTheTop: Guidelines for Next- Level MSME Success	11 September 2019	Dubai, UAE	This roundtable offered governance advice for MSMEs from the perspectives of investors, small business owners, and policy makers. It also officially launched the Corporate Governance Fundamentals online platform.
Webinar Accessing Capital for MSME Success	18 September 2019	Online	This webinar gave viewers a chance to learn how small businesses can access funding from different sources in ways most suitable for a particular company's needs.
Workshop Corporate Governance for MSME Resilience	07 – 08 October 2019	Dubai, UAE	This workshop engaged UAE-based MSMEs over two (2) days and taught them why corporate governance is essential for business success, and how they can apply variations of good governance rules to create stronger businesses.
Student Lecture From the Classroom to the Boardroom	16 October 2019	Muscat, Oman	This student lecture taught the business leaders of the future about the basics of corporate governance and why it is important for entrepreneurship to ensure they create sustainable MSMEs in the future.

Name of Event	Date held	Location	Outcome
Webinar Digitalisation for MSMEs: Harnessing Business Potential	08 April 2020	Online	This webinar, led by a digital solutions expert, taught MSMEs how they can implement digital tools to create new opportunities and leverage existing ones, particularly in light of the limited mobility during the COVID-19 pandemic.
Webinar Finance First: Small Business Funding in the Gulf Region	14 April 2020	Online	Led by a finance and investment expert, this webinar offered insights into the contemporary state of finance in the Gulf for MSMEs during COVID-19, and offered strategic solutions for businesses struggling to maintain financial stability in the pandemic.
Webinar Survivorship Bias: Lessons from Failure and the Paths Beyond	19 April 2020	Online	This webinar focused on why MSMEs fail more than they succeed, what they can learn from the failures of others to ensure their own success, and what the structures are to ensure this success.
Webinar Women in Entrepreneurship: Getting Down to Business	22 April 2020	Online	This webinar examined how women in entrepreneurship are faring in the Gulf's MSME ecosystem, why women are underrepresented in entrepreneurship, and what resources are needed for women in entrepreneurship to succeed.
Webinar Governance in MSMEs and Risk Mitigation	30 April 2020	Online	Led by a risk management and mitigation expert, this webinar offered concrete solutions for MSMEs struggling during the COVID-19 pandemic and taught small business owners how to manage risks effectively.

GOVERNANCE IN PHILANTHROPY

With support from

BILL & MELINDA GATES foundation

Commenced 2017

The Governance in Philanthropy programme was developed to support corporate and institutional donors striving to be more strategic and impactful in their giving. Through community engagement and research, the programme promotes improved governance standards in the Gulf Region's philanthropic ecosystem. The programme is supported by the Bill & Melinda Gates Foundation and King Khalid Foundation in Riyadh, Saudi Arabia.

The Pearl Initiative hosted a series of interactive workshops on how to develop a "theory of change" for philanthropic investments in Riyadh and Dubai, alongside a number of panel sessions highlighting the value of transparency and impact measurement in optimising the effectiveness of giving.

Now in its third year, the programmatic activities are focused on building capacity and scalability of giving across the Gulf Region. Alongside workshops and roundtable events, the Pearl Initiative launched the Circle – Pearl Initiative's Centre for Philanthropic Governance, which is an online platform housing bespoke guides and templates on strengthening the implementation of governance in philanthropy.

Similarly in light of the COVID-19 pandemic, all programmatic events from the first quarter of 2020 were moved to online webcasts. To date, the organisation has held webinars on the topics of impact management, strategic giving, best practices in endowments and SDG alignment for foundations & businesses at large.



Excellence in Philanthropy Roundtable, 16 October 2019, Jeddah, KSA

Name of Event	Date held	Location	Outcome
Workshop Theory of Change	15-16 September 2019	Dubai, UAE	This workshop provided business donors with insight into the process of developing a "theory of change" for social programmes in order to achieve their intended impact and inspire change in the societies they support.
Roundtable Legal Roundtable	08 October 2019	Dubai, UAE	This roundtable provided attendees managing philanthropic capital with a better understanding of the mechanisms in place to address the challenges of institutionalising philanthropy, including the new DIFC Foundations Law.
Roundtable Excellence in Philanthropy	16 October 2019	Jeddah, KSA	This roundtable provided an open platform for participants to gain insights on the tangible steps that can be taken to shift focus onto strategic philanthropy, by promoting meaningful social impact through reporting, traceability and knowledge sharing across the Gulf Region.
Roundtable Toolkit Launch	31 October 2019	Riyadh, KSA	This roundtable demonstrated to leading representatives how the Governance in Philanthropy Fundamentals Guides & Toolkits that the Pearl Initiative launched in collaboration with KKF, can guide the adoption of best governance practices in philanthropy.
Roundtable Governance in Philanthropy	28 November 2019	Abu Dhabi, UAE	This roundtable highlighted to high-level corporate and family philanthropists the benefit and urgency of transparent reporting to drive valuable impact in giving across the Gulf Region and the value of streamlining governance and long-term partnerships to maximise scalability.
Webinar Effective Communication for Stakeholder Management	20 January 2020	Online	This webinar provided attendees with insight on how setting mission-focused objectives and implementing an effective communication plan at the core of business strategy is imperative for non-profits and philanthropic organisations alike.

Name of Event	Date held	Location	Outcome
Workshop Creating Shared Value	12 February 2020	Dubai, UAE	This workshop provided corporate donors with a better understanding of Creating Shared Value and how implementing CSV into core business operations can be a powerful tool in maximising positive community impact while generating improved performance and impacting bottomline financials.
Webinar SDG Alignment for Foundations	02 March 2020	Online	Delivered in collaboration with KKF, the webinar provided attendees with a greater understanding on the various means in which foundations and philanthropic organisations can align their operations with the SDGs.
Webinar Impact Management & Theories of Change: The Fundamentals	07 April 2020	Online	Hosted in collaboration with AVPN, this webinar encouraged viewers to consider how their foundation/social purpose organisation could best strengthen its programmes, understand and measure results, and identify opportunities for learning and improvement, through the use of Theory of Change and Impact Management.
Webinar Best Practices in Waqf Management	07 April 2020	Online	Delivered by David Russell QC, this webinar highlighted to our attendees from across the Gulf Region, how they can maximise social investment through Islamic endowments, and underlined international best practices in establishing, managing, sustaining, and investing in endowments.
Webinar Aligning and Integrating the SDGs into Business Strategy	15 April 2020	Online	This webinar shed light on the key steps needed to integrate the SDGs into business strategy, including identifying the company's areas of impact and reporting on progress.

GOVERNANCE IN FAMILY FIRMS

In collaboration with



Commenced 2012

The Governance in Family Firms programme was established to develop the business case for long-term value creation through the adoption of best governance practices across regional family businesses. Through data collection and shared experiences, the Pearl Initiative demonstrated the benefits of institutionalising policies and procedures across family-owned businesses, ultimately leading to their sustainability and resilience.

Now in the second phase of the programme, the focus of the activities has been on the contemporary landscape of family firms, where new cohorts of family members are joining the business, presenting unique challenges and opportunities. In 2019, the Pearl Initiative supported research conducted by the Sheikh Saoud Bin Khalid Bin Khalid Al Qassimi Chair in Family Business at the American University of Sharjah, which studied current trends in succession planning. The results were published in the survey report, "Family Business Ecosystem in the United Arab Emirates".

The programme also renewed its partnership with Tharawat Family Business Forum to study the various elements of family business governance and the role family business boards play in strengthening business resilience. As part of this project, the Pearl Initiative hosted an interactive webinar and a high-level roundtable featuring regional family business members. The organisation will also be launching a thought leadership publication featuring insights from subject matter experts, as well as tools for family businesses to support the development of visionary, forward-thinking and adaptable boards for the future.

During the first quarter of 2020, the Governance in Family Firms events were shifted to online webcasts, as per ministerial recommendations against public gatherings in light of the COVID-19 pandemic. The webinars held were on a range of topics pertaining to family firms in the Gulf Region, including succession planning for family business resilience and on demystifying family business boards.



The Future of Family Business Boards, 19 December 2019, Dubai, UAE



The Future of Family Business Boards, 19 December 2019, Dubai, UAE

Name of Event	Date held	Location	Outcome
Webinar Demystifying Family Business Boards	26 November 2019	Online	This webinar provided attendees with an understanding of the various elements of family business governance and delved more deeply into the role family business boards play in strengthening the resilience of family firms, while highlighting the key trends and challenges in governing modern and traditional family businesses, including the establishment of charters and constitutions.
Roundtable Family Business Board Dynamics	19 December 2019	Dubai, UAE	As a launch event of the Boards of the Future project the Pearl Initiative undertook with Tharawat, this roundtable demonstrated the role of the board in driving sustainable business practices across family firms.
Webinar Passing the Torch: Succession Planning for Family Business Resilience	27 April 2020	Online	This webinar underscored to family business representatives the importance of effective, proactive succession planning through building strong foundational relationships and adequate, timely communication between family members.



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KNOWLEDGE TRANSFER

The Pearl Initiative's Knowledge Transfer programme brings the Gulf Region's business leaders and students together to showcase initiatives that promote sustainable growth based on good corporate governance practices.

BUSINESS PLEDGE

Programme Partner



Commenced 2016

The Pearl Initiative launched the Business Pledge to call upon senior business leaders across the Gulf Region to make a public commitment to adhere to principles of ethical and responsible conduct when carrying out business and interacting with society.

As part of the Pearl Initiative's student engagement activities within this programme, students write case studies that profile good business practice from one of four pillars of the Business Pledge, as practiced by its signatories. The Pearl Initiative then annually publishes a compilation report featuring the top ten

(10) case studies, which showcases the strides businesses are taking towards embedding sustainable practices within the core of their operations and across the wider community.

Between May 2019 to April 2020, the Pearl Initiative held fourteen (14) Business Pledge sessions which are designed to connect students with business leaders, providing them with the opportunity to learn more about the practical aspects surrounding the implementation of sustainable best practices in business.



Session with Petrofac and the American University of Sharjah, 18 November 2019, Sharjah, UAE

Name of Event	Date held	Location	Outcome
Pledge Session EY & Amity University	02 May 2019	Dubai, UAE	This session demonstrated the value of promoting integrity with four key areas touched upon by Ernst & Young.
Pledge Session Bahrain Islamic Bank & University of Bahrain	08 May 2019	Manama, Bahrain	BisB discussed with the students of UOB the importance of having diversity & inclusion as a support to the DNA of any organisation.
Pledge Session Dana Gas & Skyline University	14 October 2019	Sharjah, UAE	Dana Gas showcased to the students of Skyline University how strategic partnerships & collaborations strengthened their sustainability framework.
Pledge Session CCC & Higher Colleges of Technology	21 October 2019	Dubai, UAE	This session shed light to the students of HCT, on the sustainability policy and the core sustainability values of CCC.

Name of Event	Date held	Location	Summary	Name of Event	Date h
Pledge Session Novo Nordisk & AUE	05 November 2019	Dubai, UAE	Novo Nordisk showcased their integrity related activities to the students of AUE which supports their strides towards sustainability.	Pledge Session HSBC & Murdoch University	22 Janua
Pledge Session Bahrain Financing Company & University of Bahrain	09 December 2019	Manama, Bahrain	BFC demonstrated to the students of UOB the steps taken to keep high standards of integrity and fair dealings while conducting business.	Pledge Session Procter & Gamble & American University of the Emirates	17 Febru
Pledge Session KPMG & Ahlia University	09 December 2019	Manama, Bahrain	Students of Ahlia University understood how having an inclusive workplace is an important driver of creativity and innovation in organisations like KPMG.	Pledge Session Du & American University of Sharjah	18 Febru
Pledge Session Petroleum Development Oman & Sultan Qaboos University	15 December 2019	Muscat, Oman	Students of Sultan Qaboos University learnt the importance and value of setting sustainable targets towards creating greater impact with the strides taken by PDO.	Pledge Session HSBC & Middlesex University	19 Febru
Pledge Session UPS & UK College of Business and Computing	16 January 2020	Dubai, UAE	UPS demonstrated the efforts taken to operate more sustainably and reduce the emissions intensity of supply chains to the students of UKCBC.	Pledge Webinar Meirc Training & Consultancy	06 April

Name of Event	Date held	Location	Summary
Pledge Session HSBC & Murdoch University	22 January 2020	Dubai, UAE	The session educated students about the steps taken by HSBC to filter fraudulent transactions as a stride towards promoting integrity.
Pledge Session Procter & Gamble & American University of the Emirates	17 February 2020	Dubai, UAE	P&G showcased the practical aspects surrounding the implementation of sustainable best practices to the students of AUE.
Pledge Session Du & American University of Sharjah	18 February 2020	Sharjah, UAE	This session discussed how Du successfully transitioned to make a more inclusive workplace for increased productivity & creativity.
Pledge Session HSBC & Middlesex University	19 February 2020	Dubai, UAE	Students of Middlesex learnt how promoting integrity supports responsible growth and sustainable business in line with good corporate governance practices.
Pledge Webinar Meirc Training & Consultancy	06 April 2020	Online	Meirc Consultancy explored and educated students on the responsibility of organisations and its impact on the overall growth through partnerships and collaborations.

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FINANCIALS

Key Financial Highlights

The Pearl Initiative highly appreciates the generous support and contributions made by its partners and collaborators. In addition to the annual membership received from all partners, a number of organisations supported several new initiatives by providing programme-specific sponsorships; namely the Siemens Integrity Initiative's support to the Anti-Corruption Best Practices Programme, the Bill & Melinda Gates Foundation's support to the Governance in Philanthropy programme, and NAMA's support on the Diversity in Business Leadership Programme. We also appreciate the generous commitment from RWE of US \$2.5 million in 2015 (payable over a five-year period), and Crescent Petroleum for their substantial contribution of administrative support for the organisation.

Legal Status

Pearl Initiative Inc., (the "Entity") was incorporated in New York 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. The registered address of the Entity is 26 Old Lyme Road, Scarsdale, New York, United States of America.

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. The commercial license of the branch expired on 10 May 2019 and the management is in the process of liquidating the branch.

During the year, the Entity has incorporated a branch "Pearl Initiative Inc." on 09 May 2019 as a "Branch of a Foreign Company" under license no. 1007 issued by the Sharjah Research Technology and Innovation Park Free Zone Authority, Government of Sharjah, Sharjah - United Arab Emirates and the Entity primarily operates through this branch.

HIGHLIGHT

US \$2,619,666

Increase in net assets from US \$2,252,099 as at 31 December 2018 to US \$2,619,666 as at 31 December 2019.

US \$730,000

Pearl Initiative had a partner base of thirty-five (35) members who contributed a total membership income of US \$730,000 in 2019.

US \$820,000

Pearl Initiative witnessed receipt of programme support of US \$820,000 in 2019.

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 partnership support can be measured reliably. Partnership support is recognised as per the contractual arrangements with partners and in the relevant accounting period.

RECOGNITION OF PROGRAMME SUPPORT

Programme Sponsorships are recognised as support when:

- the Entity is entitled to such programme support,
- the programme support can be measured reliably, and
- it is probable that the 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 programme support based on the contractual arrangements with Funders.

Statement of Financial Position

	Y2019	Y2018
Assets		
Non-current assets	8	2
Current assets	2,860	2,486
Total assets	2,868	2,488
Liabilities		
Non-current liabilities	27	38
Current liabilities	221	198
Total liabilities	249	236
Net Assets	2,620	2,252

As of 31 December 2019 (in USD '000)

Statement of Financial Activity

	Y2019			Y2018		
	Restricted		Total	Restricted		Total
Support						
Programme support	820	-	820	1065	-	1065
Partner support	-	730	730	-	<i>7</i> 50	750
Transfer from restricted	(645)	645	-	(592)	592	
Total Support	175	1,375	1,550	473	1,342	1,815
Expenses						
Programme	-	(1,011)	(1,011)	-	(1,087)	(1,087)
Organisational	-	(235)	(235)	-	(230)	(230)
Total expenses	-	(1,246)	(1,246)	-	(1,317)	(1,317)
Other Income	-	64	64	-	41	41
Change in net assets	175	193	368	473	65	538
Net assets at 1 Jan	2,008	244	2,252	1,535	178	1, <i>7</i> 13
Net assets at 31 Dec	2,183	437	2,620	2,008	244	2,252

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LOOKING FORWARD

The past year at the Pearl Initiative has been remarkably successful and largely characterised by the multitude of activities and resources launched as part of our mission to increase knowledge and incentivise the implementation of corporate governance best practices.

Whether through our practical workshops held across nine Gulf cities, our online resource centres housing bespoke guides and toolkits, or our novel webinars featuring regional experts, our widespread reach has enabled us to continue the expansion of our wider network of engaged stakeholders and raise awareness on the value of the implementation of corporate governance best practices.

We remain committed to the needs of the regional Private Sector and are working tirelessly to ensure that business continuity and success remains a priority for organisations operating across the Gulf



Region. This is particularly true in the wake of the COVID-19 global pandemic, which has re-shaped the world's socio-economic landscape and will continue to do so for an uncertain period of time.

Today our economies face unprecedented challenges and risks. Business continuity and resilience hinge upon the health and well-being of employees, and the opposite rings just as true. This interdependence is bringing about new opportunities for businesses to act responsibly, build trust through greater transparency and accountability, and contribute to the formation of new behaviours, new expectations, new processes, and new business models.

In line with our mission to contribute to the resilience and agility of businesses across the Gulf Region, we adapted our offerings and launched a webinar series on the corporate response to

COVID-19, featuring subject matter experts and key business players who shared their knowledge on risk and crisis management. Our activities are also now available virtually to all our stakeholders.

Further, we have taken this opportunity to provide guides on strategic corporate giving through our newly launched Circle, which is the Pearl Initiative's online centre for the governance of philanthropy. These guides and toolkits will help organisations set effective strategies for more impactful giving and social investment projects across the Gulf Region.

This report demonstrates the progress of our organisation, but also highlights the work that lies ahead of us on all fronts, including ethical leadership and greater transparency and accountability. We must continue to make a real contribution to business resilience across the Gulf Region so as to ensure the livelihood of future generations to come.



Yasmine Omari
Executive Director, Pearl Initiative

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PEARL INITIATIVE GOVERNANCE

The Pearl Initiative's internal governance structure comprises the following forums:

Patronage

FOUNDING PATRON

His Highness Dr Sheikh Sultan bin Muhammad Al Qasimi

Member of the Supreme Council of the United Arab Emirates and Ruler of Sharjah

HONORARY CHAIRMAN

His Excellency Sheikh Nahayan Mabarak Al Nahayan

Minister of Tolerance of the United Arab Emirates

BOARD OF GOVERNORS

The Board of Governors comprises sixteen (16) highly committed and dedicated members striving to promote corporate governance best practices in the Gulf Region. Members come from a diverse range of backgrounds with complementary experience, and together they oversee the strategy and affairs of the Pearl Initiative. The below table lists all members of the Board of Governors.



Mathad Alajmi Vice President and General Counsel, Legal Affairs, STC



Ahmed Al Janahi Chair, Student Advisory Board of the Pearl Initiative



Sheikha Hanadi Bint Nasser Al Thani Vice Chairman, NBKS



Pervez Akhtar

Managing Partner and Head of

MENA Region,

Freshfields Bruckhaus Deringer



Hani Ashkar Middle East Territory Senior Partner, PwC



Patrick Chalhoub
CEO,
Chalhoub Group



Amir Dossal
Founder & Chairman,
Global Partnerships Forum



Jamal Fakhro Managing Partner, KPMG Bahrain & Qatar

BOARD OF GOVERNORS



Hamid Jafar Chairman, Crescent Group



Badr Jafar CEO, Crescent Enterprises



Samer Said Khoury
President,
Consolidated Contractors Company



Markus Krebber CFO, RWE AG



Varouj Nerguizian CEO, Bank of Sharjah



Bashar Obeid CEO, Aramex



Campbell M. Steedman
Partner,
Squire Patton Boggs



Ayman TamerChairman and Managing Partner,
Tamer Group

CEO COUNCIL

Comprised of the CEO of each of the Pearl Initiative's partner companies, the CEO Council brings regional leaders in their respective fields together to collaborate. The CEO Council convenes once a year and provides an opportunity for the CEOs to practically input into the strategy of the Pearl Initiative and therefore into the business community in the Gulf Region. It offers a unique opportunity to network amongst peers at the most senior level and share best practices and challenges.

STUDENT ADVISORY BOARD

The Student Advisory Board was established by the Pearl Initiative's Board of Governors to provide a voice to the region's youth and to gain their perspective on ways to foster awareness of the Pearl Initiative and its programmes amongst the future generation of business leaders. Their role as members of the board is to act as vocal supporters for the Pearl Initiative to the wider student community, raising awareness of the Pearl Initiative's values and principles and to act as ambassadors, facilitating outreach within their respective universities and countries.

INTEGRATION BOARD

Made up of senior management representatives from each of the Pearl Initiative's partner companies, the Integration Board guides the efforts of the Pearl Initiative, providing feedback and developing recommendations with respect to the work it undertakes. The Integration Board provides a platform for representatives from the Pearl Initiative's partnership network to share insights, address challenges and discuss regional and international trends.

EXECUTIVE COMMITTEE

The day-to-day management of the Pearl Initiative is taken care of by the Executive Committee. The members of the Executive Committee share powers and responsibility for managing the organisation efficiently and effectively.

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HOW TO GET INVOLVED

The Pearl Initiative works tirelessly in its quest to promote a corporate culture of accountability and transparency for improved socioeconomic outcomes across the Gulf Region. It is a by-business, forbusiness organisation, and without the input and support of its partners, the Pearl Initiative would not be in a position to develop programmes that are relevant to and supportive of the businesses operating within the Gulf Region.

The Pearl Initiative's network of partners shares its vision and values and is growing with the recognition of the necessity for enhanced corporate governance standards and practices in the regional Private Sector.

By joining the Pearl Initiative as a partner, organisations can:

- Join the Integration Board and CEO Council to input into Pearl Initiative activities while networking with other partners.
- Publish joint thought leadership, opinion editorial articles, and press publications.
- Receive upfront activity plans and invitations to events.
- Be associated with the preparation and publication of key reports.
- Participate in annual Pearl Initiative/United Nations conferences.
- Leverage speaking opportunities across regional events.
- Participate in Executive Education programmes.
- Be part of an alliance that is raising the bar on awareness in the Gulf Region.
- Get privileged access to a community with the latest insights on best practices in corporate governance.
- Leave a legacy for the development of students, and leaders of tomorrow.

To engage with the Pearl Initiative and to explore partnership opportunities, contact: enquiries@pearlinitiative.org

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To learn more about the Pearl Initiative...



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PEARL INITIATIVE PARTNERS

AS OF MAY 2020































































