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## Communication on Engagement

Demonstrating the Pearl Initiative's continued engagement with the UN Global Compact

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# The Pearl Initiative

UN Global Compact – Communication on Engagement

## Contents

1. Letter of Continued Support .....	3
2. About the Pearl Initiative .....	4
2.1 What We Do .....	4
2. Our Programmes.....	5
2.1 Anti-Corruption Best Practices .....	5
2.2 Diversity in Business Leadership.....	5
2.3 Governance in Family Firms.....	5
2.4 Governance in Technology .....	6
2.5 Governance in MSMEs .....	6
2.6 Governance in Philanthropy .....	6
2.7 Student Engagement.....	6
3. Engagement with the UN Global Compact .....	7
3.1 The Pearl Initiative: Advancing Global Compact Principles.....	7
3.2 The Pearl Initiative: Actioning UN Social Development Goals (SDG’s) .....	8
4. Programme Measurement & Impact.....	9



**Pearl Initiative**

UN Global Compact – Communication on Engagement

# 1. Letter of Continued Support

*29 August 2024*

Dear Esteemed Stakeholders,

It is with great pleasure that I would like to affirm the Pearl Initiative's continued support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In the following Communication on Engagement (CoE), you will find attested, an overview of our activities, and the numerous projects and events we have undertaken to support and encourage the UN Global Compact's mission.

The Pearl Initiative also pledges and commits to knowledge-sharing through our programmes and interventions that bring together the business community and civil society. In alignment with our vision as an organisation, we commit to continued transparency in sharing this information every two years to our stakeholders, to whom we remain accountable.

As a nonprofit organisation working in a diverse spectrum of areas across the Gulf region, the Pearl Initiative has had the opportunity to collaborate with a variety of partners and stakeholders, all of whom support our work towards furthering transparency and accountability for business innovation. Through a range of longstanding partnerships, we have widened the scope of our work as highlighted in this CoE.

Yours Sincerely,

Pankaj Khatri

Head of Business Services  
Pearl Initiative



## 2. About the Pearl Initiative

The Pearl Initiative is the Gulf region's leading business-led, non-profit organisation working to promote the business case for a corporate culture of accountability and transparency. Established in 2010 by regional business leaders in cooperation with the United Nations Office for Partnerships, the Pearl Initiative is the only private, non-profit Gulf business network to receive special consultative status from the United Nations Economic and Social Council. The Pearl Initiative spearheads six programmes to deliver data-driven insights and amplify the importance of corporate governance principles as a business imperative for corporations, family firms, small and medium-sized enterprises (SMEs), and philanthropic organisations in the Gulf region.

### 2.1 What We Do

The Pearl Initiative achieves measurable impact through research and dissemination of relevant knowledge; engaging stakeholders to facilitate discussions around corporate governance challenges and best practices; and, providing locally relevant training, tools and practical know-how on corporate governance for the business community and future leaders.

Through its programmes, the Pearl Initiative addresses the increasing need to implement and strengthen effective governance models to better face challenges brought on by current and future trends. These include rapid technological growth and changing geopolitical landscapes which bring on emergent threats such as climate change, cyber security and data privacy, economic instability and parity, and health to name a few.

#### **Pearl Initiative objectives:**

**i. Share Insights**

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

**ii. Create Networks**

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

**iii. Build Knowledge**

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

**iv. 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



## 2. Our Programmes

### 2.1 Anti-Corruption Best Practices

In a rapidly evolving global business environment, the importance of countering corruption and upholding ethical governance stands paramount. The Gulf region, echoing global sentiments, is moving decisively towards fortifying its stance against corruption and ensuring transparent business practices. At the heart of the Pearl Initiative's commitment to responsible governance lies the Anti-Corruption Programme. Launched in 2015, the Anti-Corruption Best Practices Programme (ACBP) aims to increase the awareness of best practices in anti-corruption in the Gulf region and support businesses by embedding culturally relevant solutions to drive better internal integrity practice, and in-turn strengthen the wider regional ecosystem.

This programme serves as a unifying force, bringing together influential organisations and industry leaders to combat corruption and advance ethical governance. Between 2021-2023, its accomplishments have been notable, including the formation of a dedicated working group, fostering impactful engagement with students to instil ethical values, and achieving a significant collaboration with SABIC.

### 2.2 Diversity in Business Leadership

In recent years, the Gulf region has witnessed a remarkable shift towards fostering greater diversity, equity, and inclusion. This commitment to creating more inclusive workplaces and diverse societies is driving positive changes that enhance collaboration and innovation. The Diversity in Business Leadership Programme stands as a testament to this growing dedication to equality and inclusivity within corporate leadership, exemplifying the region's strides toward embracing diversity as a source of strength. Launched in 2014, the Diversity in Business Leadership programme highlights the importance of promoting diversity in the workplace and raising awareness on diversity and inclusion (D&I) as key pillars of effective corporate governance.

The key objective of the programme is to encourage diversity practices across the private sector in the Gulf region using evidence-based research to encourage and support companies to adopt regionally relevant diversity, inclusion standards and best practices. This is adopted through developing learning resources in the form of training, convenings, and workshops to increase awareness. The Pearl Initiative Diversity in Business Leadership Working Group convenes quarterly to address crucial diversity and inclusion topics. The members discussed various challenges faced by women leaders in the workplace.

### 2.3 Governance in Family Firms

The Governance in Family Firms programme continues to play a pivotal role in the Gulf region, where family businesses contribute approximately 85% of private sector employment and over 60% of the non-oil GDP. These statistics underscore the program's critical mission of supporting the next generation of family business leaders in addressing unique challenges such as transparency, succession planning, and board diversity. Launched in 2012, the Governance in Family Firms programme is focused on addressing key governance issues, trends and existing best practices adopted by family firms across the Gulf region. Since its inception, the programme has diligently focused on tackling these issues head-on by promoting best practices and fostering a cultural shift within family firms. With a resolute commitment to institutionalising governance, the Governance in Family Firms programme continues to deliver programming that supports family businesses across the Gulf region, ensuring their long-term sustainability and prosperity. The programme has launched a series of sessions for family businesses across the Gulf region, engaging over 170 family business leaders focused on themes such as data governance, succession planning, and family law. To deepen its network of collaborators and enhance reach, the Governance in Family Firms programme signed Mou's with the Business Family House to collaborate on several joint educational activities concerning family firms in the Gulf region, as well as with EY on a multi-year agreement to publish an annual family business governance snapshot survey.



## 2.4 Governance in Technology

In the fast-paced realm of technological evolution, the challenges of governance are becoming increasingly pronounced, especially considering the rapid development of AI. In recent years, the MENA startup ecosystem has flourished, underscoring the need for a robust governance framework. The Pearl Initiative addresses this imperative, advocating for innovative corporate governance practices within tech entities in the Gulf region. As we navigate the future, we recognize the unique hurdles posed by AI's breakneck progress. These challenges demand adaptable governance strategies that keep pace with the transformative potential of AI, ensuring the continued growth and sustainability of tech companies in this dynamic landscape. We provide practical tools, guidelines, and training to empower tech companies to forge governance frameworks that are agile and responsive to the evolving AI landscape, enabling them to thrive in this era of technological acceleration.

## 2.5 Governance in MSMEs

MSMEs account for over 90% of all companies operating in the Gulf and are anticipated to provide the bulk of economic growth and job creation in the short and long term. Global research has shown that MSMEs with good corporate governance policies and frameworks demonstrate increased stability and trustworthiness. The Governance in MSMEs programme was launched in 2017, to enhance the competitiveness of the Gulf region's MSME sector by raising its standards of corporate governance and to deliver on different key activities that target a wide range of topics within the small business ecosystem. Between 2021 and 2023 the programme hosted a series of sessions featuring business leaders and experts to enhance the understanding and application of corporate governance practices amongst MSMEs

## 2.6 Governance in Philanthropy

As the landscape of philanthropic giving continues to evolve in the Gulf region, marked by the growing role of the private sector in addressing social and environmental challenges, so has the demand for knowledge, tools, and resources to devise strategic philanthropic and corporate responsibility plans. As part of the Pearl Initiative's mission to drive good governance, the Governance in Philanthropy programme strives to strengthen accountability, transparency, and policies to reflect best practices in philanthropic giving. With support from the Bill & Melinda Gates Foundation, the Governance in Philanthropy programme was launched in 2017 to support regional corporate and individual donors striving to be more strategic and impactful in their giving. By raising awareness, creating networks, and inspiring action, the programme provides individuals and professionals working in the sector with the knowledge and know-how to improve their giving practices and optimise the impact of their investments. Through community engagement and research, PI's Philanthropy programme promotes improved governance standards in the Gulf region's philanthropic ecosystem as well as the regional transition away from the traditional way of thinking about philanthropy, CSR, and corporate giving, to a more strategic understanding of the vehicles needed to drive greater impact and governance. The 'Circle', a peer-to-peer network consisting of principal and corporate donors from across the region, looking to do more with their philanthropic giving was launched by the Governance in Philanthropy in 2021 with support from the Bill & Melinda Gates Foundation and is jointly powered by the Pearl Initiative and Philanthropy Age. The programme also supported the launch of the CircleMena.org site, which houses a wide range of specialist resources, inspiring content, and insight pieces on strategic philanthropy and aims to inform and inspire better giving, deepen relationships, and catalyse connections amongst members of the Circle network.

## 2.7 Student Engagement

Student engagement has been an integral part of the Pearl Initiative's mission of promoting good corporate governance. The Pearl Initiative's Student Engagement initiative aims to empower the next generation of business leaders in the Gulf region with the skills and mindset needed to drive sustainable economic and social progress. The Pearl Initiative launched the Business Pledge, a youth-centric initiative, in 2017 during the Regional Forum for Sustainability in Action, held in partnership with the United Nations Global Compact. The Business Pledge sessions form a vital part of Pearl Initiative's vision to promote responsible and sustainable business practices in the Gulf region and offers a unique platform for businesses and students to interact directly with one another. Sessions are designed for students to learn from speakers who share their experiences and best practices against the four business pledge pillars:

- Setting Targets for Sustainable & Responsible Growth



## Pearl Initiative

UN Global Compact – Communication on Engagement

- A More Inclusive Workplace
- Promoting Integrity
- Collaboration & Partnerships

### 3. Engagement with the UN Global Compact

Pearl Initiative is an active member of the UNGC-LN UAE Board, contributing to discussions around key activities and priorities for the local network in the UAE. We also provided valuable insights into the non-profit set-up of the entity in 2019.

The CEO/Executive Director of the Pearl Initiative sits on the UNGC board, maintaining regular communication with the UNGC to share updates on key initiatives and explore collaboration opportunities. We frequently receive invitations from the UN Global Compact to participate in task groups and other sessions. The Pearl Initiative also sends invites for its various sessions to UNGC. Over the past three years, the Pearl Initiative has continued to frequently collaborate with the local Global Compact Office on various significant projects and events.

On June 25, 2024, the Pearl Initiative represented SDGs 16 and 17 at the SDG Roundtable in attendance of National Committee on Sustainable Development Goals, United Nations Resident Coordinator and other Government, Semi-Government and Private entities. This involvement underscored the organization's commitment to promoting peace, justice, strong institutions, and partnerships for the goals.

Additionally, the Pearl Initiative participated in the Climate Action Taskforce. This taskforce is dedicated to putting the UNGC Environment Principle into action, emphasizing the importance of sustainable practices and climate responsibility. The Pearl Initiative's contribution to this taskforce highlights its dedication to addressing environmental challenges and fostering sustainable development.

The organization was also involved in the Gender Balance Taskforce set by the UNGC. This taskforce focuses on promoting gender equality and empowering women within the business sector, aligning with the broader UN goals for gender parity and inclusive growth.

Furthermore, through its diverse range of programs, the Pearl Initiative consistently promotes the principles of the UN Global Compact. These programs are designed to enhance corporate accountability, transparency, and governance across the Gulf region. By fostering a culture of ethical business practices and encouraging private sector engagement in sustainable development, the Pearl Initiative continues to play a vital role in advancing the UNGC principles.

#### 3.1 The Pearl Initiative: Advancing Global Compact Principles

##### **Environment**

The Pearl Initiative advances the UN Global Compact's environmental principles within its network by organizing events and shedding light on key topics such as Strategic Philanthropy in Climate Change Solutions, Crisis Control: The Role of Philanthropy in Preventing Future Disasters, and Corporate Governance's Role in Achieving Zero-Carbon Emissions. These events help the Pearl Initiative network members of PI stay up to date with the latest trends, and research and provide members with strategic tools to combat climate change and spearhead change in the region.

##### **Anti-Corruption**

The Pearl Initiative has a dedicated programme to advocate and promote best practices in preventing corruption at multiple levels. The establishment of the Anti-Corruption Best Practices Programme Working Group unites various members to discuss corporate governance and compliance, aiming to shape and inform practices within the Gulf region. By sharing insights, experiences, and expertise, members collectively work to enhance the understanding and implementation of ethical business standards in the region. This enables the Pearl Initiative to leverage its network to understand regional pain points and address them through guidebooks, insight pieces and hosting sessions led by expert speakers.

In addition, the Pearl Initiative has hosted convenings and distributed guidebooks to promote regulation and governance within the Fintech industry, leveraging technology and transparency to mitigate corruption.



## Pearl Initiative

UN Global Compact – Communication on Engagement

### Labour

The Pearl Initiative addresses the labour principle of the UN Global Compact by collaborating with members to promote ethical practices towards employees and advancing diversity, equity, and inclusion (DEI) in the workplace. This commitment is exemplified through our dedicated DEI working group and various convenings, publications, and insights. Examples of our convenings include "Setting a Tone from the Top," "Driving Impact Through Women in Leadership," "Understanding Unconscious Gender Bias," and "Building an Effective Ethical Corporate Culture in the Workplace."

### Human Rights

The Pearl Initiative promotes the UN Global Compact's principles of human rights by fostering corporate governance and providing structure within MSMEs, family firms, individual donors, and large institutional donors. Our convenings, research, and networks support this mission. Key events include "The Art of Advocacy and Storytelling in Philanthropy," "The Power of Giving for Systems Change," "Impactful Giving in Emergencies," and "Refugee-Support Organisations: Making Crisis Response Agile and Adaptive." These convenings highlight the role of institutional giving and advocacy in times of crisis and the need to protect human rights globally.

By addressing regional issues through a solution-based approach, the Pearl Initiative leverages its platform to make a meaningful impact. Over the past year, we have taken significant steps to ensure access to credible data, supporting both individual and institutional donors in their decision-making processes.

## 3.2 The Pearl Initiative: Actioning UN Social Development Goals (SDG's)

Over the past few years, the Pearl Initiative has engaged with key members and non-members of the UN Global Compact to raise awareness of the SDGs, sustainable finance, and ESG. The Pearl Initiative is aligned directly with 6 of the 17 UN SDGs via programmatic work.

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, particularly increasing youth skills and gender disparities. To underscore this commitment The Pearl Initiative has partnered with over 60 Gulf-based universities to educate undergraduate and graduate students on key threats and opportunities they will face in their career, providing them with broader learning opportunities to innovate and succeed in a corporate environment. With the goal of equipping the next generation of leaders, change-makers, and innovators with the tools for success and growth, the Pearl Initiative is committed to fostering agility and adaptability in future leaders across corporate, entrepreneurial, environmental, and sociological landscapes.

SDG 5: Achieve gender equality and empower all women and girls. The Pearl Initiative supports gender diversity and the inclusion of women in the workplace, and ensures they get the opportunity to not only join the workforce in any sector, but also advance in the workplace and be represented on boards and decision-making positions. This top-down approach helps advance gender equity at a more systematic level. Additionally, through various projects, the Pearl Initiative ensures that a gender lens is applied to corporate issues, consciously addressing, and removing any unconscious bias.

SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. At the core of its mission, the Pearl Initiative focuses on driving integrity, anti-corruption diversity and inclusion best practices as key pillars in ensuring the sustainable and responsible growth of businesses in the Gulf region. Through the promotion of corporate governance, accountability, transparency, and impact, the Pearl Initiative advocates for integrity in the workplace, increased productivity, and decent work for all. SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. The Pearl Initiative partners with tech companies, start-ups, and key stakeholders to raise awareness amongst tech entities on the benefits of strong corporate governance and its value-add to long-term growth, innovation, and business sustainability. Promoting regulations and accountability in industries driven by modern technologies enables the region to excel and grow its tech sector at a sustainable pace.

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels. Through its programmatic work, the Pearl Initiative promotes





sustainable impact by fostering strong governance and accountability structures within institutions, foundations, and corporates.

SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. Building and promoting partnerships is at the core of the Pearl Initiative. Originating as a collaboration between regional business leaders, the Pearl Initiative continues to promote and facilitate partnerships among its members to foster sustainable development.

## 4. Programme Measurement & Impact

The Pearl Initiative uses its 'for business by business' model to deliver programmes that foster data-driven insights and the importance of corporate governance principles for the sustainability of businesses in the Gulf region. The Pearl Initiative achieves measurable impact through research and dissemination of relevant knowledge; engaging stakeholders to facilitate discussions around corporate governance challenges and best practices; and, providing locally relevant training, tools, and practical know-how on corporate governance for the business community and future leaders.

The Pearl Initiative values and promotes Impact Measurement and Reporting across its programmes, employing both quantitative and qualitative methods to ensure comprehensive evaluation through:

- **Surveys and Primary Research:** Addressing the regional data gap in corporate governance and philanthropy.
- **Qualitative Interviews:** Conducting formal and informal interviews to understand the impact of our programs on addressing ground-level needs and challenges.
- **Post-Event Surveys:** Gathering feedback to assess participant satisfaction and improve future convenings.
- **Event Outcome Reports:** Publishing detailed reports on our website for each event.
- **Annual Reports:** Sharing comprehensive annual reports on our website, summarizing our yearly achievements and insights.

By integrating these methodologies, the Pearl Initiative ensures transparency, accountability, and continuous improvement in its efforts to promote ethical business practices. From 2021 to 2023, the Pearl Initiative has made significant strides in promoting ethical business practices and philanthropy. Since 2010, our key achievements are listed below:

- **Hosted Over 341 Convenings:** Engaging more than 5,000 participants, including business leaders, senior management, philanthropists, and students.
- **Formed Strategic Partnerships:** Collaborated with over 40 corporate and institutional partners, fostering a strong network committed to positive change.
- **Engaged Academic Institutions:** Partnered with over 61 universities, bridging the gap between academia and industry to cultivate future leaders.
- **Published Resources:** Published over 160 research, guides, and blogs advancing research-driven governance in the region.

Through these efforts, the Pearl Initiative continues to drive impactful dialogue and action in corporate governance and philanthropy.