



VISION

2025



**ANNUAL
REPORT**
2020 - 2021

TABLE OF CONTENTS

Letter from the Founder	4
PI Vision 2025	6
Pearl Initiative's Programme Achievements	12
Anti-Corruption Best Practices	14
Governance in Philanthropy	17
Governance in Family Firms	19
Governance in MSMEs	20
Diversity in Business Leadership	22
United Nations Sustainable Development Goals	24
CEO Perspectives Report: Corporate Stewardship in Times of Crisis	26
Looking Forward	28
Financials	29
Pearl Initiative Governance	32
About the Pearl Initiative	36
Pearl Initiative Partners	38

LETTER FROM THE FOUNDER



The year 2020-2021 - marked by the COVID-19 pandemic - undoubtedly posed significant challenges, disruption and uncertainty for governments, businesses, communities and society. This past year also highlighted and solidified that corporate stewardship and environmental, social and governance principles (ESG), are not ornamental, but are rather fundamental to our resilience and the prosperity of future generations.

Since the establishment of the Pearl Initiative in 2010, my fellow board members and I have fundamentally believed that the individual components of E, S, and G are not mutually exclusive, but rather interlinked. While environmental and social goals are two sides of the same coin, the governance dimension, is the edge of that coin which binds everything together. Strong corporate governance creates the foundations upon which a business' agenda of environmental and social sustainability and corporate stewardship can be built.

On our tenth year of operations, the Pearl Initiative's Board of Governors commissioned a strategic refresh

In 2020, the growth of ESG-related investments exceeded \$1 trillion globally, highlighting the importance of building sustainable and resilient business models underpinned by strong corporate governance principles and standards.

in 2020, to mark our renewed pledge to advance the business case for strong corporate governance practices across the Gulf region. Throughout 2020, we consulted with over 100 business leaders, organisations and our partners across the Gulf region and internationally on the business community's strategic priorities. This was done to ensure the Pearl Initiative's diverse programme offerings effectively address gaps in the corporate governance ecosystem, create value for all stakeholders involved, and demonstrate measurable impact over time.

This resulted in a long-term strategy, **PI Vision 2025**, that focuses the remit of the Pearl Initiative's programmes to support corporations, family firms, micro, small and medium-sized enterprises (MSMEs), and philanthropic organizations in governance-related topics including diversity and inclusion, anti-corruption, and environmental, social and governance (ESG) reporting.

The Gulf region's economic future depends on the resilience and sustainability of its small and large business communities. Scaling the inclusive impact of

the private sector through governance is one of the core objectives of the Pearl Initiative.

Since January 2021, and moving forward, the Pearl Initiative will continue to achieve its programme goals through high-impact and focused activities by providing bespoke training and capacity building workshops, convenings, and dedicated research, case studies and surveys across its programmes with the goal to better serve its partner community and help improve systems, policies, and governance practices in the Gulf region.

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 Mubarak 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 to continue to execute on its ambitious PI Vision 2025 plans. I would also like to recognise the Pearl Initiative operating team for their continued hard work and commendable commitment to the organisation's renewed commitment to PI Vision 2025.

Badr Jafar
Founder, Pearl Initiative



PI VISION 2025

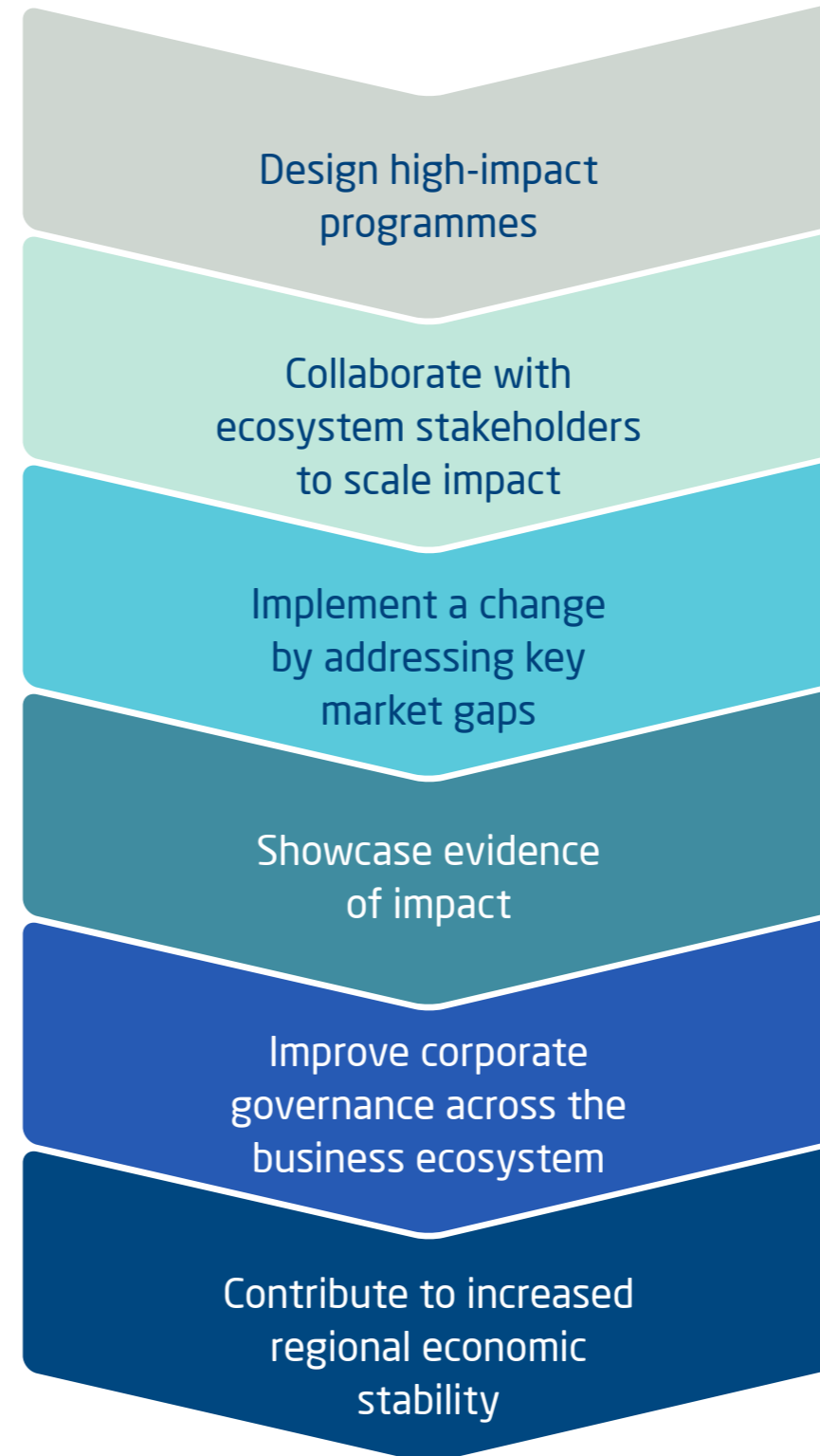
In January 2020, the Pearl Initiative's Board of Governors commissioned a study to launch the development of an updated strategy for the organisation, entitled 'PI Vision 2025'. This strategy marks a renewed pledge to advance the business case for strong corporate governance practices across the Gulf region.

Endorsed by the Pearl Initiative's Board of Governors and CEO Council, PI Vision 2025 was developed as a comprehensive analysis of the organisation's operational design, stakeholder engagement and programmatic output. The goal is to create cross-cutting programmes that effectively address gaps in the corporate governance ecosystem, create value for all the stakeholders involved and demonstrate measurable impact.

Additionally, an organisational Theory of Change, along with detailed programme strategies was developed to enhance the Pearl Initiative's programmatic approach and to demonstrate impact from all activities that Pearl Initiative aims to undertake. This supported the PI Vision 2025 strategy process and represented an opportunity for the Pearl Initiative to review its value proposition and ensure it is fit-for-purpose at the organisational and programmatic level. In 2021, the Pearl Initiative has overhauled its programme delivery approach, moving from an activity-based design to co-creating programmes with its collaborators and key stakeholders, with a focus on measuring the impact.

The Theory of Change showcases a detailed road map for the organisation's programme delivery, allowing every project to accommodate an impact-driven process, supported by a robust monitoring and evaluation framework. The goal is to create programmes that address corporate governance gaps in the market and work with key stakeholders to achieve social impact for the business community.

PROGRAMME LOGIC FRAMEWORK



PEARL INITIATIVE IN NUMBERS

12,541
High-level participants across the Gulf region

40
Universities engaged

512
Prominent regional and international speakers

150+
Regional insight reports and publications

222
Events and workshops across the region

8,388
University students reached

* As of July 2021



VISION 2025

PI Vision 2025 consolidates the Pearl Initiative's impressive track record from the last decade and looks forward at how to deepen the organisation's impact, increase and scale its reach across the Gulf region and continue to be an active and leading voice in promoting governance as a key pillar of business sustainability and job creation.

PI VISION 2025 WILL BE IMPLEMENTED ON A THREE-FOLD STEP

01 DEEPENING IMPACT OF PROGRAMME INTERVENTIONS

Redesign PI's programmes to be impact-driven based on the Theory of Change
Align programme delivery to the Theory of Change to create impact & accountability, supported by a robust monitoring and evaluation framework

Create bespoke and sector-specific programming and interventions
Redefine individual programme delivery by leveraging the organisational value proposition, identifying key stakeholders, and establishing relevant metrics and key performance indicators

Improve Arabic offerings
Conduct workshops, convenings and programme offerings, as well as thought leadership pieces and op-eds in Arabic

Align programmes with the United Nations Sustainable Development Goals (SDGs)
Clearly demonstrate Pearl Initiative's impact and navigate how each programme activity contributes to the SDGs

Integrate youth engagement across all programmes
Develop and implement cross-cutting youth-focused programmes, including case study competitions, internships, and student-led research on governance topics

02 IMPROVING ORGANISATIONAL SUSTAINABILITY

Build an agile operating and programmes team
Create an agile, business-minded, Arabic-speaking, consisting of subject experts and led by a programme manager(s)

Develop a monitoring and evaluation framework
Develop a tiered M&E framework and system to measure outputs, outcomes and impact at a programme and organizational level

Improve visibility and brand recognition
Improve visibility in both social and traditional media and continue to position Pearl Initiative and its partners as key thought leaders in the governance topic areas

Enhance business development and outreach
Develop tailored collaterals for general marketing and pitching for potential corporate partners, programme partners and funders

03 SCALING THE ORGANISATION AND ITS OPERATIONS BY 2025

Increase organisational reach across the GCC
Target and build a network with stakeholders across Saudi Arabia, Bahrain, Kuwait and Oman, in addition to the United Arab Emirates

Diversify and expand network of partners
Expand corporate partnership network to include organisations from different sectors and collaborate with like-minded organisations and networks, both regionally and internationally

Develop fundraising campaign
Develop an annual fundraising strategy and executable plan to fund programmes and to deliver the people, systems and tools to enable Pearl Initiative to achieve its mission

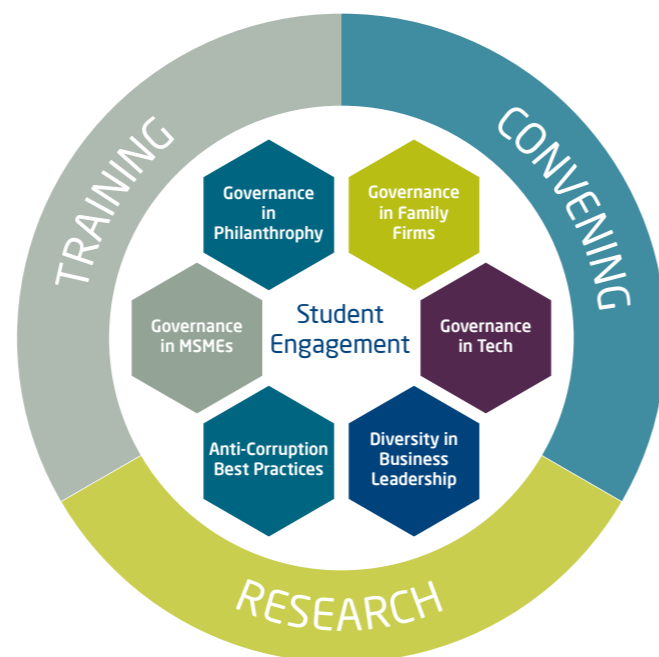


PEARL INITIATIVE'S PROGRAMME ACHIEVEMENTS

The Pearl Initiative delivers programmes that foster data-driven insights and the importance of corporate governance principles for businesses to be sustainable in the Gulf region.

Through its activities, the Pearl Initiative provides an open platform to facilitate discussions on how to practically improve corporate governance practices, and to inspire both current and future generations of business leaders to acknowledge the business imperative behind these principles. As part of the PI Vision 2025, the Pearl Initiative has consolidated its work across six programmes, with three areas of activities - research, convenings and trainings, executive education and corporate professional development courses, while incorporating student engagement activities across all programmes.

Despite the impact of the COVID-19 pandemic, which wreaked havoc across international economies and organisations of all sectors, the Pearl Initiative team adapted to new priorities and continued its efforts to carry on the organisation's mandate. Pearl Initiative quickly pivoted its programme delivery to accommodate new work trends and stakeholder demands, and the breadth of its activities in 2020-2021 reflect this.



Over the past year, the Pearl Initiative transferred all in-person activities and events to webinars and virtual meetings, taking advantage of various digital platforms as well as establishing new platforms and ways to engage with virtual audiences.



36 virtual events

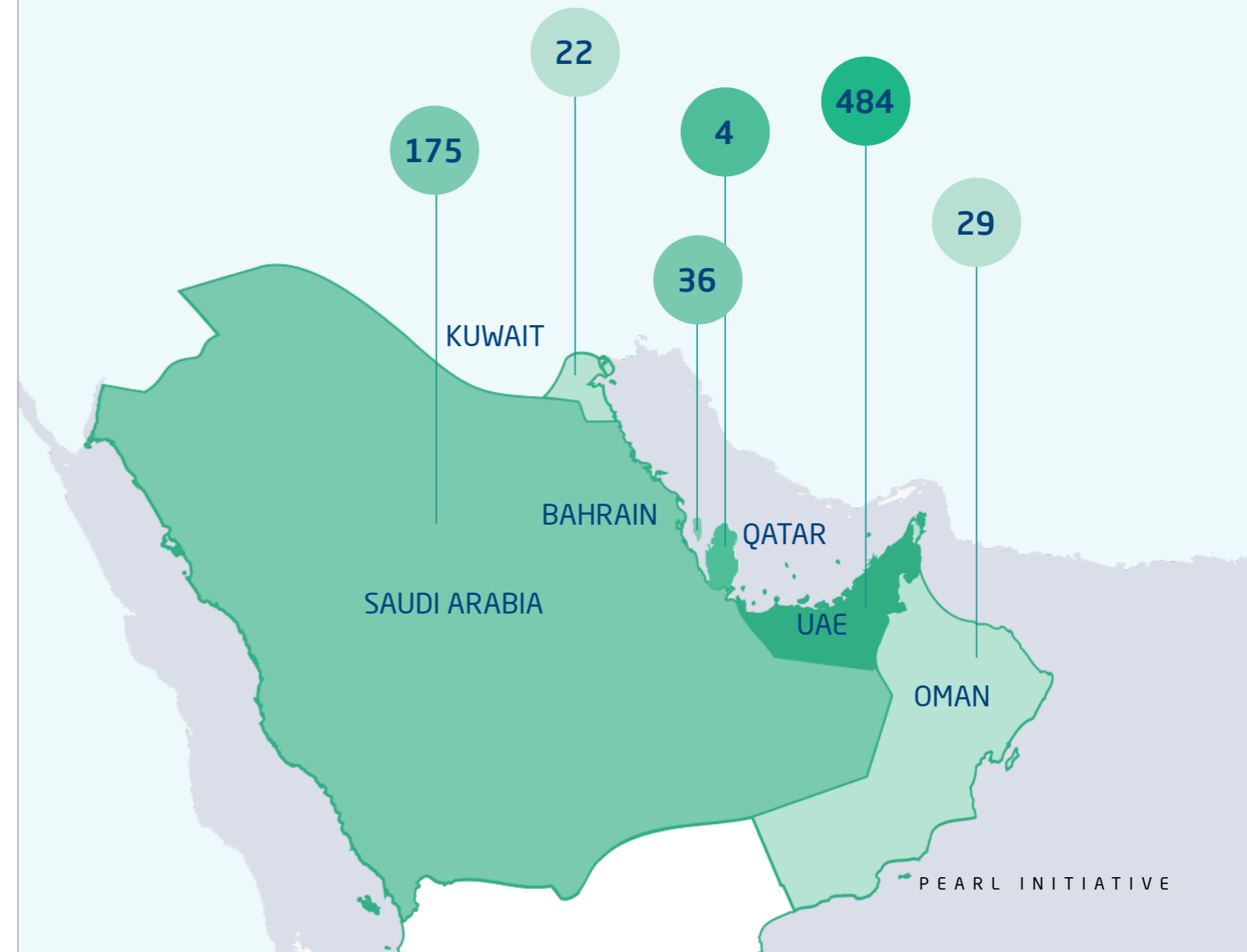


1150 business leaders, senior executives and students globally



10 guides, reports and infographics published across all programmes

750 BUSINESS LEADERS FROM ACROSS THE GULF REGION PARTICIPATED IN THE ACTIVITIES



ANTI-CORRUPTION BEST PRACTICES

Programme Partner
SIEMENS

In 2021, the Pearl Initiative completed an independent evaluation of its project, "Implementing integrity practices in GCC private and public businesses" which was funded by Siemens Integrity Initiative, from 2015 through 2020.

Conducted by an independent third party, the impact evaluation interviewed key stakeholders of the Pearl Initiative's Anti-Corruption Best Practices Programme to understand the impact of the five-year project. The independent evaluation found that the Pearl Initiative successfully launched programmes that helped inculcate anti-corruption practices across its member entities in the Gulf region. At least 53 per cent of affiliated business leaders and 78 per cent of students in the GCC said their knowledge regarding anti-corruption has significantly increased thanks to the programme.

The independent evaluation found that the Pearl Initiative was able to successfully establish a trusted community of business professionals and government representatives in the Gulf region, who have exemplified high integrity ethos to their employees and peers.

The programme aimed to introduce three key objectives to the Pearl Initiative's partners in the government and business sectors as well as universities. The initiative developed and published a GCC Integrity Index to enable businesses to measure their integrity efforts against international benchmarks. In addition, the programme created a Collective Action community to encourage a discourse among the business community, civil society, and government in the GCC. Since 2015, the Pearl Initiative has hosted 26 events (14 in-person and 12 virtual), where at least 600 business leaders gathered and raised their organisations' integrity standards.

Lastly, the programme focused on connecting future business leaders by encouraging Gulf-based universities to include practical integrity applications in their business studies curricula. During the five-year programme, the Pearl Initiative engaged with over 4,000 students from 40 Gulf-based universities to learn from 163 corporate leaders. Different stakeholders adopted the Pearl Initiative's anti-corruption practices to mitigate business risks, including universities such as Higher Colleges of Technology in Dubai, Sultan Qaboos University in Muscat, and Prince Sultan University in Riyadh who enhanced their curricula to integrate anti-corruption ethos, according to the findings of the independent review.



90%

of business leaders would attend another Pearl Initiative event, workshop or convening on anti-corruption best practices.



93%

of business leaders would recommend the Pearl Initiative to other leaders and colleagues.



53%

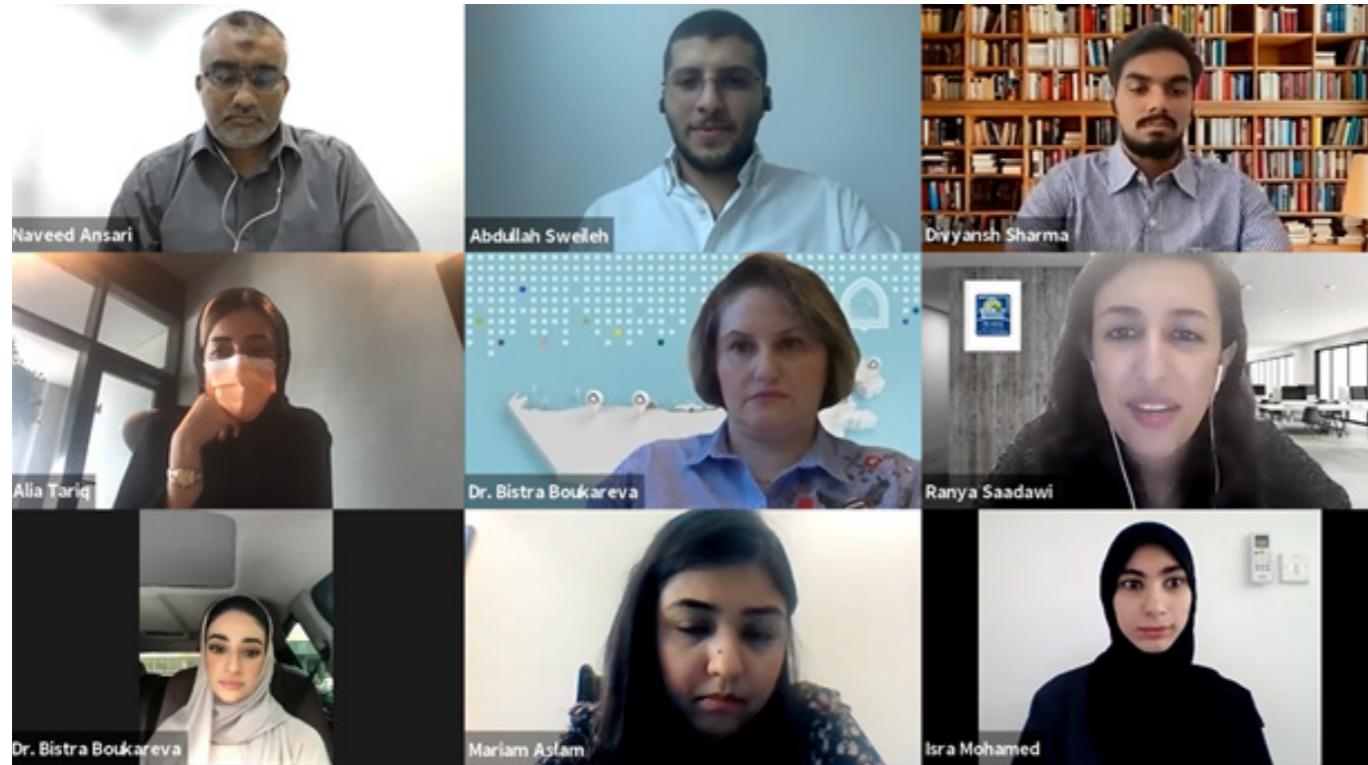
of business leaders said their knowledge of anti-corruption has increased a good extend as a result of the programme.



“ We applaud the Pearl Initiative for its anti-corruption programme activities, which address the urgent need to identify and instill commendable integrity values both in the business and academic communities. Pearl Initiative has succeeded in increasing knowledge on integrity-related subjects and intensifying stakeholder involvement across the Gulf region. We are proud to support Pearl Initiative as part of our efforts to promote integrity best practices in the region.

NAVEED ANSARI

Senior Vice President and Compliance Head for Siemens Middle East



Attendees from the virtual awards ceremony for the case study competition held in Q1 2021.

The 2020-2021 Case Study Competition had over 50 students participate from seven universities across the Gulf, in conducting case studies presenting extensive research on best practices in accountability and transparency.

The competition for 2020-2021 was open to both undergraduate and postgraduate students enrolled at accredited universities across the Gulf region. Students were invited to submit case studies in Arabic or in English, documenting and showcasing Gulf-based companies that have implemented examples of best practices around specific anti-corruption policies.

The awards ceremony, held virtually in 2021, showcased the winning case studies, and gave the winning teams the opportunity to speak to students about their experiences in researching anti-corruption issues and developing the case studies.

“ We believe in extending the learning to outside the classroom, this is the 3rd time we are participating in the case study competition, I think this is the best way to reinforce the learning that happens in class, it has been a great learning experience for our students.

MS. MARIAM ASLAM,
Coordinating professor from Middlesex University.

GOVERNANCE IN PHILANTHROPY

Programme Partner



Since the launch of its Governance in Philanthropy programme in 2017, the Pearl Initiative has been actively raising awareness, creating networks, and inspiring action, providing over 700 professionals and leaders working in the philanthropic and corporate philanthropy sector in the Gulf region with the knowledge and know-how to improve their giving practices and optimise the impact of their investments.

Through over 40 roundtable workshops and virtual seminars, and 30 bespoke bilingual resources, guides and toolkits made available on the Circle online platform, the programme is promoting the transition away from the traditional way of thinking about philanthropy, CSR, and corporate giving, to a more strategic understanding of the vehicles to drive greater impact. In mid-2020, the Pearl Initiative expanded its engagement with stakeholders to reach wider audiences through virtual events, and continued to raise awareness on the value of strategic giving and corporate sustainability programmes. In partnership with the Philanthropy Network, and with the generous support of the Bill & Melinda Gates Foundation, the Pearl Initiative launched a year-long virtual webinar series in mid-2020 that highlighted the capabilities philanthropy has in driving

new and innovative solutions to address unprecedented global concerns, such as COVID-19, and the relief efforts to mitigate their impact.

Key featured international speakers included Dr. Lawrence H. Summers, former US Treasury Secretary and President Emeritus at Harvard University; Patrick Chalhoub, President of Chalhoub Group; Fadi Ghandour, Executive Chairman at Wamda Group and Founder of Aramex; and Clare Woodcraft, Executive Director at Cambridge Centre for Strategic Philanthropy.

More than 300 Gulf-based philanthropists, philanthropic advisors, private wealth owners and CSR professionals from the United Arab Emirates, Saudi Arabia, Bahrain, Kuwait, Oman and the greater Arab world convened to share knowledge, experiences and best practices to improve their giving practices and optimise the impact of their philanthropic giving, particularly in times of crisis, such as that of the COVID-19 pandemic.

The discussions shed light on the philanthropic responses to the pandemic in the United States, MENA, Africa, and Southeast Asia. This included the people and organisations involved, as well as their strategies and methods in aiding communities in the short-term but also in long-term and sustainable ways. Other discussions focused on how to better structure their giving strategy and how to connect to others working in similar spaces to reduce duplication of efforts. Decision-makers of leading foundations and corporations, including the Big Heart Foundation, Chalhoub Group, CCC, Al Handal Group, World Food Programme, Kanoo Group, and several local nonprofit organisations contributed and benefited from these regular convenings as they reshaped their giving strategies and approaches during

the pandemic. The series will continue to provide practical workshops on the engagement of the next-generation of donors and a gender-lens to philanthropic giving until the end of 2021.

The Pearl Initiative used these online workshops and discussion platforms to share over 20 guides, resources, and case study videos, hosted on its online platform, circle, providing practical guides and insights in English and Arabic on tactics and ways to promote strategic giving.

GULF BUSINESS PHILANTHROPY CIRCLE

The Governance in Philanthropy programme continues to grow our Gulf Business Philanthropy Circle - a network established by the Pearl Initiative to convene key decision-makers and leaders of CSR and sustainability departments of regional companies to discuss lessons learned and challenges faced in the sector. In 2020-2021, the size of the Circle network has doubled to 40 members and the Pearl Initiative continues to deepen its engagement, by providing access to thought leaders and subject matter experts during meetings. Throughout the past year, the quarterly meetings provided members with a unique opportunity to discuss how their programmes pivoted and evolved considering the pandemic.

The Governance in Philanthropy programme has allowed actors working in this space to enhance their CSR, giving strategies and improve their transparency and impact evaluation practices. It also provided open platform for collaboration amongst the networks. This has resulted in several stakeholders initiating impact evaluation studies and entering meaningful partnerships with one another to scale the impact of their work.

🗨️ **Hearing about the Circle members' experience with their sustainability strategies as well as their experiences with vendors in the industry and how they went about to develop and implement their strategies helped us in crafting and putting together a long-term strategy for our flagship CSR program.**

SEDCO HOLDING,
Saudi Arabia

GOVERNANCE IN FAMILY FIRMS

Family firms across the Gulf region comprise 90% of private sector commercial activity and contribute to over 60% of the Gross Domestic Product (GDP) outside the oil industry.

Yet, under 15% of them continue to be profitable into the third generation. With an imminent generational shift in leadership and \$1 trillion in assets expected to be passed onto the next generation in the next decade, regional family businesses are facing challenges to their sustainability and longevity.

Increasingly, family-led businesses globally and in the Gulf region are recognizing the importance of implementing governance measures for the long-term success and sustainability of their businesses. Specifically, in the Gulf region there is a focus on including diversity in strategic decision-making, the involvement of multiple generations of family members, and development of Boards / family councils to drive governance and accountability for family firms.

In 2021, the Pearl Initiative and its corporate partner, EY, have launched a series to highlight the vitality of good governance in order to reinforce resilience during turbulent times. As part of this series, the Governance in Family Firms programme hosted a panel discussion with expert panelists featuring family business and family office leaders to highlight the value of the family office and outline how to leverage the family office to enhance governance structures, through harmonizing the relationship of family business leaders.

As a key area of focus for the Pearl Initiative in 2022, the Governance in Family Firms programme will continue to provide family businesses in the Gulf region solutions to mitigate detrimental impacts to the longevity of their organisations, through formalised governance structure and effective succession planning. Through the delivery of guides, roundtables and practical workshops, the programme supports the adoption of effective governance solutions to overcome family ownership challenges. This will catalyse the growth of stable, successful, and sustainable family firms that continue to contribute towards the regional economic landscape.

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. Micro, small and medium enterprises (MSMEs) serve as the epicenter to innovation, new ideas and economic growth. The Pearl Initiative's 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.

In 2020, Pearl Initiative and AQ&P launched a survey, titled the CODEX survey, to understand and benchmark corporate governance standards for the Gulf region's MSMEs, to better examine the application of good governance practices. In addition, Pearl Initiative gathered information to further address the governance challenges faced by MSMEs including balancing stakeholder interests, ensuring resilience in the long-term and remaining profitable. The survey targets executives of MSMEs, entrepreneurs, employees and start-ups.

Small businesses faced a plethora of challenges due to the economic turbulence caused by COVID-19, on account of having significantly lower reserves, access to capital and other resources than other corporates. MSMEs also reported higher rates of business closure, employment redundancies and substantial operational reductions.

As part of the Pearl Initiative's ongoing 'Building Better Businesses' series, aimed at improving business resilience in a post-pandemic economy, we held virtual discussions featuring business leaders and veteran investors, to discuss the underlying challenges within micro and small enterprises. These conversations brought together the small business community, raising awareness on building the relevant governance foundation to improve daily business operations while simultaneously providing quick-win solutions that can be implemented cost-effectively.

Moving into 2022, the Pearl Initiative, will continue to engage with MSMEs and startups, as well as working with investors and procurement departments of MNCs to improve their approach in evaluating MSMEs and investments. The programme will educate actors in the investor and procurement ecosystem on the value of investing in businesses or third-party companies that employ good governance



Governance is not a static process and needs to continue to evolve with your business. Start by establishing a Board that is committed to steering the company in the right direction. Record keeping is another governance component that is simple and yet so effective. It showcases the operational history of your organisation and is extremely insightful for someone who might want to buy or invest in your organisation. The Pearl Initiative will provide you with the resources to identify the appropriate practices for your own stage of development and evolution as a company.

SHEIKH FAHIM AL QASIMI,
Partner at AQ&P



MSMEs looking to access investment need to embrace governance wholly. Not only do you need to have a governance playbook, but you also need to ensure that it is being applied. Governance adds value, not only from a valuation perspective, but also for the sustainability of the company. Applying governance from the beginning reduces the risk of transactions and protects the company and its shareholders in the long run. MSMEs can adopt emerging governance trends as they move forward through a post-pandemic environment. There is no one-size-fits-all solution, however, the basic governance tenets are obvious.

RABIH KHOURY,
Managing Partner & Chief Exit Officer at Middle East Venture Partners (MEVP)

DIVERSITY IN BUSINESS LEADERSHIP

Programme Partner



In 2020-2021, the Pearl Initiative engaged 180+ professionals and 500+ students and 16 universities from the Gulf region throughout its various interventions, including 6 workshops and virtual seminars hosted as part of the programme, and published a regional student case study report and a thought leadership report.

The Pearl Initiative's Diversity in Business Leadership programme was launched in 2014 in collaboration with Sharjah Business Women's Council (SBWC) and NAMA Women Advancement Establishment (NAMA) to make the business case and raise awareness of how diversity and inclusion are pillars of effective corporate governance. The programme has taken great strides in informing the corporate space on the significance of diversity and inclusion strategies as an essential framework of business operations. Pearl Initiative interacts with corporate, government, educational, public sector, and non-profit entities to ensure a holistic approach to understanding the diversity and inclusivity needs of businesses across the Gulf region.



Women's Advancement in the Workplace: How Organisations Can Support Female Upward Mobility

In celebration of International Women's Day in 2021, the Pearl Initiative and NAMA co-hosted a panel discussion on 'Women's Advancement in the Workplace' to address the occupational challenges for Women in the Gulf region. This session highlighted the influential role of senior leadership in improving women's upward mobility in the workplace as well as the key policies necessary to ensure greater commitment to gender balance concerns.

The Pearl Initiative and NAMA published a report in 2020, titled 'Women in the Economy: Gulf Region Outlook', featuring data-driven insights from business professionals from 11 economic sectors and 5 countries in the Gulf and Arab region, presenting an overview

of the nature and extent of women's experiences in the Gulf region's workforce. The report examines core concerns and offers businesses strategic solutions to provide support and improve wider diversity and inclusion activities.

As part of the report, the Pearl Initiative engaged over 40 Gulf universities where students were invited to develop case study profiles on leading businesswomen across the Gulf region. The report titled, 'Women in the Economy: Four Leaders Inspiring Change', showcases the career progression of these inspiring businesswomen, as well as their perspectives on increased gender diversity in business leadership.



“ The youth population should make sure the organisation that they choose to work in has a supportive organisational culture and a support system to empower them to reach greater heights.

MS. ALIA ALI BUSAMRA
Chief Sustainability Officer at ENOC



“ Women should play an active role in the industry and take on challenging opportunities whilst also balancing their career with family commitments. Self-perseverance and commitment along with support from family and fellow professionals, a woman can excel in any career of her choice.

MS. JEYAPRIYA PARTIBAN
Partner, Head of Risk Consulting at KPMG

Moving forward, the Diversity in Business Leadership programme aims to diversify its programme scope, continuing to focus on making the business case from gender diversity, and introduce areas such as inclusion of 'People of Determination' and workplace accessibility. The programme will also target informational gaps in

intergenerational diversity in companies and as well as Board & Leadership Diversity for corporates across the Gulf region.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Pearl Initiative is aligned to 10 of the 17 UN SDG's, and directly contributes to SDGs 4, 5, 8 and 9 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.
- SDG 5: Achieve gender equality and empower all women and girls.
- SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

The Pearl Initiative uses its 'for business by business' support model to promote sustainable economic growth by disseminating corporate governance best practice in the Gulf region. The Pearl Initiative uses its business networks to facilitate research, convenings, trainings and workshops to support regional businesses (particularly MSMEs') maintain resilience and stability, to foster innovation.

The Pearl Initiative works with the Gulf regions business community to empower youth and women by engaging students in all areas of programming, as well as increasing awareness on the importance of corporate governance and eliminating gender disparity. The Pearl Initiative promotes equal opportunities, empowering Gulf women in business by ensuring support of governance policies and providing practical training. The Pearl Initiative also supports inclusive business governance practice, examples include support for 'Women in the Workplace', addressing business challenges, providing a platform for home grown business solutions, increasing women in leadership and discussing challenges with business leaders and the local community.

PEARL INITIATIVE CONTRIBUTES TO 10 OUT OF 17 SDGs

<p>1 NO POVERTY</p>	<p>2 ZERO HUNGER</p>	<p>4 QUALITY EDUCATION</p>
<p>5 GENDER EQUALITY</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
<p>10 REDUCED INEQUALITIES</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p>		



CEO PERSPECTIVES REPORT: CORPORATE STEWARDSHIP IN TIMES OF CRISIS



62 per cent of CEOs in the Gulf region consider corporate stewardship as the guiding principle that influences their decision on the corporate social responsibility (CSR) and Environmental, Social and Governance (ESG) initiatives of their organisations.

In 2021, the Pearl Initiative published the 'CEO Perspectives Report: Stewardship in Times of Crisis'. This report highlighted insights of 35 Gulf region's business leaders and their views on corporate stewardship, including how they practice corporate stewardship, manage business risks during crises such as the COVID-19 pandemic and their outlook on the Gulf region's corporate stewardship priorities.

Most of the participating companies found it essential to implement corporate stewardship from the top of the organisational hierarchy for it to become effective and be followed by employees. Our research further revealed that while corporate stewardship is primarily led by the C-suite executives and the HR department, internal stakeholders such as employees and investors have been gaining influence on the social mandates of their organisation.

The participating executives underscored that while corporate governance ensures meeting the minimum standards, corporate stewardship opens the opportunity for organisations to take the maximum benefit for both the company and its wider stakeholder community.

Of the CEOs featured in the report, 76 per cent agreed that having a robust reporting standard is essential in their business processes and believed that aligning them with international reporting standards such as the Global Reporting Initiative (GRI) would enhance corporate stewardship.

The COVID-19 pandemic also weighed on companies, prompting them to review their corporate stewardship and ESG commitments, which are areas often given the least priority during tough times. However, businesses are now revisiting their internal governance frameworks to readjust policies to ensure business continuity. Companies also reassessed their risk management protocols to ensure stakeholder value, regulatory compliance, and business resilience.

The report revealed that it is crucial for companies to evaluate the long-term effects of COVID-19 across the region, both from economic and geopolitical perspectives, and an understanding of how other industries and sectors are coping. This will be critical for the development of the business going forward.

The executives highlighted that the pandemic has initiated companies to refocus their CSR investments to support other components such as activities that are more responsive to the needs of their stakeholders, community and frontline staff who deliver essential services. Technology adoption and improved employee health and safety, as well as employee retention scored high in terms of priorities following the pandemic.

Regardless of sector or industry, COVID-19 has made companies address key trends such as embedding environmental sustainability practices across the business' supply chain; engaging and educating youth and the future workforce; prioritizing the physical health and mental well-being of employees and their families; and establishing effective reporting and communication channels.



LOOKING FORWARD



We will continue to contribute to building a thriving economy in the Gulf region, that embraces governance, accountability and transparency as key pillars of sustainable growth.

PI Vision 2025 builds on the Pearl Initiative's work over the past decade and provides a blueprint and actionable plan on how to expand and adapt our offerings to ensure we are delivering relevant, timely and impactful programmes that meet the needs of our partners and stakeholders.

In January 2021, the Board of Governors and CEO Council approved PI Vision 2025 and welcomed me as incoming Executive Director. In the first half of 2021, the Pearl Initiative team focused on turning PI Vision 2025 strategy into action, through its programmes. We redesigned comprehensive frameworks to guide activities under each of Pearl Initiative's programmes and tied them to the organisation's revised Theory of Change. This reinforced our commitment to generating regionally relevant data, organising bespoke convenings for the Gulf business community, delivering practical trainings and workshops and engaging with the student community to educate our future business leaders on corporate governance principles.

We also implemented significant operational changes to shift our programmes, services and communication

methods to a virtual format, to accommodate the ongoing constraints of the pandemic to in-person convenings. Moving forward, we will be adopting our programme delivery to reflect the hybrid environment, leveraging physical convenings, such as Expo 2020 Dubai, while also allowing audience to join virtually in real time, to bring together our community to learn from experts and discuss and share experiences, best practices and approaches to improving business sustainability through corporate governance.

Together, with the support and patronage of our founders, Board of Governors, corporate, programmatic and ecosystem partners, we look forward to working together in the upcoming year as we collectively strive to build an economic and social environment in the Gulf region underpinned by a private sector that embraces good governance as a pillar of sustainable growth and opportunity creation.

With best wishes,

Ranya Saadawi
Executive Director, Pearl Initiative



FINANCIALS

The Pearl Initiative highly appreciates the generous support and contributions made by its partners and collaborators in supporting its operations and programming. In addition to the annual membership received from its corporate partners, a number of organisations provide programme-specific sponsorships.

This includes 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 to the Diversity in Business Leadership Programme. We would also like to thank our corporate partners and board members for their technical assistance and administrative, marketing, and operational support to the Pearl Initiative.

Due to the continued programme and corporate partnership financial support, the Pearl Initiative maintained a sound financial position in fiscal year 2020.

The Pearl Initiative conducts an external annual financial audit for an objective and transparent assessment of the organisation's financial statements and whether

it is presented fairly and accurately from a material respect on the company's financial, operational and cash flow positions.

In fiscal year 2020, Pearl Initiative's auditors, UHY James Chartered Accountants, issued a clean audit opinion. The financial statements of Pearl Initiative have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB).

Statement of Financial Position

	Y2020	Y2019
Assets		
Non-current assets	4	8
Current assets	2,598	2,860
Total assets	2,602	2,868
Liabilities		
Non-current liabilities	31	27
Current liabilities	166	221
Total liabilities	197	248
Net Assets	2,405	2,620

As of 31 December 2020 (in USD '000)

Statement of Financial Activity

	Y2020			Y2019		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Support						
Programme support	260	-	260	820	-	820
Partner support	-	519	519	-	730	730
Transfer from restricted	(303)	303	-	(645)	645	-
Total Support	(43)	822	779	175	1,375	1,550
Expenses						
Programme	-	(849)	(849)	-	(1,011)	(1,011)
Organisational	-	(191)	(191)	-	(235)	(235)
Total expenses	-	(1,040)	(1,040)	-	(1,246)	(1,246)
Other Income	-	47	47	-	64	64
Change in net assets	(43)	(172)	(215)	175	193	368
Net assets at 1 Jan	2,183	437	2,620	2,008	244	2,252
Net assets at 31 Dec	2,140	265	2,405	2,183	437	2,620



PEARL INITIATIVE GOVERNANCE

The Pearl Initiative is a non-profit organisation established in New York, USA and has incorporated a branch in Sharjah, UAE. The organisation and governance structure of the Pearl Initiative is such that the operational team is overseen by an Executive Director, who reports to the Executive Committee and the Board of Governors.

As part of the Pearl Initiative's business model, corporate partners pay an annual fee and play a role in the organisation's governance structure. Corporate partners sit on the CEO Council and Integration Board, two advisory boards of the Pearl Initiative. Finally, the student community is represented through the Student Advisory Board.

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.



Mathad Alajmi

Chief Legal Officer and
General Counsel,
stc



Pervez Akhtar

Managing Partner and Head of
MENA Region,
Freshfields Bruckhaus Deringer



Hani Ashkar

Middle East Territory Senior
Partner, PwC



Patrick Chalhoub

Group President,
Chalhoub Group



Amir Dossal

Founder & Chairman,
Global Partnerships Forum



Jamal Fakhro

Managing Partner,
KPMG in Bahrain
Chairman, Pearl Initiative
Board of Governors



Hamid Jafar

Chairman,
Crescent Group



Badr Jafar

CEO,
Crescent Enterprises

BOARD OF GOVERNORS



Samer Said Khoury
Chairman,
Consolidated Contractors
Company



Varouj Nerguizian
CEO,
Bank of Sharjah



**Sheikha Hanadi Bint
Nasser Khaled Al Thani**
Vice Chairman,
Nasser Bin Khaled Al Thani &
Sons Holding Company



Campbell M. Steedman
Partner,
Squire Patton Boggs



**HH Sheikha Intisar
AISabah**
Founder, Intisar Foundation,
Alnowair, Bareec, Intisars,
Ebbarra and Prismologie



Ayman Tamer
Chairman and Managing
Partner, Tamer Group



Abdullah Sweileh
Chairman, Student Advisory
Board



Ahmed Al Janahi
Head of Shallow Reservoir
Management Team,
Tatweer Petroleum

CEO COUNCIL

Pearl Initiative's corporate partners' CEOs sit on the Pearl Initiative's CEO Council and contribute to shape the strategy, future direction and programmes of the Pearl Initiative, identifying the latest trends, issues and priorities for corporate accountability, transparency and governance in the Gulf Region business community. The CEO Council meets annually with the Pearl Initiative Board of Governors and Pearl Initiative's executive team, offering a unique opportunity to network amongst peers at the most senior level and share best practices and challenges.

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.

STUDENT ADVISORY BOARD

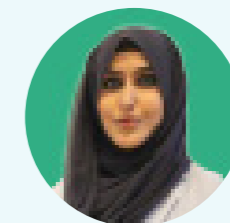
The Student Advisory Board was established by the Pearl Initiative's Board of Governors to provide a voice to the region's youth and to gain their perspective on ways to foster awareness of the Pearl Initiative and its programmes amongst the future generation of business leaders. Their role as members 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. In 2021, a new Student Advisory Board was elected.



Abdullah Sweileh
American University of
Sharjah, UAE



Ishita Karamchandani
Middlesex University,
UAE



Rabiya Zeeshan
Sultan Qaboos University,
Oman



Faiza Arshad
Effat University,
Saudi Arabia



Anas Hassan
American University of
Kuwait, Kuwait



Salek Akbar
Ahlia University,
Bahrain

ABOUT THE PEARL INITIATIVE



VISION

A thriving economy in the Gulf region strengthened by a private sector that embraces good governance as a key pillar of sustainable growth.

Business leaders from across the Gulf region formed the Pearl Initiative in 2010 to create a non-profit organisation for the Private Sector to collectively embrace the business case in adopting higher standards in corporate governance, accountability, and transparency to enhance business innovation, opportunity and value creation.



MISSION

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

With over 40 regional and international partners, the Pearl Initiative brings together business, policy, and social sector decision-makers to share best practice and help maximise sustainable and inclusive growth across the region. The Pearl Initiative also supports Gulf-based university students to identify and embrace strong ethics and integrity as they embark on their future careers.

Since 2010, the Pearl Initiative has developed and published over 150 bespoke resources, to support businesses and organisations in the Gulf region to improve their corporate governance practices. The Pearl Initiative has also provided an open platform for business professionals to share challenges and successes, convening more than 12,000 business, government and civil society professionals in over 200

roundtables, workshops and webinars held across the Gulf region. The work of the organisation also cuts across academia, having engaged with 40 regional universities and reaching nearly 10,000 university students in activities promoting corporate governance.

In recognition of the Pearl Initiative's accomplishments and dedication to fostering a culture of accountability and transparency in the Gulf region, the United Nations granted the Pearl Initiative a Special Consultative Status with the Economic and Social Council in 2019, making it the first private non-profit in the UAE to receive this recognition.

Current programmes run by the Pearl Initiative include Anti-Corruption Best Practices, Diversity in Business Leadership, Governance in MSMEs, Governance in Family Firms, The Business Pledge, Governance in Tech, and Governance in Philanthropy.

JOIN THE PEARL INITIATIVE NETWORK

As a private, non-profit organisation, the Pearl Initiative relies on financial contributions and in-kind strategic and technical input and support of its partners to develop and implement programmes that are relevant to and supportive of the businesses operating within the Gulf region.

By joining the Pearl Initiative, partner companies join a network of organisations committed to raising the bar on awareness, understanding and behaviour of businesses in the Gulf region with the belief that improving corporate governance is fundamental to fostering economic growth. As a partner, companies receive the following benefits:

- Participate in Pearl Initiative's governance structure with the CEO on the CEO Council; and nominate a representative to be a member on the Integration Board;
- Collaborate on media and thought leadership content, including opinion editorial articles, interviews,

podcasts, and feature articles that feature companies and business leaders as thought leaders on specific topics related to corporate governance;

- Participate and receive exclusive speaker and participation invitations for annual Pearl Initiative forums and convenings and international and regional forums; and
- Receive privileged and bespoke access to a community with the latest insights on best practices in corporate governance.

To learn more about the Pearl Initiative...



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Stay up to date with us on Instagram

<https://www.instagram.com/thepearlinitiative>

For more information, please visit www.pearlinitiative.org or contact us at enquiries@pearlinitiative.org

PEARL INITIATIVE PARTNERS

CORPORATE PARTNERS



STRATEGIC AND PROGRAMME PARTNERS



