مـــــركز الحوكـــــمة
Governance Center

المعهد القومى للحوكمة
و التنمية المستدامة
National Institute for Governance
& Sustainable Development

EEIC
Egypt Entrepreneurship & Innovation Center.
مركز مصر لريادة الأعمال والابتكار.

STARTUPS' GOVERNANCE MANUAL

November 2025

DR. SHERIFA SHERIF

Executive Director of the National Institute for Governance and Sustainable Development (NIGSD)

As Egypt continues its ambitious journey toward robust economic diversification and sustainable growth, the role of the private sector—and particularly the thriving ecosystem of startups and emerging enterprises—has never been more vital. These agile businesses are the engines of innovation and job creation, but their longevity and impact fundamentally rely on the basis of good governance.

The National Institute for Governance and Sustainable Development (NIGSD) has reinforced its commitment to elevating governance standards across all sectors, in alignment with the overarching goals of Egypt Vision 2030. This manual is the product of a strategic partnership between the NIGSD's very own Governance Center, led by Dr. Asmaa Ezzat, and the Egypt Entepreneurship and Innovation Center (EEIC), led by Dr. Heba Zaki. It represents a direct extension of the Institute's mission: bridging the gap between established institutional best practices and the dynamic agility of the startup world.

The Startups Governance Manual is a crucial intervention designed to simplify complex institutional frameworks. It provides founders, leaders, and teams with a clear, practical roadmap built upon five essential pillars: Accountability, Transparency, Fairness, Responsibility, Strategic Vision, and ESG Governance.

The manual's unique strength lies in its adaptive approach. By mapping these principles across the three key stages of growth—Early, Growth, and Maturity—it transforms abstract concepts into actionable strategies relevant to a company›s current stage and size. Furthermore, the inclusion of case studies, success and failure stories, and a detailed roadmap for application ensures that this is not merely a theoretical text, but a practical, ready-to-use tool for institutional resilience.

The manual›s emphasis on Strategic Vision and ESG Governance is particularly critical. In today's globalized market, investors, partners, and customers increasingly demand that growth be ethical and sustainable. By adopting these standards from day one, Egyptian startups are positioning themselves not only for local success but for global competitiveness.

NIGSD remains dedicated to empowering leaders and institutions that are transparent, accountable, and resilient. This manual is a vital resource in shaping a future where good governance is recognized as the single most powerful catalyst for sustainable prosperity across Egypt's entrepreneurial landscape.

DR. HEBA MEDHAT ZAKI

Director of the Egypt Entrepreneurship and Innovation Center (EEIC)

In light of the great concern the Egyptian government gives to sustainability and innovation, the Egypt Entrepreneurship and Innovation Center (EEIC) was founded under the auspices of the National Institute for Governance and Sustainable Development (NIGSD) in June 2023 as one of its centers of excellence. The worlds of sustainability and entrepreneurship are increasingly intertwined. Entrepreneurs act as catalysts for positive change by developing innovative solutions to environmental and social challenges—ranging from renewable energy technologies to waste reduction methods—while also creating new business opportunities. By embracing sustainability, entrepreneurs not only contribute to a healthier planet but also unlock new avenues for growth and success. This symbiotic relationship between sustainability and entrepreneurship paves the way for a more prosperous and responsible future.

Entrepreneurship also serves as a critical engine for economic growth. By empowering individuals to develop innovative ideas and launch new businesses, it fosters a dynamic and competitive environment. Startups generate jobs, introduce new products and services, and often disrupt established industries, leading to greater efficiency and productivity. Moreover, successful entrepreneurs inspire others, creating a ripple effect that fuels further innovation and economic activity. Despite global uncertainties, Egypt's startup scene remains vibrant, with innovation spanning sectors such as sustainable fashion, fintech, and EdTech. The country's entrepreneurial spirit, combined with a supportive ecosystem, positions Egypt for continued progress in the ever-evolving startup landscape.

In this context, the Startups Governance Manual emerges as essential guidance to help entrepreneurs integrate governance practices that strengthen resilience, credibility, and long-term sustainability. Many promising ventures falter not because of weak ideas, but due to gaps in governance—unclear roles, lack of accountability, and limited risk management.

By focusing on five core principles—strategic vision, accountability, transparency, fairness, and responsibility—the manual translates global best practices into practical tools tailored to the Egyptian startup ecosystem. In addition, it provides suggested KPIs for each principle, customized for early-stage, growth-stage, and maturity-stage startups, enabling entrepreneurs and ecosystem partners to track progress and measure impact effectively. In doing so, the manual addresses key challenges by equipping founders, investors, and stakeholders with clear guidance to embed governance into the very foundations of startups from their earliest stages, ensuring they grow not only innovative but also responsible, sustainable, and globally competitive.

DR. ASMAA EZZAT

Head of Governance Center

Governance is a fundamental framework that ensures sound management of institutions by embedding the principles of transparency, accountability, and fairness, thereby strengthening trust among various stakeholders. It enables the efficient use of resources, mitigates risks, and supports decision-making based on objective foundations and accurate data. Governance also contributes to enhancing institutional performance, strengthening the ability to address challenges, and ensuring long-term sustainability.

The importance of governance becomes even more evident in the field of entrepreneurship, which is characterized by rapid change and intense competition. This creates a pressing need for strong governance practices that enable startups to build solid trust with investors and partners, avoid potential risks, and enhance opportunities for sustainable growth.

In Egypt, the startup sector is considered one of the most important and dynamic sectors, achieving rapid progress. This guide is designed to serve as a practical tool for entrepreneurs and startup owners by providing a roadmap for applying governance principles and practices. It helps startups transition from one stage of their growth journey to another, whether moving from the early stage to the growth stage, from growth to maturity, and so on. Ultimately, the guide aims to contribute to building stronger and more resilient economic entities, capable of adapting to rapid transformations, while fostering a business environment rooted in integrity and sustainability, and generating a positive impact on national development.

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List of Abbreviations

B2B	Business-to-Business
B2C	Business-to-Consumer
CCG	Corporate Governance Center
CBE	The Central Bank of Egypt
CEO	Chief Executive Officer
CMS	Centers for Medicare & Medicaid Services
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CRM	Customer Relationship Management
DEI	Diversity, Equity, and Inclusion
EEIC	Egypt Entrepreneurship and Innovation Center
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
ESOP	Employee Stock Ownership Plan
EU	European Union
FMCGs	Fast-Moving Consumer Goods
FRA	The Financial Regulatory Authority
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GRI	Global Reporting Initiative
HR	Human Resources
IBGC	Brazilian Institute of Corporate Governance (Instituto Brasileiro de Governança Corporativa)
IFC	International Finance Corporation
IFRS S1/S2	International Financial Reporting Standards (Sustainability Disclosure Standards)
IMD	International Institute for Management Development
IPO	Initial Public Offering
ITIDA	Information Technology Industry Development Agency
KPI(s)	Key Performance Indicator(s)
M&A	Merger and Acquisition
MD&A	Management Discussion and Analysis
MENA	Middle East and North Africa

MNE	Multinational Enterprises
MVP	Minimum Viable Product
NCP	National Contact Point
NDA	Non-Disclosure Agreement
NGO(s)	Non-Governmental Organization(s)
NIGSD	National Institute for Governance and Sustainable Development
NYSE	New York Stock Exchange
OECD	Organization for Economic Co-operation and Development
OKR(s)	Objectives and Key Results
P&L	Profit and Loss
PSD2	Revised Payment Services Directive
RPT	Related-Party Transactions
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SEC	Securities and Exchange Commission
SLA	Service-Level Agreement
SME(s)	Small and Medium-sized Enterprise(s)
TCFD	Task Force on Climate-Related Financial Disclosures
TIEC	Technology Innovation and Entrepreneurship Center
UN SDGs	United Nations Sustainable Development Goals

About NIGSD

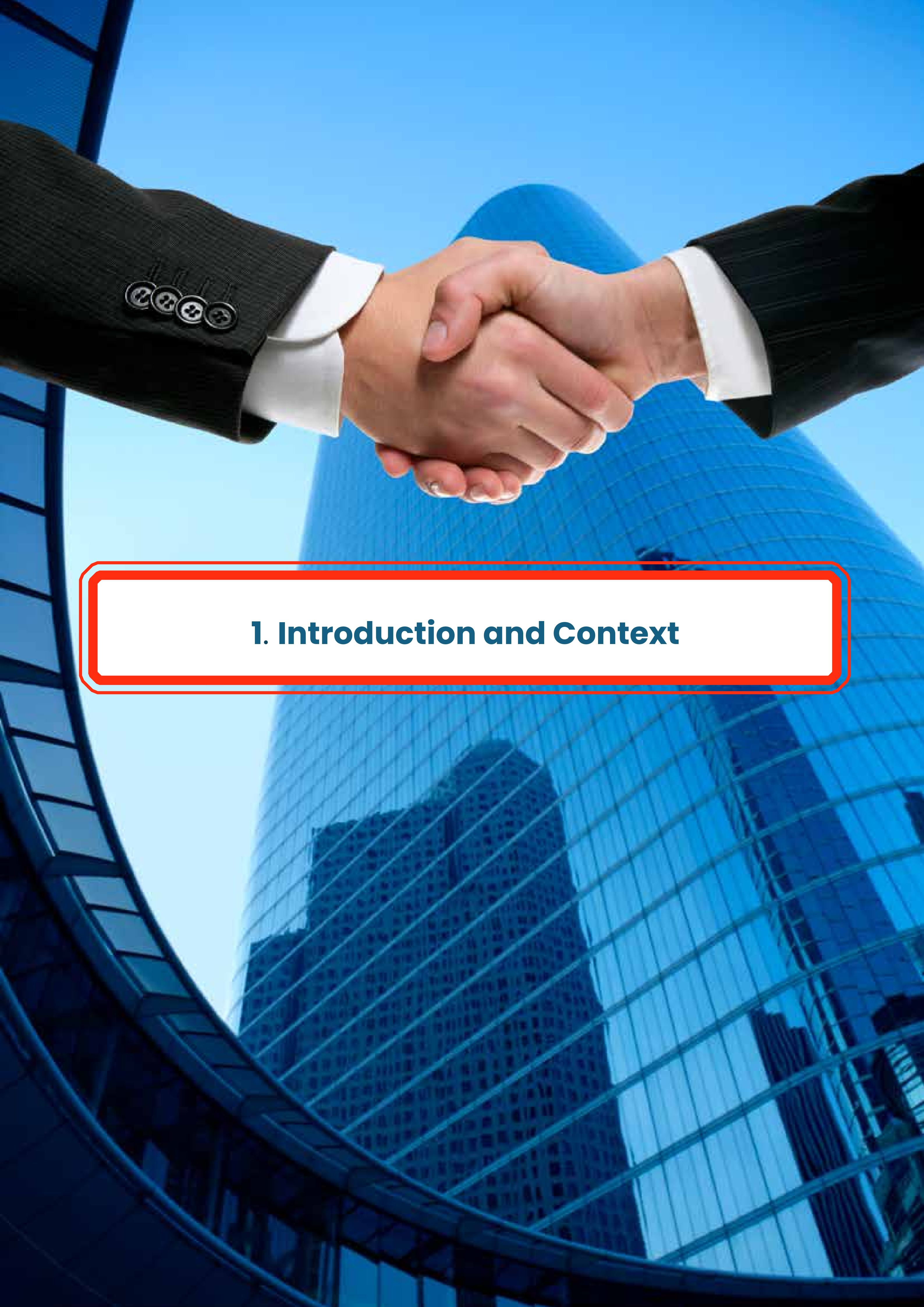
The National Institute for Governance and Sustainable Development (NIGSD) is a para-public economic body under the supervision of the Minister of Planning, Economic Development, and International Cooperation. Its mandate integrates governance, sustainable development, and competitiveness, with a distinctive mission to mainstream the principles and culture of good governance and sustainable development across Egyptian institutions. Through its research, training, and consultancy services, the Institute has become a center of excellence in these fields. NIGSD empowers institutions and individuals to embed these principles in their work, contributing collectively to enhancing Egypt's performance in international indices in line with Egypt Vision 2030.

About EEIC

Egypt Entrepreneurship and Innovation Center (EEIC) is one of the excellence centers affiliated to the National Institute for Governance and Sustainable Development (NIGSD). EEIC is dedicated to promoting entrepreneurship and innovation and to advancing the transition towards a knowledge-based economy. The center empowers Egyptian youth to transform their innovative ideas into startups that are integrated into global value chains. Through fostering a supportive entrepreneurial ecosystem, EEIC contributes to accelerating sustainable innovation and Egypt's economic growth.

About Governance Center

The Governance Center is affiliated to the National Institute of Governance and Sustainable Development (NIGSD). Its services cover all three sectors: governmental, private, and non-profit. One of the main goals of our center is to develop the capabilities of human cadres in the areas of governance, compliance, and institutional excellence in cooperation with our internal and external partners. Therefore, the center aims to support Egyptian authorities, the private entities, and the non-profit sector in line with their vision by providing innovative and effective solutions. This would make these sectors able to implement their plans, achieve their goals, and boost their confidence, based on the governance elements, which are transparency and integrity, efficiency and effectiveness, the rule of law, responsibility, and accountability.



1. Introduction and Context

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A startup is a youthful, creative business that is intended for quick expansion and scalability; it frequently operates in high-risk and uncertain circumstances. Startups, in contrast to established companies, are usually technology-driven, adaptable, and concentrated on creating new goods or services that have the potential to upend established markets or open up completely untapped ones. The definition used in Egypt complies with international norms: startups are scalable, rapidly expanding, driven by innovation, technologically enabled, and confront significant levels of uncertainty.

A. What is a Startup?

A startup can be defined in various ways, with each organization emphasizing aspects that reflect its perspective. In this manual, we focus on definitions that capture the most widely recognized elements. To illustrate, the International Finance Corporation (IFC) defines a startup as: "***a small, early-stage company with high growth potential, often focused on innovation and technology in emerging markets.***"

Also, according to the Egyptian entrepreneurial ecosystem, a startup is defined as: "***a newly established company that works to create and market a new product, service, or process, or to significantly improve an existing product, service, or process***." Its purpose is to create or add value to target customer groups or to the business sector by meeting market needs, solving market problems, or developing the market. A startup typically seeks investment funding and has the potential to achieve substantial and accelerated growth in the future, often accompanied by expectations regarding its future value. In some ecosystems, a startup ceases to be considered a startup when it becomes a publicly listed company or is acquired by a larger company.

It is essential for every startup to know its current stage of growth in order to apply the right governance practices and prepare for the next phase. In this manual, startups are classified into three stages: Early, Growth, and Maturity. According to the International Finance Corporation (IFC), these stages can be described as follows:

"The Early Stage" involves building the foundation for a scalable business. This includes defining the initial idea, conducting market research, developing a basic product or service, often a Minimum Viable Product (MVP), and securing initial funding.

"The Growth Stage" starts with securing Series A funding, which marks the transition from potential to expected performance. The company typically scales its operations, hires more staff, establishes a sales function to grow and expand the customer base, and prepares for further funding rounds.

"The Maturity Stage" relies on dependable financing and emphasizes performance. This stage involves the potential for product line expansion, entering new geographies, or considering acquisitions to drive further growth. Depending on the stakeholders' goals, founders and investors at this stage may also consider an exit strategy, such as an Initial Public Offering (IPO)[1] or selling the company.

[1] Initial Public Offering (IPO) is the process through which the startup turns into a publicly traded company by selling a portion of its ownership through shares or stocks. Available at: https://ltse.com/insights/what-is-an-initial-public-offering-ipo

B. Understanding Governance for Startups

Startups operate with a focus on speed and adaptability. Their operating models emphasize agility, rapid experimentation, and swift decision-making —all of which are essential for navigating uncertainty and capturing emerging market opportunities. In this fast-paced environment, governance structures such as board oversight, decision-making processes, responsibilities of key stakeholders, internal controls, documentation protocols, and audit mechanisms are often viewed by founders as barriers to innovation and growth. Consequently, many startups postpone the implementation of governance practices, perceiving them as incompatible with the flexibility required in early-stage growth. However, this perception is both short-sighted and misguided. In practice, effective governance is not a constraint but a catalyst for sustainable growth.

Startups often begin to recognize the importance of corporate governance during or after fundraising, when new investors typically expect a more structured and transparent organization. While such milestones may prompt the introduction of governance frameworks, relying solely on funding events to initiate these measures can expose startups to operational, legal, or reputational risks. Implementing sound governance early provides a strategic advantage in their development. This would enable startups to:

- **Improve strategic decision-making:** Governance introduces clear accountability, goal alignment, and external perspectives that guide founders through key growth decisions.
- **Strengthen risk management:** Oversight mechanisms help identify and mitigate financial, legal, and reputational risks before they escalate.
- **Ensure legal and contractual compliance:** Boards and governance structures can help monitor shareholder agreements, customer contracts, and regulatory filings to ensure legal readiness and organizational discipline.
- **Prepare for scaling and exits:** Governance frameworks evolve with the company, facilitating smoother transitions through Series A+, acquisitions, or IPOs.
- **Attract investors:** Institutional investors are more likely to support startups that demonstrate structured, transparent, and accountable management practices.

Effective startup governance is not about bureaucracy. It's about scaling structure in line with growth, introducing just enough oversight to support agility without slowing innovation. When done right, governance empowers founders, protects stakeholders, and builds companies that are not just fast-growing but also resilient and responsible (IBGC, 2020).

C. Why Focus on Startups in Egypt?

Egypt's startup scene is now a vital component of employment generation and economic diversification. From fintech and e-commerce to agritech and edtech, hundreds of tech-enabled businesses have emerged in Cairo, Alexandria, and other up-and-coming tech clusters throughout Upper Egypt in the last ten years. The national commitment to entrepreneurship is emphasized by government efforts, including the Technology Innovation and Entrepreneurship Center (TIEC), Egypt Vision 2030's innovation pillar, and targeted seed-fund programs. However, poor governance—ambiguous role descriptions, ad hoc reporting, and inadequate risk frameworks—is the main reason many firms fail, not a lack of ideas. Egyptian companies benefit from stronger governance through different channels, such as:

- **Economic impact:** Startups generate employment possibilities, encourage innovation, and make a substantial contribution to Egypt's GDP—particularly for the nation's sizable youth population (ITIDA, 2022).

- **Vibrant ecosystem:** Egypt is home to a vibrant ecosystem backed by government initiatives, accelerators, and incubators, including Flat6Labs and TIEC, accounting for nearly 33% of the Middle East and North Africa's (MENA) registered firms (Team Rasmal, 2024).

- **International recognition:** Cairo's startup scene is worth over $8 billion and is ranked in the top 20 worldwide for access to reasonably priced talent (ITIDA, 2022).

- **Sectoral growth:** Due to digital transformation and rising consumer demand, important industries, including fintech, e-commerce, and logistics, are growing quickly.

- **Government and institutional support:** Policies and initiatives, such as tax breaks, funding possibilities, and specialized innovation hubs, have been put in place to support businesses (Malak et al., 2021).

2. Purpose of the Manual

2. Purpose of the Manual

This document provides a realistic, step-by-step governance path for ecosystem enablers, investors, and founders. It converts global best practices into locally applicable activities and is based on five fundamental principles: strategic vision (including Environmental, Social, and Governance [ESG] integration), accountability, transparency, fairness, and responsibility. The manual outlines the following points for each stage of the startup (Early, Growth, Maturity):

- Goals (what to accomplish);
- Tools and practical steps (how to accomplish it);
- Important performance indicators (a way to measure progress); and
- Case studies with illustrations (real-world examples).

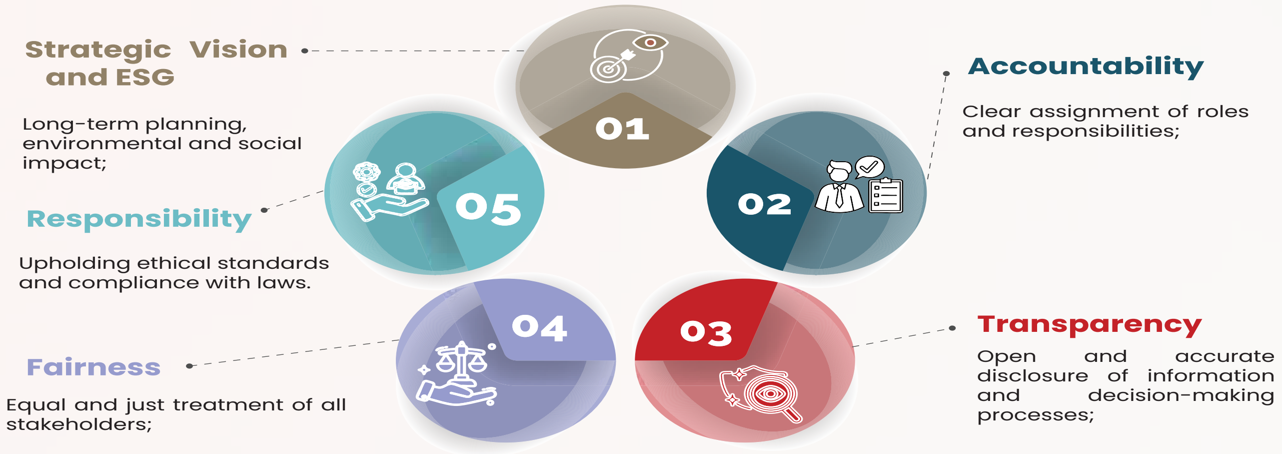
This manual attempts to give founders the skills and information they need to successfully shift from idea to maturity by concentrating on governance principles that are suited to the requirements and stages of growth of businesses. The ultimate objective is to enable Egyptian entrepreneurs to develop into ethical, sustainable, and globally competitive businesses that will support Egypt's continuous economic development. The adopted methodology in this manual is based on simplifying governance, pinpointing the key elements that have the most substantial, immediate, and revolutionary effects on Egyptian startups. It also ensures that the manual is not only thorough but also easily comprehensible and pertinent to particular opportunities and problems of the Egyptian startup scene.

In addition to this methodological focus, this manual was developed through a participatory approach. A dedicated focus group with startups was conducted to gather insights from the entrepreneurial community. These contributions were instrumental in ensuring that the manual addresses real-world challenges, provides actionable and practical recommendations, and remains aligned with the evolving needs of startups operating in today's dynamic and fast-paced environment.

A. What is Corporate Governance?

Corporate governance is the set of guidelines, procedures, and connections that regulate how a business is run and managed. It is the fundamental structure that establishes how decisions are made, who is responsible, and how founders, investors, employees, and other stakeholders' interests are balanced in companies. This framework consists of rules and guidelines for running the business, maintaining openness, and encouraging moral conduct (OECD, 2023).

The core objective of corporate governance is to ensure:



Startup Governance is more than just following the law; it is also about establishing credibility, controlling risk, and laying the groundwork for long-term success. Establishing fundamental governance procedures early on aids firms in preventing internal conflicts, luring capital, and scaling responsibly.

B.Why Certain Governance Principles were identified?

Globally recognized frameworks and experts identify several core principles of corporate governance. The most widely cited are:

- **Accountability;**
- **Transparency;**
- **Fairness; and**
- **Responsibility.**

Some frameworks, such as the Organization for Economic Co-operation and Development (OECD) Principles and leading governance guides, also highlight additional principles, including:

- **Strategic Vision;**
- **Risk Management;**
- **Disclosure;**
- **Impartiality;**
- **Responsiveness;**
- **Effectiveness and Efficiency;**
- **Equity and Inclusiveness; and**
- **Rule of Law.**

While the list can be expanded, the four to five principles above - accountability, transparency, fairness, responsibility, and sometimes strategic vision - form the foundation across almost all international standards (IMD, 2023).

This manual focuses on five fundamental principles, namely, strategic vision and ESG, accountability, transparency, fairness, and responsibility, for the following reasons:

- **Relevance to startup realities:** Like startups worldwide, Egyptian startups function with small teams, little funding, and quickly evolving circumstances. Thus, instead of overwhelming founders with complexity, focusing on a few governance principles makes it more realistic and actionable.
- **Direct effect on startup success**: These five principles directly address the most prevalent governance issues that businesses encounter, including ambiguous responsibilities, a dearth of reporting, unfair treatment, moral dilemmas, and short-term planning. They assist new businesses in attracting investors, establishing credibility, and avoiding typical mistakes.
- **Alignment with international best practices:** Prominent organizations like the OECD, IFC, and global governance institutions continuously acknowledge the chosen principles as the cornerstones of good governance. The majority of international rules designed for startups and small and medium-sized enterprises (SMEs) likewise focus on these principles.
- **Scalability across growth stages:** As a startup develops, these principles can be expanded upon and modified, moving from unstructured early practices to more defined frameworks as the business expands. This phased strategy guarantees that governance changes as the company does, fostering long-term expansion.
- **Clarity and measurability:** Egyptian entrepreneurs may more easily implement and monitor progress when each principle is converted into specific goals, doable actions, and quantifiable key performance indicators (KPIs).

C. Obstacles for Governance Implementation

It could be difficult for startups to put corporate governance ideas into effect, as they usually face some challenging obstacles, including:

1. Unspecified duties and positions

Small founding teams sometimes operate informally, which can lead to duplication of effort and confusion over decision-making authority. When it comes to a startup’s presentation, in the absence of well-defined roles, progress stalls and conflicts occur.

2. Absence of founders’ consent

A lot of firms start out without official agreements between their founders or shareholders, which leaves ownership, intellectual property rights, and exit protocols unclear. This puts growth at risk from disagreements.

3.Inadequate financial management

Startups may neglect budgeting, forecasting, and fundamental accounting procedures in their haste to develop products, leaving them vulnerable to cash flow problems or non-compliance with regulations.

4. Insufficient risk structures

Lean operations and quick pivots frequently surpass the advancement of cybersecurity, legal, and compliance controls, making companies more vulnerable to penalties, legal action, or reputational harm.

5.Investors' lack of transparency

Investor confidence is damaged by ad hoc or sporadic reporting, which increases the difficulty and cost of subsequent funding rounds.

6.Disregarded sustainability and ESG

Under resource constraints, startups usually neglect ESG factors, losing out on the chance to stand out for long-term resilience and stakeholder alignment (CCG, 2024).

D. Best Startup Governance Practices

- **Start Small, grow with the company:** In the beginning, governance can be as simple as financial tracking, clear role definitions, and founder agreements. More formal structures, such as advisory boards, frequent board meetings, and written procedures, ought to be implemented as the firm expands.

- **Adapt governance to every stage:** No one-size-fits-all approach exists. At the beginning, governance should be lean and flexible, but as the firm grows, it should become more formalized.

- **Involve stakeholders:** To align interests and create a transparent and cooperative culture, involve investors, advisors, and important staff members in governance decisions.

- **Leverage technology:** To expedite governance procedures and preserve transparency, use digital technologies for communication, reporting, and recordkeeping (Directors' Institute, 2025).

3. Governance Principles for Startups

3. Governance Principles for Startups

3.1. How to align Strategic Vision with ESG?

A. Objective

Environmental, social, and governance factors are increasingly important for startups, as they reflect the impact of their business activities on society and the environment. ESG factors can also influence the decisions of investors, customers, employees, regulators, and other stakeholders, who are looking for more sustainable and responsible businesses. Therefore, startups need to be aware of the ESG trends that are shaping their industry and their market, and how they can leverage them to create value and competitive advantage. This section will discuss various aspects of components and practical steps to enhance ESG implementation at various maturity stages, as ESG is an essential tool to help startups scale globally because it is a crucial determinant for exportation.

This global momentum toward ESG adoption is also evident in Egypt, where the framework has moved beyond being voluntary to becoming a regulatory requirement, particularly in the financial sector. The Central Bank of Egypt (CBE) issued binding sustainable finance regulations in November 2022, making ESG integration mandatory for all banks. These rules oblige banks to establish independent sustainability units, submit annual sustainability reports, and integrate environmental and social risk assessments into their lending practices. Similarly, the Financial Regulatory Authority (FRA) introduced Decree No. 107 of 2021 for non-banking financial institutions with net equity above EGP 100 million, and Decree No. 108 of 2021 for listed companies with equity above EGP 500 million, requiring them to disclose ESG and climate-related information in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework (FRA, 2021). Given that ESG disclosure is already mandatory for banks, large firms, and non-banking financial institutions, extending these requirements to startups would be a logical next step. Early alignment with ESG practices, therefore, offers entrepreneurs both a competitive edge in attracting investment and a proactive preparation for future regulatory compliance.

B. Get to Know Where You Are

The following are guiding questions[2] that could assist in this process:

- Does your startup's strategic vision consider well-defined ESG priorities that are relevant to your industry?
- Based on the previous question, if yes, are these priorities aligned with internal policies (such as procurement and diversity), existing business risks, and annual budgets and departmental plans?
- Do you conduct training sessions to enhance employee awareness of the importance of ESG for your startup?
- Does your startup publish or prepare any progress reports in this regard?

[2] These questions are intended as general guidance and may not be applicable to all situations or cases. They form part of a broader process that should be defined by the founders of each startup, taking into account their unique circumstances. Nonetheless, they may serve as a basic reference or starting point for applying the practical steps and tools outlined in this manual.

C. Framework (Early Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Identify and categorize key ESG issues	• Prepare a list with 10–15 potential ESG issues relevant to your industry (e.g., carbon footprint, data privacy, labor practices). • Refer to industry ESG standards (e.g., Sustainability Accounting Standards Board [SASB], Global Reporting Initiative [GRI]) for inspiration. • Conduct a brainstorming session with your co-founders or core team to list what ESG topics may affect operations, reputation, or growth.	» **% of planned ESG foundational elements completed — e.g., issue list, SDG alignment, early goal setting.** » **% of founders aligned with documented vision.** » **% quarterly goals achieved.** » **% of planned vision-alignment sessions conducted with key stakeholders.**
2. Collect Data from Stakeholders	• **Internal:** Hold informal interviews or short surveys with team members to understand various views. • **External:** Reach out to early customers, suppliers, mentors, local community members, or even angel investors. **This step can be implemented through using Google Forms or tools such as Survey Monkey, and the questions must be both quantitative and qualitative.**	
3.Map and prioritize the issues	• Create a 2x2 matrix with "Importance to Stakeholders" on one axis and "Impact on Business" on the other. • Quantify each input using a simple scoring method (e.g., 1–5 scale), then map each issue on the matrix. • Focus on the top right quadrant. **This step can be implemented by using Excel or Notion.**	
4. Align issues with the business vision	• Ensure ESG priorities are part of business decisions, such as sourcing, hiring, and product development. • Define one to three ESG goals that align with the startup's mission, such as reducing packaging waste by 30% within one year.	
5.Report on progress	• Track progress monthly or quarterly using internal dashboards or spreadsheets. • Share an annual ESG blog post or infographic on the startup's website or LinkedIn that includes both achievements and areas needing improvement.	

D. Framework (Growth Stage)

Component	Practical Steps and Tools	Suggested KPIs
1.Identify and categorize key ESG issues	• Develop an initial list of ESG topics relevant to the startup's sector (e.g., carbon emissions, diversity and inclusion, data privacy, fair labor, supply chain ethics). • Reference international frameworks (GRI, SASB, TCFD, SDGs) to build the list. • Analyze ESG reports from similar companies to see what issues they prioritize **This step can be implemented by going through peer ESG reports and internal brainstorming workshops**	» **% of strategic KPIs achieved** » **% of identified ESG initiatives launched or in progress** » **Vision alignment score (from employee or leadership survey)**
2.Collect Data from Stakeholders	• **Internal:** Conduct a survey with the managers and department heads. • **External:** Collect input from customers, investors, supply chain partners, community leaders, and non-governmental organizations (NGOs). • Use structured surveys to ask stakeholders to rate the importance of each ESG issue on a scale (e.g., 1–5). **This can be implemented through Google Forms, SurveyMonkey, stakeholder mapping matrix, and in-depth interviews.**	
3.Map and prioritize the issues	• Aggregating stakeholder ratings and calculating average scores can be done for each issue based on the importance to stakeholders and impact on the business. • A Materiality Matrix can be created to visualize priority (High Stakeholder Importance vs. High Business Impact). • Focus on the top-right quadrant. **This can be implemented through Google Sheets, ESG software (such as Datamaran, Novisto, Enablon), and Materiality matrix templates.**	
4. Align issues with the business vision	• Review findings with leadership. • Integrate into business strategy through embedding the most material ESG issues into the risk management processes, product roadmaps, hiring and diversity, equity, and inclusion (DEI) policies, operations, and supply chain standards. • Define targets for each key issue (such as 40% women in leadership by 2027).	
5.Report on progress	• **Annual ESG report or impact report:** Structure around material topics, show year-over-year performance, and include KPIs and targets. • **Transparency:** Include challenges, risks, and steps being taken to improve. • **ESG communications**: Share progress with investors, partners, and customers via newsletters, social media, and pitch decks.	

E. Framework (Maturity Stage)

Component	Practical Steps and Tools	Suggested KPIs
1.Identify and categorize key ESG issues	Develop a comprehensive list of potential ESG issues, tailored to your industry and business model, in addition to capturing both risks and opportunities across ESG dimensions through: • Leverage ESG frameworks such as GRI, SASB, TCFD, and UN SDGs to build a list of 30–50 potentially relevant topics. • Conduct risk/opportunity mapping with cross-functional teams, such as finance, HR, ops, compliance, product, and marketing. • Benchmark ESG issues against peers and competitors. • Cluster issues into categories, such as climate impact, diversity, ethical sourcing, cybersecurity, and community engagement.	» **% of long-term strategic plan approved by the board** » **% of ESG KPIs achieved (linked to SDGs or ESG frameworks)** » **% of ESG/sustainability reporting completed annually** » **% of board meetings covering ESG and long-term strategic priorities**
2. Collect data from stakeholders	Determine the issues that are most important to stakeholders and most impactful to the business through: • Stakeholder mapping by identifying stakeholder groups, such as employees, investors, customers, regulators, NGOs, suppliers, and community partners. • Design questionnaires to rate the importance of ESG issues. • Conducting in-depth interviews through one-to-one sessions with key stakeholders, such as major investors, regulators, and partner NGOs. • Facilitate stakeholder roundtables or panels to gather qualitative insights. **This can be implemented through survey platforms such as Google and Microsoft Forms, along with Stakeholder engagement software such as Simply Stakeholders.**	
3. Map and prioritize the issues	Convert stakeholder insights into a materiality matrix to determine strategic ESG priorities through: • Assign numerical values to stakeholder ratings. • Give appropriate weight to key stakeholder groups (e.g., investors vs. general public). • Build a 2x2 Materiality Matrix where the X-axis represents Impact on Business and the Y-axis represents Importance to Stakeholders. **This can be implemented through Google Sheets, data visualization software such as Tableau and Power BI, and ESG management platforms such as Datamaran, Novisto, and Workiva.**	

Component	Practical Steps and Tools	Suggested KPIs
4. Align Issues with Business Vision	Integrate ESG priorities into corporate strategy, risk management, and operational planning by: • Presenting materiality findings to leadership and the board. • Mapping ESG risks into existing business risk registers. • Ensuring ESG goals are embedded in annual objectives and key results (OKRs), budgets, and departmental plans. • Adjusting internal policies such as procurement, diversity hiring, and data privacy based on priority issues.	
5.Report on progress	Provide transparent and credible updates on ESG performance and accountability to stakeholders by: • Publishing an annual sustainability report that is aligned with recognized standards, such as GRI, TCFD. • Using the Materiality Matrix to structure the report that focuses on key material topics, KPIs, and progress. • Including third-party assurance for data credibility. • Distributing updates across channels such as the website and investors' portals.	

F. Case Studies

- **Failure Story**

"What happens if You Scale Without a Strategic Vision?"

Zilingo, a Singapore-based fashion tech startup, expanded rapidly without a clear strategic vision. In prioritizing growth over fundamentals, the company faced operational missteps, resource misallocation, and weak financial oversight. The lack of a long-term strategy exposed governance gaps, eroding investor confidence and leading to the startup's collapse. ***Further details on the Zilingo case are available in Annex 1.***

- **Success Story**

"What happens if the startup succeeds in aligning its strategic vision with ESG ?"

Yodawy is a modern healthcare platform in Egypt, building software to make patients' access to medication easy and affordable. Yodawy introduced the ESG lens into digital health vision through affordable access, a fair pharmacy network, and data ethics. As a result, it gained the trust of both patients and pharmacies, while expanding its regional role and attracting funds from various venture capitalists in the Middle East. ***Further details on the Yodaway case are available in Annex 1.***

3.2. How to Enhance Accountability at Startups?

A. Objectives

Improving accountability at startups is a fundamental governance goal that is specifically suited to the needs of high-growth, early-stage businesses and directly aligned with worldwide best practices (OECD, IFC). The following goals are taken from official sources and adapted for the Egyptian startup environment using internationally accepted frameworks and the guidelines that are attached (IFC, 2021).

Startups need to start by clearly defining roles and responsibilities so that all stakeholders, team members, and founders are aware of their roles and obligations. By avoiding misconceptions and unnecessary work, this clarity establishes the foundation for responsibility. Transparent reporting and decision-making are equally crucial. Investors, employees, and partners should be required to get regular updates on important financial measures, as well as ESG metrics when applicable. Standardizing these disclosures and incorporating accountability into every reporting cycle are made possible by utilizing resources such as the IFC's Beyond the Balance Sheet platform.

Startups should set up procedures for impartial supervision and assessment in order to support these practices. Unbiased checks on leadership are offered by formal boards or advisory councils, which are appointed to oversee management, assess performance, and review strategy. These systems confirm compliance, identify problems, and motivate remedial action when combined with control activities (approval workflows, role segregation) and planned internal and external audits. In order for everyone to grasp the consequences of subpar performance or wrongdoing, it is essential to promote a culture of ownership that goes beyond structures and procedures. To do this, publish and implement explicit codes on ethics, conflicts of interest, and disciplinary measures (NTIA, 2024).

Lastly, in order to strengthen credibility and confidence within and outside the company, all accountability measures must be in line with the startup's strategic vision and stakeholder interests, reflecting long-term objectives and the demands of investors, staff, consumers, and the larger ecosystem.

B. Get to Know Where You Are

The following are guiding questions 3that could assist in this process:

- Have you established accountability procedures within your startup that include defining roles, responsibilities, and decision-making authority, as well as mechanisms for performance reporting, advisory and oversight functions, and adherence to ethical standards?
- Does your startup have an auditing unit responsible for overseeing financial and managerial procedures?

[3] These questions are intended as general guidance and may not be applicable to all situations or cases. They form part of a broader process that should be defined by the founders of each startup, taking into account their unique circumstances. Nonetheless, they may serve as a basic reference or starting point for applying the practical steps and tools outlined in this guideline.

C. Framework (Early Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Role definition and decision rights	• Draft and sign a **founders' agreement** that specifies equity splits, decision thresholds, and escalation paths. • Develop an **organizational chart** and **role charters** for all founding-team functions.	» **% of role clarity** » **% of founders with signed agreements covering roles, equity, and contributions** » **% of core business functions with formally assigned accountable owners** » **% of actionable recommendations adopted from advisors or mentors**
2.Informal advisory oversightt	• Convene a small **advisory council** of 2–3 experienced mentors. • Define a **charter**: meeting cadence (monthly/quarterly), scope (strategy review, fundraising prep), and deliverables (actionable minutes).	
3. Basic internal controls and audit	• Implement **dual approval** for expenses above a set threshold. • Separate duties for cash handling, bookkeeping, and reconciliation. • Schedule a **quarterly internal review** (could be done by a trusted accountant or finance consultant).	
4.Reporting and transparency	• Develop a **monthly dashboard** template covering profit and loss (P&L), cash runway, and 2–3 operational KPIs (e.g., user growth). • Use IFC's **"Beyond the Balance Sheet"** disclosure guidance to embed simple customer-satisfaction metrics.	
5. Ethical standards and conduct	• Adopt a concise **code of conduct** aligned with the OECD Multinational Enterprises (MNE) Guidelines on responsible business conduct. • Hold an **annual training** session on conflicts of interest, data privacy, and anti-bribery. • Define a **whistleblower channel** (even if via email) and a simple investigation process.	

D. Framework (Growth Stage)

Component	Practical Steps & Tools	Suggested KPIs
1. Formal board and governance bodies	• Constitute a board of directors with at least one independent member. • Draft a board charter detailing roles, decision thresholds, and meeting cadence (e.g.,bimonthly). • Develop a board recruitment process to refresh skills and diversity as needs evolve.	» **% of planned advisory board meetings held.** » **% of strategic decisions with clearly assigned accountable owners.** » **% of executives with role-specific performance KPIs**
2. Specialized committees	• Establish audit, risk, and remuneration committees, each with written terms of reference. • Include external experts (e.g., finance, legal) on audit and risk committees. • Use committee report templates and schedule monthly or quarterly committee sessions.	
3.Advanced internal controls and internal audit	• Adopt an internal control framework (e.g., Committee of Sponsoring Organizations of the Treadway Commission [COSO]) scaled to startup size. • Hire or outsource a part-time internal audit function to perform semiannual audits. • Track findings and remediation via an audit management tool (e.g., a simple spreadsheet or cloud software).	
4. Comprehensive reporting	• Publish quarterly integrated reports using the Beyond the Balance Sheet toolkit. • Commission an annual external assurance of both financial and non-financial data.	
5. Enterprise risk management (ERM) and compliance	• Implement IFC Performance Standards (PS1-PS8) to manage environmental, social, and operational risks. • Maintain a risk register reviewed at least quarterly by the Risk Committee. • Introduce a whistleblower hotline and a documented investigation protocol for ethical breaches.	

E.Framework (Maturity Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Fully independent board and board evaluation	• Expand the board to include at least two independent directors. • Create a nomination committee with a charter for director selection, diversity targets, and succession planning. • Conduct annual board and director evaluations (using external facilitators) to identify gaps and drive continuous improvement.	» **% of board decisions implemented** » **% of active governance committees** » **Board effectiveness score from internal or external evaluations**
2. Comprehensive audit and assurance	• Maintain an internal audit department (in-house or outsourced) reporting functionally to the audit committee. • Empower an audit committee (with at least one financial expert) via a detailed charter to oversee accounting policies, internal controls, and external audit scope. • Leverage audit-management software for tracking findings.	
3. Integrated reporting and ESG disclosure	• Publish an annual integrated report aligned with IFRS S1/S2 and GRI, covering strategy, governance, performance, and prospects. • Obtain external assurance on ESG metrics (e.g., carbon footprint, diversity statistics). • Use a sustainability-management platform to automate data collection and improve accuracy.	
4. Advanced enterprise risk management and compliance	• Adopt the COSO ERM framework, tailoring risk-appetite statements to corporate strategy. • Maintain a dynamic risk register, reviewed quarterly by the risk committee, with clear escalation paths for top risks. • Implement a compliance-management system to track regulatory obligations and automate workflows.	
5. Stakeholder engagement and ethics oversightt	• Form stakeholder advisory panels (e.g., investor, customer, community) that meet biannually to surface concerns and co-create solutions. • Maintain a 24/7 whistleblower hotline, with an independent third-party receiver and defined investigation protocols. • Update and communicate a code of ethics annually, with mandatory training.	

F. Case Studies

- **Failure Story**

"What happens if Power is concentrated and oversight is weak?"

WeWork, a U.S.-based startup offering flexible office spaces and related services to businesses, experienced meteoric growth but ultimately suffered from critical governance failures. The absence of independent board oversight allowed for unchecked executive control and high-risk decision-making, particularly under its former CEO. Weak governance structures and an ineffective board allowed financial opacity to persist, undermining accountability and transparency. The WeWork case illustrates the dangers of concentrated decision-making power without adequate oversight, highlighting how poor governance can threaten the stability and credibility of even the most well-funded startups. ***Further details on the WeWork case are available in Annex 1.***

- **Success Story**

"What happens if accountability were enhanced and implemented through applied procedures?"

HubSpot, a US-based developer and marketer of software, established a public code of conduct, an internal ethics committee, and anonymous reporting channels to ensure effective accountability. These procedures led to the development of a strong, compliant culture, which helped avoid scandals and increase stakeholder confidence. As a result, HubSpot expanded in the market, and its maturity process accelerated positively. ***Further details on the HubSpot case are available in Annex 1.***

3.3. How to Enhance Transparency at Startups?

A. Objectives

IImproving transparency and openness is crucial for establishing credibility, encouraging teamwork, and assisting companies in achieving long-term success. The following goals are derived from industry professionals and official sources, as well as best practices.

Establishing developed, two-way channels—regular town halls, feedback sessions, and open data requests—will help startups foster honest and open communication by transforming transparency into a continuous dialogue, fostering mutual trust, and swiftly identifying areas for improvement. They must also guarantee transparent reporting and disclosure by creating all relevant data, including financial statements (income and cash flows), and important operational metrics, using established frameworks and audit-ready templates, and disseminating them on a regular basis. Startups improve their comparability and credibility with investors and partners by providing clear, accurate, and timely updates that go above and beyond the basic minimum regulatory obligations.

Startups should use digital platforms, such as web dashboards or investor portals driven by the IFC's Beyond the Balance Sheet, to increase engagement. This will allow stakeholders to view real-time performance, runway, and governance metrics and provide simple avenues for submitting ideas, concerns, and feedback. In accordance with OECD best practices, they must uphold moral principles and regulatory compliance by implementing a formal "comply-or-explain" strategy that either fully discloses governance procedures (board composition, compensation rules, and risk frameworks) or provides an explanation for any deviations. Lastly, transparency methods should be periodically evaluated and modified, with policies and procedures updated to reflect the startup's stage of growth, stakeholder expectations, and changing regulatory environments.

B. Get to Know Where You Are

The following are guiding questions[4] that could assist in this process:

- Has your startup integrated transparency as a governance principle within its operations by implementing policies for information disclosure, document management and accessibility, and clear identification of confidential data and information?

- Do you utilize any digital tools to support internal data management and facilitate information accessibility?

[4] These questions are intended as general guidance and may not be applicable to all situations or cases. They form part of a broader process that should be defined by the founders of each startup, taking into account their unique circumstances. Nonetheless, they may serve as a basic reference or starting point for applying the practical steps and tools outlined in this guideline.

C. Framework (Early Stage)

Component	Practical Steps and Tools	Suggested KPIs
1.Disclosure policy and Calendar	• Draft a short **disclosure policy** defining categories (financial, governance, and material events). • Build a **disclosure calendar** (e.g., quarterly summaries; immediate alerts for material changes).	» **% of expenses accurately tracked and categorized** » **% of accuracy of cash burn forecasts vs. actuals** » **% of major operational and financial decisions documented and shared**
2. Governance practices disclosure	• Summarize and upload the **founders’ agreement**, **advisory charter**, and **decision-rights matrix** to an online portal. • Highlight any deviations or updates in a governance summary.	
3. Material events and risk alerts	• Define **materiality thresholds** (e.g., >10% headcount change, new funding rounds). • Create an **event notification template**. • Distribute alerts via email and portal within five business days.	
4. Document management and access	• Use a **cloud storage** solution (e.g., Google Drive) with a clear folder structure. • Apply **view-only** permissions for external stakeholders. • Enable **version control** for all uploads.	
5. Stakeholder communication protocol	• Set up an **investor-only email alias** and monthly **virtual office hours**. • Define a **three-business-day SLA** for query responses. • Track inquiries in a simple customer relationship management (CRM) tool or spreadsheet.	

D. Framework (Growth Stage)

Component	Practical Steps & Tools	Suggested KPIs
1. Enhanced disclosure policy and schedule	• Update the **Disclosure Policy** to cover quarterly financial results, material events, and governance changes. • Maintain a **Disclosure Calendar** integrated into your investor-relations portal.	» **% of completeness of monthly reports (finance + operations)** » **% of key business metrics updated and accessible to team members** » **% of on-time delivery of investor update**
2. Standardized MD&A Reporting	• Adopt an **MD&A template** from IFC's Beyond the Balance Sheet toolkit for quarterly reports. • Train the finance team to prepare a two-to-three-page MD&A section highlighting drivers, risks, and outlook.	
3. Investor Relations Web Portal	• Build a secure web portal (e.g., SharePoint, Airtable) with a dashboard of financial metrics, recent press releases, and governance documents. • Automate data feeds from your accounting system for up-to-date figures.	
4. Regular Investor Webinars & Q&A	• Schedule **quarterly webinars** or conference calls and circulate slide decks in advance. • Record sessions, share transcripts, and follow up on unanswered questions within five business days.	
5. Regulatory Filings & Public Disclosures	• Draft and file **annual/half-year reports** per local security exchange rules or commercial registry obligations. • Engage external counsel to verify the completeness and timeliness of submissions.	

E. Framework (Maturity Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Open-Access ESG data and methodology portal	• Develop a dedicated **ESG Data API** and **web portal** exposing quarterly metrics (emissions, diversity, and waste). • Publish detailed **methodology documents** and data dictionaries alongside each dataset.	» **% of ESG disclosures made publicly, aligned with standards** » **% of audit reports submitted within regulatory deadlines** » **% of stakeholder information requests fulfilled within defined timeframes** » **Frequency of board reviews of financial, ESG, and compliance reports**
2. Supply chain sustainability disclosure	• Publish a **supplier registry** listing the top 20 vendors with ESG ratings. • Release an annual **supply chain report** summarizing audit outcomes and improvement plans. • Link to third-party verification (e.g., SASB-aligned assessments).	
3.Tax and financial contribution transparency	• Publish a **Tax Transparency Statement** aligned with OECD Action 13 standards. • Provide downloadable **country-by-country tax tables** and narrative commentary on major contributions. • Host an annual **tax briefing webinar** for stakeholders.	
4. Executive Compensation & ESG Linkage	• Publish a **remuneration report** detailing base pay, bonuses, and equity grants. • Include an **ESG KPI scorecard** illustrating payout linkages (e.g., % of bonus tied to emission reductions). • Obtain third-party assurance on compensation and ESG alignment disclosures.	
5. Strategic roadmap and progress transparency	• Publish a **five-year strategic roadmap**, highlighting revenue, impact, and ESG goals. • Update a **public progress tracker** monthly (e.g., Milestone 3/10 complete). • Solicit stakeholder feedback via an online **"roadmap forum,"** with responses and action plans documented.	

F. Case Studies

- **Failure story**

"What happens if Transparency is missing?"

GoMechanic, once considered a rising star in the automotive service startup space, faced a dramatic downfall after revelations of revenue inflation and data manipulation. The company's leadership failed to provide honest and timely disclosures, eroding the trust of key stakeholders—including investors, customers, and employees. This lack of transparency triggered investor withdrawals and inflicted severe reputational damage. Ultimately, the case of GoMechanic illustrates how compromised transparency can dismantle stakeholder confidence and jeopardize the long-term viability of even the most promising ventures. ***Further details on the GoMechanic case are available in Annex 1.***

- **Success Story**

"What happens if certain procedures were adopted to enhance transparency?"

Twiga Foods is a Kenyan agritech startup founded in 2014 that operates a mobile-based business-to-business (B2B) food supply platform connecting small-scale farmers with urban vendors. It utilized digital dashboards to display real-time prices, delivery schedules, and payments to farmers. It also published clear reports for investors and partners, and it engaged openly with regulators about supply chain challenges. Thus, these actions increased farmer participation and trust, secured significant funding from the IFC and Goldman Sachs, along with other international donors. ***Further details on the Twiga case are available in Annex 1.***

3.4. How to Enhance Fairness at Startups?

A. Objectives

Improving fairness and equity at companies is essential for establishing credibility, encouraging creativity, and guaranteeing long-term viability. Official guidelines and acknowledged best practices serve as the foundation for the following goals.

Startups must ensure fair opportunities by creating decision-making procedures that support "equitable treatment of all shareholders," whether for board elections or significant business deals. Voting expenses and barriers should be reduced, electronic and proxy voting should be made possible, meetings should be announced in advance, and all team members should have equal access to leadership, development, and growth opportunities. Promotions should be made solely on the basis of merit, not prejudice or personal ties. Adopting formal conflict-of-interest procedures (in accordance with G20/OECD Principles) that mandate related-party transactions be disclosed, identified, and approved by independent directors or an advisory council is also necessary to institutionalize regular, unbiased feedback. Additionally, transparent performance reviews should be implemented against impartial standards so that all employees are aware of their responsibilities and areas for improvement.

Startups must develop quick, inexpensive methods for stakeholders (employees and shareholders) to voice complaints, such as specialized complaint hotlines and accelerated arbitration procedures, to fulfill the fairness framework. In order to guarantee that "all shareholders have the opportunity to obtain effective redress for violation of their rights at a reasonable cost and without excessive delay," these mechanisms must take seriously all concerns and permit people to seek redress when their rights are violated. These procedures protect the startup's governance integrity, foster trust, and discourage wrongdoing.

B. Get to Know Where You Are

The following are guiding questions[5] that could assist in this process:

- Has your startup explicitly incorporated the principle of fairness in the workplace by defining rights, ensuring equitable participation in decision-making processes, implementing a conflict-of-interest policy, and establishing a regulatory framework for profit sharing?
- Does your startup have internal regulations to ensure the fair treatment of women and persons with disabilities?

[5] These questions are intended as general guidance and may not be applicable to all situations or cases. They form part of a broader process that should be defined by the founders of each startup, taking into account their unique circumstances. Nonetheless, they may serve as a basic reference or starting point for applying the practical steps and tools outlined in this guideline.

C. Framework (Early Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Shareholder rights definition	• Draft a concise **shareholder rights charter** covering secure registration, share transfers, profit-sharing, voting, board elections, approval of article changes, and sale procedures. • Circulate the charter for written acknowledgment by each shareholder.	» **% of total employees who are women or from underrepresented groups** » **% of employees hired from diverse geographical areas** » **% of contracts signed** » **% of founders and early team with equity agreements** » **% of roles with salary benchmarking completed**
2. Decision-participation process	• Set **agenda-item thresholds** (e.g., ≥5% shareholding) for proposing topics at general meetings. • Allow **proxy and electronic voting**, with clear online instructions. • Issue **meeting notices** ≥21 days in advance, including proxy forms and voting rules.	
3. Conflict of interest policy	• Implement a **related-party transaction (RPT) policy** requiring: – Disclosure of any material interests by directors/management; – Approval by non-interested shareholders or an independent reviewer; and – Maintenance of a **public RPT register** summarizing each transaction.	
4. Grievance and redress mechanism	• Establish a **shareholder complaints process** with: – A simple online/email intake form; and – Clearly defined steps (escalation to mediation/arbitration). • Offer **alternative dispute resolution** (e.g., low-cost arbitration at a designated center).	
5. Minority protection in change of control	• Include **tag-along** and **drag-along** clauses in the founders' or shareholders' agreement. • Define **fair-value formulas** and **approval procedures** for change-of-control events. • Ensure all shareholders receive identical terms for any sale of shares/control.	

D. Framework (Growth Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Pre-emptive rights and qualified majorities	• Include **pre-emptive rights** and **qualified-majority thresholds** for key decisions (e.g., funding rounds, by-law changes) in the shareholder agreement. • Use templates based on G20/OECD principles to specify voting thresholds and rights.	» **% of employees covered by formal contracts and documented human resource policies** » **% of employee stock ownership plan (ESOP) eligible employees** » **% of compensation plans reviewed or updated annually**
2.Equal treatment within share classes	• Draft a **class-rights charter** affirming that "within any series of a class, all shares carry the same rights." • Circulate the charter and require written acknowledgment from legal counsel and all shareholders.	
3. Independent fairness opinionss	• Engage **third-party valuation advisors** to issue **fairness opinions** Equal treatment within share classes on funding rounds, merger and acquisition (M&A) deals, and buy-backs. • Archive each opinion alongside board minutes and make it available to investors under a non-disclosure agreement (NDA).	
4. Tag-along and drag-along protocols	• Embed **tag-along** and **drag-along** clauses into the shareholder agreement, with clearly defined **fair-value formulas**. • Maintain a **tag/drag event log,** recording invocation dates, participants, and outcomes.	
5. Periodic shareholder agreement review	• Establish a **semi-annual review cycle** for the shareholder agreement using IFC's SME Governance Guidebook templates for dispute-resolution and share-rights provisions. • Require all new investors to sign the latest agreement version.	

E. Framework (Maturity Stage)

<table>
<tr><th>Component</th><th>Practical Steps and Tools</th><th>Suggested KPIs</th></tr>
<tr><td>1.Comprehensive pay-equity audits and action plans</td><td>• Conduct an annual pay-equity audit using OECD pay-transparency methodologies.
• Develop and publish a corrective action plan with timelines for closing any identified gaps.
• Engage an external expert to validate results and actions.</td><td rowspan="5">» % of leadership roles held by women or underrepresented groups
» % of new hires from diverse or underrepresented backgrounds
» % of exit interviews conducted and analyzed
» % of key stakeholders engaged annually</td></tr>
<tr><td>2. DEI policy, targets, and monitoring</td><td>• Adopt a formal DEI policy with clear definitions and commitments.
• Set quantitative targets for board, leadership, and staff diversity.
• Use IFC's SME Guidance to implement annual DEI surveys and track progress in a dashboard.</td></tr>
<tr><td>3. Fair supplier and contractor practices</td><td>• Implement OECD Risk-Based Due Diligence Guidance for Responsible Business Conduct with major suppliers.
• Mandate fair-payment terms (e.g., ≤30 days) in all contracts.
• Provide capacity-building workshops to Tier-1 and Tier-2 vendors.</td></tr>
<tr><td>4.Stakeholder grievance and remedy mechanisms</td><td>• Establish a multichannel grievance platform (online form, hotline, and national contact point [NCP], "specific instances.")
• Align procedures with the OECD MNE Guidelines' "specific instances" mechanism for non-judicial mediation.
• Track resolution times centrally.</td></tr>
<tr><td>5. Inclusive profit-sharing and ESOP oversight</td><td>• Design an ESOP plan with transparent eligibility criteria and vesting schedules.
• Publish a remuneration report showing aggregate employee-share distribution.
• Engage a remuneration expert to certify that the plan meets "fair and equitable" norms.</td></tr>
</table>

F. Case Studies

• Failure Story

"What happens if Fairness is neglected?"

Uber's early success was overshadowed by internal governance challenges that revealed a disregard for the principle of fairness. The company's unequal voting rights structure concentrated power among a small group of executives, limiting accountability and marginalizing broader stakeholder input. This imbalance fostered internal conflicts, contributed to a toxic workplace culture, and eventually led to reputational damage and widespread layoffs. The Uber case illustrates how the absence of fair and inclusive governance mechanisms can weaken organizational integrity, destabilize internal operations, and hinder long-term resilience, even in globally recognized, high-growth companies. ***Further details on the Uber case are available in Annex 1.***

•Success Story

"What happens if the startups' environment is constructed upon the fairness principle?"

Careem is a Dubai-based super app operating in over 70 cities across ten countries in the Middle East, Africa, and South Asia regions. It applied fairness in driver ratings, incentive structures, and transparent dispute resolution. Therefore, it helped to build a strong driver community and to improve service quality along with brand loyalty. ***Further details on the Careem case are available in Annex 1.***

3.5. How to Enhance Responsibility at Startups?

A. Objective

Improving responsibility at startups is essential for building a culture of accountability, strengthening governance, and achieving sustainable growth. The following objectives are based on internationally recognized frameworks such as the G20/OECD Principles of Corporate Governance and industry best practices.

Startups must establish clear roles and responsibilities for management, board members, and employees to ensure that decisions are made transparently and in alignment with the company's mission. This includes setting up documented job descriptions, KPIs, and defined reporting lines. Founders and executives should be held to the same standards as other team members to avoid the centralization of unchecked authority.

To enhance responsible behavior, startups should adopt robust internal control systems, including financial audits, risk management processes, and regular compliance checks. These measures allow for early identification of potential risks and reinforce a commitment to ethical practices. Financial disclosures must be timely, accurate, and comprehensive to maintain trust among investors, regulators, and employees.

Furthermore, startups should introduce codes of conduct and whistleblower protections to ensure ethical conduct at all levels. All employees should receive training in company policies regarding fraud, harassment, and data privacy. Leadership must lead by example by upholding high standards of behavior and swiftly addressing misconduct.

Finally, startups should implement monitoring and evaluation mechanisms, including regular board meetings, stakeholder reports, and feedback surveys. These processes help assess whether responsibilities are being fulfilled and enable the organization to make course corrections when needed. Regular reviews and transparent communication create a culture of ownership and mutual accountability that is critical for long-term success.

B. Get to Know Where You Are

The following are guiding questions[6] that could assist in this process:

- Do you have a framework that includes defined job descriptions for each position, performance analysis, a code of conduct and ethics, and provisions for leadership and managerial development?

- In the event of an emerging financial or managerial crisis within your startup, do you have a predefined strategy with clearly assigned roles to address such a situation?

[6] These questions are intended as general guidance and may not be applicable to all situations or cases. They form part of a broader process that should be defined by the founders of each startup, taking into account their unique circumstances. Nonetheless, they may serve as a basic reference or starting point for applying the practical steps and tools outlined in this guideline.

C. Framework (Early Stage)

<table>
<tr><th>Component</th><th>Practical Steps and Tools</th><th>Suggested KPIs</th></tr>
<tr><td>1. Role of clarity and accountability</td><td>• Define and document roles/responsibilities for founders, executives, and employees.
• Create an organizational chart.
• Assign KPIs for each position.</td><td rowspan="7">» % of compliance obligations met (company registry, licenses
» Regulatory filings
» % of required filings submitted on time.
» Privacy policy published</td></tr>
<tr><td>2. Internal controls and risk management</td><td>• Set up basic internal control systems (financial approval limits, dual-signature policies).
• Conduct periodic risk assessments and internal audits.</td></tr>
<tr><td>3.Transparent reporting</td><td>• Introduce regular performance reports (monthly/quarterly) to the board and stakeholders.
• Use dashboards to track progress on key goals.</td></tr>
<tr><td>4.Code of conduct and ethics</td><td>• Draft a formal code of conduct covering ethics, data use, anti-corruption, and nondiscrimination.
• Provide onboarding training on company values and ethical expectations</td></tr>
<tr><td>5. Whistleblower mechanism</td><td>• Implement a secure, anonymous feedback channel (e.g., digital form or third-party hotline).
• Define a protection policy for whistleblowers and escalate violations transparently.</td></tr>
<tr><td>6. Leadership by example</td><td>• Set up regular founder/exec performance reviews by independent advisors or board members.
• Include leadership behavior as part of team performance evaluations.</td></tr>
<tr><td>7. Monitoring and review cycle</td><td>• Conduct semi-annual governance self-assessments using checklists.
• Review and update responsibilities and internal policies annually.</td></tr>
</table>

D. Framework (Growth Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Strengthening Governance Structure	• Expand the board's role to include investor representatives overseeing governance and financial reporting. • Hire a full-time CFO with a qualified finance team to manage accounting and financial functions. • Implement a whistleblower reporting program and raise awareness through training sessions.	**» % of top risks identified, tracked, and regularly reviewed.** **» % of employees trained on compliance, ethics, or risk topics.** **» % of reported cybersecurity incidents per quarter.**
2. Board development	• Establish specialized board committees (e.g., audit and risk committees). • Develop clear policies for delegation of authority and responsibilities. • Regularly review board effectiveness and update structure as needed.	
3. Risk management and compliance	• Conduct regular risk assessments and update response plans. • Implement strong internal controls to ensure compliance and risk mitigation. • Train employees on security policies and regulatory compliance.	
4. Financial transparency	• Adopt internationally recognized accounting standards. • Conduct regular independent financial audits. • Provide transparent financial reports to investors and stakeholders.	
5. Whistleblower mechanisms	• Establish secure and confidential channels for reporting misconduct. • Ensure protection of whistleblowers from retaliation. • Seriously review and follow up on all reports transparently.	
6. Performance measurement and continuous improvement	• Define KPIs to measure governance effectiveness. • Conduct regular governance performance reviews and update policies accordingly. • Foster a culture of continuous improvement throughout the organization.	

E. Framework (Maturity Stage)

Component	Practical Steps and Tools	Suggested KPIs
1. Mature board governance	• Establish a fully independent board with diverse expertise and clearly defined roles. • Implement formal board evaluation processes, including external reviews. • Adopt succession planning for board members and senior management.	» **% of identified risks with mitigation plans** » **% of compliance certifications renewed on schedule** » **% of data access requests handled within legal timeframe**
2. Advanced audit and risk management	• Strengthen audit and risk committees with defined charters. • Mandate regular internal and external audits with transparent reporting. • Enforce robust compliance programs aligned with global standards.	
3. ESG integration and stakeholder engagement.	• Integrate ESG criteria into decision-making. • Report regularly on sustainability performance and governance practices. • Engage stakeholders proactively through formal channels.	
4.Ethics compliance, and culture	• Maintain a comprehensive ethics and compliance program, including anti-corruption training. • Enforce whistleblower protection and monitor ethical conduct continuously. • Ensure zero tolerance policies for violations with clear disciplinary procedures.	
5.Governance monitoring and leadership development	• Establish KPIs and dashboards to continuously monitor governance effectiveness. • Conduct periodic governance audits and benchmarking against industry best practices. • Promote continuous leadership development and governance innovation.	
6.Transparent reporting and accountability	• Publish detailed, transparent annual governance and sustainability reports. • Implement stakeholder feedback loops to improve governance policies. • Adopt international reporting standards to ensure accountability.	

F. Case Studies

- **Failure Story**

"What happens if Ethical violations are overlooked?"

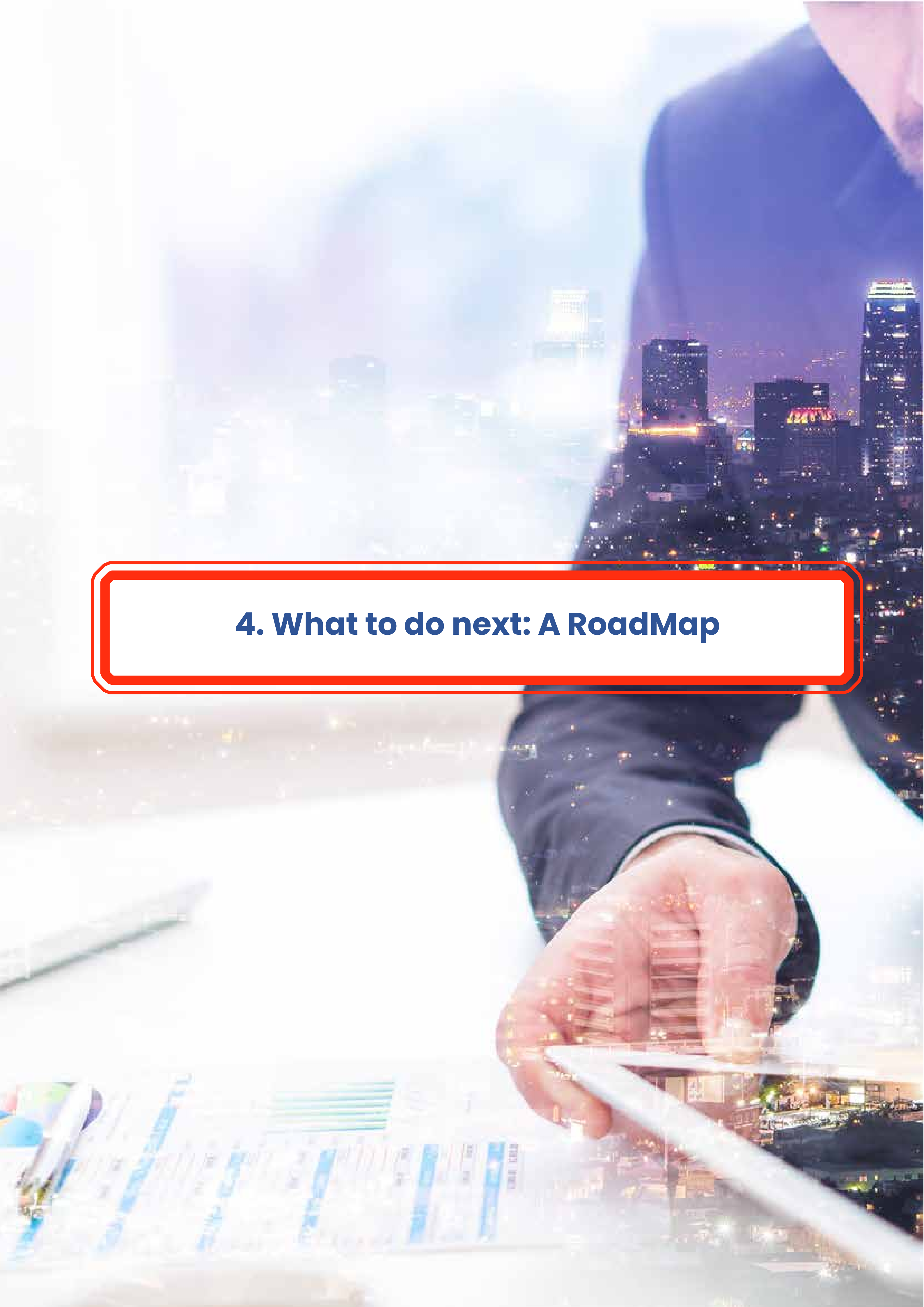
Theranos, a health technology startup once celebrated for its innovation, serves as a stark example of how ethical failures can dismantle even the most high-profile and well-funded ventures. The company's leadership failed to uphold scientific integrity, making unsubstantiated claims about its technology and withholding critical information from regulators, investors, and patients. These actions led to regulatory sanctions, criminal investigations, and a total loss of investor and public trust. ***Further details on the Theranos case are available in Annex 1.***

- **Success Story**

"What happens if the startup takes the responsibility to maintain certain actions to protect its customers?"

Tink is a leading European open banking platform, initially founded in Stockholm, Sweden. It took responsibility for data protection and user consent by building General Data Protection Regulation (GDPR) compliance into its core design. Thus, it gained early user trust in sensitive financial services, which led to partnerships with major European Union (EU) banks. ***Further details on the Tink case are available in Annex 1.***

4. What to do next: A RoadMap



4. What to do next: A RoadMap

Embedding governance in startups is a critical enabler of sustainability and competitiveness. The following roadmap provides a systematic framework designed to guide startups from the initial assessment of their maturity stage through to the institutionalization of governance mechanisms. Implementing these steps equips startups to address governance gaps and align with nationally and internationally recognized standards, thereby reinforcing sustainability, accountability, and long-term competitiveness.

1. Determine the maturity stage of your startup.

2. Develop a checklist of the steps and tools already implemented under each governance principle to identify outstanding requirements, ensuring that all steps and tools from the previous maturity stage have been completed.

3. Carry out an internal stakeholder engagement process to raise awareness of the project's importance, highlight existing gaps, and assign responsibilities across departments. This process should take into account the necessary human and financial resources and establish a clear action plan and timeline for implementation (minimum duration: 3–6 months).

4. Appoint a committee or designate a manager to oversee and monitor the implementation process.

5. Prepare a performance report outlining KPIs, the steps implemented and outstanding, and the necessary procedures for further implementation.

6. Consult the National Institute for Governance and Sustainable Development (NIGSD) to benefit from further evaluation, technical support, and advisory services through a "Governance Clinic."

7. Obtain accreditation or tier certification from NIGSD to formally demonstrate compliance with governance principles and guidelines.

Annex 1

1. Case Studies

1.1 Failure Cases

A. Company Name: Zilingo **Foundation Year: 2015**

Sector: Fashion Tech **Country: Singapore**

Principle Shortfalls: Strategic Vision + ESG

Startup Overview

Zilingo was a Singapore-based fashion technology startup founded in 2015 with the ambition to digitize and streamline the fashion supply chain across Southeast Asia. Leveraging a strong technological platform and rapid regional expansion, the company quickly attracted attention from global investors. Between 2015 and 2018, Zilingo raised over $82 million in funding across multiple rounds, backed by prominent firms including Sequoia Capital India, Sofina, Burda Principal Investments, Amadeus Capital, and early supporters such as Tim Draper, Beenext, and SIG. With a Series D round targeting $226 million, Zilingo reached a peak valuation of $1 billion, earning unicorn status and becoming one of the region's most celebrated startups, notably led by Ankiti Bose, one of the few Indian women to helm a unicorn as CEO (Ghosh et al, 2023)

However, Zilingo's meteoric rise was followed by a sharp and public downfall. In 2022, the company collapsed amid serious allegations of financial irregularities and governance failures. Investigations revealed gaps in internal controls, transparency, and board oversight, which contributed to the prolonged crisis and erosion of investor confidence.

Governance Principles: Gaps and Omissions

The company's long-term direction was equally problematic. Zilingo lacked a consistent business model, frequently shifting between B2B and business-to-consumer (B2C) approaches without a clear rationale. This strategic inconsistency caused confusion across regions, eroded team cohesion, and disrupted execution. Moreover, there was no evident integration of environmental, social, or governance considerations into business planning or reporting. Despite its unicorn status, the company failed to implement a sustainable growth strategy—resulting in short-term, reactive decision-making that further destabilized its operations (Saini, 2022).

B. Company Name: WeWork Foundation Year: 2010

Sector: PropTech Country: United States

Principle Shortfalls: Accountability

Startup Overview

WeWork was founded in 2010 in the United States. It offers flexible office spaces and services to businesses, acting as a real estate provider in the shared workspace market. WeWork quickly grew from a creative idea into a huge company worth $47 billion, reaching the maturity stage of the startup life cycle and preparing for an IPO. However, in 2019, the company collapsed spectacularly — its valuation plummeted by over 90%, its IPO was cancelled, and its founder was ousted. In 2023, WeWork filed for bankruptcy (Pendergraft, 2021).

Governance Principles: Gaps and Omissions

The downfall of WeWork was rooted primarily in a lack of accountability at the highest levels of leadership. CEO and Co-Founder Adam Neumann held disproportionate control over company decisions through a dual-class share structure, allowing him to override the board and make unilateral, often erratic, choices. Neumann engaged in significant conflicts of interest, including leasing personally owned properties to WeWork and charging the company $5.9 million for the rights to use the 'We' trademark. The board failed to challenge these actions or implement effective oversight mechanisms. This absence of balance not only enabled irresponsible decision-making but also eroded investor trust (Langevoort,2021 & Wu,2024).

C. Company Name: Theranos Foundation Year: 2003

Sector: Health Tech Country: United States

Principle Shortfalls: Responsibility

Startup Overview

Theranos was a health technology startup founded in 2003 by Elizabeth Holmes, who claimed to revolutionize diagnostics with a device that could run hundreds of blood tests from a few drops of blood. The company raised around $724 million and reached a peak valuation of $10 billion in 2014, backed by high-profile investors. Its product was marketed as a faster, cheaper, and more accessible alternative to traditional testing. However, Theranos lacked basic governance controls, which directly led to its collapse. Between 2015 and 2018, it faced legal and regulatory action from investors, the U.S. Securities and Exchange Commission (SEC), the Centers for Medicare & Medicaid Services (CMS), and affected patients. These culminated in Holmes's indictment on multiple counts of wire fraud for knowingly distributing falsified test results (Jennings 2022).

Governance Principles: Gaps and Omissions

The core of Theranos's collapse was a fundamental failure of ethical responsibility. As leaders of a healthcare technology company, they had a duty to ensure the safety and reliability of their product before releasing it to the public. Instead, they aggressively promoted unproven technology, ignored expert warnings, and concealed serious flaws in the blood testing devices. Their actions placed patient health at risk and misled investors, all in pursuit of corporate growth and personal ambition (Cambaza, 2024).

D. Company Name: Uber Foundation Year: 2009

Sector: Mobility Tech Country: United State

Principle Shortfalls: Fairness

Startup Overview

Uber Technologies, Inc., founded in 2009 by Travis Kalanick and Garrett Camp, revolutionized urban transportation by pioneering the ride-sharing industry. Its core business involved connecting riders with drivers through a mobile application, offering a convenient and often more affordable alternative to traditional taxis. The company rapidly scaled its operations globally, disrupting established transportation markets and expanding into new services like food delivery (Uber Eats). Uber›s aggressive growth strategy attracted massive venture capital, securing numerous funding rounds, including significant investments that ultimately drove it to become one of the most valuable private technology companies in the world, with its peak valuation of $68 billion before its IPO. This rapid ascent positioned Uber firmly in the growth-to-maturity stage of the startup lifecycle, demonstrating immense market traction and user adoption worldwide (Harvard Law School Corporate Governance, 2018).

Despite rapid growth, Uber faced major governance failures that caused public backlash, legal troubles, and a leadership crisis rooted in key breaches of core governance principles.

Governance Principles: Gaps and Omissions

The principle of fairness was significantly undermined at Uber through its unequal voting rights structure. This system granted founder Travis Kalanick potentially unchecked power due to his substantial holdings of shares with super-voting rights. This arrangement directly violated the principle of equitable treatment for all shareholders, as it concentrated control in the hands of a single individual, allowing him to largely dictate corporate decisions regardless of the views or interests of other investors (Council of Institutional Investors, 2017).

E. Company Name: GoMechanic Foundation Year: 2016

Sector: Mobility / Automotive Services Country: India

Principle Shortfalls: Transparency

Startup Overview

GoMechanic was an Indian automotive services startup founded in 2016, aimed at offering affordable and convenient car servicing through a tech-enabled network of partner garages. The company quickly gained traction in India's growing auto service market, attracting significant interest from major global investors. Over the years, GoMechanic raised approximately 62$ million in funding, backed by prominent venture capital firms including Sequoia Capital, Tiger Global, Orios Venture Partners, and Chiratae Ventures (Dhamija, 2024). The startup's funding journey began with a 250,000$ seed round from Venture Catalysts, followed by multiple rounds of Series B financing in 2019, totalling nearly 20$ million. Its momentum continued with a 42$ million Series C round in 2021, led by Tiger Global with continued participation from existing investors (Subramanian, 2023). At its peak, the company was in talks to raise a Series D round from SoftBank, positioning itself for unicorn status with a valuation target exceeding 1$ billion. Throughout this period, GoMechanic reported steady growth in operational revenue and retained %25.54 founder ownership, with the remainder held by institutional investors. Its rapid scale and investor backing made it one of the most closely watched startups in India's mobility sector (Dhamija et al.,2024)

Despite GoMechanic's initial success and rapid growth, the company's trajectory collapsed when whispers of financial irregularities began circulating among investors in early 2022. These concerns soon escalated into a full-blown crisis, triggering forensic audits, investor write-downs, and regulatory scrutiny, leading to irreversible and catastrophic consequences for the startup. Consequently, GoMechanic became a stark example of the "growth at all costs" culture.

Governance Principles: Gaps and Omissions

The principle of transparency was severely violated at GoMechanic, particularly in its financial disclosures. During its Series D fundraising efforts, the company intentionally misrepresented financial performance, concealing key information from investors and internal teams. These practices were exposed only after a forensic audit, which uncovered falsified data used to sustain an inflated valuation narrative (Dhamija et al.,2024). Beyond investor relations, transparency within the company was also lacking—important financial realities were not shared across departments, limiting internal checks and contributing to an environment of concealment. This deliberate opacity undermined informed decision-making and ultimately eroded stakeholder trust.

1.2 Success Cases

A. Company Name: Yodawy **Foundation Year: 2018**

Sector: Health **Country: Egypt**

Principle implemented successfully: Strategic Vision & ESG

Startup Overview

Yodawy is a leading Egyptian health-tech startup founded in 2018, specializing in digital pharmacy services that streamline medication ordering, insurance claims, and chronic care management. The platform connects patients, pharmacies, insurance providers, and doctors through an integrated digital ecosystem, enabling users to order prescription and non-prescription medications via its app and receive doorstep delivery. Yodawy’s innovation lies in its ability to automate approvals for insurance-covered medications, reducing delays and administrative friction. Since its launch, Yodawy has partnered with over 3,000 pharmacies across more than 30 cities in Egypt and has processed millions of orders, positioning itself as a key player in transforming healthcare access and pharmaceutical distribution in the region. The company has attracted significant investment, including a multi-million-dollar Series B round, supporting its expansion and continued product development.

Success Process Overview

Since securing its $16 million Series B funding in February 2023, Yodawy has integrated ESG principles directly into its operations. Socially, the startup launched the Care Program for Chronic Patients, which ensures consistent monthly medicine delivery across 38 Egyptian cities, supporting vulnerable populations and reducing exposure to health risks by limiting in-person pharmacy visits. Governance-wise, Yodawy has introduced an e-prescription gateway that digitizes prescribing across seven insurance partners and automates approval workflows—enhancing transparency, reducing errors, and improving compliance within the pharma value chain. While environmental impact isn’t deeply emphasized, the company’s optimization of distribution logistics and reduction of paper prescriptions indirectly support sustainability by cutting waste and streamlining routes.

B. Company Name: HubSpot

Foundation Year: 2006

Sector: Application Software- Technology

Country: United States

Principle implemented successfully: Accountability

Startup Overview

HubSpot is a U.S.-based customer relationship management (CRM) platform founded in 2006 in Cambridge, Massachusetts, by Brian Halligan and Dharmesh Shah. Initially launched as a marketing automation tool, HubSpot has since evolved into a comprehensive CRM suite offering sales, customer service, and operations tools aimed at helping businesses grow through inbound marketing. The company quickly gained traction due to its strong focus on content-driven growth and the rise of digital marketing. Between 2007 and 2014, HubSpot raised approximately $100 million across several funding rounds, with backing from leading investors including Sequoia Capital, Google Ventures, Salesforce Ventures, and General Catalyst. HubSpot went public on the New York Stock Exchange (NYSE) in October 2014 under the ticker symbol HUBS, raising over $125 million in its IPO. Today, HubSpot serves tens of thousands of customers globally and remains a prominent player in the SaaS and martech sectors.

Success Process Overview

Accountability has been one of the core pillars contributing to HubSpot's success and sustainability since its founding in 2006.

The company adopted a governance model based on transparency and a clear distribution of authority, steering away from the concentration of power in the hands of a single individual—unlike other cases such as WeWork.

Co-Founders Brian Halligan and Dharmesh Shah intentionally rejected a dual-class share structure, which allowed for a balanced oversight by the board of directors over executive leadership. The company also established clear internal accountability mechanisms, whereby executive leaders are regularly held accountable for their performance before the board and investors.

In 2021, HubSpot demonstrated its commitment to accountability in practice when CEO Halligan voluntarily stepped down following a strategic review of the company's growth, and Yamini Rangan was appointed as his successor in a smooth and transparent leadership transition that reflected a deep sense of institutional responsibility.

Moreover, HubSpot regularly publishes Environmental, Social, and Governance reports that include key performance indicators related to compliance, ethics, and accountability, thereby reinforcing the transparency of its operations to all stakeholders.

This integrated system of organizational accountability has positioned HubSpot as a model in the tech sector and played a major role in strengthening investor trust and supporting its sustainable growth.

C. Company Name: Tink Foundation Year: 2012

Sector: Financial Technology (Fintech) Country: Sweden

Principle implemented successfully: Responsibility

Startup Overview

Tink is a leading European open banking platform founded in Stockholm, Sweden, in 2012. The company was acquired by Visa in 2022. Tink enables banks, fintechs, and startups to build smart, data-driven financial services through a single API. Its platform offers deep financial data aggregation, payment initiation, personal finance management tools, and account verification. Operating in over 18 European markets, Tink connects to more than 13,000 financial institutions and serves millions of end-users through partnerships with major banks like PayPal, BNP Paribas, ABN AMRO, and NatWest. With over 600 employees from over 40 nationalities, Tink is transforming how financial data is used across Europe.

Success Process Overview

Embedding responsibility into its governance framework and as it operates in the open banking space, Tink adheres to stringent standards like PSD2 and GDPR, ensuring transparent and secure handling of financial data while requiring explicit user consent. By aligning its operations with Europe's evolving financial regulations, Tink demonstrated a governance model where responsibility was not just a compliance requirement but a core value that balances innovation with user protection. This approach not only fortified its reputation but also facilitated its acquisition by Visa, which further integrated Tink into a broader responsible finance ecosystem.

D. Company Name: *Careem* Foundation Year: 2012

Sector: Mobility Tech Country: United Arab Emirates

Principle implemented successfully: Fairness

Startup Overview

Careem is a technology platform headquartered in Dubai, committed to simplifying and enhancing everyday life across the greater Middle East. Since its founding in 2012, Careem has evolved from a ride-hailing service into a comprehensive "everything app," offering a wide range of services including transportation, food and grocery delivery, and digital payments. Operating in over 70 cities across 10 countries, Careem has empowered over 2.5 million drivers (known as "Captains") and served more than 50 million customers. Acquired by Uber in 2020, the company continues to play a transformative role in the region by enabling entrepreneurship and supporting local economies through innovative digital solutions.

Success Process Overview

Careem strengthened fairness through a structured, transparent dispute resolution framework and targeted incentives. It implemented an automated, policy-driven dispute resolution engine. Using Google Forms, it guided agents through consistent, auditable steps for complaint handling. This system was later migrated to the Flowable BPM platform to reduce biases and to enhance transparency in how customer and Captain disputes are resolved. Additionally, Careem introduced a robust subsidy and relief program—such as the $800K Captain relief fund during COVID-19, subsidized internet, fuel, and healthcare, plus access to low-cost vehicle financing—to support Captains financially and equitably.

E. Company Name: Twiga Foods Foundation Year: 2014

Sector: agriculture -tech Country: Kenya

Principle implemented successfully: Transparency

Startup Overview

Twiga Foods is a Kenya-based agri-tech company founded in 2014 by Grant Brooke and Peter Njonjo. Headquartered in Nairobi, Twiga aims to revolutionize food distribution in Africa by bridging the gap between smallholder farmers and urban retailers through a digitally-enabled, transparent supply chain.

The company leverages mobile technology to streamline the sourcing and delivery of fresh produce and fast-moving consumer goods (FMCGs), eliminating middlemen and reducing inefficiencies in traditional agricultural markets. Twiga's platform allows vendors to order products via mobile apps, receive doorstep deliveries, and access financial services and market data.

Since its inception, Twiga has become one of Africa's most recognized startups, serving over 100,000 farmers and 10,000+ retailers. In 2021, Twiga raised $50 million in Series C funding from global investors, including Goldman Sachs, IFC, Creadev, and TLcom Capital, supporting its expansion across East Africa.

Twiga is also known for its emphasis on food safety, traceability, and accountability, having partnered with organizations like the International Finance Corporation to implement internationally recognized procurement and quality standards.

Success Process Overview

Transparency has been a defining feature of Twiga Foods' growth model and its mission to transform food systems in Africa since its founding in 2014. As an agri-tech company operating in a highly fragmented and often informal sector, Twiga has prioritized transparency across its supply chain, financial operations, and governance structures to build trust with farmers, retailers, and investors alike. From the outset, Twiga implemented digital tools to improve visibility into procurement, pricing, and logistics. The platform enables real-time tracking of goods, fair pricing mechanisms, and mobile-based payments—minimizing the risk of corruption, loss, and inefficiency that often plagues traditional agricultural markets. Twiga's commitment to transparency was further institutionalized through its partnership with the IFC in 2019. This collaboration introduced global standards of food traceability and safety, ensuring every product distributed can be tracked from farm to vendor. The company also shares performance indicators with partners and conducts regular audits to verify compliance with these standards. In its internal operations, Twiga upholds transparency in leadership and governance. The public resignation of CEO Peter Njonjo in 2024, following a board-led review, reflected a culture of open communication and clear reporting lines between executives and stakeholders. By embedding transparency into both its technology infrastructure and its corporate governance, Twiga Foods has enhanced its credibility, attracted world-class investors, and built a scalable, resilient model for food distribution across Africa.

Annex 2

Glossary		
	Term	**Definition**
1	**Advisory Board**	A specialized committee that supports the board of directors by providing strategic guidance and expert advice, while the main board retains overall decision-making responsibility.
2	**Audit, Risk Committees**	Governance bodies that enhance accountability by reviewing performance, ensuring credible audits, and enabling timely reporting to manage risks effectively.
3	**Internal Evaluations**	Refers to regular, independent evaluations conducted within the organization to improve operations, risk management, and governance.
4	**External Evaluations**	Refers to annual, independent reviews performed by outside parties to verify the accuracy and fairness of financial statements for shareholders and the board.
5	**Cash Burn**	The rate at which an unprofitable company consumes its cash reserves to cover operating expenses before generating positive cash flow.
6	**Environmental, Social, and Governance Information (ESG)**	Refers to data that shows how a company affects the environment, treats people, and manages its internal responsibilities and decision-making, and is expected to be made publicly available in line with recognized international reporting standards.
7	**Compliance Reports**	The formal documents used to demonstrate that an organization is meeting regulatory, legal, or policy obligations through structured monitoring, assessment, and disclosure processes.
8	**Employee Stock Ownership Plan (ESOP)**	An employee benefit scheme through which a company grants its workers ownership stakes by allocating shares to them.
9	**Regulatory Filings**	The official documents that organizations are required to submit to government or regulatory authorities, such as financial statements, governance disclosures, or compliance reports, that are used to demonstrate adherence to laws and regulations.
10	**Privacy Policy**	A legal document that outlines a startup's data collection practices, data protection and security measures, and data use policies.
11	**Cybersecurity**	It is how individuals and organisations reduce the risk of cyber attacks by protecting the devices they use and the services they access from damage and unauthorised access.
12	**Compliance Certifications**	The formal recognitions issued by authorized bodies confirming that an organization meets specific legal, regulatory, or ethical standards through documented policies and procedures.

Glossary

	Term	Definition
13	**Sustainable Development Goals (SDGs)**	A universal set of 17 goals adopted under the 2030 Agenda to improve lives, foster prosperity, and protect the planet through concrete, measurable targets.
14	**Revised Payment Services Directive (PSD2)**	An EU regulation that improves payment security, boosts competition, and requires banks to give licensed third parties access to customer account data (with consent) to foster innovation in financial services.
15	**Sustainability Accounting Standards Board (SASB)**	A body that created industry-specific standards for companies to disclose financially relevant environmental, social, and governance information to investors.
16	**The Committee of Sponsoring Organizations of the Treadway Commission (COSO)**	A voluntary private-sector organization, established in the United States, dedicated to providing guidance to executive management and governance entities on critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting.
17	**Related-Party Transaction (RPT)**	A business arrangement between parties that already have a pre-existing relationship, such as common ownership, shared interests, or close business ties. These transactions are legally permitted but may create conflicts of interest, so they must be carefully reviewed to ensure fairness and to protect shareholders and corporate value.
18	**Task Force on Climate-related Financial Disclosures (TCFD)**	A global organization formed to develop a set of recommended climate-related disclosures that companies and financial institutions can use to better inform investors, shareholders, and the public of their climate-related financial risks.