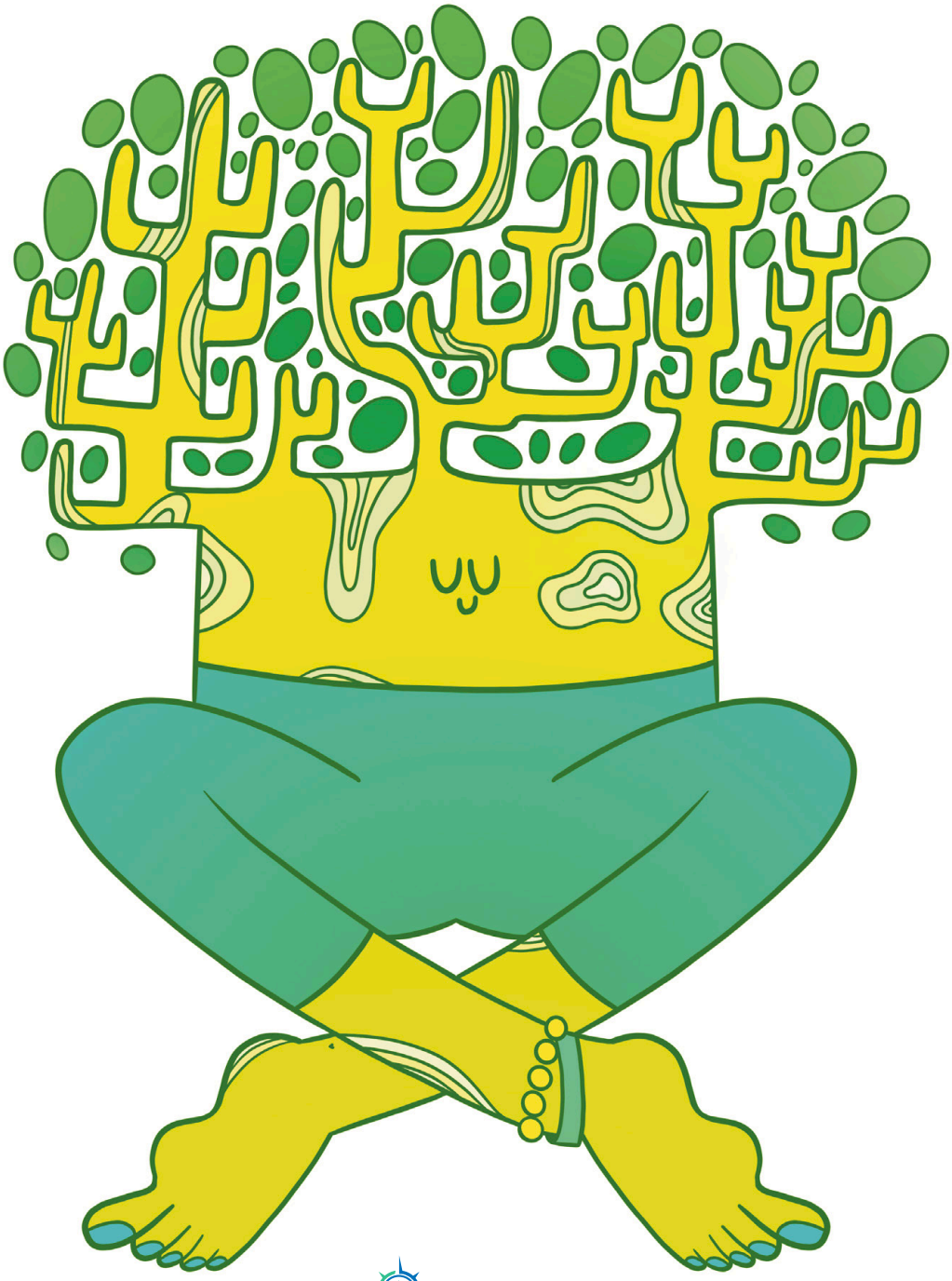
CULTURE OF INTEGRITY



week of Integrity

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FOREWORD

I am pleased to present this publication on “A Culture of Integrity” as part of the ICC Netherlands “Week of Integrity 2025.” We commend ICC Netherlands for highlighting how ethical values help build trust, ethical leadership and catalyze impactful progress.

In these times of geopolitical tensions and fragmented regulatory cooperation, we see a renewed focus on integrity as a value driver that is critical for businesses pursuing resilience, relevance, and reputation.

Integrity is no longer just a matter of compliance with the law. In today’s interconnected world, integrity is a strategic asset based on ethical values driving collaboration and trust. It is essential for long-term growth, risk mitigation, and trust-building in global markets.

Integrity reflects a steadfast dedication to doing the right thing, whether under public scrutiny or in private. A strong ethical foundation ensures that decisions are driven by core values rather than short-term gain, fostering responsibility across the organisation. This type of culture advances trust both inside the organisation and throughout its wider network.

We see that Integrity:

- Reduces operational and legal risks
- Provides a competitive advantage through ethical reputation
- Incentivizes improved access to capital from ESG-focused investors
- Ensures talent attraction and employee engagement
- Creates better crisis resilience and long-term value creation
- and improves public trust in business

It is important to note here that advancing integrity, good governance and the rule of law is at the heart of ICC's mission.

ICC represents business everywhere, and works to advance its purpose to secure peace, prosperity and opportunity for all by combining our global influence and expertise in advocacy, standard setting activities and commercial dispute resolution.

ICC takes pride in its role as a pioneer and business champion for anti-corruption, and we commend ICC Netherlands for its leadership in promoting collective action to strengthen integrity.

In closing, I look forward to the valuable perspectives shared in this publication, which will deepen our understanding of how a culture of integrity can shape a future where business serves as a force for positive transformation.

John W.H. Denton AO

ICC Secretary General

OPENING REMARKS

The Erosion of Trust

Antoine de Saint-Exupéry's **The Little Prince** reminds us: "**You become responsible, forever, for what you have tamed.**" Integrity is just that—a lifelong commitment to the relationships we build and the trust we cultivate. In the world of business, integrity translates into an enduring obligation to stakeholders, society, and the trust entrusted to us.

Why has this year's **Week of Integrity** chosen to focus on "Culture & Integrity" amidst today's complex global geopolitical and business landscape? Wouldn't other topics seem more urgent for the international business community? As the world's largest business organisation, the International Chamber of Commerce (ICC) has long championed open trade without borders—a principle rooted in its founding purpose after the First World War.

Trust is the cornerstone of fostering and sustaining a level playing field for open trade. Yet, in the current global geopolitical climate, trust is deteriorating. In their **essay, Integrity at the Helm: Why Trustworthy Leaders Build Cultures that Outperform**, Kaumudi Goda and Bianca Bernecker draw on findings from the 2025 Edelman Trust Barometer to highlight this troubling trend. The report shows that nearly 70% of respondents across 28 countries believe leaders across all sectors intentionally mislead stakeholders.

This erosion of trust poses challenges for open trade and impacts the behaviour of global businesses. Market uncertainty and the survival-driven mindset of corporations may lead to a short-term focus on shareholder value, putting immense strain on organisational culture and integrity.

Edgar Karssing, in his article **Conscience Unmuted**, offers a compelling analysis of **The Dark Pattern: The Hidden Dynamics of Corporate Scandals**, a recent book by Guido Palazzo and Ulrich Hoffrage. Karssing's perspective sheds light on the complex dynamics that can compromise integrity within organisations.

This **Book of Essays on Culture & Integrity** brings together diverse viewpoints on what culture and integrity mean for businesses today. Each contributing author presents their unique insights, style, and approach to this critical topic. In this opening remarks, I have referenced the works of Karssing, Koga, and Bernecker to emphasize the significance of choosing Culture & Integrity as this year's theme for the **Week of Integrity** and this collection of essays.

As in previous editions, this book is not meant to be consumed in a single sitting. Instead, it is a compilation of voices, each offering a distinct perspective on fostering a culture of integrity in today's challenging global environment. How can we build and sustain trust through integrity? What lessons can be drawn from success stories and cautionary tales?

We extend our gratitude to the distinguished contributors whose essays enrich this volume. Karssing aptly concludes: "**We must encourage people to speak up by making it clear why it matters and how it makes a difference. Additionally, we should help people develop their abilities to listen and be attentive. Instituting regular discussions of ethics within the organisation will also be beneficial.**"

With the **Week of Integrity** and this Book of Essays, ICC Netherlands seeks to inspire courageous ethical leadership in business.

We wish you an insightful and thought-provoking reading experience.

Mirjam Bakker-Vergouw

Chair, ICC Netherlands

CONSCIENCE, UNMUTED

Edgar Karssing

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EDGAR KARSSING

CONSCIENCE, UNMUTED

Adam Smith (1723-1790), the renowned economist, also wrote a remarkable book on ethics. In this book, The Theory of Moral Sentiments, he conceptualizes conscience as an inner dialogue between two persons. The first person is the examiner and judge, whom Smith calls the Impartial Spectator, and judges our feelings and behaviour. The second person is the one we refer to as 'I' in the proper sense. We attempt to form a judgment about the behaviour of this 'I' in the role of the spectator. Only the Impartial Spectator – our conscience – can correct our self-love. He tells us that we must not harm the happiness of others; he reminds us that we are but one of many, in no way better than any other. He reveals to us the propriety of generosity and the deformity of injustice. The Impartial Spectator teaches us the inappropriateness of committing a small injustice to another to gain a great advantage for ourselves. Only through conscience can we make a just comparison between our own interests and those of others.

Smith was an astute observer of people's behaviour and was highly critical of businessmen. For instance, in his Wealth of Nations, he wrote that "people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices" (p. 145). However, he suspected that much unethical behaviour was not so much the result of bad character, but of our fallibility. Most people are far from perfect, humans are not saints, but also not incorrigible sinners. Adam Smith was acutely aware that humans are fallible, and so is their conscience. What is near—our own interest—often seems great, while what is far away – the interests of others – often seems very small. Unfortunately, we are naturally inclined to overestimate our own excellence. We easily forget how the intensity of our own feelings constantly throws us back to our own point of view, where everything seems magnified and misunderstood by self-love. Our conscience is sometimes confused by the noise and clamour of bystanders. You must also be decent when you are ill or disappointed, when you are tired and listless. You should never be surprised by sudden and unexpected difficulties. The injustice of others must not tempt you to commit injustice.

Adam Smith lived in the 18th century. Today, many people work in corporate firms. What does this do to our conscience? It is very informative to read the book The Dark Pattern: The Hidden Dynamics of Corporate Scandals, written by Guido Palazzo and Ulrich Hoffrage. They show that good people – people with a conscience – can do bad things. They conclude that to understand many corporate scandals, we should not focus on character flaws but examine the context in which the 'bad people' made their decisions. I write 'bad people' in quotation marks because, like Smith's view, people are not seen as incorrigible sinners but as fallible. This fallibility can be reinforced by dark patterns within the organisation that make ethics "disappear from the radar screen of decision-makers and thus pave the way to hell, suffering, and catastrophe" (p. 5). Palazzo

and Hoffrage discuss nine building blocks of dark patterns: rigid ideology, toxic leadership, manipulative language, corrupting goals, destructive incentives, ambiguous rules, perceived unfairness, dangerous groups, and a slippery slope.

Palazzo and Hoffrage show how dark patterns can cause ethical blindness – a blind Impartial Spectator – preventing us from seeing the ethical dimension of our decisions. Smith foresaw this problem and therefore suggests that the Impartial Spectator must often be awakened and reminded of his duty by the presence of a real spectator. In other words, you can strengthen the dialogue with yourself – your conscience – by engaging in dialogue with others. However, this is easier said than done in a corporate environment. Frederick Bird wrote about muted conscience in business. He indicated – like Smith, Palazzo, and Hoffrage – that businesspeople do not lack moral convictions – they have a conscience – but most tend not to voice their morals and are inattentive when others do. Bird explains this through three vices: moral silence, deafness, and blindness. Moral silence means people fail to speak about their moral concerns, about matters they know to be wrong, and about their moral ideals. The morally deaf fail to take notice of moral issues and concerns raised by others, and to be morally blind is to fail to recognize moral issues and concerns. Bird calls these vices because to be moral is to be responsive to others, and this behaviour obstructs that. This could mean that wrongs and moral issues are not addressed. "Because they are morally mute, organisational members fail to alert organisations with respect to problems and concerns, and they fail to dissent audibly from policies they consider morally questionable. Because they are morally deaf, they are not prepared to respond to bad news or to seek out further information with respect to potentially bad news. Because they are morally blind, they fail to perceive issues and concerns, they fail to recognize fully and clearly the moral dimensions of organisational life, and they fail to foresee the morally questionable consequences of current practices" (pp. 125-126). Bird wrote his book in 1996, thirty years ago. Are people within corporations still silent, deaf, and blind? Palazzo and Hoffrage conclude in their 2025 book The Dark Pattern: "Not much has changed since then" (p. 228).

To summarize, people are neither saints nor incorrigible sinners; they have a conscience – an inner dialogue – but that conscience is fallible and sensitive to dark patterns in the context. You can strengthen your conscience by engaging in dialogue with others. However, in many organisations, people are silent, deaf, and blind. Conscience is muted. Therefore, we must unmute conscience. This requires active effort. This means fostering an environment where ethical dialogue is encouraged and supported, and where individuals feel safe to voice their concerns and questions without fear of negative consequences. It involves creating a culture of openness, trust, and mutual respect, where the boundaries of responsibilities are clearly defined and continuously examined. Goodpaster (2007) calls this a conscientious corporate culture. In such a culture, colleagues find it natural to engage in dialogue with each other, both solicited and unsolicited, about difficult issues and the content and boundaries of their responsibilities. They work together to clarify and test principles and to seek applicable guidelines. There is room for genuine questions – questions where the answer is not self-evident.

What are the hallmarks of fostering a conscientious corporate culture according to the authors discussed above? Palazzo and Hoffrage introduce the bright pattern to build an ethically robust organisation. This bright pattern mirrors the dark pattern. For example, toxic leadership could lose its dangerous impact by establishing a speak-up culture, and perceived unfairness is reduced by strengthening organisational fairness. Because context is so important, it is the responsibility of leadership to create an environment that supports ethics. They state that the golden rule of ethical leadership is: "as a leader you should never create a situation for followers where they are pushed to believe that breaking moral and legal rules is the only option they have to achieve their goals" (p. 268-269).

Goodpaster emphasizes time. A conscientious culture – like conscience itself – can only function properly if people is given time. Because attention, dialogue, and reflection require time. He calls it ironic that as we move up the hierarchy, we increasingly run from meeting to meeting and don't give ourselves time to reflect on our decisions (p. 238). This isn't just ironic; it's tragic, because the more power we have, the greater the impact of our decisions.

Bird believes the key is to foster lively, honest conversations about moral concerns. We must encourage people to speak up by making it clear why it matters and how it makes a difference. Additionally, we should help people develop their abilities to listen and be attentive. Instituting regular discussions of ethics within the organisation will also be beneficial. Therefore, dedicating time for meaningful conversation is the only real remedy against the vices of silence, deafness, and blindness.

And Adam Smith? He knew that if we are alone, we exaggerate everything that affects us – our happiness and our unhappiness, the good that befalls us and the injuries done to us. We overestimate the services we have rendered to others and feel ourselves greater than we are. Therefore, we need others to unmute our conscience. This may be a friend, but even better is a stranger from whom we "can expect the least sympathy and indulgence" (p. 154).

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EMBEDDING ETHICS ACROSS GENERATIONS IN THE WORKPLACE

Karin Lasthuizen

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Professor Lasthuizen's research and consultancy work focuses on ethical leadership and ethics management within public and private sector organisations, and she specialises in methodology for research into integrity violations and organisational misbehaviour. She is an author of the recently published book 'HUMANGOOD. A field guide to ethical leadership' (2021) and the Routledge Masters in Public Management textbook 'Ethics and Management in the Public Sector' (2013) and she has just signed a contract to produce the first Global Handbook of Ethical Leadership (De Gruyter Handbooks, Berlin) together with Professor Alan Lawton.

KARIN LASTHUIZEN

EMBEDDING ETHICS ACROSS GENERATIONS IN THE WORKPLACE

Over recent decades, increasing pressure from civil society and stakeholders has made organisations more conscious of the need to promote ethics, as well as the benefits of doing so, in relation to their economic, social and environmental impact. 'Ethics' or 'ethical practice' can mean a range of things for organisations promoted by value statements, a code of ethics and ethics management. Beyond external pressure, organisations are now more and more led by ethical leaders who simply believe there is no other way to do business, and who are committed to creating economic value in an ethical way.

Generational Expectations and Realities

There's also a contributing factor to business ethics from within: the mindsets and expectations of the people who they employ. There are many articles, surveys and opinion pieces that contribute to the widely-spread narrative that the younger generations of employees, the so-called Millennials and Centennials — or Gen Y and Gen Z — have more profound ethical values and stronger morality than older generations. In a recent paper* we investigated the ethics of different generations at work with data from Ethics at Work**, an international employee survey deployed by The Institute of Business Ethics in the UK that in 2021 included responses from about 10,000 employees in 13 countries.

The survey found that younger employees are more likely to have been aware of misconduct at work: 24% of the survey respondents aged 18-34 declared that they have been aware of conduct by employers or colleagues that they thought violated either the law or their organisation's ethical standards. This compares to 18% of respondents aged 35-54, and 10% of respondents aged 55+. Beyond awareness, younger employees also seem more likely to take action and speak up when made aware of ethical misconduct: 61% of them raised their concerns about misconduct with management, another appropriate person, or through any other mechanism compared to 57% average (i.e. across all ages).

These findings seem to be supporting the idea that younger employees display higher ethical judgment in the workplace than older employees. However, when analysing the wider set of data, a more complex picture emerges.

When surveyed on 'ethically questionable' practices, younger employees (18-34) are more likely to find these 'acceptable' compared with older colleagues. This includes practices such as taking stationery from work for personal use, charging personal entertainment to expenses, pretending to be sick to take the day off, and favouring family and friends when recruiting or awarding contracts. Moreover, younger employees, and the younger generation of managers, are more likely to

have lenient attitudes towards minor breaches of the rules. They tend to agree with statements such as “minor breaches of the rules are inevitable in a modern organisation”, or “if we cracked down on every minor breach of the rules, we would soon find we have no staff”.

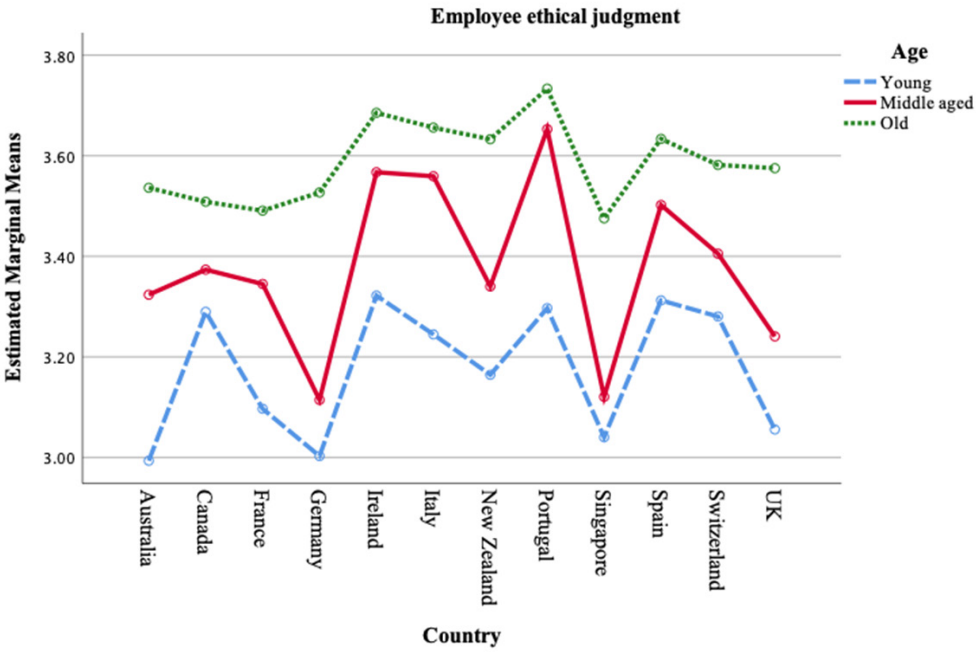

Figure 1. Cross-country age differences in employee ethical judgment (average on ethical judgment scale, full sample, n=9148).

From: Ethical Reasoning at Work: A Cross-Country Comparison of Gender and Age Differences. Administrative Sciences, 13(5), 136. Open access: https://doi.org/10.3390/admsci13050136 , which is a study by the Brian Picot Chair in Ethical Leadership - Aritahi, Te Herenga Waka - Victoria University of Wellington.

In summary: younger employees seem to have a higher awareness of the importance of ethics in the workplace and they show willingness to take action and speak up, but it seems less clear to the young generation of employees what “ethical behaviour” means in the context of the organisation, which has consequences for their ethical judgment at work.

Contextual Influences on Ethical Reasoning at Work

Hypothesising on explanations, there could be specific time-bound and location-bound reasons that explain young people’s ethical judgment. For instance, we may want to consider the implications of the Covid-19 lockdown on young employees’ understanding of their organisation’s culture, values and rules. The flow on effect of the pandemic, with more and more employees enjoying the flexibility of working from home, could also have implications on people’s ability to navigate work relationships and ethical dilemmas. For example, the lack of direct in-person contact may explain our reduced ability to apply ethics to work situations. When facing an ethical dilemma, if considering colleagues’ intentions, feelings, or

involvement is made harder by the lack of in-person time and engagement, we find ourselves less equipped to make an ethical decision. This challenge would likely be felt by younger employees even more, in particular if they are relatively new to the organisation.

Another reason could be the highly competitive employment market many young people find themselves in. When feeling under pressure to further their career, or simply to hold onto their job, young managers and employees might consider unethical tactics to boost their profile and performance. In the 2018 Ethics at Work survey, additional questions were asked to respondents with a managerial role and, as an example, 23% of the younger managers in New Zealand thought that it is acceptable to "artificially increase profits in the books as long as no money is stolen" compared to 6% of mid-career managers aged 35-54 and 2% of older managers aged 55+. There is some further research that warns that ethics can become a trade-off between doing the right thing and doing what is best for your career in times of economic austerity.

Bridging the Ethics Gap Through Innovative Learning

If we put aside specific context and circumstances, a more fundamental explanation for the identified gap between young employees' values and their actual behaviour in the workplace is that ethics needs to be learned and practiced. Business ethics education and training can support and equip employees to behave professionally in a way that is aligned with their values and intentions. They have a significant role to play in offering a positive and enabling framework for employees for personal and professional development - starting with the youngest generation of employees - to develop their ethical reasoning in the workplace, and bridge their drive to do good with their day-to-day actions.

Additionally, another practical implication of these findings regarding age differences is that ethics programmes and interventions in the workplace need to be attuned to employees' profiles, including gender and age, and beyond. There is an opportunity to carefully consider employees' needs, barriers and motivations to think and act ethically, when designing and offering business ethics programmes in the workplace. If workplace ethics are seen as an important skill and building block for Gen Z, who have now entered the workforce, their requirements and expectations when it comes to professional development will be different and will require new, progressive and innovative approaches. Diversity-based training programmes may be better equipped to address the differences between younger and older workers, and with regard to gender, and in how they deal with ethical issues at work.

Leading Ethical Organisations for Tomorrow

Aspects of organisations' culture and support structures need to improve to meet these rising expectations. This may include developing mechanisms to create a safe 'speak up' culture, creating opportunities to encourage dialogue and conversations around ethics amongst employees, or putting in place initiatives that foster trust and transparency in the workplace. Beyond ethics programs and interventions, it appears that many organisations may need to rethink the way they go about embedding ethics as a building block of their culture. Key steps may involve making ethical values and behaviours more visible, developing a meaningful narrative around ethics, and celebrating and amplifying the benefits of ethical practice in relation to wellbeing in the workplace. Therefore, ethical leadership needs more priority. Systems and policies alone are insufficient to improve organisational integrity and ethical performance. Ethical leadership is a crucial layer between the organisational ethical values and norms, which are embedded in ethics policies, programmes and codes on the one hand, and an ethical climate and employee ethical behaviour on the other hand. Leaders need to make ethics part of day-to-day operations, and show employees what it really means in organisational practice.

Notes:

- The author likes to thank Hélène Malandain for her input to this article.

- *Ethical Reasoning at Work: A Cross-Country Comparison of Gender and Age Differences. Administrative Sciences, 13(5), 136. Open access: https://doi.org/10.3390/admsci13050136, by Karin Lasthuizen and Kamal Badar. Brian Picot Chair in Ethical Leadership - Aritahi, Te Herenga Waka - Victoria University of Wellington (NZ).
- **In this article, the 'survey' refers to Ethics at Work, the international employee survey conducted by the UK Institute of Business Ethics in 2021. See: https://www.ibe.org.uk

A CULTURE OF INTEGRITY IN BRAZILIAN AGRIBUSINESS MARKET

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REYNALDO GOTO, BRUNA FARIAS

A CULTURE OF INTEGRITY IN BRAZILIAN AGRIBUSINESS MARKET

Responsible business conducts increasing value based on trust, transparency, and sustainable growth

The global agricultural market is facing unprecedented uncertainty, with unpredictable climate changes, escalation of geopolitical disputes, engagement of civil society through social media and extremely polarized debates. As the world´s largest agricultural producers of several products such as coffee, orange juice, sugar cane, etc. Brazil, as other global south agricultural players, faces increasing, and sometimes disproportional, pressure to balance productivity with social and environmental stewardship. In such dynamic landscape, fostering a corporate culture of integrity is not just a mere compliance requirement, it is a strategic and surviving imperative. Fostering a culture of integrity in global agribusiness faces several challenges as multiple, and sometimes conflicting, regulatory frameworks, different cultures and customer behaviours, complex and interconnected supply chains and increasing protectionism measures. Integrity goes beyond standard legal conformance; it embodies a continuous commitment to do what is right, not even when no one is watching but also when everyone is watching and judging the producers and corporate decisions. A practical example was the correct approach from Brazilian exporters facing new cases of avian influenza, with responsible tracking process, severe sanitary measures and onerous decisions related to assuming short-term losses to assure long term and safe sanitary protocols. Organisations that embedded ethical values into their daily operations and routines create environments where trust can flourish naturally. Strong ethical foundation ensures that corporate decisions are guided by principles rather than opportunistic convenience, reinforcing accountability at all levels and from all stakeholders.

This culture builds trust not only in the company but radiates outward - from suppliers to customers, from regulators to financial markets, from employees, to civil society. Implementing organisational integrity faces several barriers in the agribusiness sector including cultural resistance, certain level of informality, limited oversight in remote areas, close relationship and dependency between public and private sector and economic pressures. When employees and society understand the organisations' purpose – aligned to their principles and values, they are more likely to perform, engage, innovate and advocate for the company´s success. Moreover, transparency in all relationships serves as a catalyst for open communication and mutual respect. It reduces ambiguity, mitigates risks, and enhances the credibility of entities' leadership. Over time, these elements converge to support the perennity and survival of the producers and corporations, as

the institution become more resilient and prepared for the continuous market uncertainties. In essence, a culture rooted in integrity and transparency is not only the right thing to pursue, but also the smart path to strengthening business reputation and increasing their market values.

Integrity is a key culture component and could be compared and take advantage of the characteristics of other components of a strong culture. In agribusiness integrity, safety and quality are common cultural components considering the long and complex value chain from farm to fork. Integrity, safety and quality are fundamental principles that, while distinct in focus, share several same challenges since they depend on individual´s behaviours, they also foster trust and excellence within the organisation since they are based on systems with continuous improvements. Safety emphasizes the individual physical integrity, the protection of people and value of the assets, ensuring that the environment is secure and risks are mitigated. It is often governed by strict protocols and regulations, but as integrity its true strength lies in a culture where individuals feel responsible for one another´s well-being. Quality, on the other hand, is centered on complying with norms, consistency, indicators' performance, and customer satisfaction. It reflects and organisation´s commitment to providing products and delivering services that meet minimal standards and surpass customers expectations. Like integrity and safety, quality thrives in a culture of excellence, based on continuous improvement and accountability. Integrity, while sometime more principled, is the ethical backbone that embraces both safety and quality, guiding behaviour through honesty, fairness, and transparency. A culture rooted in integrity builds trust by ensuring that accidents and quality errors are correctly reported and decisions are made with moral clarity following the companies' principles. When safety, integrity and quality are aligned in agribusiness, they reinforce one another: safety practices are practices that take special attention to individuals well-being; quality is pursued not just for efficiency but as a key element to providing safety food; and integrity becomes the thread that weaves them into a resilient, trustworthy corporate culture.

The alignment of safety, quality and integrity also supports a key agenda for the agribusiness in Brazil: the Sustainability. The importance of sustainability in Brazilian agribusiness has grown significantly, driven by both global market demands and Brazilian unique environmental responsibilities. Aligning the integrity agenda with sustainability into agribusiness practices is a strategic, complying with international standards, using common due diligence tools, enhancing brand reputation, increasing third parties´ traceability, providing transparency to financial market and access to international markets. However, achieving meaningful impact requires the active engagement of the critical value chain – from high exposed producers and suppliers to distributors and retailers. Each stakeholder must be committed to corporate sustainability standards, ensuring that practices such as illegal deforesting-free sourcing, responsible and legal water use, avoidance of any human rights violation are upheld consistently. This responsible and collaborative approach also lies in its ability to develop and promote fundamental values that anchor sustainable development. An ethical business environment enables major players to raise awareness and positively influence other participants to manage their operations in a socially responsible manner, fostering a shared understanding that respect for biodiversity, an ecologically balanced environment, democratic

values, and human rights is essential to positions companies for long-term success in a purpose-driven economy. Technology plays a key role in this challenging path. Fundamental technological investments such as georeferenced maps and reliable databases enable monitoring and continuous tracking of agricultural inputs and outputs, ensuring reliable product traceability from farm to fork. These due diligence technologies not only allow compliance verification with environmental and social standards but also provide valuable data for continuous improvement, broader societal insights, and better corporate strategy.

In Brazil, where vast, well preserved and diverse ecosystems intersect with high-tech agriculture, leveraging technology to assure traceability is essential – not only to increase transparency, but also to build trust with global consumers and partners, paving the way for a collective response to global challenges. Ultimately, the convergence of multiple sustainability standards, with a common language between global players and their value chains, is key to assure that responsible business conducts from Brazilian agribusiness continue to lead in a future where ethical and transparency in food system are the norm. Common dilemmas in global agribusiness field could be addressed thoughtfully by engaging and balancing different stakeholders using methodologies as Collective Actions; in Brazil several companies following the United Nations Global Compact principles agreed on common minimal governance standards, developed common communication and training material, trained the local value chain and developed a transparent dialog with the public sector in an initiative awarded by the Basel Institute on Governance.

In this complex geopolitical scenario, the corporate journey of integrity is profoundly shaped by inspiring leaders. Their influence extends beyond immediate results, laying the foundation for a legacy of responsible business conduct that future

generations could build upon. When business commit to integrity practices, they contribute to a more fair and sustainable society – one where trust is cultivated and preserved. Global leaders are also responsible for developing and adopting democratic standards, such as the compliance clauses established by the International Chamber of Commerce (ICC), reinforcing their commitment by aligning individual corporate behaviours with globally recognized principles of fairness and equity. These standards serve as a compass, guiding decision-making processes and accelerating negotiations that respect human rights, promote inclusivity, equal opportunities, and ensure compliance across borders. Moreover, in a multiconnected worlds, every business decision we make, as businesspersons – whether strategic, operational or interpersonal – has a ripple effect that touches not only our professional environment but also our personal lives. Integrity choices in the workplace foster a sense of purpose and well-being, strengthening relationships and enhancing reputation.

As main takeaways for ethic and compliance professionals supporting the agribusiness sector it is important to observe that staying close to the individuals is essential, promoting integrity requires simplicity, adaptative language more than simple translations; it also requires co-creation with your peers in a long and complex value chain. Conversely, lapses in ethical behaviour can lead to long-lasting consequences that undermine both individual and collective progress. Therefore, embracing integrity is not merely a professional obligation; it is a personal and societal imperative, mainly in agribusiness where we have a clear mission to feed the world. By championing ethical leadership, embedding responsible practices, and upholding democratic and worldwide discussed norms, we share the future where business becomes a driver of positive change.

CUSTOM FIT COMPLIANCE: TAILORING INTEGRITY BEST PRACTICES ACROSS BUSINESS CULTURES

Joseph Mauro

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JOSEPH MAURO

CUSTOM FIT COMPLIANCE: TAILORING INTEGRITY BEST PRACTICES ACROSS BUSINESS CULTURES

It is widely recognized that companies of all types and sizes should effectively assess and mitigate corruption risks. Yet, conducting a risk assessment that accounts for all pertinent factors, and designing mitigation strategies tailored to a company's circumstances and risk profile, can be complex undertakings. Companies commonly consider elements such as their organisational size, corporate structure, industry sector, geographic footprint, regulatory landscape, client base, and business partner relationships. Amidst this multifaceted assessment, one critical factor is sometimes overlooked: the company's underlying business culture or cultures.

Thanks to its unique position, the World Bank Group (Bank Group) Integrity Compliance Office (ICO) has a wealth of experience with the adaptation of integrity risk analysis and mitigation efforts across cultures. As part of the Bank Group's Sanctions System, the ICO is responsible for overseeing the implementation of integrity compliance reforms by companies and other entities that have been sanctioned by the Bank Group for fraud, corruption, or other specified categories of misconduct in projects financed by the Bank Group. The ICO works with such entities as they seek to adopt and maintain effective integrity compliance measures, in line with the Bank Group's Integrity Compliance Guidelines, as a condition for their release from Bank Group sanction. By reviewing and evaluating sanctioned entities' integrity compliance reforms—both on paper and through detailed testing and observation in practice—the ICO has gained wide-ranging insight into strategies that companies can use to implement integrity best practices appropriate for their unique circumstances and cultures. The ICO also has engaged with other entities to promote integrity compliance on a voluntary basis. Having worked with organisations of all different types and sizes around the world, the ICO is excited to share some of its experience and concrete suggestions in this area. Ultimately, by effectively and efficiently addressing corruption risks, companies are better positioned to support development, job creation, and economic growth.

Integrity Risk Assessment

Conducting an integrity risk assessment is an essential first step in seeking to reduce corruption risks. Without understanding the types of risks that a company faces and their potential probability and impact, it is very difficult to design and implement integrity compliance measures that fit the circumstances.

In this respect, elements of a company's culture may help protect against integrity risk—or, in some cases, may exacerbate it. For example, a company that has an open culture in which employees feel free to raise concerns and believe that their concerns will be taken seriously may be better positioned to avoid the risk that misconduct will go undetected. Conversely, when a company has a culture in which satisfying the client is emphasized over integrity, or in which it is difficult to challenge the decisions of higher-ranking individuals even if they seem excessively risky, it may be necessary to implement additional checks and controls to ensure that high-risk transactions are not pushed through inappropriately.

Companies working with the ICO have incorporated cultural analysis into their integrity risk assessments in various ways. Strategies in this regard may include, for example:

- Periodic employee surveys. Anonymous surveys allow employees to provide feedback on the company's culture. Among other things, employees can comment on how safe (or not) they feel reporting compliance concerns, whether they feel that management is serious about integrity, and whether they perceive any unspoken expectations to behave unethically or "look the other way." For global companies, breaking down the results by business unit, country, or other factors may help identify potential risk areas and opportunities for communication and training. Observing survey responses year-over-year also may help inform risk assessment evolution.
- Regular conversations at all levels. In addition to top-level communications on integrity, such as CEO blogs or corporate newsletters, companies should periodically incorporate conversations on integrity in meetings and exchanges at all levels, including among middle managers, line supervisors, project-based staff, and corporate employees. In this way, companies not only reinforce their support for integrity but also give employees and managers an opportunity to share their views and concerns informally. This can be an important way for companies to learn about employee culture and how it may affect the integrity risk analysis. Companies also can ask about integrity culture during exit interviews.
- Anonymous suggestion boxes or email channels. Of course, enabling employees and other stakeholders to anonymously raise questions and concerns is crucial for companies to gain insight into hidden corruption risks. For example, complaints about inappropriate pressure to bend the rules or lackadaisical attitudes toward compliance can help uncover culture-related integrity risks. Companies should ensure that such questions and concerns are tracked and systematically fed into the integrity risk assessment process.
- Cultural awareness training. Company leaders, compliance professionals, and employees in sensitive areas such as human resources and internal audit also may consider taking cultural awareness training to help them better communicate with and understand their colleagues, and thus better identify integrity risks.

In one case, a small family-owned company working with the ICO analyzed its business culture and decided to emphasize in-person reporting under its whistleblowing policy. While the company also provided options for electronic

and anonymous reporting, it understood that its employees generally preferred speaking with their managers or supervisors about any dilemmas or concerns. The company therefore promoted an open-door policy and received a wealth of in-person consultations about integrity compliance, which informed the company's integrity risk assessments and compliance controls.

Training and Communication

It is important to consider culture in integrity training and communication. Doing so not only helps ensure that messages are relevant and respectful but also may help avoid misunderstandings and encourage employees to feel valued and personally invested in integrity. Companies working with the ICO have implemented numerous strategies in this regard, including:

- Using local case studies with real-world scenarios relevant to the company's business culture and environment (e.g., case examples from the same industry or country, using names common in the region).
- Ensuring high-quality translations of training materials, announcements, and policy documents in local languages. In technical areas like integrity compliance, it is often necessary to have experienced professionals review and correct translations from machine translators or even from human translators who do not have expertise in integrity compliance. Cultural context and idiomatic expressions should be handled with sensitivity as well.
- Adapting training methods to different audiences, such as choosing interactive workshops or lecture-style sessions based on cultural preferences.
- Respecting hierarchical expectations in the delivery of integrity training and communication—for example, assigning a senior executive to deliver a training if it would be considered culturally inappropriate for a more junior employee to do so.
- Incorporating local holidays or practices into trainings and communications. Many companies take advantage of International Anti-Corruption Day on December 9.
- Engaging local leaders or experts to deliver trainings and compliance messages. For example, in some cases, it may be appropriate for a global company to select local executives or in-country law firms to lead integrity trainings at overseas offices, utilizing their familiarity with local culture and language. Leaders from the corporate headquarters could be involved as co-presenters to express the company's "tone from the top."
- Addressing location-specific concerns and topics, such as cultural expectations around gift-giving, local clients or officials who may request facilitation payments, family business structures and potential conflicts of interest, etc.

One company working with the ICO tapped into its employees' family and community-oriented values by holding certain integrity events outside the company. Employees performed skits with their children and other family members, designed artwork supportive of integrity, and participated in integrity-focused events in the local community. Another company incorporated creative technological features in its integrity trainings, knowing that its tech-savvy employees would be more interested in modules with innovative functionality. A third company used a well-known cultural figure from the area in its materials promoting integrity.

Integrity Compliance Policies, Procedures, and Controls

In addition to risk assessment, training, and communication, companies should take culture into account when designing and implementing other types of integrity compliance measures. Considering cultural norms and expectations can help companies with:

- Incentivizing employees to support the company's integrity compliance program;
- Designing authority matrices and approval protocols;
- Conducting effective due diligence on prospective suppliers, business partners, employment candidates, acquisition targets, and other entities;
- Incorporating appropriate integrity terms in contracts with clients and other counterparties;
- Monitoring ongoing projects and engagements for new or changed integrity risks;
- Designing whistleblowing systems and protocols for raising integrity questions or concerns;
- Responding effectively to reports of misconduct, and communicating with whistleblowers;
- Conducting internal investigations, and interacting with law enforcement or external investigators;
- Developing and implementing remedial measures when misconduct or compliance failures are identified; and
- Planning and executing internal audits, and responding to external audits.

Looking Ahead

Cultural changes seem to happen rapidly now, as people across countries and communities are more connected. In this environment, companies need to be attuned to how evolving cultural norms and practices may impact their integrity compliance measures. By paying attention to culture, companies can leverage employees' and business partners' strengths to drive innovation, economic growth, and job creation in an ethical and responsible way.

BUILDING ETHICAL FOUNDATIONS THROUGH THE MASTERCARD WAY

Karen Griffin

Karen Griffin is the chief risk officer for Mastercard and a member of the company's Executive Leadership Team and Management Committee. She is the first to hold this role, emphasizing the growing importance of risk leadership in driving growth.

Previously, Karen served as chief compliance officer, leading Mastercard's global ethics and compliance strategy. Before joining Mastercard in 2014, she held senior roles at Visa Inc., Alcatel-Lucent, Lucent Technologies and AT&T, including compliance, product management, customer delivery and engineering.

Karen holds a Master of Business Administration and Master of Science in Manufacturing Engineering from Boston University, and a Bachelor of Science in Mechanical Engineering from the University of Massachusetts, Amherst.

She serves as vice chair of the ICC Global Commission on anti-corruption and corporate responsibility, and is a member of the World Economic Forum's steering committee for partnering against corruption initiative as well as the B20 integrity and compliance task force. Previously, Karen was a member of the Mastercard Europe board of directors, co-chaired the B20 integrity and compliance task force, and was a member of advancing women executives.

KAREN GRIFFIN

BUILDING ETHICAL FOUNDATIONS THROUGH THE MASTERCARD WAY

We're living in a time of profound transformation. From the rapid emergence of AI to an evolving regulatory landscape, and so much more, the world we navigate is constantly changing. These shifts bring both opportunities and challenges, and in navigating this dynamic landscape, we turn to a reliable compass we can leverage. Throughout my time at Mastercard, I have seen firsthand how trust has served as our guide and has been foundational to our long-term success. A compass centered on trust is in our DNA.

Trust is the invisible thread that binds our relationships, fuels our innovation, and fortifies our resilience. You see it come to life in daily interactions with colleagues across the company and in the deep partnerships we forge with our customers. It has been the cornerstone of our growth and innovation over decades, even during times of great uncertainty.

But trust isn't just given—it's earned through what you do and how you do it. That's where ethics and values become essential as real-world events test our principles and help reinforce them through transparency and consistency. Earlier this year, when wildfires swept through Los Angeles, the situation presented clear risks—from employee safety to disruption for those impacted. Through early collaboration between our risk and business teams, and with team members volunteering on the ground to support relief efforts, we didn't just protect our people and secure continuity; we enabled critical support where it was needed most. That rapid, values-driven response was only possible because of the deep trust embedded across our teams and partners. It empowered us to act decisively and responsibly when it mattered most.

When I stepped into the newly created Chief Risk Officer role; my goal wasn't simply to add more oversight. It was to ensure that risk is managed with purpose and that ethics, trust, and accountability remained at the heart of our culture. This foundation has guided Mastercard's sustainable growth for decades. Today, our focus is on keeping it strong and adaptive as the world around us evolves. Risk is essential to that evolution—not something to minimize but something to harness as a trusted business enabler: helping to accelerate innovation, acting on opportunities, and strengthening our ability to adapt.

Maintaining ethics in how we work

Our Code of Conduct establishes a baseline of fairness, respect, and accountability that our employees, customers, and partners count on. It reflects the core values that have guided us for decades and serves as the foundation of our culture. Central to these values are shared principles that help teams make the right decisions and feel confident doing so.

That's where The Mastercard Way comes in— our framework built on the pillars of creating value, moving fast, and growing together. These behaviours propel our business and help us navigate uncertainty and stay aligned across our global operations. For example, during periods of geopolitical unrest, our teams leaned on The Mastercard Way to mitigate risk while maintaining business agility—collaborating closely across functions to assess impacts, protect our people and assets, and ensure continuity. This shared approach helps us prioritize both resilience and innovation, even amid complexity.

This mindset is deeply integrated into how we operate. Every employee, from interns to senior executives, is evaluated not only on what they accomplish but on how they go about it—living The Mastercard Way. This approach, which is embedded into the performance review system, has helped us build a culture of accountability and integrity, recognized globally for ten consecutive years as one of Ethisphere's World's Most Ethical Companies.

Designing a risk function with intention

At the outset, I devoted considerable time to listening to colleagues, benchmarking industry best practices, and drawing from my experience across five technology companies in multiple business and risk leadership roles. These insights, including adopting clean three lines of defense to reinforce ownership and accountability, simplifying procedures, and bringing automated tools to drive efficiencies, further helped me shape the vision for the risk organisation: to be a business enabler by minimizing friction, speeding decision-making, and fostering a risk-aware business culture, all aligned with The Mastercard Way.

Building on our strong foundation, we have continued to evolve how risk is managed at Mastercard, ensuring our practices remain forward-looking and adaptive to a rapidly changing environment. We've created a dedicated team and function to support the business as it pursues opportunities aligned with Mastercard's growth strategy. By partnering proactively to spot emerging risks, developing timely mitigation plans with clear accountability, and closely tracking progress—we support the business to move quickly and confidently, knowing risks are cared for by capable business leaders and without compromising our compliance obligations or values.

This values-based approach is reflected in how our teams show up outside the office as well. In 2024, our risk team dedicated an impressive number of volunteer hours—an achievement that reflects not a mandate, but our shared sense of responsibility and care. Volunteerism deepens our connection to the communities we serve and reinforces that integrity isn't just a value we espouse; it's something we live by alongside the broader Mastercard family.

Looking ahead in navigating risk

In a world marked by constant disruption and uncertainty, risk leadership is not just about protecting the business—it's about empowering it. Looking ahead, our mission is to continue to proactively identify and manage emerging risks, act decisively, and build resilience that fuels innovation and growth. By aligning closely with the business and operating with both rigor and agility, we'll help the organisation navigate complexity and move forward with confidence in an unpredictable world.

To prepare our teams, we invest in learning and development that builds the risk skills and mindsets needed to meet tomorrow's challenges and ensure our risk teams can be the best partners to our business teams. Through the launch of our Risk Learning Platform and Risk Excellence Development Program this year, we're equipping employees with hands-on experiences enabling them to build future-ready risk capabilities. These programs are designed to build well-rounded, forward-looking leaders who can navigate complexity while staying grounded in our values.

As we look to the future, trust remains our most valuable asset—an enduring foundation upon which every risk taken and every opportunity pursued is built. Our commitment to ethical leadership and principled decision-making is not just a reflection of who we are today, but a promise for tomorrow. By embedding trust at the core of our risk leadership, governance, and culture, we equip our organisation to navigate uncertainty with clarity, resilience, and purpose. This dedication ensures that integrity is not only spoken, but lived—strengthening our bonds with customers, partners, employees, and communities we serve. In a world that will only grow more complex, this foundation will guide us forward, allowing us not just to endure, but to lead with confidence and lasting impact.

A CULTURE OF INTEGRITY AS A COMPETITIVE ADVANTAGE

Margherita Noto

Margherita Noto is the Compliance Manager at Triple Jump B.V. and is responsible for the Compliance function. The main focus of this role is on the implementation of regulations, financial crime prevention, conduct of business, ethics and integrity. Ms Noto is also a member of the Triple Jump DEI Committee which supports the organisation on aspects such as gender, diversity and inclusion with a view of facilitating organisational changes and growth. Before joining Triple Jump in 2021, Ms Noto worked in Milan and London, in private banking and regulatory compliance consultancy.

MARGHERITA NOTO

A CULTURE OF INTEGRITY AS A COMPETITIVE ADVANTAGE

This essay shows how a strong organisational culture is essential for creating a healthy and productive working environment. Such a culture is built on integrity, accountability, responsible behaviours, respect, and trust. It shapes how organisations pursue their mission and enhance their corporate values, whilst also fostering and promoting tangible ethical behaviours. In today's competitive job market, both in the Netherlands and globally, a culture of integrity is not only a foundation for ethical conduct but also a key factor in attracting and retaining talent. Companies that embrace a culture of integrity are more likely to be perceived as reputable, resilient and sustainable in the long term.

From the past

Words like integrity and ethics have their roots in the ancient world, with integrity coming from Latin and meaning "integritas" (being whole or complete, hence internally coherent and pure); and ethics coming from the Greek word "ethos" referring to agreed norms of behaviour. Continuing the reference to the past, it is interesting to note the semantic connection between the word office (as a place where a non-manual job is performed) and the Latin ufficium, explained as a duty, an obligation but also as a service, a function, an assignment. In his De officiis , Cicero tells us how executing an ufficium was understood as a moral obligation, making it impossible to perform such a duty without moral compass and without a sense of ethics. We can infer it was common sense, that working came with integrity.

To the present

Trying to define what a culture of ethics and integrity is, can be useful to better understand the context, but it is also challenging and potentially incomplete or reductive. What if we then want to establish an additional link to a culture of compliance? Are these two concepts the same? Can a culture of compliance and integrity be measured?

To start with, a general definition of a culture of integrity, would combine values and moral principles that are at the heart of actions and decision-making process within an organisation. This set of values and principles would establish, at different levels, what is right and what is wrong, or acceptable and unacceptable – would naturally impact how people behave at work, their conduct, and the interaction amongst stakeholders. A culture of compliance goes beyond having a set of good policies to adhere to applicable requirements: it is about embedding compliance in all aspects of the business, implementing measures to comply with rules in a holistic way, enabling employees to detect risks and discourage unsafe practices.

It is recognised that there cannot be one type of culture, fitting all types of sectors, organisations, or business models; however, certain characteristics could be identified as the foundation of a culture of integrity: an organisation that builds and reward qualities like:

- Reliability and dependability
- Positive productivity
- Ownership and autonomy
- Collaboration and team support

And would typically be associated with a strong commitment to ethical behaviours in the workplace and a proud sense of belonging. Ethical behaviours might be driven also by personal interests, including the promise of a reward or the fear of punishment – whilst behaviours based on integrity (as a personal aspect) go beyond people's own interests.

How to recognise a culture of integrity?

Through key elements, ranging from psychological safety and a safe speak-up culture to diversity and inclusion, cross sector engagement, and tone from and at the top, where senior management leads by example. Compliance would play a strategic role, help shift the focus from mere obligations to compliance as a matter of strategy and change facilitation. Being compliant (or simply not in breach of regulatory requirements) is not enough, and does not necessarily mean doing the right thing, especially if the rights and interests of the various stakeholders are not appropriately balanced. A truly ethical decision-making process that includes all the stakeholders perspectives can be a real challenge, given that answers are not always available in the guidelines from the regulator(s) or in social values and norms.

Psychological safety is achieved when raising concerns or reporting incidents can be made without fears of repercussions or, worse, retaliation. Freedom to speak up helps organisations become learning organisations — ones that learn from their mistakes, prevent new ones, contain costs, and build better processes through continuous improvement. Psychological safety also involves being critical, even when it means to challenge group thinking or exercise countervailing power in ordinary decision-making. This aspect is another benefit for organisations aiming to positively manage change and market challenges effectively.

Shifting the focus from internal corporate dynamics to the external benefits of a solid culture of integrity, companies are nowadays aware that their operations and decisions are open to external scrutiny and to public judgement, especially when it comes to their (positive) contributions to communities and society at large. It is often said "do the right thing even if nobody is watching you", although we know our actions (or inactions) can be questioned at any time. We also know that integrity cannot be window dressing or tick-the-box approach, it simply would not last.

A culture of integrity attracts new business opportunities, talented resources - and helps retain them. In a very competitive job market, a well-known and visible culture of integrity represents a pillar for an employer to be considered reputable, sustainable in the long term, and resilient.

What are practical examples on how a culture of integrity can be built and cultivated on an on-going basis?

- Ensuring that company-related integrity matters are regularly on the agenda of Management Board meetings
- Taking a few moments during the year to reflect on certain events, perhaps discussing ethical dilemmas, with a bottom up and inclusive approach – first as a team, and then as an organisation
- Including ethical behaviours in the performance management, reward and recognition process
- Showing consistency and continuity between the spoken values of the organisation and the perceived actions and practices
- Following up when concerns are raised and actions are expected to mitigate and address those concerns
- Offering opportunities for professional progression through a transparent process, which is inclusive and truly open to all the suitable candidates
- Including ethics and integrity as ongoing training topics
- Enforcing disciplinary measures, if needed, to ensure wrong behaviours do not get condoned
- Including integrity as a key aspect of the recruitment process, to ensure cultural fit and supports hiring the right people

Combining these elements creates a virtuous circle: virtue (the nobility of spirit) typically generates more virtue. Virtuous and ethical behaviours inspire others, set an example, and encourage sound judgement. They lead people to truly believe this is the right thing to do, because it is rewarding, it feels good, and it builds trust and autonomy. Conversely, it is equally true that the lack of integrity inevitably leads to a vicious circle, where unethical behaviours are overlooked and repeated, often resulting in additional costs, whether legal, commercial, regulatory, or reputational. A dysfunctional working environment can affect even well-intentioned employees, who could end up accepting wrong and unethical practices as a matter of fact.

Can a culture of integrity be measured? It is possible, yes, with a tailored approach and a specific matrix built having in mind the unique characteristics each company has. This matrix could, as a minimum, collect and analyse data in relation to:

- Employees' wellbeing (e.g., turnover, sickness rate, referral rate, performance score, etc.)
- Diversity and inclusion (e.g. gender pay gap, gender rate in relation to promotions, level of seniority, recruitment strategy, inclusion in big projects. A similar analysis can be conducted in relation to different nationalities, cultural background, etc.)
- Number of integrity related incidents, investigations and follow up actions
- Any relevant data collected through periodic and anonymous surveys

Certain companies are small in size and having an “Integrity or Ethics Officer” or a dedicated HR person, to come up with dilemmas or issues at an early stage before a problem arises, might be expensive and disproportionate. But this cannot be an excuse to avoid or postpone the journey towards a culture of integrity. Every organisation can find its own way to build the right framework, no matter their structure and type of business. It is a long-term process (Rome wasn’t built in a day) but it is totally worth it.

Triple Jump is a Dutch alternative investment manager that operates in the impact investing space. The company employs circa 120 employees with 39 different nationalities, working across six offices on different continents. As an impact driven fund manager, Triple Jump invests capitals from institutional clients to support people and improve lives in emerging markets, where global challenges such as poverty, inequality, climate and nature need more innovative investment approaches. Triple Jump is fully committed to promoting international ESG standards with its partners and stakeholders. A culture of integrity is fundamental to the success of its business, to manage such a diverse range of human resources and cultural backgrounds, to maintain the highest standards of ethical operations and reputation. Diversity, in its many forms (i.e. socio-cultural background, age, mindsets, thinking patterns and personalities, etc) and inclusion have a solid place in the company culture bringing different perspectives to the table, leveraging different interests and help navigate challenges and opportunities in the market. There is a robust set of policies in place, including a Code of Ethics and Conduct, a Whistleblowing Policy, an Incident Handling Policy, a DEI Policy – in addition to all those policies that are required by Triple Jump’s regulatory status. It was recently recognised as a World Class Work Place.

RECIPROCITY – FUNDAMENTAL ELEMENT FOR TRUST

Hema Lehocky

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RECIPROCITY – FUNDAMENTAL ELEMENT FOR TRUST

In today's interconnected business environment, fostering common values based on culture of integrity is a crucial aspect in the relationship a company has with its third parties, including its suppliers and customers. Many large companies publish supplier code of conduct to ensure their values permeate throughout their supply chain. However, a supplier code of conduct is not binding unless it is explicitly referenced in the commercial agreement with the third party. Consequently, commercial agreements frequently include references to the supplier code of conduct. But companies don't stop there; they also add specific clauses in the contract addressing compliance and ethics risks, commonly known as "business integrity clauses."

Business Integrity clauses typically require the counterparty to comply with all applicable laws and regulations. They commonly include references to anti-bribery, reporting conflict of interest, anti-money laundering, respect for human rights, fair-competition practices, information security standards, environmental and climate commitments, and sanctions compliance. Additionally, they outline the establishment of preventative measures, such as an ethics and compliance program and communication of the company's code of conduct to all employees and suppliers involved in the performance of the contract.

Counterparties are often required to disclose investigations into suspected violations as well as certify and warrant that no instances of non-compliance have occurred, are occurring or will occur.

In this article I will argue that overly ambitious business integrity clauses can be counterproductive and lead to a culture of distrust instead of the culture of integrity they should aim to foster.

Business integrity clauses

There is a fundamentally different approach towards drafting overall commercial agreements versus drafting business integrity clauses.

The commercial agreement is a legally binding contract that defines the rights and obligations of the parties, roles and deliverables, performance standards, payment terms and terms of business. The agreement will also address termination rights, liability in case of non-performance and dispute resolution. It essentially serves as a legal mechanism for risk transfer, i.e. it is a legally binding instrument that enables the company to shift the risk burden to its counterparty. The contract seeks to shield the company against costs due to non-performance or delays and secure the contract owner with rights to damages should the counterparty fail to meet its obligations. The approach of the legal teams will in such context centre around the

identifying and negotiating which risks they are willing to accept and the level of indemnification for direct and indirect costs due to a breach.

Business Integrity on the other hand should not – and I would even argue, cannot - be a matter of risk transfer. Instead, this is one area where efforts to further business integrity should be a mutual interest of both parties, where each benefits when the other excels. Consequently, business integrity clauses should pertain to establishing the foundation for a shared culture of integrity and both companies will benefit from supporting each other to share the risk burden.

Unfortunately, when business integrity clauses have been integrated into commercial agreement increasingly legal teams have drafted them in the same spirit, i.e. defensive tools for transferring risks.

Furthermore, a derivative of the rationale that the counterparty should comply with all applicable laws and regulations has morphed into clauses whereby a violation of law or business integrity clause constitute a breach of contract - irrespective of its relevance to the scope of the contract.

The problem is exacerbated by the practice that breach of contract and any omissions when entering the contracts are attached with liability and indemnification.

As a direct consequence, the legal teams of the two negotiating parties end up digging trenches instead of building a culture of integrity.

An example of an ambitious but counterproductive business integrity certification and indemnification can look like this:

- SUPPLIER certifies that there is no entity that owns them nor anyone in senior management, managers or employees of SUPPLIER nor any of its affiliates, are subject to sanctions-related restrictive measures by a relevant authority nor is YY or any of its affiliates subject of any sanctions, bribery or money laundering proceedings, investigation, formal notice or administrative sanction.
- SUPPLIER indemnifies and protects CUSTOMER from liability for all costs, losses, claims or damages, or indirect or consequential losses, arising out of SUPPLIER's or its related parties' breach of any obligations under the Agreement, CUSTOMER's Code of Conduct (that may be updated from time to time at the discretion of CUSTOMER) or applicable law or otherwise due to SUPPLIER or its affiliates' actions and hold CUSTOMER harmless in case of omissions.

When a company imposes stringent business integrity certifications and indemnifications, it creates an environment of suspicion and caution. The counterparty, feeling the weight of these demands, may become overly cautious and defensive, fearing the repercussions of any potential misstep. This defensive posture can lead to a lack of open communication and collaboration, as the counterparty may be more focused on protecting itself from liability rather than working together to uphold shared values.

Moreover, the counterparty may perceive these clauses as a lack of trust from

the imposing company, which can damage the relationship and hinder the development of a genuine culture of integrity. Instead of viewing business integrity as a mutual commitment, the counterparty might see it as a one-sided imposition, leading to resentment and reluctance to fully engage in the integrity initiatives.

Upholding business integrity should not be viewed as a legal risk transfer mechanism but instead a mutual commitment to fostering an integrity culture. Therefore, business integrity clauses should not be integrated in their entirety into the commercial agreement. Instead, they should be framed in a way that promotes collaboration, trust, and shared responsibility, ensuring that both parties are equally invested in maintaining high ethical standards.

Importance of reciprocity

The key to a solution to the problem described above is reciprocity. If the business integrity clause is mutual, it will encourage both parties to be more empathetic to each other's ability to fulfil the requirements.

As a good example of a reciprocal contract clause, ICC recently published the updated Anti-Corruption contract clause. The clause provides parties with a contractual provision that reminds each party that a culture of integrity must be a continuous effort for all involved parties.

The ICC Anti-Corruption Clause is a voluntary contractual provision that companies can include in their commercial agreements to reassure each other of their commitment to upholding integrity. It recognizes that integrity is a continuous effort and reflects the expectations for the pre-contractual period as well as during the term of the contract and thereafter.

Companies can opt to reference the clause and the ICC Anti-Corruption rules, or insert the entire text of the ICC Anti-Corruption clause as an appendix or use the text of the clause as basis to describe an anti-corruption program. Alternatively, the parties may opt to use the spirit of the ICC Anti-Corruption clause as part of a broader business integrity section in which other compliance and conduct risks are integrated.

The ICC Anti-Corruption clause clearly defines the expected preventive measures (anti-corruption program) and serves the benefit of enabling both parties to clearly signal their commitment to combatting corruption. By incorporating the ICC Anti-corruption rules or equivalent description of an anti- corruption program the parties can align on what measures must be in place to foster a culture of integrity and instill mutual trust.

Fundamentally, the ICC Anti-Corruption clause provides the foundation for both

parties to:

- Assure each other that no employees or representatives or supplier of either of the parties have engaged in any corrupt practices in connection with the contract.
- Affirm that they will take reasonable steps to ensure compliance, including by their respective third parties, through establishment of an adequate compliance program (outlined in the ICC Rules on combatting corruption).
- Declare that they have no conflicts of interest with respect to the execution of the contract and that they will inform the other party if a conflict arises during the execution of the contract.
- Agree the procedures and consequences in case of a breach (termination rights).

Effect on culture of integrity

Integrity is not a switch that can be flipped on and off within the confines of a commercial agreement. Sincere efforts to promote business integrity requires a holistic mindset and continuous active engagement from all employees and related parties to recognize red flags and act accordingly. Ethical dilemmas are an inherent part of doing business, and it is not always easy for employees to know the right course of action. Therefore, we must encourage employees to seek guidance when in doubt and discuss ethical dilemma, without fear of retribution. This culture of openness and support should extend to the company's third parties as well.

Business integrity clauses in commercial agreements that impose liability send the wrong message to everyone involved in the contract negotiation and performance. Instead of fostering trust, they create an atmosphere of suspicion and defensiveness. Reciprocity is the key to building a culture of integrity based on mutual trust and shared values. By working together and supporting each other, companies can create a business environment where integrity thrives.

SHAPING A CULTURE OF ORGANISATIONAL INTEGRITY

Alain Hoekstra

Alain Hoekstra (1971) studied Public Administration and obtained his PhD at Erasmus University. He has 25 years of experience in developing, implementing, monitoring and evaluating integrity policies and programs. In addition, he develops integrity training courses and tools and gives courses and workshops for professionals. As an integrity expert he conducts and publishes research, but also writes practical guides and brochures. The integration of knowledge and experiences in the field of policy, practice and science is typical of his background and approach. Based on his experience and enthusiasm for the theme of integrity and a well-founded but sufficiently pragmatic approach, he supports and advises organisations in improving their integrity systems.

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ALAIN HOEKSTRA

SHAPING A CULTURE OF ORGANISATIONAL INTEGRITY

In today's rapidly changing world, the values that guide behaviour within organisations are more important than ever. A culture of integrity prevents organisations from integrity violations, costly investigations, internal commotion, and reputational damages. More importantly, integrity violations can endanger the safety and well-being of employees, citizens, stakeholders, or even of society as a whole. From another – more positive point of view – there is strong evidence that organisational integrity contributes to economic growth, social well-being and stability, and organisational success. Moreover, in organisations with a strong culture of integrity employees are more motivated and experience less stress, which also results in less absenteeism. Yet another benefit is that ethical organisations are more attractive to employees, which makes it easier for those organisations to recruit qualified personnel. In short, the 'business case' for a culture of integrity is strong and convincing.

This article highlights the importance of a culture of organisational integrity. It offers a critical reflection on the unclarity and attractiveness of the term culture, which makes it susceptible to conceal and postpone necessary actions to improve organisational integrity. Additionally, it argues that one-time and stand-alone initiatives to foster a culture of integrity are hardly effective. Instead, repetition and integration are considered important conditions in this regard.

Critical reflection: tempting and treacherous

In today's business environment, the importance of a culture of organisational integrity is widely acknowledged. At the same time there is still much unclarity about what the term 'culture' actually means and entails. This seems to increase the attractiveness, but also the misuse of the word culture. It is a typical hurray term, no one dares to be critical of. The term (organisational) culture almost works like a 'black hole': it pulls, and possess the ability to absorb and hide things. As such, it is sometimes conveniently misused by organisations to delicately indicate what they do not want. In this way, culture has become an antonym for rules, procedures, and systems. The implementation of a comprehensive set of formal integrity rules, procedures and control systems is costly, time-consuming, and may (unwantedly) interfere with everyday organisational goals and operations. To avoid such inconveniences, organisation leaders may passionately argue that integrity is a matter of culture which cannot simply be regulated, enforced or managed by formal rules. However plausible this may sound; it is not a correct assumption as I will explain later on. But more importantly, when formal measures are rejected without providing clarity about what a culture of integrity actually entails, and what it takes to foster such a culture, it seems that the argument is used to conceal a

lack of ambition to promote organisational integrity. Similarly, when leadership – for instance after an integrity violation – doesn't know how to respond, or prefers to park or forget about the issue, culture is an obliging concept. After all, when they state that the ethical culture has to change, everyone will understand that this requires patience and that quick fixes are not to be expected. In short, the use of the term culture as an applause machine, antonym, and parking place may be appealing, but should be avoided. It may help to conceal and postpone necessary actions to improve organisational integrity, but this is certainly not a sensible and future-proof strategy.

Necessary conditions: repetition and integration

How to foster a culture of organisational integrity is for sure 'the million-dollar question': very important but also difficult to answer. Without having the pretention to solve this conundrum, I like to highlight two conditions for improving an organisation's integrity culture. In their attempts to foster a culture of integrity, organisations often do not get much further than well-intentioned but rather incidental and isolated initiatives. In general, such one-time and stand-alone initiatives are hardly effective. Instead, repetition and integration are important conditions for improving an organisation's integrity culture.

Instilling the values and norms that reflect the organisation's wanted culture in the hearts and minds of its members requires regular attention and repetition. Communicating the importance of integrity and what this entails in terms of behaviour, should be repeated on different occasions and in different ways. Onboarding sessions for new employees, codes of conduct, staff meetings, internal newsletters, performance reviews, dilemma sessions, employee surveys, workshops and online courses are some examples in this regard. Regular attention underlines the importance of integrity, helps to embed it in the organisational culture, and prevents employees from becoming complacent or forgetting its value.

A growing body of research indicates that integrity management requires an integrated approach (Hoekstra, 2022; Maesschalck et al., 2024). Similarly, shaping a culture of integrity requires implementing a diverse yet integrated set of integrity measures and interventions (Hoekstra et al., 2017). With some imagination, the computer and its core components (hardware, software and operating system) can be used as a metaphor to distinguish between three types of integrity measures. Each type plays a distinctive and irreplaceable role in advancing a culture of integrity. Next a short description and some examples for each type of measures.

Integrity software measures

These measures are specifically aimed to positively influence the integrity culture and behaviour within the organisation. These measures focus on the internalization of values that represent the pursued organisational culture. Developing a code of conduct, offering introductory courses, and organizing dilemma training sessions are examples in this regard. In addition, ethical leadership programs are important. Leaders and managers must have a clear understanding of the desired organisational values and standards, propagate the importance of integrity and, of course, set a good example themselves.

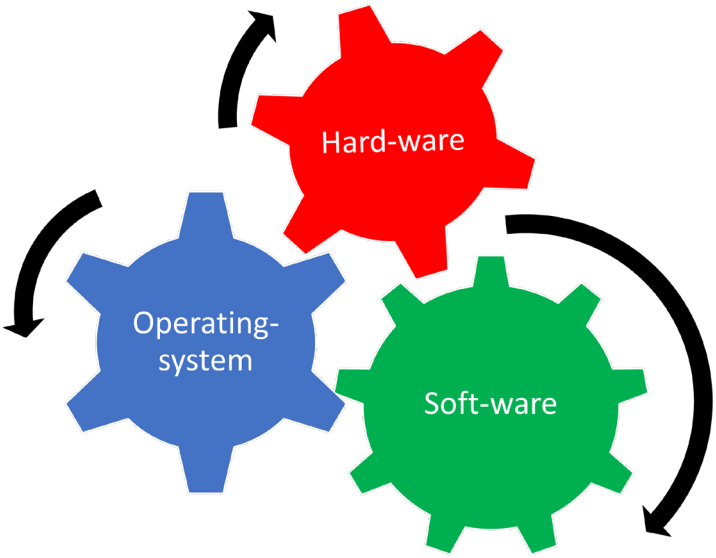
Integrity hardware measures

These measures support the culture, values and behaviour within the organisation by setting clear rules, procedures and guidelines that everyone is bound by. Compliance and enforcement contribute to the ethical culture. By consistently addressing unethical behaviour, the organisation sends the signal that integrity is taken seriously. Enforcement (re)confirms the values, norms and rules that the organisation considers important. On the other hand, neglecting integrity violations leads to more violations and undermines the ethical culture of the organisation.

Integrity operating-system measures

These measures focus on the monitoring and evaluation of integrity violations and on the improvement of integrity policies. Carrying out risk analyses and employee surveys are also methods that belong to this category. They provide insight into vulnerable processes and functions, and into the employees' perceptions of the organisational culture. This type of measures offers tools for learning, interventions and improvements in order to strengthen the organisation's integrity culture.

Shaping a Culture of Organisational Integrity: Combined and continuous approach



Conclusion

Nowadays, the importance of a culture of integrity is widely acknowledged in both public and private sector organisations. However, the unclarity and attractiveness of the term culture makes it susceptible to conceal and postpone necessary actions to improve organisational integrity.

Additionally, one-time and stand-alone initiatives to foster a culture of integrity are hardly effective. Instead, repetition and integration are considered important conditions. Communicating the importance of integrity and what this entails in terms of behaviour, should be repeated on different occasions and in different ways. Moreover, shaping a culture of integrity requires implementing a diverse yet integrated set of integrity measures and interventions. This of course involves (softer) measures that focus on raising awareness, and ethical leadership. Although it may seem less obvious, or even counterintuitive, also (harder) measures that focus on compliance and enforcement, and (processual) measures like monitoring and evaluation are required to shape a culture of organisational integrity. In sum, shaping (a culture of) organisational integrity may not come effortlessly, but the effort is well justified—the business case for integrity is both strong and compelling.

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INTEGRITY AT THE HELM: WHY TRUSTWORTHY LEADERS BUILD CULTURES THAT OUTPERFORM

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Bianca Bernecker is a leader and team & culture builder, with expertise in ethics, compliance, sustainability, HR, and learning & development. Currently at SBM Offshore, she brings more than 15 years of international experience in designing and implementing programs that empower leadership teams to foster cultures of integrity and inclusion where people feel seen, safe, and inspired to contribute their best.

Co-founder of Snapshot—a methodology that captures the essence of organisational culture through powerful images, revealing hidden patterns and stories—and former behavioural instructor for the ICC and the Compliance Academie, Bianca combines her background in corporate anthropology with a pragmatic, results-driven approach to advancing responsible leadership across all levels of an organisation. She is also a licensed Insights Discovery Practitioner, leveraging psychometric tools to foster self-awareness, strengthen collaboration, and build resilient, high-performing teams.

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INTEGRITY AT THE HELM: WHY TRUSTWORTHY LEADERS BUILD CULTURES THAT OUTPERFORM

Introduction

Stephen M.R. Covey famously described Trust as 'the glue of life', the essential force holding relationships and communication together. Yet, in today's global climate, trust is eroding. The 2025 Edelman Trust Barometer reveals that nearly 70% of respondents from 28 countries believe leaders across sectors deliberately mislead stakeholders. This unprecedented decline presents a critical challenge for organisations navigating complexity and heightened scrutiny.

Enter 'Integrity at the Helm', a powerful dynamic where trustworthy leadership cultivates psychological safety, enabling transparency, open dialogue, and ethical behaviour. This connection is not abstract theory; it underpins organisational resilience and compliance. In this essay, we will explore how embedding a culture of integrity drives psychological safety and stakeholder confidence. We will draw on fresh empirical evidence and case studies to show why restoring trust through integrity is a strategic imperative and how leaders can actively cultivate a culture of integrity.

Understanding the Integrity Effect

Integrity, according to a timeless aphorism often attributed to C.S. Lewis, is "doing the right thing even when no one is watching." True integrity arises from an intrinsic commitment. In organisations, integrity builds trust by harmonizing words and actions, creating a climate where employees feel safe to speak up, innovate, and admit mistakes without fear.

At the team level, integrity manifests through honoring commitments, transparent acknowledgment of errors, embracing diverse perspectives, and cultivating a growth mindset. Such behaviours ensure fairness, respect, and consistent standards, conditions essential for psychological safety where individuals contribute authentically, free from favoritism or retaliation.

Especially in diverse and inclusive settings, integrity demands honoring varied cultural backgrounds and communication styles, thereby deepening trust, belonging, and collaboration.

Ethical, transparent organisations outperform the S&P 500 by up to 50%, underscoring integrity's strategic value. Research correlates high-trust environments with psychological safety, enabling risk-taking and compliance adherence, as affirmed by studies and case analyses from McKinsey and Deloitte.

Thus, integrity acts as a catalyst for psychological safety, where ethical leadership creates ecosystems of trust and openness, vital for sustained organisational excellence and compliance.

Trustworthy Leadership and Psychological Safety – The Nexus

Harvard professor Amy Edmondson defines Psychological Safety as a shared belief that a team is safe for interpersonal risk-taking, where individuals can speak up, admit mistakes, and take risks without fear of humiliation or punishment. This environment enables candid dialogue essential for innovation, learning, and ethical behaviour.

Trustworthy leaders are pivotal in cultivating psychological safety. By modeling vulnerability, admitting gaps in knowledge, demonstrating a growth mindset, and consistently acting with integrity, they signal that openness is both accepted and expected. Microsoft's CEO Satya Nadella exemplifies this transformation, having successfully embedded vulnerability and a growth mindset across the company, which markedly improved collaboration, innovation, and psychological safety.

Amy Edmondson's research in healthcare contrasts teams led by punitive managers with those led by empathetic, integrity-driven leaders; the latter foster environments where nurses freely report errors, directly improving patient outcomes. Similarly, recent research from China's multi-hospital study (2023) found that leaders perceived as ethical role models significantly increased moral identification and reduced misconduct among staff.

Japan's MS&AD Insurance Group institutionalized psychological safety through mutual understanding programs, explicit role clarity, learning from mistakes, formal speak-up channels, and flattening hierarchical barriers, leading to enhanced ethical discourse and innovation.

Collectively, these global cases affirm that psychologically safe workplaces nurtured through integrity-driven leadership promote transparency, ethical conduct, and sustainable organisational success.

Impact of Psychological Safety on Compliance and Ethical Behaviour

The 2023 Titan submersible implosion, which resulted in five fatalities during a Titanic wreck expedition, starkly illustrates how lapses in integrity, ethics, and compliance devastate psychological safety. The U.S. Coast Guard's 2025 Marine Board of Investigation exposed a "toxic workplace culture" at OceanGate, where employees were discouraged and even penalized for raising safety concerns. This culture obliterated transparency and silenced critical voices, undermining the psychological safety necessary for honest reporting of risks. Design flaws in the

Titan's carbon-fiber hull were ignored despite prior warning signs, reflecting ethical and compliance failures in risk assessment and engineering oversight. OceanGate's absence of robust whistleblower mechanisms exacerbated these issues, allowing systemic hazards to go unchallenged. This case underscores that without integrity-driven leadership fostering open communication and accountability, compliance breaks down, endangering lives and organisational viability, and trust. The Titan tragedy is a compelling example of how eroding psychological safety and ethical culture imperil safety-critical operations.

The recent resurgence of a shareholder-centric governance model, at the expense of a broader stakeholder approach, has significantly undermined ethics, integrity, psychological safety, and organisational trust, inflicting profound damage on profitability, reputation, and public trust.

The Boeing 737 MAX crisis epitomizes this dynamic. Published reports reveal Boeing's shift from engineering excellence to profit maximization and aggressive cost-cutting prioritized shareholder returns over safety imperatives, contributing to fatal design flaws and suppressed whistleblowing. The resulting two crashes killed 346 people and triggered over $20 billion in direct costs, regulatory penalties, and lost orders, alongside catastrophic reputational damage and leadership upheaval.

Similarly, Johnson & Johnson's opioid litigation exposed how profit-driven strategies compromised ethical risk management and transparency, eroding trust among patients, regulators, and investors, culminating in multi-billion-dollar settlements and ongoing scrutiny.

In Germany, Wirecard AG's accounting scandal starkly illustrates how intense shareholder pressure fostered unethical financial manipulations, culminating in insolvency, criminal investigations, and massive investor losses.

Tech leaders such as Facebook (Meta) and Palantir have faced regulatory backlash and eroded user trust after prioritizing shareholder value above social responsibility, damaging brand equity, and inviting sustained public criticism.

These case studies challenge the doctrine of shareholder primacy, showing how short-term profit focus profoundly undermines psychological safety and openness, essential prerequisites for ethical compliance and sustainable growth.

There is an urgent imperative to embrace governance models grounded in integrity and inclusivity, restoring trust, enabling speaking-up cultures, and safeguarding long-term stakeholder value across complex ecosystems.

For leaders, this trend signals the need to recalibrate toward inclusive, integrity-based governance models and ethical transparency that restore trust, encourage speaking up, and protect long-term value across stakeholder ecosystems.

How Leaders Cultivate a Culture of Integrity

Leaders are cultural architects. Sustaining integrity-driven cultures starts with leadership awareness, of oneself, of others, and of the broader cultural context. Leaders who cultivate this awareness and act with integrity become catalysts for positive change, creating workplaces where people feel respected, valued, and empowered to do the right thing.

Cultivating a culture of Integrity begins with inclusion and genuine care. To build such a culture, organisations must equip their leaders with tools and self-awareness to lead with integrity.

Through coaching, reverse mentoring, peer consultation, 360 feedback, and assessments leaders can examine their decision-making styles, role-modeling, and biases. These insights enable leaders to adapt their approach to foster inclusion and psychological safety—deepening their understanding of the culture they shape and its ripple effect across the organisation.

Building on this foundation, leaders can practice creative listening and inclusive engagement. Anonymous idea boards, employee panels – designed to organize countervailing power, multi-stakeholder dialogue, and reflective team check-ins invite diverse voices and signal that every perspective matters.

In today's fast-changing business landscape, vulnerability is a strength. When leaders move from needing to have all the answers to inviting collective intelligence, they build trust. Sharing personal learning moments and encouraging others to do the same fosters psychological safety, reflection, and growth.

To empower teams, leaders can offer ownership with intention—inviting employees to lead initiatives shaped by their insights and co-create solutions, rotating facilitators, and celebrating cultural moments foster belonging and psychological safety.

To reinforce values, leaders can actively recognize and reward behaviours that embody inclusion and integrity. Recognizing those who uplift others, speak up, or go the extra mile not only affirms their actions—it also highlights powerful stories that inspire others.

Lead with heart. When people feel genuinely cared for, they care more deeply in return. Safety and inclusion flourish when creativity meets consistency, and when leaders dare to be human.

Finally, aligning values with systems embeds integrity across the organisation. The values should be reflected in onboarding, feedback mechanisms, leadership development, performance management, and rewards. Tracking progress through pulse checks, storytelling, and informal chats —not just metrics—helps make culture lived, not just stated.

A good example in recent years is Unilever. Under Paul Polman's leadership (2009–2019), Unilever radically prioritized a culture of integrity and long-term sustainability, fostering psychological safety that drove productivity, innovation, collaboration, profitability, and brand equity. Polman eliminated quarterly earnings guidance to discourage short-termism and emphasized stakeholder alignment by selecting investors who shared Unilever's ethical and sustainable mission. This strategic shift created an environment where employees felt empowered to innovate and speak openly without fear.

The culture that Polman nurtured enhanced collaborative innovation, producing purpose-driven brands that resonated with consumers and drove loyalty. By embedding psychological safety through values-driven leadership and transparent accountability, Unilever bolstered employee engagement and organisational resilience, safeguarding brand reputation in an increasingly socially conscious market. Polman proved that sustained ethical leadership is a strategic catalyst for lasting competitive advantage, innovation, and market trust.

Conclusion

In an increasingly complex and risk-laden world, embracing the Integrity Effect is not optional, it is the strategic imperative for leaders committed to building psychologically safe, high-performing organisations.

When leaders embody and enforce integrity, they cultivate psychological safety, an environment where transparency, open communication, and ethical behaviour thrive. This, in turn, enables timely reporting of misconduct, mitigates risks, and fosters a culture of continuous improvement essential for sustainable performance.

Psychological safety emerges directly from consistent ethical leadership and transparent practices; and the failure to embed these values leads to catastrophic operational and reputational consequences.

The question is urgent and clear: How will you champion integrity-driven leadership today to safeguard your organisations' future trust and resilience?

A CULTURE OF INTEGRITY AT SIEMENS: ETHICS IN PRACTICE

Ferenc van Beek

Ferenc van Beek is Regional Compliance Officer for the Netherlands and the Nordics at Siemens. In this role, he supports business units in navigating regulatory frameworks and embedding compliance into daily operations. His focus areas include export control, data privacy, ethical leadership, and responsible business conduct, with a strong emphasis on local implementation aligned with global standards. Ferenc works closely with cross-country teams in The Netherlands, Denmark, Sweden, Norway, Finland and the Baltics to identify risks, promote transparency, and foster a culture of integrity. His approach combines strategic insight with practical guidance, enabling teams to act responsibly in complex environments.

FERENC VAN BEEK

A CULTURE OF INTEGRITY AT SIEMENS: ETHICS IN PRACTICE

Integrity at Siemens is not a marketing slogan, but a lived organisational value. The company's journey towards embedding a culture of integrity has been shaped by both internal reflection and external scrutiny, resulting in a robust framework that places Ethics at the center of decision-making. This contribution displays how Siemens has strengthened its ethical culture by the evolving role of its Business Conduct Guidelines (BCG), the practical impact of the Siemens Integrity Initiative, with a focus on recent project examples, and the role of Ethics within the Siemens DEGREE framework.

Ethics and the Business Conduct Guidelines: from rules to principles

The Siemens Business Conduct Guidelines (siemens.com/bcg) have long served as the foundation for ethical behaviour across the company. In recent years, Siemens has deliberately elevated the prominence of its ethical principles within the BCG. This shift reflects a recognition that compliance alone is insufficient; employees must be empowered to make ethical choices, even in situations where the rules are ambiguous or silent.

The latest BCG revision places greater emphasis on core ethical values—such as honesty, fairness, respect, and responsibility—encouraging open discussion of ethical dilemmas and fostering a climate where concerns can be raised without fear of retaliation. This approach is supported by regular training, leadership engagement, and transparent reporting mechanisms, all designed to ensure that Ethics is not an abstract concept but a practical guide for daily conduct.

The Siemens Integrity Initiative: supporting integrity worldwide

Siemens' commitment to integrity extends beyond its own operations. The Siemens Integrity Initiative provides funding and support for projects around the world that promote fair market conditions and combat corruption. Rather than focusing solely on Siemens' interests, the Initiative seeks to strengthen the broader business environment through collective action and capacity building.

Recent Project Examples

- Global Integrity Education (GIE): In partnership with the United Nations Office on Drugs and Crime (UNODC), Siemens has supported the development of educational resources and training programs aimed at fostering a culture of integrity among young professionals and future business leaders. The GIE project has reached participants in multiple countries, equipping them with practical tools to identify and address ethical risks in their careers.

- Strengthening private sector capacity in the Arab region : Siemens has funded initiatives to enhance anti-corruption compliance and integrity standards among private sector organisations in Arab countries. These projects focus on training, policy development, and the creation of local networks to share best practices and support ethical business conduct.
- Public-Private Partnerships for probity in public procurement : Recognizing the risks associated with public procurement, Siemens has supported projects that bring together government agencies and private companies to improve transparency, accountability, and fairness in procurement processes. These partnerships have resulted in the development of new tools for monitoring tenders and resolving alerts about suspected bribery or unfair practices.
- Collective Action in Colombia: Siemens has contributed to initiatives that foster collaboration between business and government to prevent corruption in Colombia. These efforts include the creation of integrity pacts, training for public officials, and the establishment of mechanisms for reporting and addressing misconduct.

These examples illustrate Siemens' commitment to supporting systemic change, rather than simply promoting its own reputation. The Integrity Initiative's annual reports provide further details on project outcomes and lessons learned, reflecting a willingness to share both successes and challenges with the wider community.

Ethics in the DEGREE framework

Siemens' sustainability strategy is articulated through the DEGREE framework, which encompasses Decarbonization, Ethics, Governance, Resource efficiency, Equity, and Employability. The inclusion of Ethics as a core pillar signals that ethical behaviour is not a peripheral concern, but integral to the company's long-term vision.

Within DEGREE, Ethics is operationalized through ongoing training, transparent reporting, and continuous improvement. Employees are encouraged to reflect on the ethical dimensions of their work, and to consider the broader impact of their decisions on society and the environment. This holistic approach recognizes that integrity is essential not only for compliance, but for building trust with stakeholders and contributing to sustainable development.

Challenges and ongoing efforts

While Siemens has made significant progress, the journey towards a fully embedded culture of integrity is ongoing. The company continues to face challenges, including the need to adapt to evolving risks, maintain vigilance in new markets, and ensure that ethical principles are consistently applied across diverse cultural contexts.

Siemens addresses these challenges through regular review of its policies, engagement with external partners, and a commitment to transparency. The company's participation in industry-wide initiatives reflects a recognition that integrity cannot be achieved in isolation.

Conclusion

Siemens' approach to integrity is grounded in a clear set of ethical principles, a commitment to transparency, and a willingness to support systemic change beyond its own operations. By strengthening the role of Ethics in the BCG, investing in global projects through the Siemens Integrity Initiative, and embedding Ethics within the DEGREE framework, Siemens seeks to foster a culture where doing the right thing is both expected and enabled.

This journey is not without its challenges, and Siemens does not claim to have all the answers. However, by sharing experiences, supporting collective action, and maintaining a focus on continuous improvement, Siemens aims to contribute meaningfully to the global effort to promote integrity in business: **siemens.com/integrity**

LEADING WITH INTEGRITY IN ANTI-CORRUPTION EFFORTS

Jean-Pierre Mean

Jean-Pierre Méan has held various positions in international business in Switzerland, Canada and the United Kingdom as corporate lawyer and Compliance Officer. He established the Compliance Office at the European Bank for Development and Reconstruction (EBRD) in London and has chaired Transparency International in Switzerland.

He has participated in the elaboration of the Anti-Bribery Management Systems Standard ISO 37001:2016 and has lead its quinquennial review which was completed in 2025 with the re-edition of the standard as ISO 37001:2025. He also led the edition of a Handbook on ISO 37001 published by ISO and UNIDO and is currently leading its second edition.

He has participated as an expert in ISO 37001 accreditation for the German accreditation body (DAkkS) and is frequently conducting evaluations and audits of anti-bribery management systems. He has published extensively and is a frequent speaker on anti-corruption in international fora.

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JEAN-PIERRE MEAN

LEADING WITH INTEGRITY IN ANTI-CORRUPTION EFFORTS

Over the course of several generations, the general attitude towards corruption has shifted dramatically. At the end of the last century, the prevailing view in the wealthy countries of the North, was that bribing one's way to lucrative contracts was the normal way of doing business in many, if not most, countries of the South. However, such practices were frowned upon in the bribe-paying countries themselves, even if not entirely absent.

Bribes were not recorded as such but rather as expenses, often labelled as commissions incurred to obtain or retain business. As such, these payments were tax deductible. Hypocrisy was running high, and no one was unaware of what was happening yet everybody chose to look the other way. Potentates in countries rich in natural resources or engaged in large infrastructure projects took advantage of their position to secure compensation ranging, in most cases, from 5 to up to 25% of the project's total value. These payments were funnelled through obscure offshore companies created solely to conceal the identity of their ultimate beneficiaries.

This attitude started to be challenged toward the end of the 20th century, initially in the United States and then under the aegis of the OECD. It was agreed that countries should prohibit not only the bribery of their own public officials but also the bribery of foreign officials by their citizens or companies. This shift coincided with the rise of compliance, a relatively new governance framework with a focus on ensuring adherence to legal and regulatory frameworks, including the new approach against transnational corruption. As part of this evolution, organisations began appointing Compliance Officers, a function entirely new in most countries outside of the United States, to the point that one of the first hurdles in the implementation of compliance programs was to find an appropriate translation for the term "compliance" in other languages.

Compliance derives from the verb to comply, which means adhering to a requirement, i.e. a rule, law or regulation imposed by an external authority. Ensuring compliance is relatively straightforward when the consequences of non-compliance are visible and potentially immediate, like non stopping at a traffic light. However, it becomes far more complex when individuals are confronted with a scenario in which immediate and substantial financial gain is possible, while the risk of facing consequences for non-compliance appears remote or unlikely to happen. This is often the case when bribery is used as a means to secure business. Bribery is a covert activity conducted away from public scrutiny and under the disguise of sham agreements crafted and managed by highly paid professionals specialized in this field. None of the actors involved have an incentive to break the seal of confidentiality that surround such arrangements.

However, relying solely on compliance has turned out to be insufficient to fight corruption. It soon became clear that - in addition to or instead of external pressure or enforcement - what was needed was the internal, autonomous acceptance of rules of conduct by those to whom they apply. When individuals perceive these rules not merely as imposed norms but as values, they become part of a shared way of life or culture.

In the context of anti-corruption efforts, these values fall under the concept of integrity as it implies wholeness and by extension, incorruptibility.

The first step in fostering a culture of integrity to fight corruption in an organisation is making a clear commitment to reject any form of corruption whether by or involving third parties, directly or through intermediaries, in the public or private sectors. This commitment, often referred to as the "tone from the top", must be championed and actively promoted by the highest level of the organisation. It cannot be limited to lip service; it must carry the weight of authenticity and be recognized as such through the corresponding "echo from the bottom". Employees are highly sensitive to insincerity and will be easily inclined to dismiss the initiative as superficial if they sense a lack of sincerity, undermining the entire effort.

The tone from the top must be reinforced through consistent communication about the culture of integrity across all organisational communication channels including dedicated channels created for that specific purpose. This communication should be continuous and illustrative, highlighting the behaviours, values and objectives embedded in the integrity culture. It should also provide clear information about the procedures stablished to uphold the culture of integrity as well as the broader management framework implemented to support it.

Personnel management must support the culture of integrity. This begins in the recruitment process which should assess whether candidates' values and attitudes align with the organisation's cultural expectations. The remuneration policy may also need to be adjusted, particularly regarding variable compensation, to ensure that personnel is not only evaluated on its financial performance but also on how the performance is achieved.

New hires should be introduced to the core principles of the integrity culture soon after taking their positions. Beyond that, all personnel need to be trained to understand the importance of integrity in relation to their position and responsibilities as well as those of their business unit. This training must be regularly updated and reinforced.

Secrecy has no place in a culture of integrity which instead demands openness and transparency. This requires fostering a speak-up culture where personnel feel comfortable raising concerns that may conflict with the organisation's culture of integrity. Management must be willing to listen and discuss such concerns seriously. Effective and secure channels must be available to report particularly sensitive issues (whistleblowing) and for seeking guidance from a trusted individual without fear of any form of retaliation or reprisal. These channels must be operated with strict confidentiality to protect those who report and those who are the subjects of reports. Where preferred, individuals should also have the option to communicate anonymously.

To maintain the credibility of the culture of integrity, violations must be properly investigated and sanctioned. To reinforce learning, it is helpful to publicize cases while ensuring anonymity regarding individuals and locations. A time lapse between the conclusion of an investigation and its publication is recommended unless the case has already entered the public domain. Positive examples should also be highlighted. Achievements and initiatives supporting the culture should also be encouraged and publicly recognized.

The culture of integrity to fight corruption may be integrated in a wider corporate culture applicable to the entire organisation. The components described above also apply to such situations except for the commitment to combat bribery that needs to be replaced by another commitment or commitments as appropriate.

Implementing a culture of integrity requires adapting the organisation's management system to its risk exposure, structure and operational context. This can be done to a limited extent by adding tasks to functions such as human resources, legal, internal audit, communications, if available, but it is also necessary to invest in dedicated resources to develop and oversee the integrity system. While this may result in short-term financial costs, the medium- and long-term benefits often outweigh them; some non-financial gains and measurable improvements in performance include:

- Enhanced reputation and increased trust, leading to stronger customer loyalty.
- Greater investor confidence and improved stakeholder relationships.
- Higher employee morale, resulting in increased productivity, easier talent attraction and lower personnel turnover.
- Targeted risk management leading to effective risk mitigation.

In the context of anti-corruption efforts, a strong culture of integrity is also a way to evidence, subject to the appreciation of the prosecution authorities, the organisation's commitment to prevent bribery. This may help reduce or eliminate the organisation's exposure to corporate criminal liability.

INTEGRITY THAT SHAPES CULTURES: TURNING VALUES INTO BEHAVIOURS

Camila Fossati

Camila Fossati is a strategic and inclusive HR leader with over 18 years of international experience across Europe, Asia, and Latin America. With deep expertise in organisational culture, leadership development, and strategic talent management, she has held senior roles at companies such as Braskem, Makro, Suzano, and Gerdau.

Throughout her career, Camila has led transformative initiatives that drove cultural change, enhanced organisational effectiveness, and fostered inclusive, high-performing work environments. She is known for aligning HR strategy with institutional values, navigating complex governance, and translating compliance into practical, people-centered solutions. Her leadership is grounded in empathy, data-driven decision-making, and a strong commitment to integrity and diversity. Passionate about creating meaningful change, she continues to inspire teams and organisations to thrive through trust, transparency, and continuous learning.

CAMILA FOSSATI

INTEGRITY THAT SHAPES CULTURES: TURNING VALUES INTO BEHAVIOURS

Integrity goes beyond compliance – It is the lived alignment between what we say and what we do. It's the courage to act consistently, even when no one is watching — especially then.

In today's increasingly transparent and demanding corporate landscape, integrity has evolved from a moral aspiration into a strategic asset. Research by Ethisphere Institute shows that companies recognized for ethical leadership (such as those on the annual World's Most Ethical Companies list) consistently outperform their peers. In its 2025 report, Ethisphere found that these companies outpaced a comparable global index by 7,8% over five years, a phenomenon known as Ethics Premium. This performance is driven by investments in culture, transparency and community impact – all of which build trust and reduce risk. It builds lasting trust and strengthens reputations. But it doesn't arise from inspiring speeches or posters on the wall; it emerges from daily decisions, reinforced by a strong culture and leaders who embody the organisation's principles in every action.

Organisational Culture: The Foundation Where Integrity Grows

Culture is the fertile ground in which integrity can either flourish or fade. When ethical values are truly embedded in daily routines, integrity becomes the standard, not the exception. This requires deliberate effort and, above all, consistency between declared values and actual behaviour.

Behaviour is what truly shapes culture, and leadership plays a central role in this process. Communicating values is important but living them visibly and consistently is what gives them credibility. When employees witness difficult decisions being made in alignment with ethical principles, even under pressure, trust strengthens, and culture solidifies.

Values must be more than decorative slogans. They need to show up in strategic decisions, difficult conversations, and everyday choices. This alignment between intention, communication, and behaviour is what turns values into a living culture, and integrity into a daily habit.

Ethical Leadership: The Example That Shapes Culture

Culture begins to take shape in the small actions and omissions of the leadership. It is in everyday decisions and uncomfortable conversations that integrity is most clearly revealed.

It's not the bold statements, but consistent examples that define what is acceptable, encouraged, or tolerated. Through their actions, leaders establish the behavioural compass of the organisation. That's why investing in the development of ethical and conscious leadership is not just a moral imperative: it's a strategic decision.

Leaders must be equipped to navigate real dilemmas, make tough decisions, and uphold the organisation's values even under pressure. Organisational integrity is built on personal integrity, and the influence of leadership echoes throughout the culture.

HR and Compliance: A Strategic Alliance for Ethical Cultures

While governance structures vary — and some organisations may also have dedicated Ethics Departments or independent Ethics Offices — HR and Compliance often form a particularly powerful alliance in cultivating resilient, values-driven cultures. With their distinct yet complementary perspectives on people and principles, they are more than control agents: they are enablers of environments where integrity becomes a daily practice.

Together, they can embed ethics into every stage of the employee journey, from recruitment to succession planning. They can design learning experiences grounded in real-life dilemmas that foster critical thinking and responsible autonomy. They can also strengthen listening channels and create safe spaces for open dialogue and trust-building.

To move integrity from aspiration to practice, structured mechanisms are essential, not only for addressing concerns but also for fostering awareness and prevention as positive stimulants:

- Psychologically safe listening channels, where concerns (including ethical dilemmas) can be raised without fear of retaliation. Depending on the company's governance model, these may include helplines, ombudspersons, ethics portals, or direct access to trusted leaders.
- Recognition of ethical behaviour, reinforcing actions aligned with values.
- A feedback culture, where mistakes become opportunities for learning.
- Ethics dashboards and indicators, enabling evidence-based decisions.
- Ethical mapping of the employee journey, identifying risks and reinforcing cultural strengths.

These mechanisms not only support transparency and accountability but also help build a culture where integrity is proactively cultivated through education, dialogue, and early intervention.

Respect Is Non-Negotiable: The Braskem Case

As a leader in the chemical and petrochemical industry, Braskem operates in a high-risk environment where safety is not just a value; it's a fundamental condition for operations. The principle that "Safety is non-negotiable" has long been embedded in the company's DNA, ensuring that every employee returns home as they arrived.

In 2022, this mindset expanded with the launch of the "Respect Is Non-Negotiable" program, a cultural pillar centered on inclusion, respect, and integrity. The initiative was grounded in the belief that true safety is bound together with mutual respect, and that integrity must be consistently demonstrated across all relationships and levels of the organisation.

The program strategically aligned HR and Compliance efforts, driving initiatives such as dialogue circles with affinity groups, ethics training based on real-life dilemmas, and the strengthening of the Ethics Line as a trusted channel for accountability. The willingness to address sensitive issues and make difficult, sometimes unpopular decisions (including holding individuals accountable for misaligned behaviour) was key to proving that the commitment to respect and integrity was real.

The results were significant. In just two years, Braskem saw a 26% increase in employee survey scores related to respect, inclusion, and belonging. More than a statistical gain, this reflected tangible improvements in employee experience. Qualitative data pointed to greater sense of psychological safety, fewer discriminatory incidents, and increased trust in leadership to navigate ethical challenges. Employees reported feeling more comfortable expressing their opinions and participating in discussions, regardless of identity or position.

Additionally, there was a 22% increase in qualified use of the Ethics Line, with more contextualized, well-founded reports. This shift reflected not only greater trust in the system, but also a step forward in the organisation's ethical maturity, with employees more aware of their rights, responsibilities, and the active role they play in shaping a respectful workplace.

These outcomes were not the result of isolated actions, but of a sustained, collective effort. The program demonstrated that integrity is built through listening, courage, and consistency; and that when respect is truly lived, it transforms culture and strengthens the organisation from within.

Integrity Begins with Courage and Grows with Consistency

Integrity starts with the courage to ask uncomfortable questions, to challenge contradictions, and to act in alignment with values — even when it means stepping out of the comfort zone. It grows stronger when these actions are welcomed, thoughtfully reflected upon, and translated into consistent decisions. More than a declared value, integrity is a strategic and daily choice, lived by individuals, modeled by leaders, and amplified by cultures that don't just talk about values, but demonstrate them in every decision, process, and relationship.

In a world where trust is increasingly rare, organisations that practice integrity with courage and consistency don't just stand out — they set the standards. Because in the end, a company's reputation is shaped not by what it claims, but by the choices it makes when no one is watching.

KEY ELEMENTS OF AN EFFECTIVE INTEGRATED COMPLIANCE SYSTEM

Gennaro Mallardo

Gennaro Mallardo is currently Head of Business Integrity Compliance and Secretary of the Supervisory Body at Eni S.p.A., where he is responsible for the prevention of compliance risks, with a particular focus on anti-corruption, anti-money laundering, corporate liability and human rights.

Within Eni, he has also provided legal support to the downstream operational units engaged in the logistics, and sale of fuel, gas and electricity assisting in both judicial and extrajudicial matters in the civil and administrative law fields.

Previously, he gained substantial experience in antitrust and regulatory matters through a long-standing collaboration with the law firm Cleary, Gottlieb, Steen & Hamilton.

He holds a Law Degree and a Ph.D. in Public Services Law from the University of Pisa and earned an LL.M. from the University of Chicago, with a focus on antitrust and the law of regulated industries.

GENNARO MALLARDO

KEY ELEMENTS OF AN EFFECTIVE INTEGRATED COMPLIANCE SYSTEM

Compliance as a foundation for building a culture of integrity

Compliance refers to the set of rules, procedures, and practices that enable an organisation to meet legal and regulatory requirements. In a corporate setting, it ensures that the company avoids legal penalties, reputational harm, and financial losses by adhering to formal obligations.

However, compliance alone does not equate to ethical behaviour. While it represents the minimum standard for lawful operation, ethics goes further, guiding individuals to do what is right, even in the absence of explicit rules. In addition: there are always new phenomena and developments for which there is often no law yet. Sometimes you have to take a position as a company anyway (based on your mission and values). At Eni for example we decided to adopt a policy on the elimination of violence and harassment in the world of work even before Italy ratified the ILO Violence and Harassment Convention, 2019 (No. 190).

In this sense, compliance is not an end in itself but a starting point: it lays the groundwork for a culture where rules are integrated with values. The goal is to evolve from a system based solely on control to one rooted in shared responsibility and integrity.

From this perspective, compliance represents the foundation upon which a solid ethical culture can be built within an organisation. Through control systems, codes of conduct, and transparent procedures, compliance creates an environment where correct behaviours are recognized and encouraged. It is precisely from this regulated and aware foundation that an authentic ethical culture can grow, one in which values are not only declared, but lived daily at every level of the organisation.

The key elements of an effective integrated compliance system

For an ethical culture to truly take root and translate into tangible behaviours, the first essential step is to establish a robust and integrated compliance system. Building such a system is no easy task: it demands a structured and cross-functional approach and the agility to adapt to an ever-evolving regulatory and operational landscape.

Let us now explore the key components that define an effective and operationally sound compliance system.

One of the core elements of an integrated compliance framework is the adoption of shared methodologies and operational solutions for the design of models and controls. This approach ensures consistency across all compliance areas and helps prevent a fragmented, siloed structure.

The compliance program does not have to be a "paper program", and it shouldn't be a mere declaration of intent. The compliance program must be an integral part of the culture of each person who works in and for society. For this reason, equally important is fostering a strong compliance culture across all corporate levels. The compliance function plays a key role by maintaining open dialogue with business units, identifying training needs, and promoting targeted communication initiatives. Training and communication should be structured in phases: developing a scalable training model, planning activities, monitoring implementation and participation, and identifying follow-up actions. The training model should address different levels of depth - basic, advanced, and ultra-advanced - based on roles and risk exposure and be supported by HR in identifying target audiences. Effectiveness is measured through indicators such as participation rates, training completion, and satisfaction levels. Insights from these evaluations inform improvements to training content and delivery.

Ultimately, a strong compliance culture, supported by structured monitoring and performance evaluation, ensures that compliance becomes an integral part of the company's values and operations.

A practical experience: the Anti-Corruption Compliance Program of Eni S.p.A.

A concrete example of how these principles are put into operational practice is Eni's Anti-Corruption Compliance Program ("Compliance Program"), a robust system of rules and controls designed to prevent corruption and money laundering within Eni S.p.A. and its subsidiaries.

The actual Compliance Program, as currently set, has been designed and developed since 2009, and it is rooted in the current national and supranational regulations concerning corruption and money laundering, and, within Eni, is embodied, from a regulatory point of view, in an Anti-Corruption Policy as well as in other detailed regulatory instruments which constitute the reference framework for identifying activities at risk and the control instruments that Eni makes available to its people to prevent and combat the risk of corruption and money laundering.

Moreover, the Compliance Program is built on the fundamental values expressed in the Eni[1] Code of Ethics, such as integrity, protection of human rights, transparency, promotion of sustainable development, operational excellence, innovation, and collaboration.

[1] Eni is a global energy company engaged in the exploration, development and extraction of natural gas and oil, power generation from traditional and renewable sources, refining and chemicals. Sustainability goals permeate the business at every level.

The Compliance Program, in line with the main relevant guidance, best practices, and ISO Standards 37301 and 37001, is composed of the following main elements:

- **Top Level Commitment**: The approval of the Anti-Corruption Policy by Eni SpA's Board of Directors demonstrates senior management's commitment to the Compliance Program and adherence to anti-corruption and anti-money laundering laws.
- **Risk Assessment**: The Compliance Program follows a risk-based approach, with a structured process to identify, assess, and monitor corruption and money laundering risks. Specific regulatory instruments and control measures are applied to each risk-prone activity and are regularly updated.
- **Principles, Procedures, and Controls**: Eni has defined ethical principles, procedures, and controls to prevent corruption and money laundering in identified risk areas. These align with the Code of Ethics, Model 231, and other anti-corruption instruments.
- **Anti-Corruption and AML Compliance Function**: A dedicated function has been established with appropriate authority, independence, and resources. It is part of the Integrated Compliance Function and reports directly to the CEO.
- **Due Diligence and Contractual Safeguards**: Eni conducts pre-engagement risk based due diligence and includes specific integrity clauses in contracts to mitigate third-party risks.

In 2023, Eni established the Integrity Due Diligence Competence Center ("Competence Center") within the Integrated Compliance Department, with the objective of enhancing the efficiency and effectiveness of its anti-corruption and anti-money laundering due diligence processes.

The Competence Center is responsible for conducting due diligence checks on counterparties, providing operational support to Eni's departments and subsidiaries, ensuring robust management of the due diligence process, and fostering synergies through a cross-functional approach on controls implemented across the organisation. Specifically, the Competence Center leverages a digital platform, "DD4Eni", powered by IT systems and artificial intelligence, which enables employees to manage the entire process end-to-end, automating controls and workflows in full alignment with internal regulations.

- **Training and Communication**: For an effective implementation of the Anti-Corruption Compliance Program, it is essential that the rules established by it are adequately communicated to personnel through messaging, training and periodic updating activities.

Mandatory training and awareness programs are provided to Eni personnel and to third parties, based on risk. In particular, Eni defines a training program that includes online courses (e-learning) with possible tests to verify understanding and classroom learning events. Training is delivered in different formats and on a regular basis, based on the role and risk exposure of Eni employees. To make the training experience more engaging and practical, an interactive format based on practical cases with multiple choice questions and on dynamics of the game, is used to test the level of understanding of the topics covered and stimulate classroom discussion on issues of interest to the reality being trained.

- **Reporting of Violations and Remedies**: Confidential channels are in place for reporting violations, with protections for whistleblowers and sanctions for misconduct.
- **Monitoring and Continuous Improvement**: The Compliance Program is subject to periodic second and third-level monitoring and it is regularly reviewed to ensure effectiveness and alignment with evolving laws and best practices. Through the periodic monitoring, the Compliance has been able for instance to change and optimize the internal flows for the anticorruption due diligence process and the training formats. According to our experience, the monitoring is a very powerful tool for the compliance to assess and measure the level of awareness in the company.

Moreover, the Compliance Program is not only a clear example of how core principles are translated into operational practice, but today, at Eni, it also serves as a model and source of inspiration for emerging areas of compliance, such as human rights.

This new area was formally recognized at Eni in 2023 and has been integrated into the company's methodological and governance framework. This development reflects a broader regulatory shift in recent years, moving away from soft law toward binding human rights regulations.

Human rights compliance exemplifies how a mature compliance function can extend its reach, applying its core principles - such as risk-based approaches, monitoring, training, and accountability - to new and complex areas.

The integration of anti-corruption and human rights compliance is not only strategic but also practical: it enhances the overall effectiveness of the system and fosters a corporate culture grounded in integrity, accountability, and respect for individuals. In this sense, compliance is no longer merely a set of rules to follow, but a driver of sustainable change, guiding the company toward more ethical and responsible management.

ETHICS AND VALUES AT THE CENTRE OF RISK LEADERSHIP

Hermoine Manuel

Hermoine Manuel serves as a member of the Senior Management Team at Damen Shipyards Cape Town, where she holds the position of Manager: QHSSE and Compliance, and also fulfils the role of Manager: Projects and Proposals, ad interim. With over 18 years of experience in the maritime industry, Hermoine has held various leadership roles across Quality, Occupational Health and Safety, and Environmental Management, with a strong focus on ISO standards 9001, 14001, and 45001. She holds a background in Industrial Engineering and is a graduate of the Postgraduate Diploma in Executive Maritime Management from the World Maritime University (WMU) in Sweden.

Hermoine serves as a Board Member of WISTA South Africa and sits on the Advisory Board of The African Forum for Responsible Inventions and Innovation (TAFRII). Additionally, she co-chairs the Environmental Committee of WISTA International, which promotes initiatives on sustainability and maritime decarbonisation through knowledge-sharing and awareness campaigns. She is also a member of South Africa's Task Force for the GEF-UNDP-IMO Global Partnership for the Mitigation of Underwater Noise from Shipping (GloNoise).

Phiwe Ngcobo

Phiwe Ngcobo serves as the Legal, Risk & Compliance Executive at AMSOL, accountable for contracting, legal advisory, insurance, risk management and the Safety, Health, Environment & Quality function in the business. She is an admitted attorney of the High Court of South Africa and holds an LL.B (2012) and an LL.M in Maritime Law (2013) from the University of KwaZulu-Natal, as well as an M.Sc. in Maritime Law and Policy (2014) from the World Maritime University, Sweden where she was a full scholarship recipient.

Prior to joining AMSOL in 2020 as Legal Advisor, she worked at Sandock Austral (previously SA Shipyards) as Legal & Compliance Officer, and at Cox Yeats Attorneys where she completed her articles and was appointed Associate in the Marine, Insurance & International Trade Team. At AMSOL, she progressed from Legal Advisor to Legal, Risk & Insurance Manager, and was subsequently promoted to her current role as Legal, Risk & Compliance Executive. She also served as Company Secretary for the AMSOL group companies prior thereto. She is a member of the Maritime Law Association of South Africa.

HERMOINE MANUEL, PHIWE NGCOBO

ETHICS AND VALUES AT THE CENTRE OF RISK LEADERSHIP

Many organisations that operate within the maritime sector, both locally and internationally, are subjected to a plethora of stringent standards and regulations by mere virtue of the safety of their people, operations and the environment. Therefore, one is prone to believe that in a heavily regulated sector, there is sufficient protection against risks. Yet history tells a different story. From oil spills to crew-change crises to vessel operational failures, the events that erode trust are rarely the result of a missing law or regulation but sometimes stem from decisions taken in the grey zones where regulations are silent, fragmented, or in conflict with one another.

It is here that an organisation's primary ethics and values begin to emerge as the true compass of risk leadership and management. They guide choices that cannot always be referred to compliance manuals and they anchor legitimacy in the eyes of an organisation's stakeholders. The maritime sector, operating in complex jurisdictions with diverse crews, time-sensitive ship building and repair, and environmentally sensitive waters, is an industry where the law is necessary but at times not sufficient. Ethics and values provide the consistency that transforms risk management from loss avoidance into trust building.

Ethics as the Compass of Risk Leadership

It's impossible for any organisation to operate without facing any risks whether they are in the form of financial, environmental, socio economic, human or technological concerns. Therefore, at its core, risk leadership and management must go beyond protecting against financial or operational loss and reinforce legitimacy. This becomes critical, where an organisation is a high performer and pressures mount.

Integrity, accountability, and transparency act as the steady bearings that enable leaders to navigate uncertainty. In maritime, where vessels are built for different operations, registered under different flags, carry multinational crews and travel across jurisdictions with varying enforcement, ethical leadership provides a common denominator by creating trust between the various stakeholders i.e. shipowners, crew, regulators etc.

The COVID-19 disruptions in early 2020 highlighted the delicate balance between commercial obligations and ethical responsibility in maritime operations. Amid lockdowns, shipowners faced the challenge of meeting contracts while safeguarding crews. Shipyards had to find ways to continue their newbuilds while adhering to social distance protocols. While some deferred responsibility or imposed forced leave, others absorbed costs to repatriate seafarers, support mental health, and uphold fair contracts. These actions went beyond compliance,

demonstrating ethical leadership under pressure. The reputational value of such decisions endures, reminding us that trust is built not in boardrooms, but in moments of crisis...

Another example is a company's choice to disclose safety incidents or pollution breaches. In terms of ISO 14001, the International Convention for the Protection of Pollution from Ships (MARPOL) and the International Safety Management Code (ISM), shipyards and shipowners are obliged to report pollution incidents or establish reporting systems that ensure that accidents and hazardous situations are recorded, investigated and managed through mitigating measures. However, despite this legal duty, it is not always implemented across jurisdictions, with some opting for non-disclosure or silence. It is under such circumstances where the presence of ethical leadership is crucial as it limits the possibility of such a culture being established. Ethical leadership does not view transparency as a cost, but as a duty that preserves trust, protects seafarers and strengthens the company's credibility in the eyes of its employees, clients, regulators, Flag, Classification Societies, H&M and P&I insurers and underwriters and the public.

When ethics guide decision-making, we observed how risk leadership shifts from reactive to proactive compliance. Ethics are quite literally, the compass when the charts run out.

Sustainability as a Culture Influencer

South Africa's maritime sustainability efforts are shaping cultural identity, strengthening community resilience, and guiding economic strategy. With over 2,800 km of coastline and access to three oceans, the maritime sector serves as both a cultural foundation and a key driver of national growth

As a proud maritime nation, South Africa has an objective of regaining its seat at the IMO Council. It's active participation in IMO sessions and technical discussions, such as those on Underwater Radiated Noise (URN) mitigation, underlines its commitment to global maritime standards and sustainability.

When nations demonstrate commitment to maritime sustainability, it inspires organisations to explore their own contributions and accelerate the adoption of innovative solutions. We see that organisations are increasingly mindful of their environmental impact in vessel design and construction, (e.g., quieter propulsion to help address URN), while shipowners are actively pursuing solutions to address unsustainable fleet operations. When an organisation commits to sustainability, it inspires employees to adopt more responsible habits, creating a ripple effect from policy to practice.

Irene et al. (2024) conducted research which shows that individuals are more likely to adopt environmentally responsible behaviours when these align with their community's shared values and identity. It therefore follows that an organisation's values, when in alignment with the greater good beyond the doors of the building, could create a sense of community which enables sustainable practices on an individual level.

Another example is that of the efforts to protect underwater and coastal heritage—such as shipwrecks and traditional fishing practices—which highlight the deep cultural ties to the ocean and the need for inclusive governance.

South Africa's maritime sustainability efforts reflect a growing alignment between environmental responsibility, cultural preservation, and ethical leadership. From its strategic engagement at the IMO to innovations in vessel design and community-driven conservation, the country is demonstrating how sustainability can be embedded across sectors and scales. When national policy, organisational values, and individual behaviours come together, they create a culture of accountability and resilience.

Governance and Leadership Integrity

Governance is often seen as the technical backbone of compliance within a company. It is here that we often witness a company ensuring full compliance with regulations pertaining to corporate, employment, environmental and governance regulations. However, governance must go beyond procedure to reflect lived ethics—companies should demonstrate how these values are actively applied in practice, especially in the maritime sector where cross-jurisdictional risks demand resilient leadership.

South Africa's maritime governance rests on a dual foundation comprised of both domestic legislation and international conventions. Domestically, laws such as the Merchant Shipping Act (1951, as amended), the Marine Pollution (Prevention of Pollution from Ships) Acts, the National Ports Act (2005), and the Carriage of Goods by Sea Act provide the statutory framework. Oversight is anchored in the South African Maritime Safety Authority (SAMSA) Act (1998), which establishes SAMSA as the regulator, which is responsible for safety, seaworthiness and protection of the marine environment. More recently, the Marine Pollution Prevention Amendment Bill (MPPPSA) has sought to give domestic legal force to MARPOL Annexes IV and VI, therefore expanding South Africa's compliance to cover sewage and air emissions from ships. Together, these measures illustrate a governance system that blends statutory rules with international obligations.

Internationally, conventions such as MARPOL and the ISM Code impose duties that speak directly to leadership integrity. These codes require accidents, non-conformities and hazardous situations to be reported, investigated and analyzed by a shipowner. and show that disclosure is not a matter of convenience but a legal duty. Yet the true test of governance integrity is not in statutes but in conduct. For instance, a company that complies with MARPOL while concealing near misses or downplaying safety risks undermines trust. By contrast, one that goes beyond compliance by actively disclosing incidents and investing in environmental safeguards despite the cost thereof demonstrates that ethics remain at the centre of leadership's decision-making process. This mirrors the principle set out in South Africa's King IV Code, where the "apply and explain" standard required organisations not only adopt policies to show that they are compliant but to also live by them.

With the introduction of King V, South Africa's corporate governance framework is set to evolve further. Building on King IV's "apply and explain" principle, King V places ethical culture at the forefront of governance outcomes—alongside performance, conformance, and legitimacy—emphasizing that governance is only effective when guided by ethics. It also acknowledges emerging technologies like AI, expanding the principle of information governance to include data protection and cybersecurity. From the Maersk cyberattack to the rise of digital oversight tools, King V highlights that resilience depends not only on technology but on transparent, ethical leadership. Without this, governance risks becoming a checklist rather than a cultural foundation.

Ultimately, governance in the South African maritime sector is strongest when law, technology and ethics converge. Leadership integrity is decisive as senior managers set the standard not through what they publish but through what they embody, and trust is created when compliance is lived rather than proclaimed. The journey, however, is not a fixed destination but a process of continuous improvement. To stay future-ready, companies must strengthen governance with systems that ensure meaningful sustainability oversight, rooted in strong values and a positive corporate culture.

Conclusion

Ethics and values are not an optional layer on top of risk management; they are its centre of gravity. They turn risk leadership into trust-building, transform sustainability into strategy and exemplify governance with integrity. In a sector as facetted as that of maritime, this alignment is a necessity.

The true question for leaders in this sector is therefore not only: "Are we compliant?" but rather, "Will our decisions be judged as ethical when the rules fall silent?". In the end, it is ethics and values, not regulations alone, that provide the bearings for risk leadership in uncertain moments.

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THE ROLE OF INTEGRITY IN THE LEADER TO GUARANTEE THE PSYCHOLOGICAL SAFETY

Sonia Garcia Navasquillo

Sonia Garcia Navasquillo, legal & compliance specialist, mediator and inter-cultural coach, based in the Netherlands (owner of Bridges to Solutions). LL.M in International Business Law, she obtained her Diploma Programme in Customs and Supply Chain Compliance at Rotterdam School of Management in 2019 and in 2022 she qualified as compliance professional at the International Compliance Association in Governance, Risk and Compliance. She is since 2024 an appointed mediator for Latin- America at the Singapore International Mediation Centre (SIMC) and she obtained her iPEC coach diploma in March 2025.

Sonia is dynamic, entrepreneurial with a constructive state of mind and she realizes how important it is to inspire organisations and leaders to build bridges, stay compliant and look at business as opportunities, knowing that the best asset of a company are the employees. She believes that values, ethics and principles are fundamental elements to influence Corporate Governance towards a more sustainable world.

Sonia's most important values are integrity, honesty, trust, humor and perseverance. Her personal brand (Bridges to Solutions) aims to integrate compliance, mediation and coaching to promote ethical behaviour, improve communication, resolve conflicts and support individuals or organisations in complying with legal, international and local standards and personal development of the employees. At Bridges to Solutions, I help organisations to navigate the complex world of ethics, compliance and conflict resolution as well as to build trust within the culture and values of an organisation. From designing practical compliance systems to delivering expert mediation and personalized coaching, I turn challenges into growth opportunities — for both the business and the people-- to transform setbacks into sustainable success.

Gabriela Gutierrez

Gabriela is an experienced Ethics & Compliance leader and currently serves as Group Head of Ethics & Compliance at VEON, a multinational telecom company headquartered in the Netherlands. She oversees the global Ethics & Compliance program, including Investigations and Anti-Money Laundering (AML). With over 20 years in banking, mining, extractives, and technology, she is known for building practical, risk-based compliance programs that support sustainable business operations. Gabriela has held leadership roles in Chile and the Netherlands, bringing a strong global perspective to her work. Her expertise spans anti-corruption, third-party risk, AML, M&A due diligence, and compliance training — particularly in high-risk, fast-evolving markets. She has held senior roles at Just Eat Takeaway.com, BHP, Deutsche Bank, and Citibank. She is a Certified Public Accountant and Auditor, holds master's degrees in business law and Humanities from Universidad Adolfo Ibáñez in Chile, and has completed executive programs at George Washington University and Yale School of Management. Gabriela sees ethics and compliance as enablers of sound decision-making and long-term resilience. As co-founder of EthicaHub, she wholeheartedly promotes ethical leadership and supports future leaders who want to drive meaningful, integrity-led change.

SONIA NAVASQUILLO, GABRIELA GUTIERREZ

THE ROLE OF INTEGRITY IN THE LEADER TO GUARANTEE THE PSYCHOLOGICAL SAFETY

There is a direct and meaningful connection between a leader who values integrity and the level of psychological safety experienced in the workplace. Leaders who consistently demonstrate integrity play a crucial role in fostering this safety by creating a stable, transparent, and trustworthy environment. In such settings, individuals feel secure enough to speak up, take interpersonal risks, admit mistakes, and collaborate authentically without fear of judgment or retaliation.

Integrity plays a crucial role in ensuring psychological safety in the workplace, which directly influences employee engagement, retention, and productivity. Without integrity, psychological safety risks can become superficial - or even manipulative -, where people are encouraged to speak up but face retaliation for doing so. In those cases, trust is broken, and safety evaporates. Psychological safety is not about comfort, it's about courage. And courage flourishes only where integrity is the soil. By anchoring safety in principled actions and values, leaders and teams can create workplaces where honesty, innovation, and trust can truly thrive.

Harvard professor Amy Edmondson defines psychological safety as a team climate in which individuals feel safe to take interpersonal risks. This includes speaking up with ideas, asking questions, admitting mistakes, or expressing concerns—without fear of embarrassment, punishment, or retribution. In such an environment, team members are more likely to engage honestly, contribute fully, and collaborate openly, knowing that their input will be respected rather than penalized.

Integrity as a Core Leadership Value

When leaders act with integrity, they align their actions with their values, principles, and moral convictions. For leaders, this means being honest, transparent, and ethical indecision-making. This is where a leader connects organisational goals with employee well-being and broader social responsibility of the organisation.

Leaders may be tempted to compromise values for expediency or self-interest. That's why integrity requires courage—the willingness to make difficult choices and to stand alone, if necessary, for what is right.

The cost of implementing integrity

In the corporate world, although it may not always seem so, acting with integrity is not always the most profitable option. In some cases, it can mean losing contracts, forgoing business opportunities, and even causing conflict among decision-makers within the organisation. However, there are moments when speaking up becomes a pivotal turning point in an organisation's culture.

Leaders must be self-aware of thei core values and ensure that their actions consistently reflect those values. When things don't go as planned and mistakes are made, transparency is the best approach. Communicating actions or decisions when a leader is wrong and accept the accountability is a way to encourage others to do the same thing.

Listening to employees—their concerns and needs—is a key step toward building trust. This is leading by example, and the model leaders expect employees to follow. When employees see a leader demonstrate humility and take responsibility, they are more likely to feel safe speaking up without fear of retaliation.

It requires significant time, careful thought, and reflection, but it is ultimately worthwhile to identify an approach that is both realistic and feasible for the organisation.

Why integrity contributes to psychological safety

Argument 1: Integrity Builds Trust, the Foundation of Psychological Safety

Trust is a core dimension of psychological safety . When team members perceive their leader as honest, principled, and dependable, they are more likely to voice concerns, share ideas, and take interpersonal risks without fear of embarrassment or punishment. This foundation of trust empowers open communication and stronger collaboration.

One of the most effective ways leaders build this trust is by modelling vulnerability and accountability. When a leader openly admits mistakes and consistently honours their commitments, they send a clear message: integrity matters. This behaviour sets the tone for the team, encouraging others to act with honesty and take responsibility without fear.

Leaders who consistently act in line with their values reinforce that sense of safety and predictability. Their integrity reduces ambiguity and creates a stable environment where people know what to expect. In such a culture, trust isn't just encouraged—it becomes a shared standard that drives both relationships and results.

Argument 2: Consistency is a cornerstone of psychological safety in the workplace.

When leaders demonstrate emotional and behavioural consistency, they create an environment that feels stable, predictable, and safe. This allows team members to anticipate responses, reducing anxiety and enabling them to take interpersonal risks, such as speaking up, admitting mistakes, or offering new ideas without fear of unpredictable backlash. In contrast, erratic or emotionally volatile leadership introduces uncertainty, which can undermine trust and foster fear. Research consistently shows that inconsistent leadership behaviours such as passive-aggressive communication or shifting expectations can significantly erode team cohesion and psychological safety.

Argument 3: Ethical Leadership Encourages Open Communication

Leaders of integrity typically practice ethical leadership which translates in promoting open communication where employees feel comfortable expressing their ideas, concerns, or mistakes without fear of retaliation. This trust leads to stronger relationships and a more cohesive team.

Open communication helps ensure that everyone is aware of organisational values and ethical standards. When leaders model ethical behaviour and invite dialogue, employees are more likely to speak up about unethical practices, report issues, and hold each other accountable, creating a culture of responsibility and integrity.

Argument 4: Values-Driven Leadership Fosters Inclusion and Psychological Safety

Psychological safety thrives in environments where inclusive behaviour is the norm, where leaders consistently show respect for all team members and affirm that every voice counts. Leaders who are guided by strong values and ethical principles are more likely to build cultures of inclusion, where diverse perspectives are not only welcomed but actively safeguarded.

This kind of leadership reduces key social threats such as exclusion, embarrassment, and shame which are among the greatest barriers to psychological safety in the workplace.

Argument 5: Predictability Reduces Cognitive Load and Anxiety

Predictability helps by Creating a sense of control and minimizing surprises which reduces stress. Predictable environments signal “no danger,” calming the amygdala (the brain’s fear center).

Leaders of integrity help reduce this psychological noise by demonstrating transparency, consistency, and steadiness in their actions. This reliability frees up cognitive capacity for innovation, teamwork, and meaningful performance. When leadership is predictable and grounded in values, fear-based vigilance decreases — creating the space necessary for safer experimentation and growth.

Final Thought

To truly measure a leader's impact, it's not enough to assess profits, KPIs, or short-term outcomes; one must also consider how freely their people speak up, challenge ideas, admit mistakes, and contribute authentically. That is the real test of integrity in action. Leaders who demonstrate integrity, act with consistency, and lead with emotional and behavioural predictability become trusted anchors within team dynamics. They cultivate environments where psychological safety is not just encouraged but embedded in the culture—where dialogue is open, fear is disarmed, and respect is practiced, not just preached.

This kind of leadership doesn't simply drive better results—it builds the foundation for long-term organisational health. It creates cultures where trust endures, collaboration deepens, and people are empowered to grow, adapt, and lead with integrity themselves. In a world that increasingly demands both ethical accountability and innovation, this is the kind of leadership that truly endures.

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I am proud to be part of a company whose values are based on integrity, respect, and responsible conduct. This also includes taking ethical considerations into account, because we must always do what's right, even when it's difficult.

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