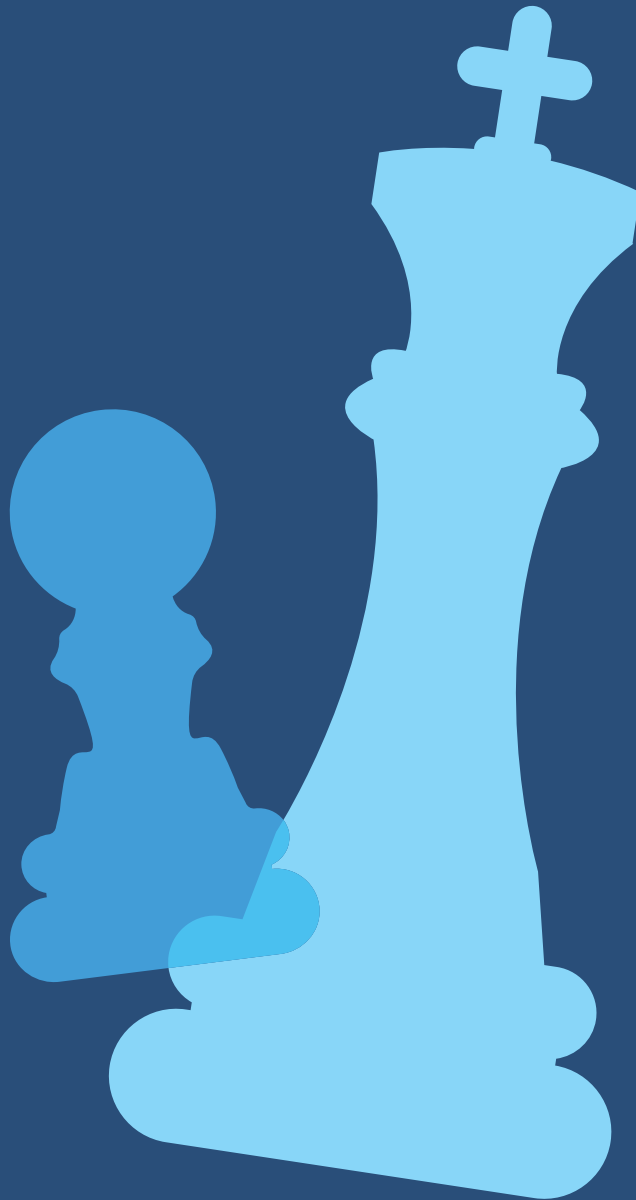




LEADERSHIP ENGAGEMENT AND ACCOUNTABILITY



This module is one of three in an
ongoing series on Ethics and Compliance

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PREFACE: THE ANTI-CORRUPTION WORKING GROUP & ITS SERIES OF COMPLIANCE MODULES

1.1. INTRODUCTION

Convened under the guidance of the Pearl Initiative, a leading organization in the Gulf dedicated to bolstering corporate governance, transparency, and accountability, the Anti-corruption working group assembles representatives from prominent companies such as **stc**, **SABIC**, **Siemens**, **Chalhoub Group**, **Tamer Group**, **Marsh**, **Crescent Petroleum**, **Dana Gas** and **CCC**.

Serving as a nexus for collaboration and dialogue, the group touches upon pivotal subjects of corporate governance and compliance. Drawing from their collective expertise, experiences, and insights, the working group dedicates itself to refining the understanding and execution of ethical business practices throughout the region's various sectors.

This 3-part series is a testament to the collaborative efforts of the following working group members:



1.2. PURPOSE

In today's business environment, a strong Ethics and Compliance program is essential for companies striving to maintain a culture of integrity internally and externally. While individual companies might have different compliance approaches, there is a consistent need for understanding the fundamental elements of these programs.

To address this, the working group has developed a series of modules that cover several elements of a compliance program, including:



Leadership Engagement and Accountability



Cultivating a Robust Speak-up Culture



Fostering an Ethical Culture through Communication

It's important to note that these guidebooks are intended to provide a very high-level overview of the subjects rather than a tailored, step-by-step approach. Nonetheless, this collection serves as a valuable resource for the entire Gulf business community, guiding businesses towards more ethical and transparent practices. Additional modules will be introduced to explore further aspects of a compliance program in the future.

02

INTRODUCTION TO THE ROLE OF LEADERSHIP ENGAGEMENT AND ACCOUNTABILITY IN ELEVATING A CULTURE OF INTEGRITY

The purpose of this document is to provide an overview of the important role that leadership plays in ensuring the success of an organization's Compliance and Ethics program. Leaders also play a pivotal role in setting the tone and fostering a culture of integrity within an organization. A culture of integrity leads to markedly reduced instances of misconduct among employees since employees tend to get their cues from their leaders and choose the right course of action. When employees work in an organization where there is meritocracy and fairness, employees will be motivated to work harder, which improves their performance, that will in turn increase productivity and thus profitability. Ethical companies not only earn public trust and safeguard their reputation but also effectively attract and retain talent. On the flip side, a lack of integrity can result in significant financial and compliance failures.

The impact of a culture of Integrity



Ref: CEB-Gartner 2015

There is an imminent risk of insufficient, inappropriate, and inadequate control if an entity's leadership does not dedicate themselves to establishing a strong tone from the top and leading by example regarding the Code of Ethics and ethical values. Acting responsibly and demonstrating ethical behavior are cornerstones of leadership commitment. A deficient and inadequate control environment can lead to infractions and violations that harm the company's image and expose it to financial costs, fines, and reputational damage.

A. Formulation of a Code

Establishing an ethical tone from the top involves more than just words; it's about formulating, disseminating, embodying, and monitoring a Code of Ethics. This foundational document spells out the ethical and behavioral benchmarks expected of everyone associated with the company. Not only does the Code of Ethics delineate the organization's core values and fundamental business principles, but it also provides a clear guideline for employees' daily operations, serving as a compass for day-to-day decision-making.

The Code needs a balance of simplicity and comprehensiveness. While it should encompass both regulatory compliance topics and ethical standards, it should be easily comprehensible, avoiding intricate jargon. This ensures that the message resonates with every tier within the organization.

The true essence of leadership is not just in their words but also their actions. Employees constantly observe leaders, and it's through leaders' adherence to the Code in their daily actions that they deduce the organization's commitment to ethics. In essence, a leader's actions speak louder than words, setting a precedent for all.

After introducing the Code, it becomes imperative for management, facilitated by the compliance and HR departments, to ensure its wide dissemination. Moreover, mechanisms should be in place to verify its reception and comprehension by every employee, through training or workshops. Emphasizing its importance, official records of Code receipt and routine annual training participation should be maintained and archived.

Any violations of the Code should have clear consequences, underscoring its significance. The Code should also offer avenues for employees to report any concerns and provide assurances against retaliation for doing so. For further information into the reporting mechanisms for concerns, the Speak-Up Culture Module offers further insights.



B. Leadership Tone and Ownership

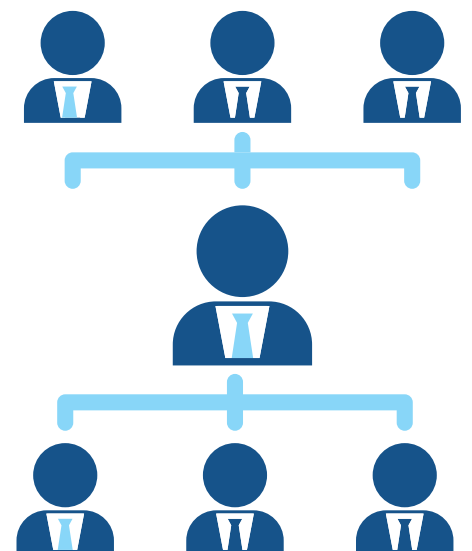
Leaders play a vital role in nurturing an organization's culture of integrity and ensuring the effectiveness of its Compliance program. If employees are to uphold high ethical standards, it's paramount for them to view their leaders as role models who lead by example. Embodying the company's code and values, leaders set a clear tone from the top. This extends beyond mere words, involving active participation in compliance activities such as training, designing internal controls, and overseeing both operational and strategic compliance undertakings.

However, the cultivation of integrity in an organization isn't solely the responsibility of its top-tier leadership. Even if senior executives are keen on promoting ethical practices, their distance from front-line employees can sometimes limit their direct impact. This is where middle management steps in. While the importance of "tone at the top" is recognized, the "tone in the middle" is equally influential. If middle managers don't exemplify a commitment to integrity, lower-level employees will notice, and this can influence their behavior and the broader organizational culture.

Thus, while senior leaders might walk the ethical talk, it's crucial to ensure that middle managers also align with these values. They play a critical role in conveying the organization's ethical expectations to the larger workforce.

Middle-level managers should be consistently visible to their teams, exemplifying the following behaviors:

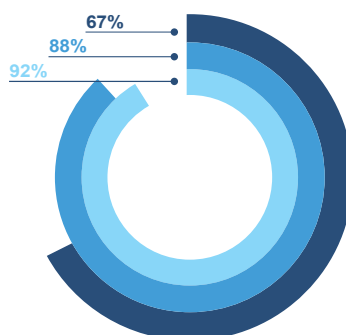
- I. Frequently discussing the ethical values and commitments of the organization.
- II. Relating these values and commitments to:
 - The tasks and responsibilities of the employee and team.
 - Specific decisions that the middle manager makes or is involved in.
- III. Identifying compliance-related issues promptly.
- IV. Seeking clarity when faced with ambiguous ethical decisions.
- V. Consistently making decisions aligned with organizational values and ethics.
- VI. Reporting any concerns about compliance or unethical actions through the designated channels.
- VII. Increasing awareness about the importance of doing work with integrity and encouraging employees to complete their ethics and compliance related training on time.



When employees perceive their immediate managers as role models of integrity, they are inclined to emulate that behavior. Compliance topics ought to be a staple in discussions, be it during weekly staff meetings, quarterly strategic gatherings, town halls, company sales conferences, or any other large employee forums. Leadership can demonstrate their commitment and engagement by consistently emphasizing the significance of ethics and compliance, initiating dialogues with teams, encouraging the sharing of integrity moments, and recognizing individuals who exemplify the company's values.

Leadership makes the difference

If employees have favorable sentiments about their leadership team acting ethically, then



Ref: Ethisphere 2019

67%

reported unethical behavior when observed

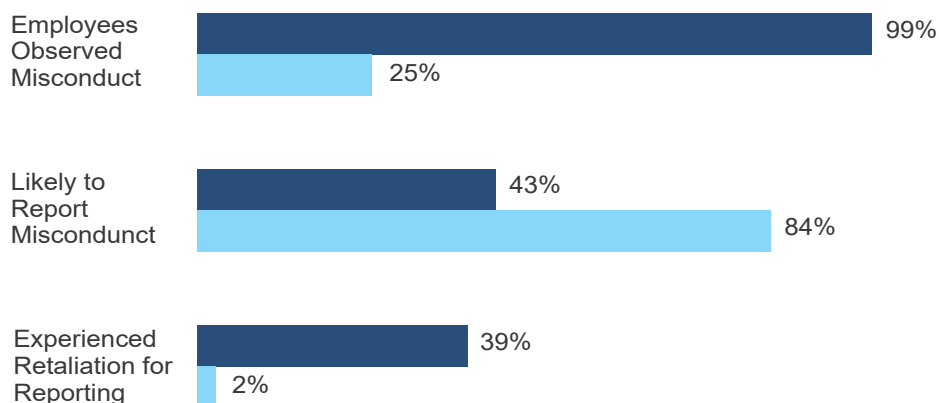
88%

believe that the company enforces its non-retaliation policy when ethical misconduct is reported

92%

believe that their supervisor would comply with the non-retaliation policy

Business Ethics Survey of 2000 employees of small, medium and large companies confirms that a strong compliance culture matters!



Weak Cultures
Strong Cultures

C. Independent Compliance Function

To ensure the effective execution and oversight of the company's Code of Ethics, the establishment of an independent, empowered, and proficient compliance function is paramount. When setting up this independent compliance function, it's imperative to consider several vital elements: the reporting hierarchy, the expertise of the staff, and the department's size. The reporting lines for the compliance function's leader must be unambiguously outlined and documented.

Although there isn't a one-size-fits-all reporting structure for compliance, structures that grant the compliance department and its head direct access to top management, leadership, or ownership are pivotal for preserving independence. It's worth noting that in the modern business landscape, reporting structures have evolved beyond just vertical lines; matrix configurations can often be more apt.

The board of directors, company owners, or even the CEO delineates the compliance department and the compliance officer's roles and duties. Working in tandem with the HR department, the requisite skills, competencies, experiences, and behavioral attributes of a compliance officer should be encapsulated in a comprehensive job description or profile.

D. Oversight of Compliance

The CEO or management's role extends beyond merely drafting a high-level Code of Ethics or designating a compliance officer. It's imperative for management to facilitate access for the compliance officer or the compliance entity to the organization's strategic levels. This integration can be realized by involving the compliance officer in key strategic management discussions, offering them a platform to overview the progress of the compliance program, and shedding light on emerging compliance challenges stemming from business dynamics, market fluctuations, and personnel matters.

An essential facet of effective governance and close monitoring of the compliance program's rollout is the establishment of a consistent management oversight forum. The makeup and frequency of these meetings might differ based on the organization's scale and complexity. It could be structured as monthly dialogues involving the CEO, CFO, and compliance officer, or perhaps quarterly discussions that engage the CEO, CFO, and upper-tier management. In the context of larger organizations, an independent Board of Directors Compliance Committee convening quarterly might be more appropriate.

To maintain a systematic watch over the program, a guiding document should be developed detailing the intervals at which compliance-related topics, prioritized by importance, will be presented by the compliance officer. This guiding document, often termed a Charter, should delineate the duties of the Compliance Committee members, the chairperson, the coordinator or secretary, and the subject matter to be discussed.

E. Monitoring of Compliance Control Environment

The cornerstone of any compliance system is risk assessment. Within this risk assessment is the foundation of the compliance control environment. This foundation enables the accurate determination of required prevention and detection control mechanisms. By linking a continuous risk assessment process with control modifications, it becomes a method to establish an agile, effective, and comprehensive compliance control environment.

Preventive measures, such as employee awareness, training, and other proactive controls, are designed to deter unwanted events or conditions from occurring. They act as the first line of defense in risk management by addressing potential risks before they occur. After preventive measures or controls are put into place, there's a need for detective controls. These controls detect deviations at the transaction or activity level. An entity can introduce multiple sets of manual controls or even a hybrid approach combining manual and automated detective controls into its operational system. This serves as an early warning or detection system. To illustrate, manual controls might be used to monitor cash payments or expenses, and to conduct spot checks on procurement-related transactions. Furthermore, performing regular spot checks on the sales offer process are examples of detective controls. These controls can be manual or automated.

While continuous risk assessment plays a foundational role in creating a comprehensive compliance control environment, it's essential that the Compliance function stays focused on real compliance risk. It should not transition into a business assurance function.

In terms of managing risks, operational teams stand as the first line of defense. Following them, the Compliance function acts as the second line, emphasizing strict adherence to all relevant regulations, policies, and procedures. Lastly, the Internal Audit team functions as the third line, ensuring that everything runs according to plan through its detection and verification processes.



F. Consequences of Violation

To maintain the effective operation of any system or program, action must be taken in a timely manner for all violations of the Code. These violations can arise from oversight, lack of knowledge, blatant negligence, or deliberate acts of non-compliance.

As mentioned previously, the compliance program requires management to establish mechanisms for detecting these deviations. This includes regular spot checks and taking remedial actions upon identifying deviations. For deliberate acts of non-compliance or blatant negligence, a specific process under the HR function should be in place for implementing disciplinary actions.

Regarding internal controls, from spot checks to comprehensive audits and investigations, responsibilities for each organizational function should be clearly defined. The complexity and comprehensiveness of the remediation and enforcement system will differ across various organizations. While internal audits and regular control testing are standard methods to identify and assess deviations, larger organizations may have dedicated internal control and investigation departments. For further information into the investigation process, the Speak-Up Culture Module offers further insights.

The process of enacting corrective actions varies. For some, it's straightforward: respective managers, coordinated with HR, issue penalties. For others, especially in larger settings: a formal management forum evaluates severe violations. Based on a thorough report, they decide not only on penalties but also on necessary remedial actions that can go beyond penalties.

G. Integration in HR Processes

In any organization, the tone from the top and all actions taken under this firm tone can only be valuable if the people hired and working in that organization embrace the organization's values and culture.

Employees must be introduced to the Code of Ethics and the ethical expectations the organization has of them right from the onboarding stage. During these onboarding sessions, a clear distinction should be made between compliance concerns and non-compliance concerns. Typically, many of the concerns raised by employees are general HR grievances rather than compliance issues. It's crucial for employees to understand the difference between the two. This will allow them to raise the appropriate concerns with the right individuals and enhance the effectiveness of the remedial process.

Furthermore, onboarding sessions can incorporate messages from the CEO and other leaders, either delivered in-person or pre-recorded, emphasizing the significance of conducting oneself with integrity. This approach ensures that new joiners grasp the importance leadership attaches to performing tasks with integrity.

To ensure that the organization hires individuals who align with its values, compliance controls related to screening must be added to the recruitment process for critical roles. This could involve thorough background checks, gathering character references, or obtaining feedback from past employers. Many organizations around the world now use psychometric tests and ethical evaluation checks in their recruitment processes, though practices vary from one organization to another.



04

PRACTICES ACROSS WORKING GROUP ORGANIZATIONS

Outlined below are key practices with regards to communications, as adopted by organizations within our anti-corruption working group.



A. Siemens

Siemens, a technology company with operations in over 180 countries, has always been at the forefront of adapting to the evolving corporate world and its regulations. Leveraging our vast experience in industry, infrastructure, transport, and healthcare, we aim to offer real value to customers by merging the real and digital worlds. This enables them to transform their industries, improving everyday life for billions. Our majority stake in Siemens Healthineers and a minority in Siemens Energy reinforces our technological leadership.

Siemens is well defined at its website link <https://www.siemens.com/global/en.html> and its compliance system on this one <https://www.siemens.com/global/en/company/about/compliance.html>

Taking the Siemens compliance system into consideration, particularly regarding the "Tone from the Top," Siemens has implemented multiple layers of controls and processes due to its significant size.

Siemens operates using a matrix structure, as well as a vertically aligned business structure. The supervisory board compliance committee of Siemens, along with each business and region having its own compliance review board and compliance committees, constitutes a standard oversight mechanism.

The global CEO, acting on behalf of the board, holds the responsibility for ethics and compliance, and he takes this ownership seriously. Each regional CEO and business CEO are similarly accountable for establishing a firm and strict tone that maintains zero tolerance for non-compliant business practices and behaviors. The compliance function maintains direct access to the CEO, and where an independent board exists, it also has access to that board.

To support leadership and accountability in compliance, Siemens has implemented a robust compliance program. The program includes policies, procedures, and guidelines that outline the company's expectations and requirements. Siemens provides regular training and awareness programs to educate employees about compliance principles, laws, and regulations relevant to their roles.

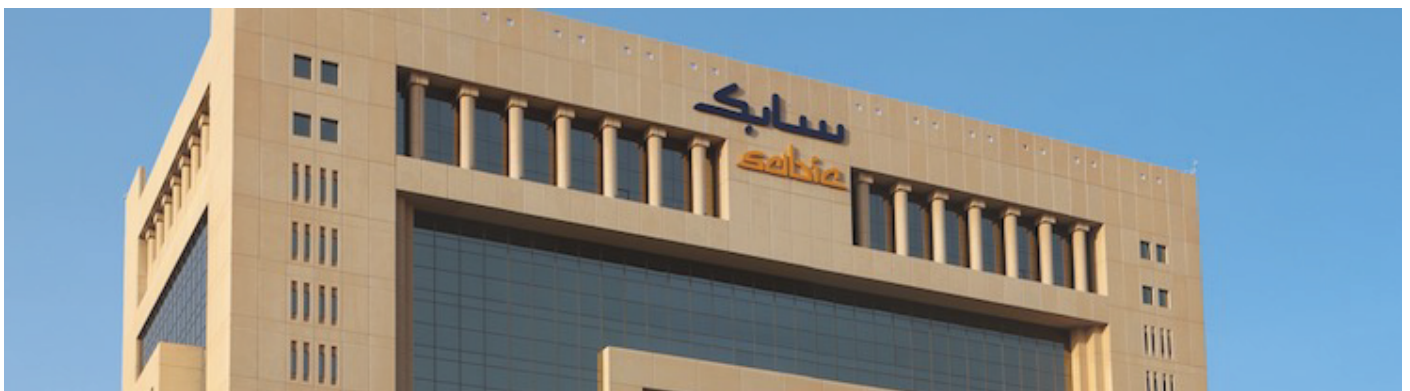
The company also establishes clear reporting mechanisms and whistleblower protection to encourage employees to report any potential violations or concerns without fear of retaliation.

Siemens recognizes that compliance is not a one-time effort but an ongoing commitment. The company conducts regular assessments and audits to monitor compliance and identify areas for improvement. Siemens also engages in continuous learning and improvement by analyzing compliance failures, conducting root cause analyses, and implementing corrective actions to prevent future occurrences.

Siemens communicates its ethical values and commitment to conducting legitimate and clean business through various channels. CEO town halls, road shows, and investor engagement meetings regularly disseminate these messages. The company employs focused communications, specific campaigns and events, and targeted sessions of integrity dialogue to demonstrate its unwavering commitment to compliance and ethical matters.

Siemens recognizes that an effective "Tone from the Top" needs to be cascaded throughout the organization. Middle managers play a crucial role in ensuring that the tone and sense of ownership are effectively communicated. Therefore, Siemens has established a process to cascade the CEO's commitment to middle managers through regular integrity moments each year.

Siemens understands that compliance goes beyond legal obligations. The company recognizes its broader responsibility to contribute to sustainable development and societal well-being. Siemens actively engages in corporate social responsibility initiatives, supporting environmental conservation, social welfare programs, and community development projects. The company's leaders are encouraged to integrate compliance and sustainability considerations into their decision-making processes. Active engagement with peers, industry leaders, academics, and the societies in which we operate allows us to explore opportunities for improving good governance practices. Our collective action projects involve investing USD 100 million worldwide to enhance our capability to counter unethical practices and improve overall market conditions for conducting clean business.



B. SABIC

Ranked among the world's largest petrochemicals manufacturers, SABIC is a public company based in Riyadh, Saudi Arabia. 70% of the company's shares are owned by Saudi Aramco, with the remaining 30% publicly traded on the Saudi stock exchange. SABIC's growth has been nothing short of miraculous. Today, the company has operations in around 50 countries with a global workforce of over 31,000 talented individuals.

The SABIC Code of Ethics lays the foundation for our Integrity Culture, central to delivering value to stakeholders like employees, customers, vendors, investors, and the communities we serve. This Code not only offers guidance on employee behavior and decision-making but also reaffirms our unwavering commitment to upholding our core beliefs globally.

In support of this, SABIC is dedicated to assisting and collaborating with employees, business partners, and the community on any compliance matters. To facilitate this, we've made our Compliance helpline accessible for all stakeholders to voice concerns. Annually, we conduct a survey to gauge the employee perspective on our compliance culture. Additionally, we've set up compliance platforms for leadership reporting and further emphasize our commitment to the culture of compliance. A specialized content hub, supplied by our legal team, is available in the portal for middle management and compliance helpline leaders, enhancing conversations with employees. These compliance helpline leaders offer yet another layer of support. And to ensure this ethos permeates every level, we expect all managers to engage their teams in regular discussions on these topics.



C. CCC

Consolidated Contractors Company (CCC) has always been at the forefront of excellence and integrity in the fields of construction, engineering, procurement, development, and investment. With a rich legacy of delivering projects that stand as a testament to their commitment to quality and dedication, the company's reputation has become synonymous with trustworthiness and reliability. One of the significant factors contributing to this reputation is the deep-seated speak-up culture fostered within, the Speak-up culture directive within its Ethics and Compliance Manual (EACM). This emphasis reflects the company's longstanding commitment to excellence and integrity, as seen through the core cultural traits consistently exhibited by its employees and management.

At Consolidated Contractors Company (CCC) we promote a culture that mandates and encourages ethical behavior. We conduct business in a manner that adheres to foundational principles and is compliant with all applicable laws in the countries in which we operate.

The global and diversified nature of CCC's business activity is subject to a wide variety of regulations, policies, and procedures. The company is an active participant in a wide range of prestigious associations that frame and define ethical corporate behavior on national and international levels.

Our code states that we must act with integrity, honesty while observing the company's core values, policies and ethical framework. We aim to maintain measurable objectives with effective implementation, monitoring, and continuous improvement.

The successful implementation of the Ethics & Compliance (E&C) Program is to establish a governance framework dedicated to promoting and evaluating integrity across the organization and its stakeholders. The program forms a clear structure with accountable roles, and responsibilities.



D. Chalhoub Group

Chalhoub Group is the leading partner for luxury across the Middle East since 1955. As an expert in retail, distribution and marketing services based in Dubai, the Group has become a major player in the beauty, fashion and gift sectors regionally. Blending its Middle East expertise and intimate knowledge of luxury, Chalhouh Group is building brands in the region by offering service excellence to all its partners and a unique experience to its customers.

Everything we do at Chalhouh Group is built on the firm foundations of ethics and integrity. To ensure we operate a responsible business, we have implemented robust policies and frameworks reflecting our support of the United Nations Declaration of Human Rights. We have aligned our commitments to the United Nations Global Compact (UNGC) and Women Empowerment Principles (UN WEP), which underline our respect for our people's freedom, equality and dignity. This initiative has helped foster equity and inclusivity across our Group for our people, partners and customers.

Our policies and frameworks covering our entire supply chain drive a no-tolerance message to discrimination culture. In 2022, we had mandated Servant Leadership training in all our leadership programmes. This made it clear to our leaders that their role is to nurture healthy working environments that empower everyone to reach their potential. Our Code of Ethics (CoE) continues to remain our primary framework for steering our approach to ethics, integrity and acceptable behaviour. We require all our teams to be trained annually on the CoE.

Our efforts to ensure business ethics and integrity didn't stop with just strengthening our internal checks and balances. We also enhanced our Supplier Engagement Programme through the introduction of our Third-Party Partner Code. Our code requires our suppliers and partners to abide by the following principles: The Conventions of the International Labour Organization, the Universal Declaration of Human Rights, the United Nations Global Compact, the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises, the United Nations Women's Empowerment Principles.



E. stc

stc group, an engine of digital transformation, is a leading Saudi group that offers a variety of Information and Communication Technology (ICT) solutions and digital services. The group’s headquarter in Riyadh, Saudi Arabia provides its services across several categories, including telecommunications and digital infrastructure, information technology, cybersecurity, cloud computing, the Internet of Things, financial technology, media, electronic games, and other advanced digital solutions.

Integrity Takes Us Forward: stc group’s Code of Ethics

The foundation of the stc group’s Compliance program is the stc Code of Ethics, entitled “Integrity Takes Us Forward.”

stc group’s Compliance team developed the Code after undertaking a benchmarking exercise to see what others had and what employees would like to see included. The stc group Code of Ethics aims to ensure the Company holds itself and the way it does business, to the highest ethical standards.

stc group’s Code covers 16 specific and common integrity areas of risk and for each risk area, clear guidance and practical advice are provided to our employees, customers, business partners, suppliers, and other stakeholders on how the group and its representatives should act.

The 16 risk areas in stc group’s Code of Ethics are categorized under four themes:



Customer and communities



The Marketplace



Investors



The Workplace

The Code is applicable to senior leadership, including stc group's Board members, and to all stc employees, including those who work in subsidiaries or ventures that are owned either by stc or in which stc exercises effective control over the group's management and operations.

Tone at the Top: Leadership Is at the Heart of the Ethics and Compliance Program

stc group's leadership is committed to elevating the company's culture of Integrity. This is evident in both words and actions.

When stc group launched the program in 2020, stc leaders (stc group CEO and the Executive Leadership team) participated in a half-day, in-person Ethical Leadership workshop for senior leadership held shortly before widespread COVID-19 restrictions.

The inaugural and subsequent sessions for stc leaders were conducted taking all precautionary steps such as wearing masks, distancing attendees, and reducing the number of participants to a minimum number. The participation by leadership despite COVID, displayed the importance and commitment, stc group's leadership placed in the Compliance program.

The Corporate Ethics and Compliance team led the sessions within 2 months of the inaugural session. All stc group's senior leaders up to the director level, completed the half-day Ethical workshop.

The workshop covered the advantages of having an effective compliance program and stressed the important role leaders play in shaping an ethical culture.

At the end of the session, leaders wrote down the actions or commitments they would personally take to elevate the culture of Integrity within their organizations.

LEADERSHIP COMMUNICATION AND ENGAGEMENT:

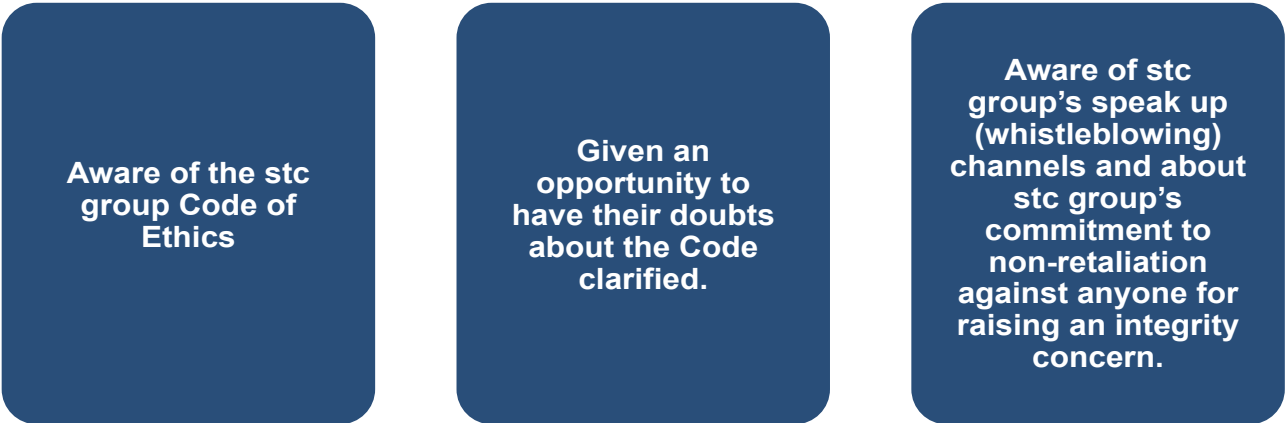
stc group's leadership is committed to elevating the company's culture of Integrity. This is evident in both words and actions.

- Every year stc group's CEO sends a message to all employees reminding them about the importance stc places in doing things the right way and the employees' responsibilities in elevating the group's culture of Integrity.
- Following the launch of the Compliance program, the group CEO's direct reports sent an integrity-themed message to employees within their organization each quarter.
- **What Integrity means to us:** Through digital channels, stc group's senior management team members have expressed what integrity means to them. By doing this, leaders were visible to employees on their commitment to integrity.
- Compliance councils were established across the group to provide senior-level leaders with direct visibility related to compliance investigations, training, communication, and other compliance program elements within their respective sectors. These councils consist of each Business unit or Functional unit's head, their direct reports, representatives of other relevant departments, and Compliance team members. The councils were created to provide greater visibility and accountability to the leaders to drive and operationalize a compliance culture within their respective areas.

tone in the middle:

- When the stc group Code of Ethics was launched, top management was very supportive, and the group's CEO made every effort to speak about the importance of stc group's commitment to Integrity and encouraged employees to read and abide by the stc group Code of Ethics.
- While this was a good start, stc group wanted to ensure all employees took time to read and understand the Code and raise any questions they might have.
- Considering the size of the organization, this would not be easy, but through people managers (anyone managing a team), stc group was able to ensure, within two months, that every stc group employee engaged in dialogue with their managers and teams on the risk areas within the stc Code of Ethics.

The objective:

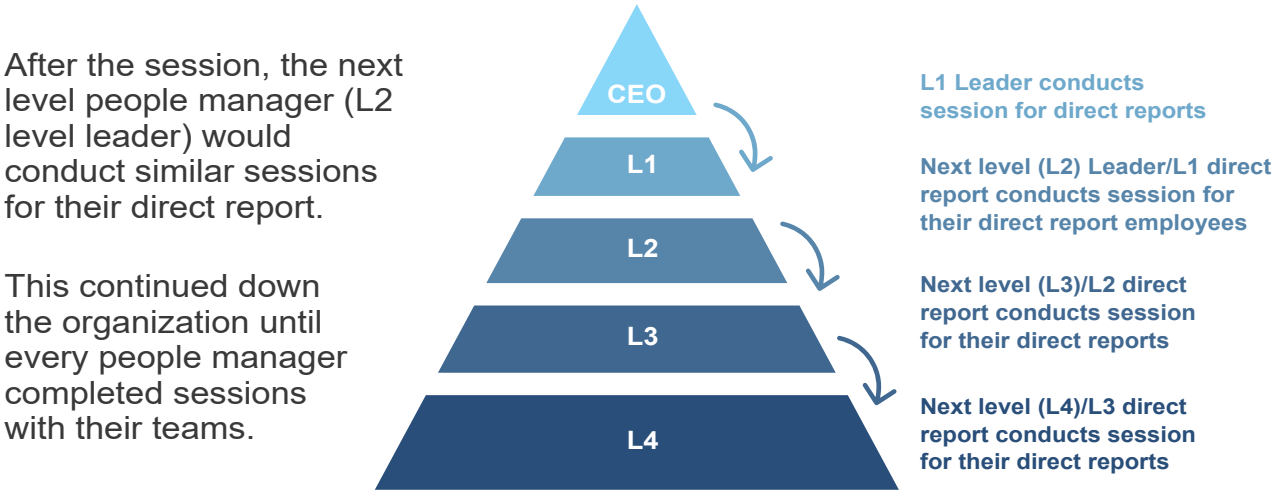


The Solution:



The Approach:

To ensure all employees were involved in the dialogue, every people manager (anyone who managed a team) starting with the CEO direct reports (L1 Level leaders) was required to organize a one-hour session with their direct reports.



Thanks to the commitment from leaders across stc group, every stc people manager (anyone who managed a team) organized sessions with their direct reports to engage in dialogue on the stc group Code of Ethics

Engagement between managers and their teams helped to build trust among employees and reinforce a Speak up culture within stc group.

05

KEY TAKEAWAYS



To establish a baseline of organizational values and principles, having a Code of Ethics that is owned and supported by management is of utmost importance.



Walking the talk, management needs to visibly demonstrate its commitment not only through words but also through actions.



Tone encompasses more than mere statements; it reflects the seriousness with which a compliance management system, underpinned by a Code of Ethics, is formulated, implemented, and monitored.



Middle Managers play a crucial role in the creation of an ethical culture.



Management should maintain regular oversight of compliance activities, necessitating the establishment of a formal process and forum.



To obtain an objective assessment of organizational adherence to the compliance program, management must not only establish an independent compliance function but also empower it as an integral part of the tone set from the top.



Any effective control system relies on incentives and consequences to maintain discipline. Therefore, management should have a response and remediation process in place for all deviations from compliance controls.



It is the people who shape the culture and exemplify the values of an organization. Thus, recruiting the right individuals becomes paramount.



ABOUT PEARL INITIATIVE

The Pearl Initiative (PI) is the Gulf region's leading business-led, non-profit organisation working to promote the business case for a corporate culture of accountability and transparency. Established in 2010 by regional business leaders in cooperation with the United Nations Office for Partnerships, the Pearl Initiative is the only private, non-profit Gulf business network to receive special consultative status from the United Nations Economic and Social Council.

PI spearheads 6 programmes to deliver data-driven insights and amplify the importance of corporate governance principles as a business imperative for corporations, family firms, micro, small and medium-sized enterprises (MSMEs), and philanthropic organisations in the Gulf region.

OUR PROGRAMMES



**Governance
in Tech**



**Anti-Corruption
Best Practice**



**Diversity in
Business
Leadership**



**Governance in
Family Firms**



**Governance
in MSMEs**



**Governance in
Philanthropy**