



Business integrity and ethics



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The changing landscape of anti-corruption regulation and enforcement has triggered important discussions around the role of ethics and compliance in business strategies and in the economy as a whole. It has also given impetus to the narrative that anti-corruption compliance programmes are inevitably costly, potentially ineffective and bureaucratic.

This ignores many of the positive advances in compliance that have been made in recent years, as well as the growing body of evidence supporting the business case for compliance.

This Quick Guide covers five broad areas in which mature and well-constructed ethics and compliance systems can benefit businesses even in the face of an uncertain regulatory and enforcement framework. It is based on a roundtable convened by the Basel Institute on Governance and bilateral discussions with key figures in the business and anti-corruption community.

1. Navigate shifting regulations and expectations



“Political and social priorities constantly shift over time and across markets. A strong ethics and compliance programme keeps us resilient and on course in a sea of evolving regulations and expectations.”

Regulatory landscapes are constantly evolving, with new laws and variations in political priorities over time and between markets. A strong, principles-based ethics and compliance system allows global businesses to navigate this uncertainty efficiently and proactively. It reduces the need to constantly adjust to short-term policy shifts and market-specific regulations.

This reassures investors, customers and the public and reinforces confidence in the company’s long-term stability and direction.

In addition to corruption risks, businesses face increasing stakeholder expectations and a jigsaw of regulatory developments addressing human rights, sustainability, climate change and others depending on their industry and footprint. A well-structured compliance programme helps integrate these often overlapping and sometimes divergent risks and expectations. This ensures a balanced, strategic approach rather than fragmented, reactive responses.

For smaller businesses, strong compliance programmes help them to meet the standards of global supply chains. This opens doors to new markets, multinationals’ supply chains as well as financing.

2. Gain trust as an ethical business



“Would you trust a thief or a fraudster? Or want to work for a company with a poor reputation? Ethics builds trust among customers, investors and employees – everyone essential to business success.”

Ethics is about more than just following rules – it’s about aiming to do the right thing. A business shouldn’t need the threat of punishment to avoid bribery, theft or harm in pursuit of profit. A mature ethics and compliance programme fosters a culture where employees and third parties act responsibly, even when no one is watching.

Beyond being the right thing to do, ethical behaviour strengthens trust and reputation among stakeholders, from investors to customers.

Ethical business practices also enhance workplace culture. This improves employee satisfaction, reduces turnover and

attracts talent. People, especially young people, want to work for companies that align with their principles and make them feel valued.

Leadership plays a crucial role in shaping this culture and communicating about it externally to stakeholders.

3. Take smarter decisions



"Compliance goes hand in hand with robust risk management – providing guidance, data and analysis about material business risks. This drives better decisions and makes it easier to do business in high-risk markets."

Compliance risks are closely linked to broader business risks with real commercial and reputational consequences. For example, business deals built on opaque partnerships or unclear contractual arrangements may be unenforceable and local partners may prove unreliable. So by analysing and managing compliance risks effectively, companies gain deeper insights into other potential risks and concerns. This enables smarter, more informed decision-making.

In high-risk markets, a mature compliance function can also help businesses assess political risks. This helps a business to protect itself from threats to its independence or exposure to ugly practices such as corporate raiding and kompromat.

A mature compliance function also generates valuable data. For example, tracking sponsorships and spending on corporate partnerships can reveal inefficiencies and misalignments with corporate objectives.

By identifying and preventing conflicts of interest, the compliance function also helps ensure that decisions are made in the company's best interest.

Last, a clear principles-based ethics and compliance framework serves as a practical tool for resolving ethical dilemmas early in the decision-making process. This is especially crucial as technology advances and new risks emerge, such as those relating to AI, data privacy and cybersecurity.

Stronger supply chains



Robust anti-corruption compliance is an essential pillar of effective supply chain management. By setting clear expectations and engaging directly with key suppliers, firms gain greater visibility into their partners' reliability and operational maturity.

Combining compliance with third-party due diligence requirements further refines the selection of suppliers and weeds out those that pose reputational or operational risks.

Crucially, a strong compliance framework with effective capacity building also shields suppliers and third parties themselves: it equips them with the means to resist bribery and extortion. The result is a supply chain that is not only more reliable but that also reduces exposure to legal and financial risks.

4. Prevent and recover from crises



"As the saying goes, a reputation takes years to build but can be destroyed in an instant. The best protection is to prevent misconduct in the first place."

Corruption and unethical behaviour can destroy a business, whether the wrongdoing happens within the company, its subsidiaries or its suppliers. A firm doesn't have to break the law to suffer serious damage – just the perception of misconduct can be enough to bring down leadership and erode public trust. And with social media making it easier than ever for leaks and scandals to spread, companies have less control over others' perceptions.

Once that trust is lost, rebuilding it is slow, difficult and extremely costly.

A strong ethical framework can help businesses both avoid crises and recover from them. First, a company that operates with integrity is less likely to face either internal fraud or external bribe demands. Clear anti-corruption policies give employees and suppliers the tools to resist and report misconduct. This reduces the risk of lawsuits, fines and reputational harm.

Second, a strong ethical track record makes it easier to recover if a crisis does happen. A company that can prove it values integrity is more likely to convince regulators, investors and the public that a problem was a one-time failure, not a deeper issue. The alternative

– trying to rebuild trust after a scandal – is expensive and distracts from other business objectives.

5. Tackle barriers to business



“True business success isn’t just about playing fair – it’s about joining forces to ensure everyone competes on a level playing field. When companies work together against corruption, they don’t just protect themselves; they build a stronger, more dynamic market for all.”

A driving force behind the spread of anti-corruption laws was the desire to create a level playing field and ensure that businesses compete on merit rather than bribes. That principle remains just as relevant today.

A robust ethics and compliance function helps expose unfair practices that are obstacles to a company’s business success, such as bribe demands, skewed procurement tenders or corrupt regimes that otherwise hinder fair competition.

But identifying these barriers is only the first step. Companies can go further by working together through anti-corruption Collective Action initiatives – joining forces with other businesses, governments and civil society to tackle shared challenges like these.

Collective Action not only helps individual companies to develop more effective ethics and compliance frameworks but also to build a more transparent and fair business environment for all.

The bottom line

The case for strong ethics and compliance varies across industries and geographies. But the core principle remains the same. Scaling back compliance functions may appear to offer short-term savings. But ethical leadership and robust compliance are in the long-term interests of both companies and the broader business ecosystem.

The financial return on investment in ethics may not always be easy to quantify in purely monetary terms – though in any case, it’s not clear that immediate financial benefits should be the sole measure of success. What is far clearer are the risks of neglecting ethics and compliance: legal trouble, reputational damage and weakened stakeholder trust.

Business ethics is not just about avoiding corruption. The compliance function is not only there to tick boxes, issue reports and reduce the risk of fines. It’s part of a broad, strategic approach to managing business risks. This extends to ensuring

fair competition and raising integrity standards across entire industries. That's why Collective Action is key. When companies collaborate to level the playing field and strengthen ethical standards, the benefits are tangible: more resilient businesses, cleaner markets and fairer competition.

To advance this understanding, more data and tangible case studies are needed. But numbers alone rarely change minds. What matters is leadership. Companies and business associations that recognise the value of ethics must step forward to shape the conversation. On their side, regulators, governments and investors must continue applying pressure to maintain high standards.

At the Basel Institute we have long supported efforts of companies and other private-sector actors to a) build strong ethics and compliance programmes; and b) engage in Collective Action to tackle shared corruption challenges and raise standards of business integrity in high-risk areas or sectors.

We are keen to continue engaging with business and government leaders and welcome further dialogue on how to strengthen compliance, uphold integrity and support companies and other stakeholders in this ever-evolving landscape.

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