

# 2021 Regional Whistleblowing Hotline Benchmark Webinar

Using NAVEX Global's Whistleblowing Hotline Reporting Data to Benchmark Programme Performance

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# About the Presenters



**Carrie Penman**

**Chief Risk and Compliance Officer**  
NAVEX Global

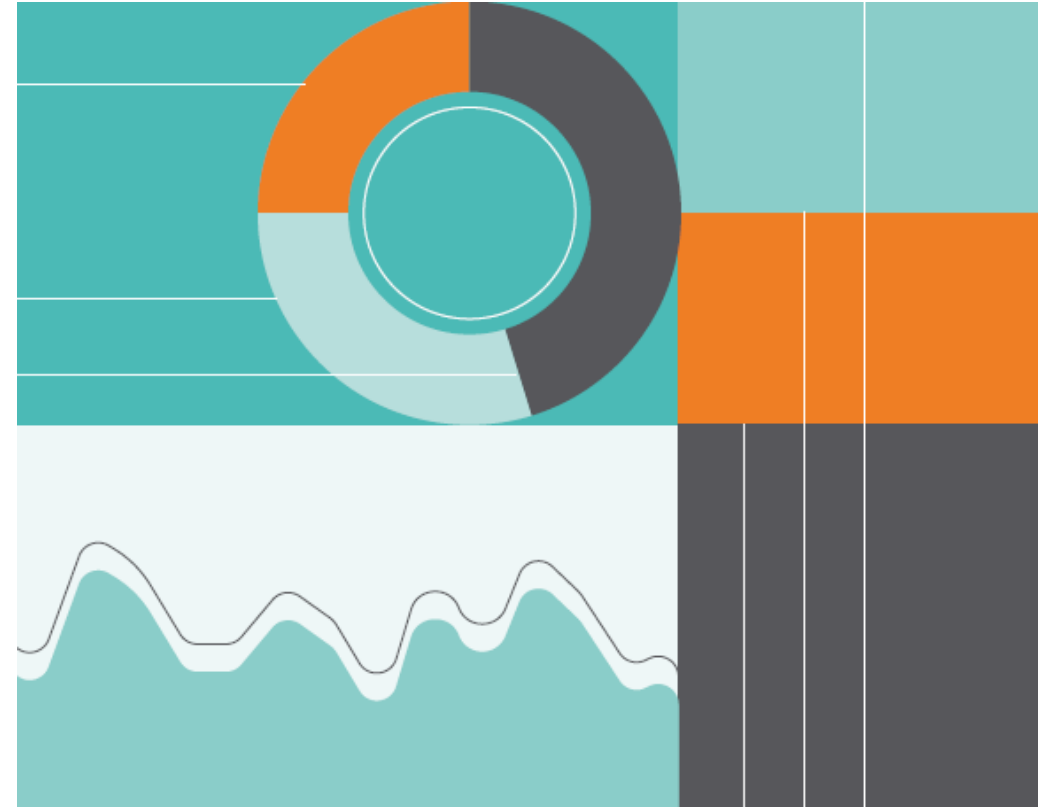


**Ian Painter**

**Director, International Marketing**  
NAVEX Global

# Agenda

- Drivers of the Changing “Whistleblower” Landscape
- EU Whistleblower Survey: Are Organisations Prepared?
- 2021 Regional Whistleblowing Benchmark Findings
- Key Takeaways
- Q&A



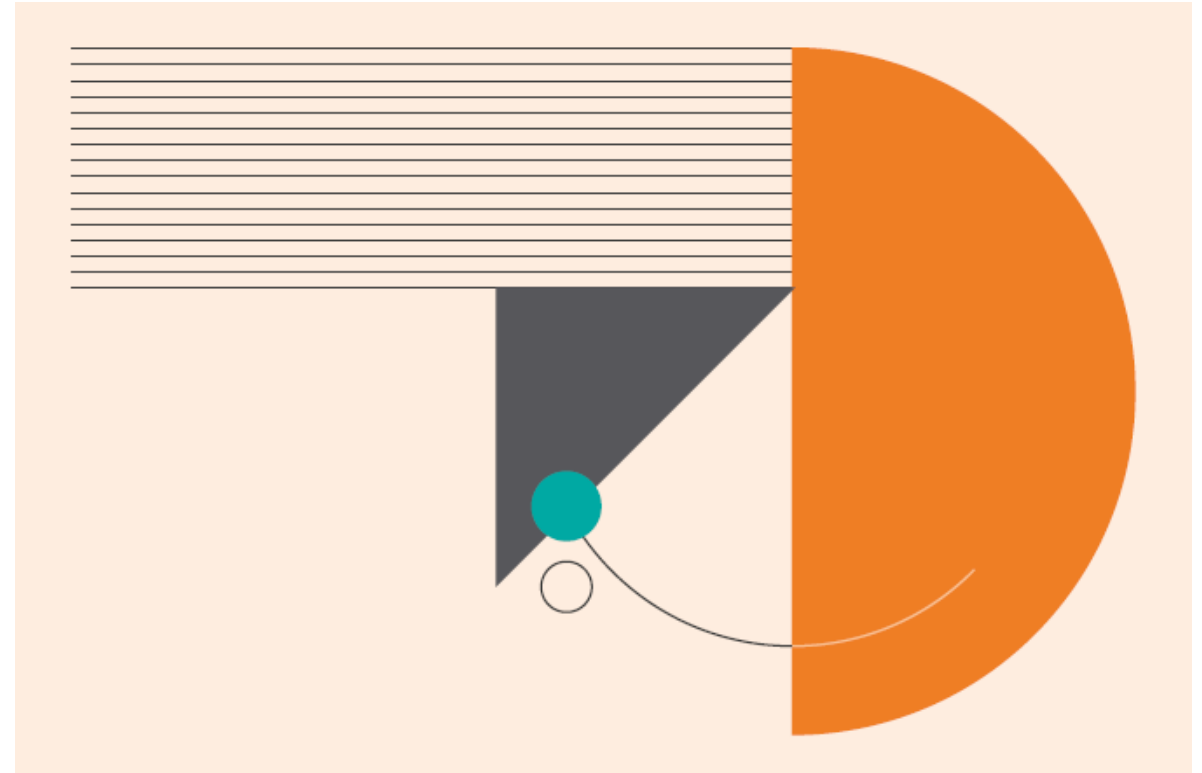


# Drivers of the Changing “Whistleblower” Landscape



# Drivers of the Changing “Whistleblower” Landscape

- Lack of trust in organisations
- Need for more transparency
- Desire to codify policy
- Desire for consistent policies, processes and implementation including in investigations, closeout and reporting
- Including reporters beyond employees



# Whistleblower Regulatory Landscape

AU\$525m

Maximum infringement fine introduced by the Australia Treasury Laws Amendment, 2019

**GLOBAL**  
ISO 37002  
Whistleblowing  
Management  
Systems

**NEW ZEALAND**  
Protected  
Disclosure Act  
Amendment

**EUROPE**  
EU Whistleblower  
Protection  
Directive

**CROATIA**  
Whistleblower  
Protection Act

**AUSTRALIA**  
Treasury Laws  
Amendment

**SWEDEN**  
Whistleblowing  
Protection Act

**UK**  
Senior Managers  
Regime

**SOUTH KOREA**  
Whistleblower  
Protection Act

**US**  
Dodd  
Frank

**JAPAN**  
Whistleblower  
Protection Law

**US**  
Sarbanes  
Oxley Act

**US**  
Whistleblower  
Protection Act

1989

2002

2006

2010

2015

2017

2019

2021

1998

2004

2009

2014

2016

2018

2020

**UK**  
Public Interest  
Disclosure Act

**ROMANIA**  
Whistleblower  
Protection Act

**CHINA**  
PRC  
Constitutional  
Law

**INDIA**  
Whistleblowers  
Protection Act

**FRANCE**  
Loi Sapin II  
**NETHERLANDS**  
House for  
Whistleblowers

**ITALY**  
Whistleblowing  
Law 179

**NORWAY**  
Working  
Environment Act  
Amendment

**AUSTRALIA**  
Corporations  
Act

**JAPAN**  
Protection Law  
Whistleblower  
Amendment

# Converging Elements

- Expanding protection of individuals from retaliation
- Protecting the identify of the reporter
- Defining who can raise issues and to whom/where
- Defining and protecting external reporting
  - including reporting to the media
- Focus on strong policies, processes and clearly defined responsibilities



# Pros, Cons and Variations on the Themes

- **Pros**

- Focus on identity and retaliation protection – are we ready for this?

- **Cons/Challenges**

- Approaching the level of being too prescriptive
- Media reporting protections
- Many outside the US are still focused on only non-grievance issues (what about sexual harassment or discrimination?)

- **Variations on the Themes**

- Defining who can report
- Definition of internal reporting (i.e., should managers take reports?)
- Monetary incentives
- Limits on topics that can be reported (outside the US)
- Permitted anonymous reporting varies
- Civil vs. criminal penalties







# NAVEX Global EU Whistleblower Survey: Are Organisations Prepared for the Directive?

# The Directive is not Fully Understood Across Europe

- **83%** of respondents were aware of the Directive...but only **46%** say felt they fully understood it
- There are gaps in understanding across Europe
- Awareness is the biggest barrier for compliance with the Directive

*Are you aware of the new EU Directive to legally protect people who report breaches of EU law, which comes into effect in December 2021?*

■ I am aware of, and fully understand, the Directive

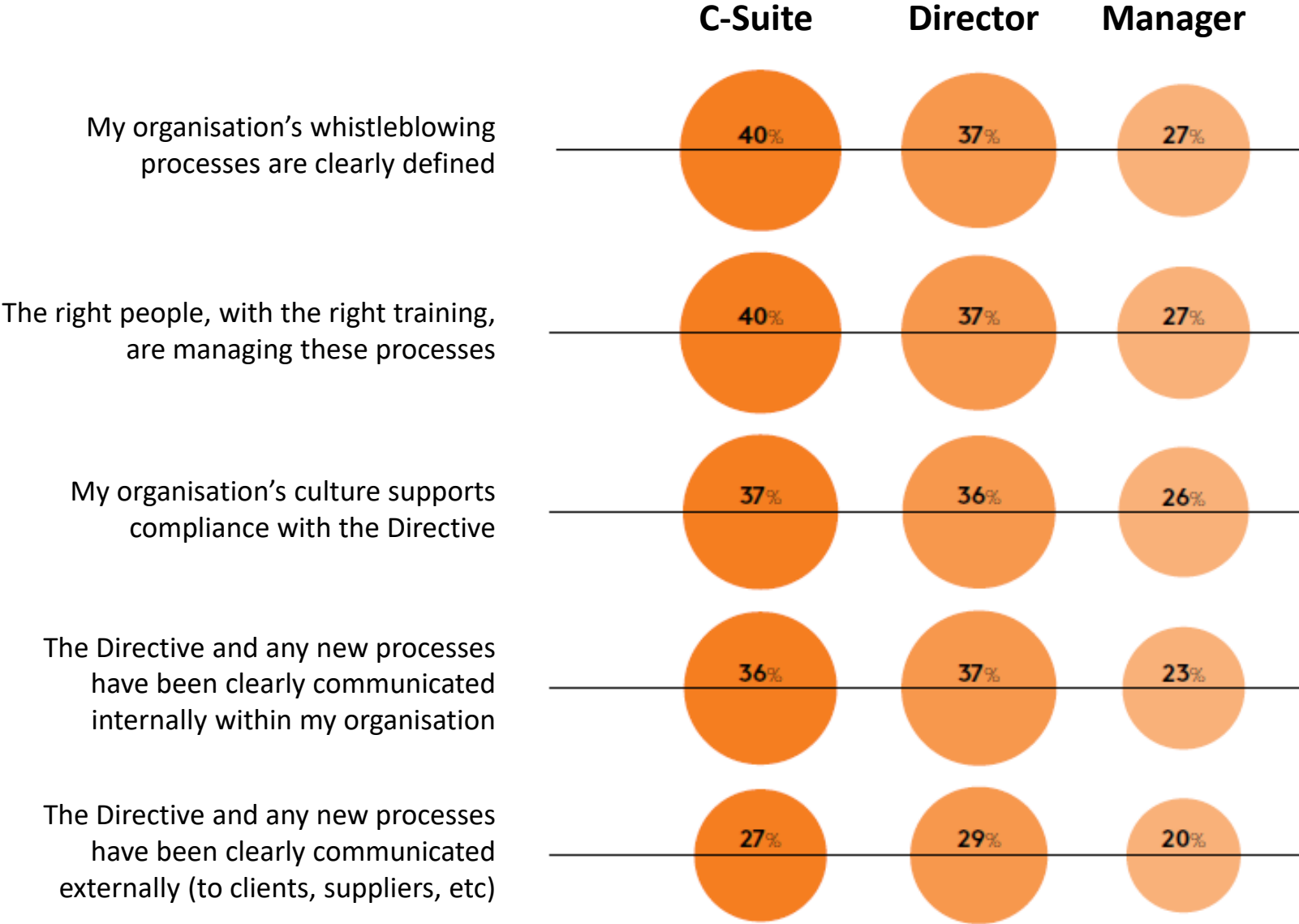


YEAR OF THE WHISTLEBLOWER, NAVEX, 2021

# Is the C-Suite Too Optimistic?

*Percentage of respondents who strongly agreed with each statement*

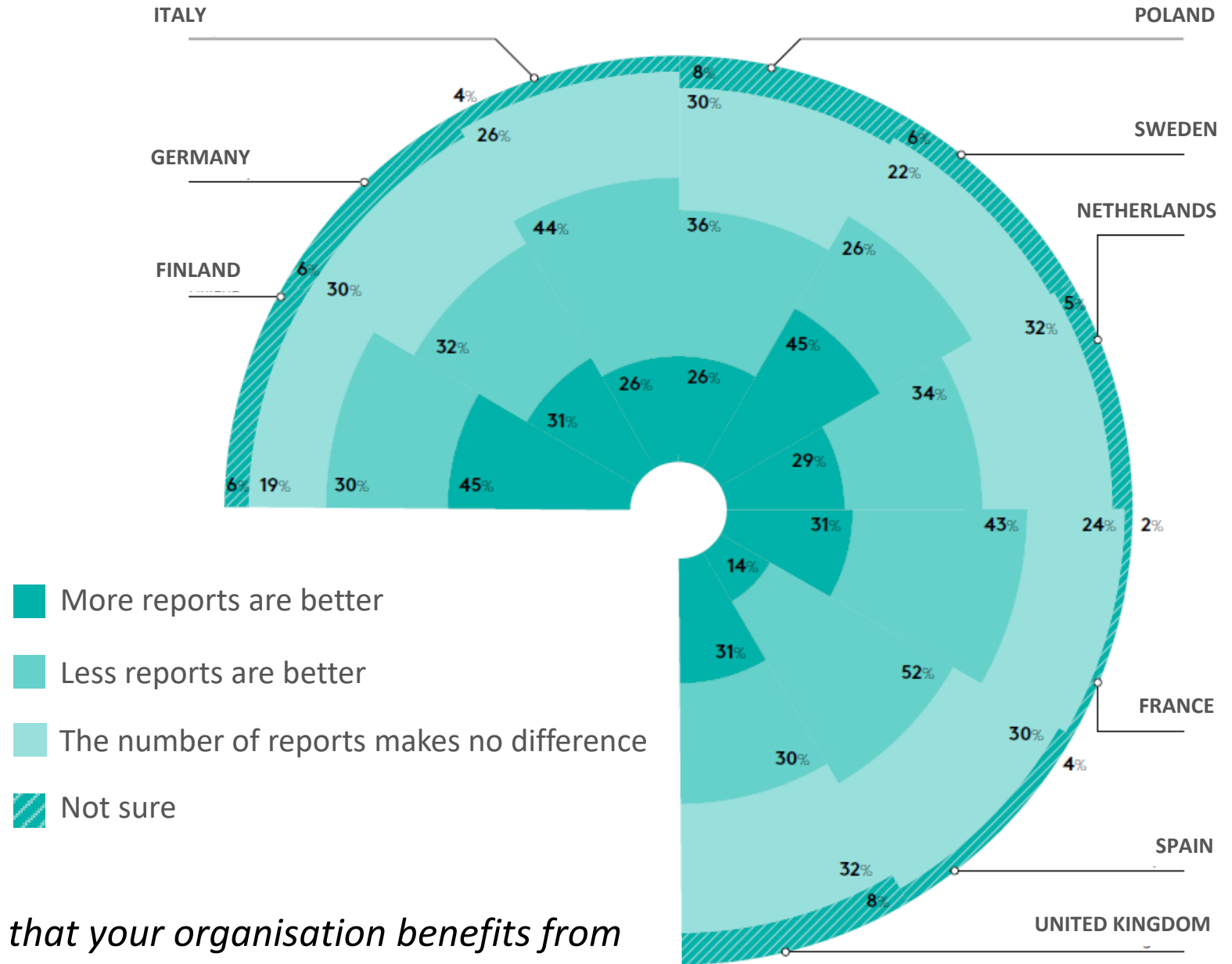
- Executives are far more confident of their programmes than others
- Communication appears to be the area with the least focus
- Remember, third-party availability is a requirement of the Directive



# Are Reports Valued?

- More reports are better: **31%**
- Less reports are better: **36%**
- No difference: **27%**
- Sweden and Finland show a better understanding of the value of reporting than other nations
- Spain is noticeably behind in this respect

*Do you believe that your organisation benefits from receiving more reports of suspected misconduct?*





# Benchmarking Your Programme: 2021 Regional Whistleblowing Benchmark

# Key Statistics

## Reports from Around the World

Reporting data segmented by company HQ location



## Top 12 Industries



Health Care & Social Assistance



Finance & Insurance



Educational Services



Retail Trade



Professional, Scientific, & Technical Services



Administrative & Support Services



Wholesale Trade



Chemical Manufacturing



Information



Manufacturing



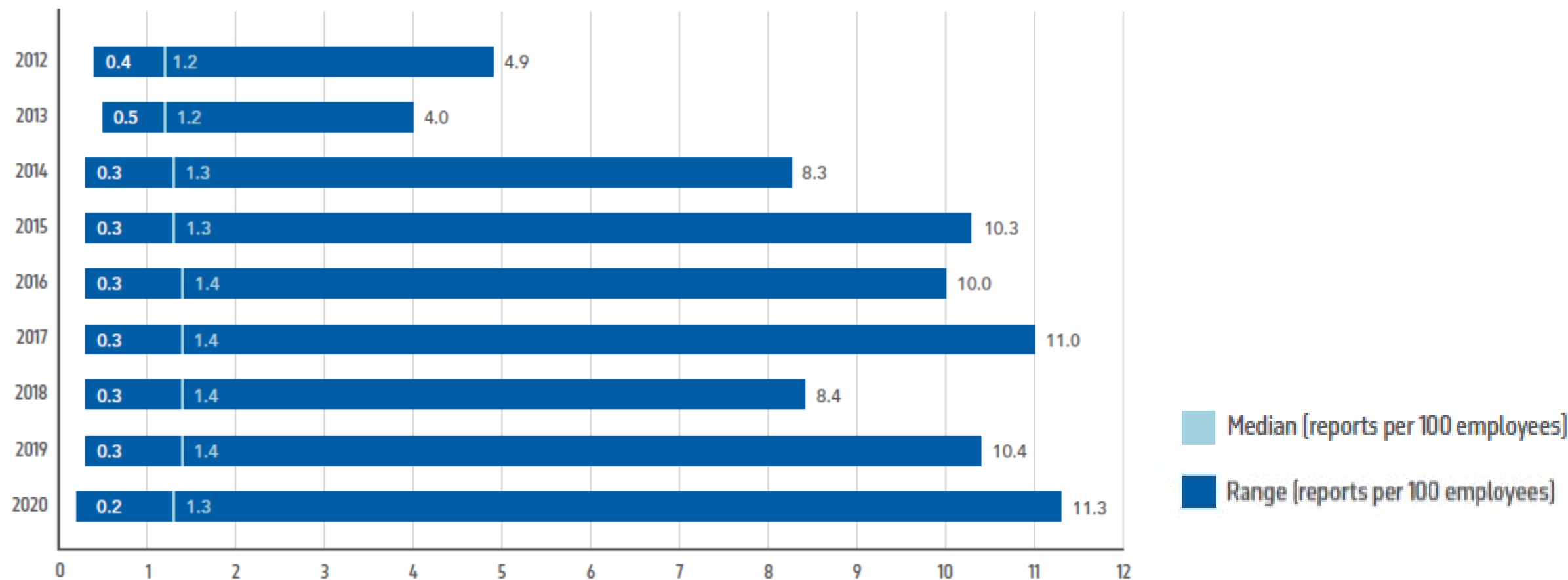
Transportation & Warehousing



Computer & Electronic Product Manufacturing

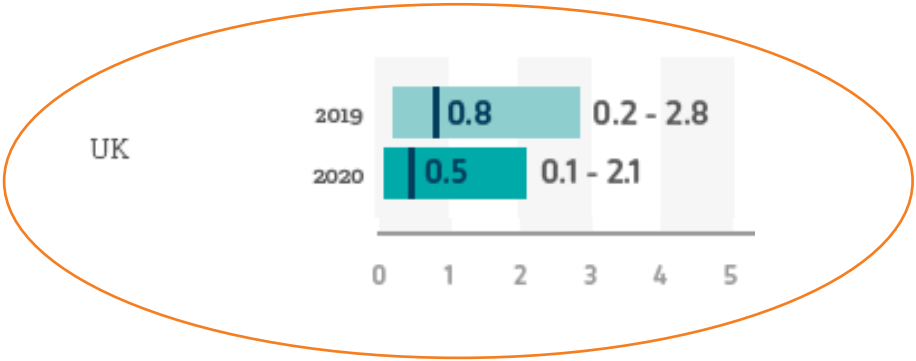
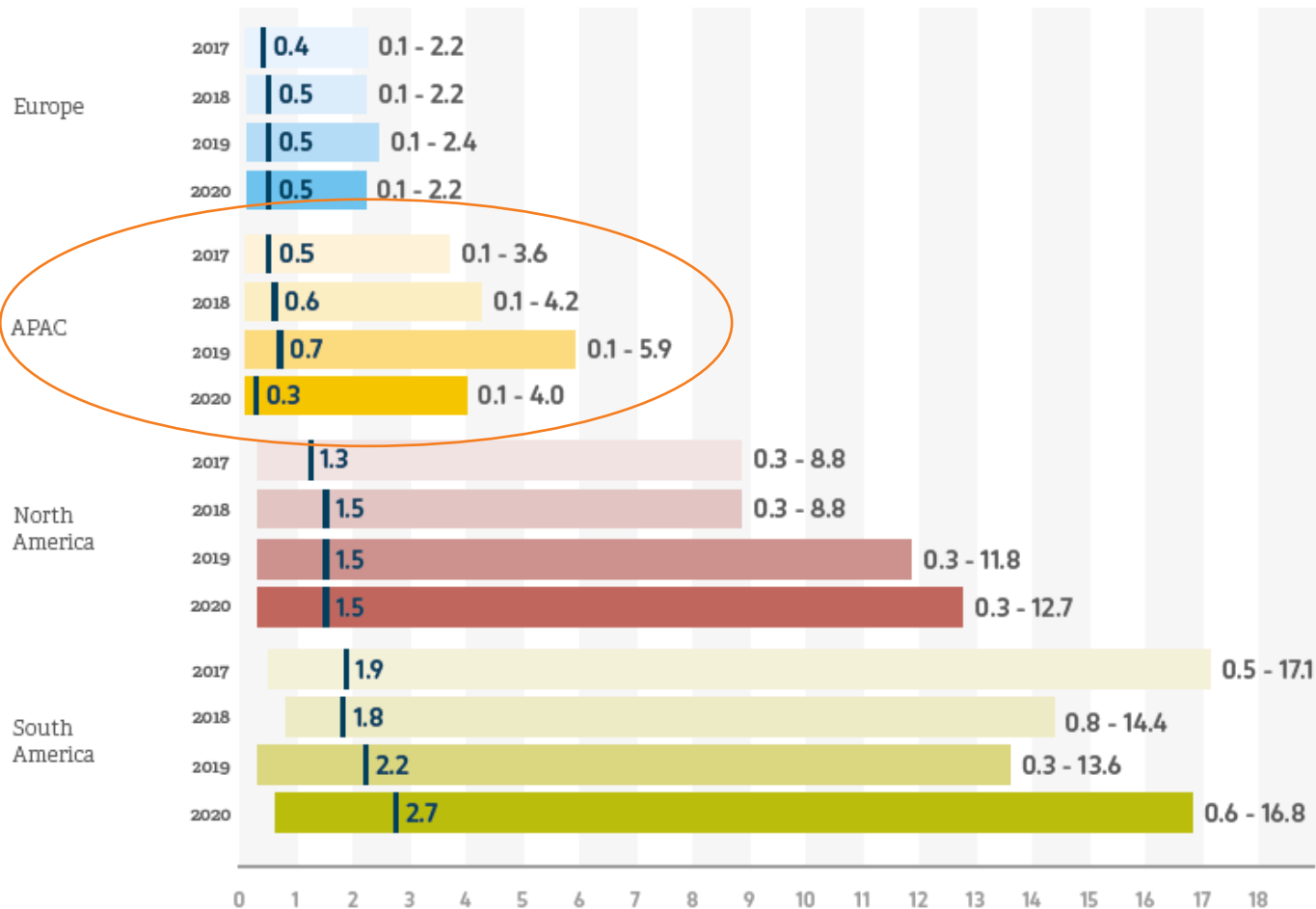
# Overall Report Volume Declined For the First Time

Median Reports per 100 Employees



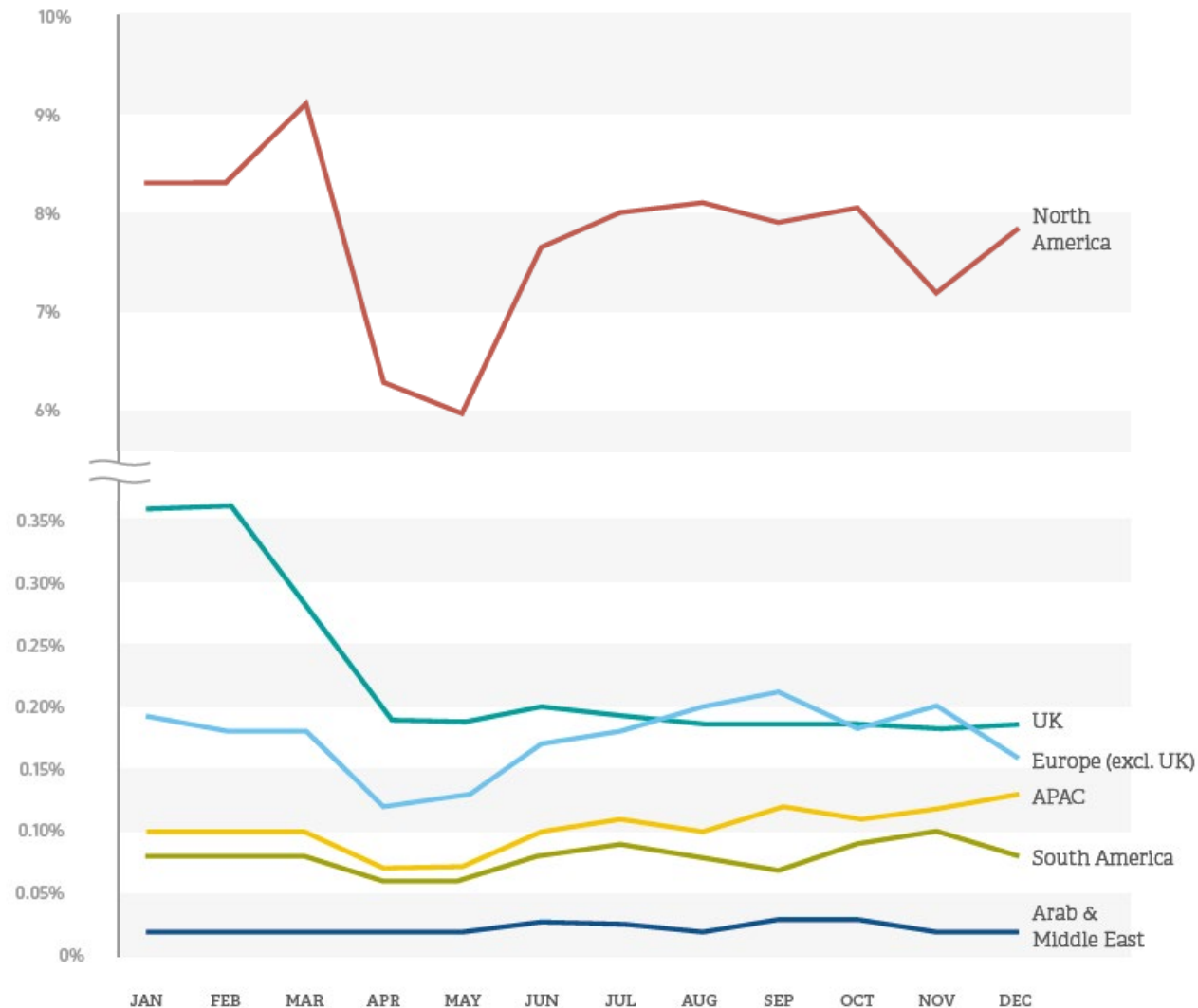
# Regional Benchmarking Shows Source of Decline

Median Reports per 100 Employees by HQ Location





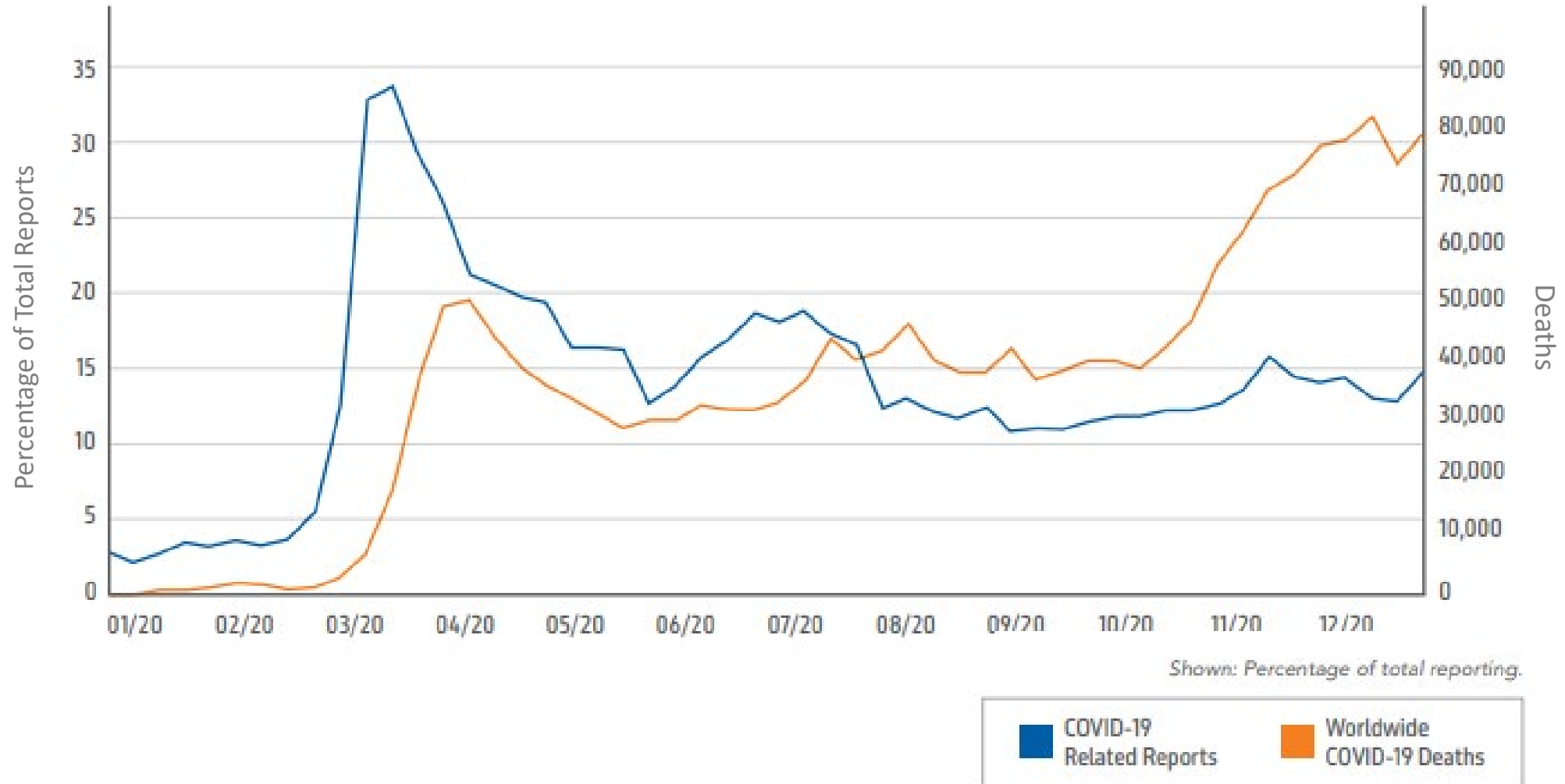
# COVID-19 Heavily Impacted Reporting in Most Regions



*2020 Percentage of Annual Report Volume by Month by HQ Location*

Reporting activity can be greatly impacted by external events such as the pandemic

# COVID-19 Global Reporting Rate Tracked With COVID Death Rate



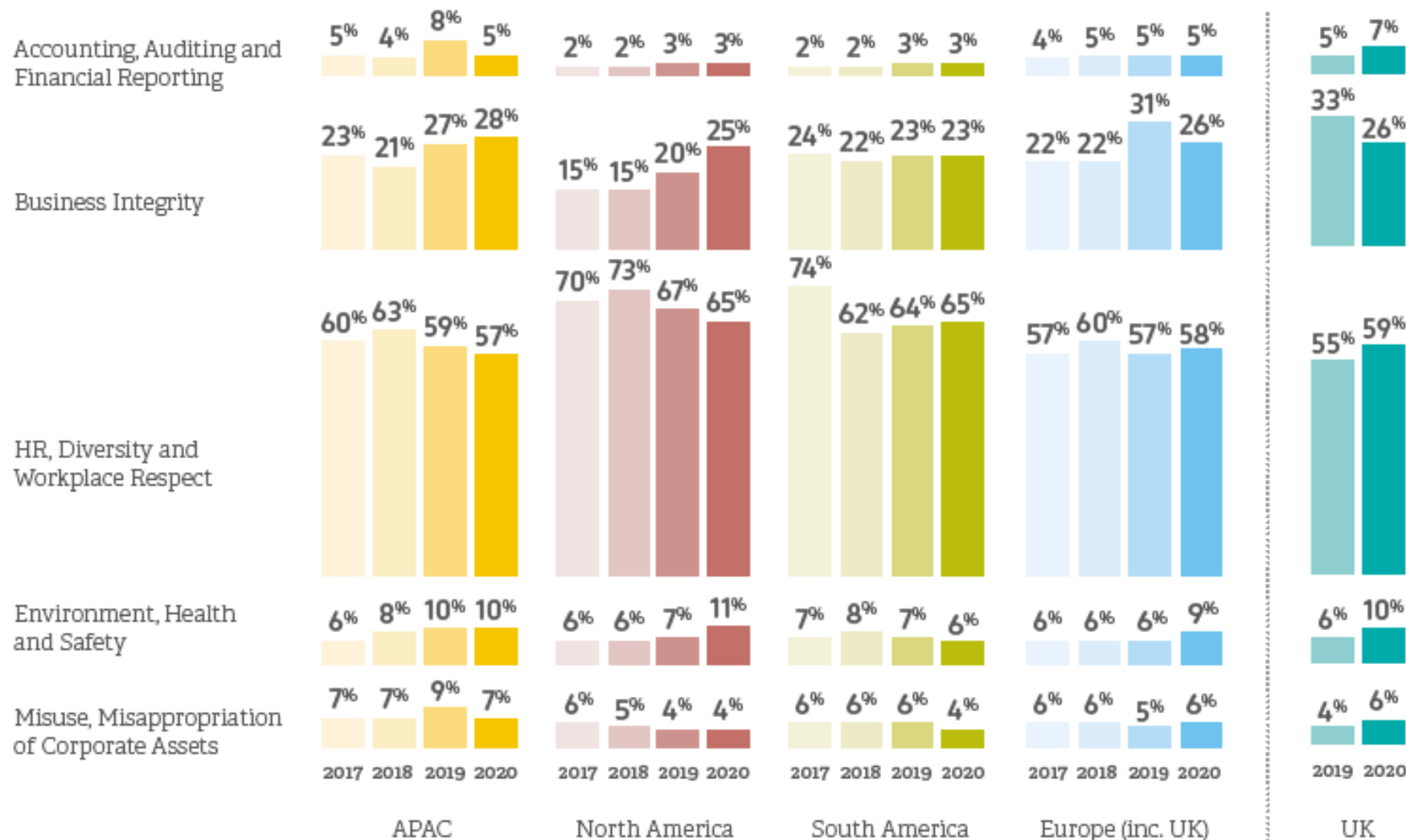
# POLL QUESTION:

**Are you seeing a recovery in your reporting volumes in 2021?**

- We have not seen any noticeable change
- We have continued to see a decline in reports
- We have seen an increase in reports



# Types of Concerns Raised

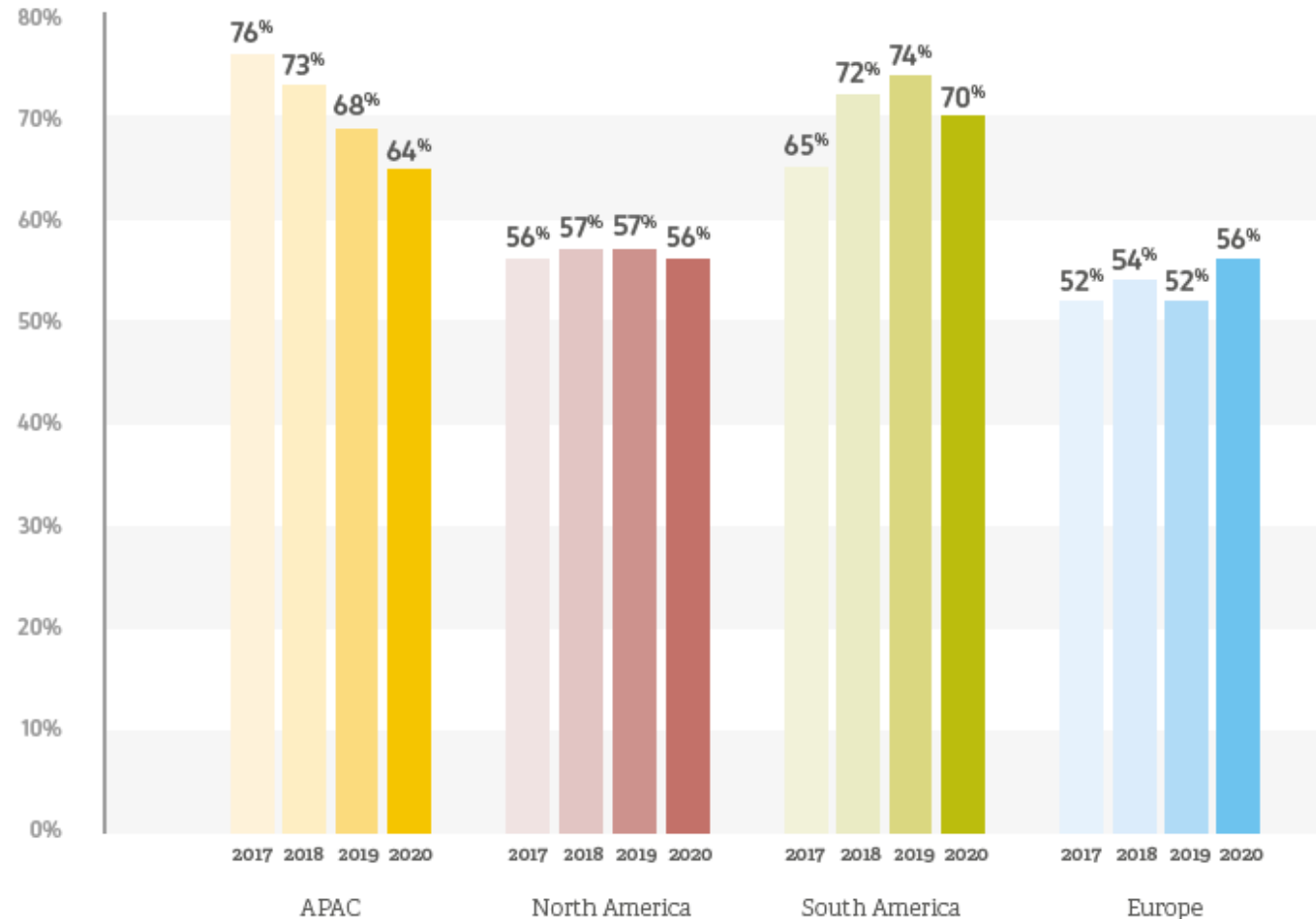


*Median Percentage of Allegation Categories by HQ Location*

An increase in Environment, Health & Safety reporting seen for North American and European organisations last year

# Anonymous Reporting Rate Increases in Europe

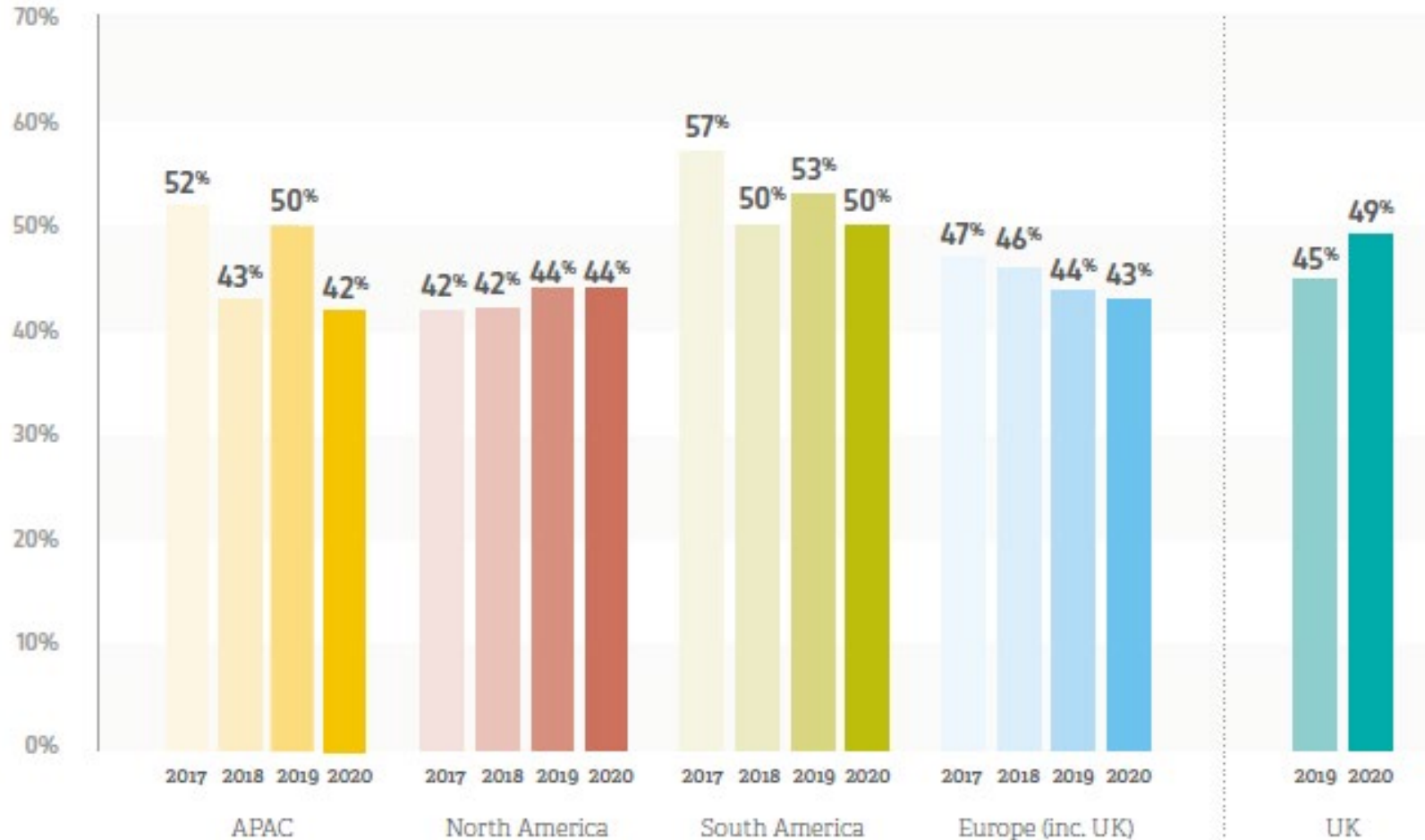
*Median Anonymous Reporting Rate by HQ Location*



Anonymous reporting rates for European organisations have gradually increased and now align with North American organisations. APAC organisations have also seen a steady increase

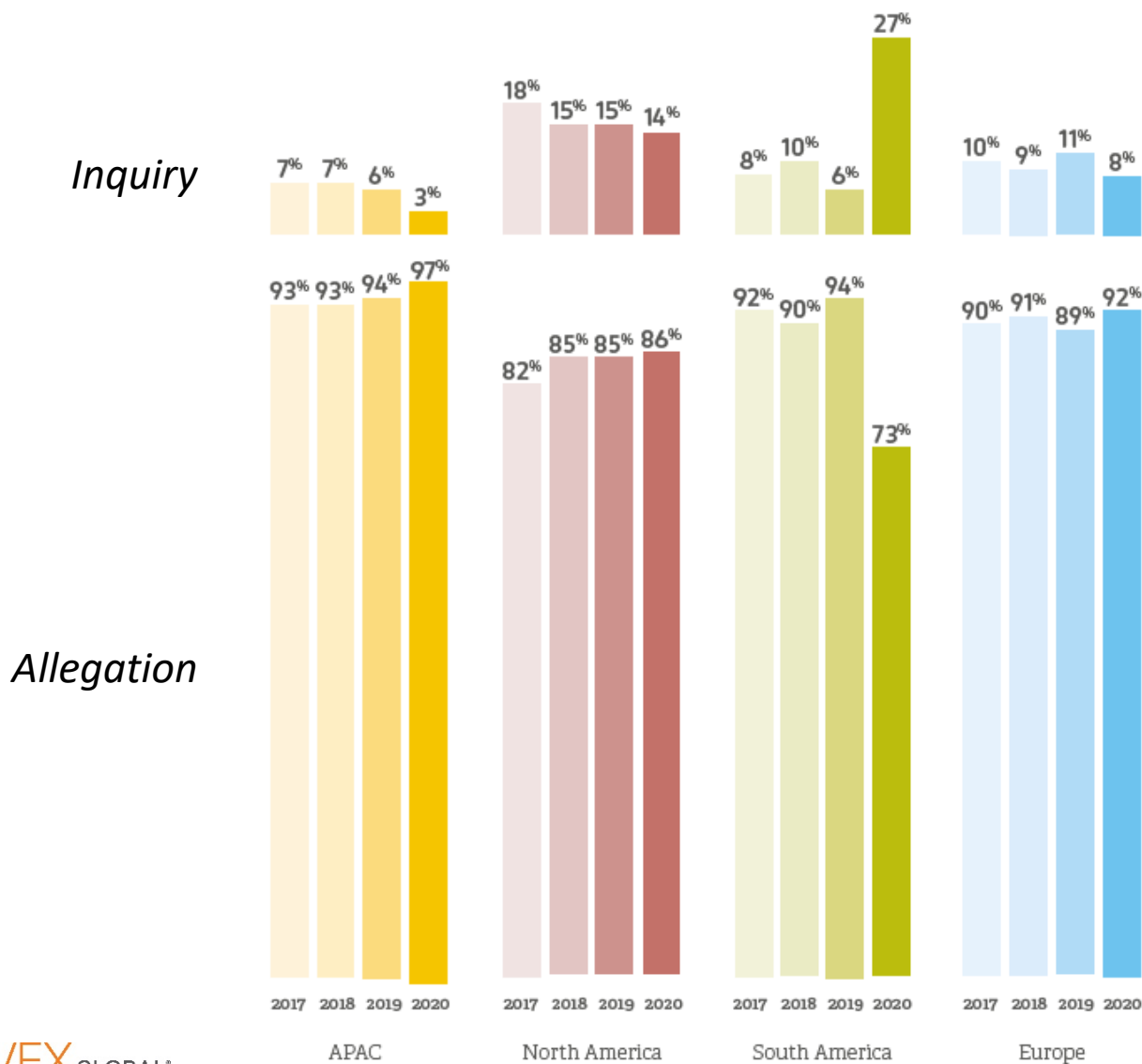
# Substantiation Rates Move towards a Global Standard

## *Median Substantiation Rate by HQ Location*



Overall, substantiation rates remain positive although Europe has seen a slow but steady decline

# Reporter Inquiries vs Allegations

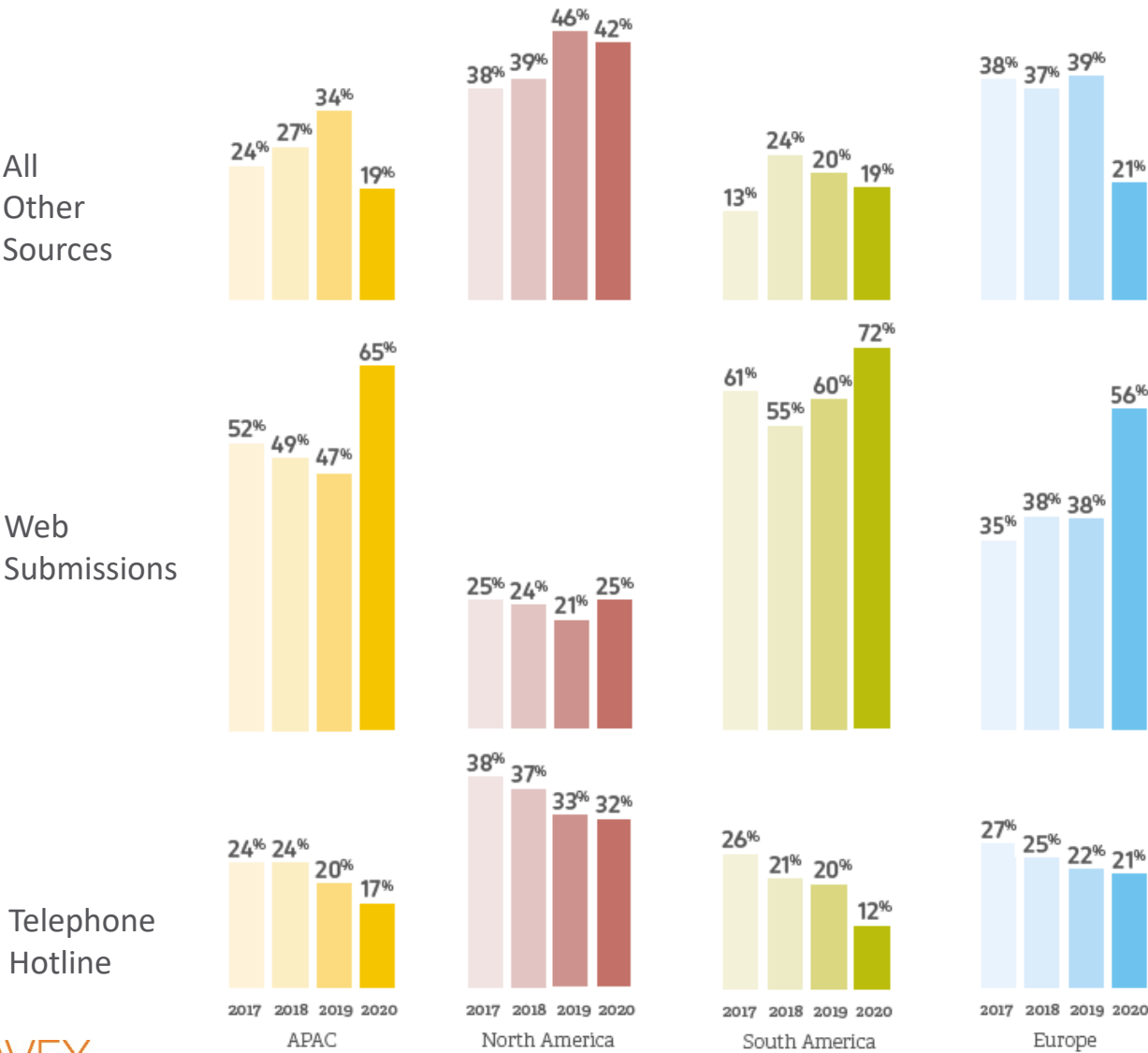


*Percentage of Reporter Inquiries & Allegations by HQ Location*

Inquiries via reporting programmes fell across most regions last year



# Reporting Intake Method Shows Continued Web Growth



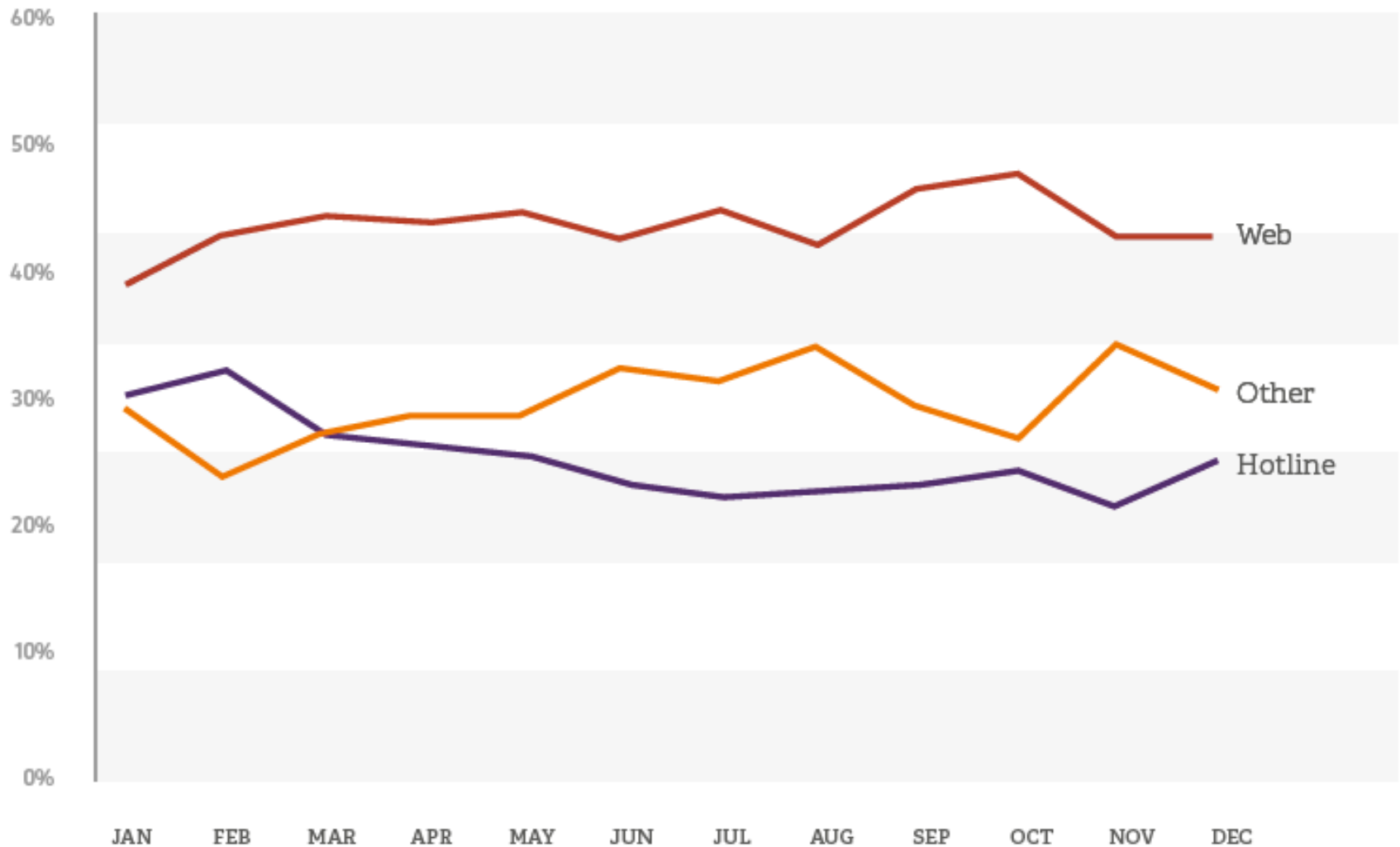
Percentage of Reports by Intake Method by HQ Location

Employees turned to reporting via the web and away from reporting direct to management





# Reporting Intake Method EMEA & APAC in 2020

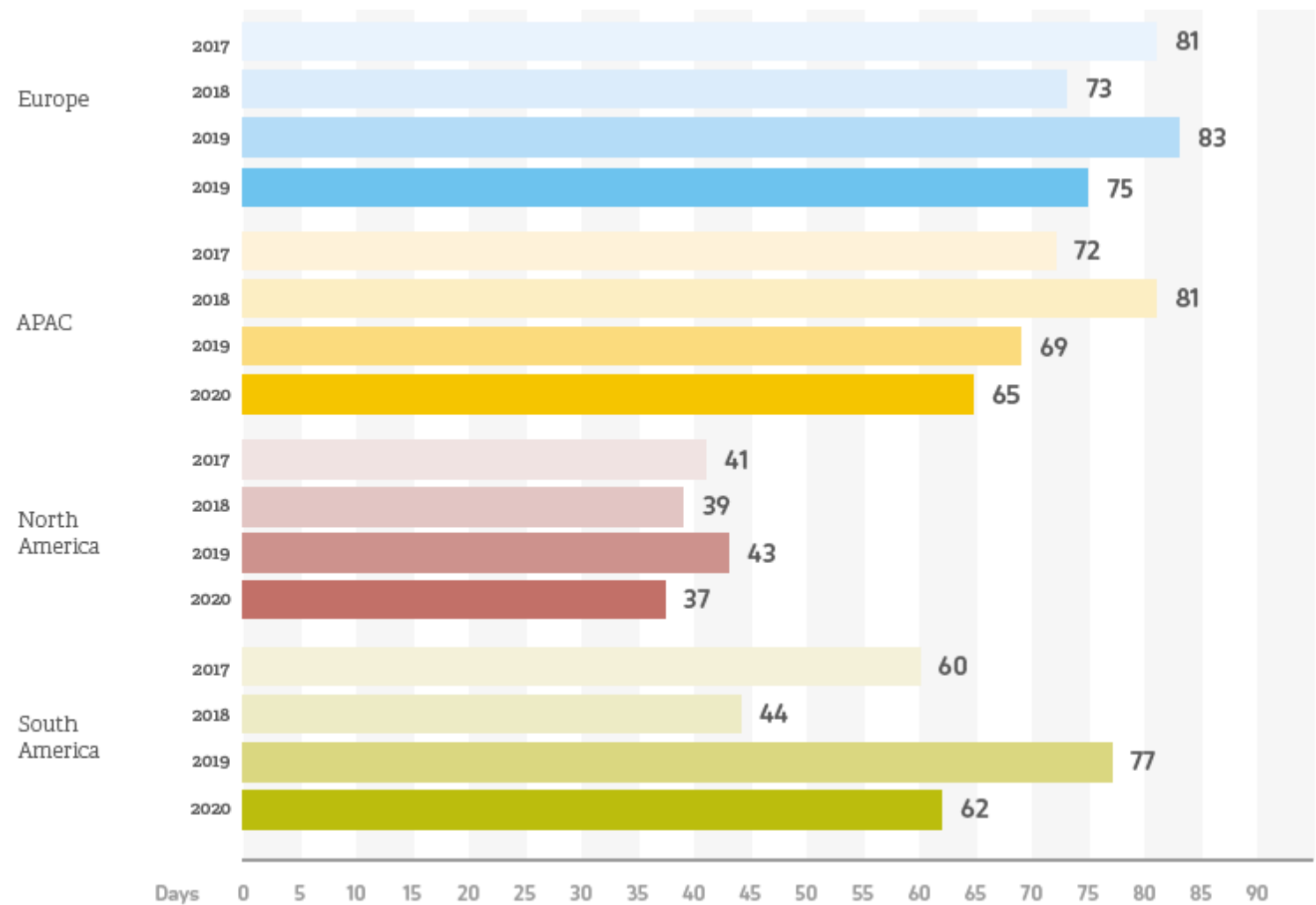


*Percentage of Reports by Intake Method for EMEA & APAC Organisations*

Web intake and direct reporting methods were impacted by the changes in home and office working while telephony continued to fall



# Case Closure Times Improved Across All Regions

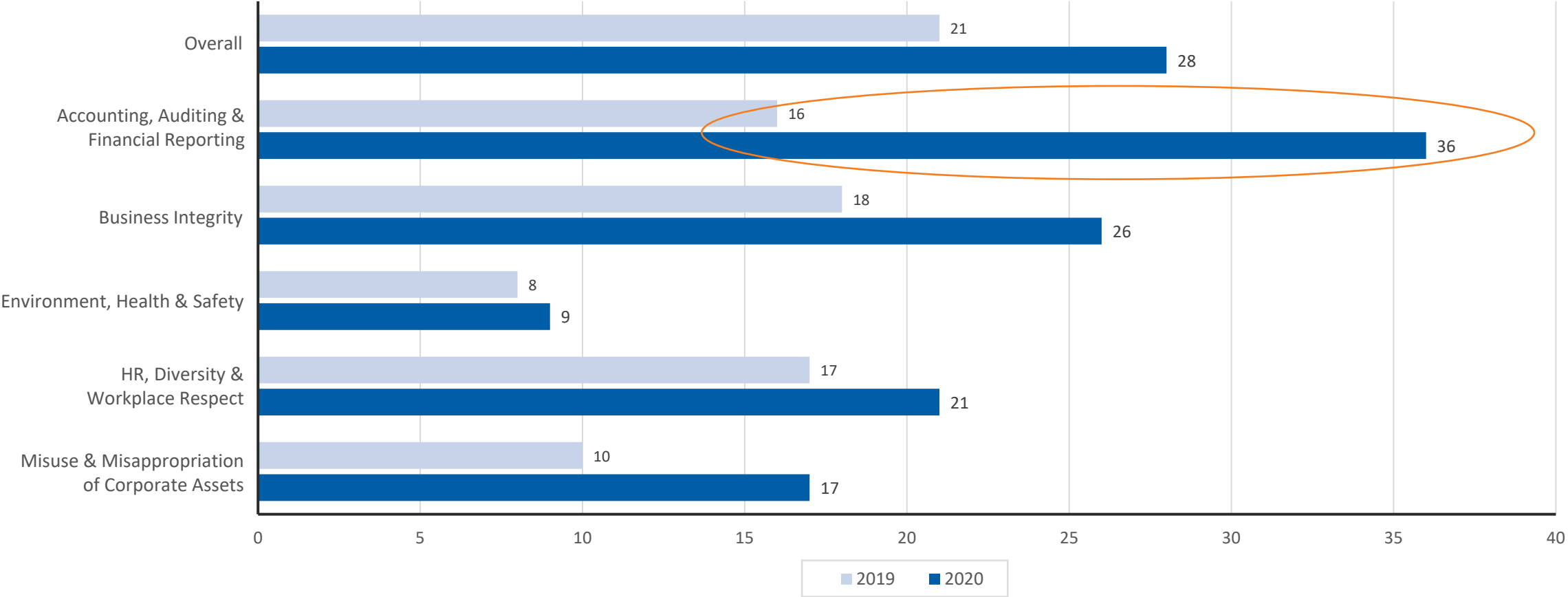


*Median Case Closure Times in Days by HQ Location*



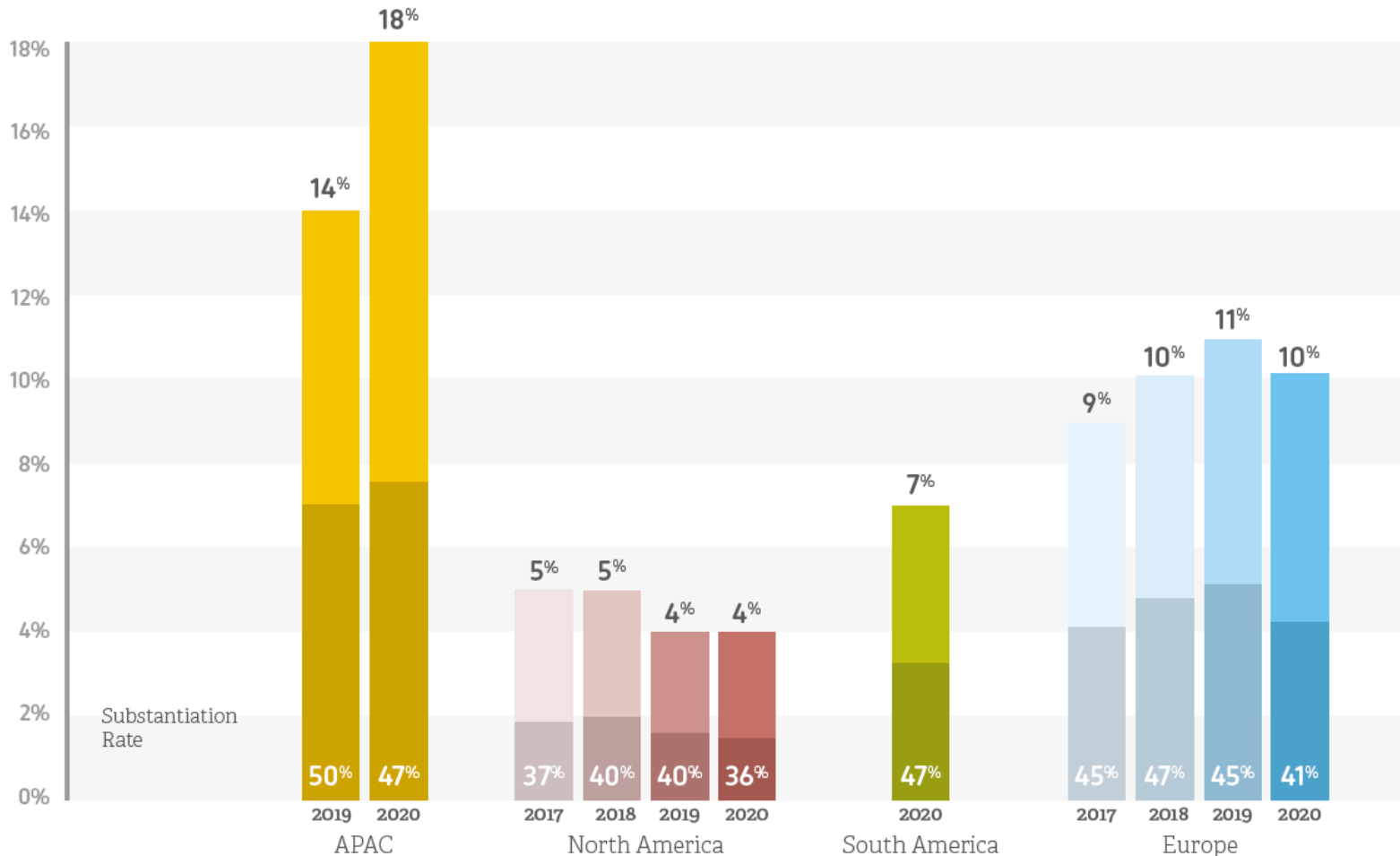
# Gap Between Incident & Report Dates Widens

Number of Days Between Incident & Report Date



# Harassment Reporting and Substantiation Rates

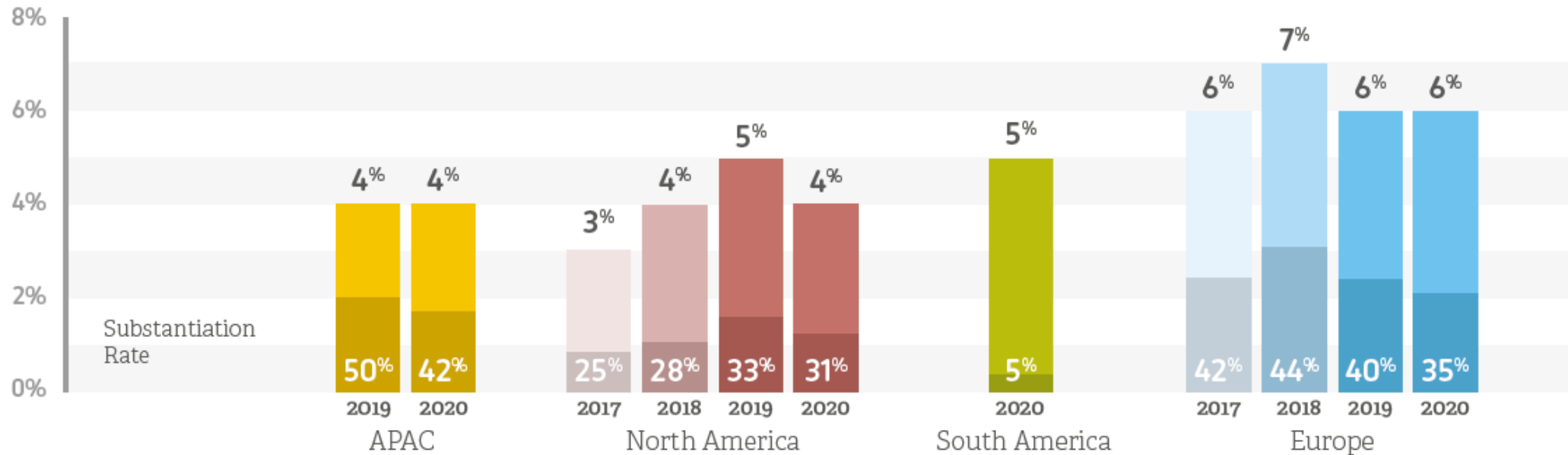
## *Percentage of Harassment Reporting by HQ Location*



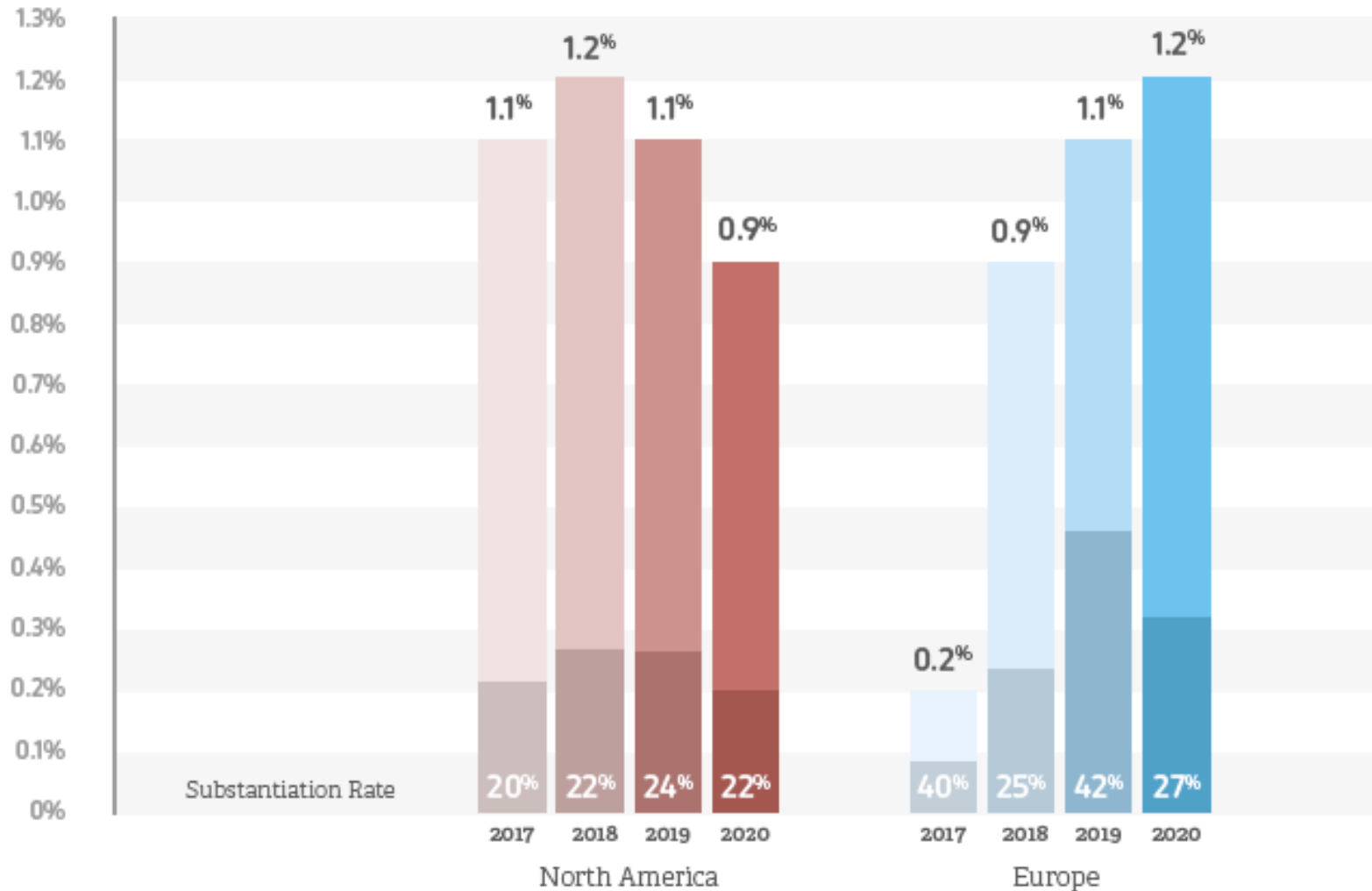
Harassment reporting varies considerably by region and is lowest for North American organisations

# Discrimination Reporting and Substantiation Rates

*Percentage of Discrimination Reports by HQ Location*



# Retaliation Reporting and Substantiation Rates

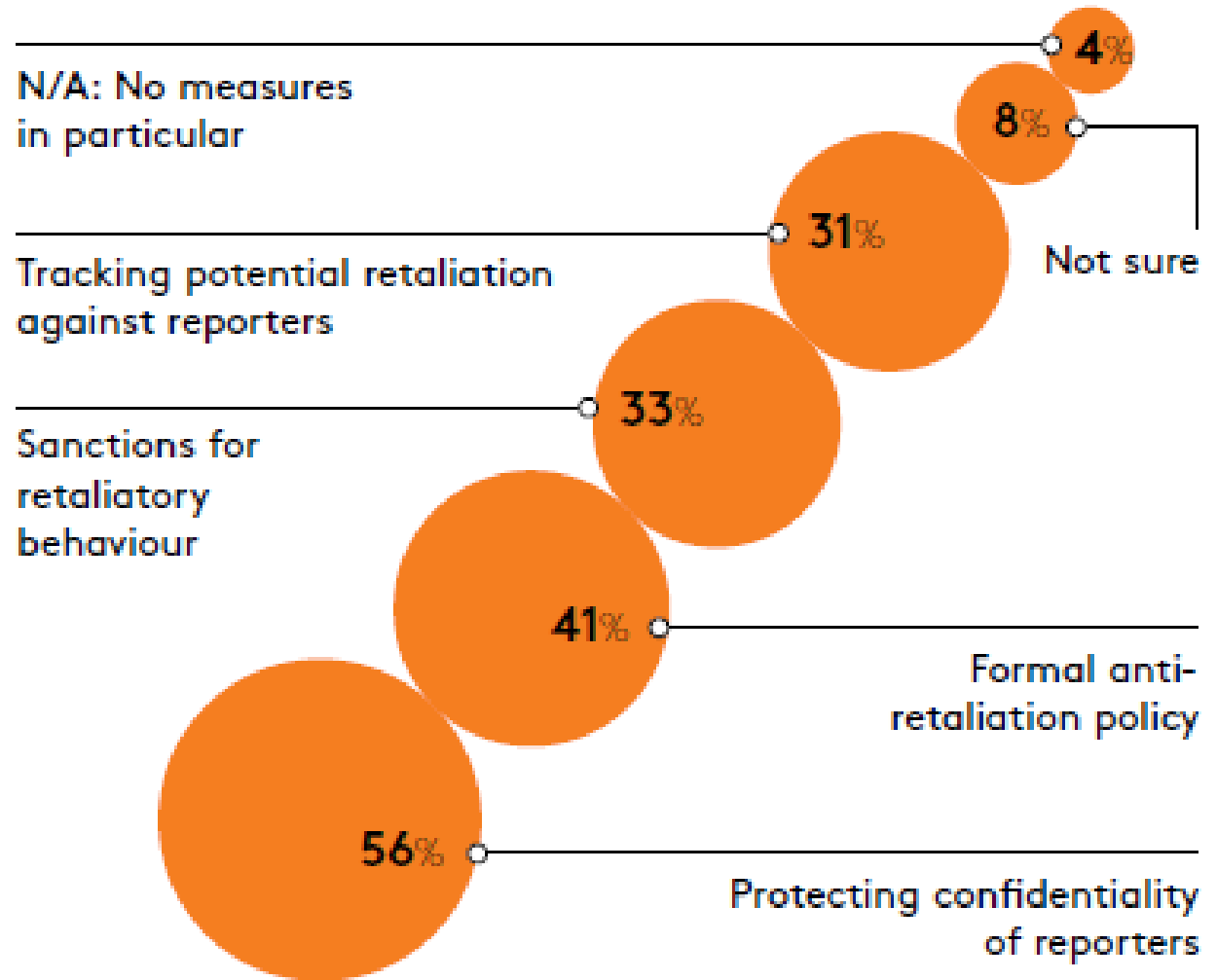


*Percentage of Retaliation Reports by HQ Location*

Retaliation reporting declines in North America and increases in Europe in 2020; but Europe also saw a major decline in substantiation rates

# Fear of Retaliation and the Lack of Internal Controls

- **49%** said fear of retaliation is the biggest barrier to reporting
- Only **41%** said their organisation had managed to institute a formal anti-retaliation policy.
- **33%** of organisations have no policy or process to sanction those who retaliate
- Active monitoring for retaliation must be addressed during and after investigation



# POLL QUESTION:

## How ready is your organisation to comply with whistleblower protection laws?

- We are fully prepared – our programme meets all requirements of the Directive
- We are partly prepared – we are checking interpretation of the proposed regional laws
- We are updating our programme – we are improving our programme to ensure we remain compliant
- We are not prepared – we have not checked if our programme meets the requirements of the Directive
- We are planning to implement a whistleblowing programme
- We are not required to have a whistleblowing programme in place





# Key Benchmark Takeaways

- The impact of COVID-19 was significant
- Reporting benchmarks can vary considerably by HQ location
- The EU Directive may be influencing programme performance
- Long-term reporting trends have changed with the new model of working
- Compliance effectively 'met the moment' but some red flags remain
- Retaliation remains a key topic of concern
- Organisations must be ready to respond quickly to regulatory changes





# Additional Resources

2021 Regional Whistleblowing Hotline Benchmark & EU Whistleblower Survey - **coming soon to your inbox!**

White Papers & Webinars:

[Definitive Guide to Whistleblowing Hotlines](#)

[What Your Board Needs to Know About Whistleblowing](#)

[EU Whistleblower Directive Guide](#)

[Realising Value From Your Hotline Programme](#)

Sign up to our Blog: [Risk & Compliance Matters](#)

# Q&A and Request Information

Please contact me to discuss the following:

(PLEASE SELECT ALL THAT APPLY)

- How to choose the right whistleblowing reporting solution
- How to meet whistleblower protection regulations
- Providing my third parties with access to my programme
- Ethics and compliance on-line training courses
- How to benchmark my compliance programme
- How to implement an integrated compliance platform
- Please send me future invites and compliance resources by email





# Thank You

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