



NAVEX™

2022

# Regional Whistleblowing Hotline Benchmark Report

■ Covering Europe, Asia Pacific,  
North America and South America

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# Introduction

Good analysis and benchmarking of whistleblowing hotline data helps organisations answer crucial questions about their risk and compliance programmes. Does the organisation's culture encourage employees to raise concerns? Is the investigations process effective? Do employees need further training on how and what to report on?

Comparing your internal data to help answer these questions is important but getting a perspective on how your performance matches up to industry norms is critical.

NAVEX has taken anonymised reporting data collected through our hotline and incident management systems, which collectively form the largest database of whistleblowing reports in the world, to provide the benchmarks in this report. Organisations can use the regional benchmarks provided in this report to compare the performance of their speak-up programmes to others operating in the same geographic region.

Each whistleblower report used in this benchmark has been categorised by the region in which the company's headquarters is based. That has allowed us to create individual benchmarks for each of the four global regions represented in this report: North America, South America, Europe and Asia Pacific (APAC).

This year we have created several new metrics. We have added new measures to include reporting by employee count to show some benchmarks by company size, provided incident timings to understand how long it takes for whistleblowers to come forward, and presented data on report outcomes. We are also pleased to offer two additional refinements in the way we calculate our benchmarks. We have expanded our issue types and separated 'Other' from the Human Resources category for the Allegation Categories benchmark. Please refer to our [Global Benchmark](#) report for further information.

Ethics and compliance professionals can trust these benchmarks to help guide decision making and to better understand how their programmes compare against peers based in their own region.

This report is an excellent starting point for organisations committed to benchmarking and improving programme effectiveness. To leverage more advanced benchmarks, NAVEX offers custom benchmarking options as part of our GRC Insights™ benchmarking services. You can work with us to get tailored benchmarking based on industry, size, or other facets of your organisation. Learn more about this service on our website at [www.navex.com](http://www.navex.com).



## NAVEX Risk and Compliance Solutions

NAVEX is the worldwide leader in integrated risk and compliance management software and services. Our solutions help more than 13,000 organisations every day to manage risk, address complex regulatory requirements, build corporate ESG programmes and foster ethical workplace cultures.

# Executive Summary

Our benchmarking data for 2021 showed that organisations were clearly still dealing with the uncertainties that came with the COVID-19 pandemic. While improvements have been seen, our data points to a continuation of the challenges that organisations around the world are still dealing with – and with some regions more affected than others.

We also see the continued progress of whistleblower protection rights reaching across the globe. The long-anticipated EU Whistleblower Protection Directive has almost certainly led to an increase in awareness of employee rights to speak up on concerns seen within the workplace, and for organisations, a renewed focus on ensuring minimum standards within internal whistleblowing programmes. However, with the EU Directive not yet established in 2021, we therefore see a mixed picture in our regional data of how prepared employees really are to come forward in reporting their concerns.

Below are some of the key insights that this year's regional benchmark reveals.

## The COVID-19 pandemic still has influence on internal reporting trends

Reporting volumes generally remained lower than before the pandemic, although there are now some signs that reporting trends are beginning to return to pre-pandemic levels. Reporting volume patterns followed regional lockdowns, with timings and impact varying regionally. Just like in 2020, the types of reports submitted were also impacted, with understandably continued high numbers of health and safety reports across some regions. Business integrity reports were lower again, but this year saw an increase in accounting and auditing reports, most likely related to the financial packages dispersed to support organisations through the pandemic. It would also appear that one effect of remote working is that people wanted to talk. Reports received via telephony were higher this year for some regions with the data showing that employees appreciate the ability to use and have access to multiple reporting channels.

## Tighter regulations and whistleblower protection standards becoming more important

Greater awareness of on-coming changes to the regulatory landscape providing stronger protection for whistleblowers, with the EU Whistleblower Protection Directive and the amended Japanese Whistleblowing Protection Act, may be starting to affect the shape of whistleblowing programmes. For instance, for European organisations, the data showed slightly shorter case closure times this year, although these are still a long way behind the Americas. Reporting volumes may also have been impacted by the approaching regulations, with some small upward trends in volumes seen across some regions perhaps indicating that people feel safer, and better understand the importance of reporting. This is an area where we expect to see more of an impact in future reports.

## Reporters are more emboldened when working for North American organisations, but less trusting elsewhere

This is one of the areas where gaining insight into regional benchmarks is particularly valuable as there is a mixed picture between the regions. A number of metrics suggest employees are more prepared to report misconduct when working for North American organisations. Anonymous reporting rates for this region were down in 2021, while there was only a slight decrease for APAC organisations, and European organisations remained flat. We also see a drop in the level of inquiries received, in other words, more people are choosing to report an allegation than ask a question first, with the greatest decrease seen in North American organisations.

## Retaliation reports on the rise in all regions

In all regions, more concerns were raised about retaliation. The larger increase in reports of retaliation was seen for North American organisations, while European organisations continued to see a small but consistent annual improvement. It may seem counter-intuitive to consider a rise in retaliation reports as good news, but in our experience fewer reports does not mean less retaliation. Retaliation is rife, but an increase in reports could be an indication that employees are more aware of their rights to protection and/or are feeling safer to make a report. Nevertheless, organisations must continue to ensure sufficient controls and measurements are in place to mitigate all forms of retaliation.





57 MILLION  
Employees



1.4 MILLION  
Reports



3,470  
Customers

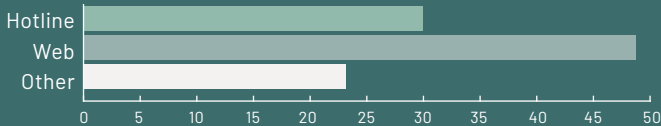
NAVEX Customers Generate the World's Largest Database of Reports

The 2022 benchmark provides compliance insights from over 57 million employees generating 1.4 million reports in 2021 representing 3,470 customers that received 10 or more reports in 2021

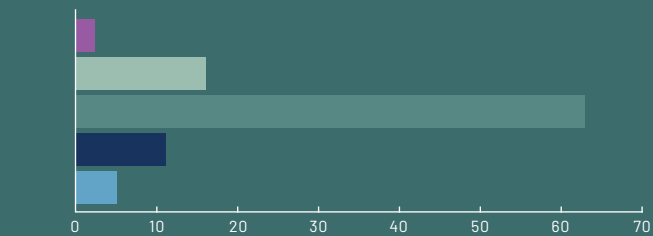
# A SNAPSHOT OF OUR DATABASE

## Methodology

Our report reflects all intake methods:



Our report reflects many issue types:



- Accounting, Auditing & Financial Reporting
- Environment, Health & Safety
- Business Integrity
- Misuse, Misappropriation of Corporate Assets
- HR, Diversity & Workplace Respect

## Industry Leading Approach



We use Medians or Midpoints rather than averages to reduce the impact of outliers



We calculate ranges to help identify extreme data points as potential areas of concern



Medians and ranges provide context for your individual benchmarks

## Reports from Around the World

The reports used in this benchmark are categorised by company HQ location. We then grouped these organisations into four regions; North America, South America, Europe and APAC (we combined Australasia, Middle East and Asia to form APAC). Reports from African organisations are omitted from this report unless otherwise stated.



## Representative of the these top 12 industries



1

# Report Volume



# How Does Your Report Volume Compare to Others?

Using 'Report Volume per 100 Employees' enables organisations to compare the total number of reports submitted from all reporting channels – including web forms, telephone hotlines and all other channels.

## Findings

- Median reporting volume dropped in 2021 for organisations headquartered in the Americas while APAC organisations saw an increase in reporting volumes.
- Median reporting volume for European organisations has now remained static for the last four years at 0.5 reports per 100 employees.

## Analysis

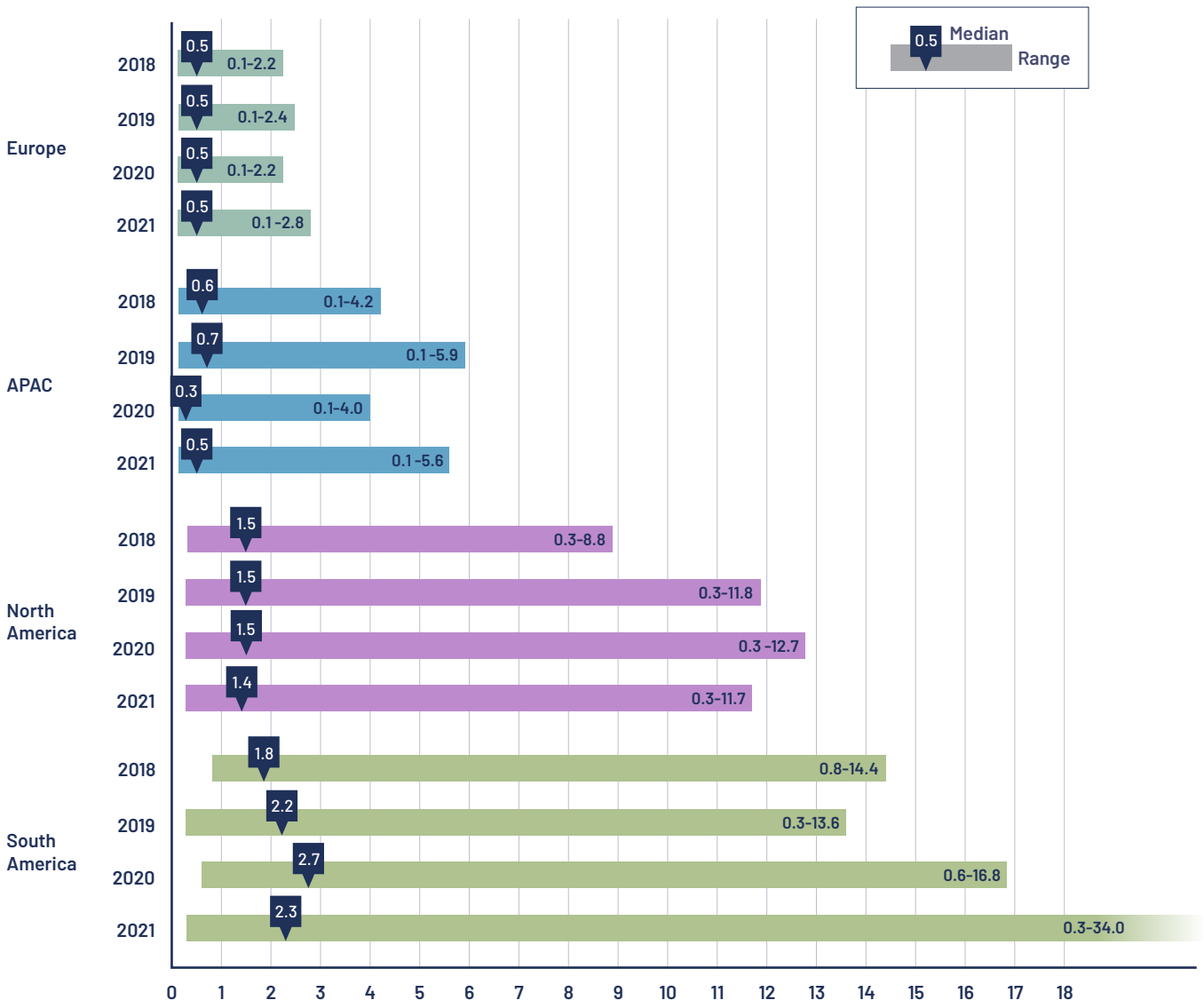
In 2021, the primary drop in reporting volume was seen for North American and South American organisations where the median reporting rate decreased from 1.5 reports per 100 employees in 2020 to 1.4 in 2021 and from 2.7 reports per 100 employees to 2.3 respectively.

Despite many of the external influences around the pandemic and the promise of increased whistleblower protection regulations in Europe, reporting volumes remained static for the fourth consecutive year at 0.5 reports per 100 employees for European organisations. However, it is interesting to note that when we remove UK reporting data from this benchmark, we see that the rest of Europe has actually seen a steady increase in reporting volumes over the last three years, from 0.4 reports per 100 employees in 2019 to 0.6 reports in 2021. This suggests that we may be seeing the impact of the EU Whistleblower Directive with organisations based in the EU having a better understanding and awareness of the importance of whistleblowing.

For organisations headquartered in APAC, reporting rates increased in 2021 after the decrease seen the year before, from 0.3 reports per 100 employees in 2020 to 0.5 reports in 2021. This is a strong sign that we may be seeing a return to pre-pandemic reporting levels.

For South American organisations, the drop in reporting volumes was more significant, but we have to treat this outcome with an element of caution due to limited data available in this region.

## Report Volume per 100 Employees



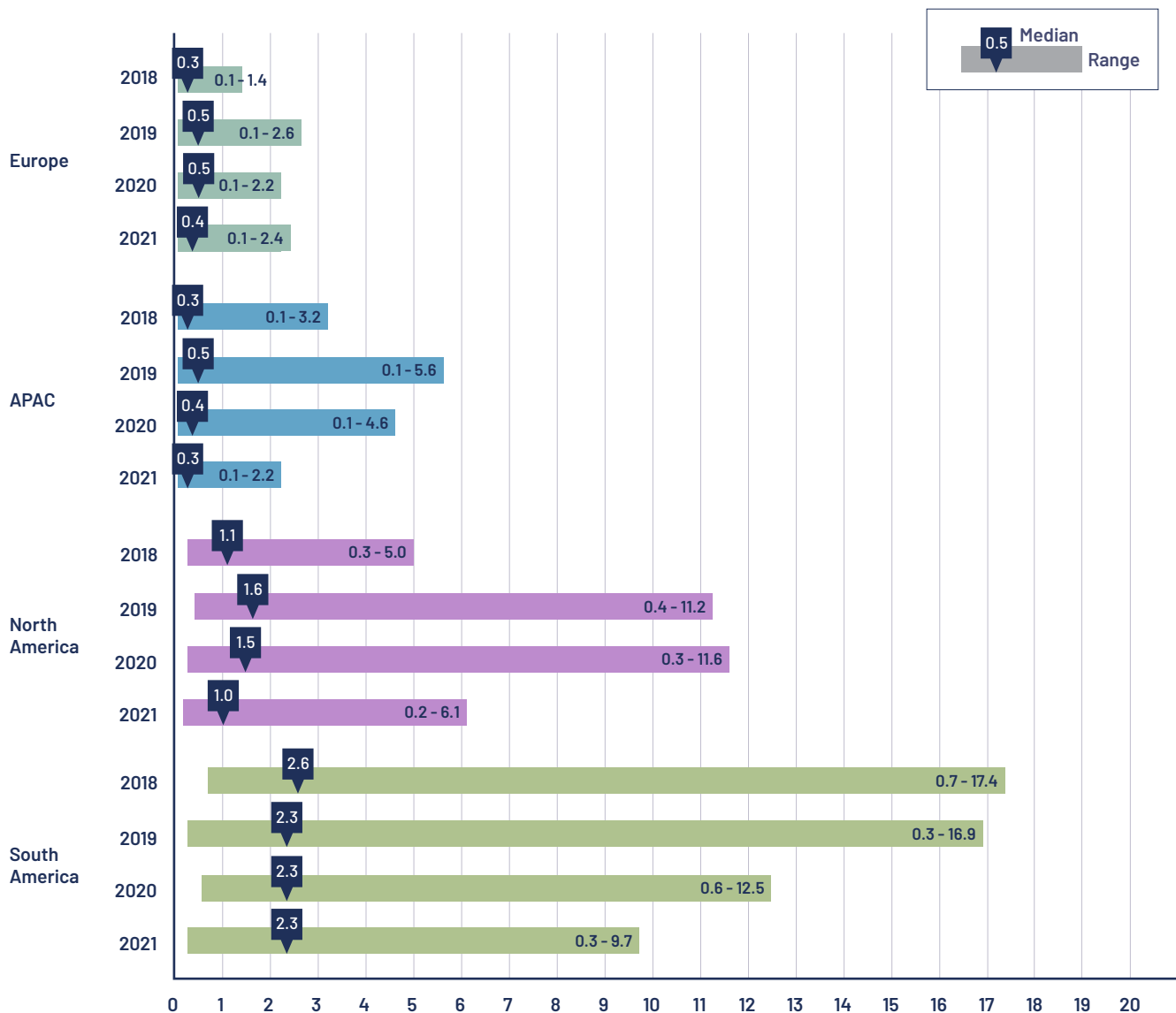


The next two graphs compare the level of reporting received by two groups of organisations. The first group, 'Organisations That Track Reports from Web & Telephone Only', shows the median reporting volumes for organisations that track reports from their telephone hotline and web reporting channels only. The second group, 'Organisations That Track Reports from All Sources', shows the median reporting volumes for organisations that use their incident management system to track reports from all sources including web, telephony, open door reporting and walk-ins, manager submissions, email and postal mail. By comparing the reporting volumes between these two groups we can determine the impact of using an incident management system in a more robust way.

### Findings

- The gap between median reporting volumes for organisations that track reports made by 'Web and Telephone Only' compared with organisations that track reports from all channels grew across all regions in 2021 (apart from South American organisations where we have less data).
- For APAC organisations, median reporting volume returned to pre-pandemic levels in 2021 at 0.8 reports per 100 employees for organisations that track reports from all sources.
- Median reporting volume for organisations that track reports from all sources remained flat in 2021 for European organisations and only fell slightly for North American organisations from 2.1 reports per 100 employees to 2.0.

### Organisations That Track Reports from Web & Telephone Only

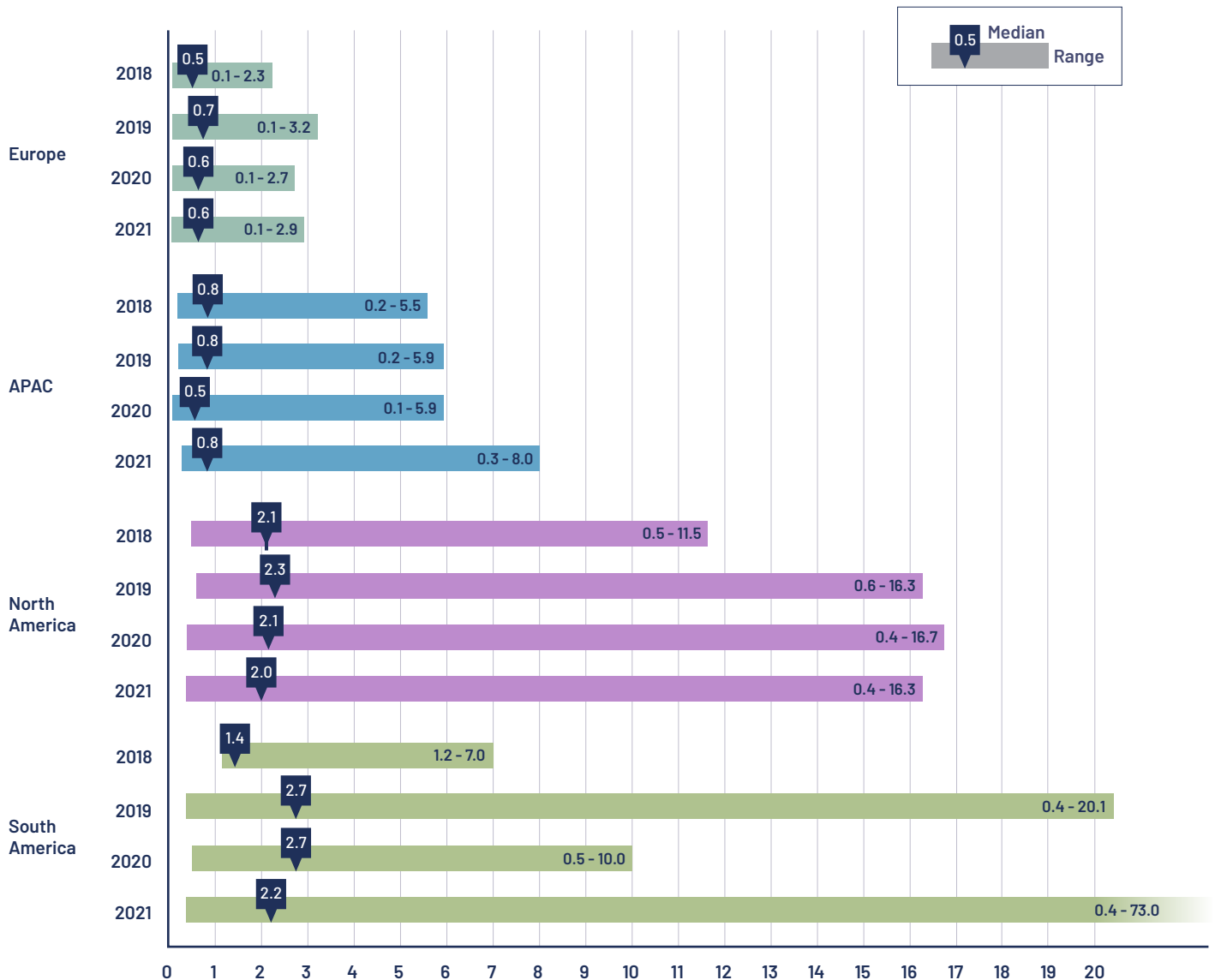


## Analysis

For a speak-up programme to be truly effective, organisations must offer employees relevant, accessible channels through which they can raise their concerns. The most common channels typically fall into three categories; web intake, telephony and all other sources, which includes reports made in-person. Tracking reports made only by web and telephony limits the ability to have a holistic view of issues occurring across the organisation. This was further evidenced in this year's report whereby organisations that track reports from web and telephony only, saw a drop in median reporting volumes across every region in 2021 (except for South American organisations where data is limited).

The drop in overall reporting volume seen across some regions in 2021 was driven mainly by those organisations that only track reports from web and telephony. Where organisations track reports from all sources, which includes those made face-to-face, the drop in reporting volume seen in 2021 was much reduced compared to the reporting volume for web and telephony, and for some regions remained flat or even increased. For example, for the APAC region, reporting volume returned to pre-pandemic levels for organisations that tracked reports from all sources. This may be partly explained by a return to in-person reporting with employees beginning to return to the office across 2021. It also implies that programme owners need to make sure that whistleblowing programmes not only allow employees to submit reports via a wide choice of channels, but that reports submitted from every channel are tracked within the programme.

## Organisations That Track Reports from All Sources



Once again NAVEX examined report volumes across all regions on a month-by-month basis for 2021. This allowed for a more detailed view of precisely how external events – including the COVID-19 pandemic – influenced internal reporting.

### Findings

- Changes in reporting volumes largely correlated with the implementation of regional lockdowns.
- Some regions, including North America, show a similar pattern to 2020 with reporting volumes dropping in spring and increasing during the second half of the year.
- We saw a different pattern for European organisations with lockdowns occurring at different times and with a noticeable peak in reporting during September.

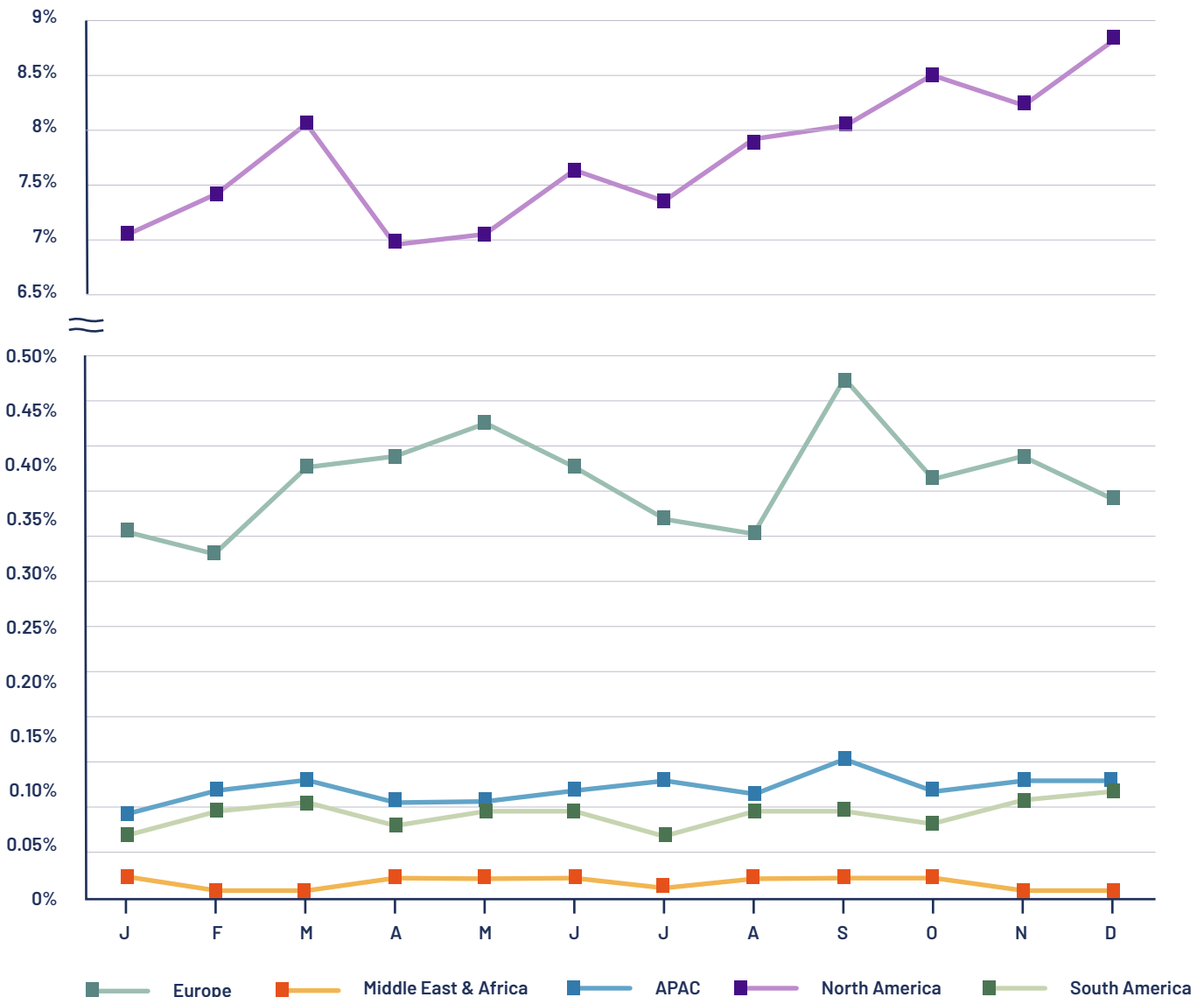
### Analysis

Overall, COVID-19 impacted reporting trends across the globe in 2021. When we look at the regional data, it's clear that reporting trends were again in line with the regional lockdown dates. North American organisations witnessed a similar experience to 2020 with a significant drop in reporting levels as the lockdowns occurred in spring.

Changes in monthly volumes for European organisations show a different pattern compared to most other regions. This is largely due to the lockdown timings seen across the region with many countries in Europe starting the year by extending existing 2020 lockdowns through to February 2021. Thereafter, employees started to return to the office throughout spring, correlating with the increase in reporting volume seen around the same timeframe. The traditional drop in reporting volumes normally seen during the summer period was heightened by partial lockdowns that were re-introduced across the summer.

The peak in reporting volume seen in September for European organisations was consistent with employees returning from the holiday period, some furlough schemes coming to an end, but also with many companies requiring their employees to return to the office. Europe also saw the Omicron variant peak at the end of the year, which again aligned with the decrease in reporting rates seen at this time.

### Monthly Reports (By Region HQ) 2021



# Report Origination Breakdown By Geography

The 'Report Origination' data shows where the reports originate across our database. The graph below shows the region where each report included in our benchmark was submitted. While this is an alternative way to compare performance geographically, it should not be confused with the rest of the data provided in this study, which is segmented based on where the organisation's HQ is located.

## Analysis

We show two sets of report origination data in our benchmark – report origination for reports taken from all organisations (All Organisations) and reports taken from only those organisations headquartered in EMEA and APAC, (EMEA & APAC HQ). The data for 2021 could be an indication that whistleblowing programmes are extending their reach geographically with employees based outside of their company's headquarters submitting a greater share of reports compared to last year.

## Findings

- Europe, South America, APAC and Middle East all continue to increase their global share of reports.
- When we analyse reports taken from only those organisations headquartered in EMEA and APAC, we see a significant drop in the percentage volume of reports originating in Europe in 2021 compared to 2020.

## Percentage of Reports by Report Origin

### North America

#### All Organisations

83%	81%	80%	75%
2018	2019	2020	2021

#### EMEA & APAC HQ

35%	28%	22%	30%
2018	2019	2020	2021

### Europe

#### All Organisations

4%	5%	5%	6%
2018	2019	2020	2021

#### EMEA & APAC HQ

24%	23%	30%	22%
2018	2019	2020	2021

### APAC & Middle East

#### All Organisations

7%	8%	6%	10%
2018	2019	2020	2021

#### EMEA & APAC HQ

21%	23%	19%	21%
2018	2019	2020	2021

### South America

#### All Organisations

5%	4%	6%	7%
2018	2019	2020	2021

#### EMEA & APAC HQ

9%	10%	12%	12%
2018	2019	2020	2021

### Africa

#### All Organisations

1%	2%	1%	1%
2018	2019	2020	2021

#### EMEA & APAC HQ

5%	6%	4%	3%
2018	2019	2020	2021

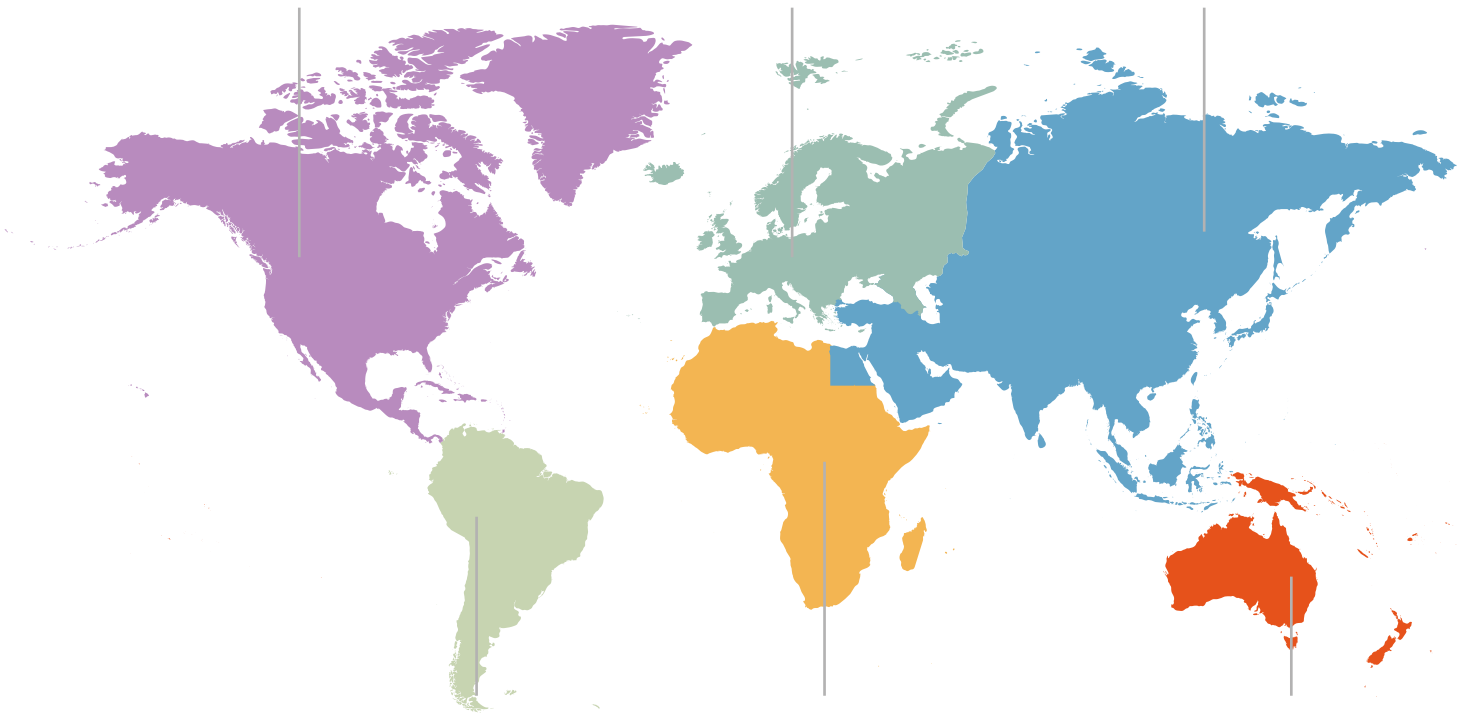
### Australasia

#### All Organisations

1%	1%	1%	1%
2018	2019	2020	2021

#### EMEA & APAC HQ

7%	10%	9%	11%
2018	2019	2020	2021



2

# Report Allegation Categories



## 2a Reports By Allegation Category

The NAVEX whistleblowing report data is organised into the primary categories shown here, the definitions of which can be found in the 'How we Calculate our Benchmarks' section of this report.

Categorising the types of reports an organisation receives, and tracking their numbers, can reveal programme gaps and successes. Please note these numbers reflect a category's share of total reporting, so an increase in percentage does not necessarily reflect an increase in volume.

This year we have separated those issue types that are truly 'Other' in nature, meaning they do not fit into any category tracked. In the past, we have included 'Other' with the Human Resources category because Human Resources is often called on to address these matters. Now, rather than five major categories, we have six.

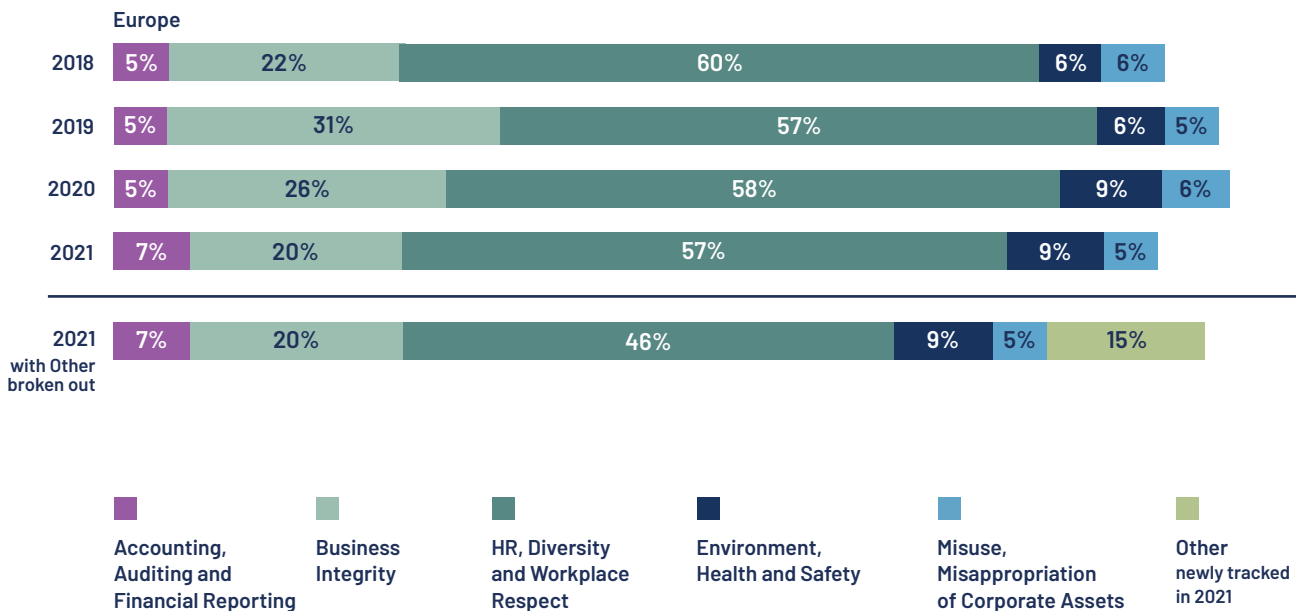
### Findings

- The percentage of reports regarding Accounting, Auditing & Financial Reporting rose across all regions in 2021.
- The percentage of Environment, Health and Safety (EHS) reporting fell for North American and APAC organisations, while there was no change for European organisations.
- The percentage of Misuse of Corporate Assets reporting declined for European and APAC organisations.
- The percentage of HR and Business Integrity reporting fell across all regions (excluding South American organisations).

### Analysis

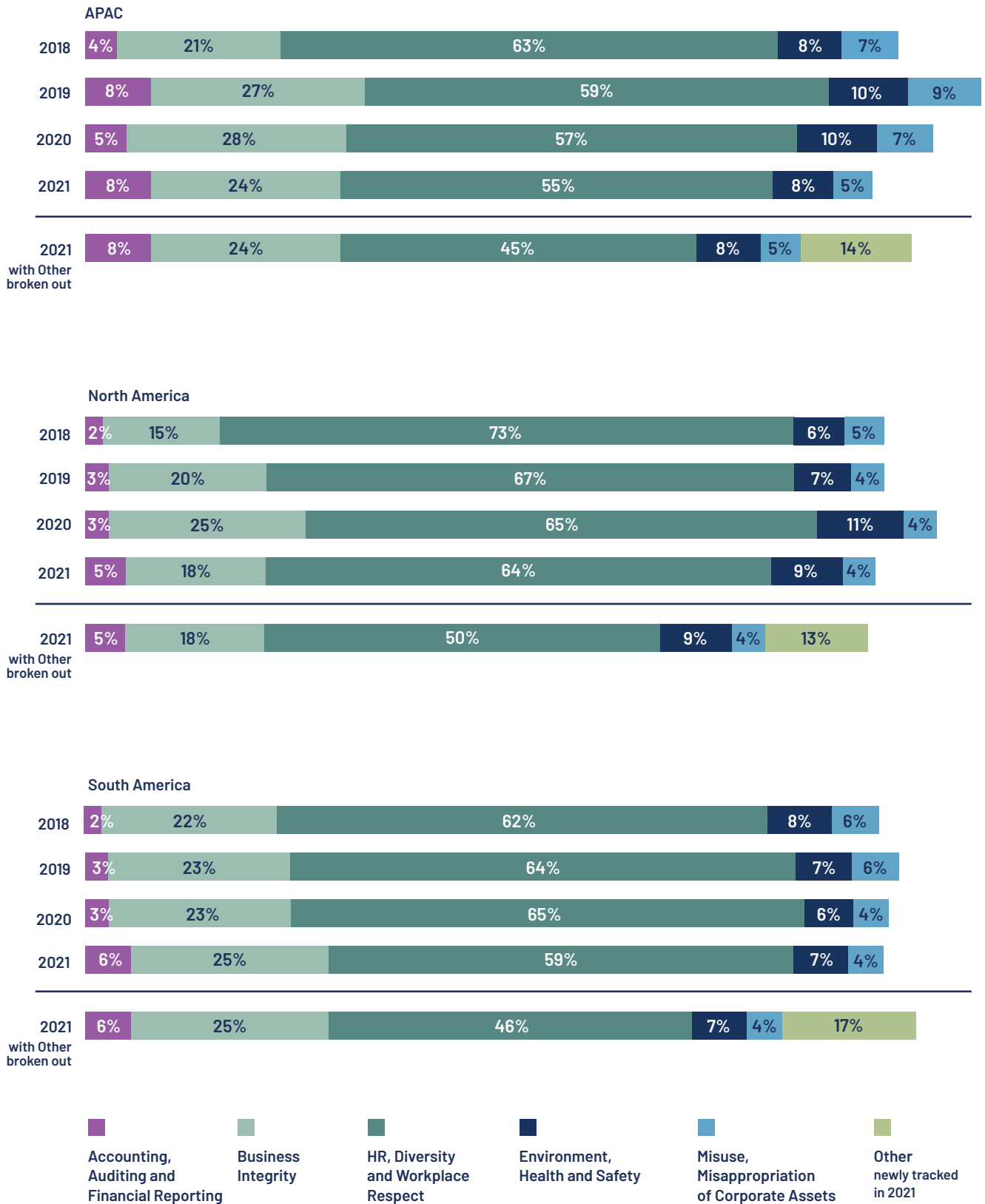
Similar to 2020, it appears once again that the COVID-19 pandemic not only impacted reporting volumes, it also affected the types of reports received. For instance, there was an increase in reports regarding Accounting, Auditing and Financial Reporting across the board in 2021, from a median of 5% in 2020 to 8% in 2021 for APAC organisations, 5% in 2020 to 7% in 2021 for Europe and 3% in 2020 to 5% in 2021 for North American organisations. The increase in these types of allegations seen in 2021 could have been expected given the amount of money distributed to businesses for COVID-19 relief.

### Median Percentage of Allegation Categories



Note: Medians will not necessarily total 100%

## Median Percentage of Allegation Categories



## 2b Reporter Allegations vs Inquiries

Reports raised by employees can be categorised as either allegations or inquiries. Allegations are important for organisations to capture through an incident management platform so that any concern or incident can be investigated before it turns into a crisis. Inquiries are also important as they can highlight a lack of understanding over a policy or where additional training may be required.

### Findings

- North American organisations drove the largest drop in inquiries seen in 2021 from 14% to 10%.
- Allegations for European and North American organisations increased in 2021, while APAC stayed flat at 3%.
- The level of inquiries for European and APAC organisations remain low compared to allegations.
- South American organisations saw significant change, with inquiries increasing to 45% in 2021.

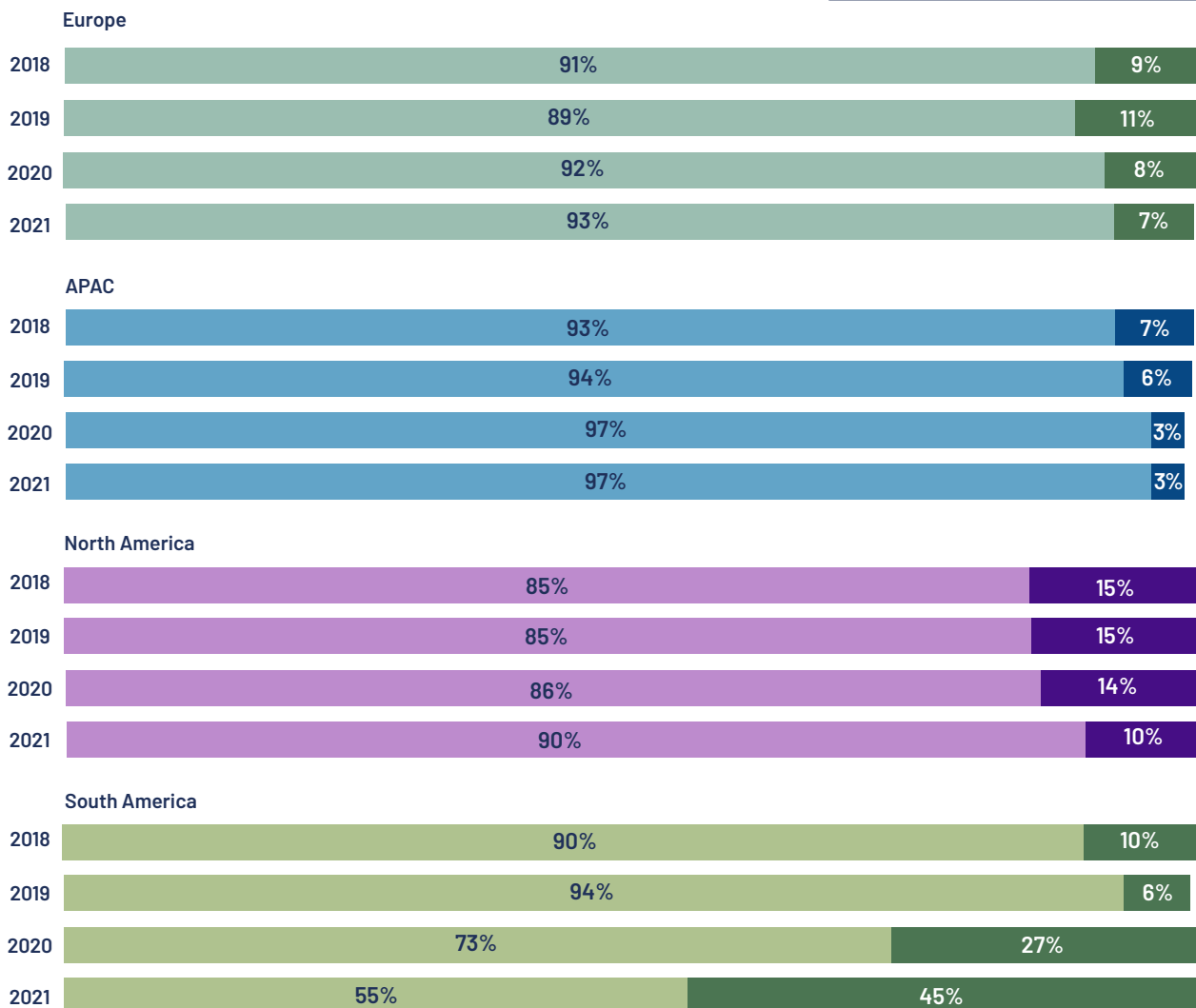
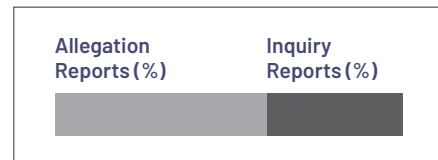
### Analysis

Inquiries can be considered as the precursor to allegations of misconduct. For example, if a person wants to make sure they understand whether something is bribery before reporting what they've witnessed, an inquiry can help them make the right choice.

The declines in inquiries relative to allegations across most regions raises a couple of questions. Are employees becoming emboldened to report allegations directly rather than making an inquiry first? Or are employees being discouraged, or are they simply not able to submit inquiries?

Where hotlines are not set up for employees to ask questions, organisations are missing out on trends that may indicate gaps in their compliance programme, as well as an opportunity to provide compliance and ethics advice that may reduce future issues from occurring. If inquiries are encouraged, this may lead to more people to come forward and make a report.

### Reporter Allegations vs Inquiries





3

# Anonymous Reporting Rate



## 3a Median Anonymous Reporting Rate

The Anonymous Reporting Rate shows the percentage of all reports submitted by individuals who chose to withhold their identity when making a report.

### Findings

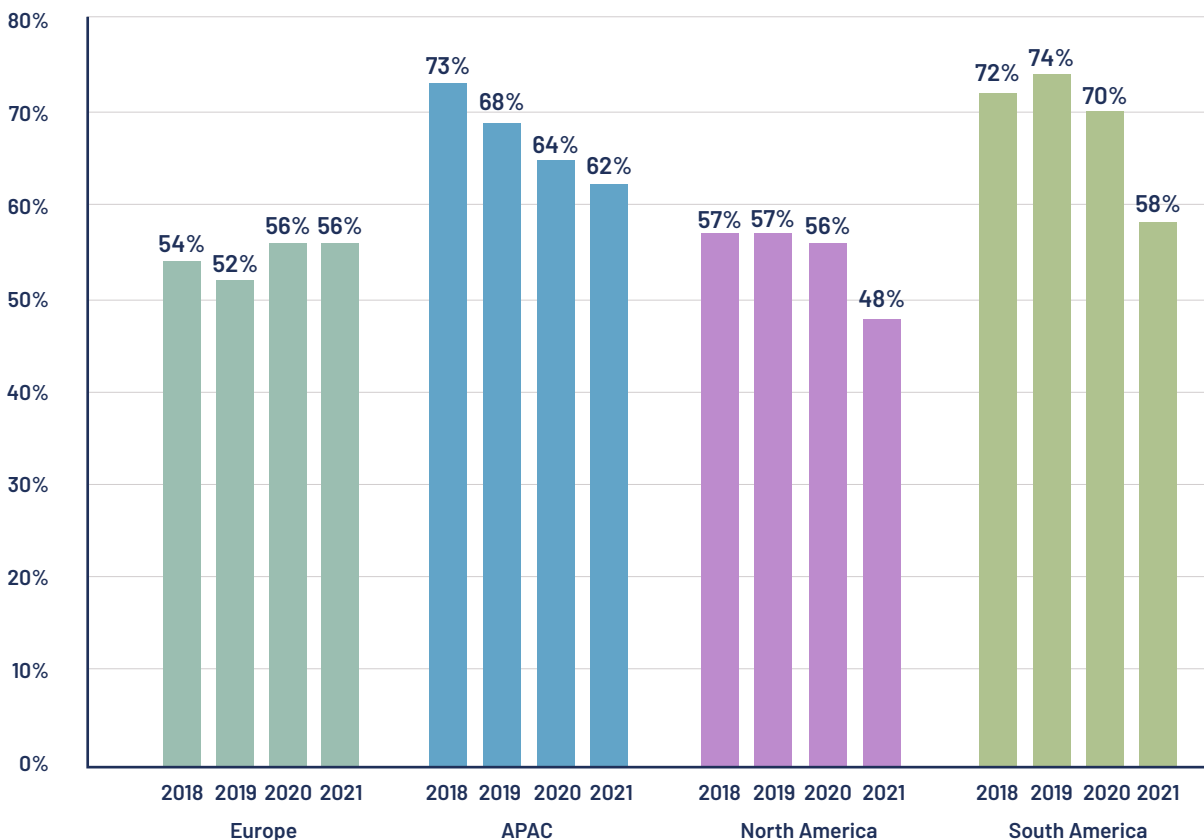
- Anonymous reporting rates declined by the biggest drop ever seen for North and South American organisations since our benchmarks began.
- Anonymous rates for European organisations remained flat at 56%.
- For APAC organisations there has been a consistent gradual decline in anonymous reporting, for the fifth year in a row.

### Analysis

A lower number of anonymous reports can be seen as an indication of trust in the organisation if individuals feel comfortable to give their name. The substantial drop seen for North American organisations, from 56% in 2020 to 48% in 2021, and from 70% in 2020 to 58% in 2021 for South American organisations, is therefore encouraging. Coupled with the continued decline in anonymous reporting in APAC, from a high of 73% in 2018 to 62% in 2021, the longer-term trend towards a global norm noted in 2020 seems to be holding.

For European organisations, the levels of anonymous reporting have remained stable, however levels are lower than APAC and South America. Employees may not feel any more confident to submit their names, be that through fear of retaliation or a lack of trust in the system. As more EU member countries adopt new whistleblowing protection laws during 2022, it will be interesting to see the impact this has on anonymous reporting. Will greater legal protections make people feel more confident to provide their names, or the reverse?

### Median Anonymous Reporting Rate by Headquarters Region

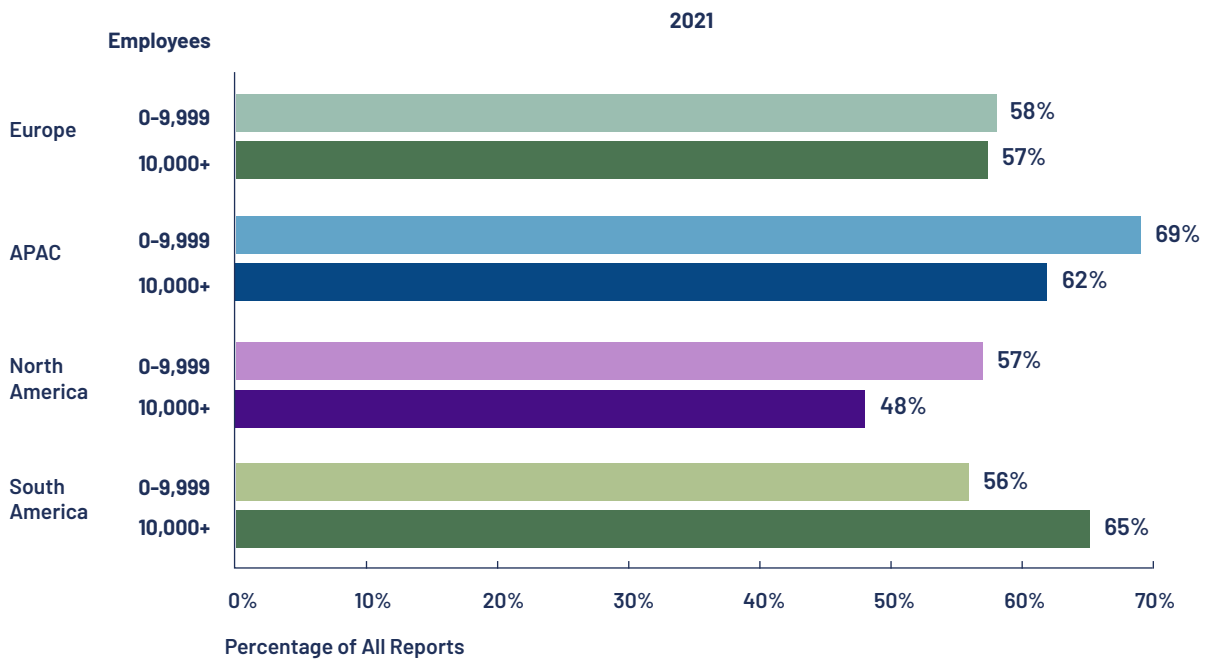


### 3b

## Anonymous Reporting Rate by Employee Count

New this year we have tracked 'Anonymous Reporting Rate by Employee Count'. It shows that in all regions apart from South American organisations, anonymous reporting rates are at a higher level in smaller organisations. This is to be expected as employees are more likely to know each other and may not wish to be identified.

### Median Anonymous Reporting Rate by Headquarters Region and Employee Count



4

# Substantiated Reports



The 'Median Substantiation Rate' reflects the rate of allegations from both named and anonymous reporters that were determined to have at least some merit to them, termed as substantiated or partially substantiated.

### Findings

- Global substantiation rates have remained steady for several years across all regions, apart from APAC organisations.
- Substantiation rates increased for APAC organisations from 42% in 2020 to 47% in 2021, but has shown an inconsistent trend for several years.

### Analysis

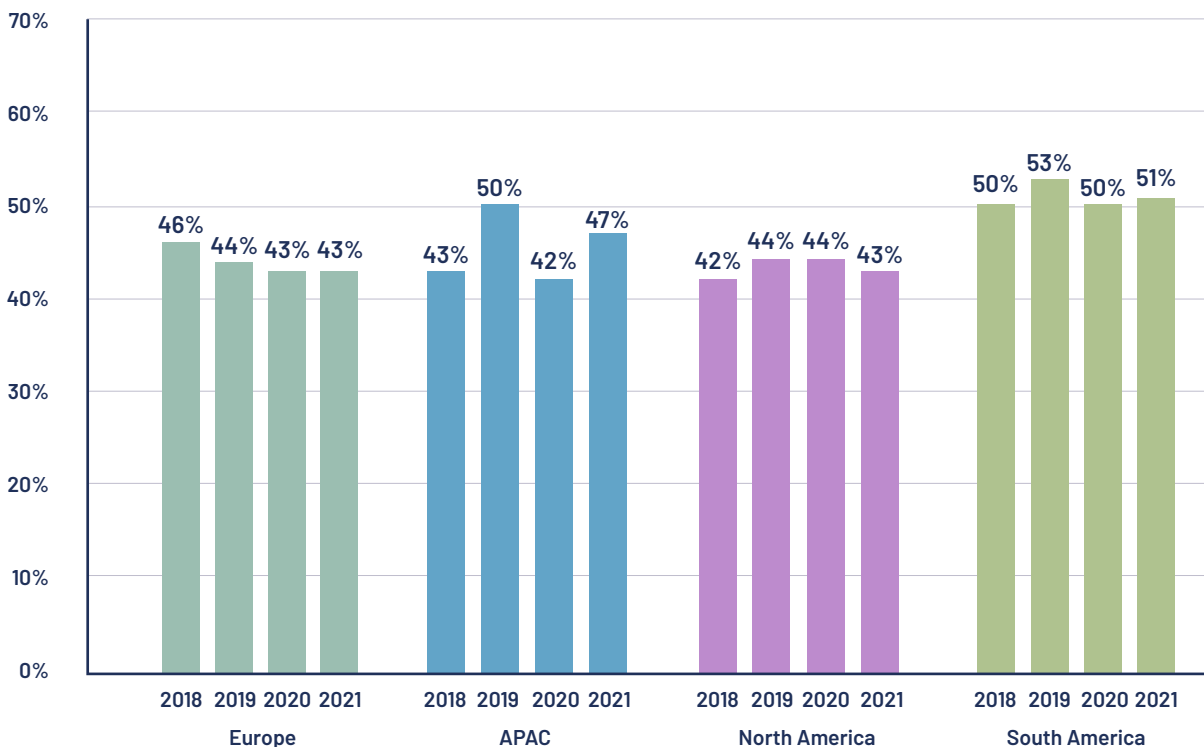
Generally, higher substantiation levels indicate that well-informed employees are submitting more detailed reports through the system, coupled with more effective investigations processes.

These remarkably consistent rates seen over several years, despite the challenges of the COVID pandemic, indicate that once again, compliance programmes essentially perform well in being able to maintain a high level of quality investigations even when some have had to take place remotely.

We are seeing a "consistent inconsistency" in the APAC data. In both 2019 and 2021 this region has had higher substantiation rates than North American organisations. These higher rates are in line with the fluctuation seen in the report volume for these respective years.

From the point of view of quality, it is of course a good sign when substantiation rates are on the rise. However, still less than half of all reports are deemed to have merit to them, clearly highlighting the importance for compliance training and awareness on whistleblowing. Employees need to understand when to report, what concerns to report, what information they need to provide and the subjects that do not constitute a whistleblowing matter.

### Median Substantiation Rate by Headquarters Region



## 4b

# Median Substantiation Rate By Allegation Category

The 'Median Substantiation Rate by Allegation Category' shows the median substantiation rate for each of the reporting categories highlighted.

### Findings

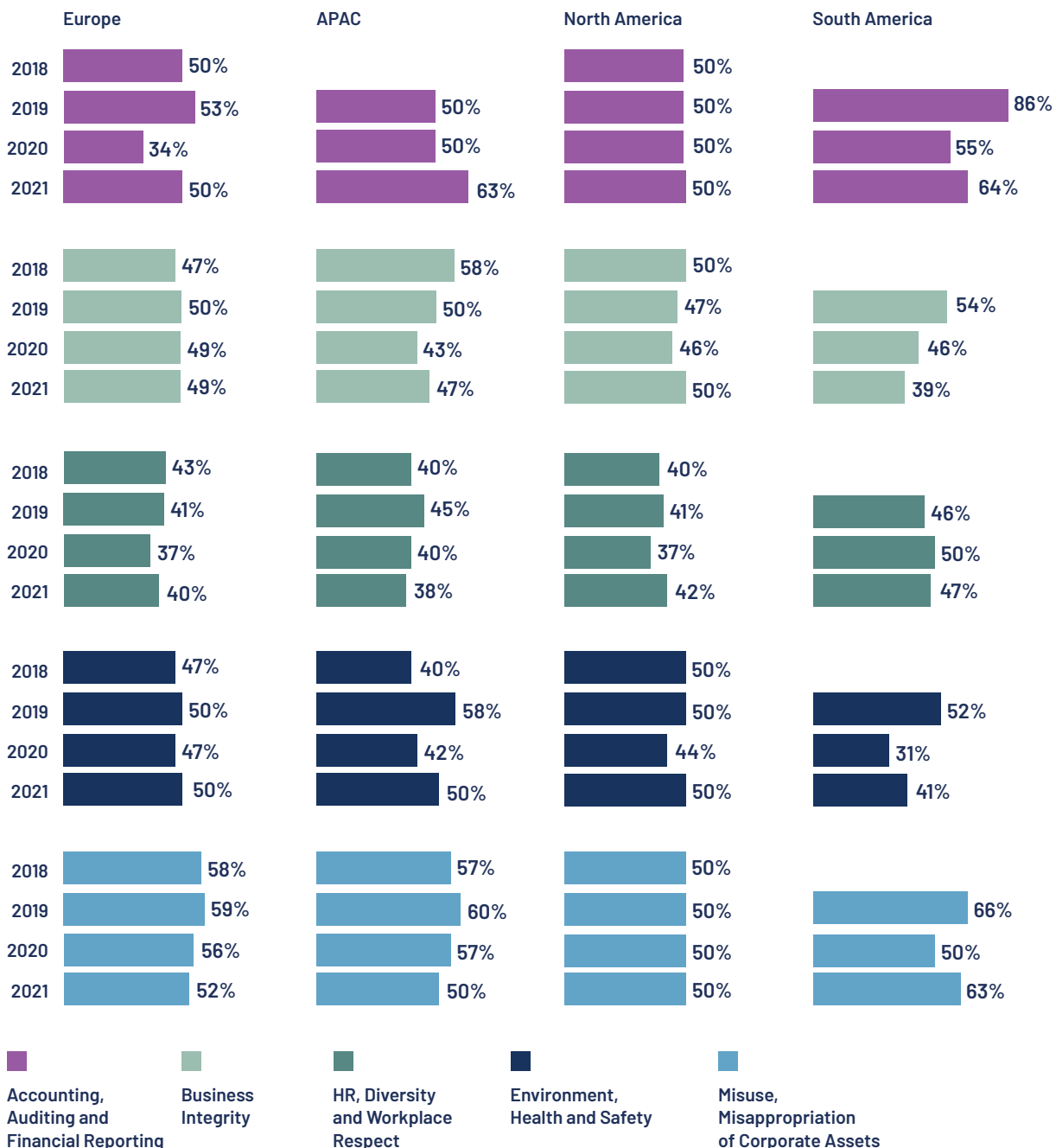
- Substantiation rates for Environment, Health & Safety allegations saw an increase across all regions in 2021.
- North American organisations saw an increase in substantiation rates for HR allegations in 2021.
- There was a significant increase in substantiation rates for Accounting & Financial Reporting for all regions in 2021, excluding North American organisations which remained steady.

### Analysis

Substantiation rates for Environment, Health & Safety reports showed a significant change in 2021. In this category the substantiation rates jumped by more than five percentage points for APAC, North American and South American organisations, with a three percentage point increase seen for European organisations. This is likely due to the COVID pandemic driving employees and management alike to pay more attention to Environmental, Health & Safety issues.

For European organisations, the jump in substantiation rates for Accounting & Financial Reporting to almost pre-pandemic levels may indicate that last year's drop was an early pandemic-related anomaly. In APAC the substantiation rates in 2021 exceeded the pre-pandemic figures in 2019 of 50%.

### Median Substantiation Rate by Allegation Category



The comparison of 'Substantiation Rates Between Anonymous and Named Reports' shows the percentage of all reports submitted by reporters who chose to remain anonymous vs the percentage of all reports submitted by reporters who did disclose their identity.

### Findings

- Substantiation rates for anonymous reports increased across all regions in 2021.
- Named substantiation rates remain constant, with no significant changes seen for European and North American organisations.

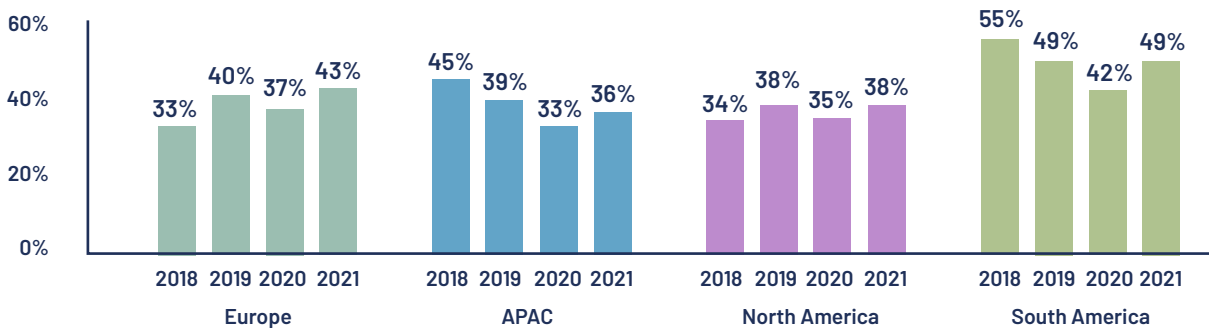
### Analysis

The increase in the substantiation rates for anonymous reports across every region for 2021 is a positive sign. These results are close to pre-pandemic levels, or even better in the case of European organisations in particular, from 37% in 2020 to 43% in 2021. With the new EU whistleblower protection laws coming into force in 2022, we will be monitoring this trend closely for Europe, as previously this region had seen inconsistent improvement in anonymous substantiation rates.

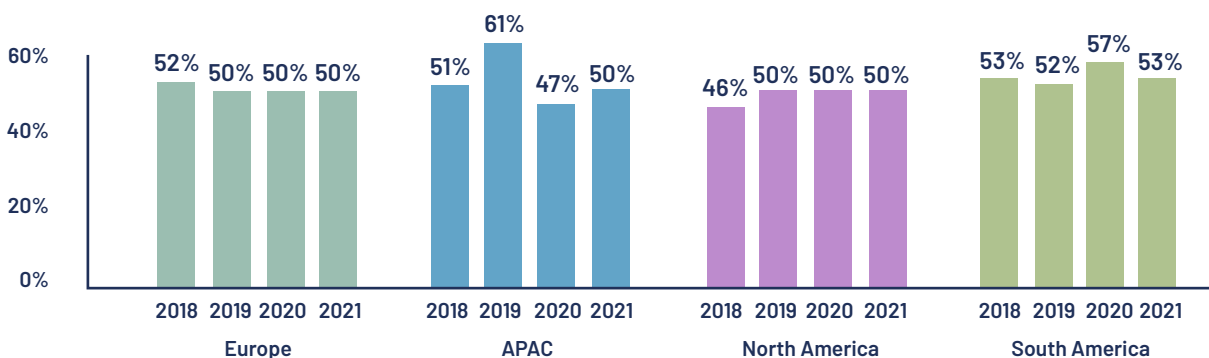
There may be several factors driving these higher substantiation rates for anonymous reports such as better educated reporters, more experienced investigation teams, or upcoming regulations requiring thorough follow-up of all reports.

## Comparison of Substantiation Rates Between Anonymous & Named Reporters

### Anonymous Substantiation



### Named Substantiation



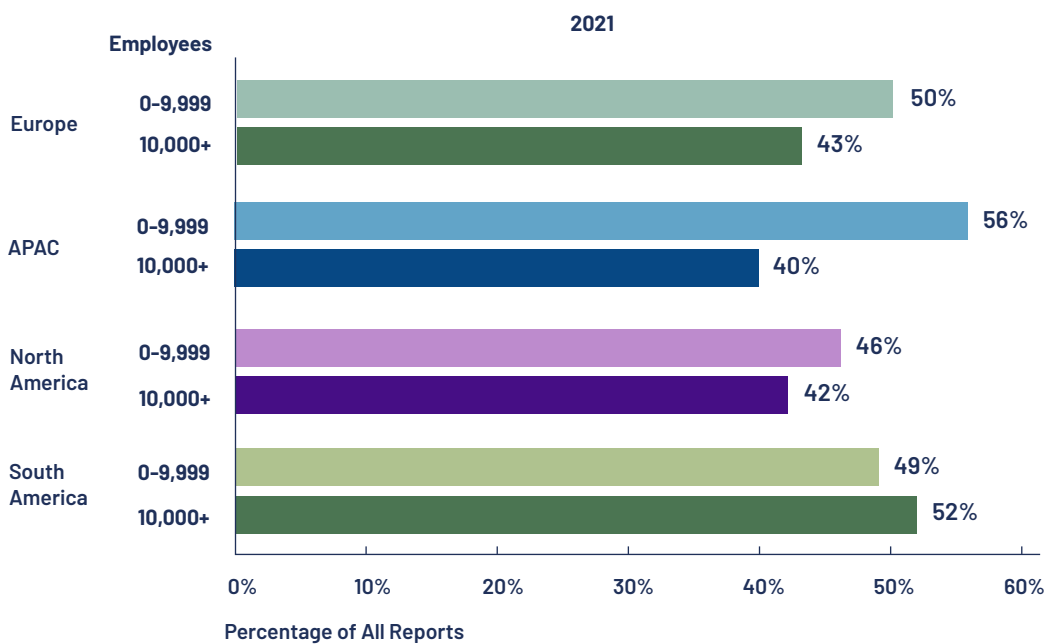
## 4d Substantiation Rates by Employee Count

Another new metric for this year is 'Substantiation Rates By Employee Count'.

### Analysis

The outcome for this benchmark shows that substantiation rates are higher for smaller organisations in all regions apart from South American organisations. This should not be a surprise as employees are less dispersed in smaller companies and may be closer connected with the activities of other employees. This may make it easier to obtain and act quickly on evidence.

### Median Substantiation Rate by Headquarters Region and Employee Count





5

# Case Closure Time



## 5a Median Case Closure Time in Days

'Median Case Closure Time' measures the number of calendar days it takes an organisation to close a case, i.e. from the moment a report is received in the system to when it is closed in the system. Reducing case closure times is a vital step towards increasing employee engagement and trust in your speak-up programme.

With this benchmark, it is important to remember that the data is reported in medians, which means it is a midpoint and that 50% of reports would have taken longer to close than the median number of days shown.

### Findings

- In European organisations case closure times decreased again in 2021, albeit very slightly, from 75 days in 2020 to 74 days in 2021.
- For APAC organisations, case closure times dramatically increased from 65 to 86 days in 2021.
- A slight increase was seen for North American organisations in 2021, from 37 to 39 days.

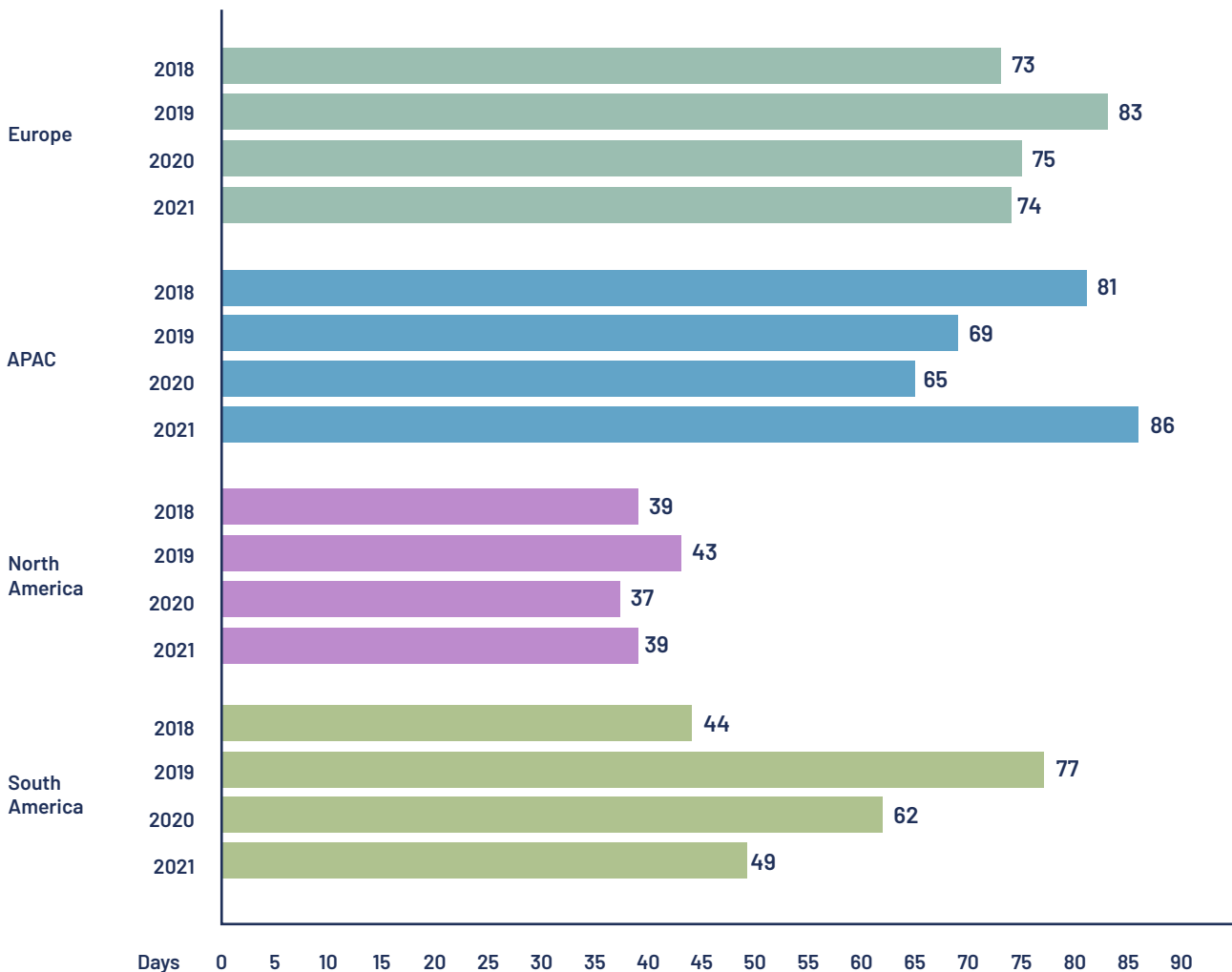
### Analysis

There are vast regional differences in the number of days it takes to close cases. Organisations headquartered outside of North America still show very long case closure times, and are a long way from the rates seen for North American organisations. Since these numbers are medians, potentially half of these reports are actually taking much longer.

European organisations saw a small decline in 2021 shunning the global trend. This one day improvement in case closure times may have been triggered by the EU Whistleblowing Directive. However, this metric indicates that European companies still have work to do as the EU Directive mandates a three-month deadline for organisations based in the EU to inform whistleblowers of the progress of an investigation.

APAC organisations saw a considerable increase in case closure times from 65 days in 2020 to 86 days in 2021, this might be due to a lack of resources necessary to support what may have been an unexpected increase in report volume. This result is concerning as the previous two years had shown a decrease in days to close.

### Median Case Closure Time in Days



The 'Median Case Closure Time by Allegation' metric shown in this report measures the number of calendar days it takes an organisation to close a case for organisations headquartered in EMEA & APAC for each of the five primary reporting categories below.

### Findings

- Misuse and Misappropriation of Corporate Assets showed the largest reduction in case closure times by 11 days from 2020 to 2021, while Accounting, Auditing and Financial Reporting reduced by 4 days.
- Business Integrity was the only reporting category that saw an increase in case closure times from 75 days in 2020 to 77 days in 2021.

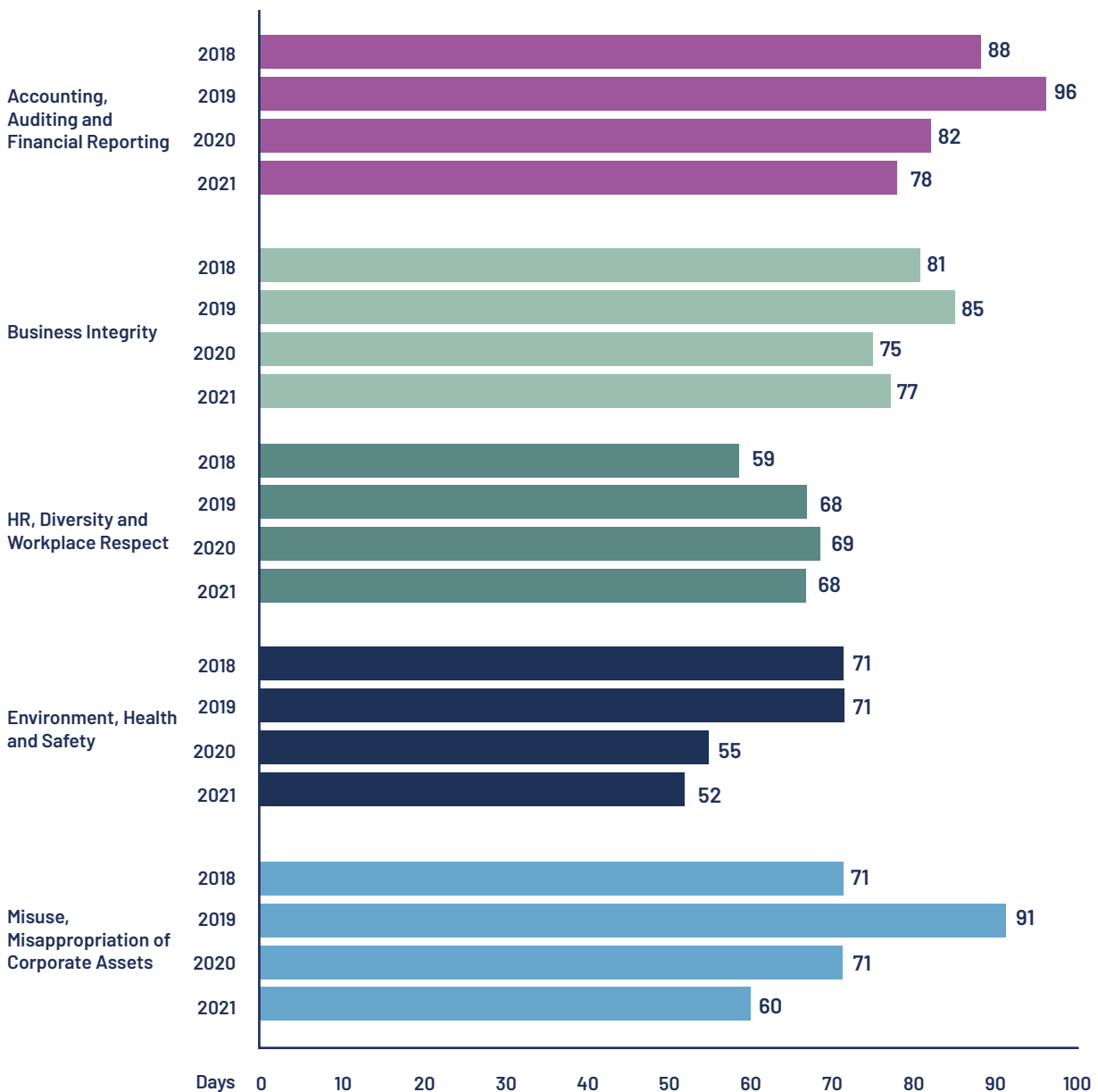
### Analysis

One of the key changes compared to last year was the drop in case closure time for reports regarding Accounting, Auditing and Financial Reporting for EMEA and APAC organisations. Given that there was an increase in the volume of these cases, this indicates more efficient processing of these types of cases.

Business Integrity cases, on the other hand, saw an increase in the number of days for case closure for EMEA and APAC organisations, while the volume of reports dropped for this category in 2021. This may indicate a potential problem area for APAC and EMEA organisations.

HR case closure times dropped slightly by 1 day for EMEA & APAC which is noteworthy as this is by far the largest category of reports by volume.

### EMEA & APAC Case Closure Time by Allegation Category in Days



## 5c

# Median Case Closure Time by Anonymous vs Named Reports

The 'Median Case Closure Time by Anonymous vs Named Reports' metric measures the number of calendar days it takes an organisation to close a case, segmented into those submitted by reporters who chose to remain anonymous vs the percentage of all reports submitted by reporters who did disclose their identity.

### Findings

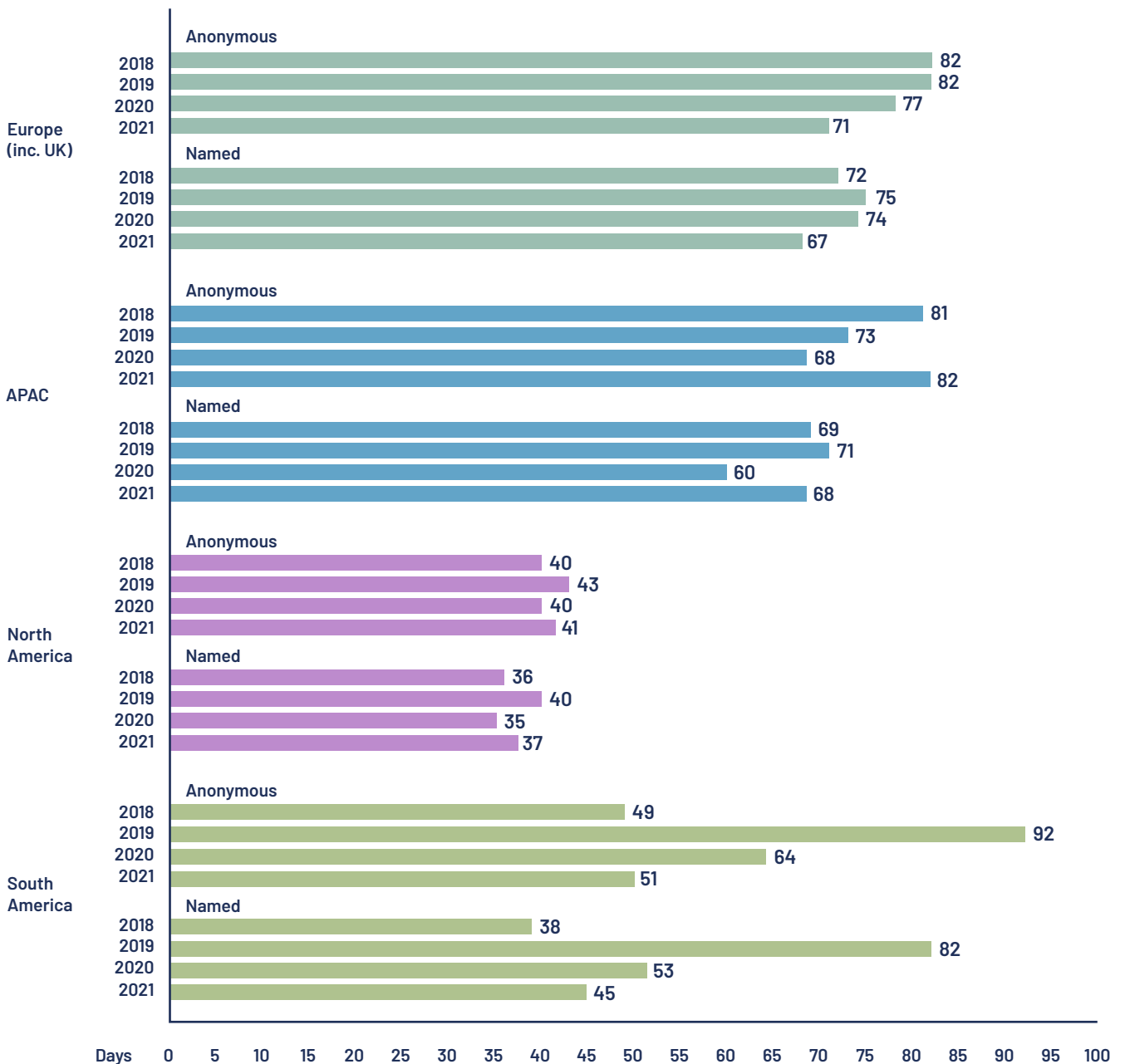
- Europe and APAC organisations take far longer to close both named and anonymous cases than North and South American organisations.
- Case closure times for North American organisations remained fairly static for both named and anonymous reports. As expected, named reports are concluded faster than anonymous ones.

### Analysis

This break-down illustrates that the changes in case closure times noted in 5a are being driven by both anonymous and named reports across all regions.

Differences in the changes seen in case closure times for anonymous and named reports compared to the changes seen in overall case closure times can often be due to the way medians are calculated.

## Case Closure Time in Days by Anonymous vs Named Reporters



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# Incident & Report Date



New for this year, this metric measures the days between the date on which an alleged incident occurred and the date on which the reporter chose to report it in the system. This gap can help assess an organisation's culture, particularly around fear of retaliation. It can also be a red flag that reporters may be seeking outside guidance or reporting externally first.

### Findings

- Reporters in European organisations take a median of 47 days to report their concerns.
- In contrast, North American organisations have the shortest reporting gap of 21 days.

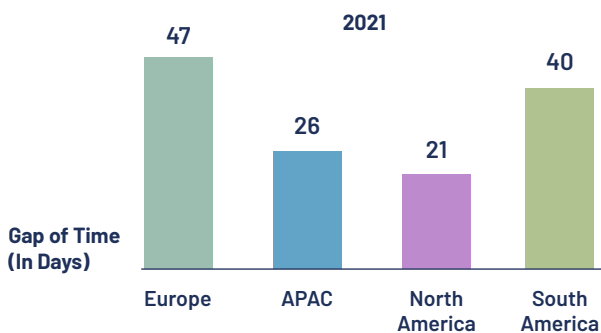
### Analysis

This is the first year that we are reporting this benchmark at a regional level. The ideal for internal reporting programmes is a short period of time between when an employee sees misconduct and when they report it. A healthy corporate culture and speak-up training should inspire employees to think, "I need to report this right away."

The longer periods we see for reporters in European and South American organisations to report their concerns should raise a flag for organisations in these regions. Firstly, because as each day passes, memories fade, and the company's ability to conduct an effective investigation diminishes, and secondly, because it suggests there may be something wrong with the corporate culture. It is worth noting once again that this is a median number, which means that in many cases it is taking even longer to report from the time the incident occurred.

This raises a couple of questions. Why are people waiting so long to file a report? Is this an indication of the potential risk for employees to take those reports externally?

### Median Gap between Incident and Report Date by Headquarters Region for 2021

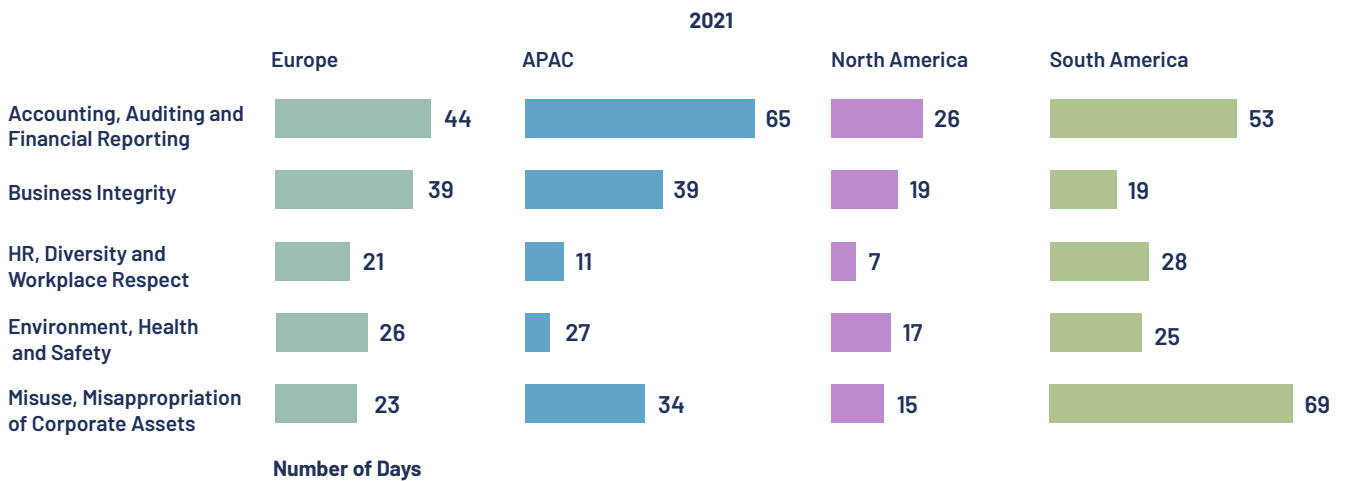


In companies headquartered in Europe and APAC, employees are taking longer to report in every category compared to North America organisations.

### Analysis

In addition to impacting the organisation's ability to investigate these reports, this benchmark may potentially indicate that employees feel some amount of fear of retaliation, or they are at least unsure about what will happen if they file a report. Organisations may want to investigate what is influencing their own employee reporting behaviour and target their compliance programmes to address the underlying issues.

### Median Gap between Incident and Report Date and Allegation Category for 2021



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# Reporting Intake Method





# 7a

## Report Intake Method Comparison

Offering a variety of options for employees to make a report, such as telephone, web and face-to-face, allows employees to choose the communication method they most prefer and trust, increasing the likelihood of a report being submitted.

For the purpose of this benchmark, 'Other' includes all non-telephony and web channels including face-to-face conversations, letters to leadership, emails and "walk-ins" to the compliance office.

### Findings

- Telephone reporting saw a significant increase in 2021 for European organisations jumping from 21% to 27% of all reports.
- Web reporting decreased across all regions in 2021 apart from North American organisations.
- Reporting made by 'Other' sources increased across all regions apart from North American organisations.

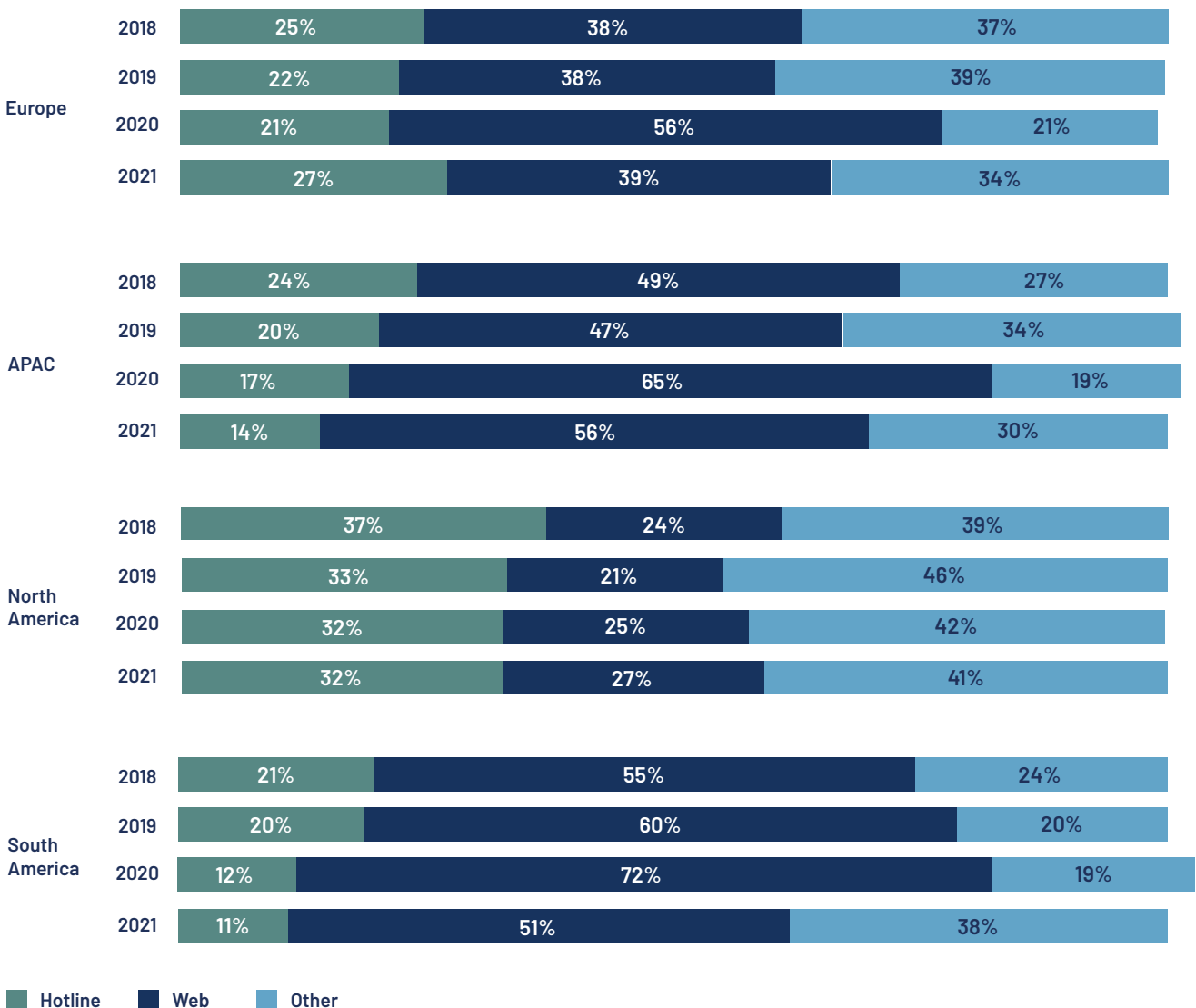
### Analysis

In 2021 across all regions, apart from North America, there was an increase in reporting from 'Other' channels which includes letters, emails and reports made in-person. This indicates that reporting face-to-face became increasingly important as employees started to return to the office.

In contrast, the use of 'Other' intake methods for North American organisations dropped by one percentage point in 2021. However, North American organisations continue to have the highest levels of reporting made via these channels.

The significant jump in the use of telephony for European organisations in 2021, and the continued high levels for North American organisations, indicates the importance that telephony continues to have within whistleblowing programmes. The low telephony reporting for APAC and South American organisations is expected as telephone channels have less coverage in these regions.

### Report Intake Method Comparison



Note: Percentages may not total 100% due to rounding.

The 'Median Substantiation Rate by Intake Method' metric measures the rate of allegations from both named and anonymous reporters that were determined to have at least some merit to them, segmented by the method in which they were received – either telephone hotline, web intake, or other channels such as open-door, email, post and walk-ins.

### Findings

- Substantiation rates continue to be highest amongst reports received from non-telephone and non-web intake channels across all regions, apart from APAC organisations which saw a significant decline in 2021.
- Web and telephone reporting substantiation rates increased across all regions in 2021, apart from South American organisations.

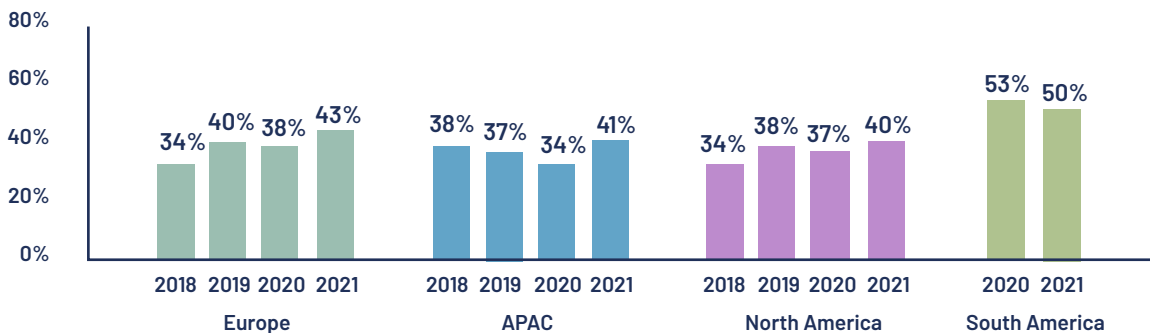
### Analysis

Reports submitted via "All Other Sources" continues to be an important metric as these reports are the most likely to be substantiated. All regions, apart from South American organisations, are almost on a par for web and telephony substantiation. The inconsistency is with the 'Other' channels which could be due to the different reporting methods, with face-to-face reporting used more often compared to remote channels such as post and email in some regions.

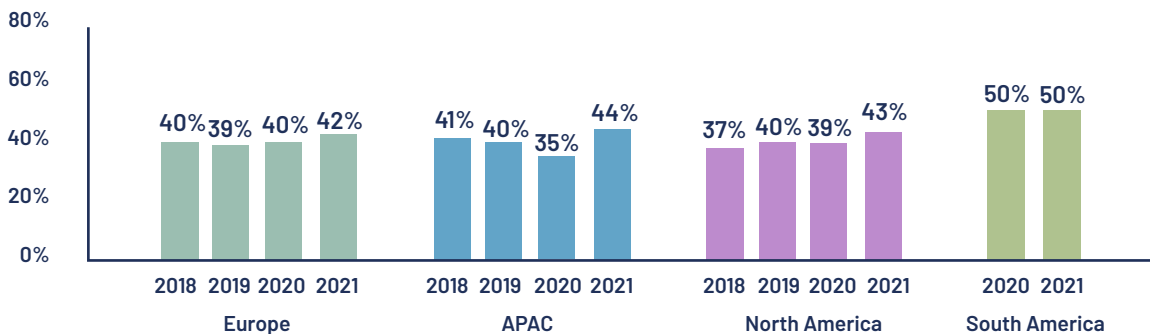
South American organisations show by far the highest substantiation rates across all channels, however we have to treat this outcome with an element of caution due to the limited data from this region.

## Substantiation Rates via Report Intake Method

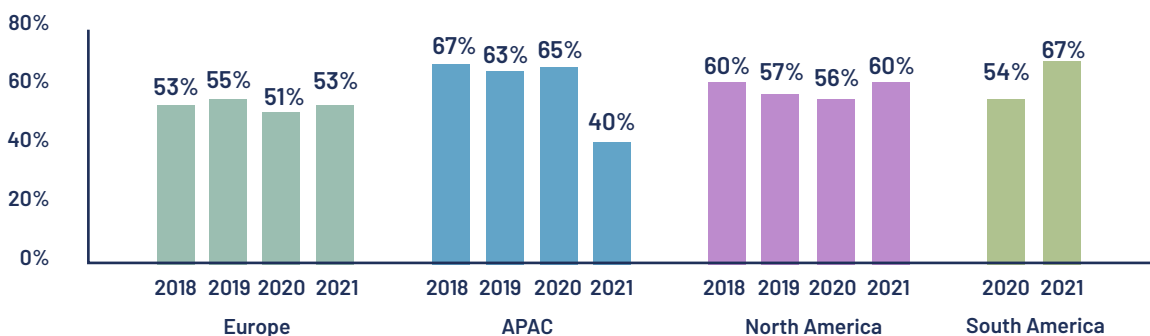
### Telephone Hotline



### Web Submission



### All Other Sources



The 'Median Anonymous Reporting Rate by Intake Method' metric shows the percentage of all reports submitted by reporters who chose to not disclose their identity, segmented by the method by which they were received.

### Findings

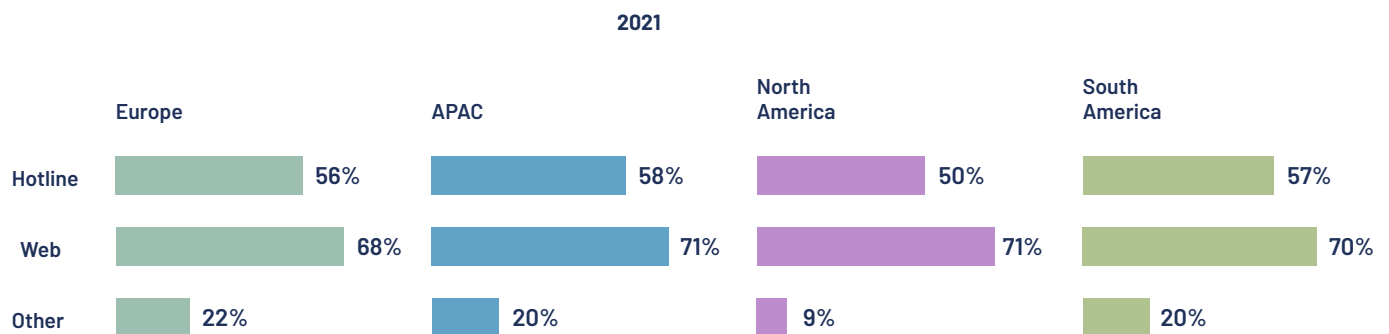
- North American organisations have a significantly lower anonymous rate for 'Other' channels compared with all other regions.
- European, APAC and South American organisations all show similar anonymous reporting rates across the three intake channels.
- Web intake has the highest anonymity rate across all regions.

### Analysis

A new metric for 2021, the 'Median Anonymous Reporting Rate by Intake Method' shows the variance in anonymous reporting rates by intake channel. This benchmark illustrates that North American organisations receive a far lower percentage of anonymous reports via 'Other' sources (9%), compared to other regions showing 20% or higher anonymity rates. This may indicate that the use of reporting channels such as e-mail and post, where reporters can choose to remain anonymous, may be more prevalent outside of North American organisations.

Anonymity for telephone reports is lower for North American organisations indicating that when reporting is oral, by telephone or face-to-face, reporters from these organisations are less likely to report anonymously, showing a culture of trust in these methods.

### Anonymous reporting rate by intake channel



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# Reports of Retaliation



Reports of retaliation are a key metric enabling compliance functions to effectively protect reporters, promote reporting and measure an organisation's cultural health. The ability of an employee to report wrongdoing without fear of retaliation is both a legal necessity and critical to improving overall programme effectiveness. This year we are able to provide benchmarks for APAC and South American organisations for the first time.

Each bar shows the number of retaliation reports, received as a percentage of overall reports while the darker section within each bar shows the percentage of reports that were substantiated.

### Findings

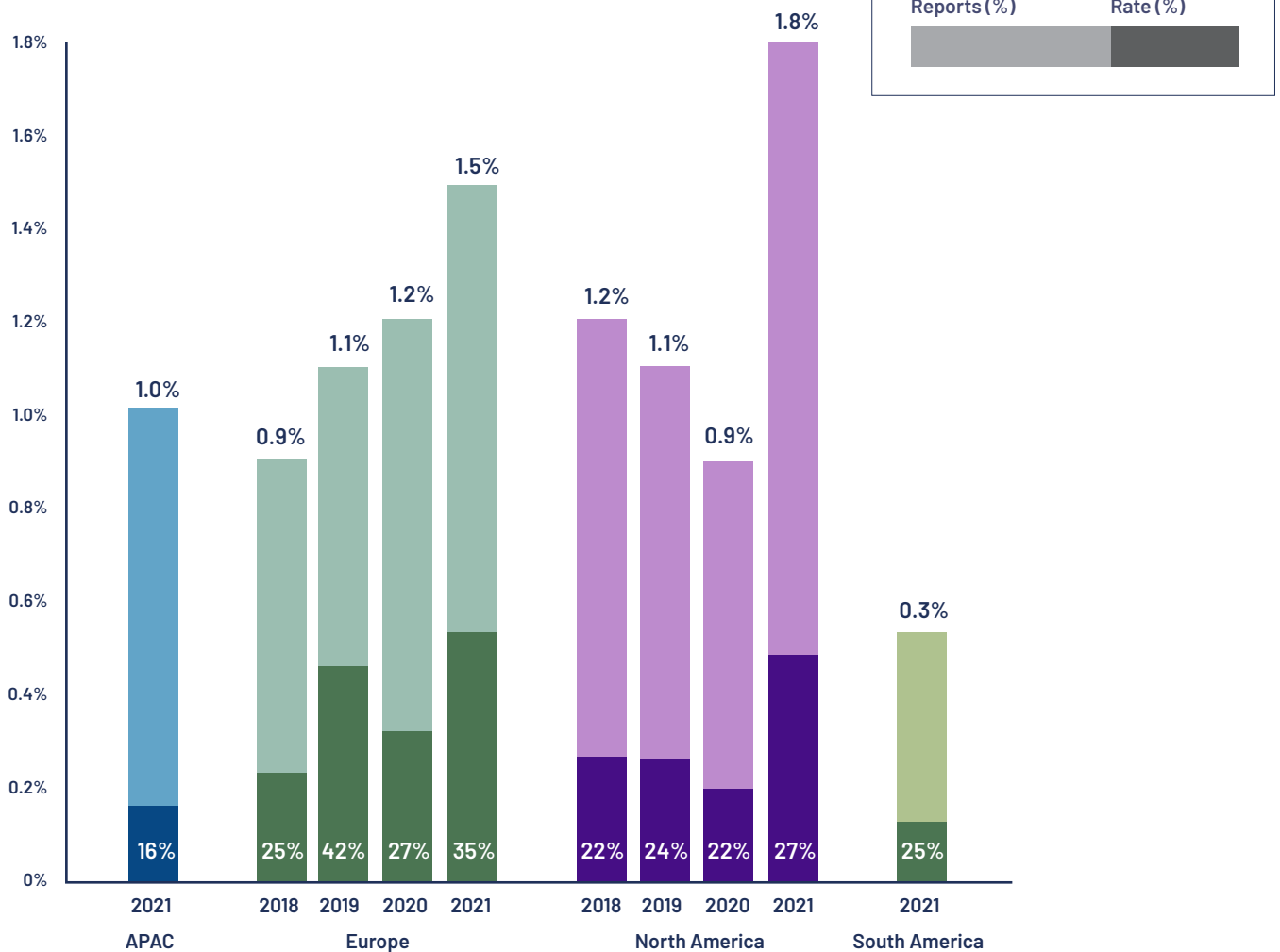
- North American organisations saw the percentage of retaliation reports received double from 0.9% in 2020 to 1.8% in 2021, as well as a significant increase in substantiation rates.
- European organisations continued to see a small but consistent improvement in the percentage of retaliation reports received.

### Analysis

Reports of retaliation have always represented a small percentage of total reports – however, given the gravity of the allegation and the potential risks including higher regulatory fines, civil litigation, bad press and employee morale, it is important to keep a close watch on this statistic.

For European organisations, retaliation reports have grown as a share of total reports for the last five years running – a positive indication that the speak-up culture is on the rise. We also saw a rise in retaliation reports for North American organisations after three consecutive years of decline. This could mean that employees are more emboldened to come forward with reports of retaliation. While higher retaliation rates is a double-edged sword, the increase in substantiation rates is also a positive sign that quality reports are being captured that can be acted upon.

### Percentage of Retaliation Reports



9

# Reports of Harassment & Discrimination



As with reports of retaliation, reports of harassment and discrimination are important measures of an organisation's cultural health.

### Findings

- Harassment reporting reduced across all regions apart from North American organisations where reporting increased marginally in 2021.
- Substantiation rates for harassment improved in all regions.
- Discrimination reports remained largely flat, with substantiation rates declining for APAC and North American organisations.

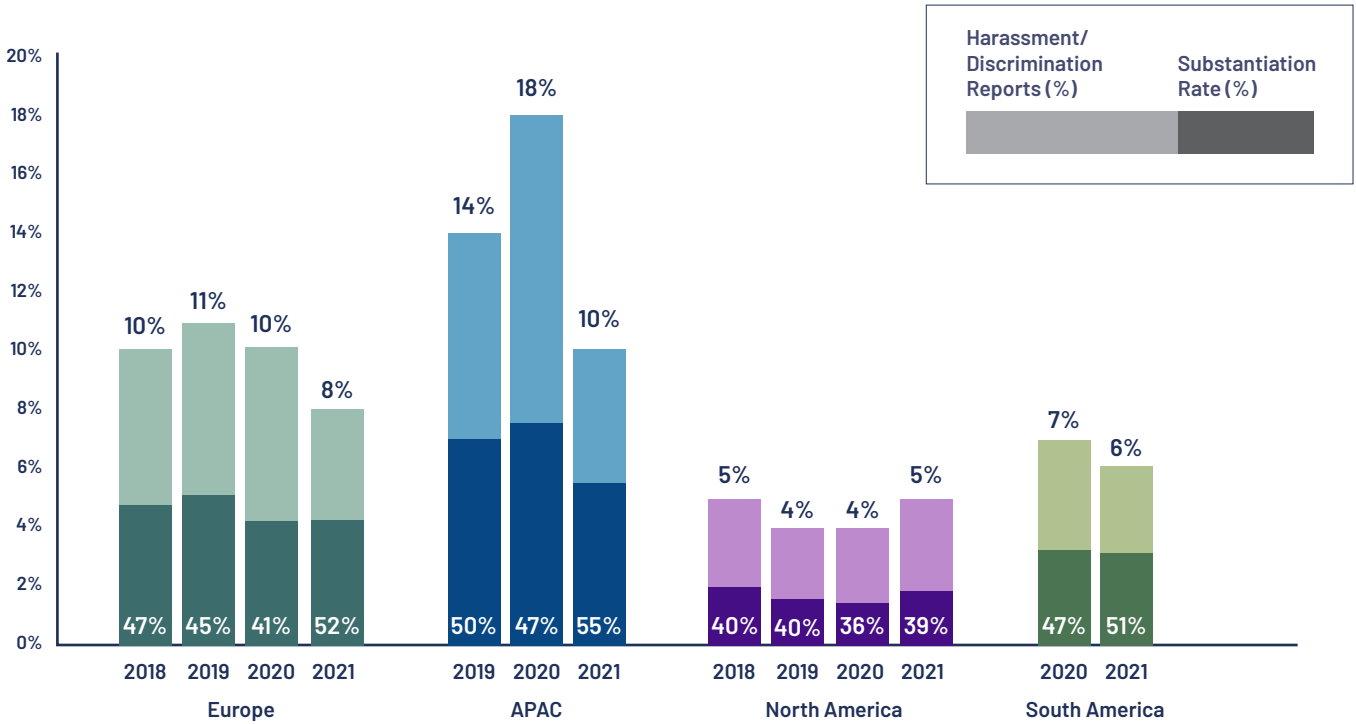
### Analysis

While the benchmarks provided in our global benchmark report showed an increase in both harassment and discrimination reports for 2021, going beyond even the #MeToo era, our regional report shows that this increase was driven by North American organisations.

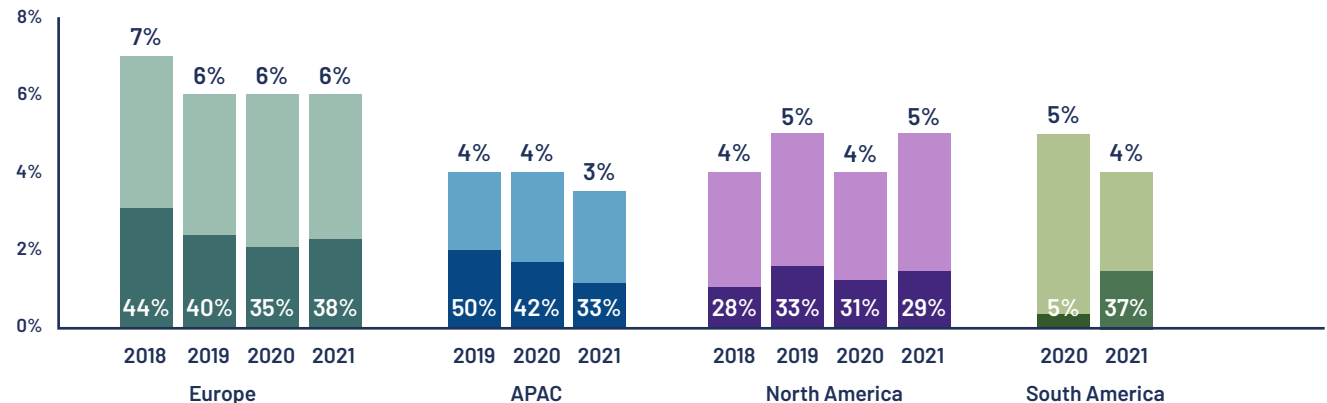
In 2021, harassment reports declined substantially for APAC organisations from 18% in 2020 to 10%, and reduced for European and South American organisations. Substantiation rates for harassment reports improved across the board, but significantly for European organisations, from 41% in 2020 to 52%.

There was not much movement in the level of discrimination reports in 2021. Volumes remained flat for European organisations, while a one percentage point increase was seen for North American organisations and a one percentage point drop seen for APAC and South American organisations. APAC organisations also saw a continued decline in the substantiation rate for discrimination reports.

## Percentage of Harassment Reports



## Percentage of Discrimination Reports



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# Report Outcome





## Report Outcome by Percentage of Total Reports

A new benchmark this year, 'Report Outcome by Percentage of Total Reports' provides an analysis of the percentage of reports that result either in a disciplinary action, additional training, a policy change, separation of the employee or no action made at all in 2021.

### Findings

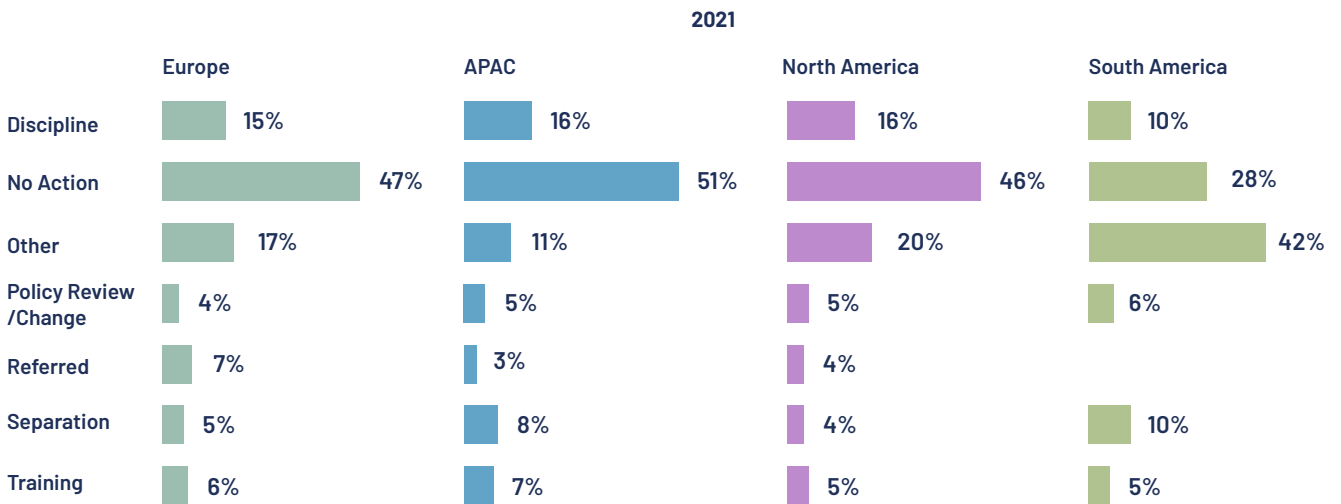
- The most common outcome is no action at all across all regions except for South American organisations.
- 10 - 16% of outcomes resulted in disciplinary action.
- European and North American organisations show similar patterns in terms of report outcome percentages.

### Analysis

While 'No Action' is the most common outcome, it must be understood together with the fact that 57% of reports globally are not substantiated and may understandably not lead to any action, although some organisations may initiate a change in policy or training tasks.

The main regional variances occur in the 'Other' and 'Separation' categories. 'Other' may consist of legal action, demotion or job change, health and safety improvements, or changes in processes.

### Report Outcome % of Total by Headquarters Region



## 10b Substantiation Rate by Report Outcome

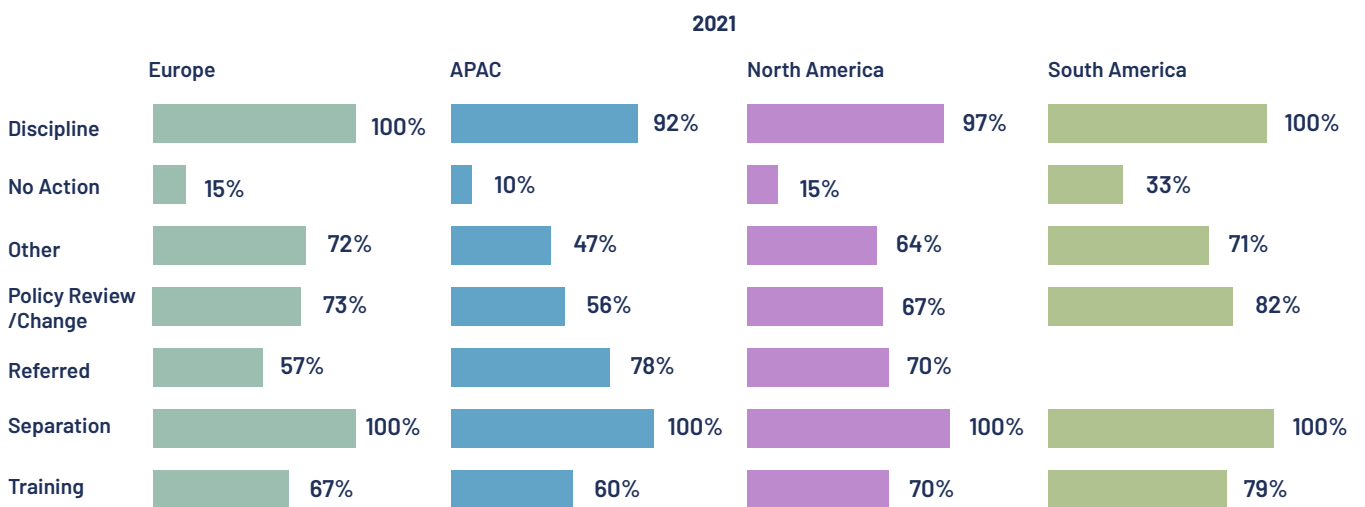
For a complete analysis of reporting outcomes, it is important to look at the 'Median Substantiation Rate by Report Outcome', which reflects the percentage of reports in a given outcome category that were substantiated.

### Analysis

As one might expect, there were low substantiation rates for reports that ended in no action, very high rates (92 - 100%) for those reports resulting in disciplinary action, and 100% substantiation for outcomes resulting in separation.

The data also suggests that some actions are still being taken when a case is not substantiated, such as training or policy changes, to ensure that expectations are understood. This is why we encourage giving employees the ability to ask questions through inquiries, which may highlight a need for training.

## Report Outcome Substantiation Rate by Headquarters Region



# Conclusion & Key Take-Aways

Below are our recommendations, based on the key insights from this report, to help risk and compliance functions continually improve and develop their speak-up programmes.

## Prepare for an increase in case volumes and complexity as the impact of COVID-19 subsides

While hybrid working is here to stay, many employees globally are back in their physical workplaces. Based on the trends in the benchmark data throughout the pandemic, we expect the volume of cases to go up. As people become less preoccupied with health-related issues, there may well be an upswing in reports across all category types. That will require compliance teams to call on a broader spectrum of expertise for appropriate and expedient follow-up.

## Ensure programmes, resources and processes comply with new laws

There is no doubt that the shifting regulatory landscape will continue to have an impact on organisational compliance and whistleblowing programmes. This is especially pertinent in Europe with the local enactments of the EU Whistleblower Protection Directive taking place. Delays in bringing the new local laws into effect in many countries prompted the European Commission to start proceedings against these countries early in 2022. As more countries in the region are now bringing their local laws online, organisations will need to review and intensify their programmes to ensure compliance. Perhaps the most pressing matter for European organisations is addressing the case closure times as the new laws in Europe require feedback on the progress of reports within specific timeframes.

Tightening regulation is not exclusive to the EU though. In June 2022, amendments were also made to the Japanese whistleblowing law, which brought levels of protection much closer to the EU standards. Given the dramatically longer case closure times seen for APAC organisations in 2021, we speculate that these organisations may have decreased programme resources, and as volumes started to rebound back to pre-pandemic levels, these resources may not have been able to keep pace with the increase in reporting volume.

To ensure programmes are compliant with stricter regulations, organisations may need to assess whether the right expertise and enough staff are in place. They may need to adapt systems and professionalise processes so reports do not slip through the cracks, including for anonymous reports, and ensure mechanisms exist for more timely feedback and gathering of more substantial evidence.

## Build trust to encourage employees to report internally first

A number of trends from this year's data highlight the need for organisations to be doing everything they can to encourage employees, and other stakeholders, to report concerns via their internal systems. In some regions we are seeing employees becoming more emboldened in their reporting. In North America there are signs of increasing levels of reporting made externally, which raises the concern that in the US more employees were going to the external reporting agencies or lawyers rather than reporting internally. In Europe, reporters will soon have legal protection when reporting many types of concerns to external channels, including reports made to the media.

These should all be red flags to organisations to work towards generating trust in the use of their whistleblowing channels as external reports can be costlier, and come with greater risks of reputational damage.

## Retaliation reports on the rise in all regions

In all regions, more concerns were raised about retaliation. The larger increase in reports of retaliation was seen for North American organisations, while European organisations continued to see a small but consistent annual improvement. It may seem counter-intuitive to consider a rise in retaliation reports as good news, but in our experience fewer reports does not mean less retaliation. Retaliation is rife, but an increase in reports could be an indication that employees are more aware of their rights to protection and/or are feeling safer to make a report. Nevertheless, organisations must continue to ensure sufficient controls and measurements are in place to identify and mitigate all forms of retaliation.



# So what can organisations do?

## Allow a full range of intake methods.

The user-friendliness, safety and accessibility of reporting channels are determining factors for whether people will report internally. This year's benchmarks demonstrated the rise of telephony as an important and valued channel for whistleblowers, especially as we move to a hybrid working environment. In-person reporting is likely to rise too as people return to the physical workplace. At the same time, online reporting will perhaps remain favourable amongst more digitally savvy generations. Organisations need to allow employees to choose the channel they feel most comfortable with.

## Raise awareness about the importance of reporting.

It may be time for organisational leaders to take a step back and really analyse what they say about their incident reporting programme. Employees need to understand why reporting is important and its value in reducing risk. Leaders should be clear that they embrace receiving information through internal channels, they take all matters seriously, and that all employees can do their part.

## Step up education and training.

Simply not knowing 'how' can present a barrier to internal reporting. Ensure employees know what can be reported, how, when and through which channels. Educate employees about which matters are, and are not, whistleblowing matters. What are the correct channels for other grievances? Introduce ways for people to send inquiries first, to ask questions if they are unsure. Inform employees about the investigations process, the expertise behind it, provide feedback and what to expect, and describe improvements made on the back of previous reports.

## Address fear of retaliation.

Given the increase in the number of retaliation cases, and the detrimental impact retaliation has on employee trust, it should also be made clear that there is zero-tolerance for retaliation. New whistleblower protection laws in the EU, and globally, make retaliation illegal, incurring corporate and individual penalties in some countries. Further, we believe that last year employees may also have felt more comfortable raising concerns about retaliation as the changes in the job market and intense competition for talent in 2021 offered more comfort that it would be easier to find a new job. Organisations need to bring attention to retaliation and what it looks like in conversations with managers, in training overall and in communications from senior leadership.



# How we calculate

For statistical accuracy, our analysis includes only those organisations that received ten or more reports within a calendar year. To remove the impact of outliers that might skew the overall reporting data, we carefully calculated benchmarks for each organisation and then identified the median (midpoint) across the total for each region.

This reporting methodology allows us to create a clearer picture of what is actually happening in our clients' organisations as well as to provide you with benchmarking data that is not skewed by organisation size.

Below are the methods of how each of the key benchmarks presented in this report were calculated:

## 1. Volume per 100 Employees

Take the total number of unique contacts (incident reports, allegations and specific policy inquiry questions) from all reporting channels received during the period, divide that number by the number of employees in your organisation and multiply it by 100.

Report Origination – first, identify the country location for each report, then categorise that country by region. To determine the report distribution, divide the total number of reports from each continent by the total number of reports received.

## 2. Report Categories

Ensure that each report is placed into one of the five report allegation categories shown below (1 – 5). Then, divide the number of reports in each of the five categories by the total number of reports created during the reporting period.

### Categories of reports used

1. Accounting, Auditing and Financial Reporting (i.e Accounting, Auditing and Financial Reporting)
2. Business Integrity (i.e Industry Specific Regulations, Free and Fair Competition, Other Business Integrity, Conflicts of Interest, Data Privacy and Protection, Confidential and Proprietary Information, Bribery and Corruption, Insider Trading, Political Activity, Product Quality and (Product) Safety, Human Rights, Global Trade)
3. HR, Diversity and Workplace Respect (i.e Substance Abuse, Other Human Resources, Compensation and Benefits, Discrimination, Harassment, Retaliation, Other)
4. Environment, Health and Safety (i.e Environmental, Health and Safety, Imminent Threat to a Person or Property)
5. Misuse, Misappropriation of Corporate Assets (i.e Misuse, Misappropriation of Corporate Assets)
6. Please note: New in 2022 we have pulled out Other from HR for Median Percentage of Allegation Categories for 2a only, Other (Cases marked as Other). To calculate ensure that each report is placed into one of the six report allegation categories. Then, divide the number of reports in each of the six categories by the total number of reports created during the reporting period.

All information gathered was anonymised and aggregated without the need to access any personal or identifiable information contained within the data and in accordance with all applicable data protection laws. Each whistleblower report used in this benchmark has been categorised by the region where the company's headquarters is based. That has allowed us to create individual benchmarks for each of the four global regions represented in this report.

## 3. Anonymous vs Named Reporters

Divide the number of contacts submitted by a reporter who withheld their identity by the total number of contacts received.

## 4. Substantiated Reports

Divide the number of all reports that are fully or partially substantiated by the total number of reports that were closed as substantiated, partially substantiated, and unsubstantiated.

## 5. Case Closure Time

First calculate the number of days between the date a case is received and the date it is marked closed. Calculate for each case closed during the reporting period. Then, calculate the case closure time by dividing the sum of all case closure times by the number of cases closed in the reporting period.

## 6. Reporting Gap

Find the difference between the alleged incident date and the date the report was made for each report. Then, calculate your average difference by dividing the total sum of all the differences between alleged incident dates and report dates divided by the total number of cases closed.

## 7. Reporting Intake Method

Group all non-telephone hotline and non-web reports (like open door, email, postal mail, fax and manager submissions) together as "All Other Methods," and then tally up the number of reports received by each method and divide by the total number of reports.

## 8. & 9. Reports of Retaliation, Harassment and Discrimination

Take the number of retaliation, or discrimination, or harassment reports made as the primary allegation and divide that by the total number of reports.

## 10. Report Outcomes

For report outcomes: First ensure each report is sorted into one of the seven (7) outcomes. Then, divide the number of reports in each of the seven (7) categories by the total number of reports.

For substantiation rate by outcome: First, ensure each report is sorted into one of the seven outcomes. Then, within each outcome, divide the number of reports closed as "substantiated" or "partially substantiated" by the total number of closed reports.



## About the Authors



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Carrie Penman is the Chief Risk & Compliance Officer for NAVEX. Carrie has been with NAVEX since 2003 after serving four years as deputy director of the Ethics and Compliance Officer Association (ECOA).

Carrie was one of the earliest ethics officers in America. She is a scientist who developed and directed the first corporate-wide global ethics programme at Westinghouse Electric Corporation. Since joining NAVEX she has conducted numerous programme and culture assessment projects for its clients and regularly works with, and trains, company boards of directors and executive teams. Winner of the ethics and compliance initiatives' Marshall Award for innovation in corporate ethics, and the first ever recipient of Compliance Week's Lifetime Achievement award, Carrie also served as a corporate monitor and independent consultant for companies with government agreements.

Carrie is the author of numerous compliance related articles and commentary and is regularly quoted as a compliance expert in press and publications including the Wall Street Journal.



### Ian Painter

#### Director, Marketing EMEA & APAC, NAVEX

Ian Painter is Marketing Director, EMEA & APAC, for NAVEX. A business graduate, Ian started his career in marketing communications with some of the world's leading high-tech brands. Ian has authored many blogs, white papers and reports discussing best practice recommendations for businesses based in EMEA & APAC on topics including whistleblowing, sexual harassment, information and policy management, data privacy and third-party risk. He has also conducted several market research projects on business, regulatory and compliance programme trends for European organisations.

As well as presenting at European compliance events, Ian has established NAVEX risk and compliance roundtables and networking conferences that are free to attend for the risk and compliance community undertaken as virtual and in-person events.



### Gizelle Handy

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Gizelle Handy is Product Marketing Manager, EMEA & APAC, for NAVEX. Gizelle has been with NAVEX since 2019 and has worked in the GRC arena since 2010, predominantly on whistleblowing hotlines. She has experience of working across a number of different sectors including regulated industries.

As well as presenting customer forums, Gizelle has over ten years' experience in the compilation of whistleblowing hotline benchmark data.



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