

Regional Whistleblowing & Incident Management Benchmark Report

2024



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NAVEX | NorthStar

The Northstar Series is NAVEX's curated collection of proprietary data and unparalleled analytical insights. Within this series we explore groundbreaking analysis intersected with bespoke data, shaping strategic decision-making across the risk and compliance landscape.

Introduction

Consistent analysis and benchmarking of whistleblowing hotline data helps organizations answer crucial questions about their risk and compliance programs. This includes the efficacy those programs have in driving the ethical culture of the organization’s operations worldwide. Does the organization’s culture encourage employees to raise concerns without fear of retaliation? Is the investigation process expedient and effective, helping to build trust and mitigate risk? Does the nature of reported issues raise red flags when compared to regional norms?

Utilizing over 1.8 million anonymized customer reports received in 2023, and with a focus on four geographic regions, NAVEX provides this 2024 analysis to help risk and compliance practitioners understand and benchmark how their program performance compares with regional peers. The benchmarking metrics in this document provide a framework for organizations to speak a common language of ethics and compliance risk while identifying areas to enhance ethical cultures across silos and regional boundaries. Throughout this study, we will focus on commonalities and differences across Europe, Asia Pacific (APAC), North America and South America.

This report follows publication of [NAVEX’s 2024 Whistleblowing & Incident Management Benchmark Report](#), which examines the same dataset from an overall global perspective. Readers are encouraged to review our earlier report as additional guidance to help benchmark reporting programs.

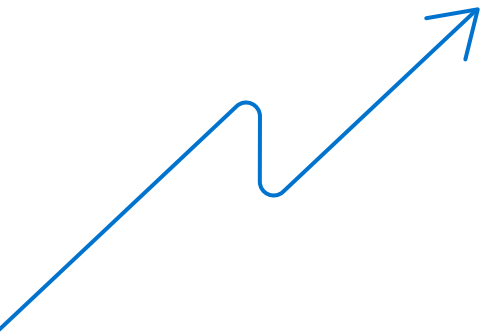
New for this 2024 Regional Whistleblowing & Incident Management Benchmark Report is analysis of reporting by both employees and third parties. This report also continues last year’s first-ever view of metrics by both region of organization headquarters and region of report origination.

Risk and compliance professionals can trust these benchmarks to help guide decision making and to better understand how their programs compare against peers in their respective regions. To leverage more advanced benchmarks, NAVEX offers custom benchmarking options as part of our GRC Insights™ benchmarking services. These resources include benchmarking based on industry, size and other elements specific to individual organizations. Learn more about our services at www.navex.com.

Reports from Around the World

NAVEX analyzed the reporting data used in this publication by both company headquarters region and report origination region. We then grouped these organizations into four regions: Europe, Asia Pacific (APAC), North America and South America. APAC includes Australasia, Middle East and Asia. Reports from Africa-based organizations or Africa-originated reports are omitted unless otherwise noted.

How we calculate our benchmark metrics



For statistical accuracy, our analysis includes only those organizations that received 10 or more reports in all of 2023. The resulting database includes **3,784** organizations that received a total of **1.86 million** individual reports.

To remove the impact of outliers that might skew the overall reporting data, we calculate each benchmark metric for each organization, then identify the median (midpoint) across the total population. The resulting value – identified in charts throughout this report as the median reporting value or MRV – allows us to create a clearer picture of what is happening in our customers’ organizations, as well as to provide organizations with benchmarking data that is not skewed by organization size.

Some data in this report is presented using frequencies (percentages of total). Keep in mind, frequencies have been rounded, and may not add up to exactly 100%.

All data presented is clearly marked with the calculation methodology. A more detailed discussion of the calculation methodology, distributions, assumptions and implications of each is presented in the appendix to this report.

There are no “right” outcomes in benchmarking reporting data. By definition, a median or midpoint means that half the organizations are higher and half are lower than the MRV. Where appropriate in this report, we provide what we consider to be an acceptable range of results to provide context for your own data.

Falling within the range generally indicates an organization is on par with medians for the organizations within our database. Falling outside the normal range, in either direction, is a good prompt to take a closer look at whether there is an issue that needs more attention from the organization.

Snapshot of Our Database

Top Industries

01

Retail Trade

04

Transportation and Warehousing

02

Finance and Insurance

05

Administrative and Support Services

03

Health Care and Social Assistance

06

Food Services and Drinking Places

1.86 Million

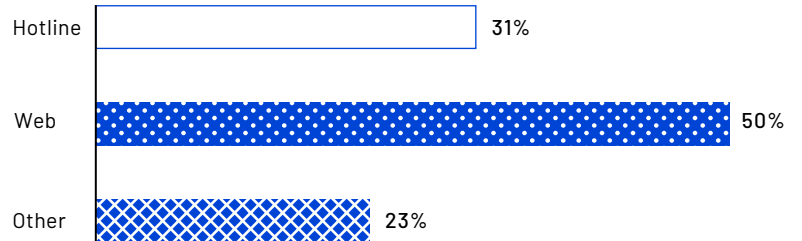
Number of Reports

3,784

Number of Organizations

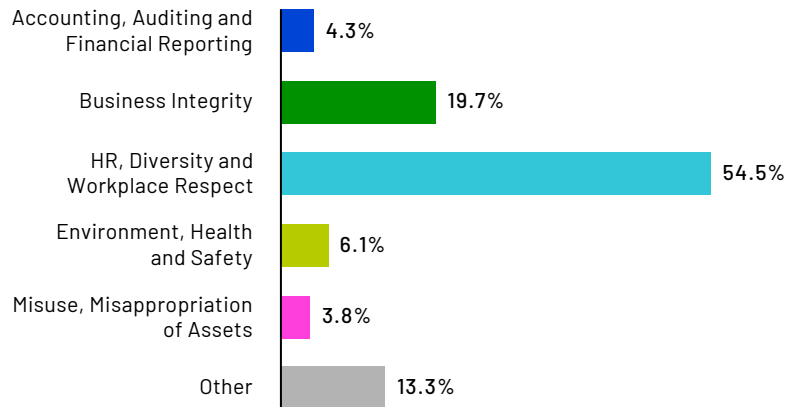
INTAKE METHODS

Median reporting value (MRV)



RISK CATEGORY

Median reporting value (MRV)



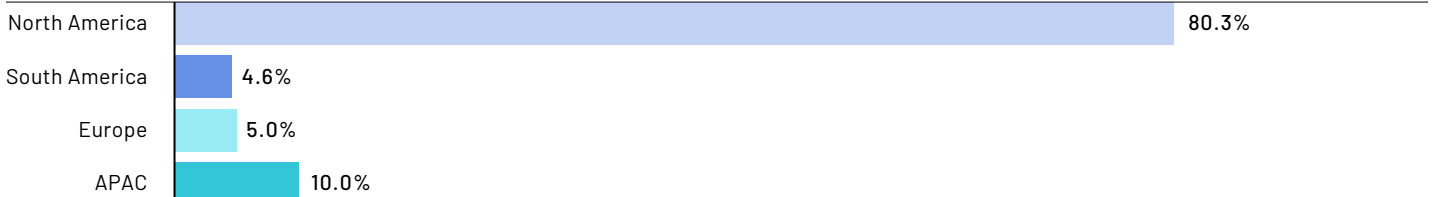
REGION

Frequency

HQ REGION



REPORT ORIGINATION REGION



Executive Summary



Each year, NAVEX dives deeper into data from our annual global Whistleblowing & Incident Management Benchmark Report to gain insights on regional incident reporting trends across our worldwide customer base.

We analyzed our global 2023 data by four main regions: North America, South America, Europe and Asia Pacific (APAC). Our analysis provides organizations another avenue through which to benchmark the activity of their programs compared to peers headquartered in their region. After introducing data last year by region of report origination, it also enables organizations to benchmark activity of their programs against a measure of how individuals in a given region are utilizing internal reporting programs.

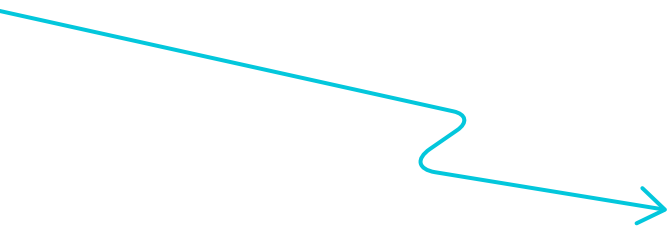
Given the many ways we frame data in this report, we invite readers to bring their own program metrics to the table. Consider the context of your organization's operations. Where you see deviation from a regional norm, contemplate if this flags an area that warrants a closer look. Guidance for calculating each benchmarking metric for your program is provided throughout this document.

Below are some key insights from this analysis.

Report volume rises for Europe – but not the United Kingdom

Implementation of the European Union Whistleblower Protection Directive has long been expected to increase internal reporting activity across Europe, given that the regulation requires a wide swath of organizations to implement internal reporting systems. Data shows median *Reports per 100 Employees* is indeed increasing across Europe, while in the United Kingdom – notably not an EU member state and thus not subject to the Directive – volumes actually fell. Organizations based in Europe saw median *Reports per 100 Employees* increase from 0.53 to 0.63 comparing 2022 and 2023, while in the U.K., those values decreased from 0.53 to 0.43.

The business case for offering a robust internal reporting program transcends regulatory expectations. Such systems enable visibility into misconduct that might otherwise damage the organization, while also demonstrating to



reporters that their voice matters. Yet regulation can certainly play a role in expediting adoption, with the Sarbanes-Oxley Act of 2002 in the United States as one prominent example.

Trends may change in the near future as the U.K considers updates to its own internal reporting regulations, a process under discussion in Parliament at the time of this writing. This is a dynamic NAVEX will be watching closely in our future reporting.

Regarding internal reporting regulation, there is a distinction between a requirement to put such a program in place and laws that protect reporters themselves. Both are important – reporters should have avenues to make a report that are easily accessible, and they should also trust they can make a report without fear of retaliation.

Third parties have greater share of voice in reporting to Europe-based organizations

New this year, NAVEX analyzed our database of reporting data by both employee and third-party reporters. These third-party reporters may be employees of a company in the supply chain, a customer, the spouse of an employee – overall, a group that represents a diverse and distinct view.

Europe-based organizations received a larger share of their reports – a frequency of 12.0% –

from third parties than did their peers (excluding organizations in South America, where this metric may be distorted due to a relatively smaller data set). Setting aside those based in South America, it was organizations in North America that received the next-greatest share of their reports from third parties, 9.9%.

The rise of third-party due diligence regulation in Europe such as the German Supply Chain Due Diligence Act (commonly referenced as an abbreviation derived from its German name, LkSG), the European Union’s Corporate Sustainability Due Diligence Directive (CSDDD), and sanctions regimes, may be at play in the higher frequency of reports by third parties in Europe. It is notable that ever more legal frameworks, such as the LkSG, contain an obligation to establish a grievance mechanism, which is generally regarded as a reporting system. That said, third-party reporters represent a significant share of reporting volume in every region of this analysis.

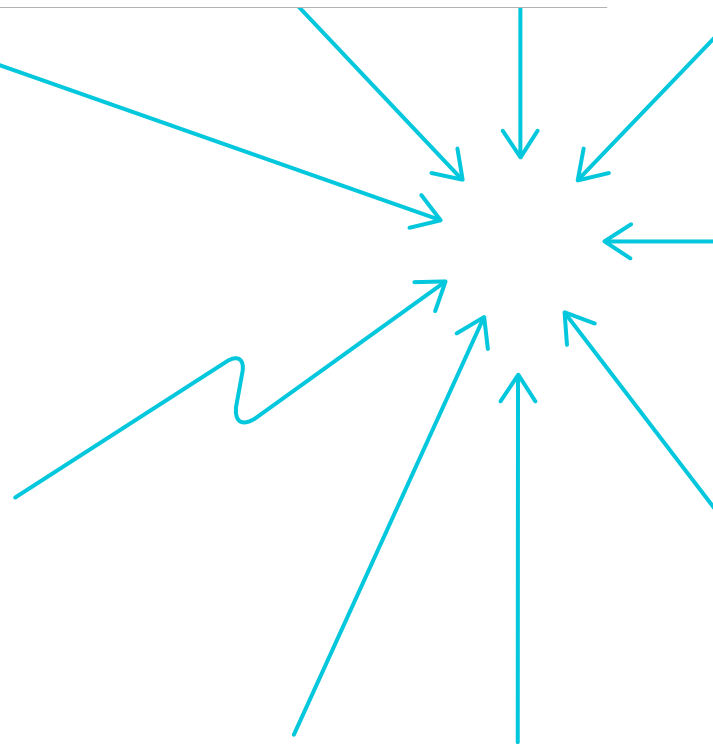
Given the global nature of many organizations and their supply chains, it seems clear that providing a means for non-employees to make a report is a valuable source of information for internal reporting programs.

Retaliation rises in prominence for reporting globally

By both headquarters location and area of report origination, *Retaliation* grew to represent a greater share of reports made in each of the four regions of this analysis comparing 2022 and 2023. Among the greatest increases was for organizations based in Europe, which saw an increase in frequency of around two-tenths of a percentage point.

Retaliation against reporters – or the perception that it is occurring or tolerated – is the archnemesis of an internal reporting program. When reporters don't feel they can safely speak up internally, they may turn to an external regulator, opening up the potential for punitive organizational impacts in addition to the need to address the original misconduct. Under the EU Whistleblower Protection Directive, reporters may enjoy legal protection when they report matters publicly. Organizations then face reputational damage. Or, misconduct may never be reported at all, (quietly) continuing to damage the organization and its culture. These dynamics make *Retaliation*, one of NAVEX's 24 Risk Types, among the most closely watched in our reporting.

This Risk Type represents a relatively small share of reporting overall. Individuals who experience retaliation are much less likely to report again to the same channel, and this is likely a factor in the low volume of these types of reports. Given the substantial negative impact retaliation can have for an internal program, these increases, however small, may give reason for readers to take a step back to cross reference their own reporting levels and assess how this issue is being addressed at their organization. Further, noting the protections provided to whistleblowers in various regulatory regimes, and that the EU Directive places the burden of proof on the organization, not the reporter, proactive retaliation prevention processes are becoming more important than ever.



Europe sees increase in Workplace Civility reporting

As the disruption of the COVID-19 pandemic recedes, declining uncertainty over long-term working arrangements has prompted many workers to refocus attention on the sort of day-to-day working dynamics that traditionally played a major role in internal reporting. This might explain the increase in *Workplace Civility* reporting across the globe – negative workplace behaviors that don't rise to the level of discrimination or harassment but can play a major factor in quality of life and organizational culture.

Yet Europe stands out. By headquarters, the frequency of *Workplace Civility* reports more than doubled. The increase was similarly notable when viewed by reports made in the region.

As referenced earlier, it is possible EU whistleblowing regulation is playing a role in this trend. As more organizations in Europe are

required to implement internal reporting systems, the general population is undoubtedly growing in its awareness of those systems' value and utility. The rise in Europe for *Workplace Civility* reporting could be seen as a very positive signal that organizations in the region are benefitting from greater optics into worker behaviors that might otherwise reduce productivity and create risk.

Managers of internal reporting programs should take a close look at this kind of reporting, as the legal framework defining categories of harassment differs globally. *Workplace Civility* and other Human Resources-type reports may fall into certain silos based on those requirements, but regardless, these reports provide a critical signal about the health of the organization's culture.

Inquiries more frequent in South America

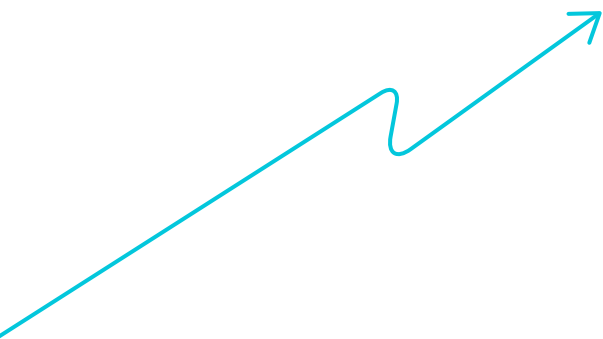
The extent to which individuals feel comfortable and able to make inquiries through an internal reporting system is a sign of programmatic health. While a strong policy management program may provide many self-service options for reporters to inform an allegation of potential misconduct, direct inquiry remains an important avenue for potential whistleblowers to validate their observations.

For organizations based in South America, users of internal reporting systems clearly leverage those channels for inquiries far more than for organizations based in other regions. All regions register a level of their internal reporting activity as inquiries, but it may be organizations in South America are providing an especially valued vehicle for informing the inquiries of potential reporters. The relatively smaller data set for South America in this study serves as a caveat for all findings pertaining to the region, but that should not negate the opportunity for organizations to use these numbers in benchmarking their own inquiry levels.

Ultimately, organizations that provide inroads for potential reporters to grow their understanding of what constitutes actual misconduct – through inquiries, training or otherwise – are undoubtedly beneficiaries of a host of better outcomes.

Europe- and APAC-based organizations see more anonymous reporters following up

An often-heard reservation against facilitation of anonymous reporting seems to stem from a fear of not being able to engage in a dialogue with the reporter. Interestingly, Europe and APAC both showed greater follow-up rates to anonymous reporting than other regions. This could be a sign that organizations in those regions are educating anonymous reporters about the ability to follow up on their reports – a positive benchmark that readers of this report should consider in analysis of their programs.



Substantiation Rate increases globally, with reports made in Europe, South America increasing the most

Median *Substantiation Rate* showed general across-the-board increases in 2023. This is a profound call-to-action for internal reporting program managers to seize on the reports they are receiving as guidance for business decisions.

That said, reporters in different regions appear to be differing in their identification and vocalization of actual misconduct. The median *Substantiation Rate* of reporting in both Europe and South America increased eight percentage point year-over-year from 2022 to 2023. Reporting in North America continued to have the lowest *Substantiation Rate*.

Readers of this report might consider these numbers while assessing if they are doing enough to educate their internal and external reporters about the types of misconduct to report and the information needed to conduct a complete investigation. They may also want to review whether pressure to close cases quickly could have an impact on *Substantiation Rate*.

Case Closure Time shortest in North America

Case Closure Time is a meaningful metric that communicates the focus an organization places on resolving reporter allegations. Some cases are naturally more complex than others, requiring more time and resources for investigation. However, a shorter median *Case Closure Time* can be seen as one measure demonstrating that an organization is taking allegations seriously and is prepared to follow-up diligently. An important

caveat here is that case substantiation should not be comprised to meet an arbitrary KPI on closure time.

By both region of headquarters and region in which a report is made, North America continues to demonstrate the shortest *Case Closure Time* among regions. This has continued to shorten over recent years. Meanwhile, organizations based in Europe took the median longest to close a case. These findings are notable when compared to *Substantiation Rate*. The regions taking longer to investigate are more likely to substantiate.

Employment Separation most common as outcome for North America

Apart from retaliation, one of the biggest disincentives for individuals to utilize internal reporting programs is the belief that the organization will fail to take the report seriously. Demonstration that the organization takes action against substantiated misconduct helps to build trust and a strong speak-up culture.

The frequency of employment Separation, the most punitive of all *Report Outcomes*, was greatest as an outcome for organizations and reports made in North America. At the opposite end of the spectrum, No Action was most prominent for organizations based in South America.

Readers of this analysis should consider whether reporters and employees would consider *Report Outcomes* to be fair and appropriate. Reporters want to see action taken – while *No Action* is appropriate in some cases, taking no action in a substantiated case can send an unintended message.



01

Reports per 100 Employees

01 Reports per 100 Employees

Reports per 100 Employees - Median Comparisons

Europe shows increase in reporting with UK excluded; Americas see increased report volume

The *Reports per 100 Employees* benchmarking metric allows organizations of all sizes to compare total unique contacts across all reporting channels (web, hotline, open door, email and more). It is key for organizations to have accurate employee counts when assessing this metric. Additionally, any large changes in staffing levels over the course of a period should be considered.

How to calculate: Find the number that reflects all the reports gathered by all reporting channels, divide that number by the number of employees in the organization and then multiply it by 100. For this metric to accurately compare to the calculation we've provided, organizations should not exclude any reports, regardless of *Intake Method*, *Risk Type*, *Substantiation Rate* or *Risk Category*.

NAVEX methodology

Last year, NAVEX refined its analysis of 2022 data to include an additional decimal place for each metric to better differentiate year-over-year reporting.

The central 50% range of the distributions were included as an additional refinement to this metric within the overall range graph to better reflect the concentration of report volumes. The smaller bars collocated within the graphs show the range of *Reports per 100 Employees* represented by the central 50%. The full bar represents the central 80% of all organizations.

Findings

NAVEX generally provides regional-level data rather than country-level analysis in this report in order to maintain the strongest reporting representations possible across all metrics and regions. However, we've made one exception to call out a notable observation for *Reports per 100 Employees*. Excluding the U.K. – which is not subject to the EU Whistleblower Directive – Europe showed an increase from a median 0.53 *Reports per 100 Employees* in 2022 to a median 0.63 in 2023 while the U.K. experienced a decline during that period, from 0.53 to 0.41 *Reports per 100 Employees*. The decline for the U.K. contributed to a decline for Europe overall, from 0.53 to 0.49. APAC also declined year-over-year, from 0.80 to 0.73.

South America recorded the largest increase year-over-year in median *Reports per 100 Employees*, from 2.54 to 3.59. This was also the largest report volume overall, though this finding and others for South America come with the caveat that the region experienced the fewest data points among those in this study. North America also experienced an increase, from 1.64 to 1.78 *Reports per 100 Employees*.

The chart below provides the median and ranges of report volume with the central 50% and central 80% included to better reflect the concentration of report volumes. The distribution of data shows some convergence, or compression, over time for Europe, the Asia-Pacific region (APAC), and South America, with higher “lows” and lower “highs.”

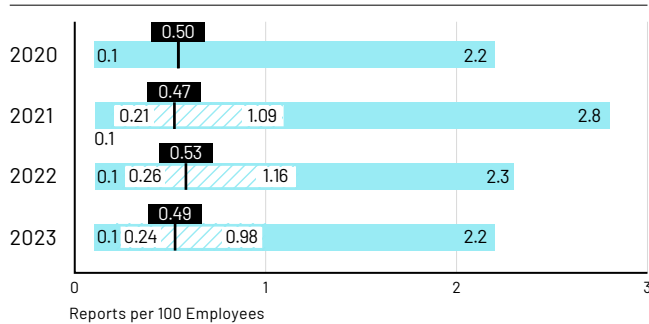
HQ REGION

REPORTS PER 100 EMPLOYEES - MEDIAN COMPARISONS

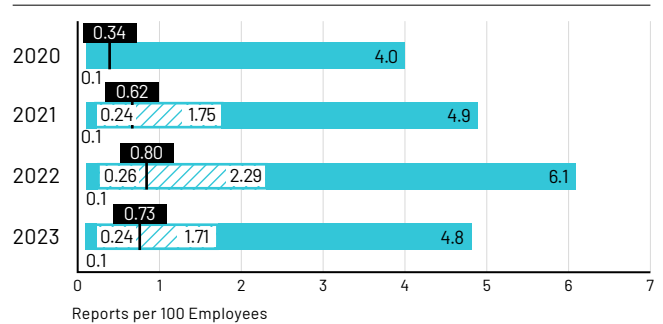
Median reporting value (MRV) and ranges by headquarters region



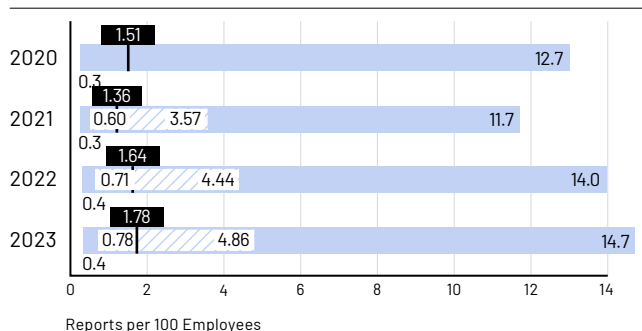
Europe



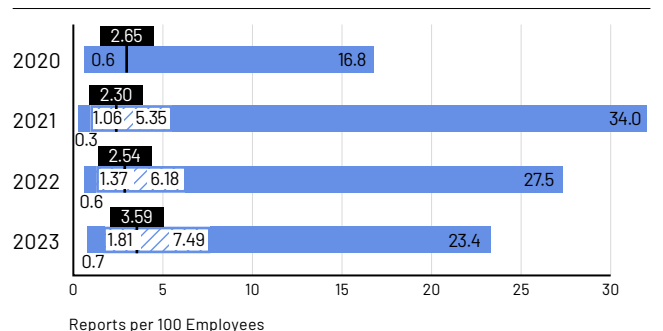
APAC



North America



South America



Reports per 100 Employees - Reports per 100 Employees by Intake Method

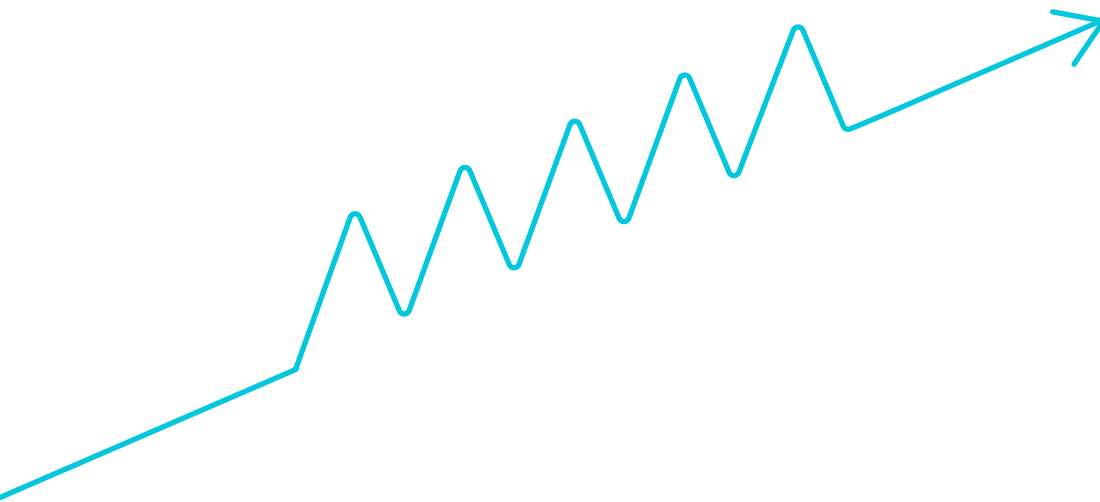
Organizations tracking all intake sources show consistently higher report volume in all regions

The report *Intake Method* compares the level of reporting received by two groups of organizations. The first group only tracks reports received from their *Hotline Intake* and *Web Intake* channels. The second group tracks reports gathered by other means (open-door conversations, email, mail, mobile and more) in their incident management system in addition to the reports received via their hotline and web reporting channels.

How to calculate: First determine which group best reflects your organization's approach. Then conduct the *Reports per 100 Employees* calculation as described previously.

Note regarding reports received via mobile intake:

While some organizations requested a breakout of reports received via mobile intake, we found the process of anonymizing the data removes identifiers that would or could be used to flag "mobile" reports. Therefore, "mobile" reports - reports made online through a mobile device - are counted with *Web Intake*.



Findings

Organizations that track internal reporting from all sources show consistently greater median *Report Volume per 100 Employees* than those tracking only *Hotline Intake* and *Web Intake*. This was true across all regions of analysis in this report in 2023. Organizations tracking all sources represented 54% of our data set, and those tracking only web and hotline, 46%.

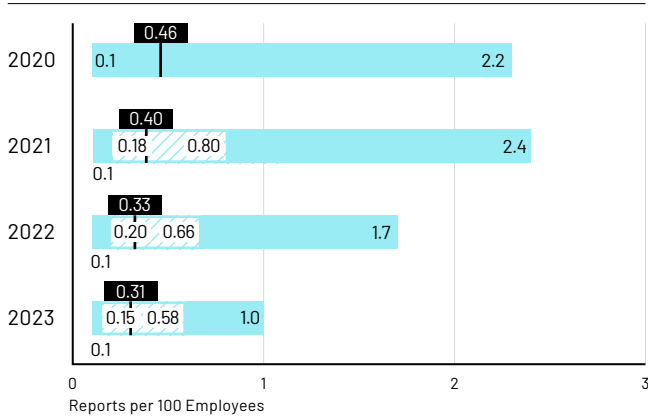
Europe and North America-based organizations tracking all intake sources showed median *Report Volume per 100 Employees* that was more than double their regional peers tracking only *Hotline Intake* and *Web Intake*. The difference for APAC- and South America-based organizations was also substantial.

HQ REGION

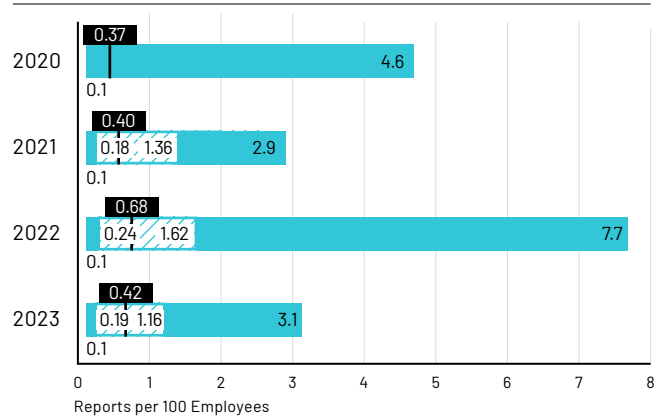
REPORTS PER 100 EMPLOYEES - REPORTS PER 100 EMPLOYEES FOR ORGANIZATIONS THAT TRACK REPORTS FROM WEB AND TELEPHONE ONLY
 Median reporting value (MRV) by headquarters region



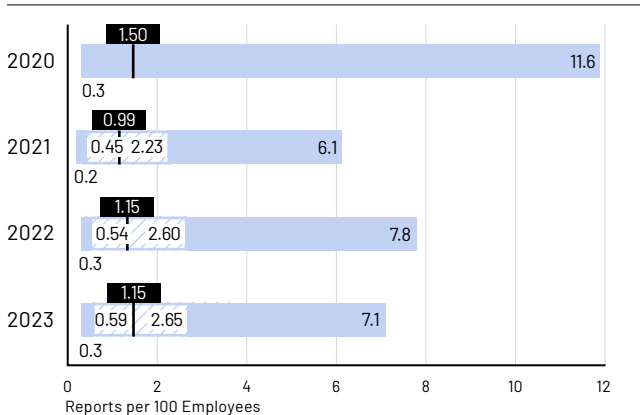
Europe



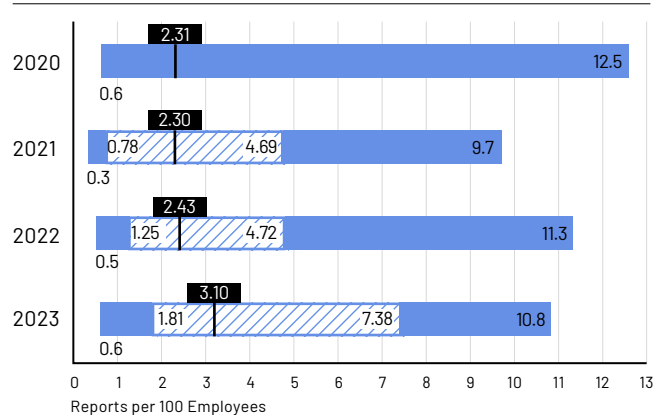
APAC



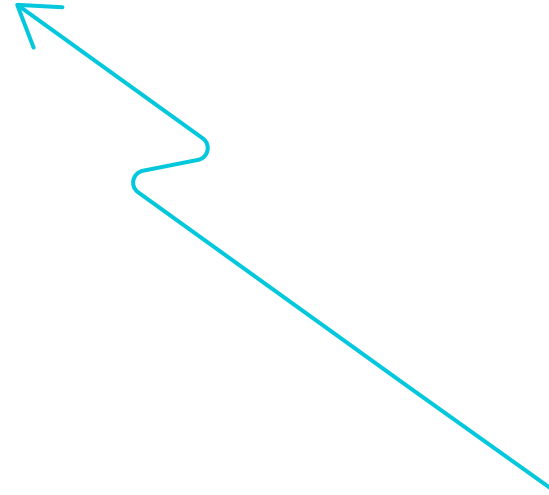
North America



South America



It's no surprise to see those tracking *Other Intake* such as in-person reports in addition to *Hotline Intake* and *Web Intake* are registering greater *Report Volume per 100 Employees*. Yet these numbers demonstrate the extent to which failure to account for these methods of reporting may limit understanding of the full picture of activity for an internal reporting program.

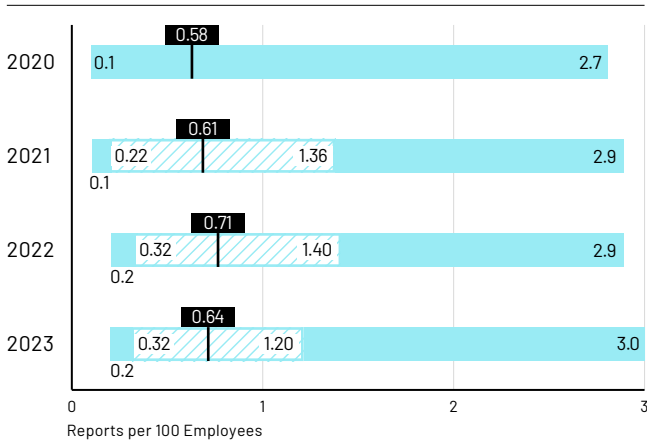


HQ REGION

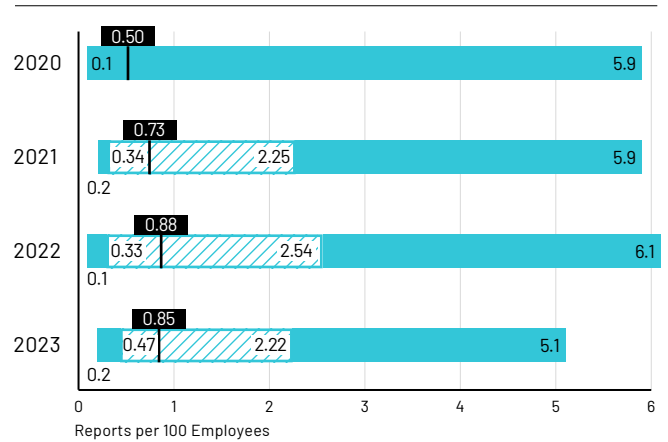
REPORTS PER 100 EMPLOYEES - REPORTS PER 100 EMPLOYEES FOR ORGANIZATIONS THAT TRACK REPORTS FROM ALL SOURCES
Median reporting value (MRV) by headquarters region



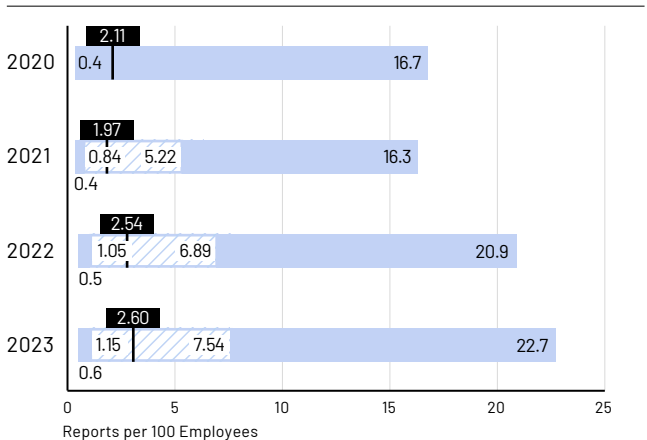
Europe



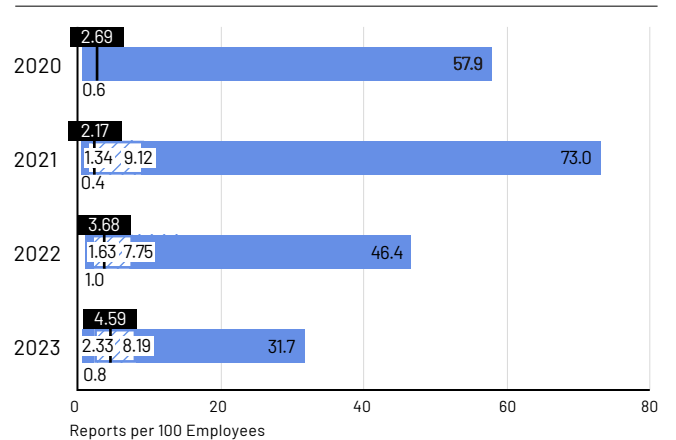
APAC



North America



South America



Reports per 100 Employees - Monthly Report Volume Comparison

Reporting follows seasonal patterns with some regional variation

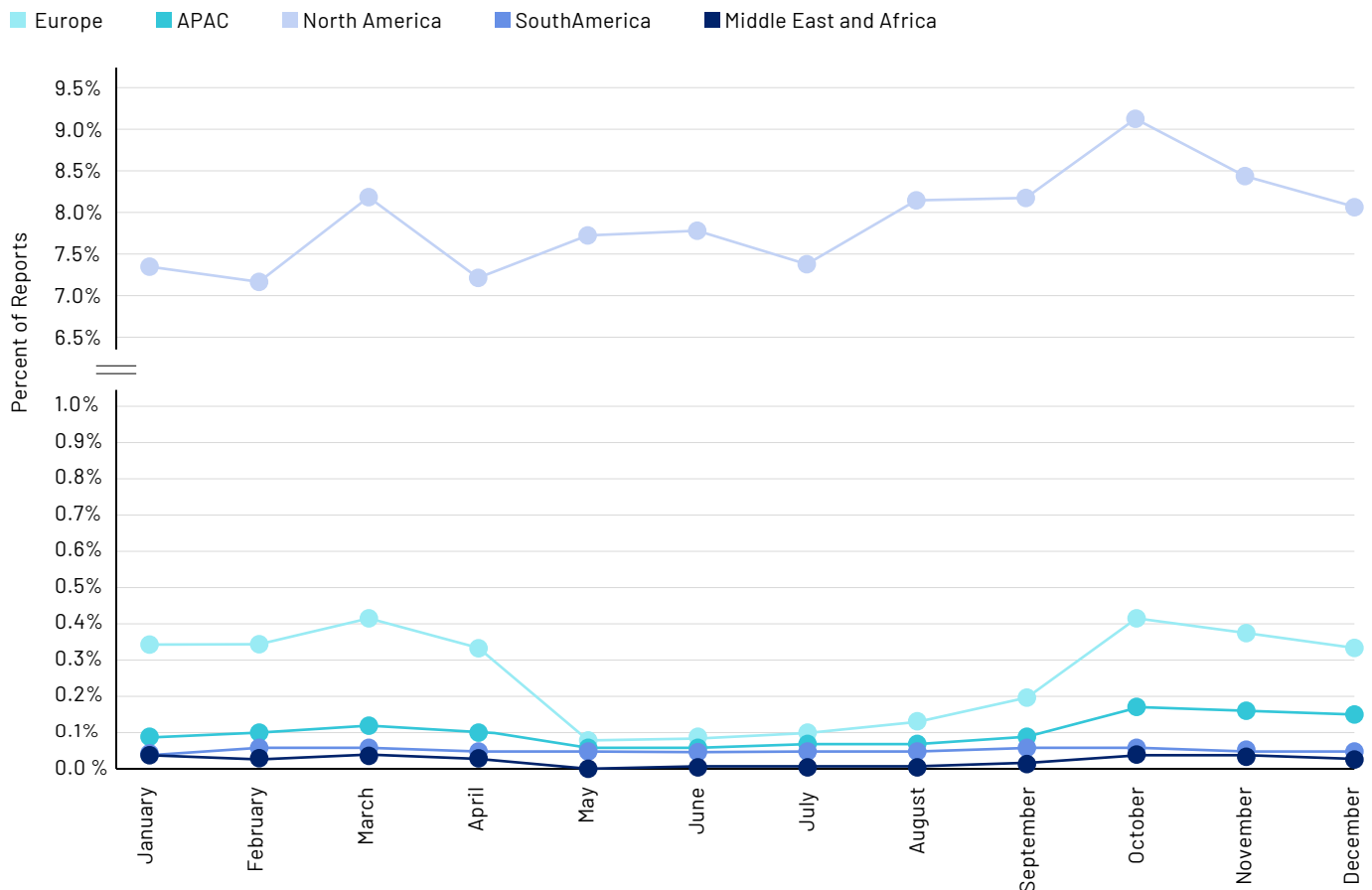
Findings

NAVEX began providing *Monthly Report Volume Comparison* by region last year, and once again, reporting appears to follow a consistent seasonal pattern across geographies - with some nuance.

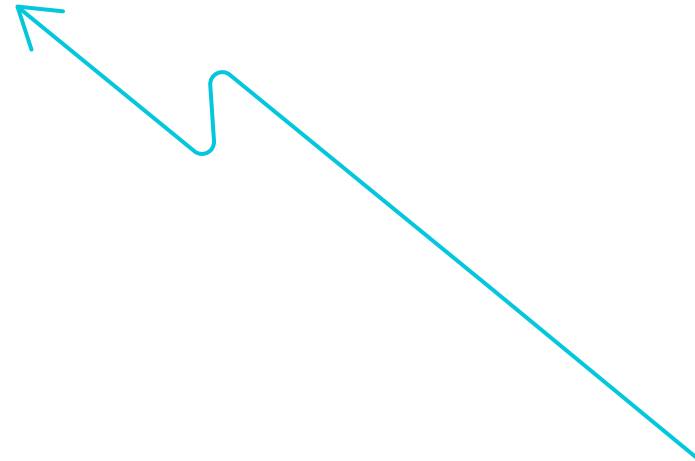
Generally, report volume is lower in the summer months. This appears true when looking at reporting by company headquarters location and by the region in which a report originated. Reporting shows two peaks across regions and measures - March and October.

— HQ REGION

REPORTS PER 100 EMPLOYEES - MONTHLY REPORT VOLUME COMPARISON
Frequency distribution by headquarters region



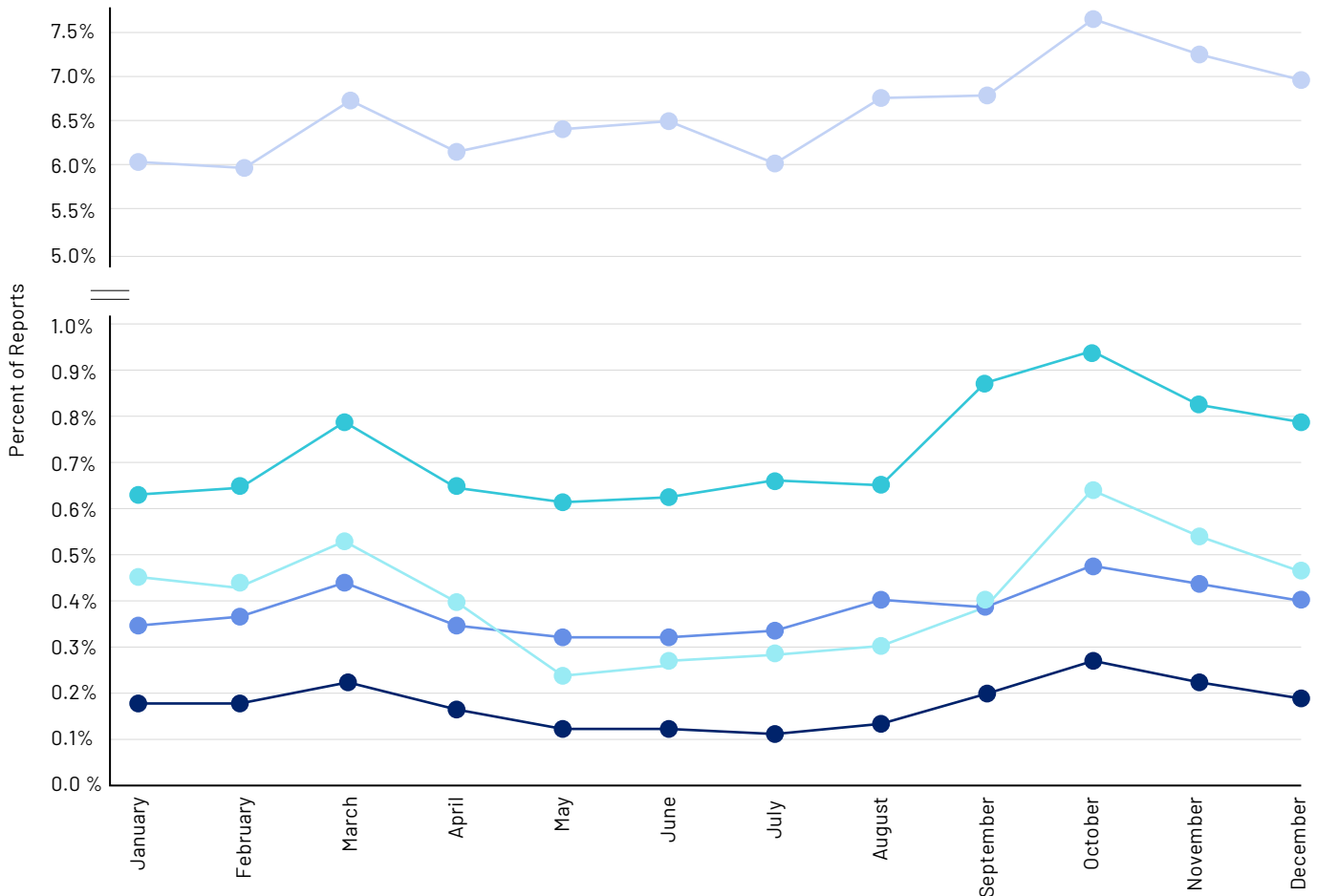
North America presents a distinct picture. While reporting by both headquarters and origination still shows a relative summer lull, it is shorter than other regions. Other regions remain at consistent lower volume before a spike in the final three months of the year - North America appears to begin ramping up sooner.



— REPORT ORIGINATION REGION

REPORTS PER 100 EMPLOYEES - MONTHLY REPORT VOLUME COMPARISON
Frequency distribution by report origination region

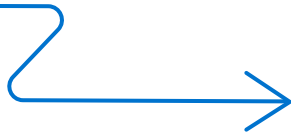
■ Europe ■ APAC ■ North America ■ SouthAmerica ■ Middle East and Africa





02 Report Risk Categories and Risk Types

02 Report Risk Categories and Risk Types



Report Risk Categories and Risk Types – Risk Categories, Median Comparisons

Broad signals for Risk Categories invite interpretation

Receiving reports in a variety of categories can be an indication of program effectiveness and indicative of an organization’s risk profile. Tracking the reports collected for each of the *Risk Categories* and *Risk Types* can reveal program gaps and successes. Receiving below-typical volumes could speak to a need for more training or awareness (including on the topic of non-retaliation), while receiving above-typical volumes could indicate an area where there is risk that may need to be addressed through policy updates and training.

We organize our database into five primary *Risk Categories*, as well as an *Other* category, by grouping together like reports. These are the six *Risk Categories*. This allows us to compare all the reports collected, even when individual organizations are utilizing unique labels and naming conventions. We further break down the *Risk Categories* into 24 *Risk Types*.

At NAVEX, we believe the standardization of *Risk Categories* and *Risk Types* across the ethics and compliance industry is important for effective benchmarking. It is more meaningful to understand, and report on, the true nature of issues impacting an organization when *Risk Categories* and *Risk Types* are more standardized.

The appendix of this report provides definitions of the 24 *Risk Types*. We hope all organizations will consider adopting a standardized taxonomy going forward to aid consistency and clarity in both benchmark data and their own internal reporting.

NOTE: “*Risk Category*” and “*Risk Type*” replace the previous NAVEX nomenclature of “*Benchmark Category*” and “*Issue Type*.”

Report Risk Categories

The Risk Categories are defined below

Accounting, Auditing and Financial Reporting are reports that pertain to these functions in an organization (e.g., financial misconduct, internal controls, audit).

Business Integrity are reports that address how an organization interacts with third parties, data, legislation, regulations, patients or customers. *Risk Types* include bribery and corruption, conflicts of interest, vendor/customer issues, fraud/waste/abuse, HIPAA, data protection, global trade, human rights, free and fair competition, product quality/safety, and insider trading.

Human Resources (HR), Diversity and Workplace Respect are reports that involve internal parties and often relate to employee relations or misconduct. *Risk Types* include discrimination, harassment, workplace civility, retaliation, compensation and benefits, substance abuse, and general or other HR.

Environment, Health and Safety (EHS) are reports that involve an element of safety typically pertaining to employees, environmental regulations, workplace health, or an imminent threat to persons, animals or property (e.g., EPA compliance, assault or threat of an assault, workplace safety, OSHA).

Misuse or Misappropriation of Assets are reports that specify company assets or time is being wasted or used in a manner other than what is expected (e.g., employee theft, inaccurate expense reporting, time clock abuse).

Other is a category for hard-to-classify reports that might range from complaints about too few snacks in the breakroom to feral cats prowling the corporate parking lot (those are actual reports organizations have received over the years).

Historically these *Other* reports were included with *HR, Diversity and Workplace Respect* issues, as these issues were typically addressed by Human Resources. Starting in 2021, we report these separately to be more precise in our analysis and keep the Human Resources category as truly HR-related issues.

How to calculate: First, ensure each report is sorted into one of the six *Risk Categories* or the 24 *Risk Types* as defined in the appendix. Then, divide the number of reports in each of the six categories by the total number of reports. Please note, when we are using the median for each category, the total won't necessarily add up to 100%. In calculations involving *Risk Category* or *Risk Types* frequency, we categorize the reports and find the frequency among all reports without grouping by organization. Frequency values should total 100%, or close to it due to rounding.

Findings

Percentages for these metrics are relative to overall reports in a given year, meaning a greater or lesser share of reports received in a certain area does not necessarily equate to a greater or lesser number of reports. Rather, this mix serves as a general reading for the nature of the risk areas and demands on many internal reporting programs. Organizations can use this information to better understand how the mix of their reported issues deviates from their peers, and whether they are experiencing the same trends observed over multiple years. Where those metrics deviate may signal an area where an organization should take a closer look.

That said, distinctions across regions – and by headquarters region versus report origination – all invite ample opportunity for interpretation. While this analysis calls out some notable shifts, readers of this report should consider how these metrics compare to those of their own program and draw relevant conclusions based on the nature of their operations.

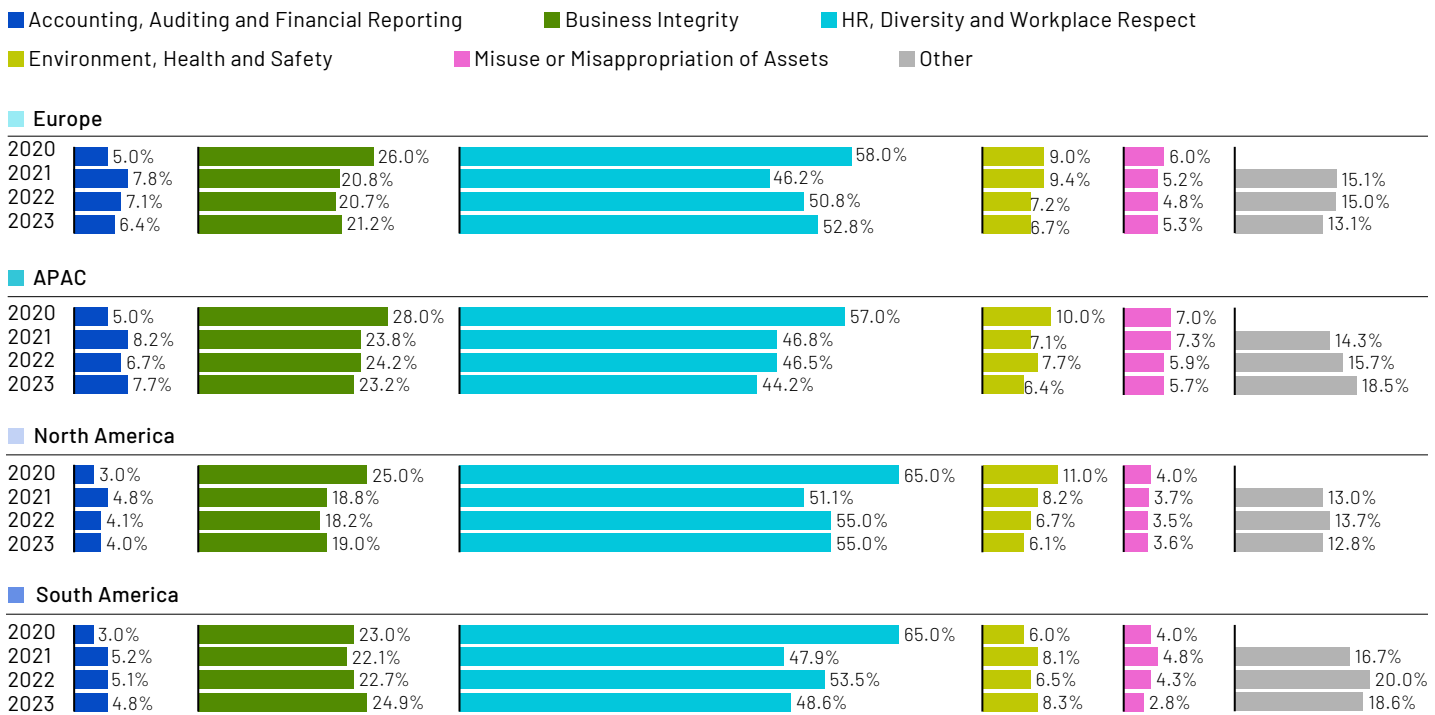
The median share of *Accounting, Auditing and Financial Reporting* reports was up by both headquarters region and report origination region year-over year for APAC alone. Other regions were flat or showed slight declines. By both headquarters region and report origination, *Environment, Health and Safety* reports decreased as a median share of reports for all regions apart from South America between 2022 and 2023.

North America-based organizations had the highest median share of reports in the *HR, Diversity and Workplace Respect Risk Category* – a consistent dynamic over several years. That said, the median share of these types of reports made in both Europe and South America appear to be increasingly associated with this category. North America-based organizations also showed the lowest median share of *Business Integrity* reports. *Environment, Health and Safety* was down as a median share of reports for all regions apart from South America.

— HQ REGION

REPORT RISK CATEGORIES AND RISK TYPES – RISK CATEGORIES, MEDIAN COMPARISONS

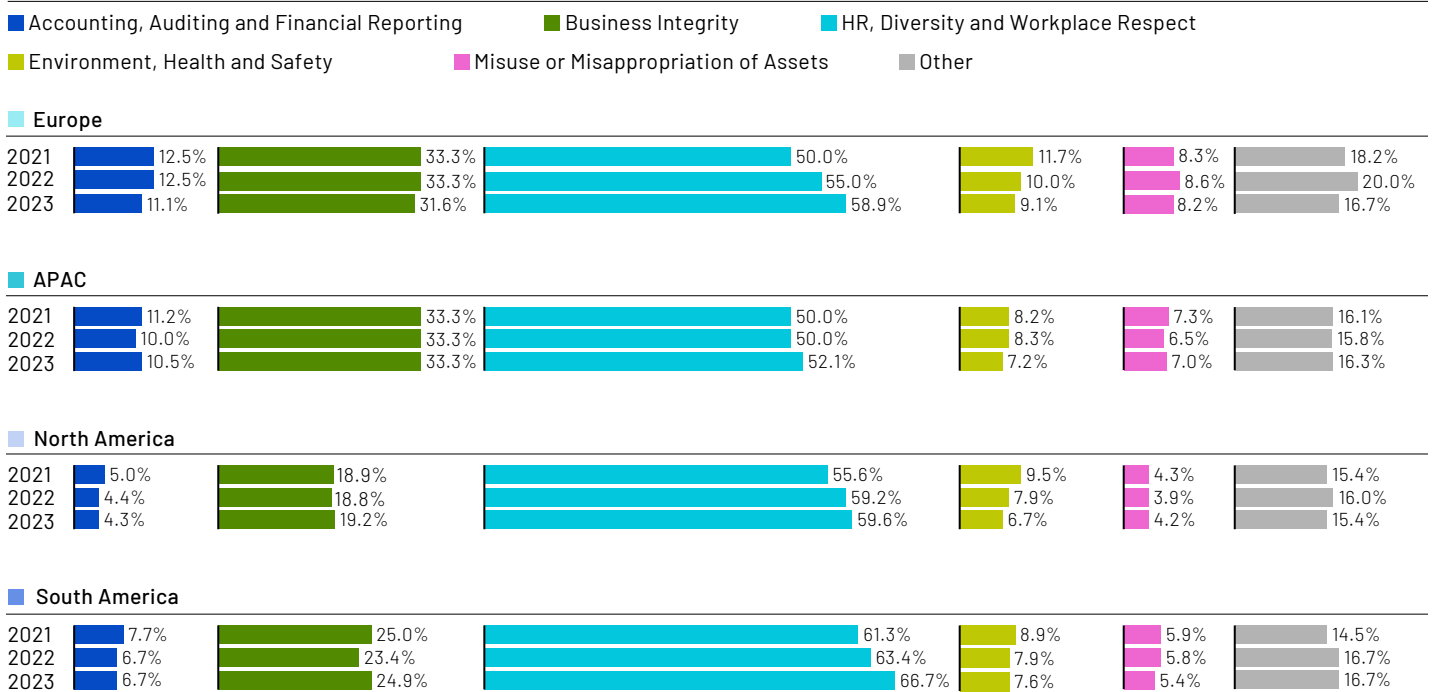
Median reporting value (MRV) by headquarters region



— REPORT ORIGINATION REGION

REPORT RISK CATEGORIES AND RISK TYPES – RISK CATEGORIES, MEDIAN COMPARISONS

Median reporting value (MRV) by report origination region



Report Risk Categories and Risk Types – Reports by Risk Type, Frequency Comparisons

Retaliation and Workplace Civility among areas of note

Findings

Even more than with analysis of reporting by *Risk Category*, analysis by the 24 *Risk Types* is highly nuanced. Between the 24 *Risk Types*, four regions, and the distinction of either headquarters or report origination, readers have ample avenues through which to interpret this data. As with *Risk Category*, internal reporting program managers, compliance personnel and others can use their own deviation from regional norms to consider whether a given difference is reason to look closer at their culture and the operations of their organization. That said, certain *Risk Types* are worthy of special note.

By both headquarters and report origination region, reports of *Retaliation* represented a greater share of reports made for all geographies in 2023 than in 2022. This deserves attention, as actual or perceived *Retaliation* is a major threat to trust in an internal reporting program.

NOTE: NAVEX introduced a separate service in 2023 to accommodate conflict of interest disclosure, which is likely accountable for declines seen for this *Risk Type* in internal reporting data.

The greatest share of reports pertaining to *Bribery and Corruption* by headquarters were for those based in Europe, which also showed a year-over-year increase. North America-based organizations showed a far smaller relative share of this *Risk Type* than the other three regions. By report origination, reports in North America and Europe were far less likely than in APAC and especially South America to involve this *Risk Type*.

Workplace Civility issues experienced a major increase in frequency for organizations based in Europe, from 3.41% of reports in 2022 to 7.62% in 2023. That dramatic increase was evident by region of report origination as well, from 4.90% to 8.98%. By both measures, all regions saw this *Risk Type* increase year-over-year, yet Europe was particularly notable.

By headquarters, the frequency of *Health and Safety* reports increased for all regions apart from North America year-over-year. By report origination, these reports declined in frequency across the board. *Conflicts of Interest* fell by almost every measure and region apart from South America, which is more subject to turbulence due to less available data – this is likely due to the launch of a new NAVEX service to accommodate conflicts of interest disclosure in 2023.

— HQ REGION

REPORT RISK CATEGORIES AND RISK TYPES - REPORTS BY RISK TYPE, FREQUENCY COMPARISONS

Frequency by headquarters region

Risk Category	Risk Type	Europe		APAC		North America		South America	
		2022	2023	2022	2023	2022	2023	2022	2023
Accounting, Auditing and Financial Reporting	Accounting, Auditing and Financial Reporting	7.71%	6.67%	9.10%	8.74%	1.74%	2.06%	2.09%	1.71%
Business Integrity	Bribery and Corruption	1.62%	1.78%	1.64%	1.67%	0.63%	0.54%	1.07%	1.34%
	Confidential and Proprietary Information	1.10%	1.01%	0.34%	0.90%	0.45%	0.46%	0.27%	0.54%
	Conflicts of Interest	18.35%	6.98%	5.66%	3.45%	7.55%	5.70%	7.97%	8.41%
	Data Privacy and Protection	1.71%	3.45%	1.09%	0.94%	5.21%	5.05%	0.14%	0.75%
	Free and Fair Competition	0.77%	0.79%	0.26%	0.25%	0.07%	0.06%	0.11%	0.17%
	Global Trade	0.23%	0.14%	0.05%	0.14%	0.13%	0.07%	0.01%	0.04%
	Human Rights	0.64%	0.61%	0.88%	0.70%	0.06%	0.12%	0.30%	0.28%
	Insider Trading	0.08%	0.08%	0.03%	0.02%	0.02%	0.02%	-	0.03%
	Other Business Integrity	8.66%	8.48%	10.82%	14.86%	15.05%	17.03%	5.83%	8.18%
	Political Activity	0.01%	0.01%	0.01%	0.05%	0.02%	0.01%	-	0.01%
Product Quality and Safety	0.43%	0.61%	0.63%	0.65%	0.53%	0.59%	0.04%	0.14%	
HR, Diversity and Workplace Respect	Compensation and Benefits	0.60%	0.54%	1.30%	0.72%	2.20%	2.38%	0.42%	0.16%
	Discrimination	9.27%	9.92%	14.61%	6.69%	7.81%	7.53%	5.87%	4.76%
	Harassment	8.39%	9.54%	14.03%	18.81%	4.07%	4.26%	4.15%	4.06%
	Other Human Resources	20.22%	23.70%	14.33%	17.33%	26.60%	28.22%	51.12%	48.61%
	Retaliation	0.75%	0.95%	0.63%	0.74%	0.99%	1.13%	0.43%	0.48%
	Substance Abuse	0.51%	0.74%	0.16%	0.12%	0.73%	0.69%	0.37%	0.48%
Workplace Civility	3.41%	7.62%	3.66%	4.99%	7.16%	8.27%	4.97%	7.19%	
Environment, Health and Safety	Environment	0.16%	0.10%	0.02%	0.34%	0.12%	0.12%	0.08%	0.14%
	Health and Safety	4.96%	5.39%	7.28%	7.96%	9.85%	6.92%	2.54%	3.54%
	Imminent Threat to a Person, Animals or Property	0.08%	0.15%	0.02%	0.02%	0.40%	0.25%	0.02%	0.12%
Misuse or Misappropriation of Assets	Misuse or Misappropriation of Assets	3.16%	3.95%	4.34%	3.60%	4.02%	4.13%	1.62%	1.53%
Other	Other	7.20%	6.79%	9.09%	6.32%	4.60%	4.37%	10.59%	7.31%

REPORT ORIGINATION REGION

REPORT RISK CATEGORIES AND RISK TYPES - REPORTS BY RISK TYPE, FREQUENCY COMPARISONS

Frequency by report origination region

Risk Category	Risk Type	Europe		APAC		North America		South America	
		2022	2023	2022	2023	2022	2023	2022	2023
Accounting, Auditing and Financial Reporting	Accounting, Auditing and Financial Reporting	4.84%	4.50%	4.73%	4.62%	1.70%	1.74%	3.38%	2.50%
Business Integrity	Bribery and Corruption	1.06%	0.92%	1.78%	1.76%	0.34%	0.36%	2.31%	2.85%
	Confidential and Proprietary Information	1.08%	1.10%	0.71%	0.72%	0.38%	0.37%	0.42%	0.52%
	Conflicts of Interest	14.53%	10.31%	17.48%	12.86%	4.85%	4.69%	10.21%	8.00%
	Data Privacy and Protection	6.52%	6.31%	3.32%	4.65%	4.01%	3.64%	1.63%	1.47%
	Free and Fair Competition	0.38%	0.34%	0.26%	0.31%	0.07%	0.05%	0.33%	0.38%
	Global Trade	1.39%	0.45%	0.14%	0.16%	0.09%	0.06%	0.09%	0.07%
	Human Rights	0.18%	0.24%	0.22%	0.22%	0.04%	0.10%	0.39%	0.61%
	Insider Trading	0.08%	0.06%	0.03%	0.02%	0.01%	0.01%	0.03%	0.05%
	Other Business Integrity	10.15%	9.70%	11.17%	10.89%	12.65%	14.93%	11.54%	13.08%
	Political Activity	0.06%	0.04%	0.02%	0.02%	0.01%	0.01%	0.02%	0.03%
Product Quality and Safety	0.35%	0.48%	0.53%	0.57%	0.28%	0.44%	0.15%	0.19%	
HR, Diversity and Workplace Respect	Compensation and Benefits	2.98%	2.76%	0.64%	0.56%	3.32%	3.16%	0.91%	0.63%
	Discrimination	7.06%	8.71%	5.06%	4.35%	9.82%	9.07%	7.58%	6.99%
	Harassment	4.39%	4.70%	4.89%	5.42%	5.54%	5.71%	6.62%	6.96%
	Other Human Resources	21.25%	22.95%	22.80%	25.40%	29.49%	29.63%	29.65%	33.48%
	Retaliation	0.64%	0.73%	0.52%	0.57%	1.33%	1.51%	0.80%	1.01%
	Substance Abuse	0.56%	0.54%	0.25%	0.67%	0.68%	0.66%	0.25%	0.30%
	Workplace Civility	4.90%	8.98%	4.55%	5.59%	7.58%	8.82%	7.84%	7.98%
Environment, Health and Safety	Environment	0.13%	0.10%	0.03%	0.03%	0.13%	0.14%	0.18%	0.15%
	Health and Safety	5.72%	5.57%	6.11%	5.49%	9.25%	6.75%	5.63%	4.89%
	Imminent Threat to a Person, Animals or Property	0.09%	0.11%	0.09%	0.10%	0.45%	0.24%	0.12%	0.12%
Misuse or Misappropriation of Assets	Misuse or Misappropriation of Assets	5.63%	4.95%	10.08%	10.89%	3.29%	3.71%	3.37%	2.57%
Other	Other	6.02%	5.45%	4.61%	4.14%	4.69%	4.19%	6.53%	5.18%

Risk Categories and Risk Types – Reporter Allegations Versus Inquiries

Inquiries more common for South America-based organizations – far less so for reporters in region

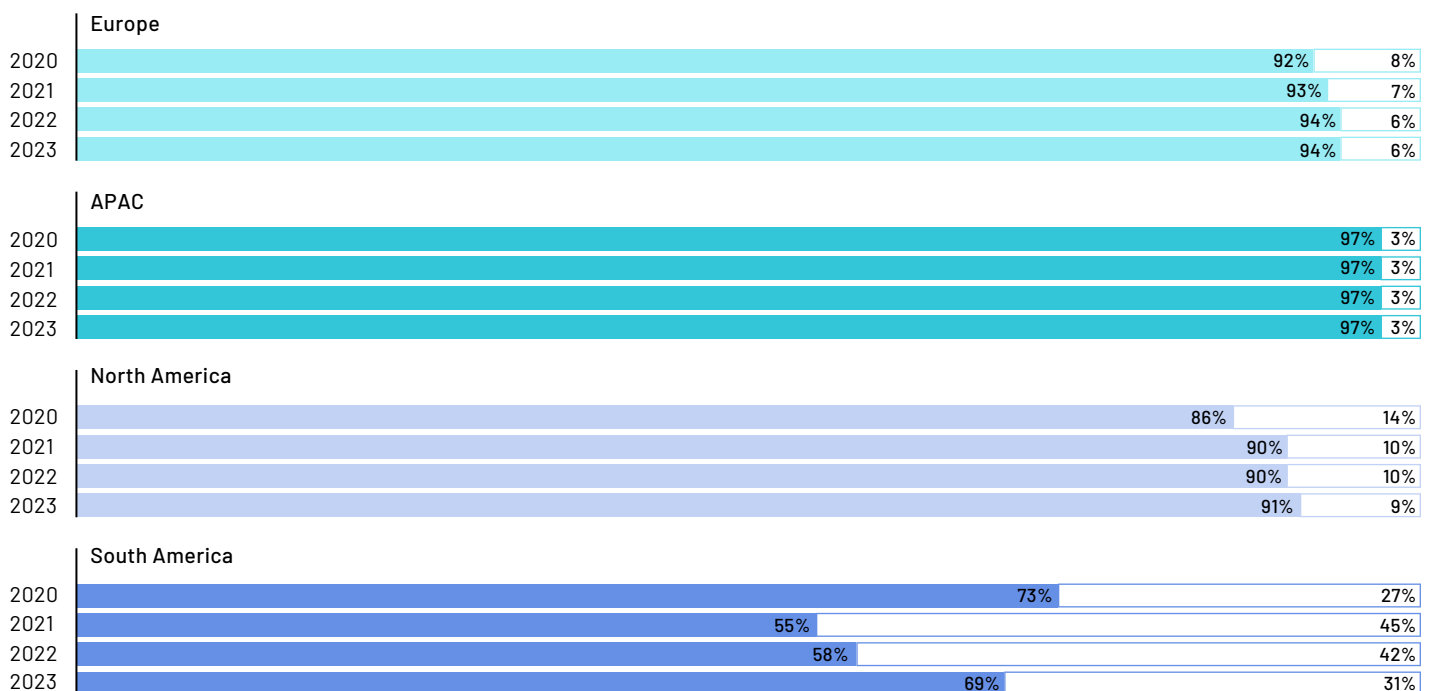
This metric categorizes reports made by employees as either an allegation or an inquiry. Both types of reports provide valuable insight. Allegations are important points of concern or incidents employees have trusted their organization to investigate. Inquiries are questions, requests for guidance, etc., and are not any less important. Inquiries highlight key areas where more training may be needed, or policies may need to be refreshed.

How to calculate: Categorize each of your reports as either an inquiry or an allegation. To find your percent of inquiries, divide the number of inquiries by the total number of reports received in the period. Repeat this process for your allegations.

— HQ REGION

RISK CATEGORIES AND RISK TYPES – REPORTER ALLEGATIONS VERSUS INQUIRIES

Frequency distribution by headquarters region



Findings

Organizations based in South America have shown consistently larger shares of inquiries in their overall internal reporting system activity compared to others. Those based in APAC showed the smallest share of inquiries. North America-based organizations showed higher rates of inquiries than Europe.

By report origination, reporters in North America continue to be the least likely to use an internal

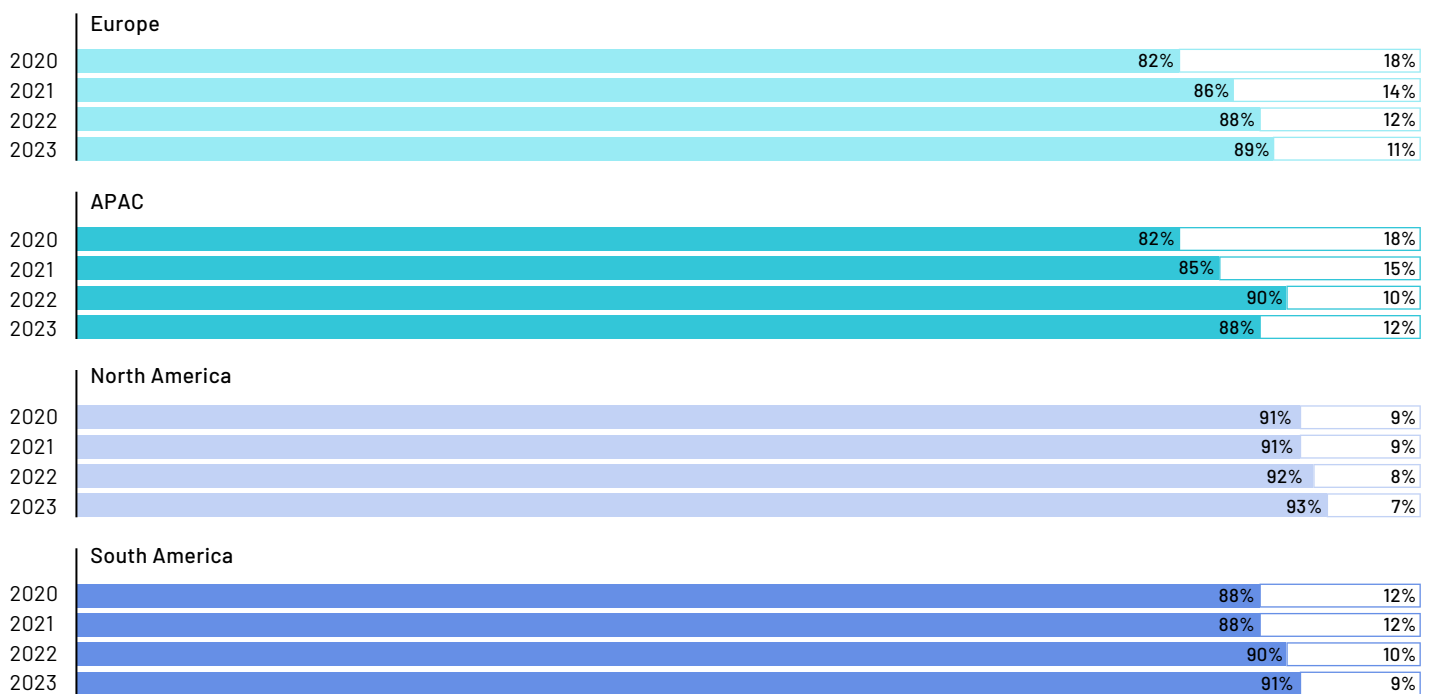
reporting system for inquiries. Rates were higher for reports made in APAC and Europe. In contrast to the higher rate of inquiries by headquarters location, South America reporters were shown to be far less likely to make an inquiry versus a report when viewed through report origination.

By most measures and geographies, the frequency of inquiries has been declining over multiple years which is a concerning trend.

REPORT ORIGINATION REGION

RISK CATEGORIES AND RISK TYPES – REPORTER ALLEGATIONS VERSUS INQUIRIES

Frequency distribution by report origination region



03

Anonymous Reporting Rate



03 Anonymous Reporting Rate

Anonymous Reporting Rate – Median Comparisons

Headquarters- and origination-based analysis flips for North America and Europe

The *Anonymous Reporting Rate* benchmarking metric shows the percentage of all reports submitted by reporters who chose not to disclose their identity. The *Named Reporting Rate* benchmarking metric shows the percentage of all reports submitted by reporters who chose to provide their name.

How to calculate: To calculate the percentage of anonymous reports, divide the number of reports submitted by an anonymous reporter by the total number of anonymous and named reports received. To calculate the percentage of named reports, divide the number of reports submitted by a named reporter by the total number of anonymous and named reports received.

Findings

Organizations based in North America showed the lowest median rate of anonymous reports in 2023 – 54%. The next-lowest rate was for organizations based in Europe, at 64%.

That story flips when viewed by region of report origination, however. In this lens, reporting in Europe showed the lowest median anonymity rate, at 50%. North America showed the second-lowest *Anonymous Reporting Rate*, at 55%. Reporters in South America were least likely to identify themselves, with a median 67% *Anonymous Reporting Rate* in 2023.

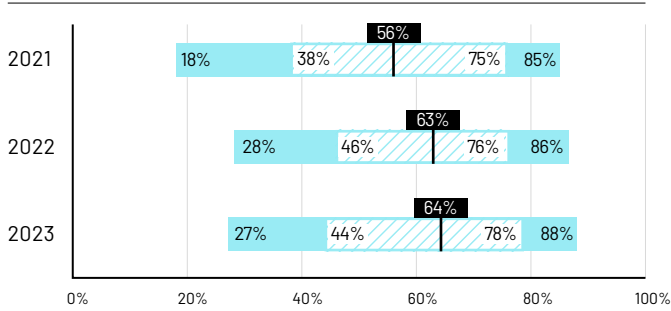
— HQ REGION

ANONYMOUS REPORTING RATE - MEDIAN COMPARISONS

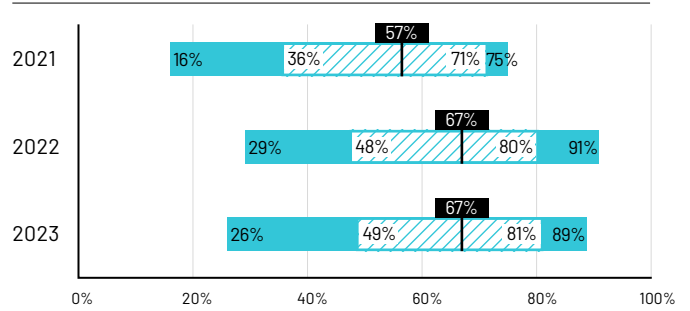
Median reporting value (MRV) and ranges by headquarters region



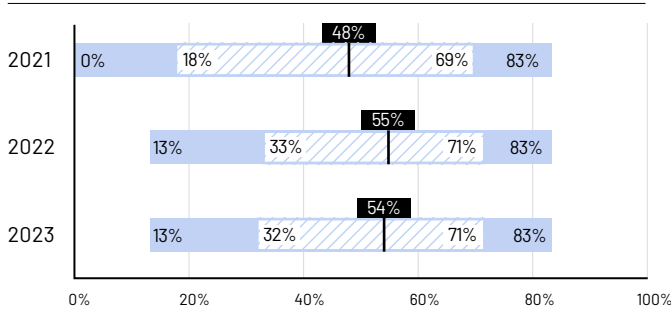
Europe



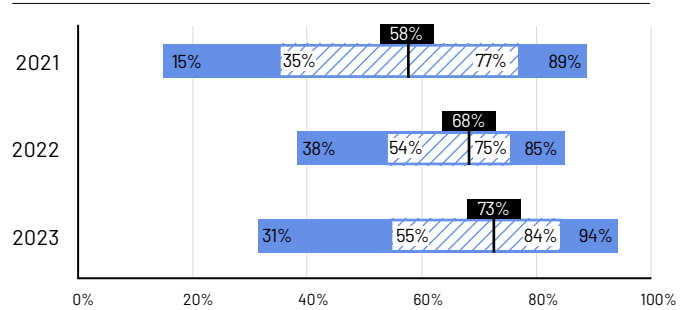
APAC



North America



South America



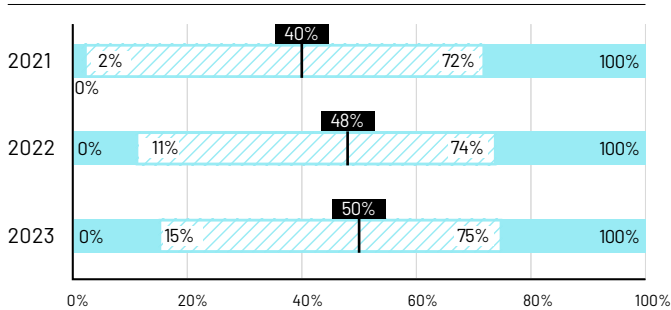
— REPORT ORIGINATION REGION

ANONYMOUS REPORTING RATE - MEDIAN COMPARISONS

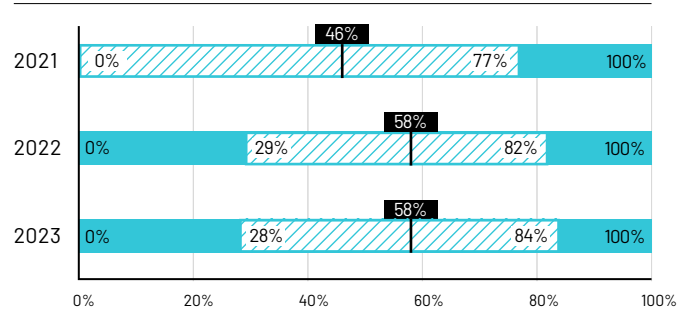
Median reporting value (MRV) and ranges by report origination region



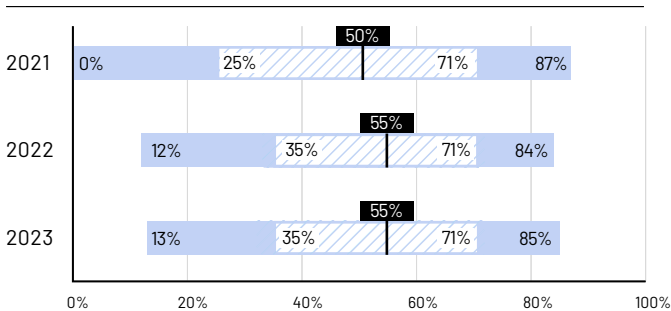
Europe



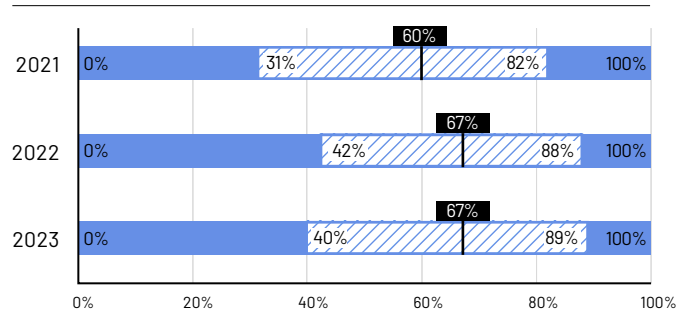
APAC



North America



South America



Anonymous Reporting Rate – Anonymous Reporting Rate by Organization Employee Count

Anonymous reporting generally lower for larger organizations

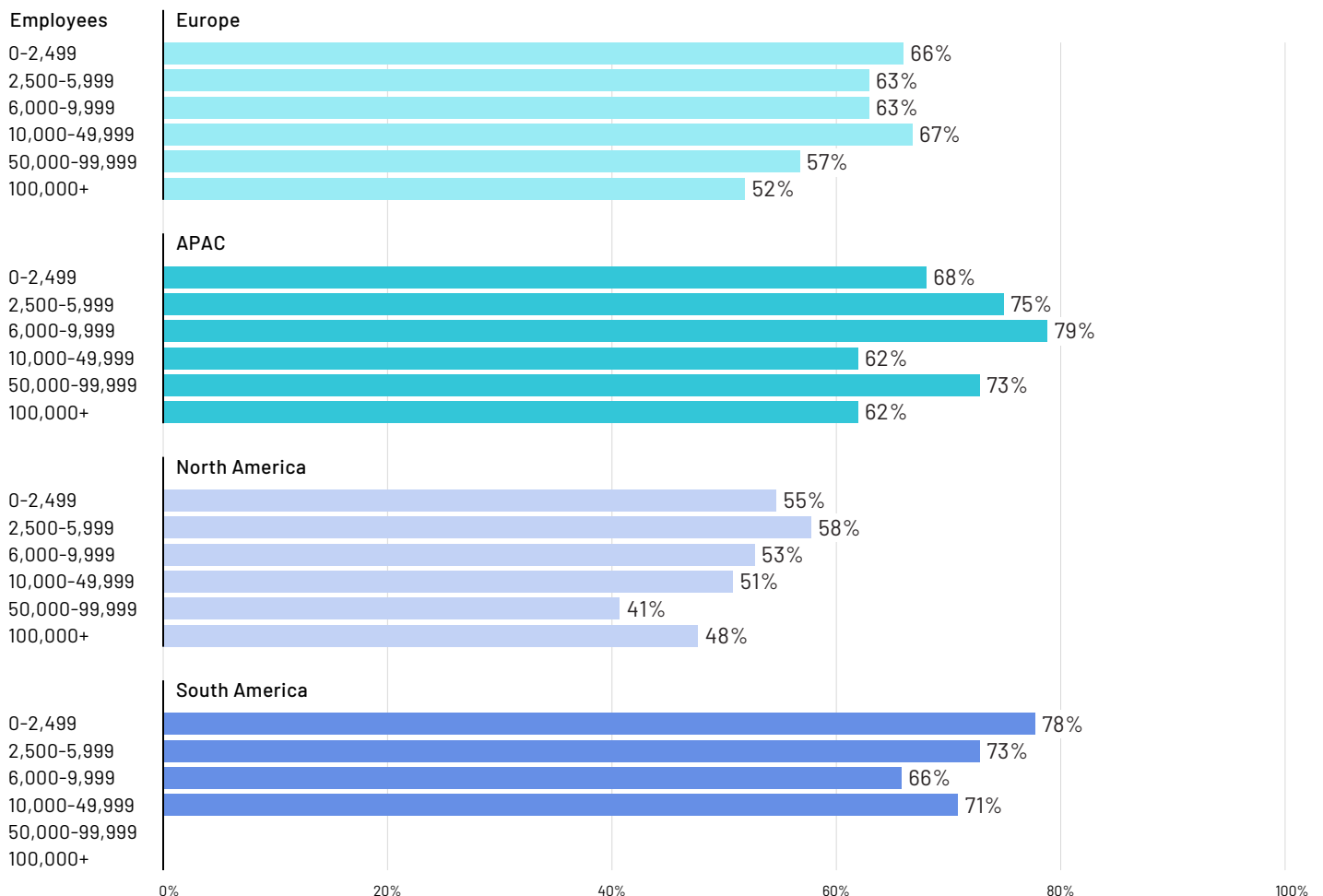
Findings

While some variance occurs across the size cohorts defined in this distribution, *Anonymous Reporting Rate* is generally lower for the largest organizations.

Interestingly, APAC-based organizations in the 6,000-to-9,999-employee range had the highest median *Anonymous Reporting Rate* in 2023, at 79%.

— HQ REGION

ANONYMOUS REPORTING RATE - ANONYMOUS REPORTING RATE BY ORGANIZATION EMPLOYEE COUNT Median reporting value (MRV) by headquarters region



Anonymous Reporting Rate – Follow-Up Rate to Anonymous Reports

Europe and APAC show greater follow-up rates than Americas

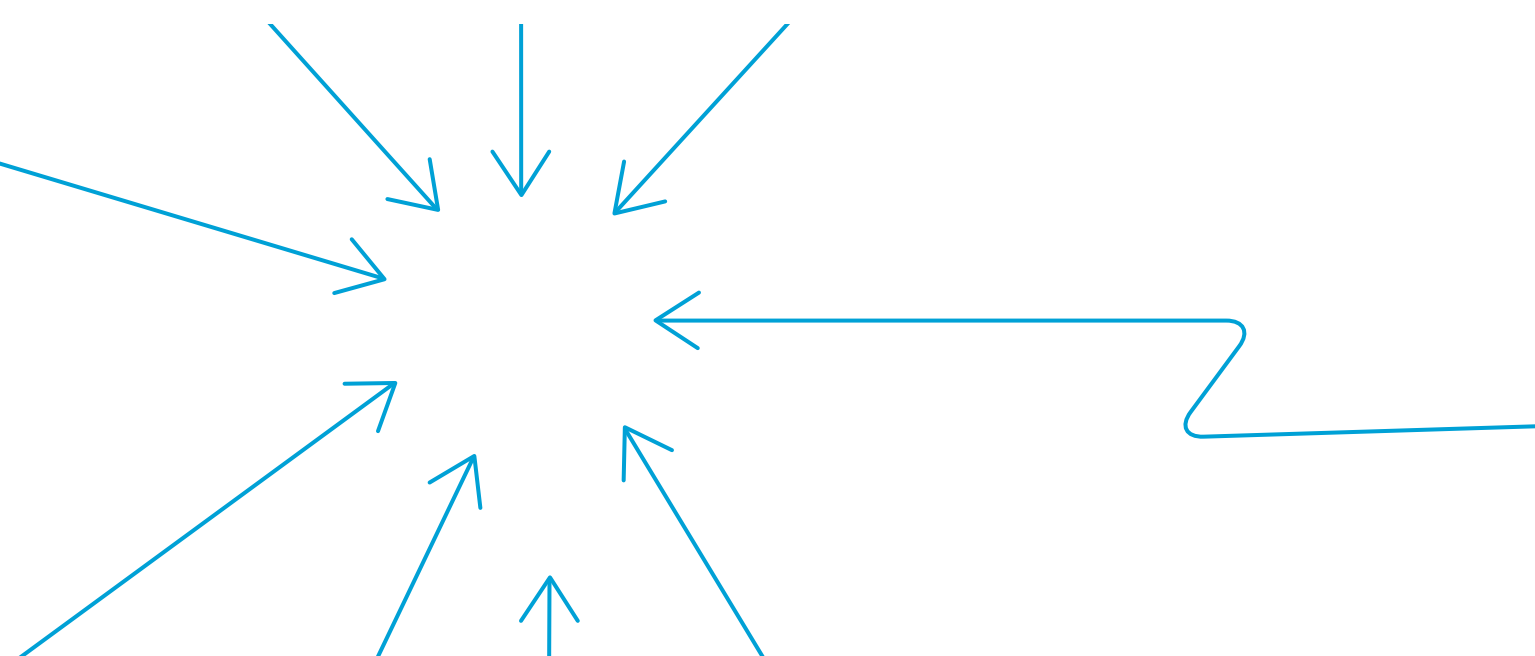
The ability for individuals to use an internal reporting system anonymously and still follow up on their report is a powerful tool to encourage engagement in the process and support better program outcomes. The *Follow-Up Rate to Anonymous Reports* benchmarking metric indicates the percentage of reports that were submitted anonymously and subsequently followed-up on by the reporter.

How to calculate: Find the number of reports where the anonymous reporter returned to the system at least once. Divide this number by the total number of anonymous reports received. Please note, we do not count multiple follow-ups to the same report per metric. If an anonymous reporter returned to the system two times, that report would be counted once.

Findings

Organizations headquartered in Europe and APAC showed the highest median rate (36%) of follow-up by anonymous reporters in 2023. This greater *Follow-Up Rate to Anonymous Reports* for these two regions has been consistent since 2021, while rates for North America- and South America-based organizations have been lower.

While some variance exists by report origination, Europe and APAC still showed greater follow-up rates than North America and South America. Understanding any differences in program approaches between the regions could be useful given the importance of anonymous reporter follow-up to the ability to complete an investigation. Generally, though, the follow-up rate to anonymous reports has been trending down.

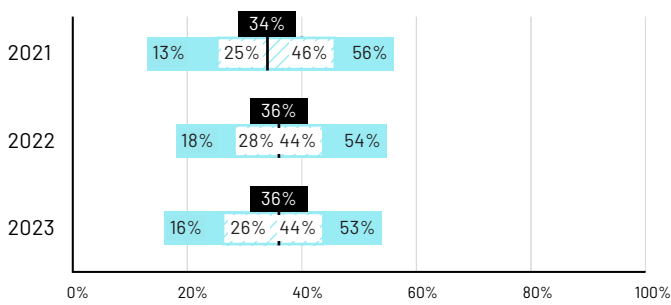


— HQ REGION

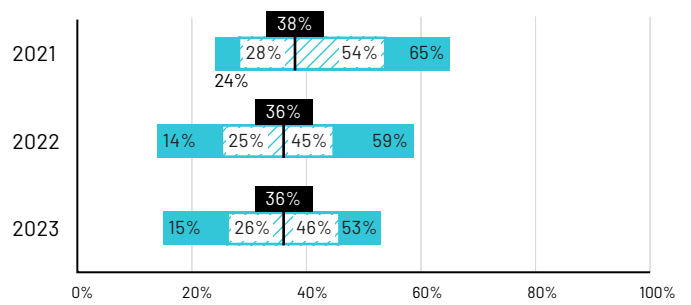
ANONYMOUS REPORTING RATE - FOLLOW-UP RATE TO ANONYMOUS REPORTS
Median reporting value (MRV) and ranges by headquarters region



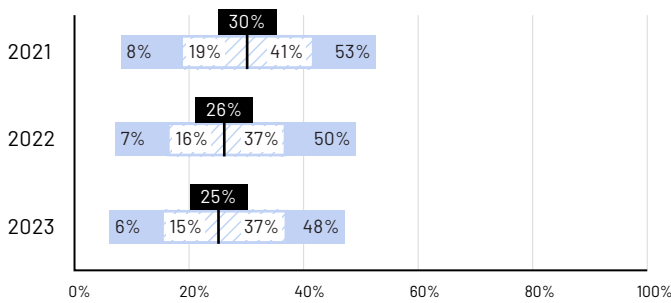
Europe



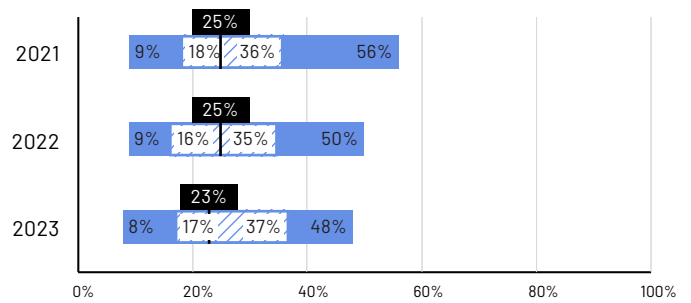
APAC



North America



South America

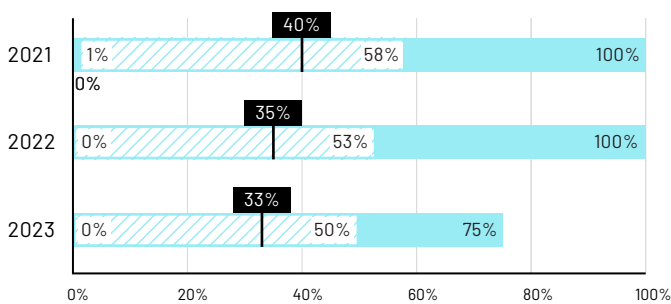


— REPORT ORIGINATION REGION

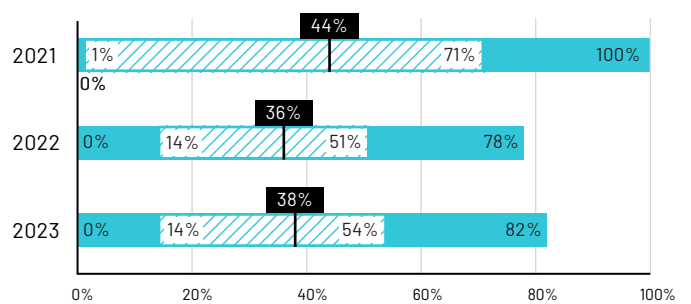
ANONYMOUS REPORTING RATE - FOLLOW-UP RATE TO ANONYMOUS REPORTS
Median reporting value (MRV) and ranges by report origination region



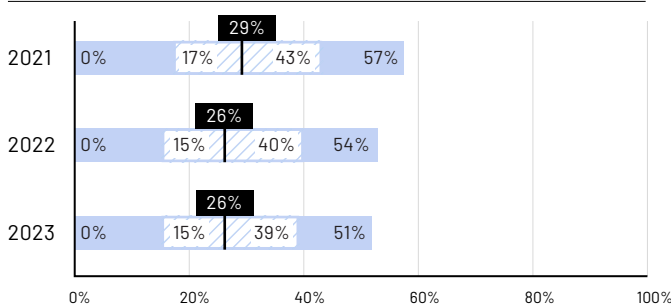
Europe



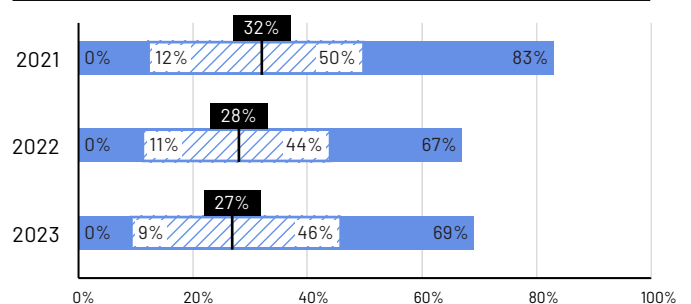
APAC



North America



South America



04

Substantiation Rate

04 Substantiation Rate

Substantiation Rate – Median Comparisons

Median Substantiation Rate increases in all regions

The overall *Substantiation Rate* reflects the median rate of allegations from both named and anonymous reporters that were closed as substantiated or partially substantiated. A high *Substantiation Rate* reflects a well-informed employee base making high-quality reports, coupled with effective investigation processes.

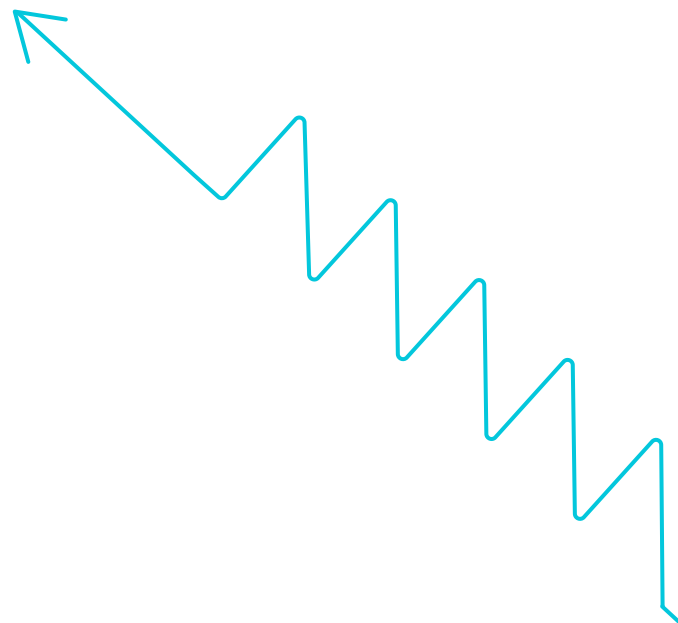
How to calculate: For overall *Substantiation Rate*: Divide the number of allegation reports that were closed as substantiated or partially substantiated by the total number of allegation reports that were closed as substantiated/ partially substantiated or unsubstantiated as defined in this section. We also note that there is a category described as “insufficient information” which is excluded from these calculations.

1. Substantiated

Reports that when investigated prove to be correct or partially correct as reported

2. Unsubstantiated

Reports that when investigated prove to be inaccurate as reported

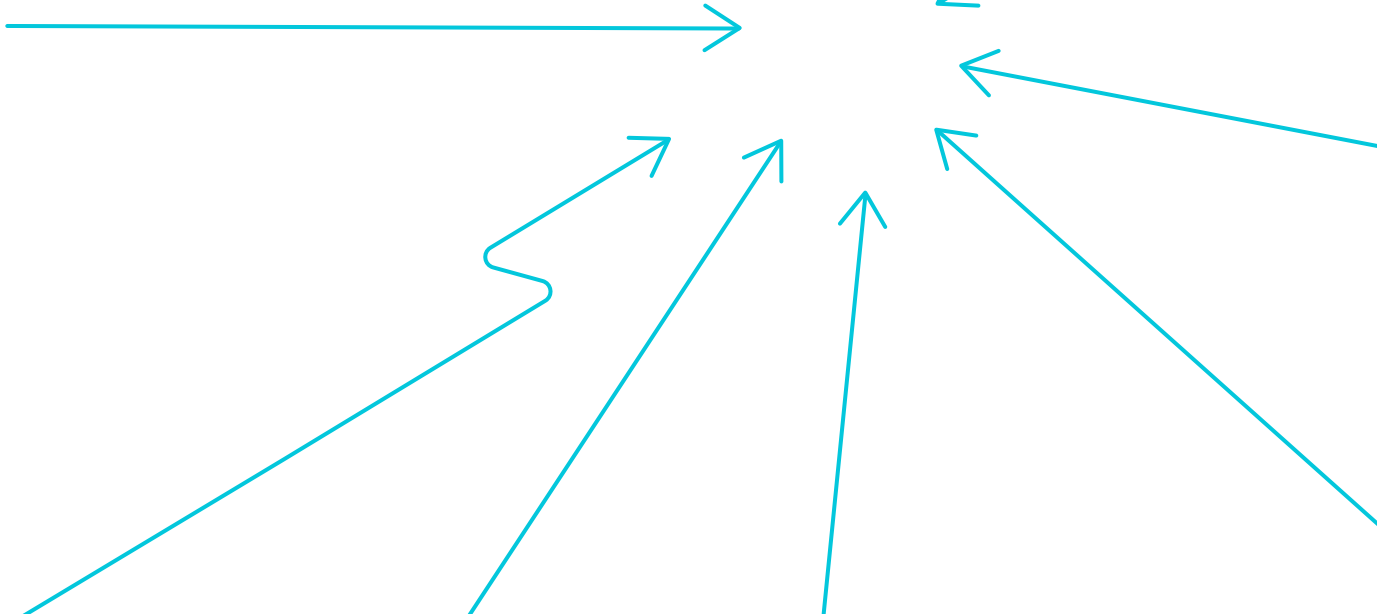


Findings

By both headquarters and region of report origination, median *Substantiation Rate* increased across the board year-over-year in 2023.

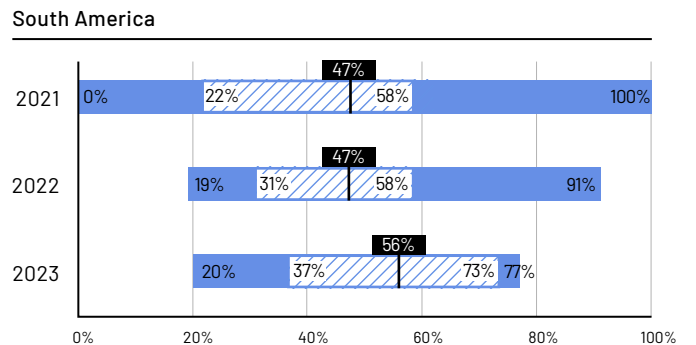
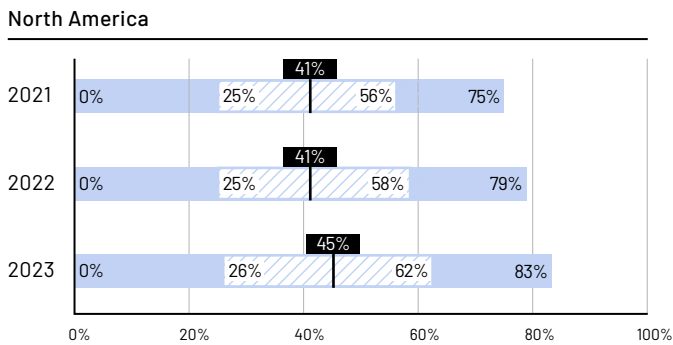
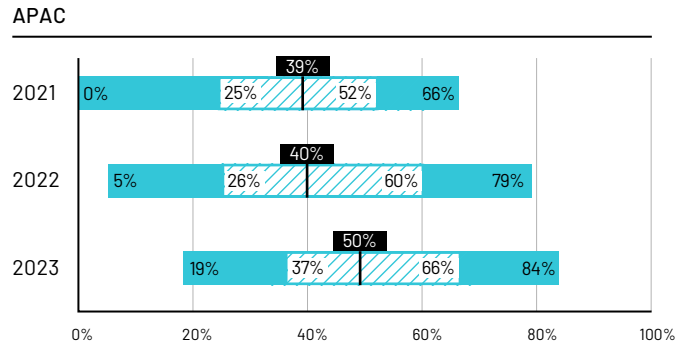
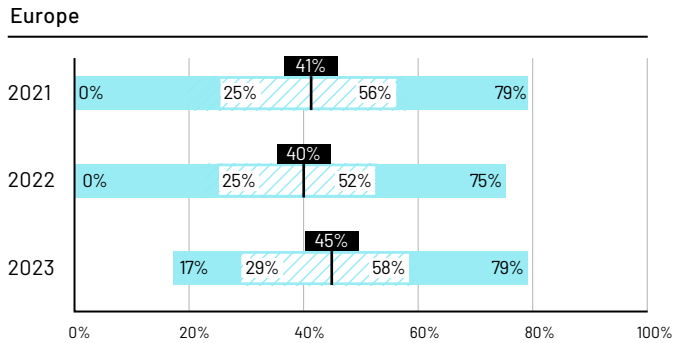
By headquarters, APAC saw a 10-percentage-point increase to 50%. South America-based organizations registered a median 56% *Substantiation Rate* after a nine-percentage-point increase, now representing the greatest rate among regions.

By report origination, both Europe and South America showed the largest increases of eight percentage points, both reaching a median 50% *Substantiation Rate*. Reports made in North America continue to have the lowest median *Substantiation Rate* at 40%.



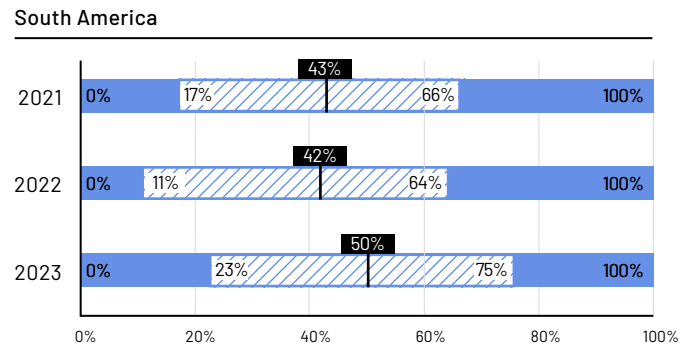
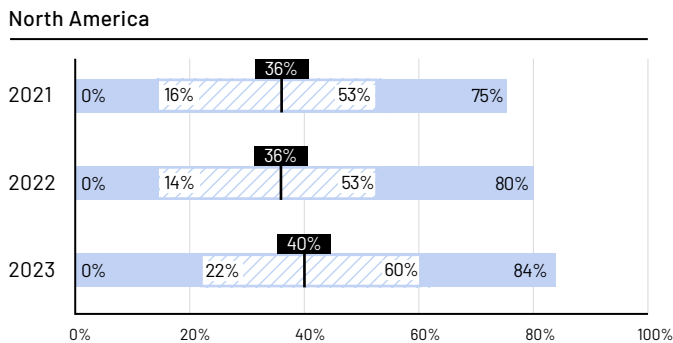
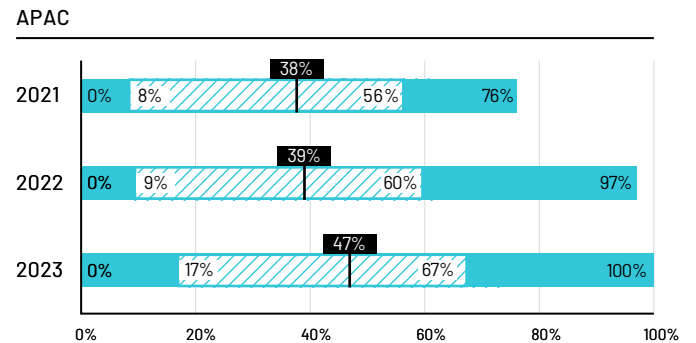
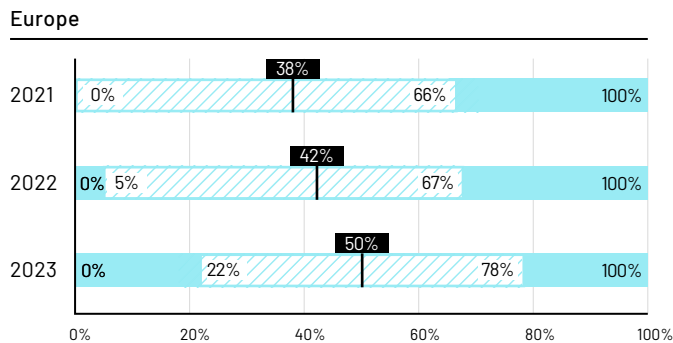
— HQ REGION

SUBSTANTIATION RATE - MEDIAN COMPARISONS
Median reporting value (MRV) and ranges by headquarters region



— REPORT ORIGINATION REGION

SUBSTANTIATION RATE - MEDIAN COMPARISONS
Median reporting value (MRV) and ranges by report origination region



Substantiation Rate – Substantiation Rate by Risk Category

Findings mixed by Risk Categories

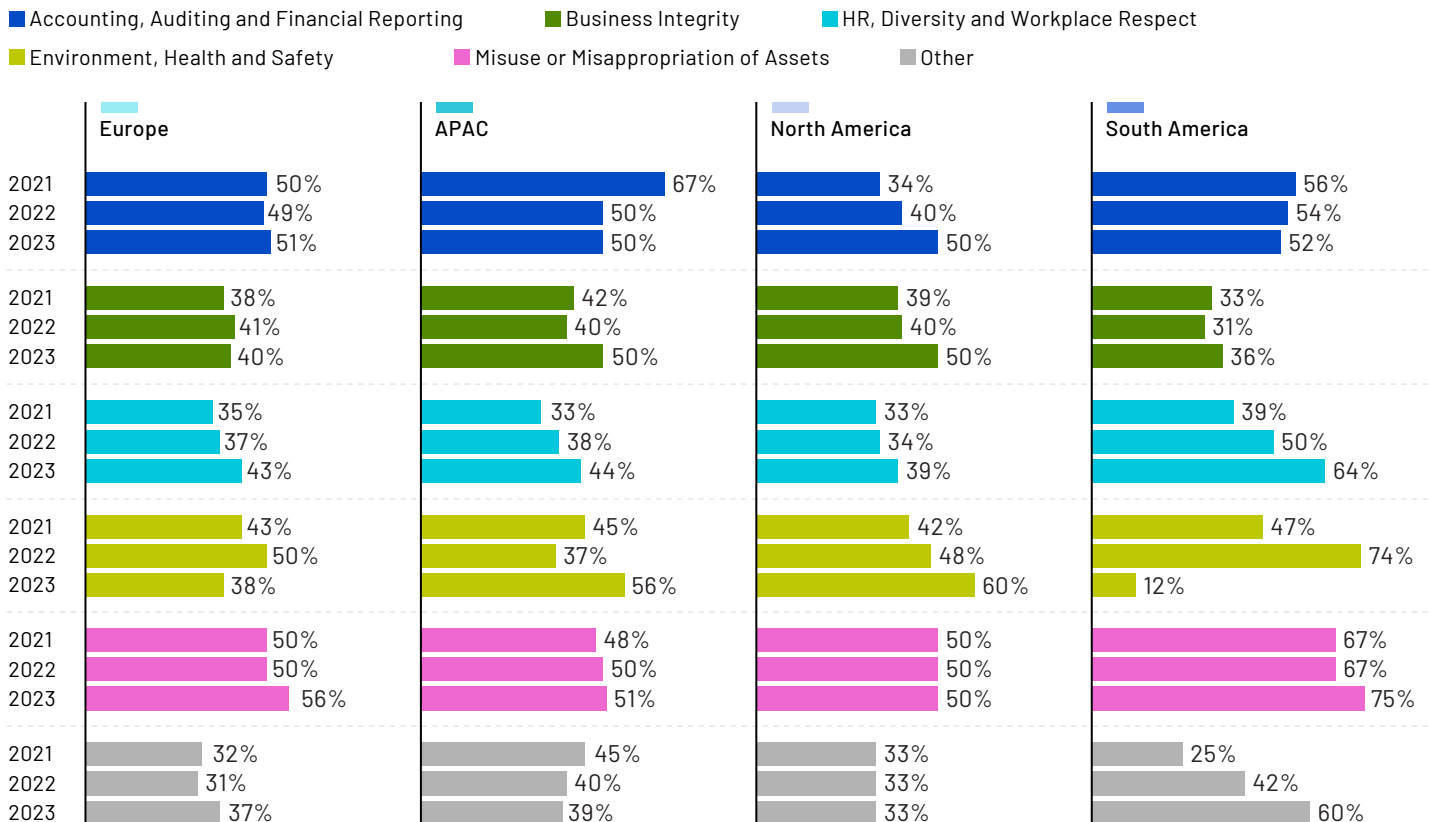
Findings

Analysis of *Risk Category* across region, headquarters location, report origination – and also for this benchmarking metric, *Substantiation Rate* – creates a very nuanced benchmarking opportunity for organizations. Trends may be less settled due to occasionally smaller representation for certain reporting topics. Organizations can compare their own benchmarking data to these findings and assess whether deviation is a signal to act based on the nature of their individual circumstances.

By headquarters location, median *Substantiation Rates* have steadily increased in the *Accounting, Auditing and Financial Reporting Risk Category* over three years for North America – 34% in 2021, 40% in 2022 and 50% in 2023. All regions now show roughly half of reports in this *Risk Category* as substantiated when viewed by headquarters location.

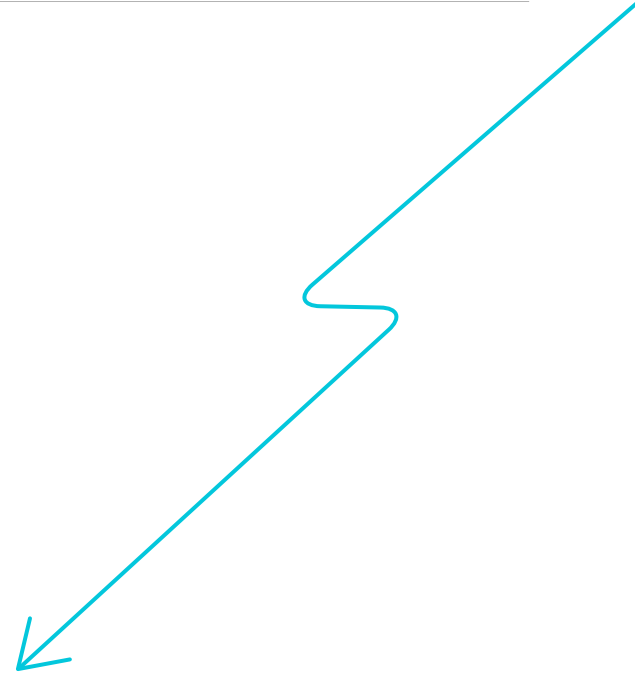
— HQ REGION

SUBSTANTIATION RATE – SUBSTANTIATION RATE BY RISK CATEGORY Median reporting value (MRV) by headquarters region



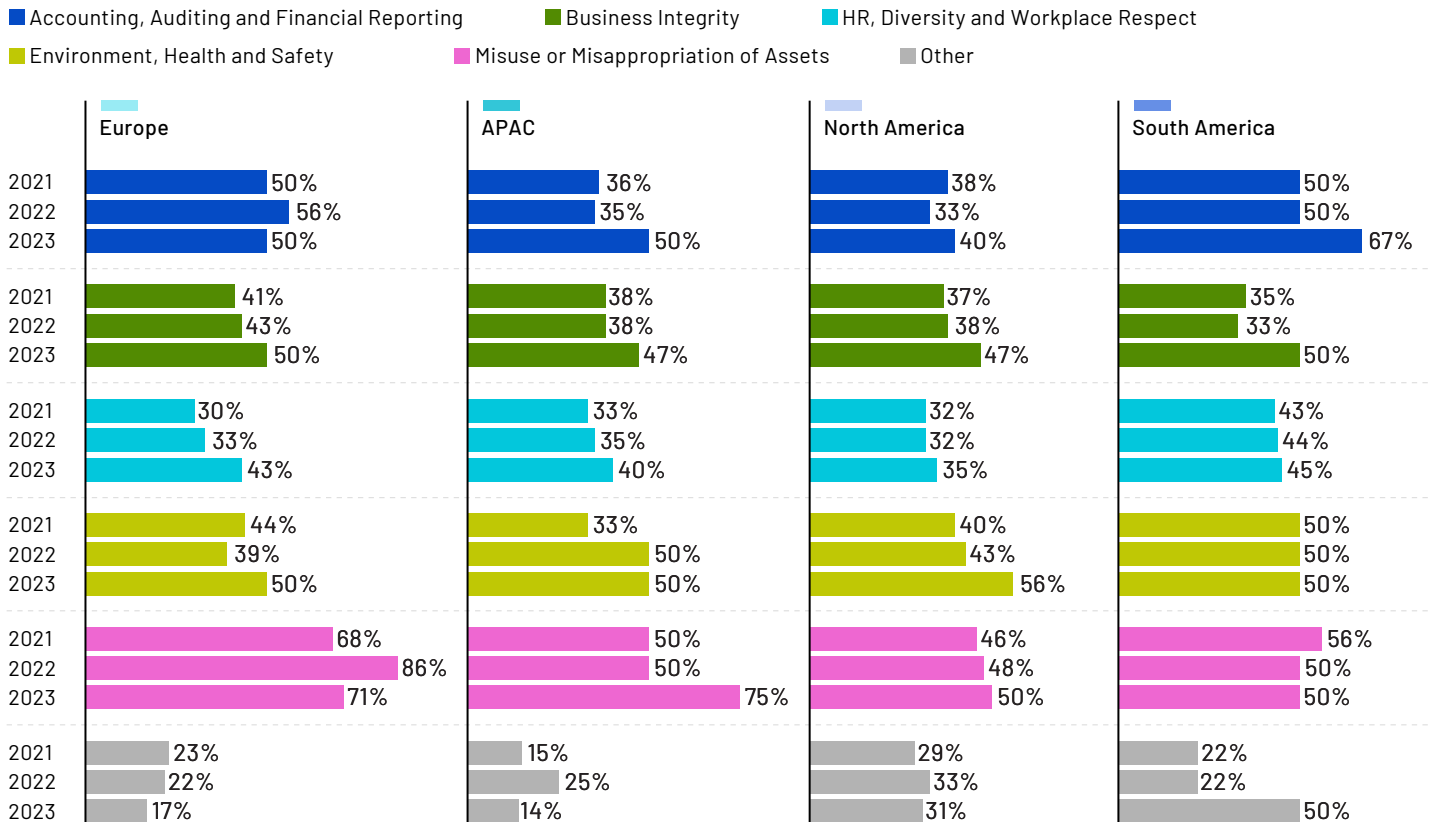
Substantiation Rate plummeted for *Environment, Health and Safety* for South America-based organizations year-over-year, yet as cautioned elsewhere in this report, our smaller dataset of reports for South America makes granular assessments more subject to substantial swings.

Accounting-type reports by report origination location made in South America, APAC and Europe were more likely to be substantiated than those in North America. Also report origination location, substantiation has steadily increased for *Business Integrity* and *HR, Diversity and Workplace Respect* across all regions.



REPORT ORIGINATION REGION

SUBSTANTIATION RATE - SUBSTANTIATION RATE BY RISK CATEGORY
Median reporting value (MRV) by report origination region



Substantiation Rate – Substantiation Rate of Anonymous Versus Named Reports

Substantiation generally rising or flat, with more variance by headquarters-based analysis

Findings

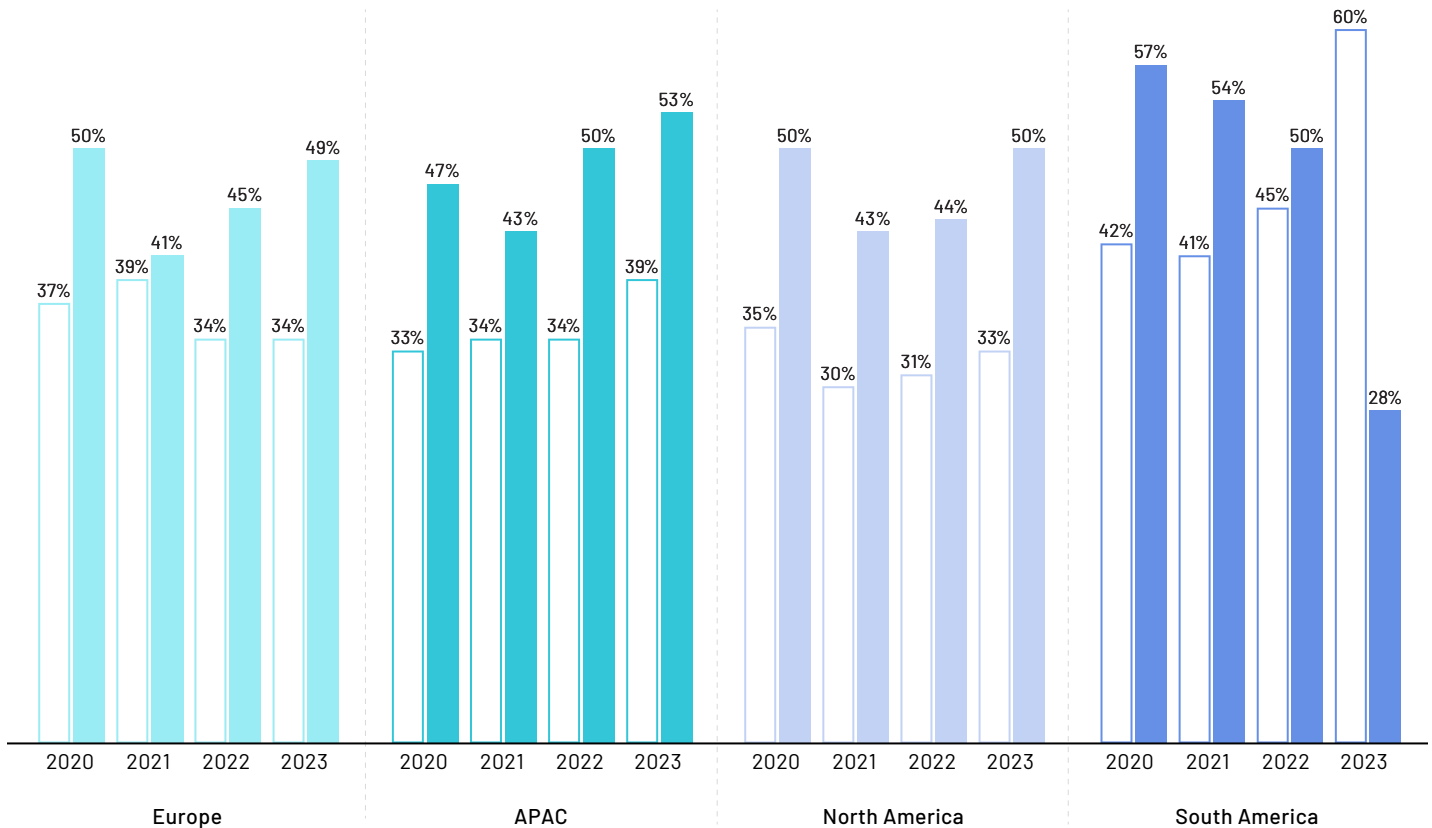
Not surprisingly, *Substantiation Rate* by headquarters location is higher for regions where the reporter more often chose to provide

their name. The exception seen in 2023 for organizations headquartered in South America is likely attributable to fluctuations from lower amounts of regional reporting compared to other regions in our dataset.

— HQ REGION

SUBSTANTIATION RATE – SUBSTANTIATION RATE OF ANONYMOUS VERSUS NAMED REPORTS Median reporting value (MRV) for anonymous substantiation by headquarters region

□ Anonymous ■ Named



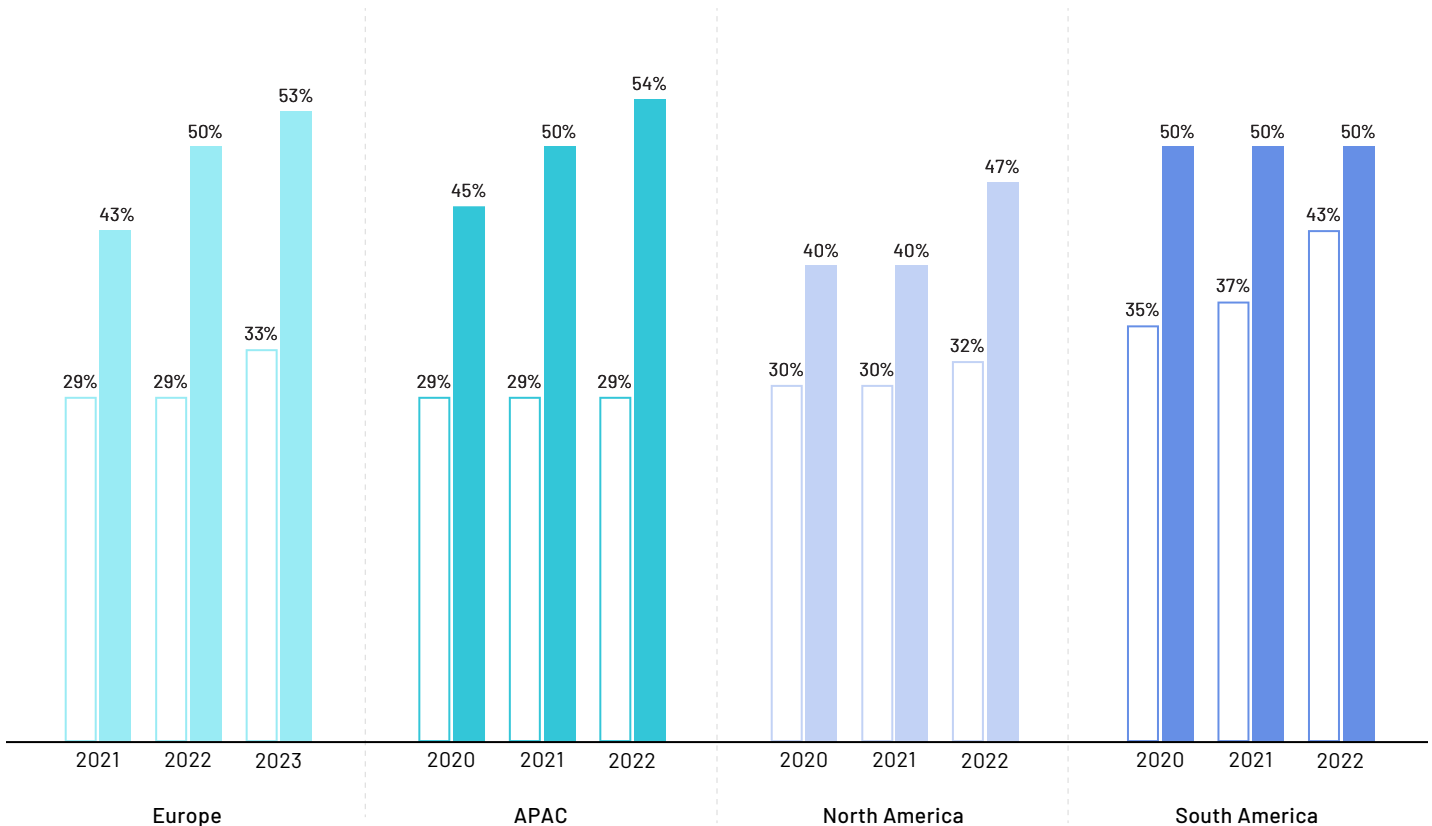


When viewed by region of report origination, *Substantiation Rate* for both anonymous and named reports has been either flat or increased over three years. Year-over-year trends are more varied when viewed by headquarters location.

REPORT ORIGINATION REGION

SUBSTANTIATION RATE – SUBSTANTIATION RATE OF ANONYMOUS VERSUS NAMED REPORTS
 Median reporting value (MRV) for anonymous substantiation by report origination region

□ Anonymous ■ Named



Substantiation Rate – Substantiation Rate by Employee Count

Smaller organizations generally show greater Substantiation Rate – North America variances smaller

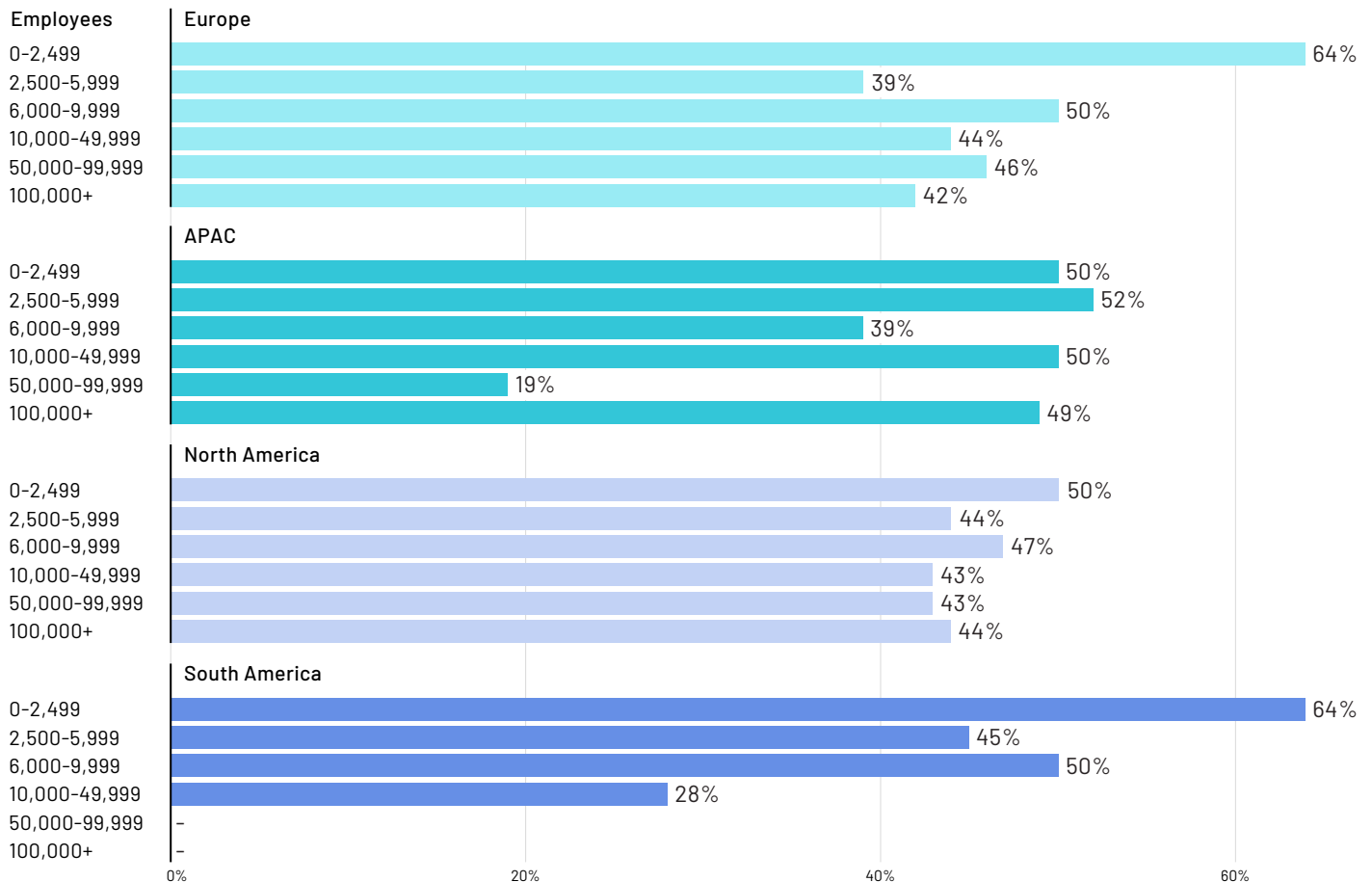
Findings

Generally, organizations with fewer employees register higher *Substantiation Rates* than those at the larger end of the employee count spectrum.

This trend appears substantial for organizations based in Europe and South America, with North America organizations showing less of a variance and APAC showing a mix of values. These overall trends should be viewed with caution due to the potential for differences in representation across these many regional size cohorts, but a given region and cohort still provides readers of this report with a reference point to benchmark their own program.

— HQ REGION

SUBSTANTIATION RATE – SUBSTANTIATION RATE BY EMPLOYEE COUNT Median reporting value (MRV) for anonymous substantiation by headquarters region





05 Case Closure Time

05 Case Closure Time

Case Closure Time – Median Comparisons

Closure time shortens for North America, lengthens elsewhere

Case Closure Time metrics measure the number of calendar (not business) days it takes an organization to close a case (report). This benchmark is a key indicator of program effectiveness, and impacts employees' perception of the process.

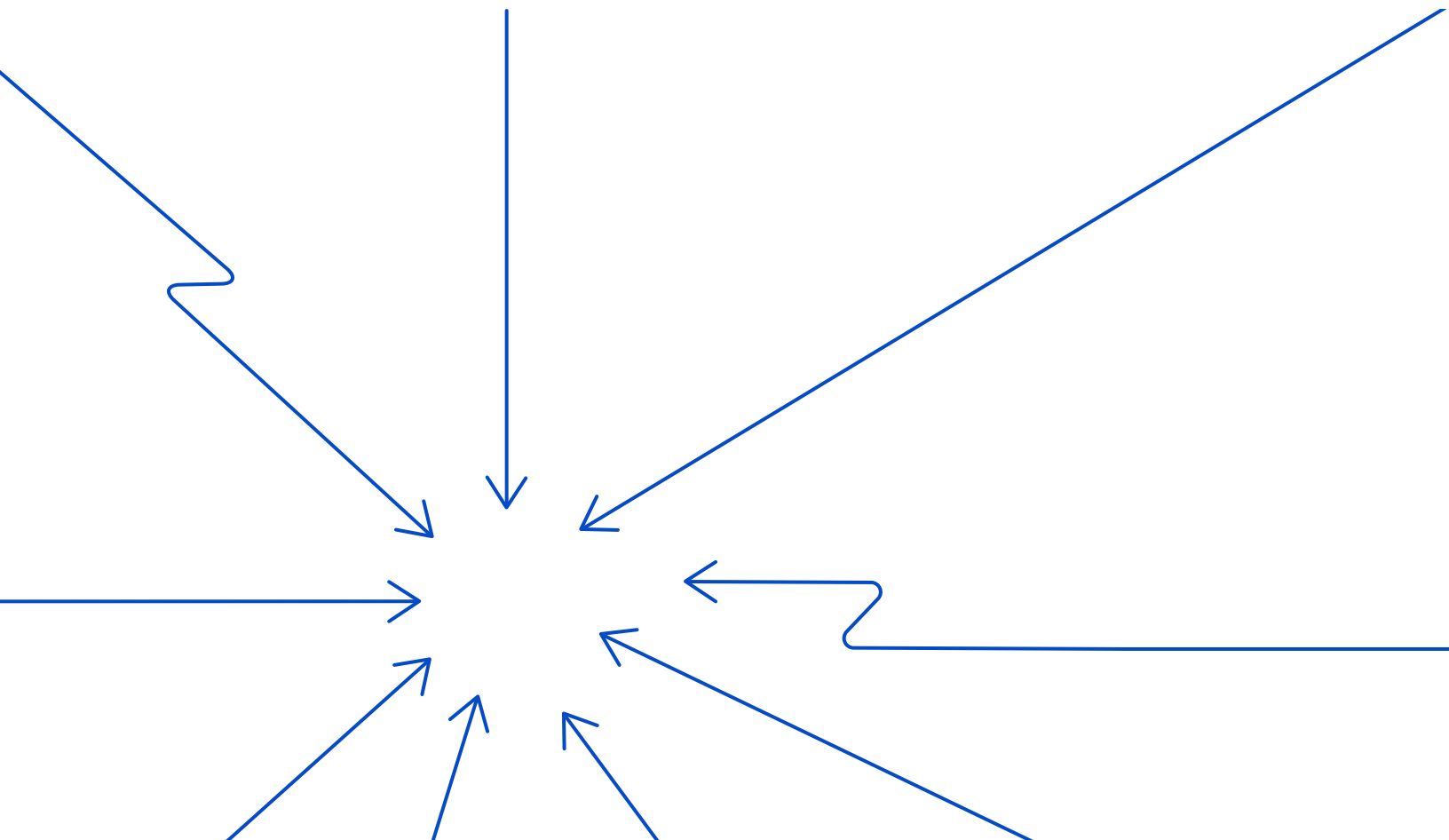
How to calculate: Calculate the number of days between the date a report is received and the date it is closed for each report. For median values, find the middle point of the data – this is an important metric to explore, as it helps lessen the impact of outliers that can have a major impact on overall metrics.



North America has shown the shortest median *Case Closure Time* among regions for the past few years by both headquarters and report origination. That closure time shortened by both measures comparing 2023 to 2022, while all other regions showed *Case Closure Time* growing longer.

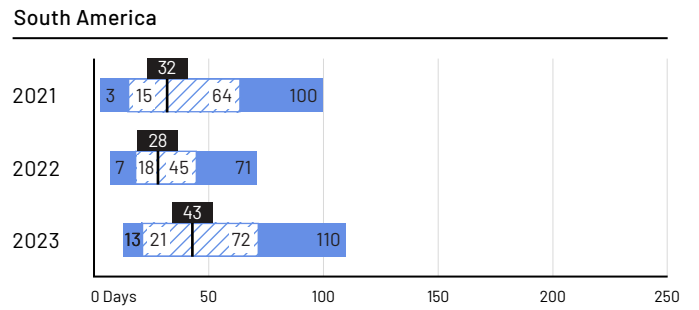
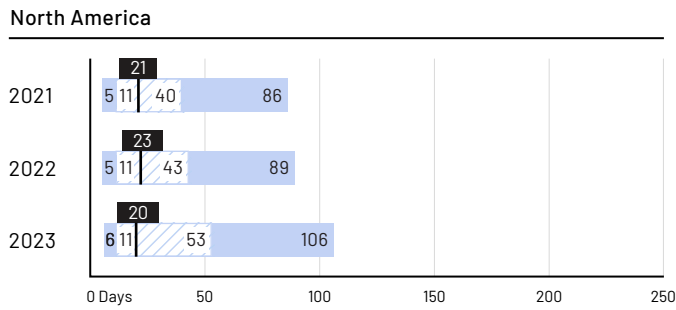
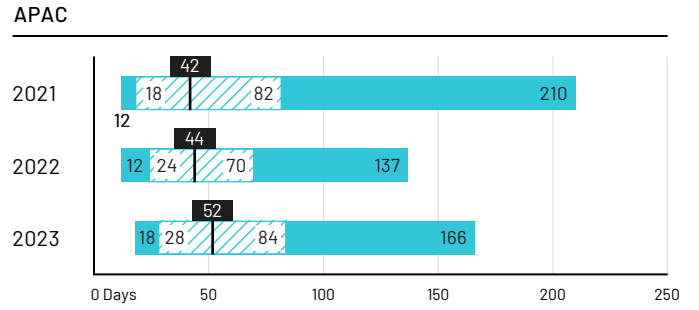
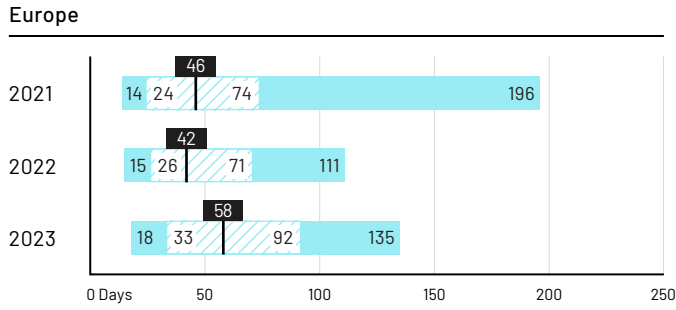
The longest median *Case Closure Time* by headquarters was Europe. By report origination, South America had the longest *Case Closure Time*.

When looking at a decrease in *Case Closure Time*, it is important to review this against *Substantiation Rate* to ensure that closing cases faster is not impacting investigation quality. North America saw an increase in *Substantiation Rate* while decreasing *Case Closure Time*. That said, when reviewing *Substantiation Rate* by region of report origination, North America showed the lowest *Substantiation Rate*. This may be an opportunity to ensure that a drive for shorter case closure times is not impacting the investigation quality.



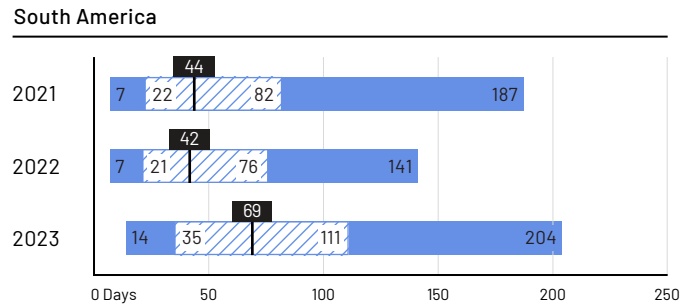
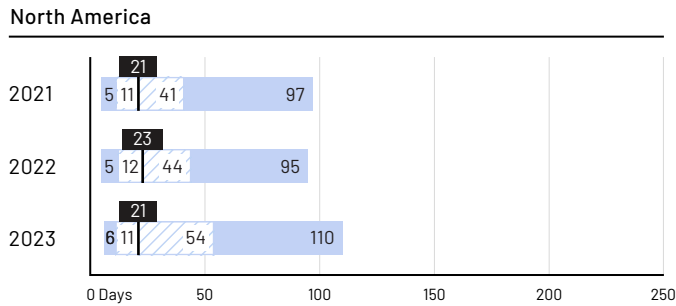
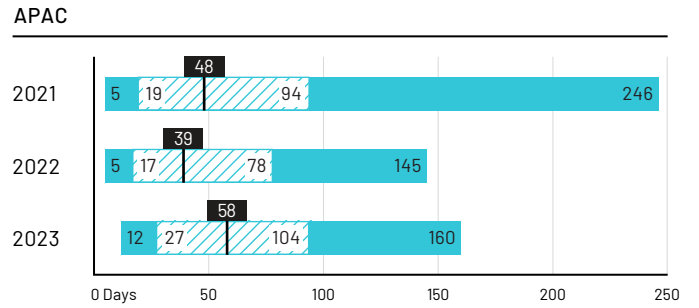
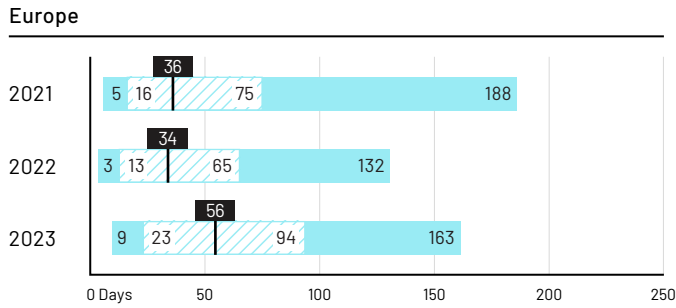
— HQ REGION

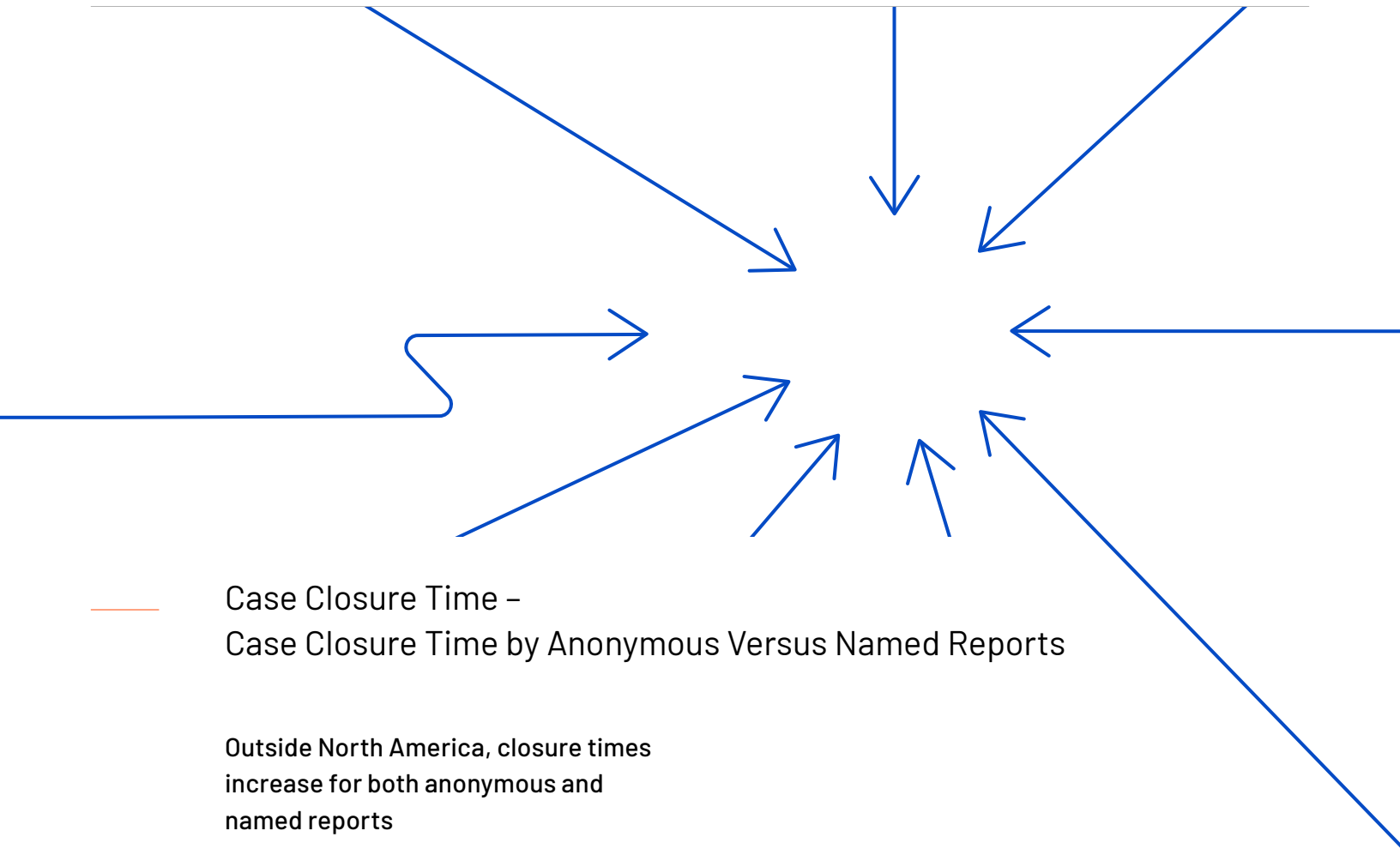
CASE CLOSURE TIME - MEDIAN COMPARISONS
Median reporting value (MRV) by headquarters region



— REPORT ORIGINATION REGION

CASE CLOSURE TIME - MEDIAN COMPARISONS
Median reporting value (MRV) by report origination region





Case Closure Time – Case Closure Time by Anonymous Versus Named Reports

Outside North America, closure times increase for both anonymous and named reports

Cases where the reporter has provided their name consistently show shorter *Case Closure Time* than anonymous reports. This is true by both headquarters region and region of report origination for the four regions of this analysis, though reporting associated with North America had the smallest differences.

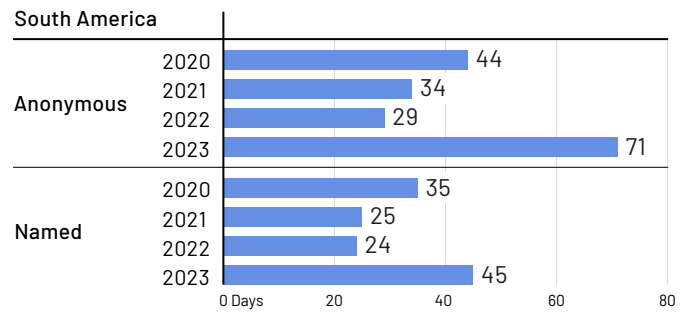
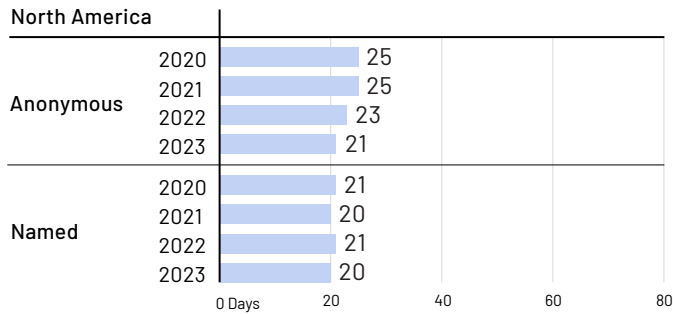
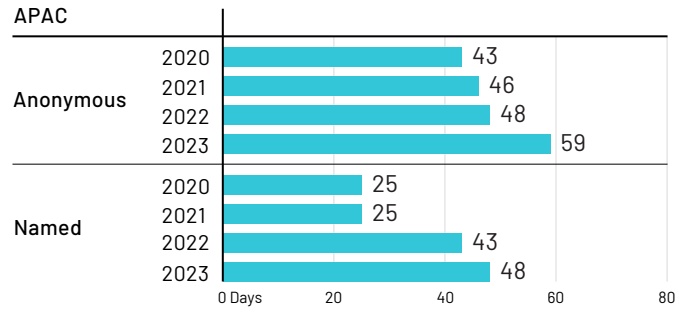
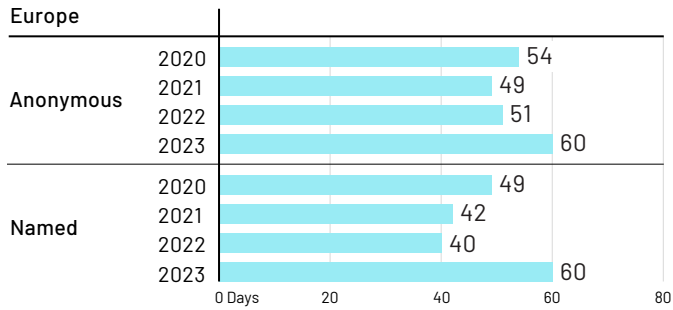
The expansion of overall median *Case Closure Time* experienced in all regions apart from North America in 2023 extended to both named and anonymous reports. This is despite data showing *Case Closure Time* generally declining across regions over prior years – though organizations based in APAC represented an exception.

Some standout increases included named and anonymous reporting occurring in Europe and APAC. South America saw significant increases by both headquarters and report origination, though as elsewhere in this report, a smaller data set makes metrics for this region more susceptible to substantial swings.

— HQ REGION

CASE CLOSURE TIME - CASE CLOSURE TIME BY ANONYMOUS VERSUS NAMED REPORTS

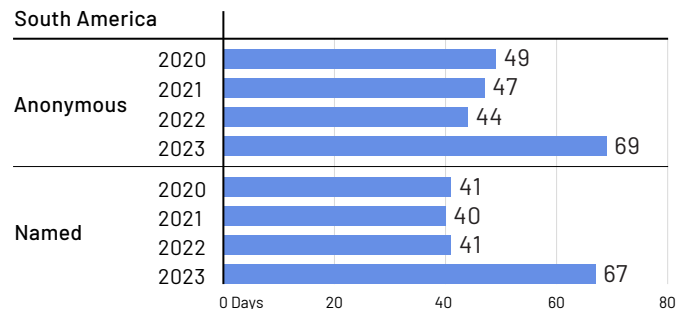
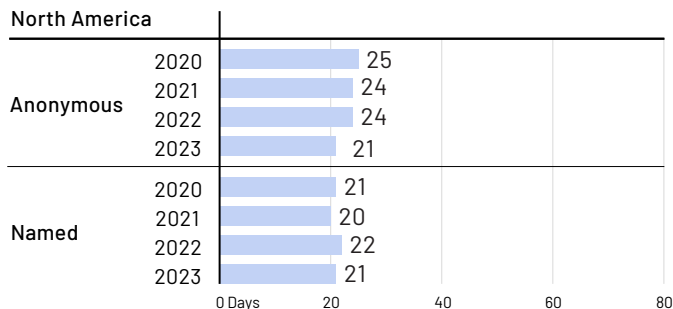
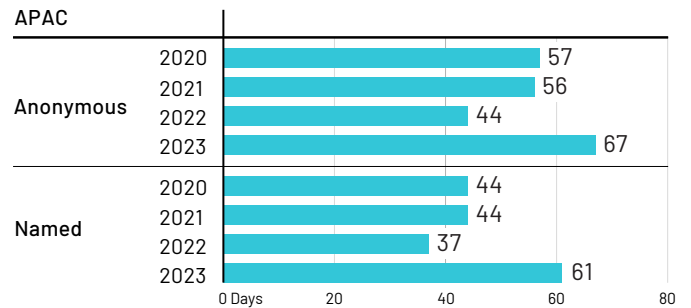
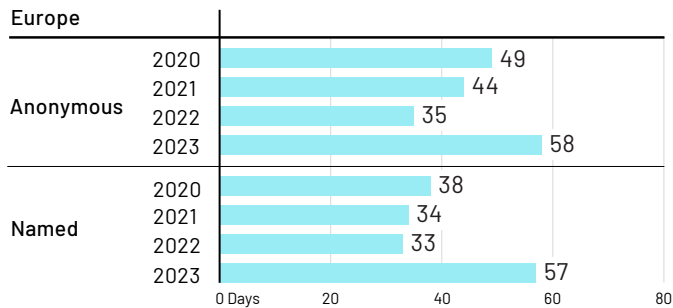
Median reporting value (MRV) by headquarters region



— REPORT ORIGINATION REGION

CASE CLOSURE TIME - CASE CLOSURE TIME BY ANONYMOUS VERSUS NAMED REPORTS

Median reporting value (MRV) by report origination region



06

Time Difference Between Incident and Report Date



06 Time Difference Between Incident and Report Date



Time Difference Between Incident and Report Date – Median Comparisons

Multi-day decrease in time difference for reports made in Europe

This metric measures the days between the date on which an alleged incident occurred and the date the report was made. This gap can help assess an organization's culture, particularly around fear of retaliation.

How to calculate: Find the time difference between the alleged incident date and the date the report was made for each report. For median values, find the middle point of the data – this is an important metric to explore, as it helps lessen the impact of outliers that can have a major impact on overall metrics.

By headquarters location, median times increased by one day for Europe and North America, and decreased by one day for APAC. South America-based organizations showed a significant decline bringing numbers more in-line with Europe and APAC, though the scale of that decline may be the product of the greater swings possible with this region’s smaller data set.

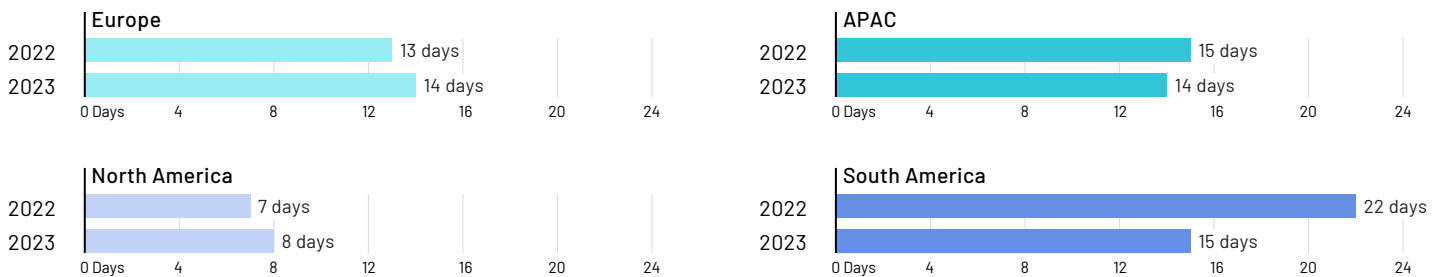
The median *Time Difference Between Incident and Report Date* for reports originating in Europe declined by three days comparing 2022 and 2023, the most significant decline across regions by report origination. The gap for reports made in other geographies either held steady or experienced a slight increase.

By both organizations based in, and reports made in, North America, this region had the shortest median *Time Difference Between Incident and Report Date* among regions although both showed a year-over-year increases.

HQ REGION

TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE - TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE, MEDIAN COMPARISONS

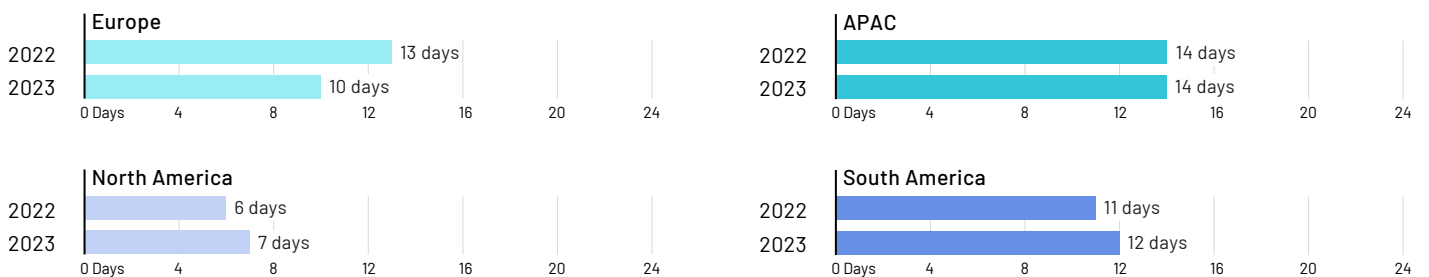
Median reporting value (MRV) by headquarters region



REPORT ORIGINATION REGION

TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE - TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE, MEDIAN COMPARISONS

Median reporting value (MRV) by report origination region



Time Difference Between Incident and Report Date – Time Difference Between Incident and Report Date by Risk Category

APAC, South America show longer time difference for accounting-type reports

Findings

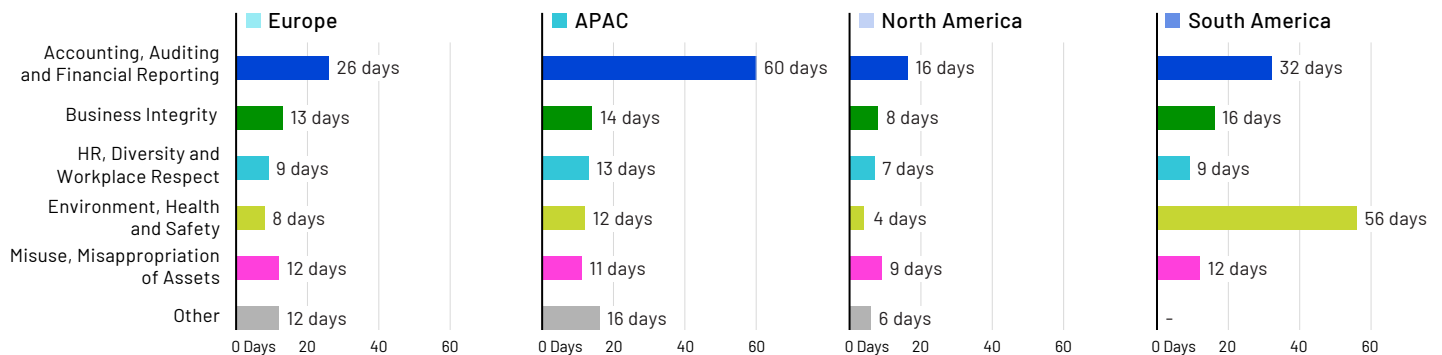
Accounting-type reports generally have the longest median *Time Difference Between Incident and Report Date* among *Risk Categories*, whether by headquarters region or report origination.

Yet that difference appears especially notable for organizations and reporters in APAC, with the gap stretching noticeably long compared to other *Risk Categories* in 2023. South America also showed a substantially longer time difference for *Accounting, Auditing and Financial Reporting* cases, though *Environment, Health and Safety* reports had the longest gap by headquarters.

HQ REGION

TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE - TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE BY RISK CATEGORY

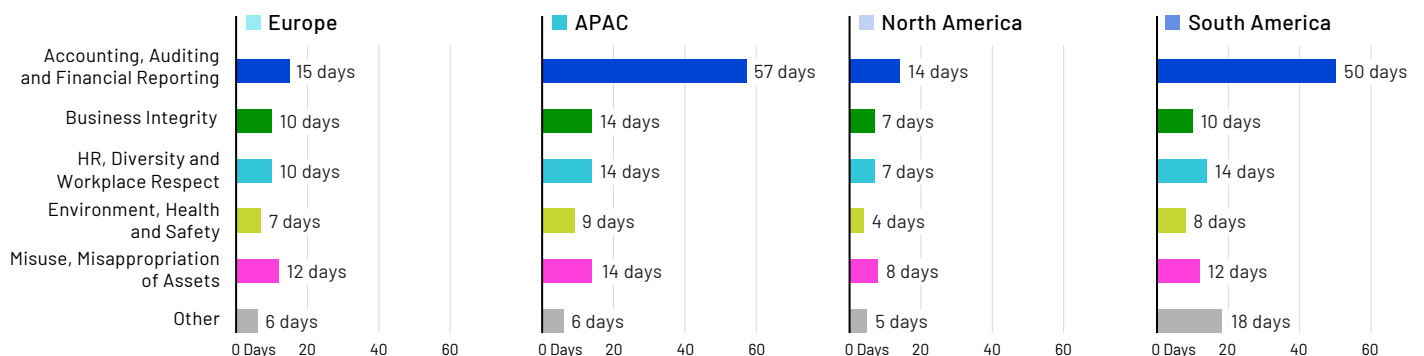
Median reporting value (MRV) by headquarters region



REPORT ORIGINATION REGION

TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE - TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE BY RISK CATEGORY

Median reporting value (MRV) by report origination region

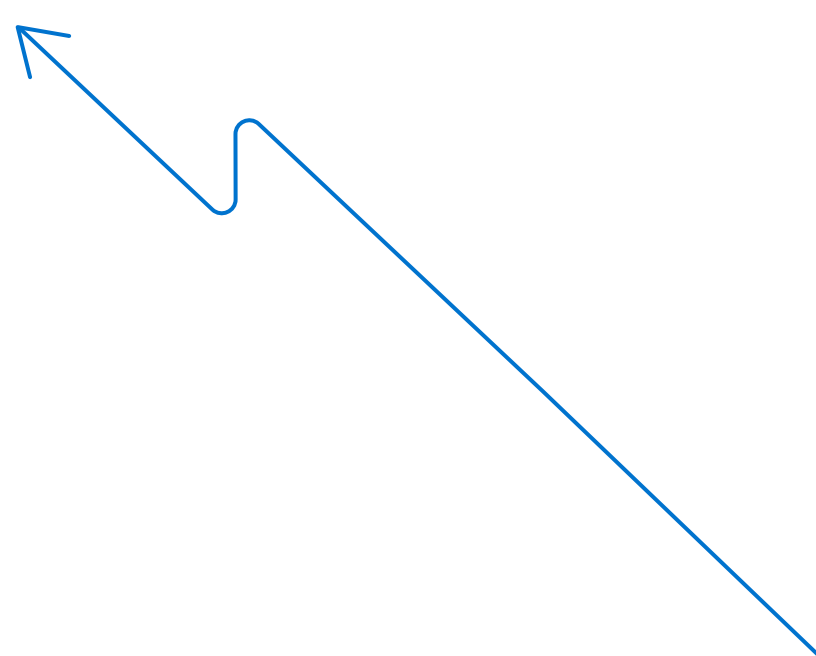




07

Report Intake Method

07 Report Intake Method



Report Intake Method – Frequency Comparison

Reporters in North America turn to phone most often; web is top choice for others

It is important to offer a variety of intake channels to employees and to track all reports received in a single, centralized database. This includes *Hotline Intake*, *Web Intake* and all *Other Intake* sources such as open-door conversations, letters to leadership, emails and walk-ins to the compliance office or Human Resources.

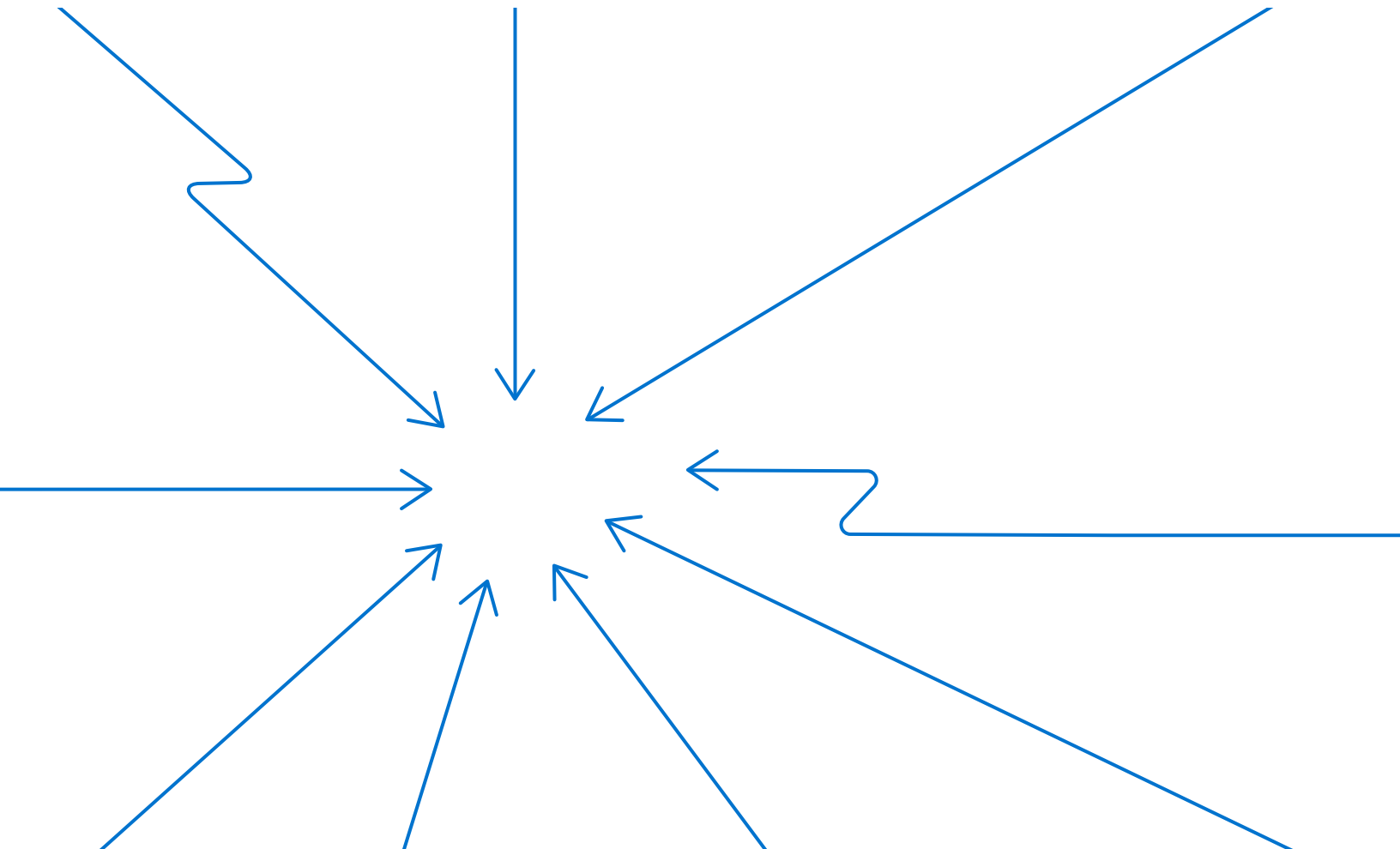
Monitoring the methods individuals choose for reporting can help determine which are preferred or easy to access, and which methods reporters may not know are available to them. Individual choice will vary depending on the makeup of the workforce and reporter access to phones, computers or onsite resources.

How to calculate: When calculating your report frequency by intake method, group all non-hotline and non-web intake reports such as open-door, email, postal mail, fax and manager submissions together as *Other Intake*. Then total up the number of reports received by each channel – hotline, web and other methods, and divide each by the total number of reports.

By report origination – a general indicator of the way regional norms translate to reporting trends – North America reporters provide the greatest share of their reports by phone. Reporters in other regions turn to the web more often, with reporters in APAC submitting a relatively large share of their reports through other methods such as in-person notification of a supervisor.

Trends shift a bit when viewing intake by headquarters region, yet the intake methods with the greatest frequency remain intact across regions.

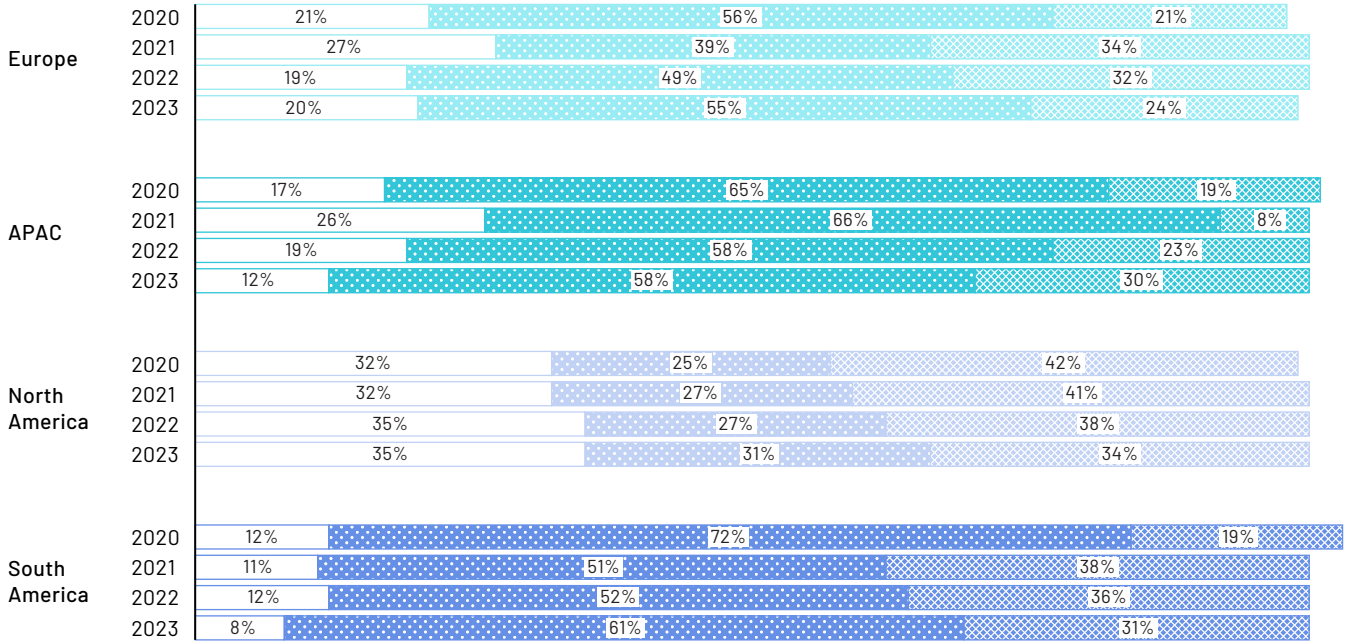
It is clear that all intake methods comprise a significant share of intake activity, and organizations should strive to offer myriad channels through which individuals can make a report.



— HQ REGION

REPORT INTAKE METHOD - REPORT INTAKE METHOD, FREQUENCY COMPARISON
Frequency by headquarters region

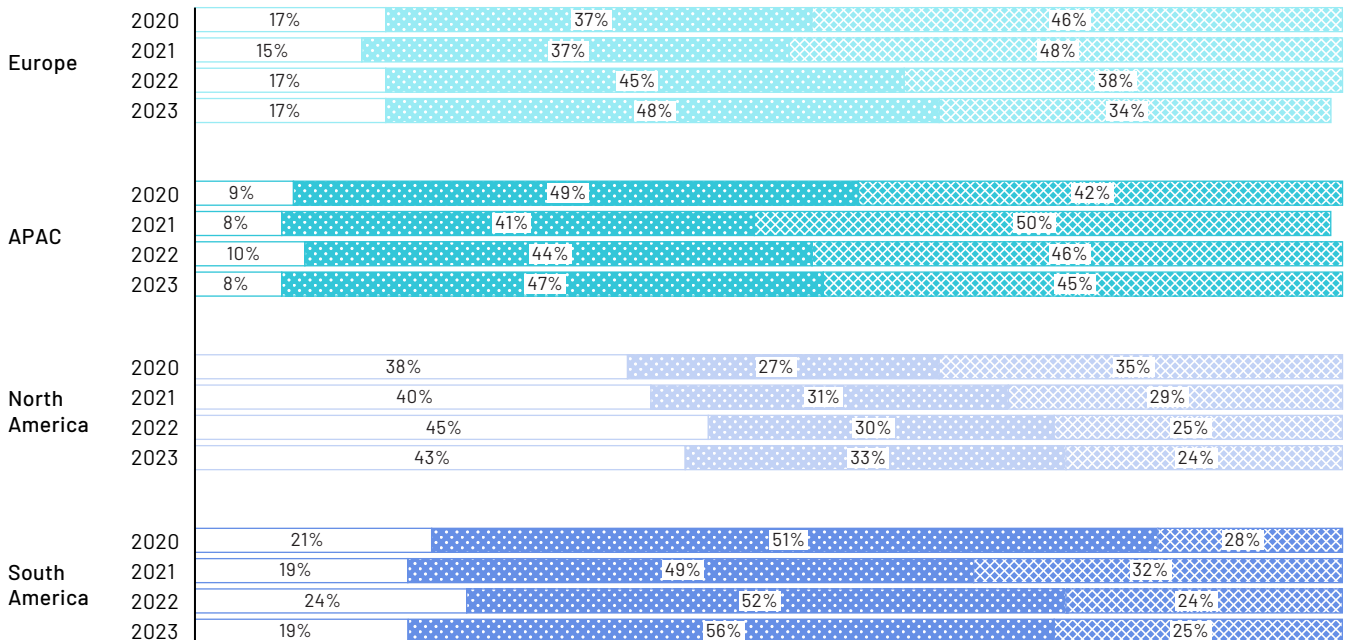
☐ Hotline 🌐 Web 🗨️ Other



— REPORT ORIGINATION REGION

REPORT INTAKE METHOD - REPORT INTAKE METHOD, FREQUENCY COMPARISON
Frequency by report origination region

☐ Hotline 🌐 Web 🗨️ Other



Report Intake Method – Report Intake Method by Substantiation Rate

APAC-based organizations achieving growing substantiation through Other Intake

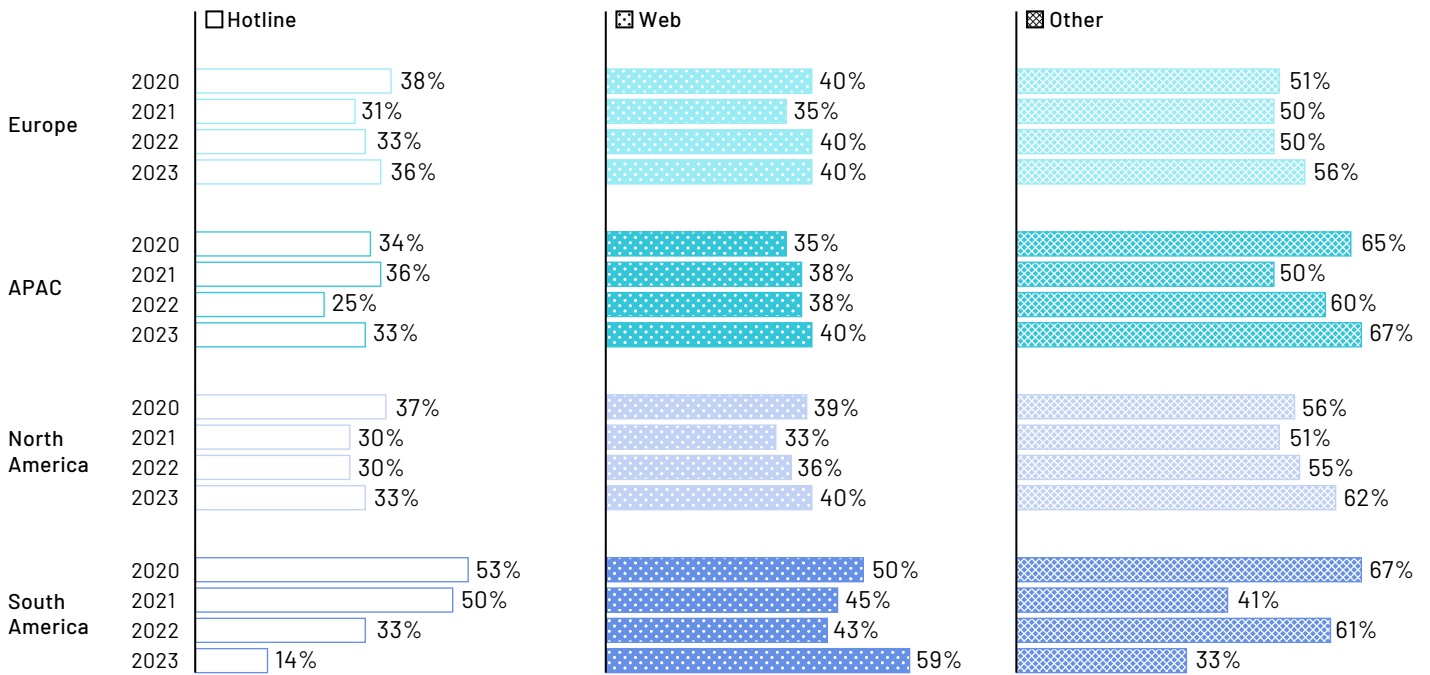
Other Intake often describes an in-person report, and this reporting method shows the greatest median *Substantiation Rate* among intake methods. Organizations based in APAC have shown substantiation in this category to be increasing steadily since 2021. Europe and North America-based organizations experienced smaller increases, while those based in South America showed mixed trends.

Trends appear more settled when viewed by report origination region, where every region was either flat or increased in *Substantiation Rate* across every intake method. Through this lens, it was reports made in Europe that showed a significant jump in *Substantiation Rate* for *Other Intake*.



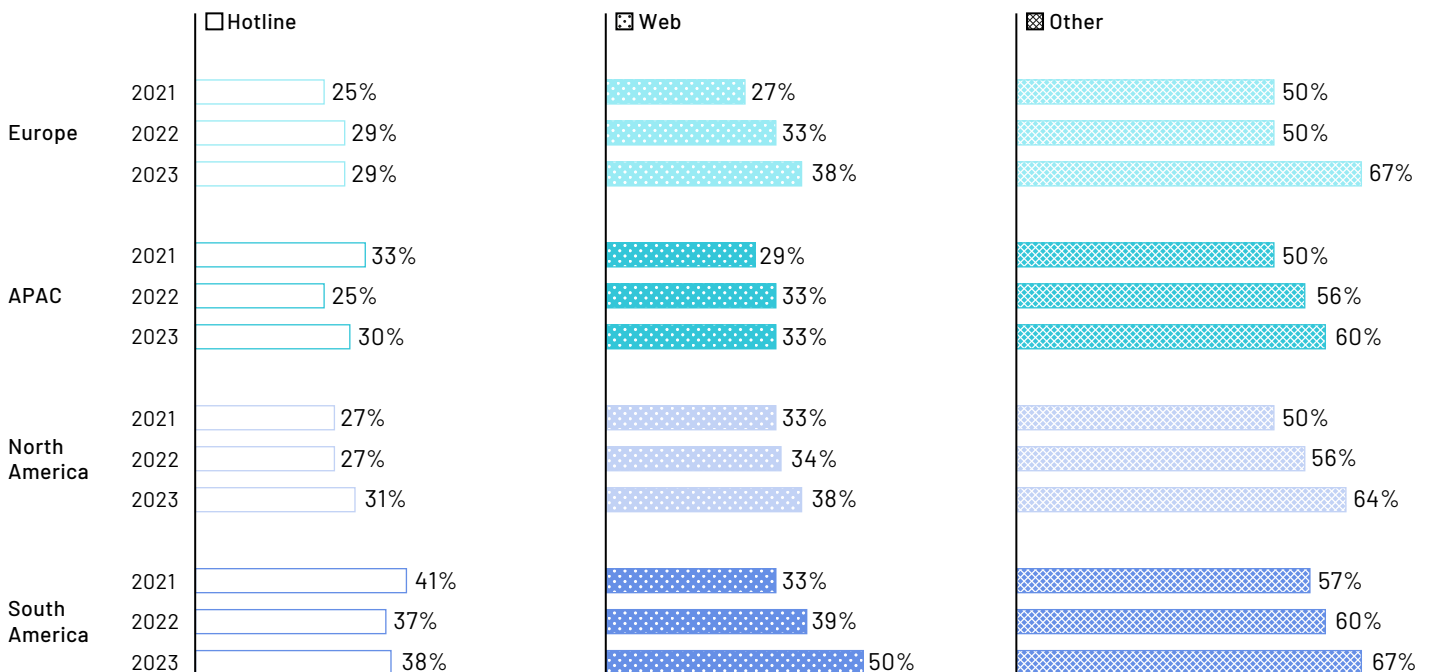
— HQ REGION

REPORT INTAKE METHOD - HOTLINE INTAKE SUBSTANTIATION RATE
Median reporting value (MRV) by headquarters region



— REPORT ORIGINATION REGION

REPORT INTAKE METHOD - HOTLINE INTAKE SUBSTANTIATION RATE
Median reporting value (MRV) by report origination



Report Intake Method – Report Intake Method by Anonymous Versus Named Reporting

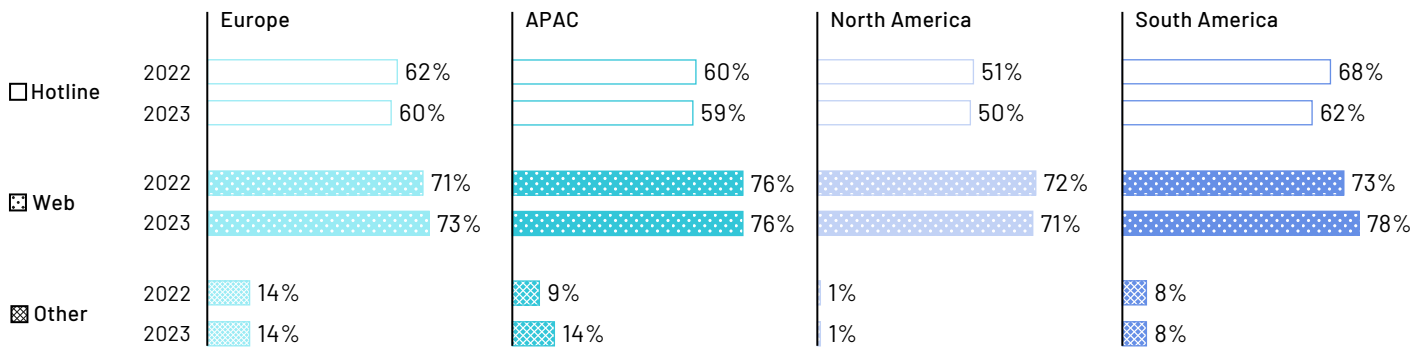
Trends largely consistent across regions, years

Apart from small fluctuations, year-over-year trends appeared largely consistent for anonymous reporting across intake channels. Reporters in Europe and North America were more likely than those in APAC and South America to give their name over the phone or web than those in other regions. Viewed by headquarters, only

North America-based organizations showed a greater willingness among reporters to provide their name compared to organizations based in other regions. North America - and Europe-based organizations showed a slightly greater median rate of named reports by *Web Intake* compared to the other regions.

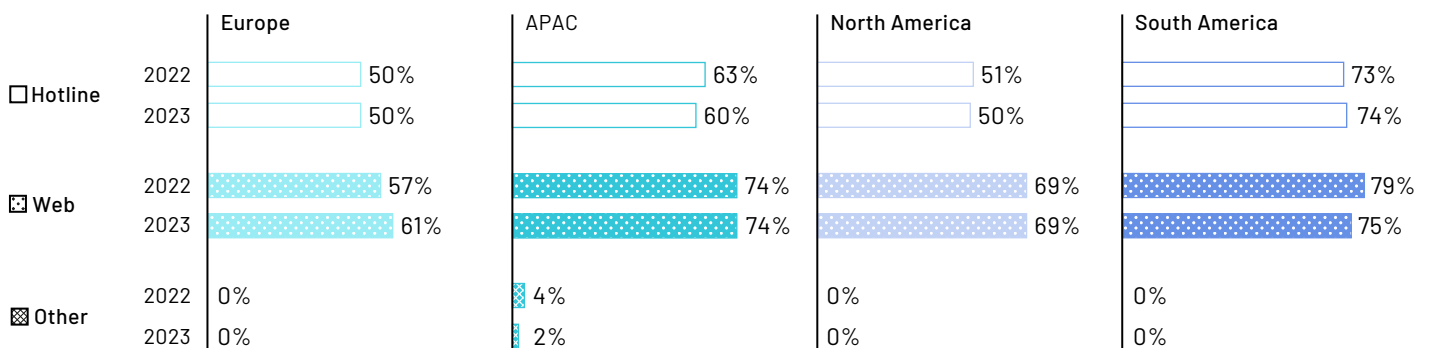
— HQ REGION

REPORT INTAKE METHOD – REPORT INTAKE METHOD BY ANONYMOUS REPORTING RATE
Median reporting value (MRV) by headquarters region



— REPORT ORIGINATION REGION

REPORT INTAKE METHOD – REPORT INTAKE METHOD BY ANONYMOUS REPORTING RATE
Median reporting value (MRV) by report origination region



08

Report Outcomes



08 Report Outcomes

Report Outcomes – Report Outcomes by Substantiated Reports

Employment separation most frequent for North America

To analyze this metric, we organized *Report Outcome* results to include Discipline, No Action, Policy Review/Change, Referral, Separation, Training and *Other*.

How to calculate: Sort substantiated reports into one of the seven outcomes. Divide the number of reports in each of the outcomes by the total number of reports.



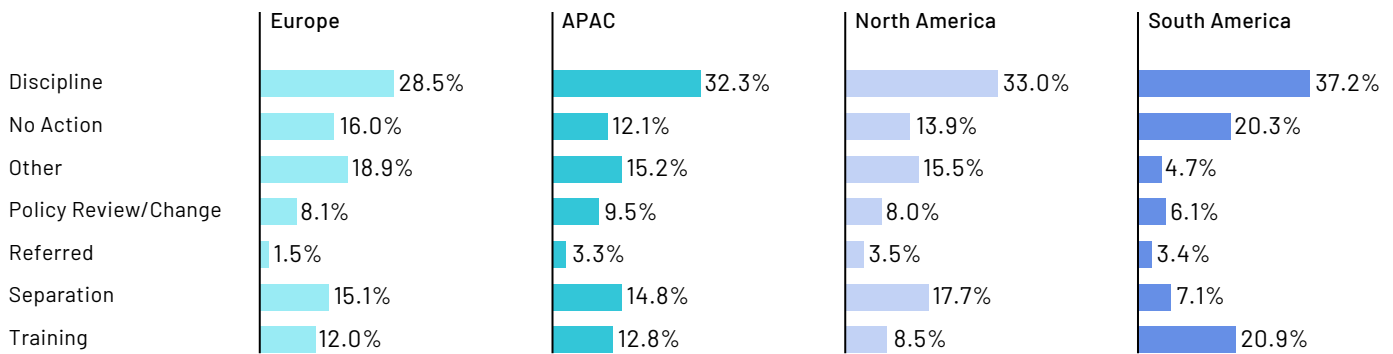
Substantiated cases for organizations based in North America were more likely than those in other regions to result in separation of employment. South America-based organizations had the highest frequency of Discipline and Training outcomes, as well as No Action. Training was less common as an outcome for North America organizations.

By region of report origination, Separation was even more common for North America, with reports in South America nearly on par. Discipline encompassed more than half of *Report Outcomes* for substantiated reports made in APAC – a substantial representation.

— HQ REGION

REPORT OUTCOME - REPORT OUTCOME FOR SUBSTANTIATED REPORTS

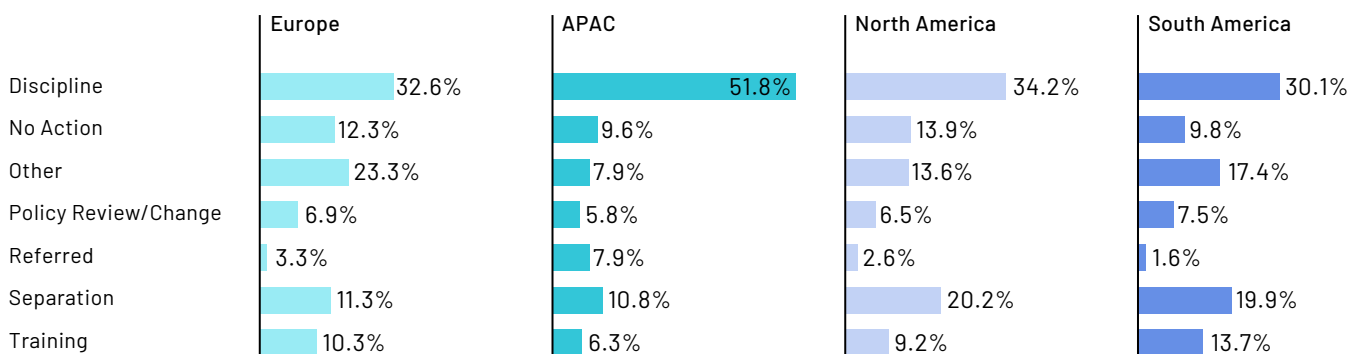
Frequency by headquarters region



— REPORT ORIGINATION REGION

REPORT OUTCOME - REPORT OUTCOME FOR SUBSTANTIATED REPORTS

Frequency by report origination region





09 Reporter Category

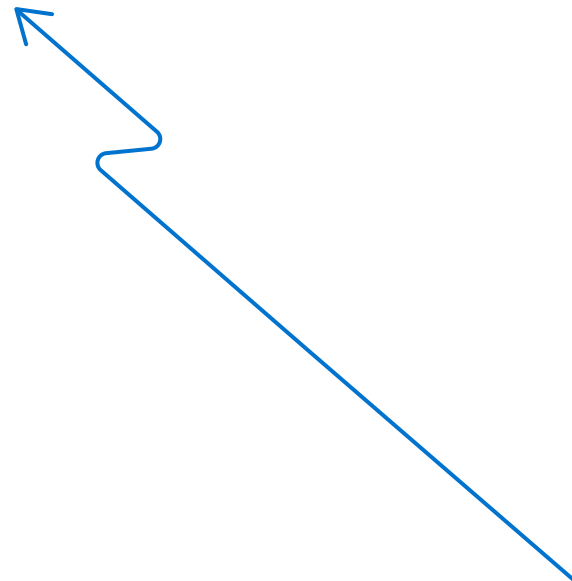
09 Reporter Category

Reporter Category – Frequency Comparison

Mixed picture emerges as third-party reports send signals for Europe and South America

Introduced for the first time in the [2024 NAVEX Whistleblowing & Incident Management Benchmark Report](#), this section reflects calculations based on the relationship of the reporter to the organization. *Reporter Category* shows benchmarking metrics by employee, third-party reporters or other (unidentified).

How to calculate: For reports with an indicated reporter relationship, group reports by employee or third party. Group reports where the reporter either did not disclose their *Reporter Category*, or the category was unclear, as other.



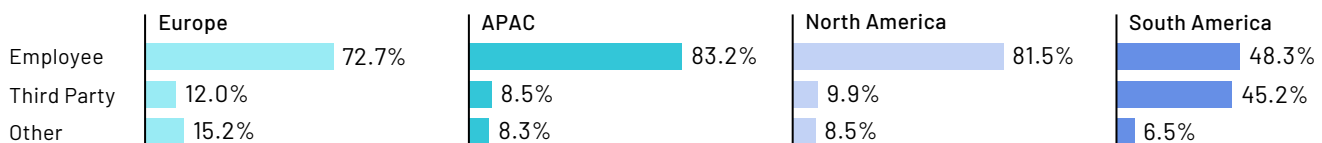
Europe-based organizations appear to have received a larger share of their reports from third parties than peers based elsewhere in 2023 (apart from South America, where some metrics in this analysis are subject to greater swings). This may be related to a greater focus on third-party due diligence in Europe driven by regulations such as the German Supply Chain Due Diligence Act (commonly referenced as an abbreviation derived from its German name, LkSG), the European Union’s Corporate Sustainability Due Diligence Directive, and sanctions regimes.

This benchmarking metric appears more settled when viewed by region of report origination. Numbers for South America may be more indicative of a true mix for reporting in that region, and in this lens, the region does measure a substantial amount of reporting from third parties.

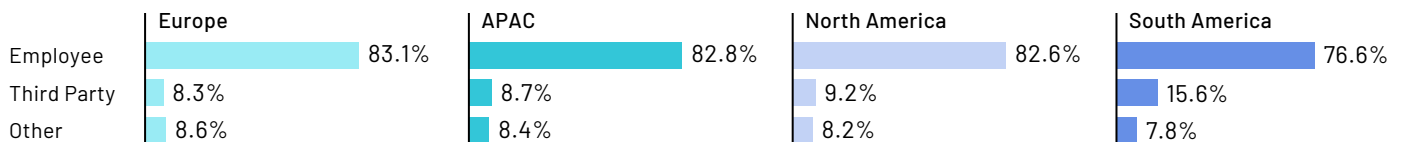
These trends are all ones NAVEX expects to follow closely in the coming years. By all measures, third-party reporting represents a substantial portion of the reporting mix overall.

REPORTER CATEGORY – FREQUENCY COMPARISON

HQ REGION



REPORT ORIGINATION REGION



Reporter Category – Reporter Category by Anonymous vs. Named Reports

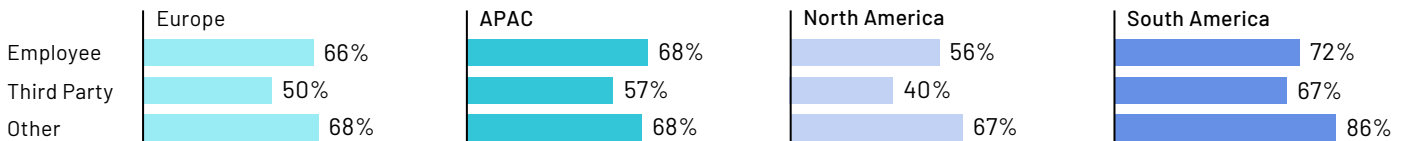
Third parties less likely to be anonymous

Third-party reporters are less likely to be anonymous than employees across almost all measures, but some nuances remain. Organizations based in Europe and APAC have roughly the same anonymity rate for employees,

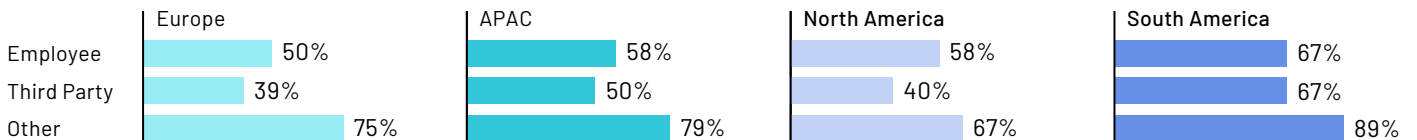
but third parties were more likely to stay anonymous when reporting to an organization based in APAC. By report region, APAC and North America have the same anonymity rate for employees, but third-party reporters were less likely to stay anonymous in North America.

REPORTER CATEGORY – REPORTER CATEGORY BY ANONYMOUS REPORTING RATE Median reporting value (MRV)

HQ REGION



REPORT ORIGINATION REGION



Reporter Category – Substantiation Rate

Better substantiation seen for third-party reporting related to Europe and South America

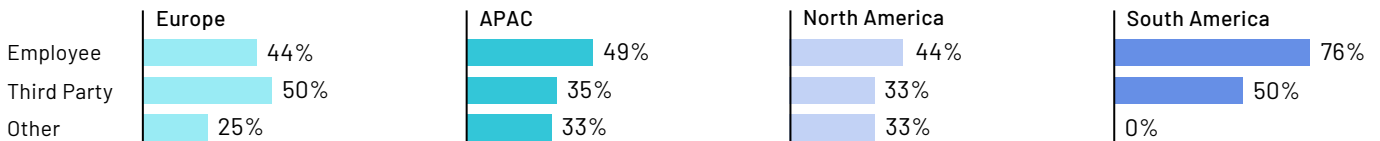
The *Substantiation Rate* for third-party reports made to organizations based in Europe was actually better than the rate for employees in 2023 – a surprising finding given the decreased proximity third-party reporters have to the organization, it’s policies and training. Organizations based in South America also

registered a high *Substantiation Rate* compared to APAC and North America for third-party reports.

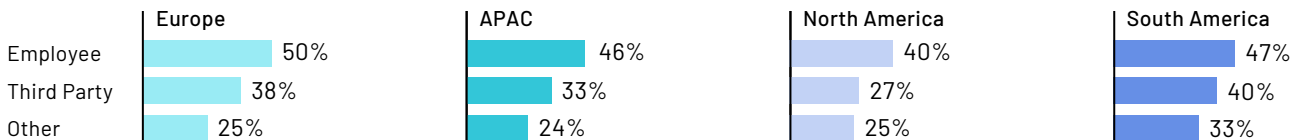
Third-party reports made in Europe and South America also showed a relatively high *Substantiation Rate* compared to APAC and North America.

REPORTER CATEGORY – SUBSTANTIATION RATE Median reporting value (MRV)

HQ REGION



REPORT ORIGINATION REGION





10

Conclusion and Key Learnings

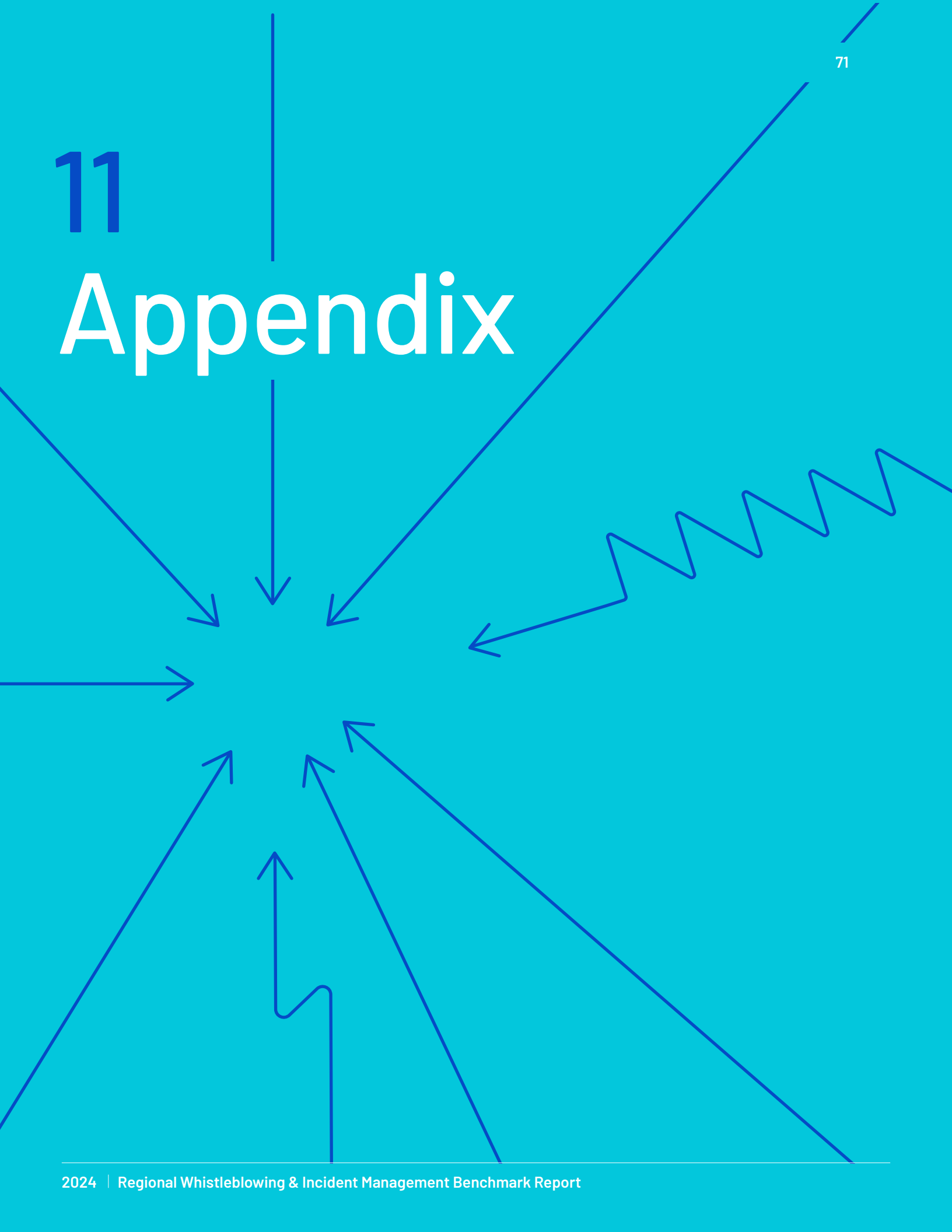
10 Conclusion and Key Takeaways

The metrics in this report empower organizations to understand how to grow and improve their internal reporting programs. Our analysis suggests some high-level concepts to keep in mind.

- Ensure reporters feel welcome to speak up. Regulatory requirements may necessitate that an organization provides an internal reporting program, but the value of a widely adopted and trusted program goes well beyond simply checking a box.
- Empower third parties to access your internal reporting system. Data shows third parties play a significant role in providing information for internal reporting.
- Consider the meaning behind the mix of reports you receive. Every organization differs, but the regional norms provided in this report may highlight some meaningful signals in the *Risk Categories* and *Risk Types* your organization receives from reporters.
- Ask whether your program is achieving metrics that build trust. This includes *Follow-Up Rate to Anonymous Reports*, *Case Closure Time* and *Report Outcomes*.
- Educate potential reporters about what constitutes misconduct. The growth in median *Substantiation Rate* seen globally suggests many internal reporting programs have a major opportunity to continue providing actionable information to inform business decision-making around areas such as compliance risk and culture.
- Balance case closure KPIs against ensuring a thorough investigation. Timely investigations are important, but some matters take a little longer to review and with ongoing communications with the reporter, there is an opportunity to have both.
- Ensure your reporting program is a key pillar of your risk and compliance program structure. A well-designed internal reporting program is an invaluable source of information to understand how risk and compliance is playing out, in real time, in the organization's operations.

11

Appendix



11 Appendix: Guide to Risk Categories, Risk Types and Statistics

HR, Diversity and Workplace Respect

Risk Type	Risk Type Definition
Harassment	Reports of harassment that are linked to a protected characteristic (such as race, gender, sex, religion, disability, age, etc.) and includes allegations of unwelcome behavior that is offensive to a reasonable person, and is related to, or done because of, a protected characteristic.
Discrimination	<p>Reports of discrimination or concerns relating to accommodation requests. Discrimination generally occurs when there is a negative employment action impacting a term or condition of employment, that action is taken by the employer (which can include managers as well as others who have control over terms or conditions of work such as team leads), or the action was taken because of protected characteristic.</p> <p>A workplace accommodation involves a request to adjust something relating to work linked to either a religious practice/belief or a disability. This includes allegations or reports related to religious practices or beliefs or speaks to a workplace modification or leave request linked to a medical condition or disability.</p>
Substance Abuse	Reports related to impairment resulting from use of substances (drugs/alcohol – legal or illegal) impacting the workplace or violating a policy – can be on or off-duty and on- or off-premises including at company events.
Compensation and Benefits	Reports related to matters of compensation, pay, insurance, time-off, retirement benefits, leaves of absence (paternity, maternity, other medical) and other common employee benefits. Examples could include incorrect paycheck or inaccurate recording of vacation/time-off/sick time.
Workplace Civility	Reports related to abusive or disrespectful behavior connected to work that are not harassment or discrimination.
Other Human Resources	Reports that cannot be categorized elsewhere and likely involve Human Resources. Examples include performance management, discipline, immigration, labor relations, grievances, job eliminations, arrests and convictions, and the sale or distribution of drugs.
Retaliation	Reports of retaliation/reprisal of any kind against an employee including claims of any action taken to punish or dissuade an employee from making a report or participating in an investigation either internally or externally. Retaliation claims most often involve allegations against a manager, supervisor or some other person with control and power over the reporting person. However, retaliation can also involve conduct by a coworker.

Business Integrity

Risk Type	Risk Type Definition
Conflicts of Interest	Reports about a conflict of interest, either a self-report or a report involving the behavior of others. A conflict of interest can arise in any situation where an employee’s financial or personal interest could potentially or actually interfere, or even appear to interfere, with their business judgement or the interests of the organization.
Confidential and Proprietary Information	<p>Reports related to confidential and proprietary information or intellectual property. Confidential information is any non-public information that is not intended or permitted to be shared beyond those with a genuine business need to know the information.</p> <p>Confidential information can include information about people or companies and specifically includes business plans, trade secret information, customer lists, sales and marketing strategies, pricing, product development plans, and any notes or documentation of the foregoing.</p> <p>Intellectual property refers to an original, intangible creation of human intellect that is legally protected from unauthorized use. Intellectual property includes patents, trademarks and copyrighted works of authorship, like photographs, music, literary works, graphic design, source code, and audio and audiovisual recordings.</p>
Data Privacy and Protection	Reports related to the rights and responsibilities relating to data held or processed by an organization. This data can include data about employees, customers, consumers or others. Examples include allegations of data misuse, loss or theft of data, breaches or attempted breaches or requests by an individual relating to their own data.
Free and Fair Competition	Reports involving activities that undermine free and fair competition in the marketplace. These activities frequently involve any agreement with a competitor to fix prices or otherwise limit competition. Even the appearance of such agreement is problematic.
Bribery and Corruption	Reports of public or private instances of bribery. Bribery occurs when a person offers money or something else of value – to an official or someone in a position of power or influence – for the purpose of gaining influence over them. Corruption includes dishonest or illegal behavior – especially of people in authority – using their power to do dishonest or illegal things in return for money or to get an advantage over someone else.

Risk Type	Risk Type Definition
Insider Trading	Reports that a person is buying or selling any company's (employer's or any other company's) securities/stock based on non-public information as well as passing (tipping) this information on to someone else who then buys or sells stock.
Global Trade	Reports related to the import and export of goods and services globally. It can include imports (bringing goods or services into a country) or exports (sending goods or services – including software – from one country to another). This category also includes reports relating to sanctions/trade sanctions (people or countries) which make it unlawful to do business with sanctioned people or countries.
Political Activity	Reports of improper use of employer resources (time, assets, brand, etc.) for political activity (by an individual or an organization) such as using work time for political activities, pressuring colleagues to give money or time to a political action committee (PAC) or associating organization name with a political candidate/official/group. It can also include misuse of company funds for political activities, using company resources to create or distribute political messages and violations of lobbying regulations and restrictions.
Human Rights	Reports related to human rights which generally refer to the basic rights and freedoms of individuals. Examples include reports relating to human trafficking or modern-day slavery that involve the use of force, fraud or coercion to obtain labor or sex for money, drugs or other goods.
Product Quality and Safety	Reports about quality and safety issues related to products. Examples include allegations that a product is not safe for intended use, is putting others at risk of harm or that it fails to meet industry standards.
Other Business Integrity	Reports related to business integrity that cannot be categorized elsewhere. Examples include industry-specific policies, regulations or laws.

Accounting, Auditing and Financial Reporting

Risk Type	Risk Type Definition
Accounting, Auditing and Financial Reporting	Reports related to accounting, financial reporting or auditing. Examples include the unethical or improper recording and analysis of the business and financial transactions associated with generally accepted accounting practices. Examples include misstatement of revenues, misstatement of expenses, misstatement of assets, misapplications of GAAP principles, and wrongful transactions.

Misuse or Misappropriation of Assets

Risk Type	Risk Type Definition
Misuse or Misappropriation of Assets	Reports that the organization's assets are being wasted, inappropriately used, abused, or not properly protected. This category can include a wide array of assets such as property, tools, money/credit cards, facilities, company vehicles, employee time and even abuse of employer provided benefits.

Environment, Health and Safety

Risk Type	Risk Type Definition
Imminent Threat to a Person, Animals or Property	Reports of imminent or immediate threat of harm to a person or people, animals or property. Reports may or may not involve a weapon and generally are the kind of incident where authorities (such as police or fire) are called to assist.
Environmental	Reports about impact to the environment. This could include intentional, negligent or accidental acts or omissions that harm the environment or violate policy, regulatory or legal requirements. It can also include acts or omissions that otherwise present a risk to the climate. Examples can include such things as spills, mismanaged wastewater or resources, release of harmful materials or substances into the atmosphere or improper disposal of hazardous waste.
Health and Safety	<p>Reports about workplace safety. This can include employee safety and facilities or equipment. Each employee is responsible for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.</p> <p>Reports about concerns such as a threat of assault or violence (not including an imminent threat).</p> <p>Reports about physical security in a facility.</p>

Other

Risk Type	Risk Type Definition
Other	Reports that do not fit any of the other categories listed.

Let's talk statistics: distributions, assumptions and their implications

Throughout this report we reference a number of statistical terms when discussing calculation methodologies.

What is a distribution?

A distribution is a set of numbers considered as a whole.

Defining average: mean vs. median vs. mode

There are three primary calculations when considering what is "average" for a set of numbers:

- **Mean:** the sum of all values divided by the number of values summed
- **Median:** the number at the exact middle point of a sorted distribution
- **Mode:** the most repeated value in a distribution. Mode is not used for any of the statistics presented in this report.

This report primarily presents medians because it mitigates the influence of extremely high and low values in the distribution, called outliers. To illustrate the impact of outliers, we can consider the following two distributions:

DISTRIBUTION A: {1, 2, 3, 4, 5}

DISTRIBUTION B: {1, 2, 3, 4, 490}

If you take the mean of Distribution A, you will get 3. If you take the mean of Distribution B, you will

get 100. In both of cases, the median is 3. That median value is much closer to the values of 1, 2, 3 and 4 than the mean.

We consider both median and mean values for select metrics. Doing so allows our readers to both ensure they are comparing against the correct metric for their internally calculated statistics and affords insight into how skewed the distributions of those metrics are.

Skewed distributions

A distribution is said to be skewed when the values are not evenly spread in both directions from the median. A skewed distribution can make it more challenging to analyze the data in the distribution. In fact, out of the three calculations of what is "average" in a distribution, the mean is most affected by a skewed distribution.

If there are some values above the median that are comparatively high, that distribution is said to be skewed high and the mean will be higher than the median. The converse is true when you have a distribution which is skewed low.

A classic example of distribution which is skewed high is income in the United States; as of 2021, the mean income was \$97,962, while the median was \$69,717. This gap in median and mean income calculations is due to a relatively small number of very high incomes.

Examples and implications of altering a distribution

Let's consider the following distribution:

{1, 2, 3, 5, 6, 8, 9, 12, 17}

We can see that the median is the highlighted figure 6 and calculate the mean as $(63 / 9) = 7$. This implies that the distribution is skewed high, which makes sense when considering the values 12 and 17 in relation to the rest of the distribution.

Now let's trim the top and bottom values, leaving us with this distribution:

{2, 3, 5, 6, 8, 9, 12}

The median does not change, however when we calculate the mean, we get ~ 6.42 , lower than the value calculated on the distribution before trimming off the top and bottom values. Methods like this are used to reduce the influence of very high and very low values on the calculation of means while leaving the median unchanged.

There are times when using rules to remove values from a distribution can have unintended consequences for calculated statistics. Let's consider a situation where we have a rule to exclude values of 0 and 1 when calculating statistics and this distribution:

{0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9}

With the distribution as it stands, this has no impact on median or mean, both of which are 0.5. Now let's say that a situation arises which decreases the values in the distribution to this:

{0, 0, 0, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8}

If we take the median and mean of this distribution excluding the zero values, we get a mean and median of 0.55, higher than the calculations on the original distribution with overall higher values. Taking the zeroes into account, the median comes out to 0.4 and the mean to ~ 0.367 , much more reflective of the new situation.

Hopefully, this appendix has illustrated the need for careful consideration and research of a distribution, and a solid fundamental understanding of what statistic is needed when asking questions about compliance or any other data.

- There are three ways to consider what is average in a distribution: mean, median and mode.
- Skewed distributions affect means much more than medians.
- Making changes to a distribution will almost always change calculated statistics.

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Carrie Penman is the chief risk and 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 (ECO). Association (ECO).

Carrie was one of the earliest ethics officers in America. She is a scientist who developed and directed the first corporate-wide global ethics program at Westinghouse Electric Corporation. Since joining NAVEX she has conducted numerous program 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.

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Jan is CIPP/E is an International Association of Privacy Professionals (IAPP) Certified Information Privacy Professional (CIPP/E). He holds a postgraduate diploma (PGDip) from King's College London in the United Kingdom (EU Competition Law) and a Master's Degree (LL.M) from Leiden University in the Netherlands (European Law).

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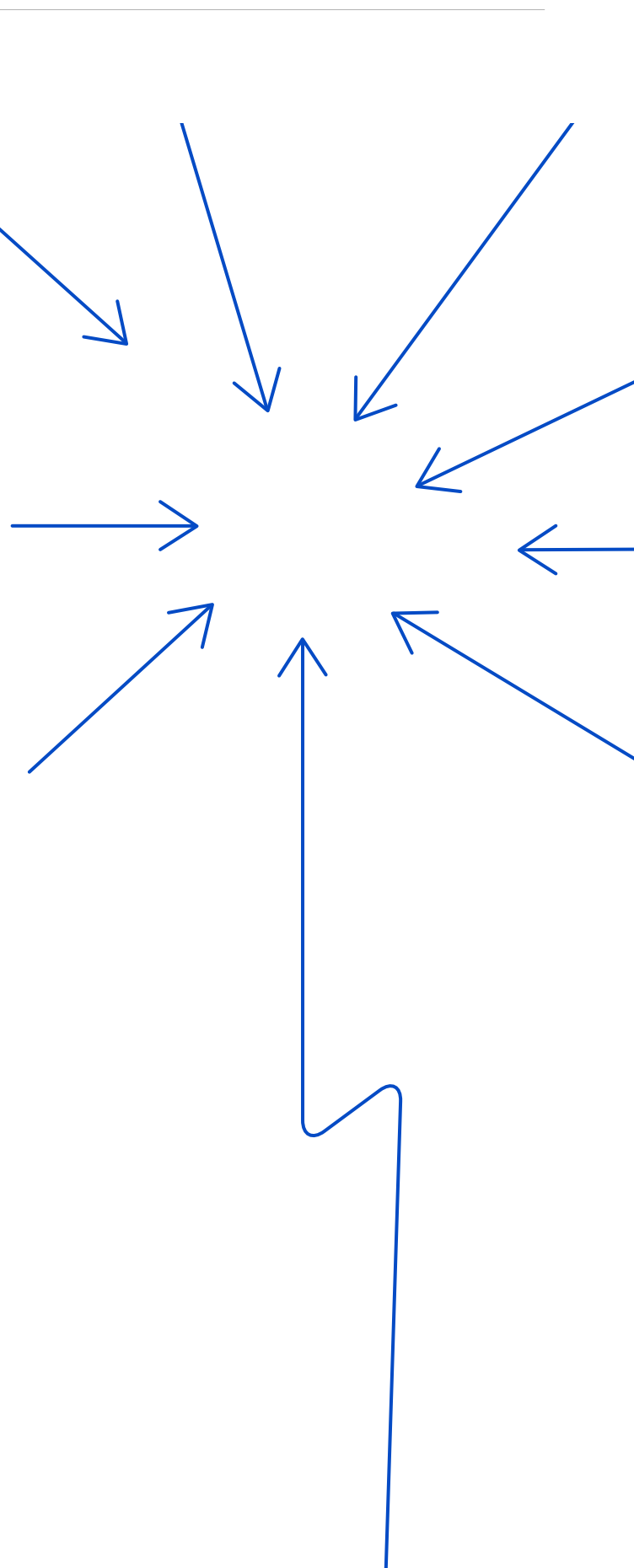
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Isabella started working at NAVEX in 2021 as a data analyst. She obtained a master of science degree in applied data science from University of San Diego and has a background in sales and customer service analytics. She uses her skills and focus on data ethics to improve business practices and customer experiences, and has been published in an article discussing the importance of women in data science.

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