

# Regional Whistleblowing & Incident Management Benchmark Report

2025



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# 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 2.15 million anonymized customer reports received in 2024, and with a focus on four geographic regions, NAVEX provides this 2025 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 the [NAVEX 2025 Whistleblowing and 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.

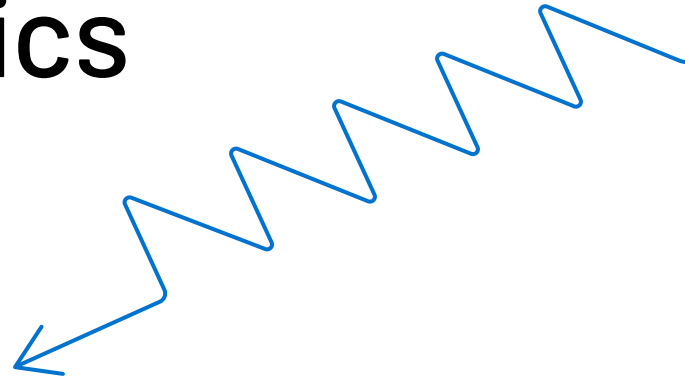
New for this 2025 Regional Whistleblowing and Incident Management Benchmark Report is analysis of reporting by company ownership – private versus public. We also continue last year's addition of reporting comparing employees and third parties. For the third year, we include a view of relevant metrics by both region of organization headquarters and region of report origination. Finally, for ease of comparison, we include the overall global metric alongside each regional breakdown.

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](http://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 2024. The resulting database includes 4,077 organizations that received a total of 2.15 million individual reports. This group represents 69 million employees globally.

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

Retail Trade, Health Care and Social Assistance, Finance and Insurance, Transportation and Warehousing, Professional, Scientific and Technical Services, Transportation Equipment Manufacturing

**4,077**

Number of Organizations

**2.15 Million**

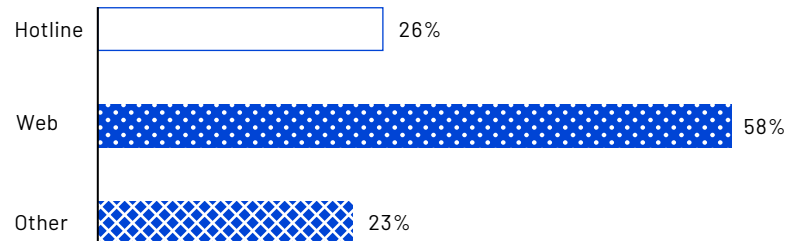
Number of Reports

**69 Million**

Number of Employees

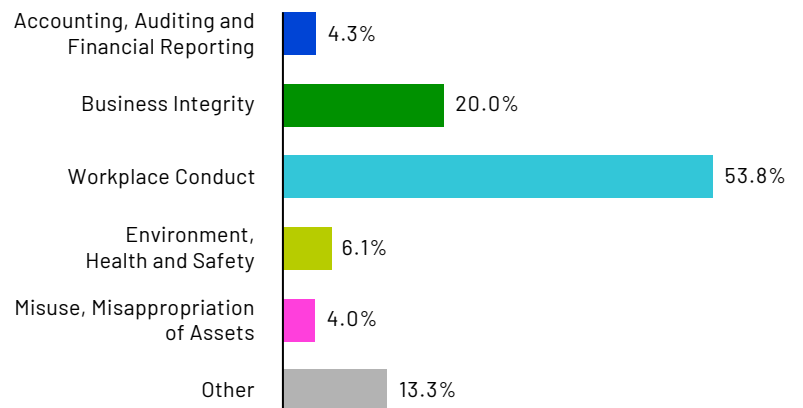
### INTAKE METHODS

Median reporting value (MRV)



### RISK CATEGORY

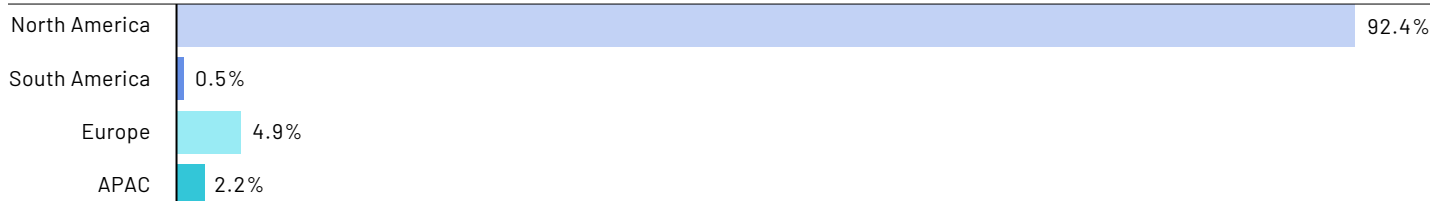
Median reporting value (MRV)



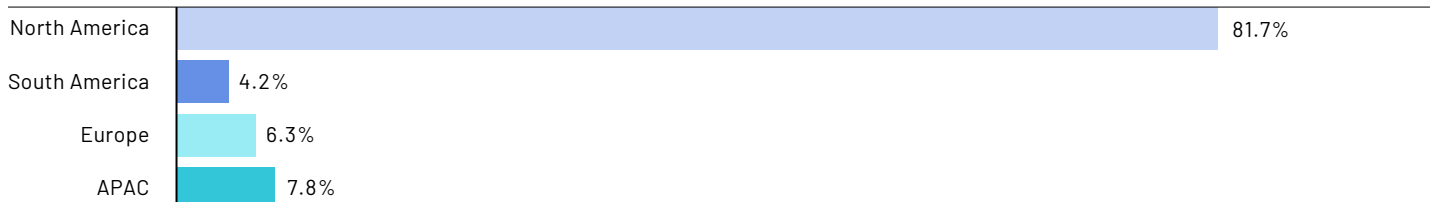
### REGION

Frequency

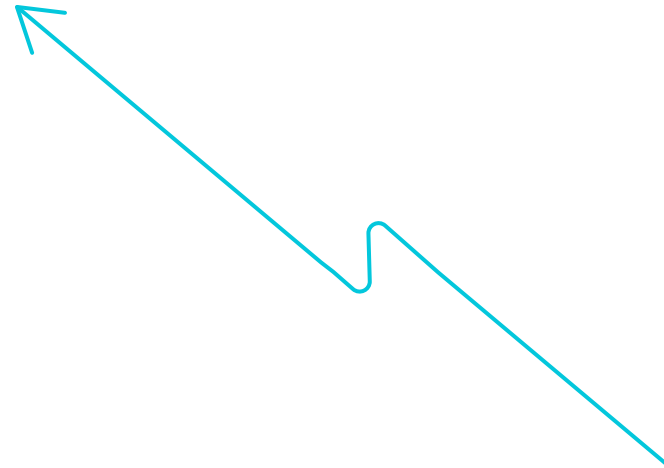
#### HQ REGION



#### REPORT ORIGINATION REGION



# Executive Summary



Our 2025 Regional Whistleblowing & Incident Management Benchmark Report includes the largest-ever dataset of NAVEX customers that received 10 or more internal reports. This group of over 4,000 organizations representing nearly 70-million employees logged 2.15 million reports in 2024.

These reports represent a treasure trove of data points to inform the insights internal reporting program managers use to understand the successes, opportunities, cultural health and risks within their organizations. We are pleased to report that 87% of NAVEX customers included in last year's report are present for this year's analysis, strengthening the understanding of year-over-year trends.

Our database – the world's largest by far – and our rigorous analysis process, give readers confidence in these benchmarking metrics. Throughout this text, we supply guidance to ensure all organizations – not just our customers – can view and understand the data and rationale of our methodologies, and accurately assess and analyze the metrics of their own programs.

Building on the previously published [NAVEX Whistleblowing & Incident Management Benchmark Report](#), this Regional Whistleblowing & Incident Management Benchmark Report represents a deeper dive into insights on incident reporting trends across our global customer base.

Our analysis covers four global regions: North America, South America, Europe and Asia Pacific (APAC). This provides a region-specific avenue for readers to consider how deviation from statistical norms might inform opportunities to improve their own programs.

Our analysis follows two tracks where possible – **data by region of company headquarters**, and **data by region of report origination**.

Our view by headquarters may help suggest the internal reporting focus of organizations headquartered in certain regions, while report origination may suggest the speak up culture of reporters themselves. New this year, we are providing additional insights into our regional report data through the lens of company ownership structure – private versus public.

Given the many ways we frame data in this report, we encourage readers to bring the context of their own organization to the table through your own hotline data. Our analysis and data present an opportunity to open a conversation with key stakeholders and decision makers within your organization. This data can be used to inform discussions in your organization, such as:

- Do potential reporters trust they can make a report without fear of retaliation?
- Are anonymous reports treated with the same level of care as named reports and how does the *Substantiation Rate* differ from named reports?
- What can we learn from the *Time Between Incident and Report Date*?
- How long does it take to close cases and are we adequately resourced to complete a timely and thorough investigation?
- What does the *Risk Category* benchmark data tell us about our own *Risk Category* makeup?

Below are the key insights from our analysis and highlights of notable regional differences.

### **Report volume: reporting levels vary significantly across regions**

As we have found in past years, report volume is vastly different across the regions, and a closer look at *Reports per 100 Employees* by region yields yet more interesting insights. In Europe, the median *Reports per 100 Employees* was 0.67, in APAC it was 0.78, South America was highest at 2.97, and in North America, it was 1.75. So, while the global median of *Reports per 100 Employees* is 1.57, the breakdown by region may provide more valuable localized insights into report volume benchmarks that more accurately reflect your organization's trends.

All four regions in our analysis have seen a general increase in median *Reports per 100 Employees* over four years. When comparing 2023 and 2024, Europe saw the largest increase (0.49 to 0.67) to the highest reporting levels we have seen for this region. South America-based organizations saw a decline, though we caution that this represents the smallest cohort in this data set where outliers can have a relatively significant impact. North America and APAC were largely stable.

### **Risk Categories: no matter where you are in the world, at least half of your reports will be about Workplace Conduct**

We often discuss the importance of culture in relation to compliance and whistleblowing and the importance of creating such an environment where reporters feel safe speaking up without

fear of reprisal. Paired with the metrics on retaliation, an interesting story emerges related to organizational culture.

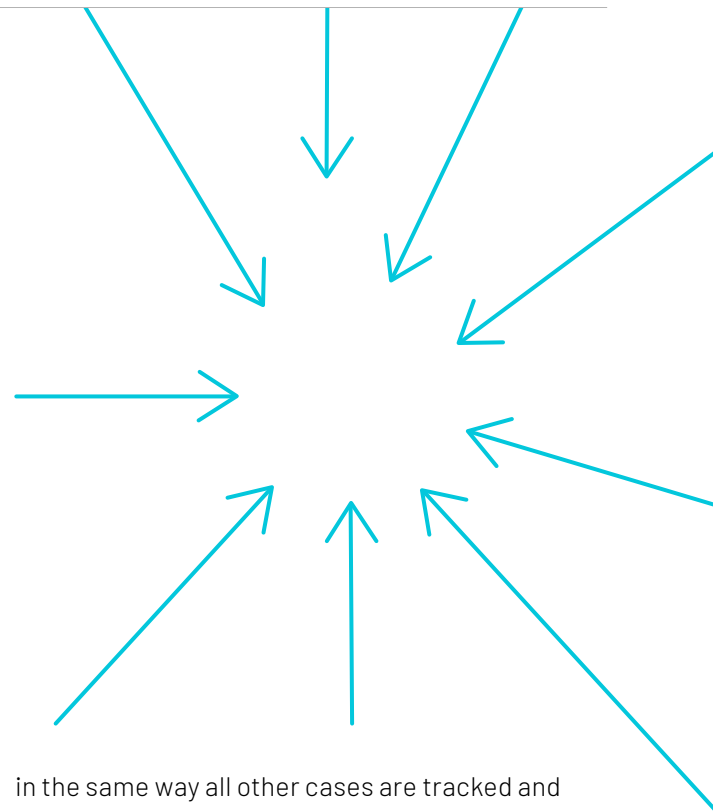
*Workplace Conduct* refers to reports concerning employee relations or misconduct. This includes *Discrimination, Harassment, Workplace Civility, Retaliation, Compensation and Benefits, Substance Abuse, and Other HR-related issues*. Globally, this *Risk Category* accounted for 54% of reports made in 2024.

*Workplace Civility* reports – which concern allegations of abusive or disrespectful behavior that are not connected to *Harassment* or *Discrimination* – also increased in every region except for North America from 2023 to 2024.

*Workplace Conduct* reports are substantiated at a similar rate to the median of all other reports, though consistently lower than the overall median *Substantiation Rate*. In Europe, *Workplace Conduct* was substantiated at 43% (compared to the overall global *Substantiation Rate* of 47% for all matters), in APAC at 44% (48% overall), and North America at 40% (45% overall).

The volume of *Workplace Conduct* reports we see indicates that many of the concerns being raised are valid – and given the inexorable tie to culture, should be carefully monitored as it can be a strong indicator of a culture in need of attention.

We note that many organizations consider these types of reports to be “not a compliance issue” and often refer them to Human Resources for review without further tracking or follow-up from the compliance team. Given the relationship between these matters and organizational culture, we encourage organizations to track these matters



in the same way all other cases are tracked and include them in any assessment evaluating risk in a specific location or line of business.

### Retaliation and substantiation: Retaliation cases far more likely to be substantiated outside of North America

Readers of this report are likely to know *Retaliation* is the nemesis of internal reporting programs. When reporters feel there is a risk of retaliation in making a report, they don't report. While *Retaliation* is a relatively small median share of reported misconduct globally, its outsize impact always makes it worthy of note.

North America-based organizations showed the greatest frequency of *Retaliation* reporting among regions in 2024 (1.16%, followed by Europe at 0.87%). We also see significant differences in the *Substantiation Rate* between North America and Europe regarding *Retaliation* cases. By headquarters region, Europe substantiates *Retaliation* cases at 32% – nearly double the rate of

North America which achieved a four-year high of *Retaliation* substantiation of 17% in 2024; APAC has a *Substantiation Rate* for *Retaliation* reports of 28% for 2024.

In fact, compared to all regions evaluated in this report, companies with headquarters in North America have the *lowest Substantiation Rate*, marking a notable trend across regions that warrants further discussion. This data invites consideration of whether North America-based organizations are investing enough time and resources in investigation of *Retaliation* cases.

### **Report Outcomes: North America-headquartered companies are more likely to terminate employment**

Our report looks at outcomes or actions taken resulting from a case that is substantiated all or in part. These outcomes include No Action, Training, Policy/Review Change, Discipline, and Separation of employment. Resulting actions from reports and investigations also shed light on the most common outcomes and the ways they vary globally.

Companies headquartered in North America saw Separation of employment at a rate of 20.6% for substantiated cases in 2024; in Europe, Separation occurred in 15.1% of substantiated cases and 14.5% in APAC. Europe and North America-headquartered companies are more aligned on Discipline as a report outcome for substantiated cases, at a frequency of 30.7% and 30.6% respectively.

However, and perhaps more concerning is the rate of No Action for substantiated cases. Globally, this was the outcome for 14.4% of substantiated cases, with APAC leading the No Action report outcome at 19.4%. Taking no action as a result of a substantiated report has the potential to chill internal reporting.

### **Time Between Incident and Report Date: North America-headquartered companies report sooner**

There are myriad reasons why a reporter may choose to wait to make their report, but generally speaking a shorter gap is preferable so that investigations can begin, and misconduct can be addressed more quickly.

Organizations based in Europe and APAC marked median decreases in *Time Difference Between Incident and Report Date* when comparing 2023 and 2024. In Europe, the median *Time Difference Between Incident and Report Date* was 13 days, for APAC it was 12. Meanwhile, North America remained consistent with the lowest median time difference at eight (8) days – the only region to have a single-digit date difference between incident and report date.



### Case Closure Time shows regional differences; global similarity in Substantiation Rate

Time between incident and report date is not the only area where North America has a more expedient pace. The median *Case Closure Time* for North America of 19 days in 2024 presents a noteworthy difference from Europe at 69 days and APAC at 56 days.

An interesting comparison can also be made between *Case Closure Time* and *Substantiation Rate* across the regions. And we note here that our global report found *Substantiation Rates* hit a record high of 46% overall. Europe and APAC have the highest *Substantiation Rates*, coming in at a median of 47% for Europe and 48% for APAC, but North America is not far behind at 45% – and with a much shorter median *Case Closure Time*. The *Substantiation Rates* are within a marginal range, but the *Case Closure Times* are far less consistent across regions with the difference between North America and Europe being 50 days.

The bottom line: Europe-headquartered companies take far longer than other regions to investigate and close reports, and substantiation is still fairly consistent when compared to other regions. It may be worth examining the confluence of Europe receiving fewer reports, taking longer to investigate, but substantiating at only a marginally higher rate than other regions. The exception in 2024 was Europe where only 25% of the cases in the small (0-2,499 employees) organizations were substantiated. Small organizations may wish to review this finding and ensure that investigative processes are effective.

### Anonymous reports: North American-based companies are less likely to receive anonymous reports

Trending up since 2021, *Anonymous Reporting Rates* provide valuable insight into the level of comfort with speaking up, and a belief by reporters that they will not face retaliation. Anonymous reports in North America make up just over half of all reports, at 52%; in other regions, that number is far higher, sitting at 65% in Europe and 67% in APAC.

However, having about half-to-two-thirds of reports come in anonymously does not seem to have a huge impact on overall *Substantiation Rates*, as those rates are relatively consistent and within a couple of percentage points across all regions year-over-year.

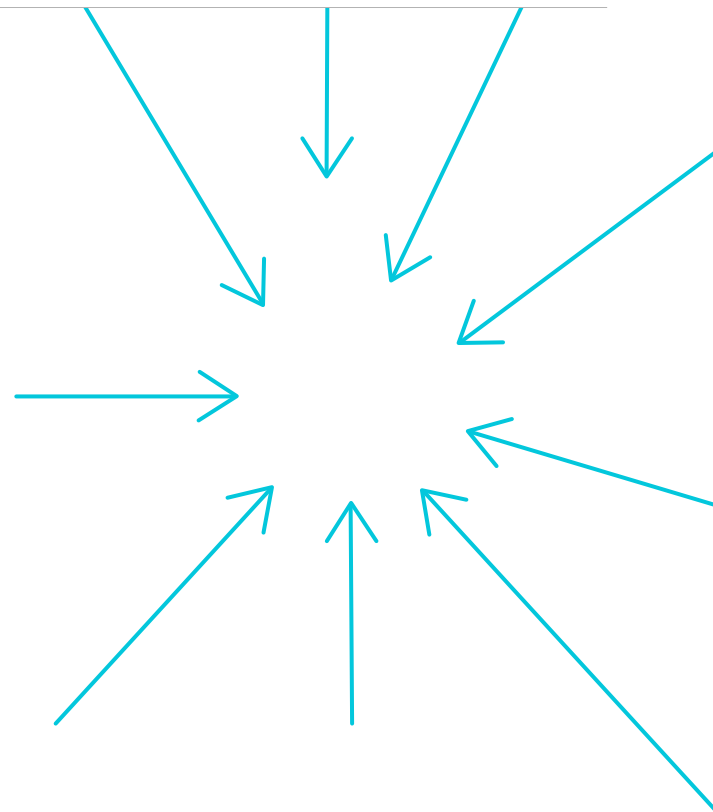
One area, however, where anonymous reports likely have an outsized impact is in *Case Closure Time*. Europe and APAC have the highest median rates of Anonymous reports (65% and 67% respectively) and also have the highest median *Case Closure Times* (Europe 69 days, APAC 56 days). It is well known that unnamed reports are more challenging to investigate, but are not without merit and are often substantiated, particularly those received via a web-based reporting mechanism. But the higher rate of anonymous reporting in Europe and APAC may be a contributing factor to longer *Case Closure Time* in these regions when compared to North America.

### Substantiation Rate: significant differences between privately held and public companies

New this year, and in response to customer requests from prior years, we analyzed internal reporting data for different structures of company ownership to show how reporting metrics differ within these groups. For this regional report, we evaluated key reporting metrics for private and publicly held companies and found that privately owned companies are more likely to substantiate reports across the board, with Europe and APAC at 50%, North America at 49% and South America at 67% substantiated. This is contrast to public companies where the *Substantiation Rate* was below 50% for all regions – Europe at 45%, APAC at 47%, North America at 42% and South America at 43%.

In addition to differences in *Substantiation Rate*, we also saw differences in median *Reports per 100 Employees* between private and public companies. While Europe was largely similar, at 0.67 *Reports per 100 Employees* for private and 0.66 for public, the other regions had very different results. In APAC, the median *Reports per 100 Employees* for private organizations was 1.06, but for public companies the reporting volume was half that at 0.53. In North America, private companies reported at 2.12 *Reports per 100 Employees*, while public companies came in at 1.27 *Reports per 100 Employees*.


This is another area worth further examination. What factors lead to a smaller relative number of reports being made in publicly owned organizations versus privately owned companies?



### Timing trends: reporting spikes consistently in October across all regions

For several years, October has proven to be a consistent month where we see a spike in reporting volume as compared to the rest of the year. This trend is most prominent in North America, where there is a regular spike in reporting in October, followed by a decline in reporting volume as the year closes.

Other regions see a similar uptick in reporting around the same period, but the jump is far less pronounced. In Europe and APAC, we also see a dip in reporting in the summer months, followed by a peak in October as well. Obviously, holiday vacations play a role in the lower summer volumes, but we suspect that there are a variety of reasons for the annual October spike. These may include pressures on fourth quarter results, timing of training rollout, timing of national elections or launch of annual employee surveys.



### Report Intake Method: regional differences are more pronounced

The channel by which reports are made also illustrates noteworthy regional differences. Our report looks at reports received via a phone channel (Hotline), Web-based reporting, and “Other” which can be walk-ins to compliance or human resources. In North America, by frequency, the Hotline (phone) is used for 31% of reports – significantly above Europe (18%) and even more than APAC, which uses the Hotline for only 11% of reports.

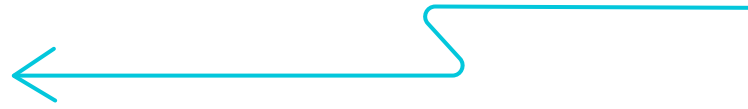
In fact, North America is relatively equal across reporting channels by frequency; 31% of reports are made via the Web and 38% via Other. This is quite the contrast from other regions, where Europe has 57% of reports made through the Web and 25% through Other. APAC has even greater Web adoption at 62%, and 28% in Other.

This trend is even more interesting when you consider additional regional differences with the *Substantiation Rate* for the various intake methods. For example, Europe has the lowest *Substantiation Rate* for Other, which includes walk-in reports, at only 54%. In APAC, Other has a *Substantiation Rate* of 67% and North America is at 61%.

### Other notable data points

Much of the Regional Whistleblowing & Incident Management Benchmark Report yields results that are relatively consistent year-over-year, with a few other interesting outliers.

- **Risk Category:** in 2024, North America was the only region to see an increase in *Accounting and Financial Reporting*, moving from 2.06% in 2023 to 2.18% in 2024. All other regions saw a decrease in this metric.
- **Third-party reporters:** setting aside South America data that may represent the influence of significant outliers, third-party reports represent anywhere from 7.2% to 10.2% of reports made in the global regions of this analysis. In other words, no matter where an organization is in the world, non-employees are speaking up in significant numbers. This appears especially true for organizations and reporting activity in Europe and North America.
- **Inquiries versus allegations:** we’ve also been tracking a years-long steady decrease in the frequency of inquiries to the hotline, with the vast majority being allegations. For several years, Europe and APAC have had very low levels of inquiries (6% and 4%), while North America crossed into the single digits in 2023 and now has an all-time low level of inquiries at 8% in 2024. One exception to this is the South America region that, while still declining, had 20% of hotline usage dedicated to inquiries, and is significantly higher than any other region.



## Key actions

We encourage readers to browse this report for scores of additional metrics that may have relevance for their organization. However, given our overall observations, we suggest a few key actions to consider – actions that in many ways are timeless examples of how to promote an effective internal reporting program.

- **Recognize that reporting trends vary significantly by region and there may be opportunities to further expand and tailor regional communications relating to the internal reporting system**
  - **Ensure your program offers multiple channels for intake, and that those channels are monitored holistically for a full view of reporting activity**
  - **Reinforce an anti-retaliation policy that gives reporters the confidence they need to speak up**
  - **Empower third parties to access your internal reporting system. Data shows third parties play a significant role in uncovering misconduct and providing information for internal reporting**
  - **Review *Report Outcomes* and ensure that in addition to specific actions taken regarding individual behaviors, those cases are also reviewed to determine whether policy changes or additional training may be needed as part of a root cause analysis**
  - **Equip reporters with tools to understand policies and make well-informed reports**
  - **Maintain an awareness of Referred cases, which may still be effectively “open” with another department**
  - **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**
- NAVEX will continue to monitor the geopolitical environment and trends, as well as any reporting trend changes, throughout 2025 and will provide ongoing information throughout the year to inform your program.

01

# Reports per 100 Employees

# 01 Reports per 100 Employees

## Reports per 100 Employees – Median Comparisons

### All regions see increase over four years

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

Starting in 2023, NAVEX refined its analysis 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

All four regions in our analysis have seen a general increase in median *Reports per 100 Employees* over four years. When comparing 2023 and 2024, Europe saw the largest increase (0.49 to 0.67). South America-based organizations saw a decline, though we caution that this represents the smallest cohort in this data set where outliers can have a relatively significant impact. North America and APAC were largely stable.

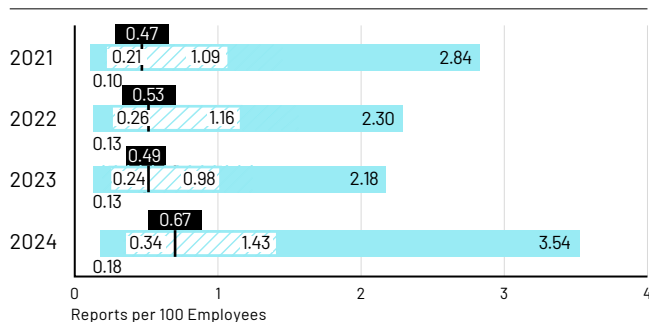
HQ REGION

### REPORTS PER 100 EMPLOYEES – MEDIAN COMPARISONS

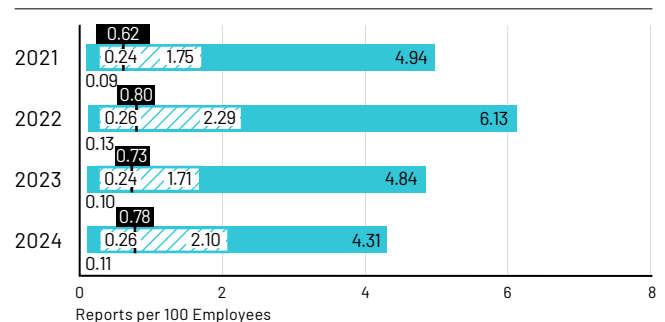
Median reporting value (MRV) and ranges by headquarters region

Median | Central 80% Range  
Central 50% Range

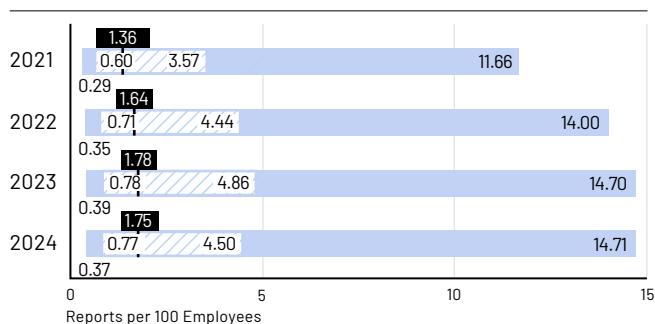
#### Europe



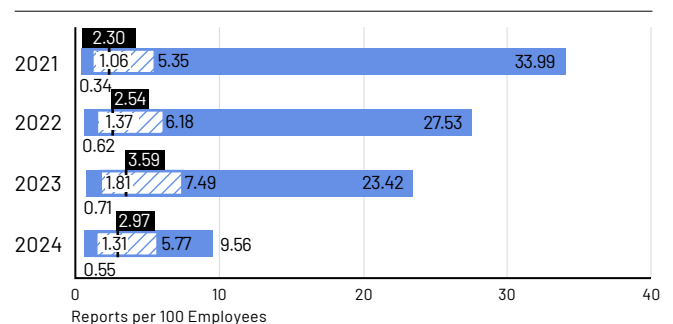
#### APAC



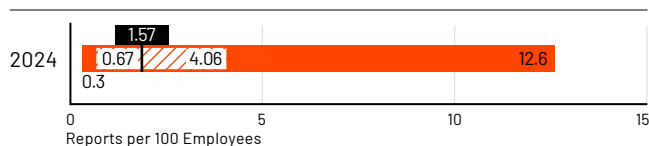
#### North America



#### South America



#### Global



## Reports per 100 Employees by Intake Method

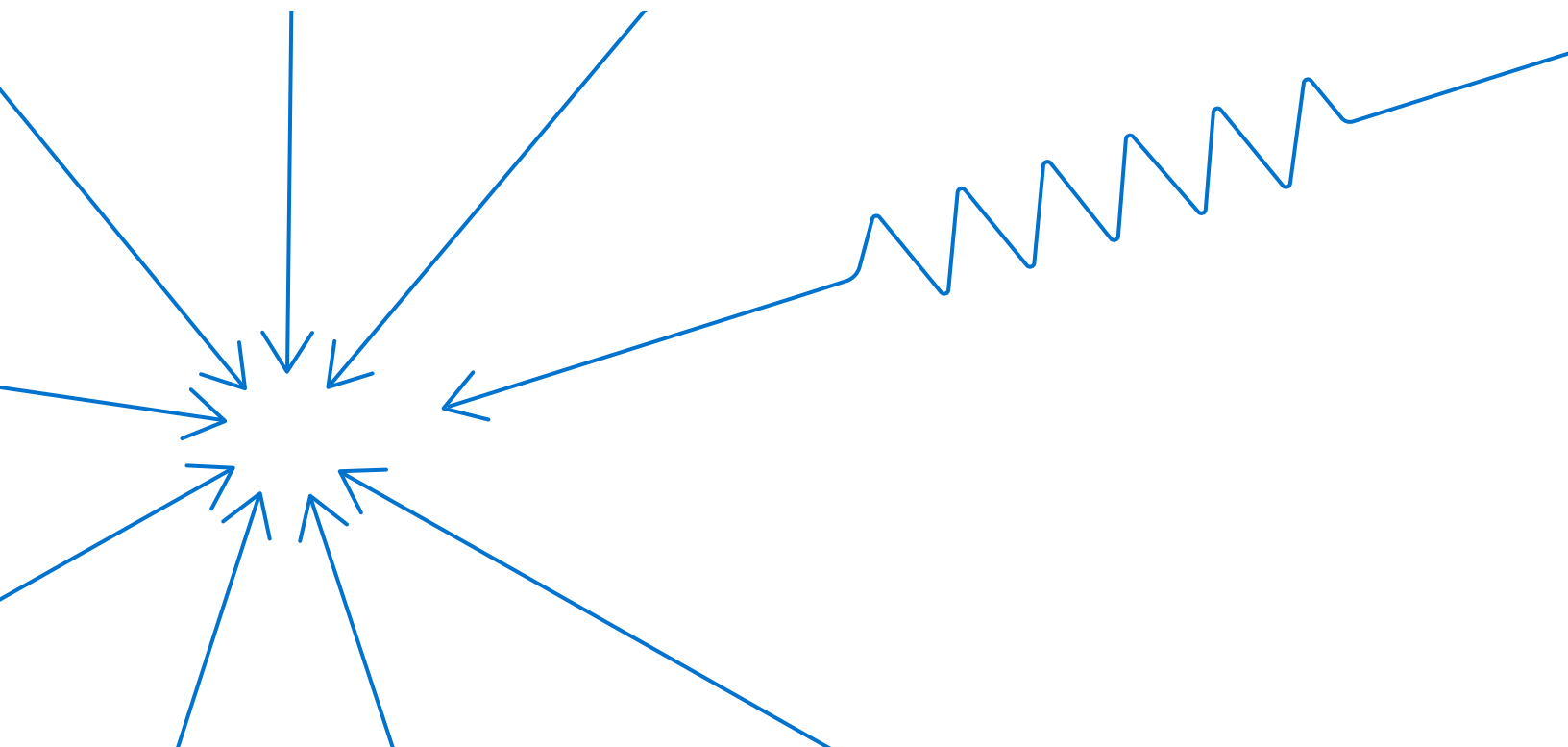
### As in prior years, organizations tracking all intake sources show consistently higher report volume in all regions

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 also 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 *Reports per 100 Employees* than those tracking only Hotline Intake and Web Intake. This was true across all regions of analysis in this report in 2024, as it was in 2023.

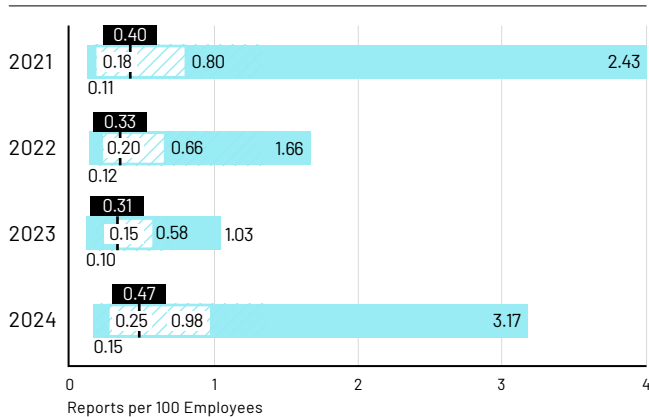
HQ REGION

### REPORTS PER 100 EMPLOYEES FOR ORGANIZATIONS THAT TRACK REPORTS FROM WEB AND TELEPHONE ONLY

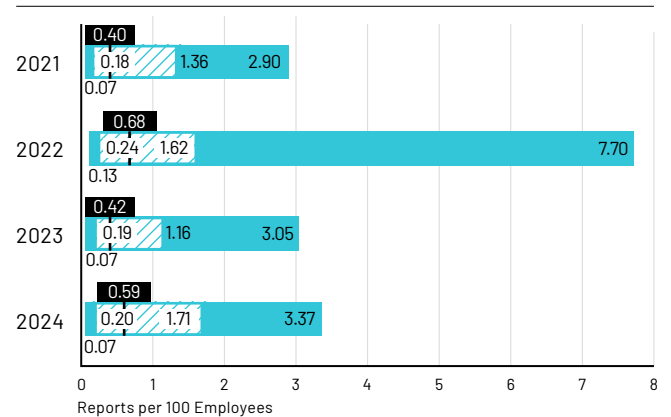
Median reporting value (MRV) by headquarters region

Median Central 80% Range  
Central 50% Range

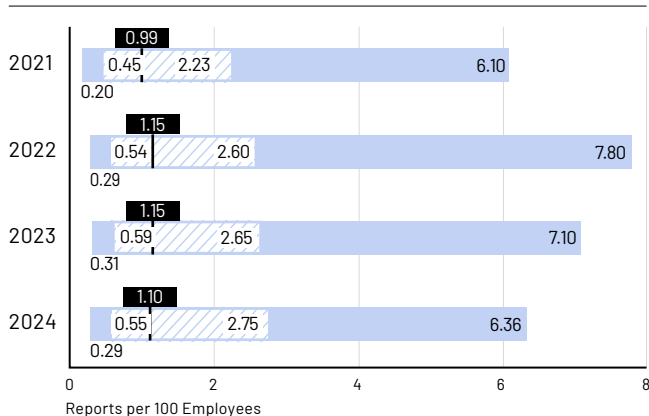
#### Europe



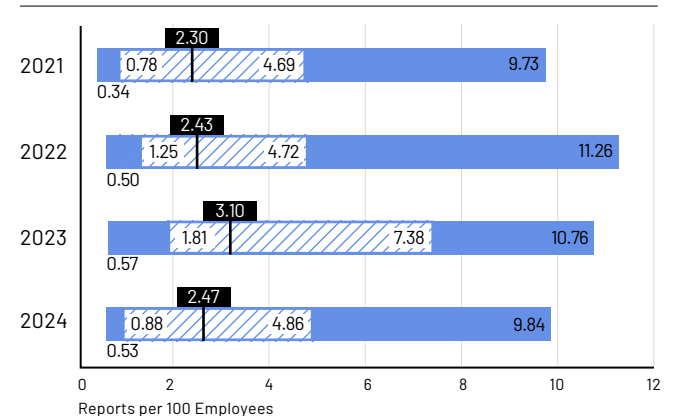
#### APAC



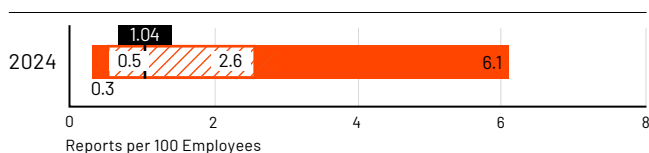
#### North America



#### South America



#### Global



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 *Reports 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.

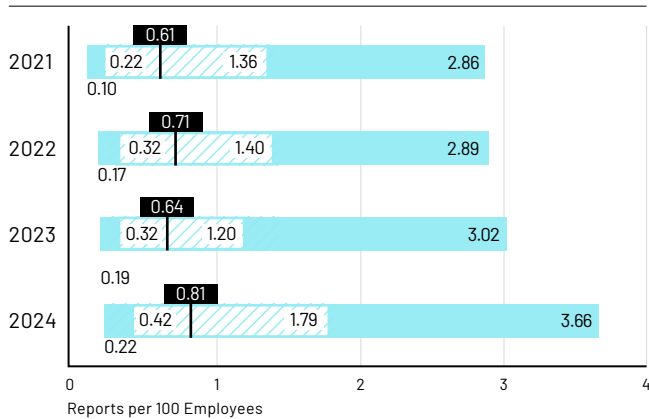
HQ REGION

## REPORTS PER 100 EMPLOYEES FOR ORGANIZATIONS THAT TRACK REPORTS FROM ALL SOURCES

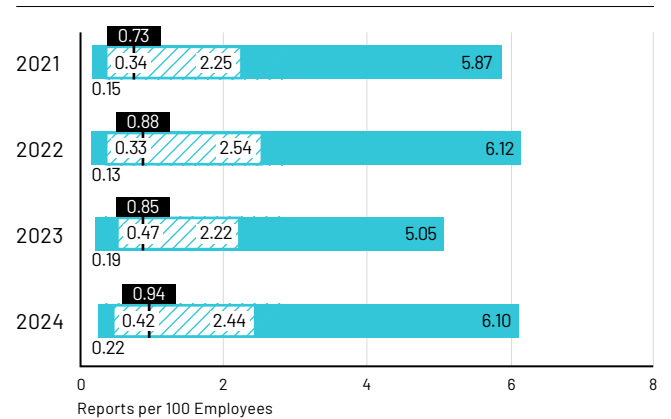
Median reporting value (MRV) by headquarters region

Median | Central 80% Range  
Central 50% Range

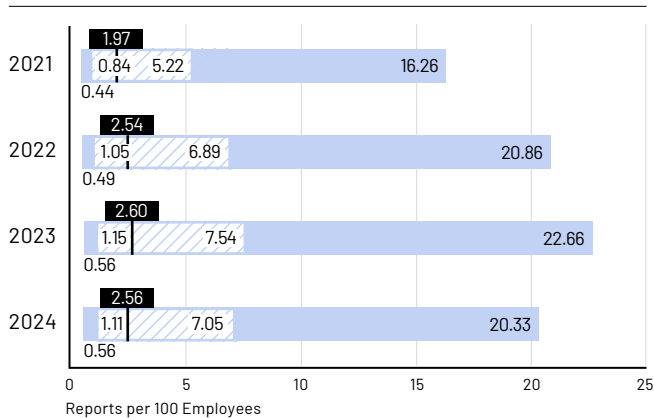
### Europe



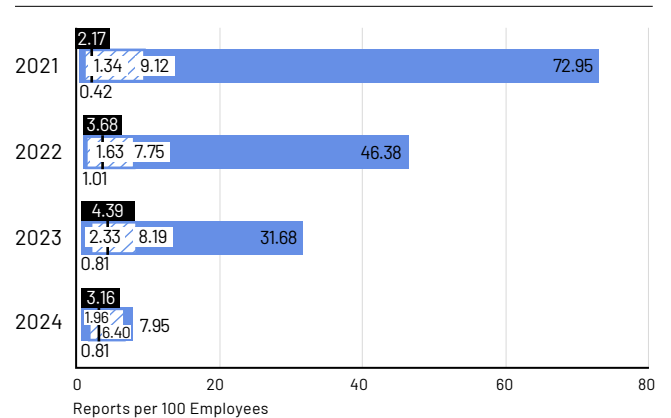
### APAC



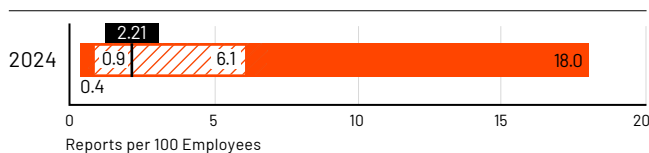
### North America



### South America



### Global



## Reports per 100 Employees – Monthly Report Volume Comparison

Reporting generally spikes in period after summer travel season

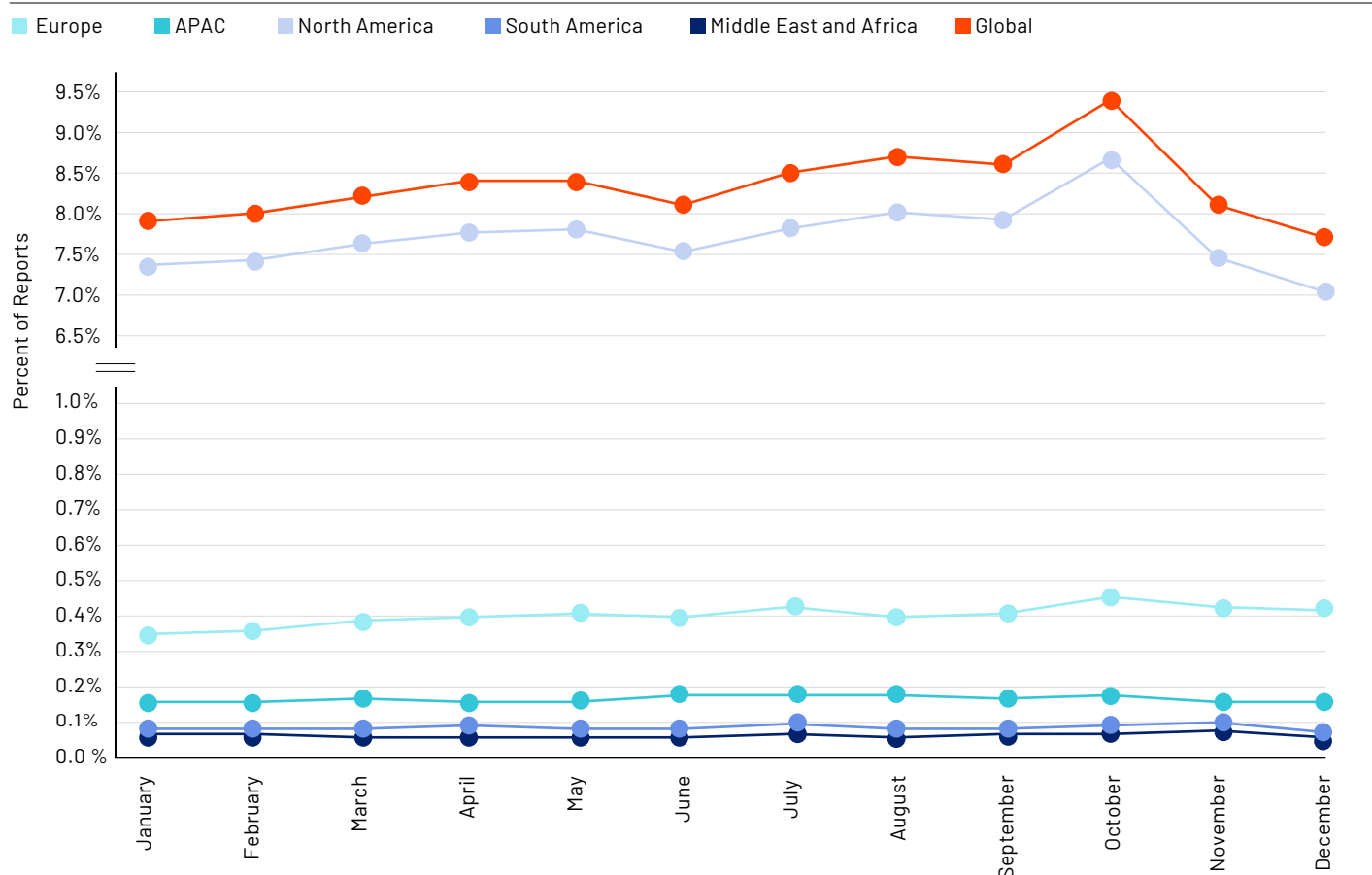
### Findings

NAVEX began providing monthly report volume comparison by region in 2023, and once again, reporting appears to follow a consistent seasonal pattern across geographies.

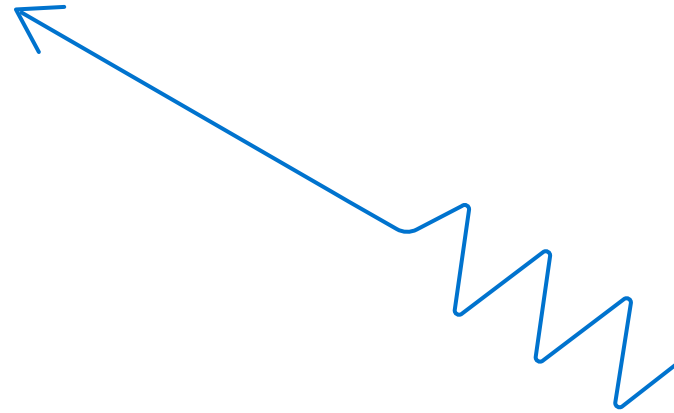
— HQ REGION

### REPORTS PER 100 EMPLOYEES – MONTHLY REPORT VOLUME COMPARISON

Frequency distribution by headquarters region

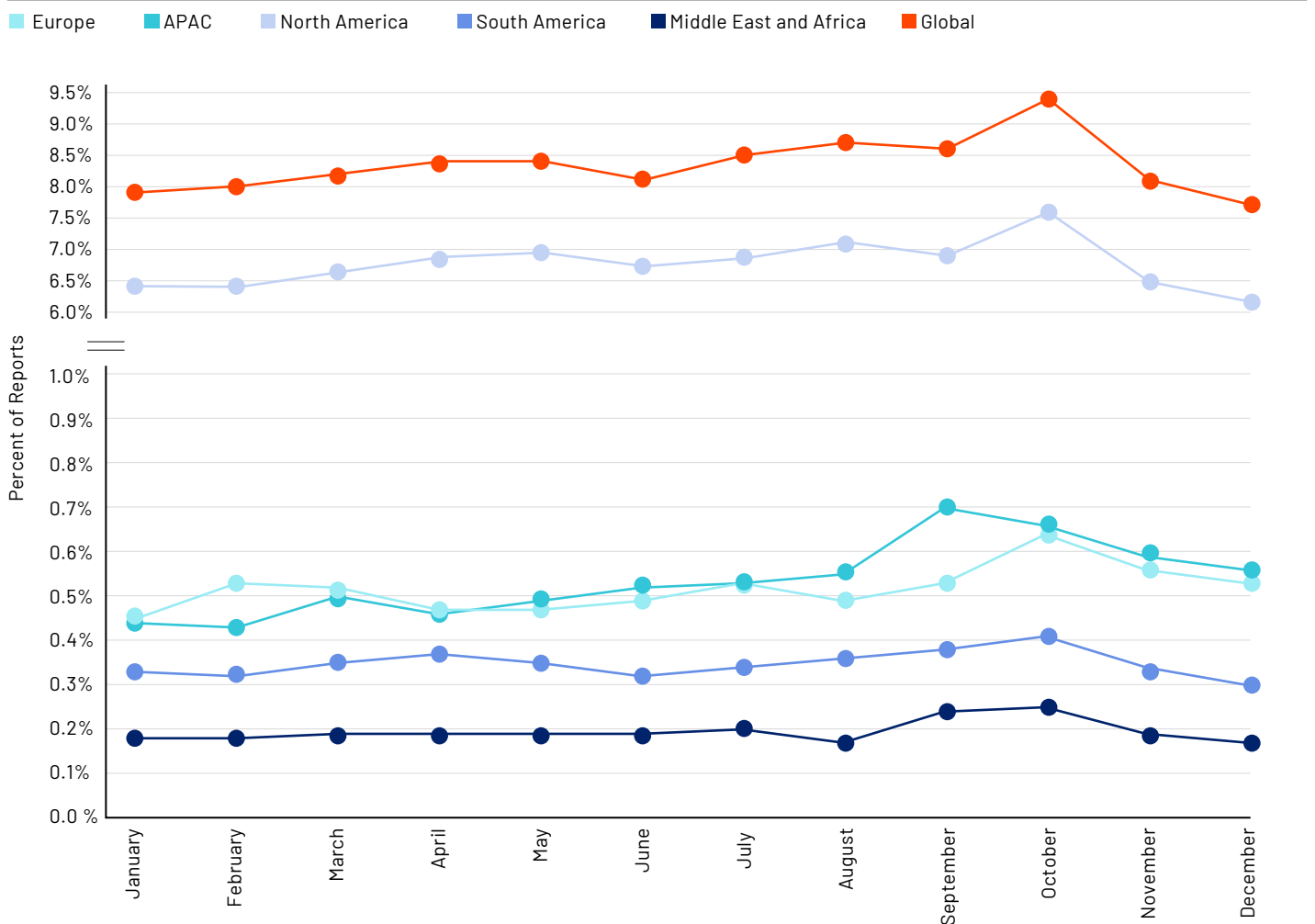


Most prominent – especially when viewed through the lens of report origination region – is the peak in reporting volume observed roughly during the exit from the summer travel season. This final quarter of the calendar year may also be a period of heightened stress for many workers. Volumes across regions taper off from the peak in the final months of the year.



REPORT ORIGINATION REGION

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





# 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 *Risk Categories* and *Risk Types* can be an indication of program effectiveness and help reveal insight into an organization's risk profile. 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 employee trust in the reporting system. Higher volumes may also help identify a risk area that may need to be addressed through culture assessment, policy updates and training.

We organize our database into five primary *Risk Categories*, as well as an *Other* category, by grouping together like reports. 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*” replaced the previous NAVEX nomenclature of “*Benchmark Category*” and “*Issue Type*” in 2024.

# Report Risk Categories

**Risk Categories** are our major grouping of **Risk Types** and are defined as follows:

**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 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.*

**Workplace Conduct** (formerly named *HR, Diversity and Workplace Respect*) are reports that 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** 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 *Workplace Conduct* 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 temperature 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.

That said, distinctions across regions – and by headquarters region versus report origination – all invite ample opportunity for interpretation. 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.

First, no matter the region on Earth where individuals made reports in 2024, a median of at least half alleged issues under the *Risk Category* of *Workplace Conduct*. APAC sat at exactly 50.0%, though other regions (South America, 66.7%; North America, 58.3%; Europe, 57.9%) saw even greater median shares. These reports include *Risk Types* like *Discrimination*, *Harassment* and – critically – *Retaliation*, the nemesis of building trust in an internal reporting program. Median *Workplace Conduct* reporting in Europe and South America has increased over several years, while APAC has generally held steady.

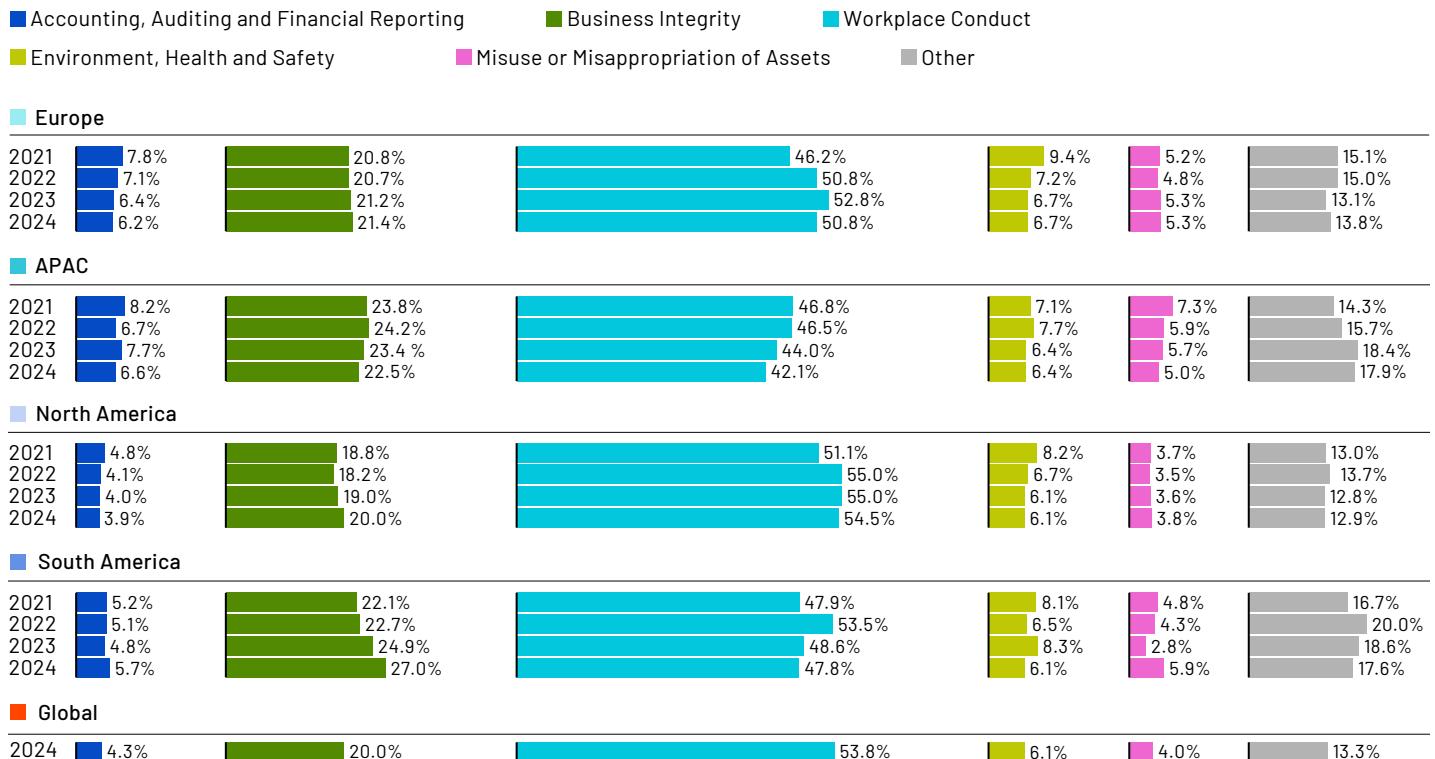
By both headquarters and report origination region, APAC saw the greatest median share of reports in the *Accounting, Auditing and Financial Reporting* category. By the same measures, North America registered the smallest.



HQ REGION

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

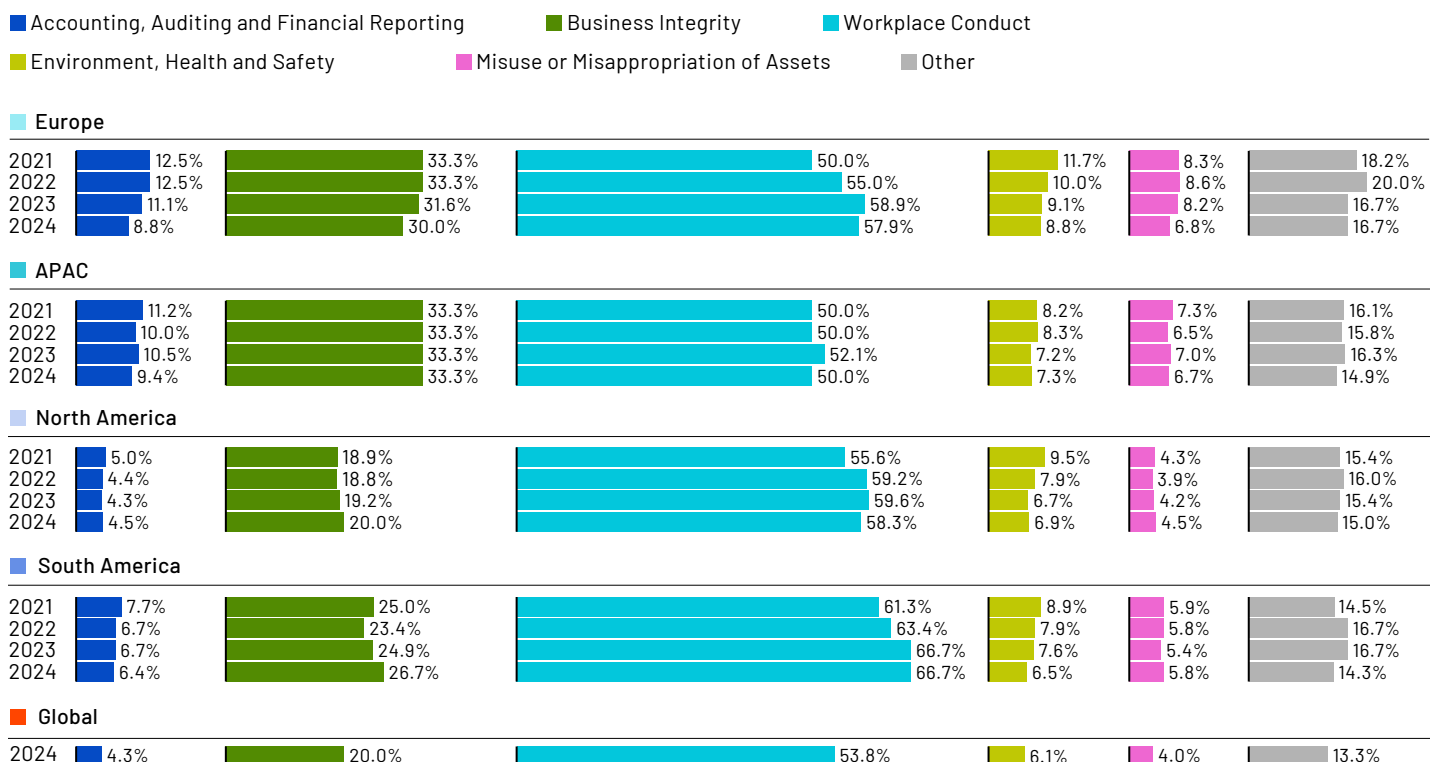
Median reporting value (MRV) by headquarters region



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

### Workplace Civility reporting grows outside of North America

#### Findings

Even more nuanced than analysis of reporting by the six *Risk Categories* is analysis by *Risk Type*. 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. Yet there are always areas of note.

The frequency of *Workplace Civility* reports – allegations of abusive or disrespectful behavior connected to work that are not *Harassment* or *Discrimination* – increased for every region apart from North America comparing 2023 and 2024. This was true by both headquarters region and region of report origination. European organizations, and reporters, saw the greatest share of reporting activity under this *Risk Type* in 2024 across all regions.

**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.

— 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 |               | Global |
|---|--|--------|---------------|--------|---------------|---------------|---------------|---------------|---------------|--------|
|   |  | 2023   | 2024          | 2023   | 2024          | 2023          | 2024          | 2023          | 2024          |        |
| <b>Accounting, Auditing and Financial Reporting</b> | Accounting, Auditing and Financial Reporting     | 6.67%  | <b>5.23%</b>  | 8.74%  | <b>8.12%</b>  | 2.06%         | <b>2.18%</b>  | 1.71%         | <b>1.59%</b>  | 2.46%  |
| <b>Business Integrity</b>                           | Bribery and Corruption                           | 1.78%  | <b>1.56%</b>  | 1.67%  | <b>1.90%</b>  | 0.54%         | <b>0.40%</b>  | 1.34%         | <b>1.38%</b>  | 0.50%  |
|   | Confidential and Proprietary Information         | 1.01%  | <b>1.50%</b>  | 0.90%  | <b>1.09%</b>  | 0.46%         | <b>0.51%</b>  | 0.54%         | <b>0.44%</b>  | 0.57%  |
|   | Conflicts of Interest                            | 6.98%  | <b>6.80%</b>  | 3.45%  | <b>3.58%</b>  | 5.70%         | <b>5.16%</b>  | 8.41%         | <b>5.87%</b>  | 5.21%  |
|   | Data Privacy and Protection                      | 3.45%  | <b>2.33%</b>  | 0.94%  | <b>1.04%</b>  | 5.05%         | <b>5.21%</b>  | 0.75%         | <b>0.54%</b>  | 4.95%  |
|   | Free and Fair Competition                        | 0.79%  | <b>0.68%</b>  | 0.25%  | <b>0.32%</b>  | 0.06%         | <b>0.07%</b>  | 0.17%         | <b>0.28%</b>  | 0.11%  |
|   | Global Trade                                     | 0.14%  | <b>0.14%</b>  | 0.14%  | <b>0.13%</b>  | 0.07%         | <b>0.05%</b>  | 0.04%         | <b>0.03%</b>  | 0.06%  |
|   | Human Rights                                     | 0.61%  | <b>0.68%</b>  | 0.70%  | <b>0.48%</b>  | 0.12%         | <b>0.10%</b>  | 0.28%         | <b>0.32%</b>  | 0.13%  |
|   | Insider Trading                                  | 0.08%  | <b>0.08%</b>  | 0.02%  | <b>0.05%</b>  | 0.02%         | <b>0.02%</b>  | 0.03%         | <b>0.03%</b>  | 0.02%  |
|   | Other Business Integrity                         | 8.48%  | <b>10.98%</b> | 14.86% | <b>17.29%</b> | 17.03%        | <b>21.19%</b> | 8.18%         | <b>9.18%</b>  | 20.54% |
|   | Political Activity                               | 0.01%  | <b>0.01%</b>  | 0.05%  | <b>0.07%</b>  | 0.01%         | <b>0.01%</b>  | 0.01%         | <b>0.01%</b>  | 0.01%  |
|   | Product Quality and Safety                       | 0.61%  | <b>0.55%</b>  | 0.65%  | <b>0.67%</b>  | 0.59%         | <b>0.65%</b>  | 0.14%         | <b>0.66%</b>  | 0.64%  |
| <b>Workplace Conduct</b>                            | Compensation and Benefits                        | 0.54%  | <b>0.46%</b>  | 0.72%  | <b>0.51%</b>  | 2.38%         | <b>2.21%</b>  | 0.16%         | <b>0.11%</b>  | 2.08%  |
|   | Discrimination                                   | 9.92%  | <b>8.21%</b>  | 6.69%  | <b>5.36%</b>  | 7.53%         | <b>7.07%</b>  | 4.76%         | <b>4.99%</b>  | 7.09%  |
|   | Harassment                                       | 9.54%  | <b>9.29%</b>  | 18.81% | <b>15.83%</b> | 4.26%         | <b>4.17%</b>  | 4.06%         | <b>6.66%</b>  | 4.69%  |
|   | Other Human Resources                            | 23.70% | <b>22.35%</b> | 17.33% | <b>20.81%</b> | 28.22%        | <b>25.45%</b> | 48.61%        | <b>43.98%</b> | 25.30% |
|   | Retaliation                                      | 0.95%  | <b>0.87%</b>  | 0.74%  | <b>0.68%</b>  | 1.13%         | <b>1.16%</b>  | 0.48%         | <b>0.69%</b>  | 1.13%  |
|   | Substance Abuse                                  | 0.74%  | <b>0.56%</b>  | 0.12%  | <b>0.19%</b>  | 0.69%         | <b>0.64%</b>  | 0.48%         | <b>0.52%</b>  | 0.62%  |
|   | Workplace Civility                               | 7.62%  | <b>8.89%</b>  | 4.99%  | <b>5.83%</b>  | 8.27%         | <b>7.70%</b>  | 7.19%         | <b>7.30%</b>  | 7.71%  |
| <b>Environment, Health and Safety</b>               | Environment                                      | 0.10%  | <b>0.12%</b>  | 0.34%  | <b>0.32%</b>  | 0.12%         | <b>0.14%</b>  | 0.14%         | <b>0.12%</b>  | 0.14%  |
|   | Health and Safety                                | 5.39%  | <b>5.12%</b>  | 7.96%  | <b>5.27%</b>  | 6.92%         | <b>6.88%</b>  | 3.54%         | <b>4.82%</b>  | 6.75%  |
|   | Imminent Threat to a Person, Animals or Property | 0.15%  | <b>0.15%</b>  | 0.02%  | <b>0.18%</b>  | 0.25%         | <b>0.37%</b>  | 0.12%         | <b>0.17%</b>  | 0.36%  |
| <b>Misuse or Misappropriation of Assets</b>         | Misuse or Misappropriation of Assets             | 3.95%  | <b>4.05%</b>  | 3.60%  | <b>3.26%</b>  | 4.13%         | <b>4.14%</b>  | 1.53%         | <b>2.04%</b>  | 4.11%  |
| <b>Other</b>  | Other  | 6.79%  | <b>9.38%</b>  | 6.32%  | <b>7.02%</b>  | 4.37%         | <b>4.52%</b>  | 7.31%         | <b>8.28%</b>  | 4.83%  |

## 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 |        | Global |
|--|--|--------|--------|--------|--------|---------------|--------|---------------|--------|--------|
|  |  | 2023   | 2024   | 2023   | 2024   | 2023          | 2024   | 2023          | 2024   |        |
| Accounting, Auditing and Financial Reporting | Accounting, Auditing and Financial Reporting     | 4.50%  | 3.91%  | 4.62%  | 7.05%  | 1.74%         | 1.90%  | 2.50%         | 2.93%  | 2.46%  |
| Business Integrity                           | Bribery and Corruption                           | 0.92%  | 0.94%  | 1.76%  | 1.99%  | 0.36%         | 0.23%  | 2.85%         | 1.53%  | 0.50%  |
|  | Confidential and Proprietary Information         | 1.10%  | 1.09%  | 0.72%  | 0.94%  | 0.37%         | 0.34%  | 0.52%         | 0.62%  | 0.57%  |
|  | Conflicts of Interest                            | 10.31% | 9.63%  | 12.86% | 12.91% | 4.69%         | 4.65%  | 8.00%         | 8.07%  | 5.21%  |
|  | Data Privacy and Protection                      | 6.31%  | 5.21%  | 4.65%  | 4.10%  | 3.64%         | 3.35%  | 1.47%         | 1.21%  | 4.95%  |
|  | Free and Fair Competition                        | 0.34%  | 0.33%  | 0.31%  | 0.40%  | 0.05%         | 0.05%  | 0.38%         | 0.48%  | 0.11%  |
|  | Global Trade                                     | 0.45%  | 0.28%  | 0.16%  | 0.16%  | 0.06%         | 0.03%  | 0.07%         | 0.05%  | 0.06%  |
|  | Human Rights                                     | 0.24%  | 0.33%  | 0.22%  | 0.41%  | 0.10%         | 0.09%  | 0.61%         | 0.82%  | 0.13%  |
|  | Insider Trading                                  | 0.06%  | 0.07%  | 0.02%  | 0.04%  | 0.01%         | 0.01%  | 0.05%         | 0.04%  | 0.02%  |
|  | Other Business Integrity                         | 9.70%  | 11.43% | 10.89% | 11.70% | 14.93%        | 22.59% | 13.08%        | 11.59% | 20.54% |
|  | Political Activity                               | 0.04%  | 0.04%  | 0.02%  | 0.02%  | 0.01%         | 0.01%  | 0.03%         | 0.02%  | 0.01%  |
|  | Product Quality and Safety                       | 0.48%  | 0.60%  | 0.57%  | 0.49%  | 0.44%         | 0.62%  | 0.19%         | 0.41%  | 0.64%  |
| Workplace Conduct                            | Compensation and Benefits                        | 2.76%  | 1.50%  | 0.56%  | 0.49%  | 3.16%         | 2.57%  | 0.63%         | 0.62%  | 2.08%  |
|  | Discrimination                                   | 8.71%  | 7.85%  | 4.35%  | 5.59%  | 9.07%         | 7.94%  | 6.99%         | 8.02%  | 7.09%  |
|  | Harassment                                       | 4.70%  | 5.28%  | 5.42%  | 7.71%  | 5.71%         | 5.23%  | 6.96%         | 9.74%  | 4.69%  |
|  | Other Human Resources                            | 22.95% | 23.71% | 25.40% | 22.65% | 29.63%        | 24.96% | 33.48%        | 29.29% | 25.30% |
|  | Retaliation                                      | 0.73%  | 0.76%  | 0.57%  | 0.82%  | 1.51%         | 1.42%  | 1.01%         | 1.27%  | 1.13%  |
|  | Substance Abuse                                  | 0.54%  | 0.54%  | 0.67%  | 0.18%  | 0.66%         | 0.64%  | 0.30%         | 0.36%  | 0.62%  |
|  | Workplace Civility                               | 8.98%  | 10.07% | 5.59%  | 7.69%  | 8.82%         | 7.78%  | 7.98%         | 8.42%  | 7.71%  |
| Environment, Health and Safety               | Environment                                      | 0.10%  | 0.15%  | 0.03%  | 0.12%  | 0.14%         | 0.14%  | 0.15%         | 0.14%  | 0.14%  |
|  | Health and Safety                                | 5.57%  | 6.43%  | 5.49%  | 5.05%  | 6.75%         | 6.71%  | 4.89%         | 4.23%  | 6.75%  |
|  | Imminent Threat to a Person, Animals or Property | 0.11%  | 0.13%  | 0.10%  | 0.17%  | 0.24%         | 0.36%  | 0.12%         | 0.16%  | 0.36%  |
| Misuse or Misappropriation of Assets         | Misuse or Misappropriation of Assets             | 4.95%  | 3.89%  | 10.89% | 3.60%  | 3.71%         | 4.87%  | 2.57%         | 3.05%  | 4.11%  |
| Other  | Other  | 5.45%  | 5.83%  | 4.14%  | 5.72%  | 4.19%         | 3.51%  | 5.18%         | 7.00%  | 4.83%  |

## Report Risk Categories and Risk Types – Reporter Allegations Versus Inquiries

### Inquiries remain small share of reports

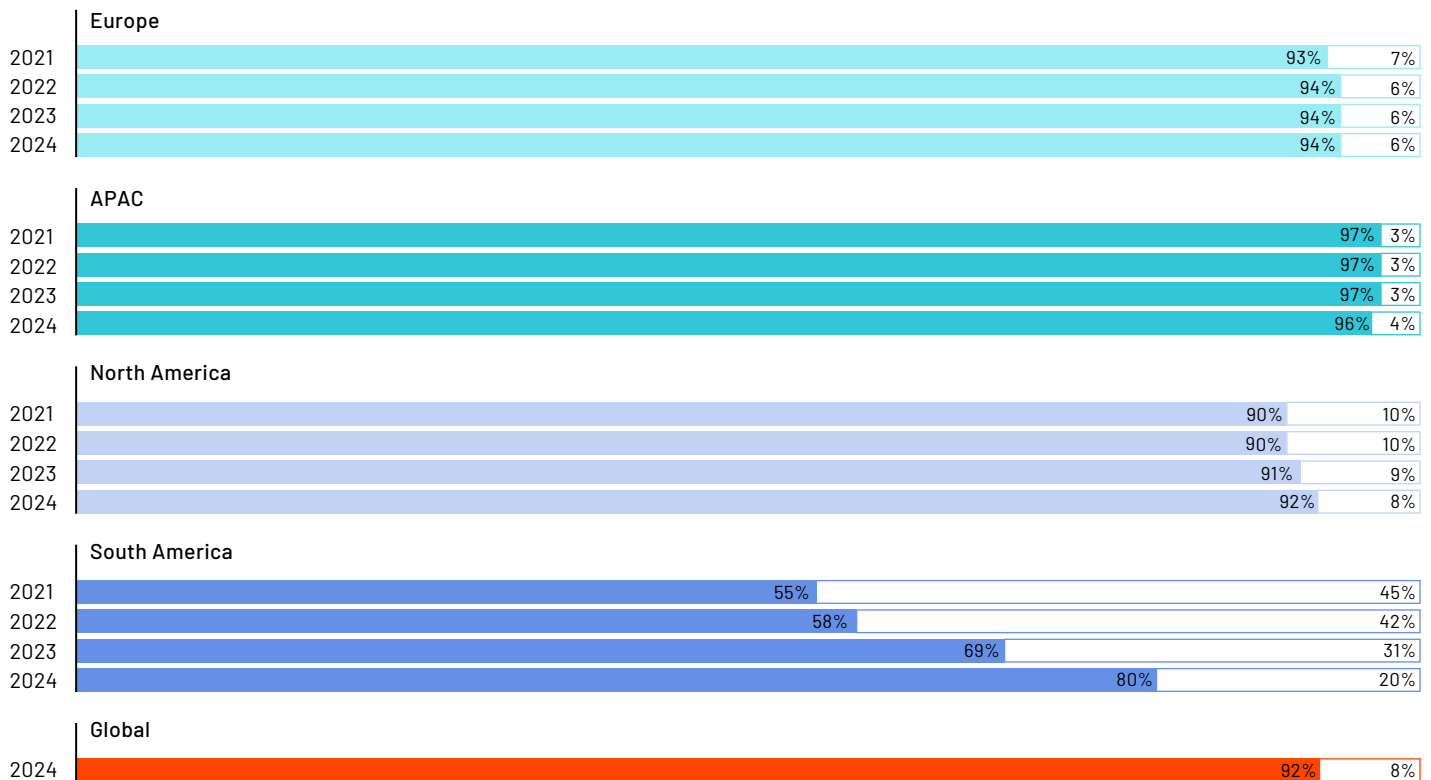
This metric categorizes reports made by employees as either an allegation or an inquiry. Both types of reports provide valuable insight. Allegations are important points of concern or incidents employees have trusted their organization to investigate. Inquiries are questions, requests for guidance, etc.,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

Perhaps most importantly, inquiries are often the precursor to an allegation. Often an employee will check to ensure they properly understand a policy or process before reporting suspected wrongdoing related to that policy or process.

**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



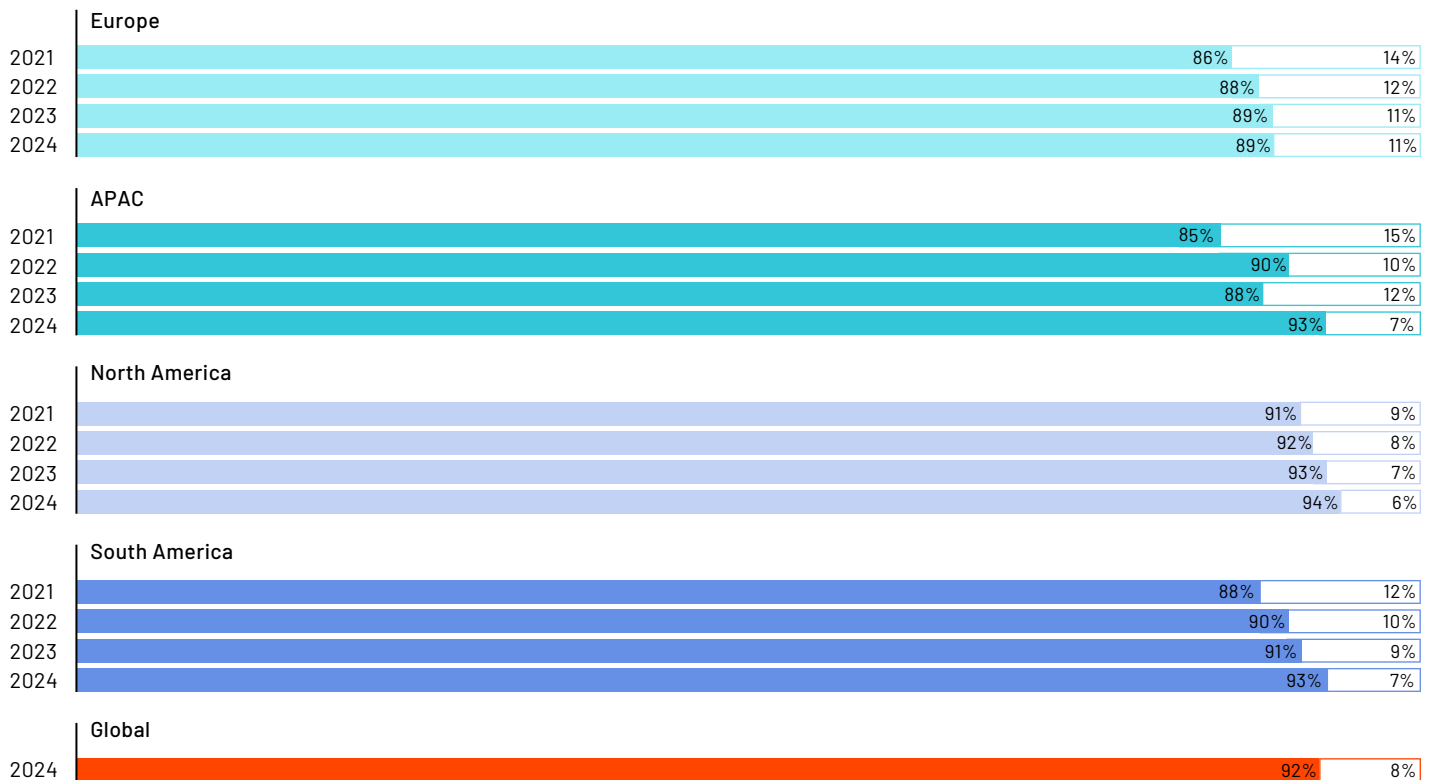
## Findings

Organizations based in South America again show the greatest share of inquiries compared to allegations across regions in 2024. However, that frequency, as in other regions generally, continues to decline over multiple years. This general trend is also seen by report origination region. It is also a concerning one – employees and other potential reporters should feel confident in their ability to ask questions without fear of retaliation to inform better reporting and, generally, understanding of policies and potential misconduct.



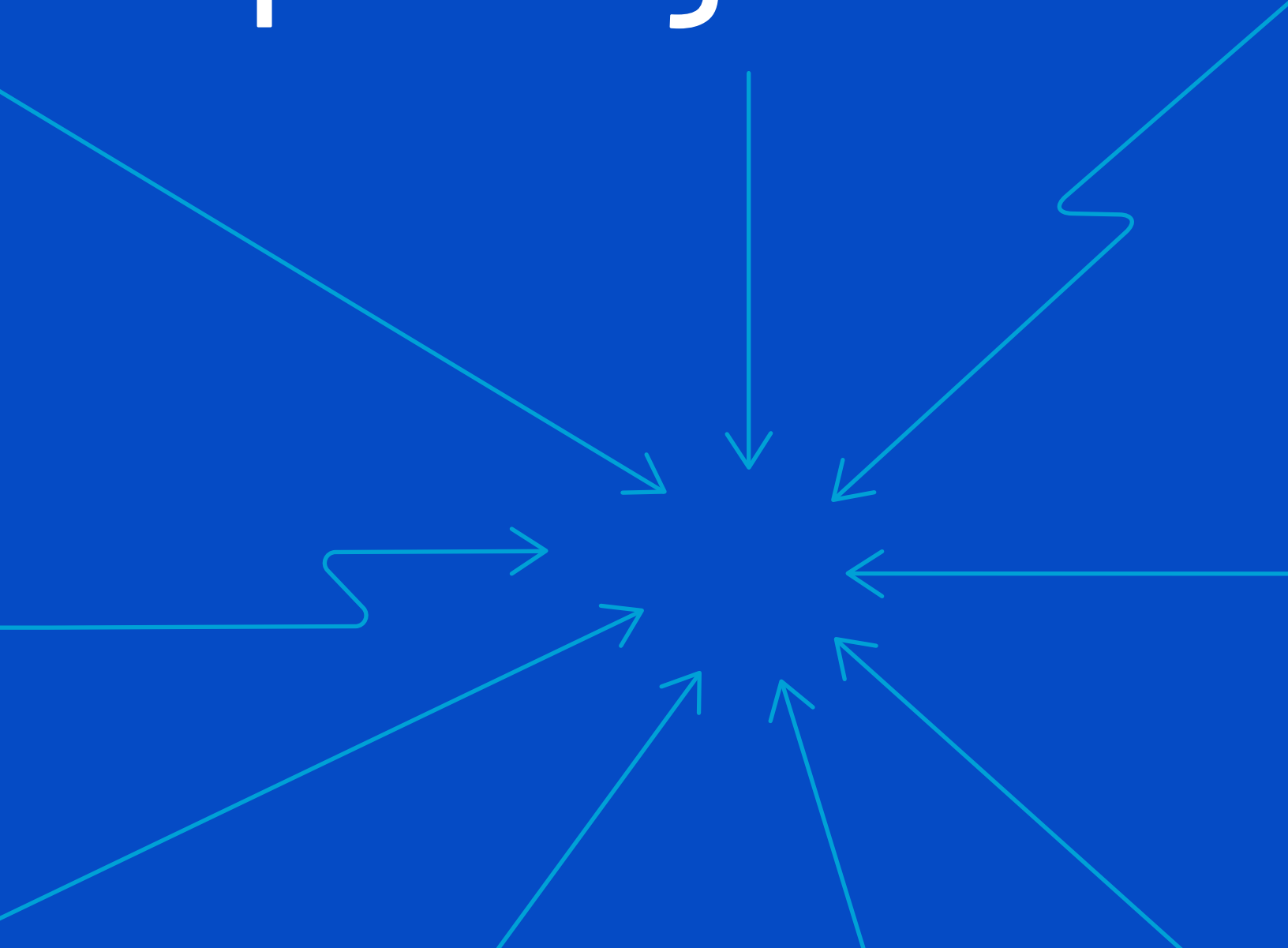
### REPORT ORIGINATION REGION

#### RISK CATEGORIES AND RISK TYPES – REPORTER ALLEGATIONS VERSUS INQUIRIES Frequency distribution by report origination region



03

# Anonymous Reporting Rate



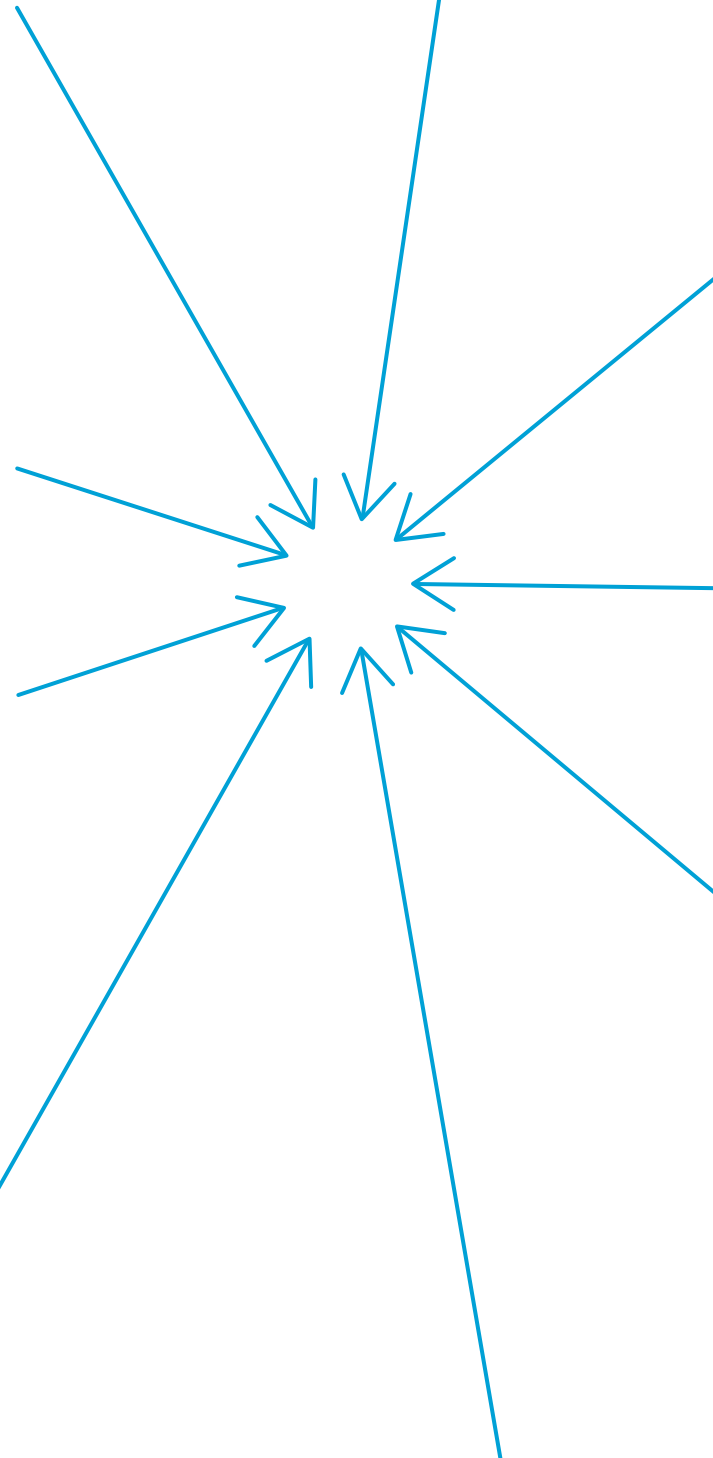
# 03 Anonymous Reporting Rate

## 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

By all measures, the median *Anonymous Reporting Rate* has increased across all regions since 2021 yet leveled off comparing 2023 and 2024. Organizations based in North America again showed the lowest median rate of anonymous reporting compared to those in other regions, at 52% in 2024. However, as in recent years, it was reporting activity occurring in Europe that was least likely to be anonymous (50%).



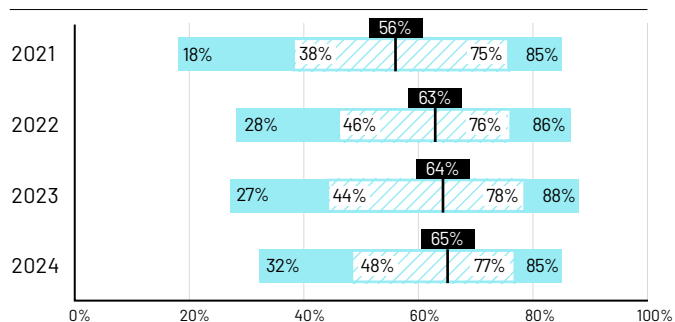
### HQ REGION

## ANONYMOUS REPORTING RATE – MEDIAN COMPARISONS

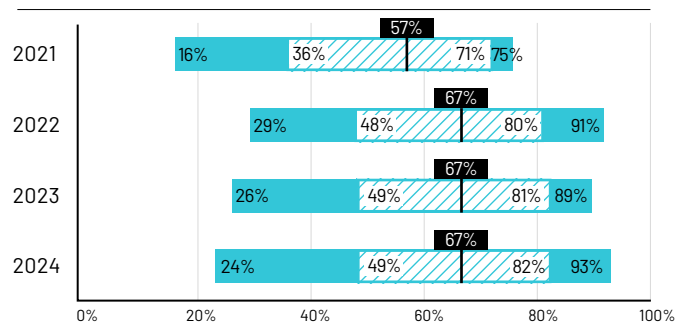
Median reporting value (MRV) and ranges by headquarters region

Median | Central 80% Range  
Central 50% Range

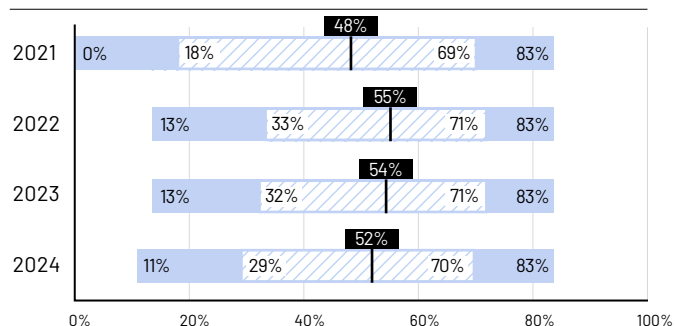
### Europe



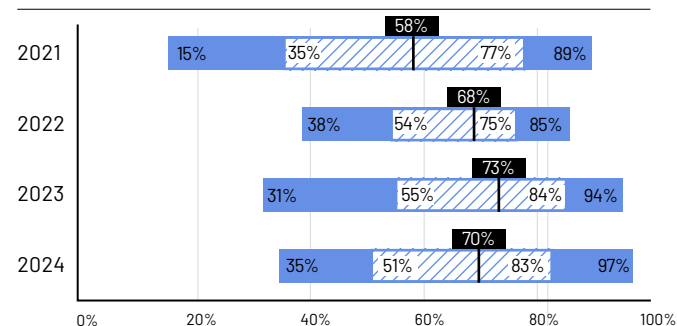
### APAC



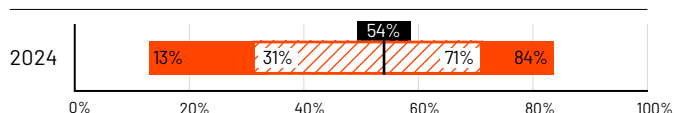
### North America



### South America



### Global

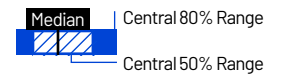




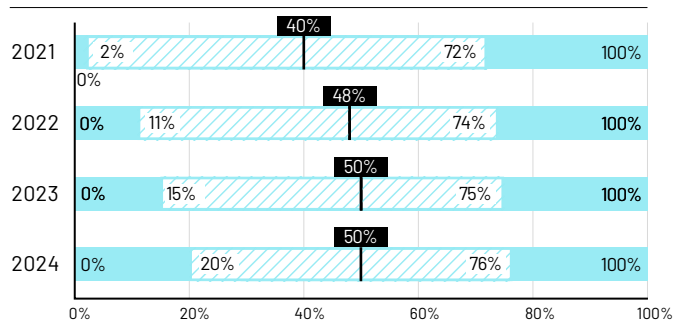
REPORT ORIGINATION REGION

### ANONYMOUS REPORTING RATE – MEDIAN COMPARISONS

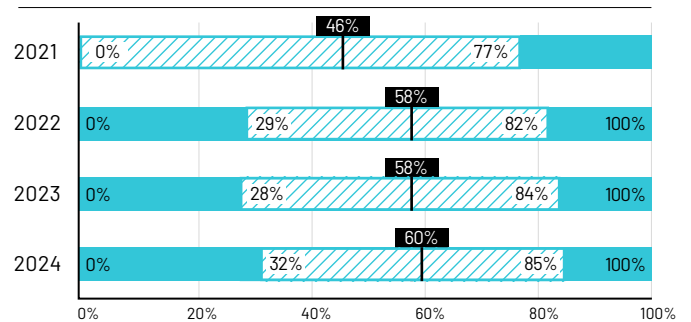
Median reporting value (MRV) and ranges by report origination region



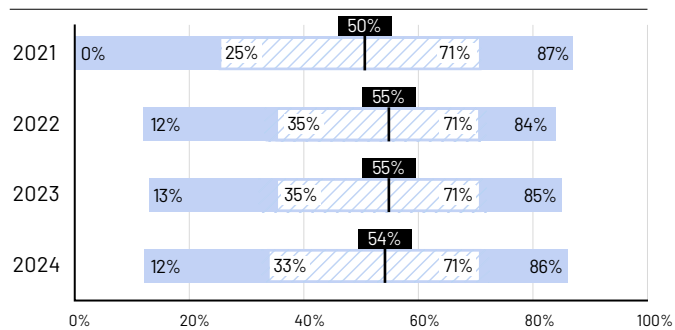
#### Europe



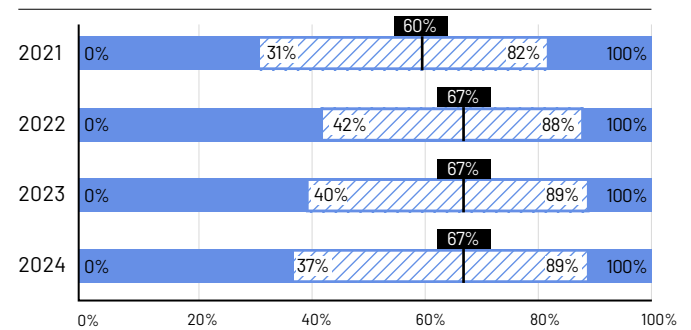
#### APAC



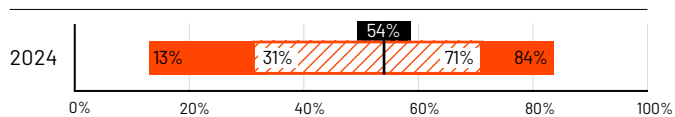
#### North America



#### South America



#### Global



## Anonymous Reporting Rate by Organization Employee Count

Anonymous reporting generally lower for larger organizations

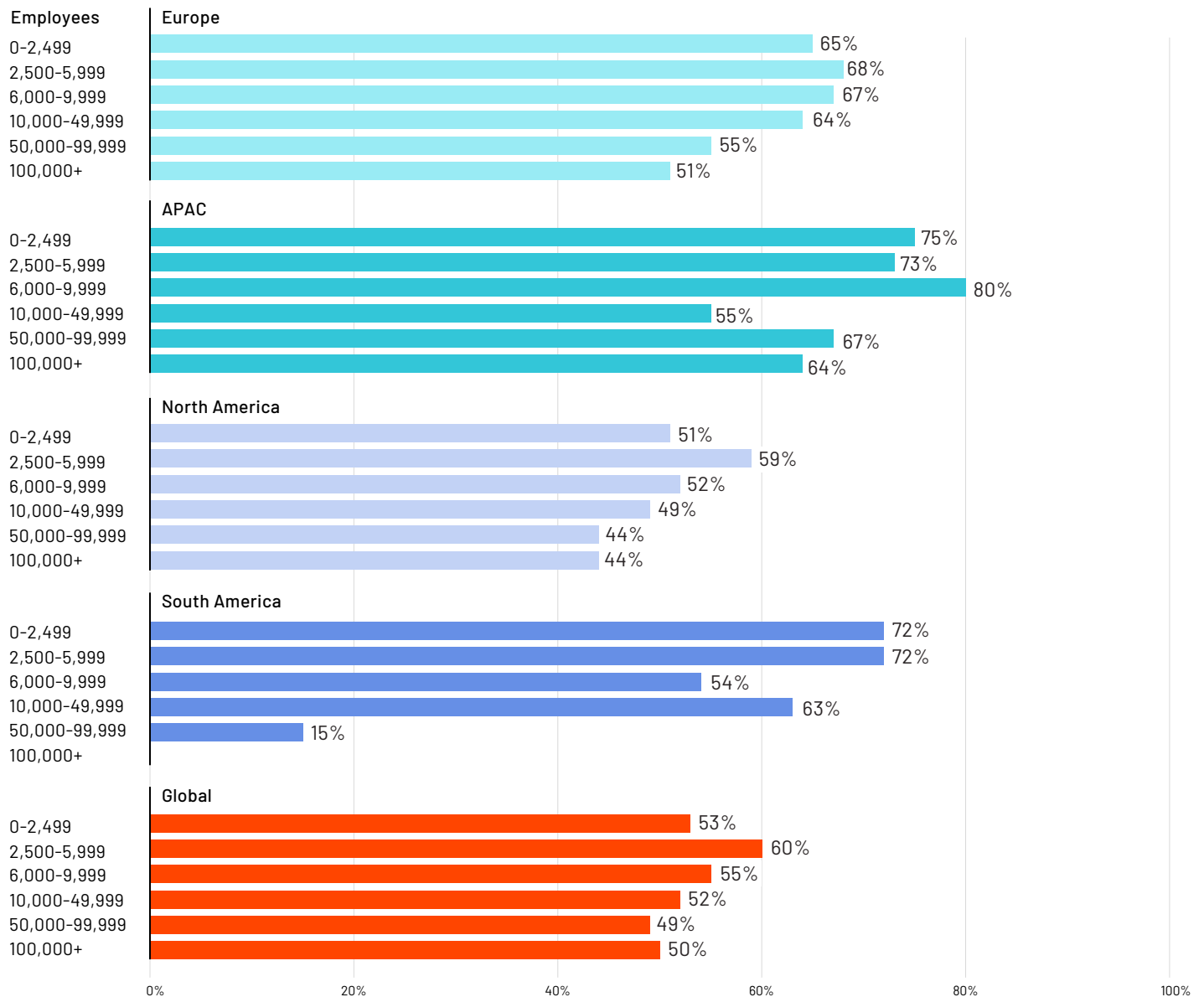
### Findings

Anonymous Reporting Rate is generally lower for the largest organizations. Setting aside South America-based organizations due to our smaller sample set, this appears especially true for larger North America-based organizations with less than half of median reporting value registering as anonymous, above 10,000 employees.

— HQ REGION

### ANONYMOUS REPORTING RATE BY ORGANIZATION EMPLOYEE COUNT

Median reporting value (MRV) by headquarters region



## Follow-Up Rate to Anonymous Reports

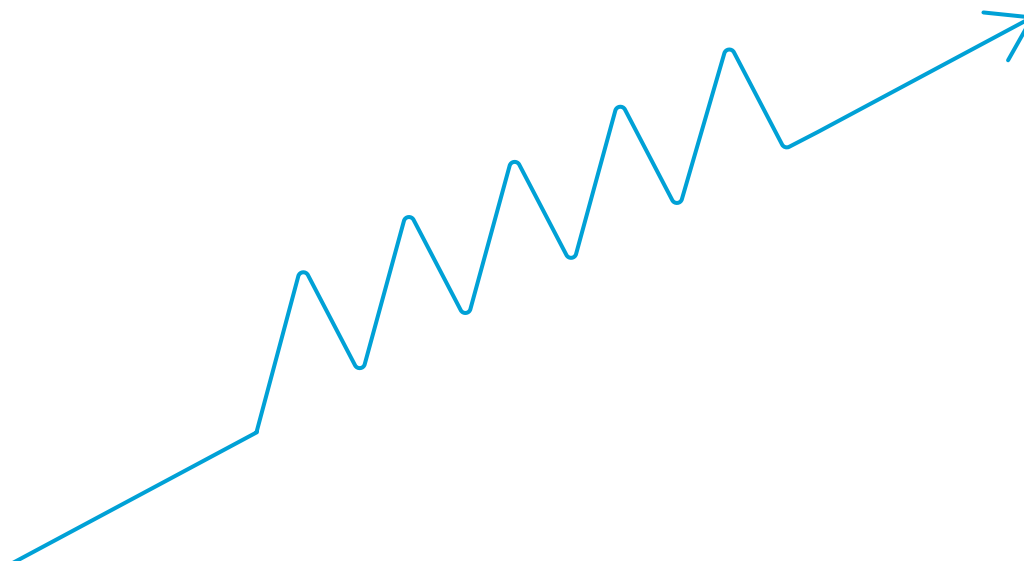
### Europe and APAC again show greater follow-up rates than Americas

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 of follow-up by anonymous reporters in 2024. 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 in 2024. Generally, the follow-up rate to anonymous reports has been trending down, which is a trend to watch given the positive contribution this program function can have in assisting the investigation process.



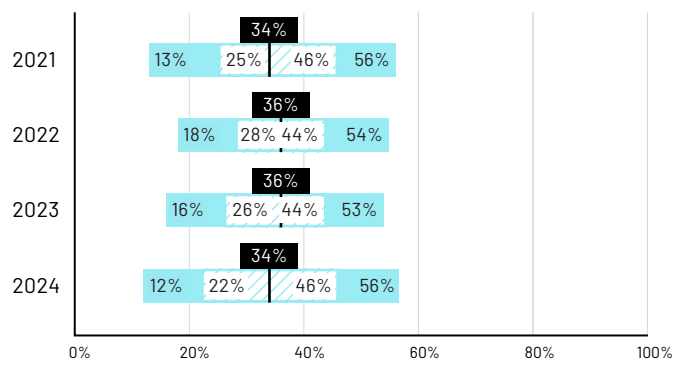
HQ REGION

## ANONYMOUS REPORTING RATE - FOLLOW-UP RATE TO ANONYMOUS REPORTS

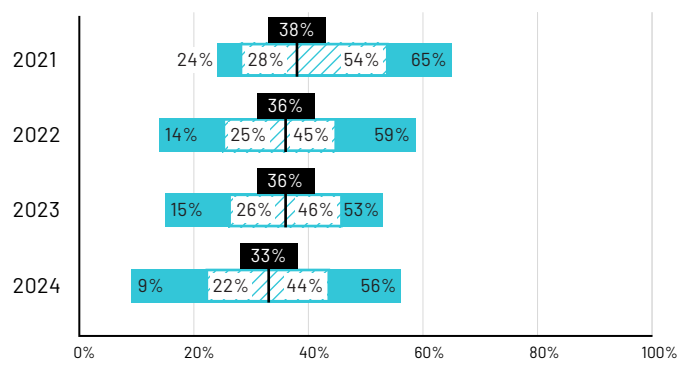
Median reporting value (MRV) and ranges by headquarters region

Median | Central 80% Range  
Central 50% Range

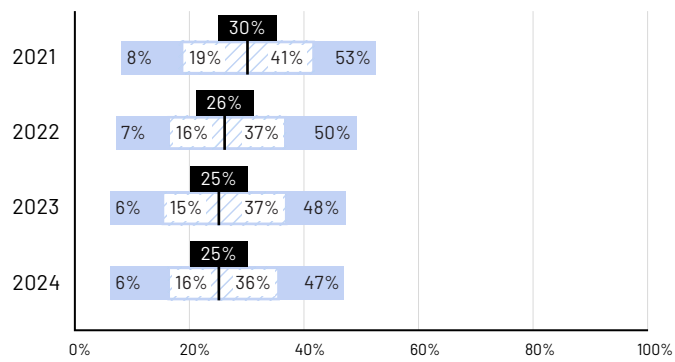
### Europe



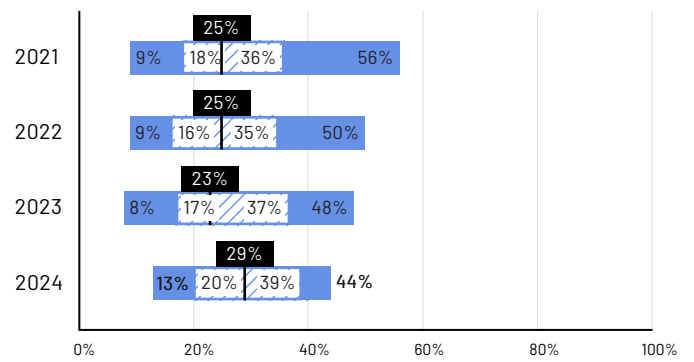
### APAC



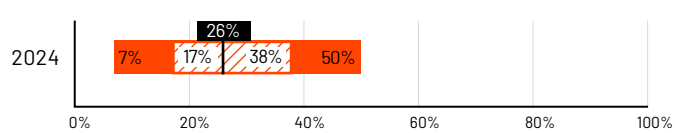
### North America



### South America



### Global



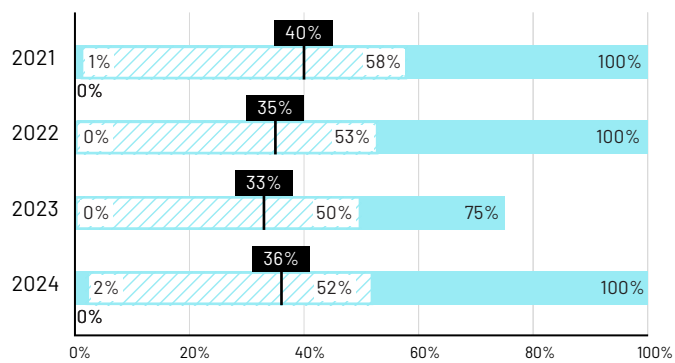
REPORT ORIGINATION REGION

## ANONYMOUS REPORTING RATE - FOLLOW-UP RATE TO ANONYMOUS REPORTS

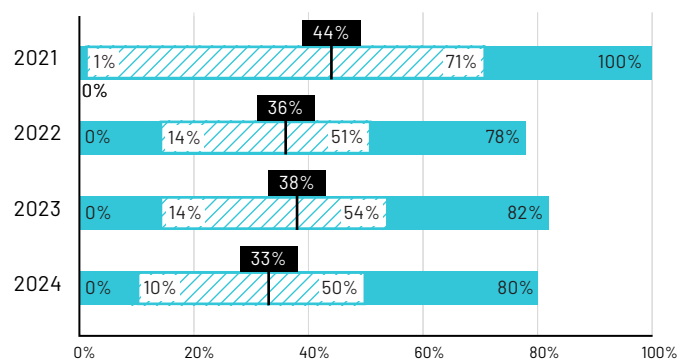
Median reporting value (MRV) and ranges by report origination region

Median  
Central 80% Range  
Central 50% Range

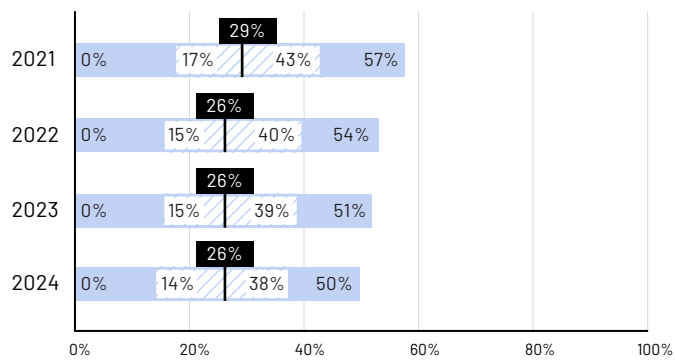
### Europe



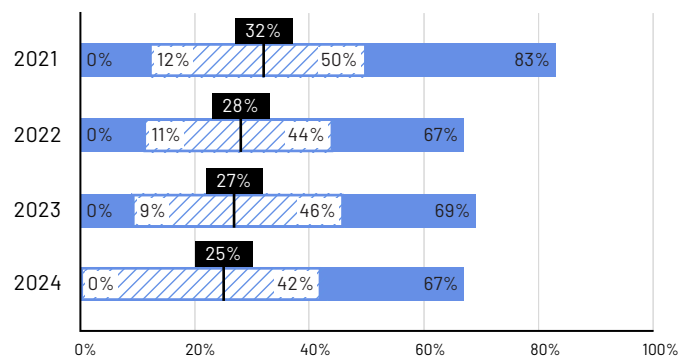
### APAC



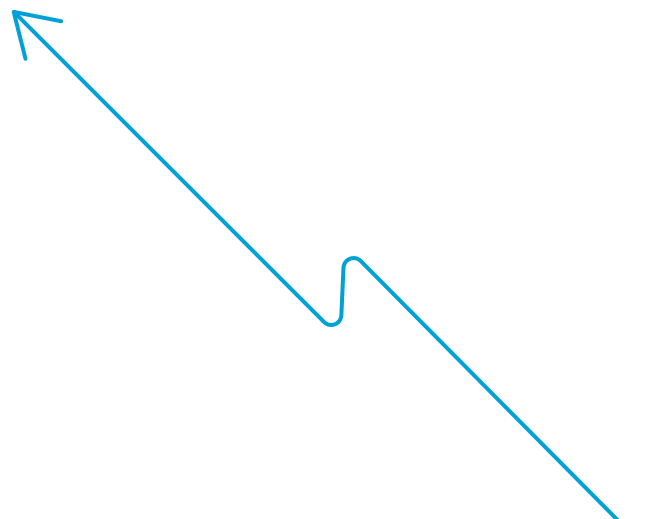
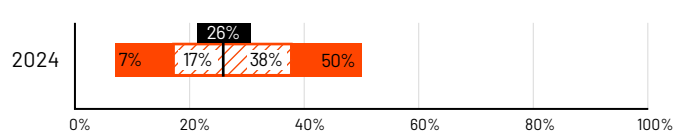
### North America



### South America



### Global



04

# Substantiation Rate

An abstract graphic on a blue background. Several light blue arrows of varying lengths point towards a central point on the right side of the page. A jagged, light blue line starts from the left edge and points towards the same central area. The overall composition is dynamic and modern.

# 04 Substantiation Rate

## Substantiation Rate – Median Comparisons

### Prior increases largely persist in 2024

The overall median *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. Inquiries are not included in this calculation.

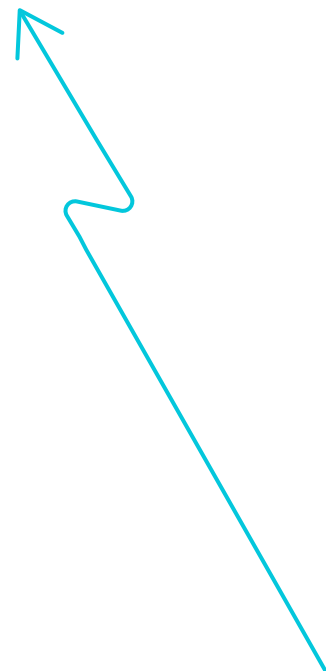
**How to calculate:** For overall *Substantiation Rate*: Divide the number of allegation reports that were closed as substantiated or partially substantiated by the total number of allegation reports that were closed as substantiated/partially substantiated or unsubstantiated as defined in this section.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

#### 1. Substantiated

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

#### 2. Unsubstantiated

Unsubstantiated Reports that when investigated prove to be inaccurate as reported



## Findings

Median *Substantiation Rate* was generally consistent across headquarters region and report origination comparing 2023 and 2024.

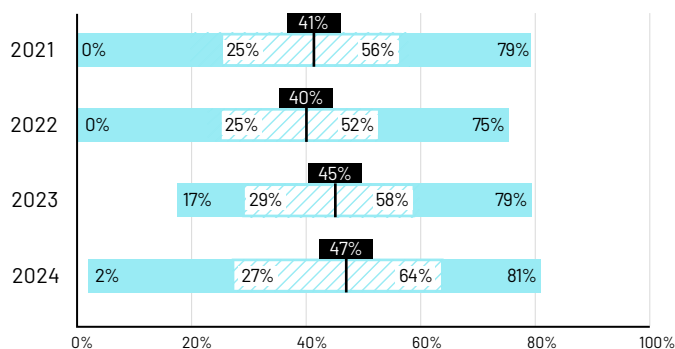
HQ REGION

### SUBSTANTIATION RATE – MEDIAN COMPARISONS

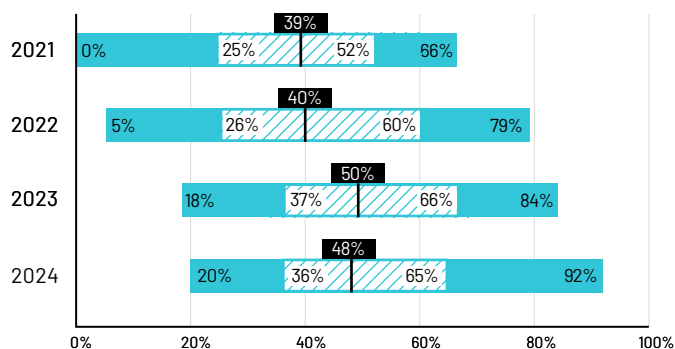
Median reporting value (MRV) and ranges by headquarters region

Median  
Central 80% Range  
Central 50% Range

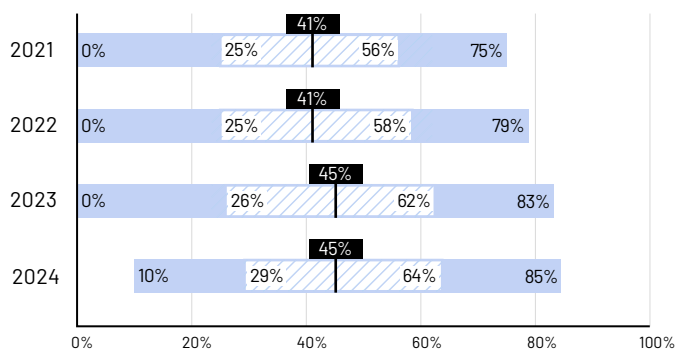
#### Europe



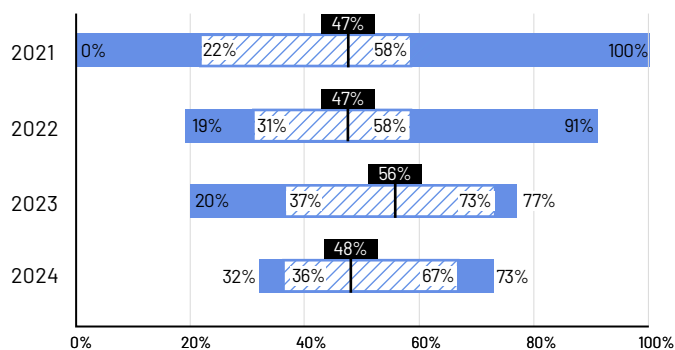
#### APAC



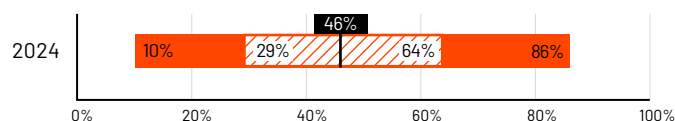
#### North America



#### South America



#### Global



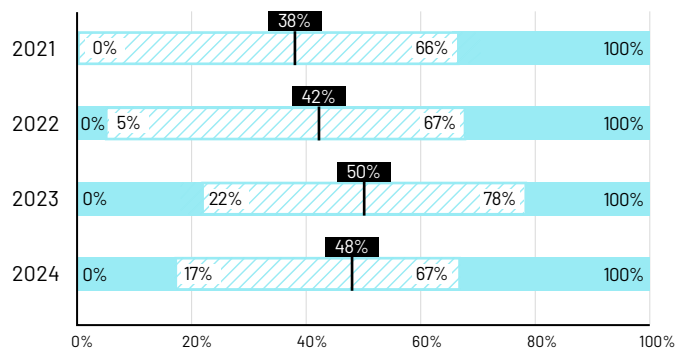
REPORT ORIGINATION REGION

## SUBSTANTIATION RATE - MEDIAN COMPARISONS

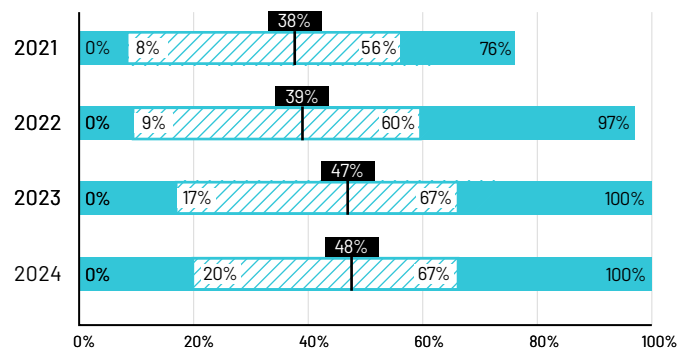
Median reporting value (MRV) and ranges by report origination region



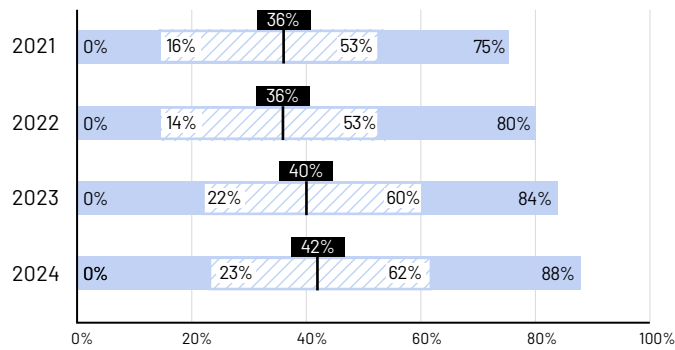
### Europe



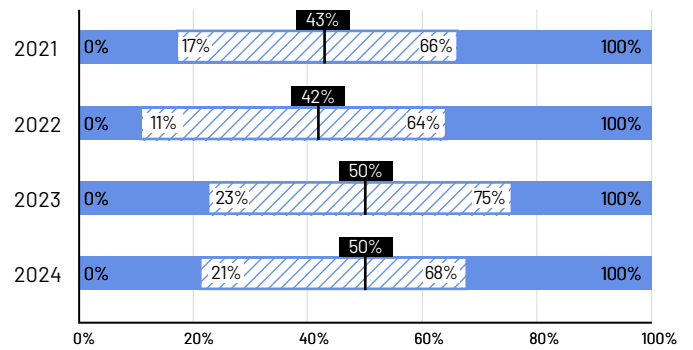
### APAC



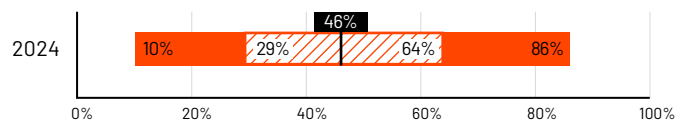
### North America



### South America



### Global



## Substantiation Rate by Risk Category

### Findings mixed by Risk Categories

#### Findings

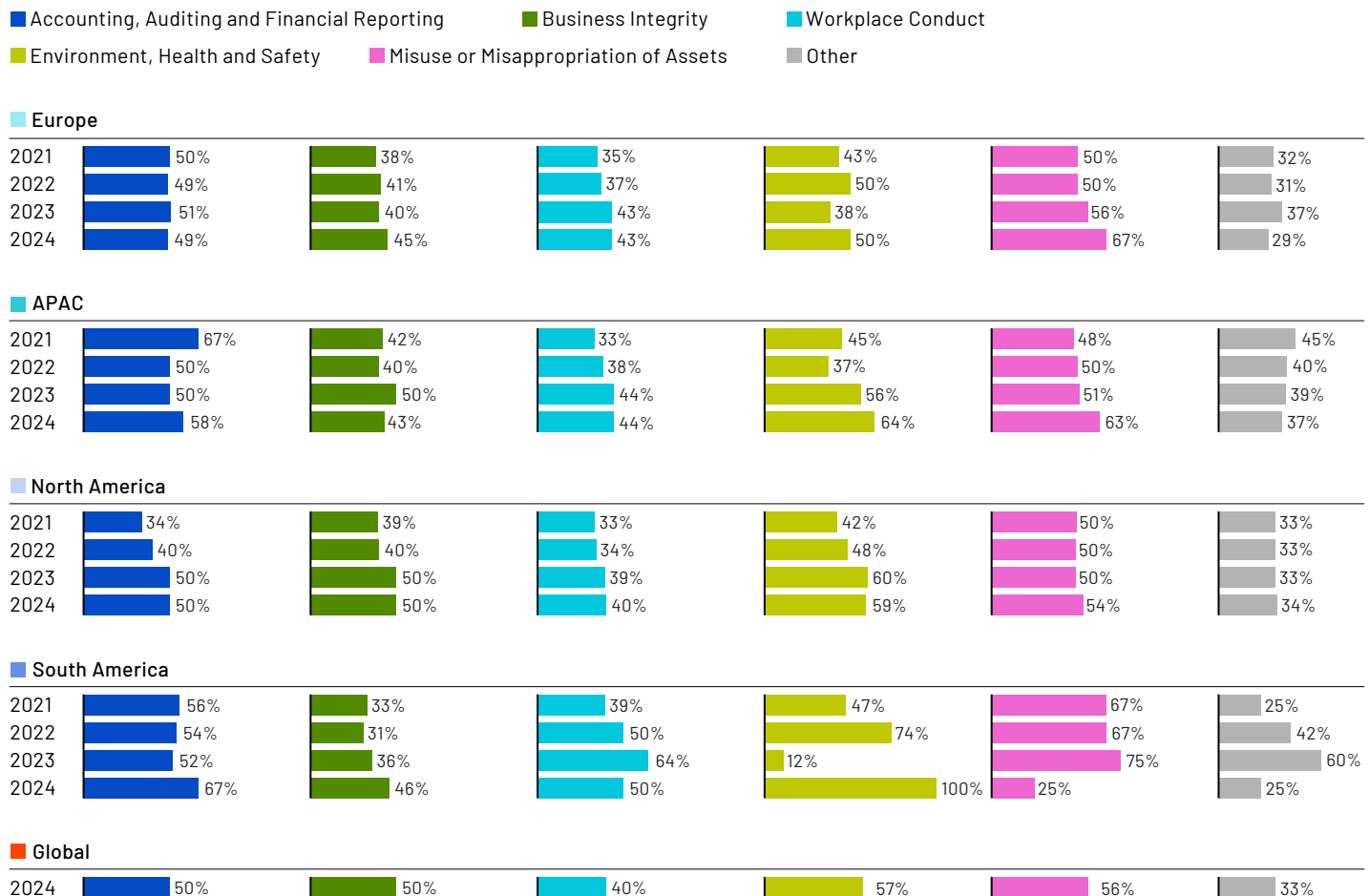
Analysis of Risk Category across region, headquarters location, report origination – and also for this benchmarking metric, *Substantiation Rate* – creates a nuanced benchmarking opportunity for organizations. Trends may be less settled due to

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.

— HQ REGION

#### SUBSTANTIATION RATE BY RISK CATEGORY

Median reporting value (MRV) by headquarters region

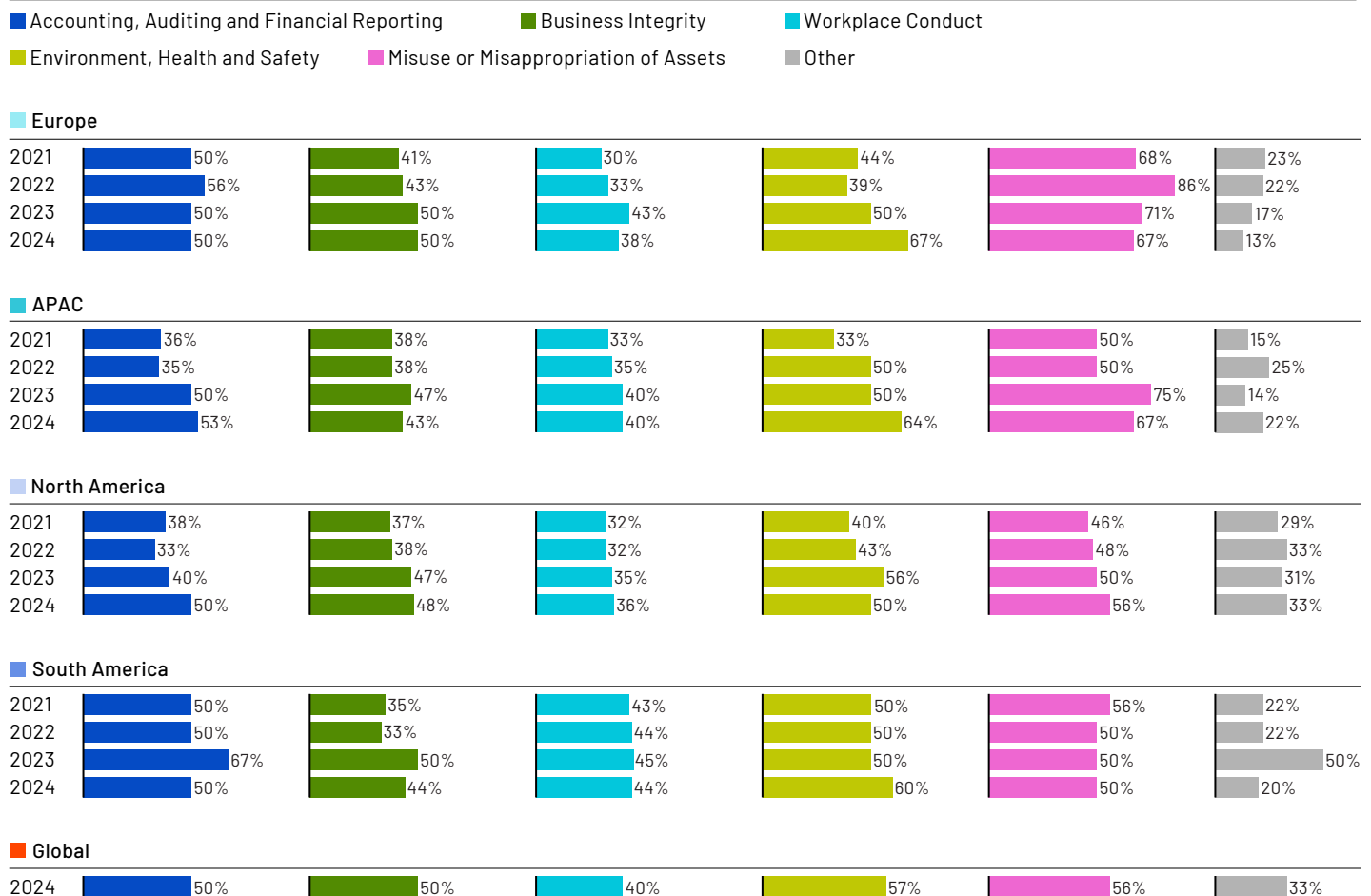


By headquarters location, the median *Substantiation Rate* increased in the *Misuse or Misappropriation of Assets* for all regions apart from South America. *Environment, Health and Safety* substantiation increased in all regions apart from North America, where it was level. Trends were roughly similar by report origination.

REPORT ORIGINATION REGION

### SUBSTANTIATION RATE BY RISK CATEGORY

Median reporting value (MRV) by report origination region



## Substantiation Rate of Anonymous Versus Named Reports

Substantiation generally rising over multiple years

### Findings

Looking across recent years, median *Substantiation Rate* for both named and anonymous reports appears to be rising generally across global regions. This may represent a positive signal in the improving ability for organizations to support “quality”

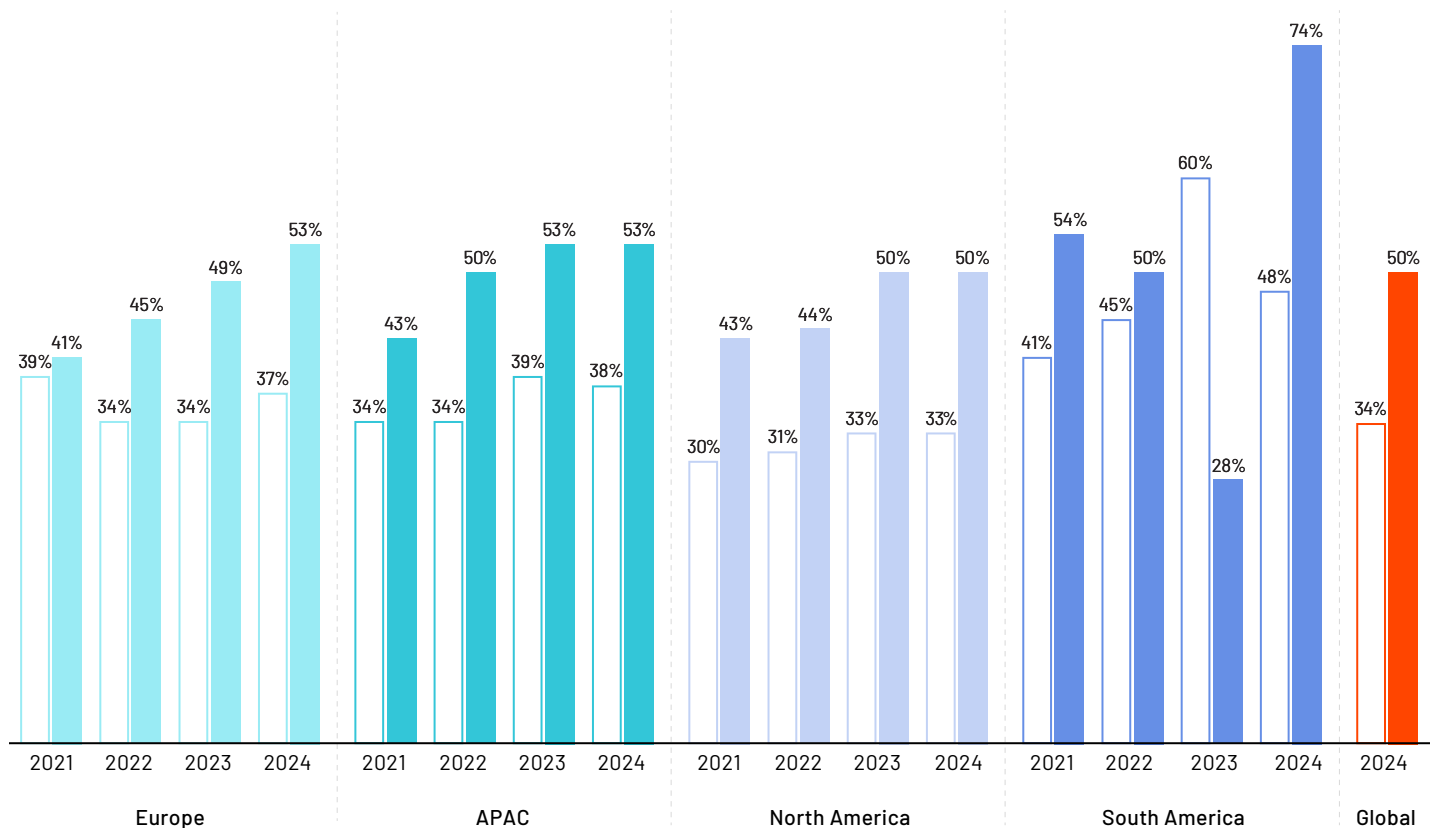
reporting, including the ability for reporters to access resources to educate themselves about policies and potential misconduct. As may be expected, substantiation is better when reporters choose to provide their name as opposed to remaining anonymous.

HQ REGION

### SUBSTANTIATION RATE OF ANONYMOUS VERSUS NAMED REPORTS

Median reporting value (MRV) for anonymous substantiation by headquarters region

□ Anonymous ■ Named



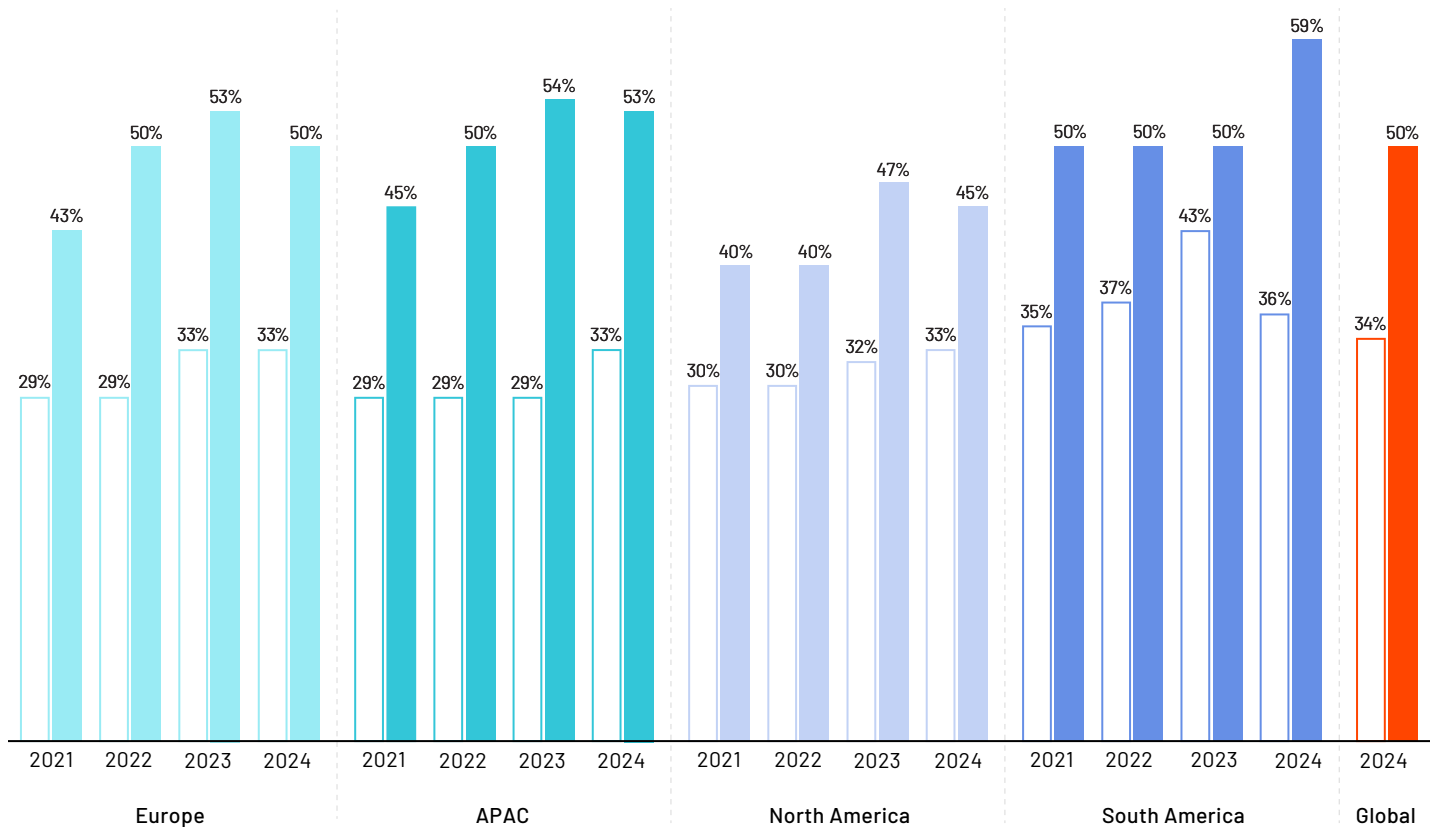


REPORT ORIGINATION REGION

## SUBSTANTIATION RATE OF ANONYMOUS VERSUS NAMED REPORTS

Median reporting value (MRV) for anonymous substantiation by report origination region

□ Anonymous ■ Named



## Substantiation Rate by Employee Count

Data mixed, with small-to-midsize organizations showing some of the best Substantiation Rates

### Findings

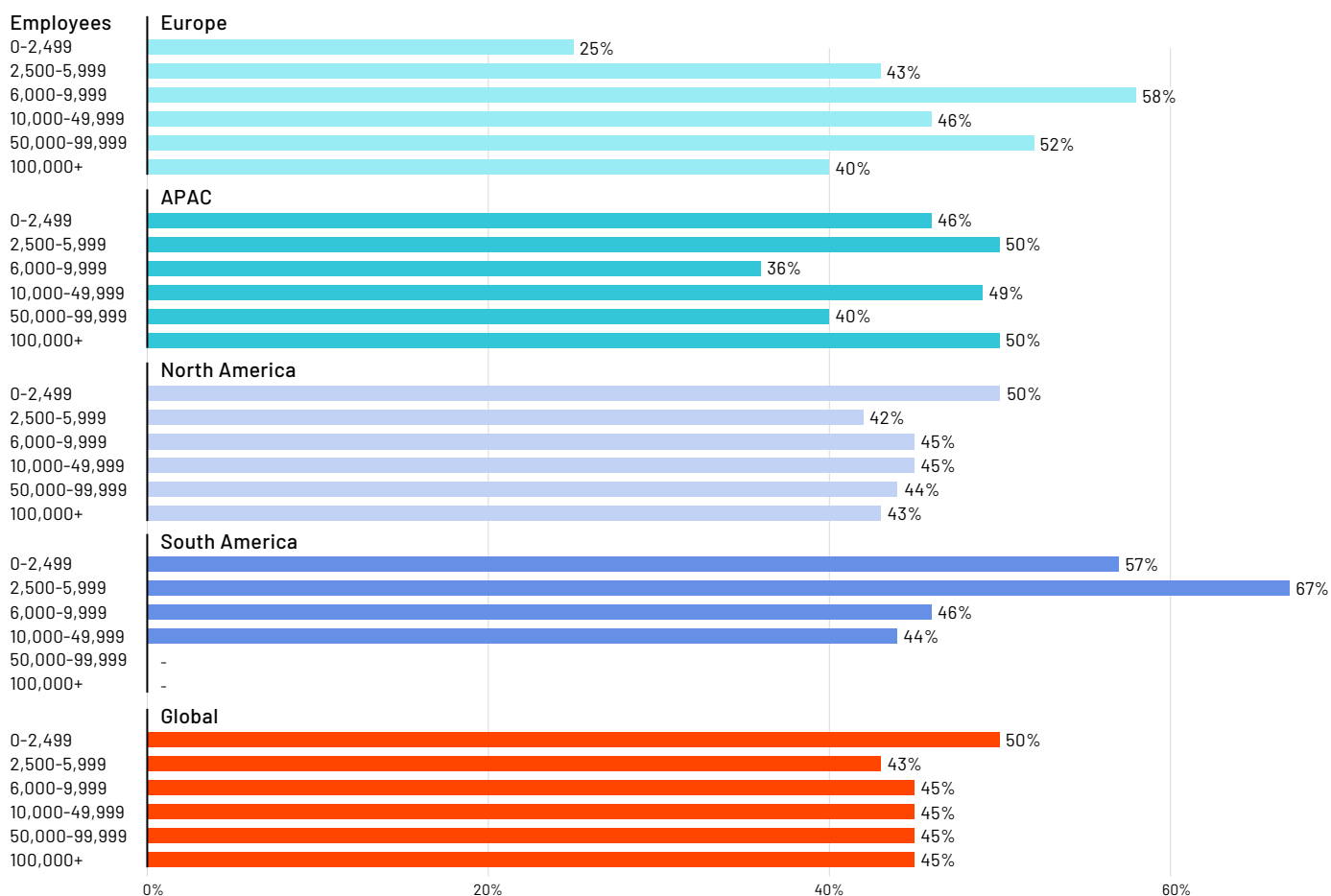
The largest organizations in our regional distributions did not register the greatest median Substantiation Rates. Data varies, but generally it is the small-to-midsize organizations that top

the list for each region. The exception in 2024 was Europe where only 25% of the cases in the small (0-2,499 employees) organizations were substantiated. Small organizations may wish to review this finding and ensure that investigative processes are effective.

HQ REGION

### SUBSTANTIATION RATE BY EMPLOYEE COUNT

Median reporting value (MRV) for anonymous substantiation by headquarters region



05

# Case Closure Time

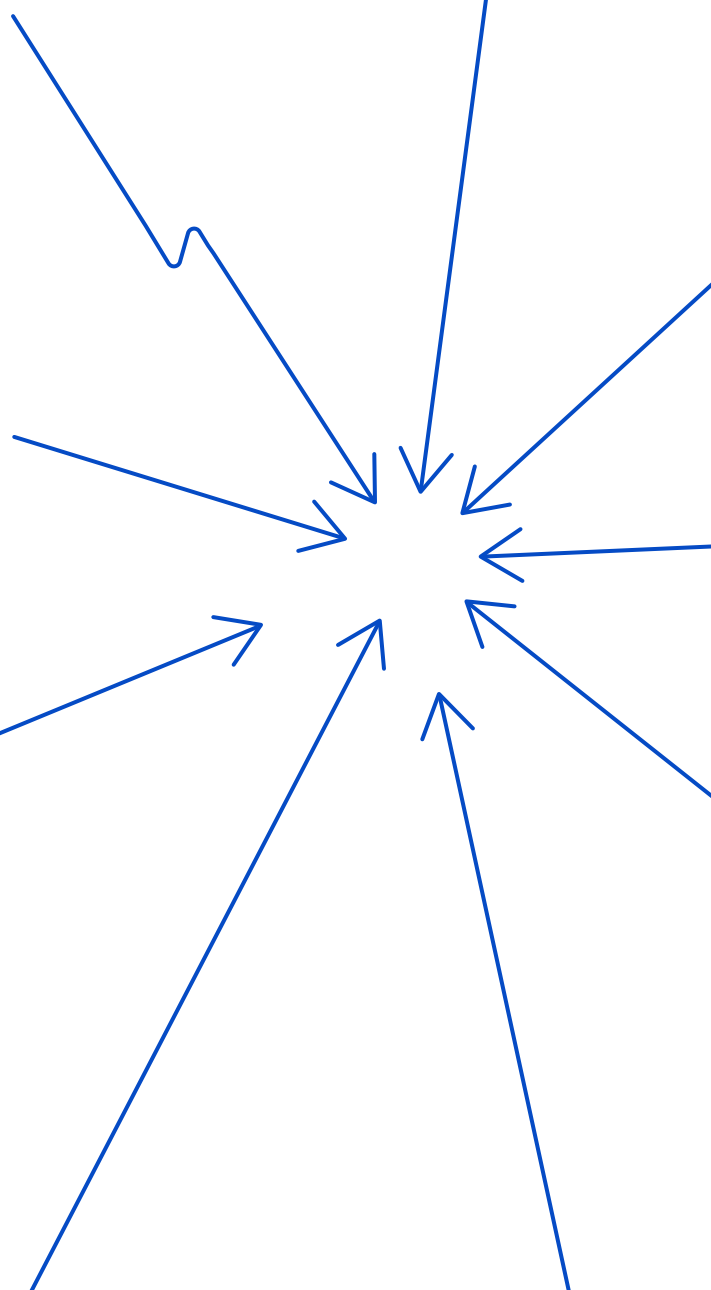
# 05 Case Closure Time

## Case Closure Time – Median Comparisons

### Far shorter closure times for North America versus other regions

*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.

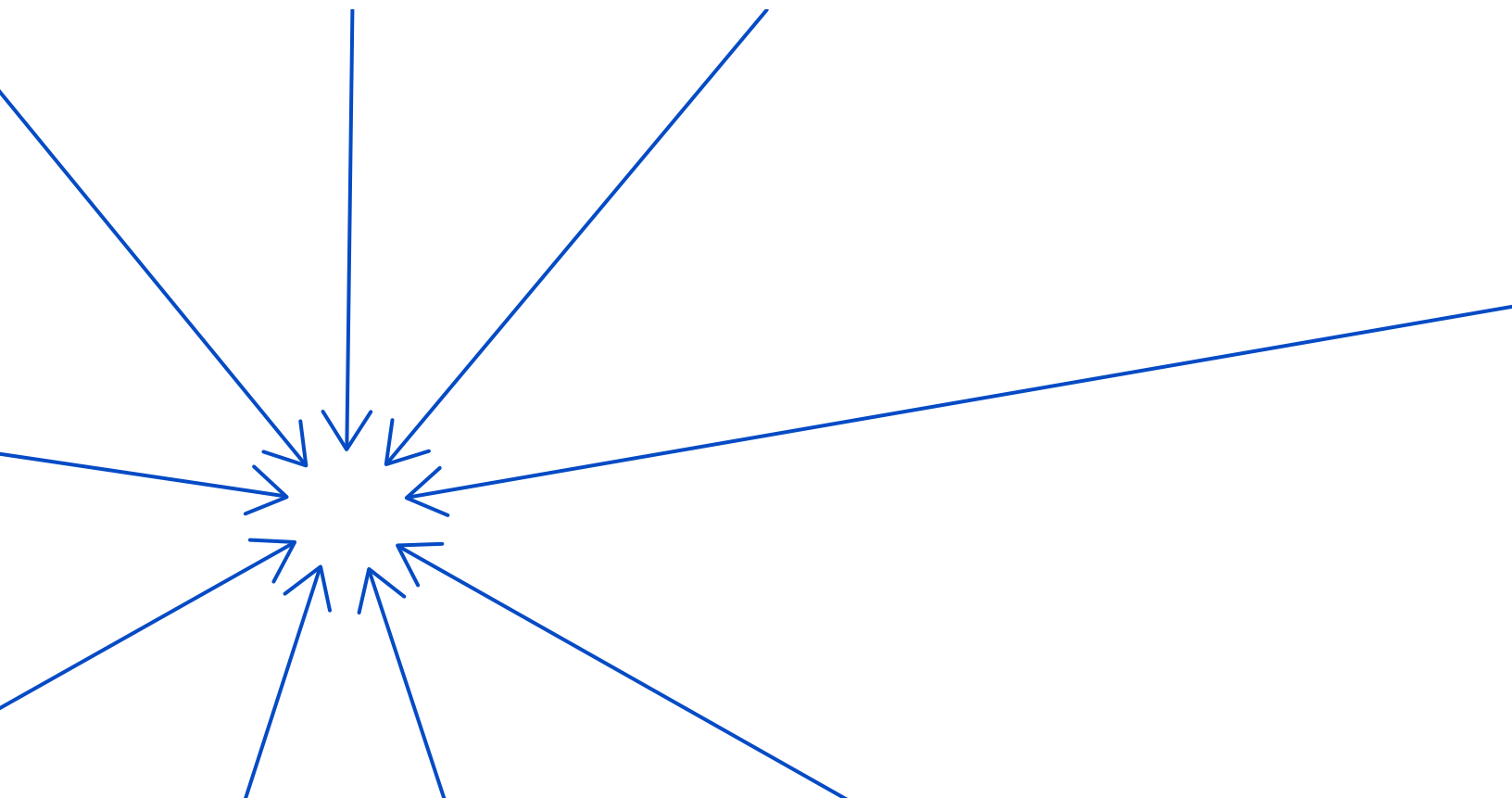
**How to calculate:** Calculate the number of days between the date a report is received and the date it is closed for each report. For median values, find the middle point of the data – this is an important metric to explore, as it helps lessen the impact of outliers that can have a major impact on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



## Findings

North America continues to maintain the shortest median *Case Closure Time* among regions by both headquarters and report origination – by far. Closure time increased for companies based in every region apart from North America comparing 2023 and 2024, though declined or was level by report origination.

It is important to view this metric as it relates to *Substantiation Rate*. While efficient case closure helps to demonstrate to reporters that an organization takes allegations seriously, it is also important that effort does not come at the expense of investigation quality. *Substantiation Rate* is close for the four regions of this analysis, but organizations based in North America do indeed show the lowest median *Substantiation Rate*.

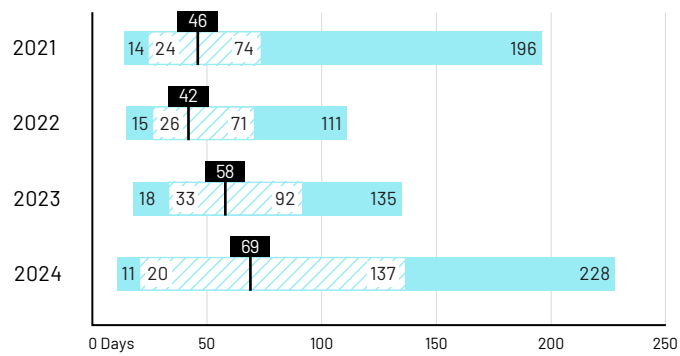


— HQ REGION

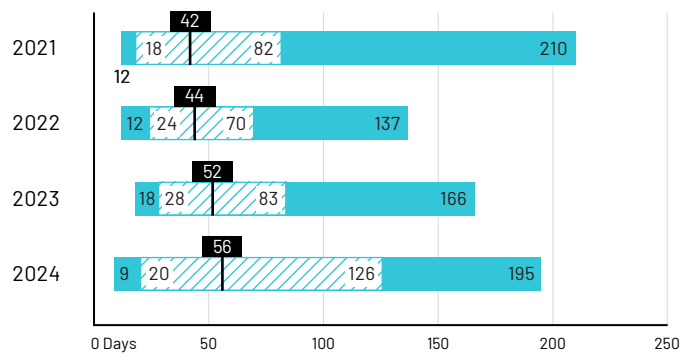
## CASE CLOSURE TIME – MEDIAN COMPARISONS

Median reporting value (MRV) by headquarters region

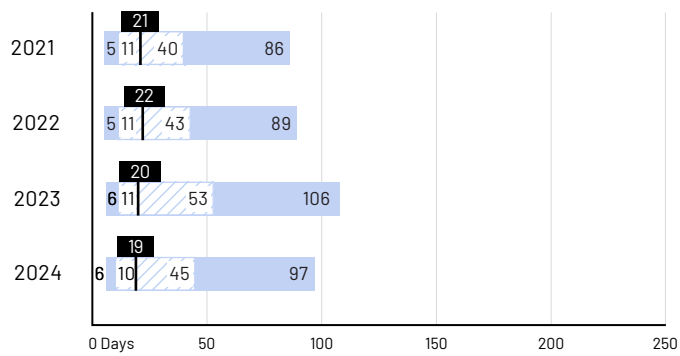
### Europe



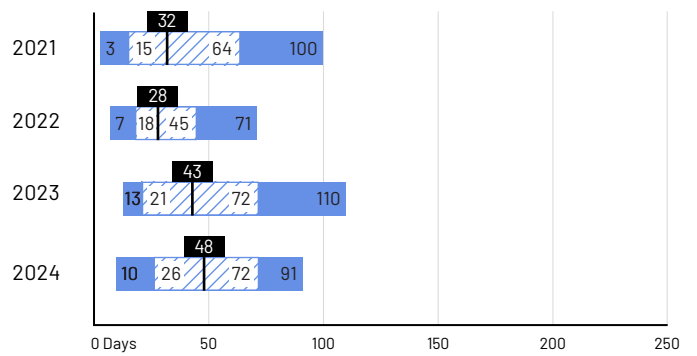
### APAC



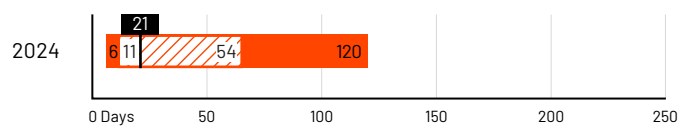
### North America



### South America



### Global

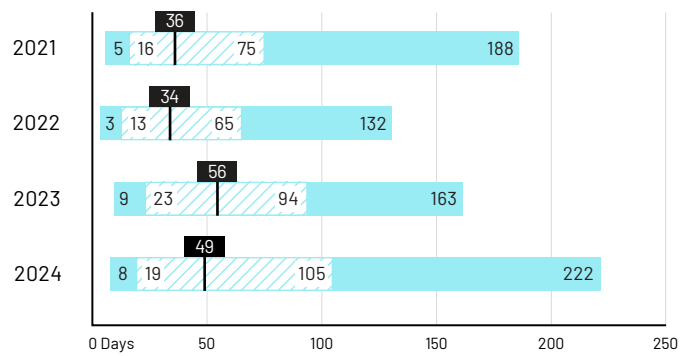


REPORT ORIGINATION REGION

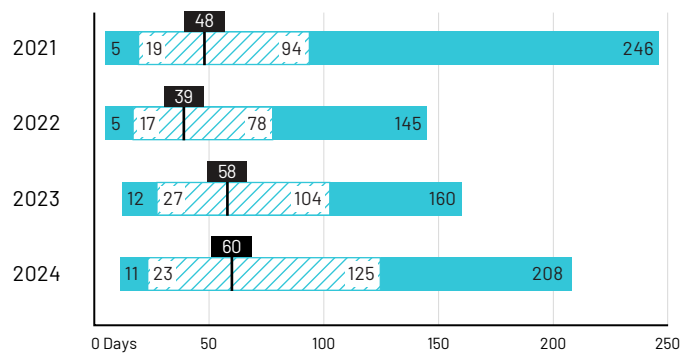
## CASE CLOSURE TIME – MEDIAN COMPARISONS

Median reporting value (MRV) by report origination region

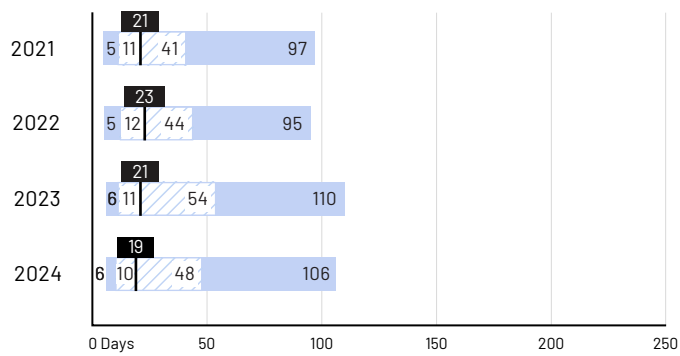
### Europe



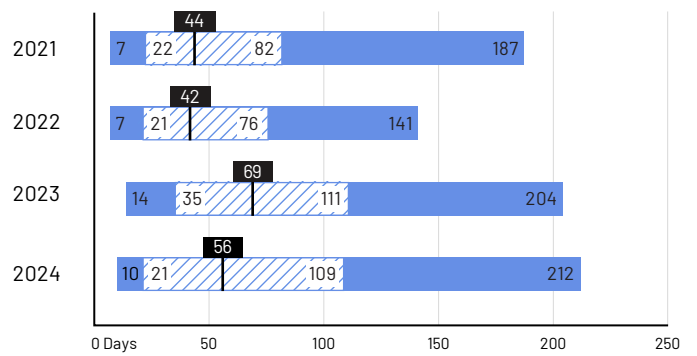
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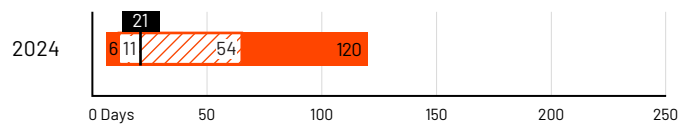
### North America

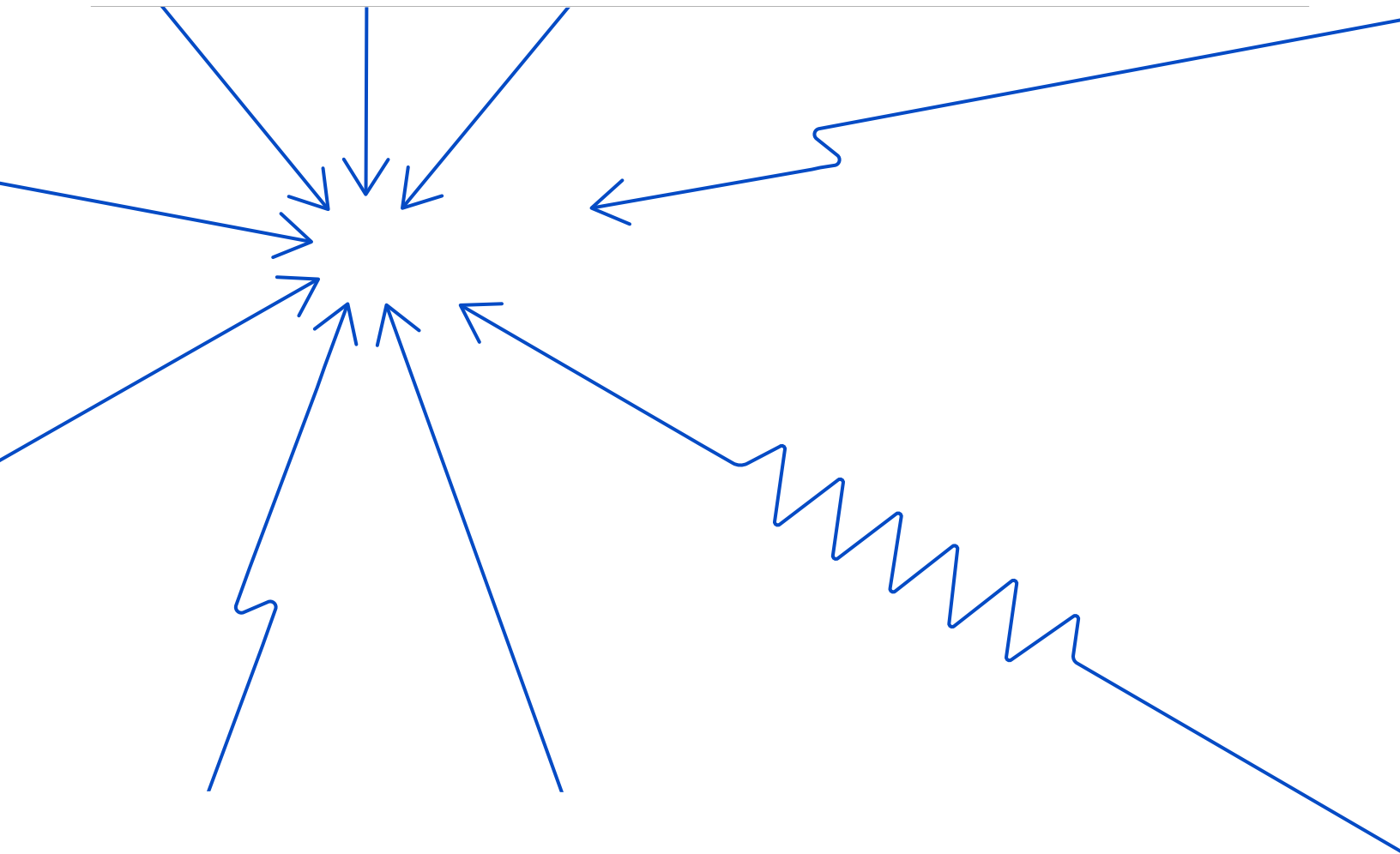


### South America



### Global





## Case Closure Time by Anonymous Versus Named Reports

### By origination, closure times decline across all regions

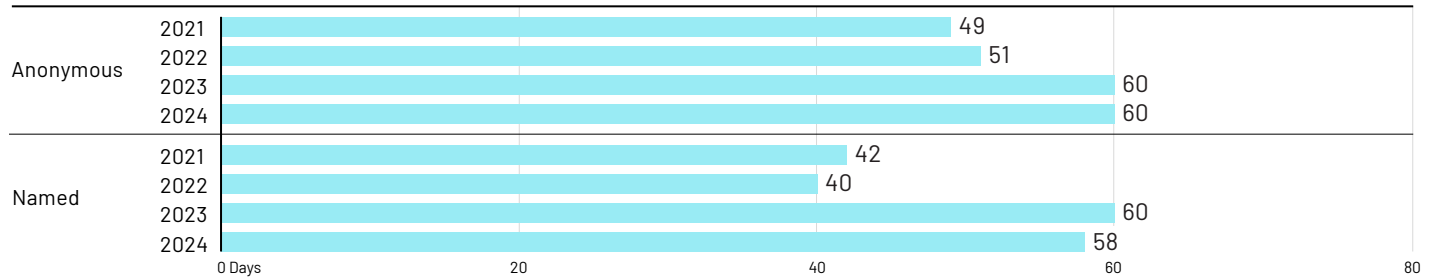
Cases where the reporter has provided their name generally show shorter *Case Closure Time* than anonymous reports. This variance is smallest for reporting involving Europe and North America by both headquarters and report origination. Year over year, closure times declined when viewed by region of origination.

— HQ REGION

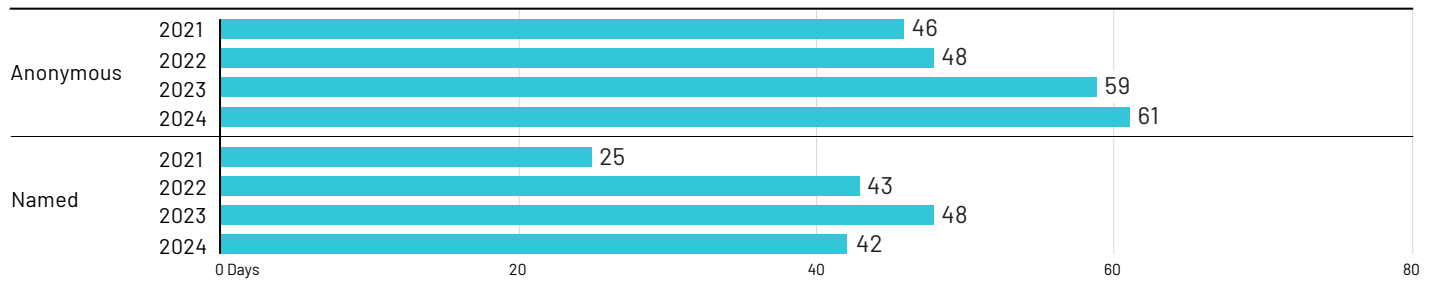
## CASE CLOSURE TIME BY ANONYMOUS VERSUS NAMED REPORTS

Median reporting value (MRV) by headquarters region

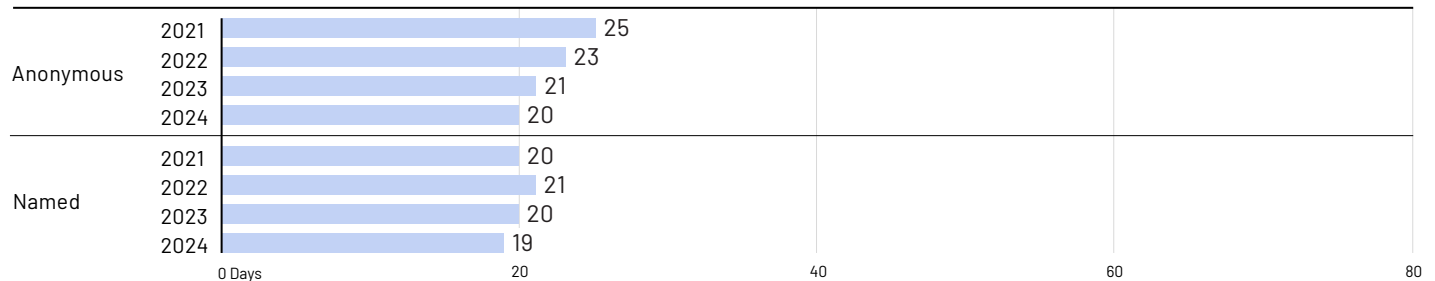
### Europe



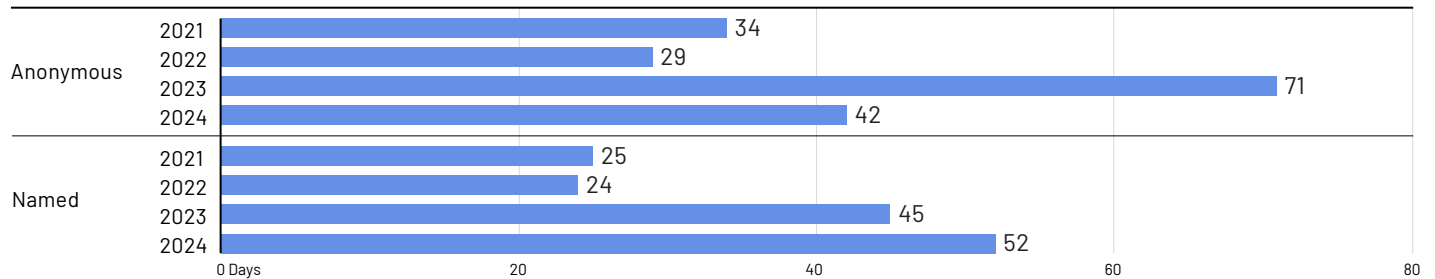
### APAC



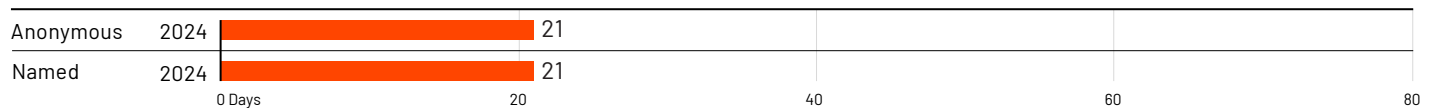
### North America



### South America



### Global

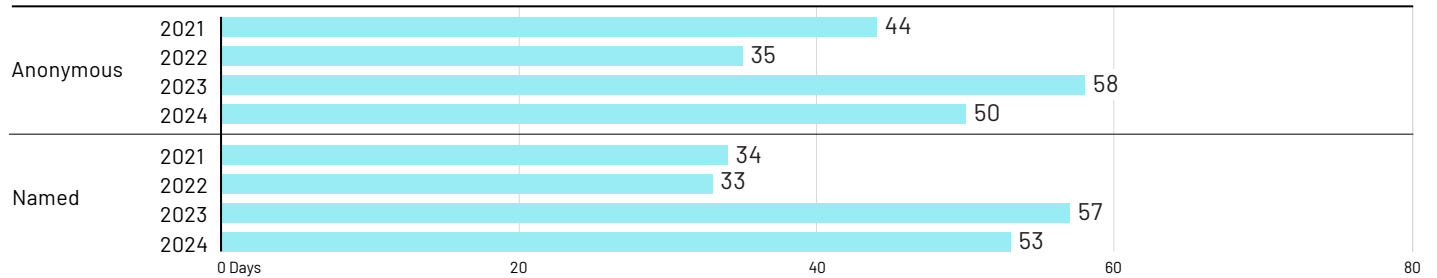


REPORT ORIGINATION REGION

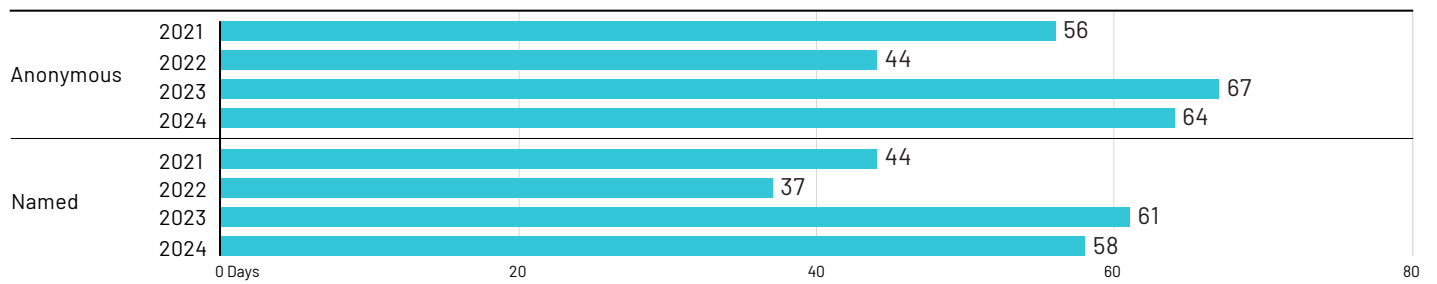
## CASE CLOSURE TIME BY ANONYMOUS VERSUS NAMED REPORTS

Median reporting value (MRV) by report origination region

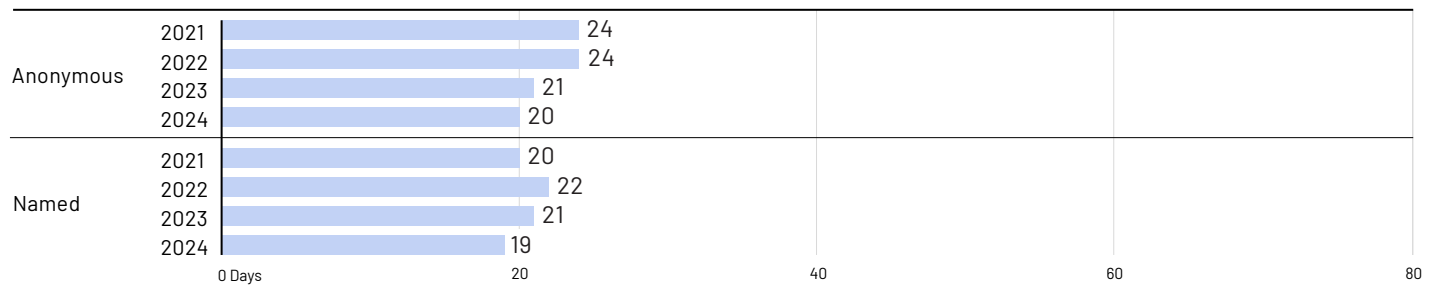
### Europe



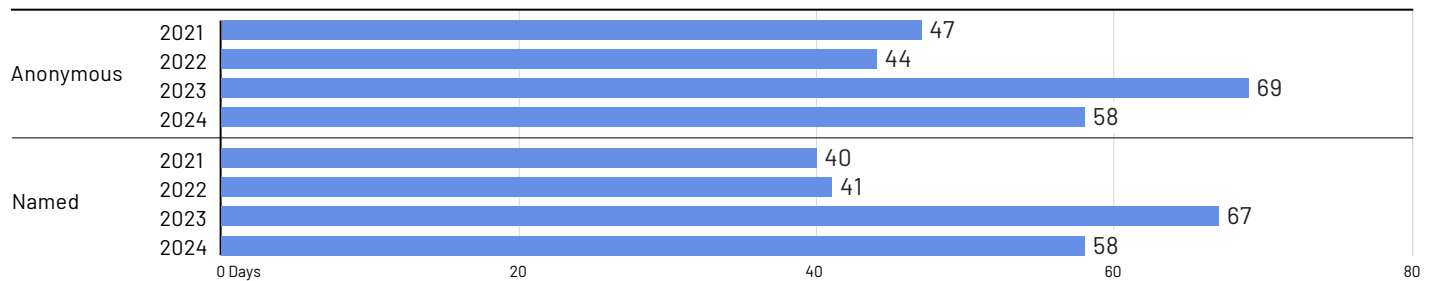
### APAC



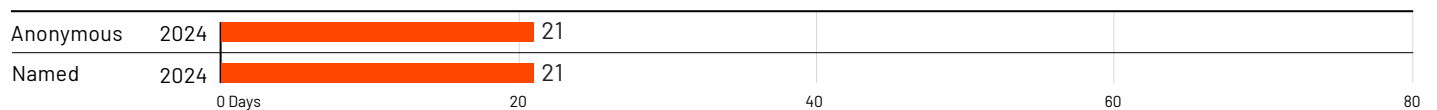
### North America



### South America



### Global



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

### North America shows shortest median time difference

This metric measures the number of 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.

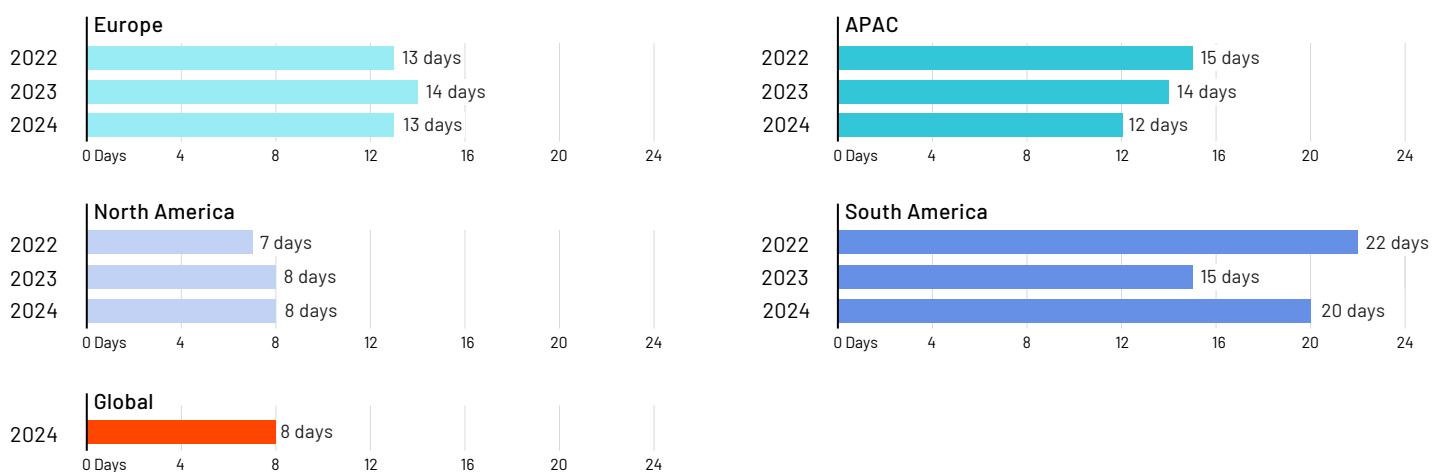
**How to calculate:** Find the time difference between the alleged incident date and the date the report was made for each report. For median values, find the middle point of the data – this is an important metric to explore, as it helps lessen the impact of outliers that can have a major impact on overall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

## Findings

By both headquarters region and report origination region, North America showed the shortest median *Time Difference Between Incident and Report Date*.

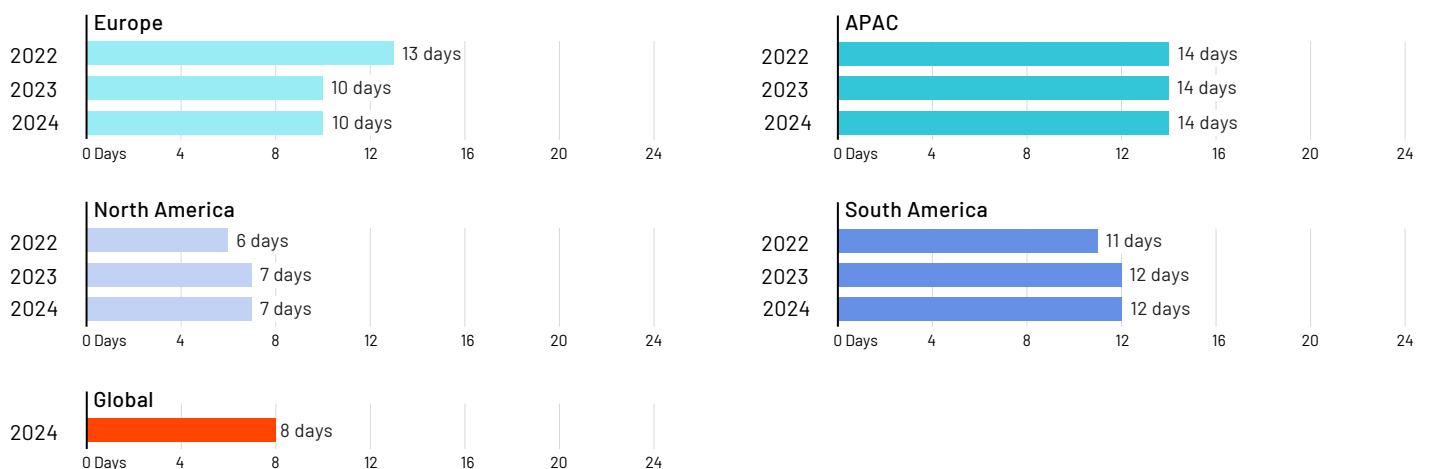
### HQ REGION

#### 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, MEDIAN COMPARISONS Median reporting value (MRV) by report origination region



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

### Acceleration seen for accounting-type reports

#### Findings

Organizations based in Europe, APAC or South America registered marked decreases in *Time Difference Between Incident and Report Date* for accounting-type cases comparing 2023 and 2024, while North America remained consistent.

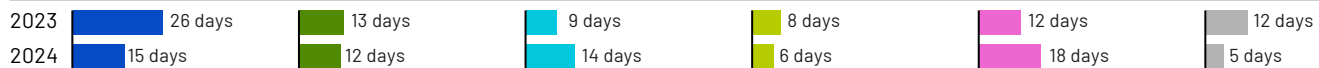
#### HQ REGION

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

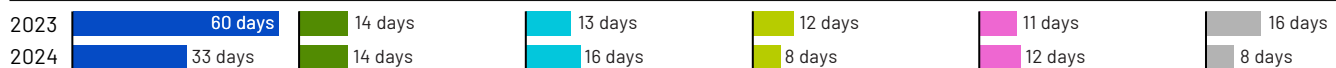
Median reporting value (MRV) by headquarters region

■ Accounting, Auditing and Financial Reporting ■ Business Integrity ■ Workplace Conduct  
■ Environment, Health and Safety ■ Misuse or Misappropriation of Assets ■ Other

#### Europe



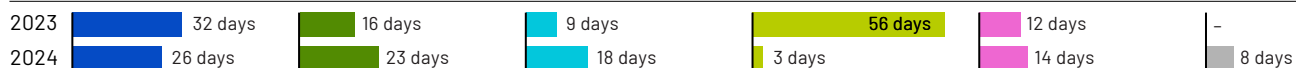
#### APAC



#### North America

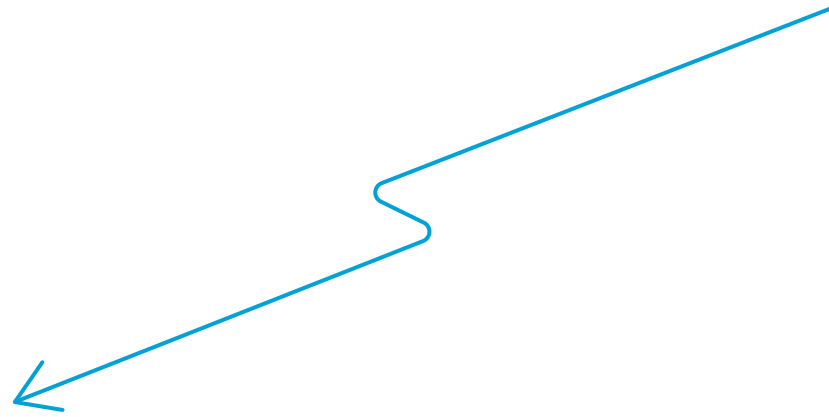


#### South America



#### Global





REPORT ORIGINATION REGION

TIME DIFFERENCE BETWEEN INCIDENT AND REPORT DATE BY RISK CATEGORY  
Median reporting value (MRV) by report origination region

Accounting, Auditing and Financial Reporting   Business Integrity   Workplace Conduct  
Environment, Health and Safety   Misuse or Misappropriation of Assets   Other

Europe

|      |         |         |         |        |         |        |
|------|---------|---------|---------|--------|---------|--------|
| 2023 | 15 days | 10 days | 10 days | 7 days | 12 days | 6 days |
| 2024 | 17 days | 8 days  | 12 days | 7 days | 12 days | 5 days |

APAC

|      |         |         |         |        |         |        |
|------|---------|---------|---------|--------|---------|--------|
| 2023 | 57 days | 14 days | 14 days | 9 days | 14 days | 6 days |
| 2024 | 26 days | 11 days | 13 days | 6 days | 16 days | 7 days |

North America

|      |         |        |        |        |        |        |
|------|---------|--------|--------|--------|--------|--------|
| 2023 | 14 days | 7 days | 7 days | 4 days | 8 days | 5 days |
| 2024 | 13 days | 7 days | 7 days | 4 days | 7 days | 5 days |

South America

|      |         |         |         |        |         |         |
|------|---------|---------|---------|--------|---------|---------|
| 2023 | 50 days | 10 days | 14 days | 8 days | 12 days | 18 days |
| 2024 | 31 days | 13 days | 11 days | 6 days | 11 days | 16 days |

Global

|      |         |        |        |        |        |        |
|------|---------|--------|--------|--------|--------|--------|
| 2024 | 16 days | 8 days | 8 days | 4 days | 9 days | 5 days |
|------|---------|--------|--------|--------|--------|--------|

An abstract graphic consisting of several blue lines of varying lengths and styles (straight, wavy, zigzag) that all converge towards a central point in the upper right quadrant of the page. The lines are white against the blue background.

# 07

# Report Intake Method

# 07 Report Intake Method



## Report Intake Method – Frequency Comparison

**North American reporters still turn to the phone – beyond North America, web is more prevalent**

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.

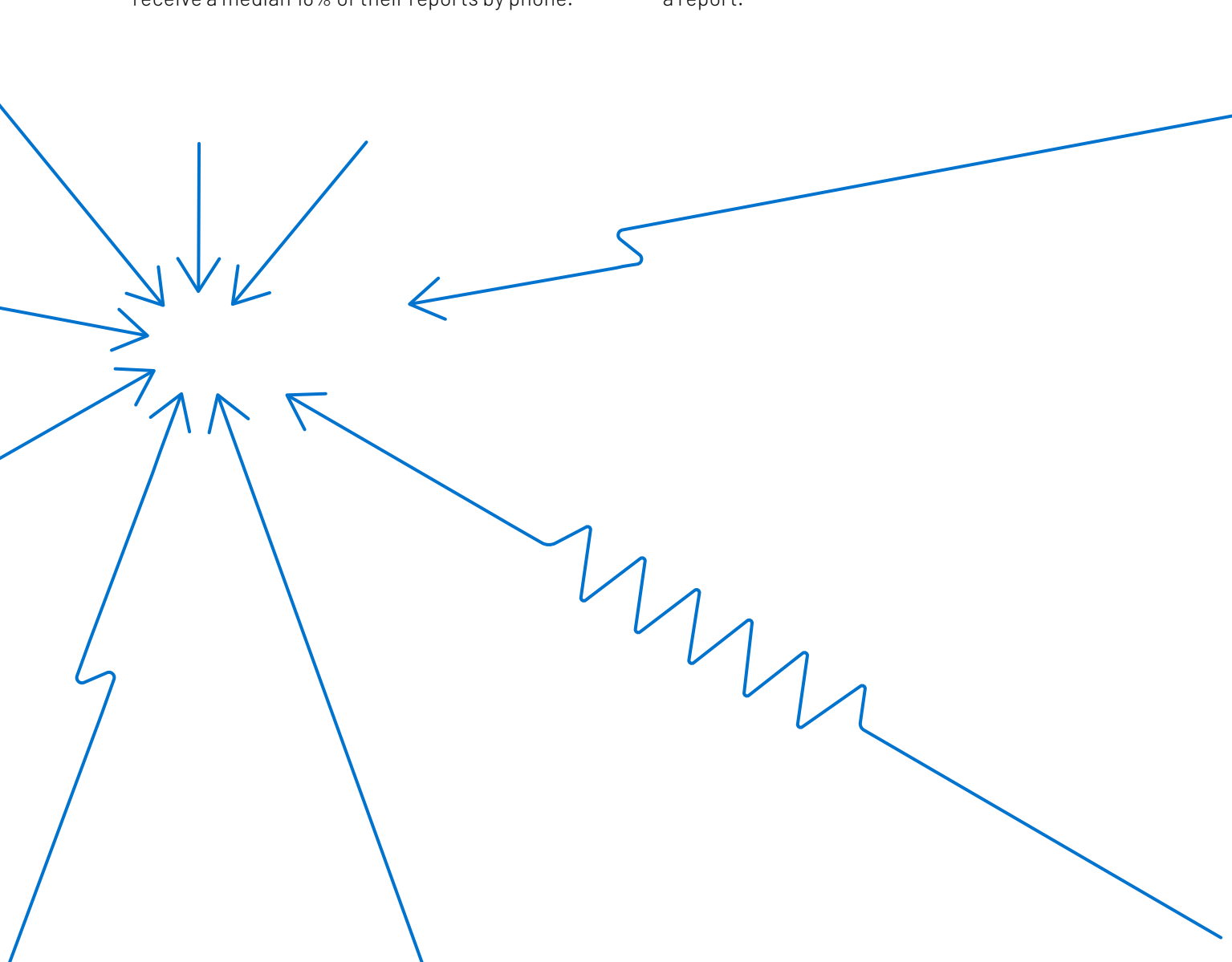
**How to calculate:** When calculating your report frequency by intake method, group all non-hotline and non-web intake reports such as open-door, email, postal mail, fax and manager submissions together as Other Intake. Then total up the number of reports received by each channel – hotline, web and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

## Findings

North America continues to stand out for the median share of reports made by phone – more than 3 in 10 by both headquarters and reporting region. By contrast, organizations based in Europe – which hold the next-highest share – receive a median 18% of their reports by phone.

Across regions and measures, the greatest median share of reporting in 2024 was via Web Intake.

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

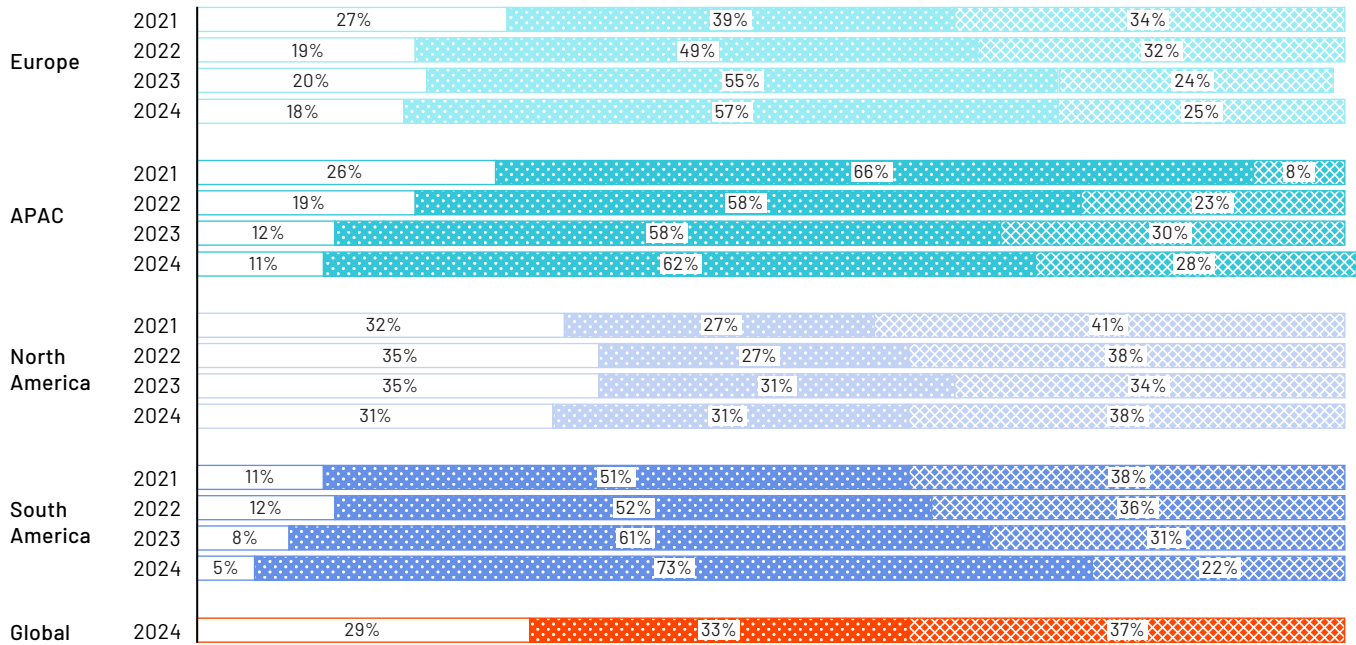


HQ REGION

## REPORT INTAKE METHOD - FREQUENCY COMPARISON

Frequency by headquarters region

□ Hotline   ■ Web   ▨ Other

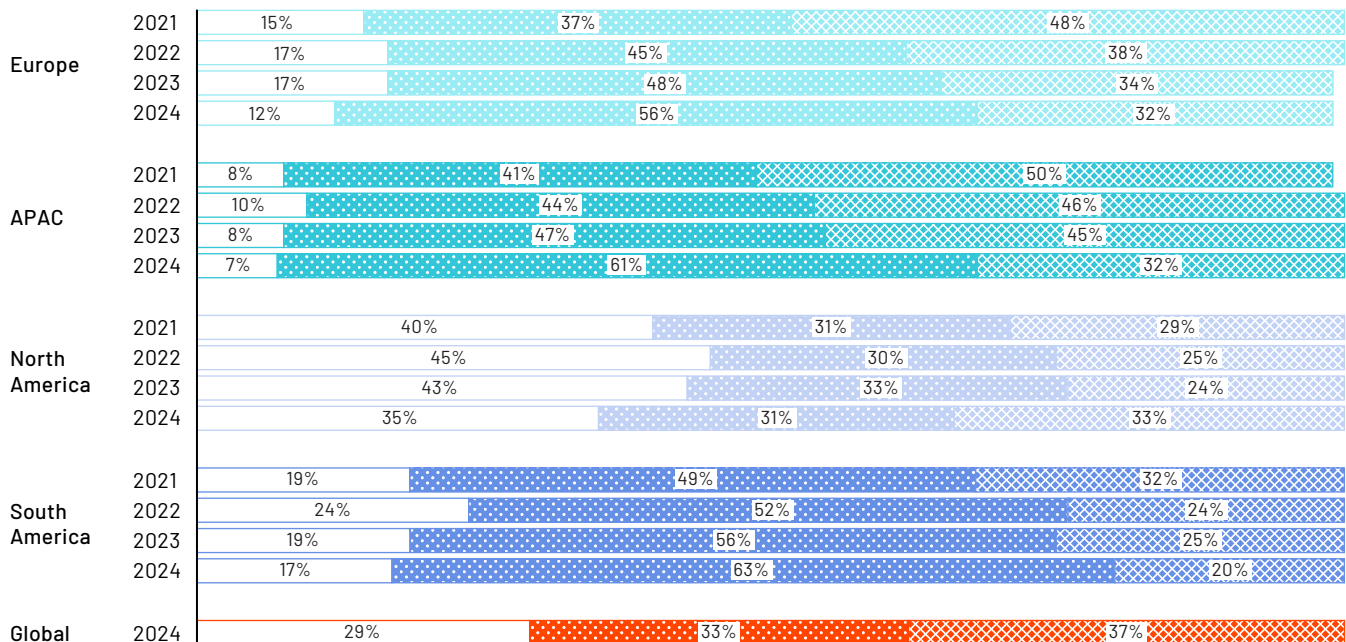


REPORT ORIGINATION REGION

## REPORT INTAKE METHOD - FREQUENCY COMPARISON

Frequency by report origination region

□ Hotline   ■ Web   ▨ Other



## Report Intake Method by Substantiation Rate

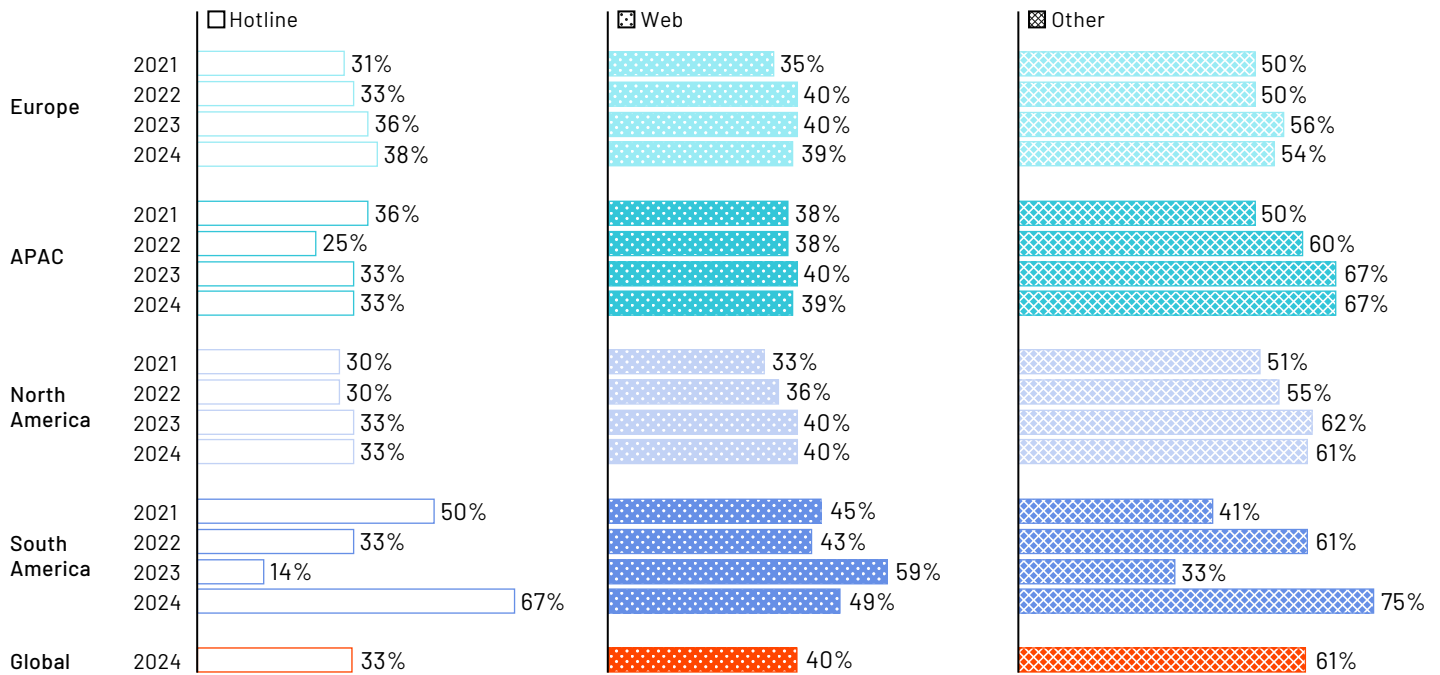
### Lowest substantiation for in-person reporting in Europe

Other Intake often describes an in-person report, and this reporting method always shows the greatest median *Substantiation Rate* among intake methods. This includes Europe, though trends showed the relatively lowest Other-channel *Substantiation Rate* for this region compared to others.

HQ REGION

REPORT INTAKE METHOD - SUBSTANTIATION RATE

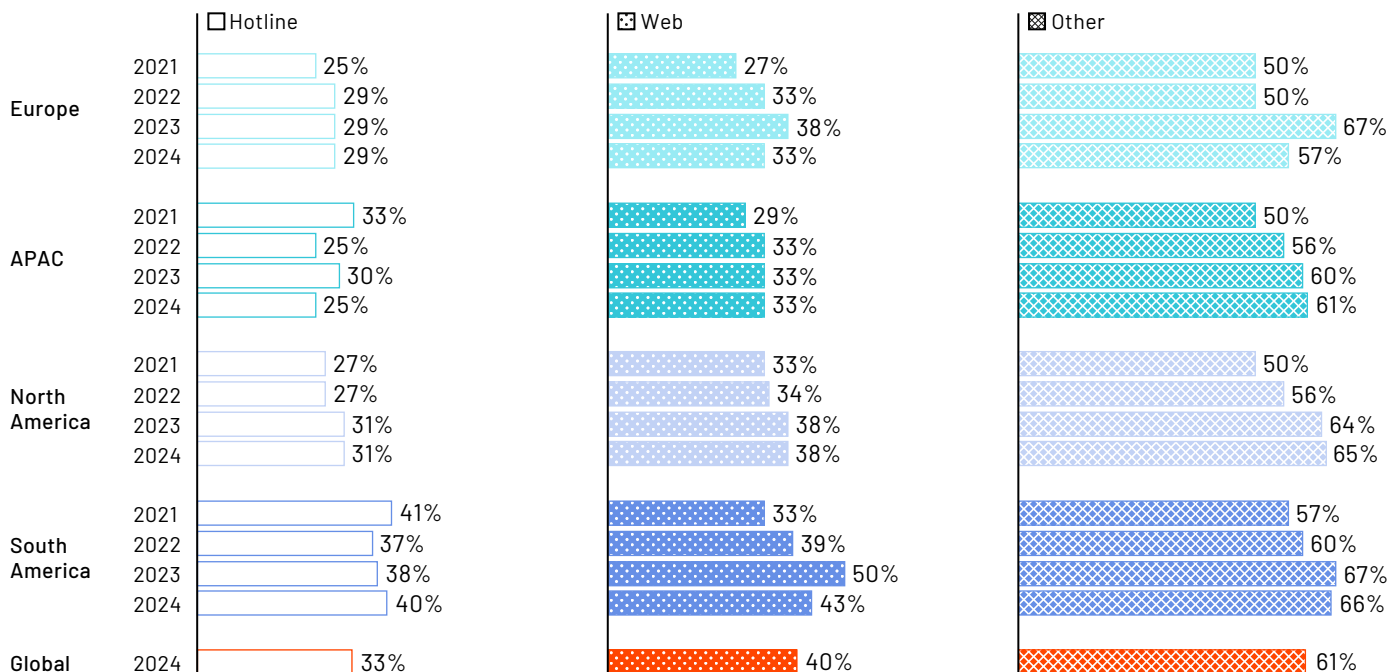
Median reporting value (MRV) by headquarters region



REPORT ORIGINATION REGION

REPORT INTAKE METHOD - SUBSTANTIATION RATE

Median reporting value (MRV) by report origination region



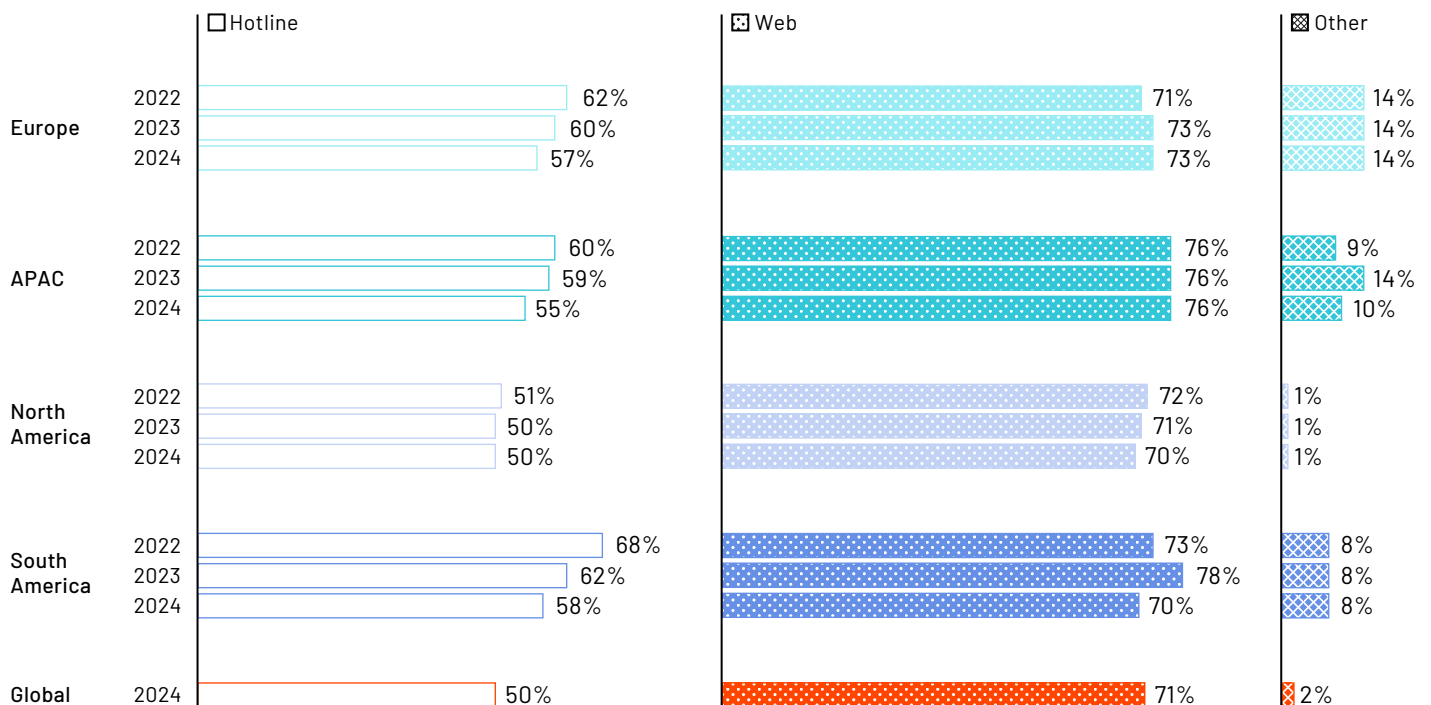
## Report Intake Method by Anonymous Versus Named Reporting

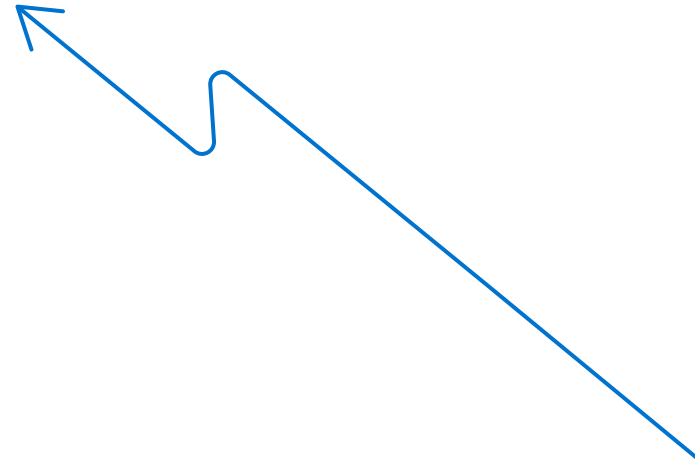
### Named reporting by phone increases for some regions

Europe, APAC and South America-based organizations all saw a decline in anonymous reporting by phone over several years – Web and Other intake remained generally consistent. As named reports generally show a better *Substantiation Rate*, this highlights the value of ensuring the availability of a phone-based intake channel in addition to Web and Other Intake.

— HQ REGION

#### REPORT INTAKE METHOD BY ANONYMOUS VERSUS NAMED REPORTS Median reporting value (MRV) by headquarters region

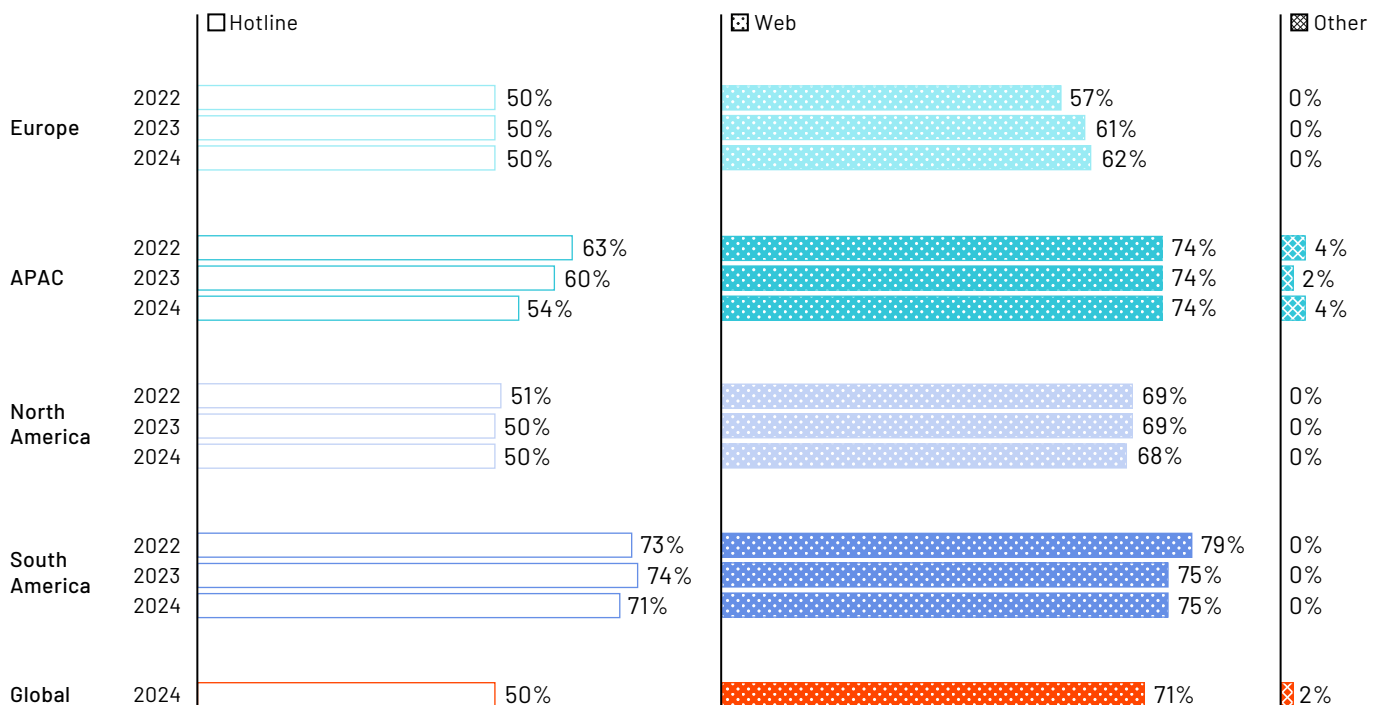




REPORT ORIGINATION REGION

## REPORT INTAKE METHOD BY ANONYMOUS VERSUS NAMED REPORTS

Median reporting value (MRV) by report origination region



08

# Report Outcomes



# 08 Report Outcomes

## Report Outcomes by Substantiated Reports

**Employee Separation most likely in North America; 'No Action' least likely**

To analyze this metric, we organized *Report Outcome*, for substantiated cases only, 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 into each of the outcomes by the total number of reports.



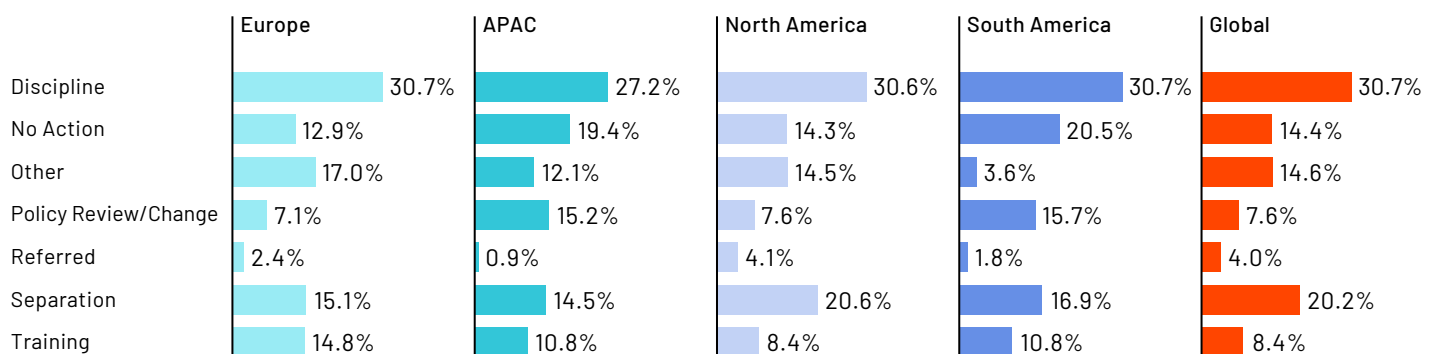
## Findings

Substantiated cases for organizations based in, and for reports made in, North America were more likely than those in other regions to result in Separation of employment. They were also the least likely to result in No Action.

Training was a relatively common outcome for Europe-based organizations and was the least likely outcome for those based in North America. For organizations based in APAC, Policy Review/Change was relatively common.

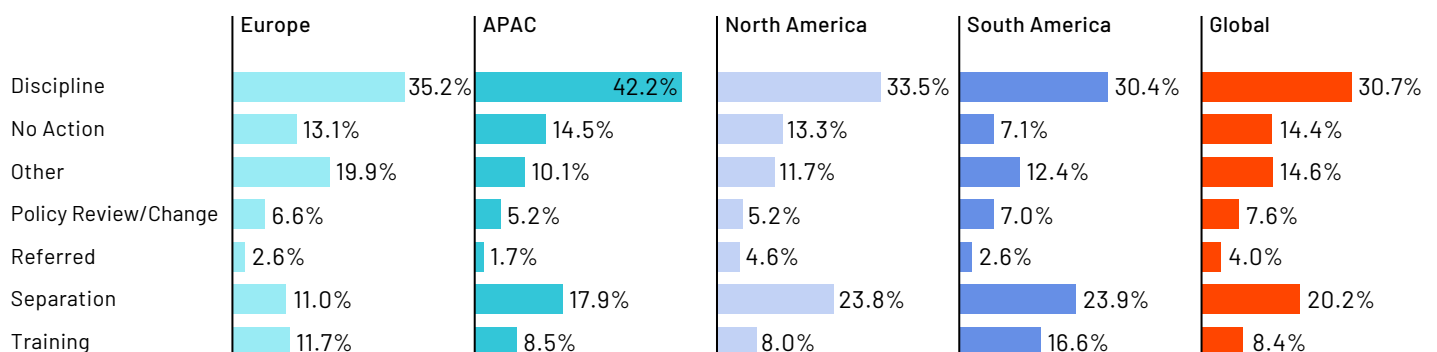
### HQ REGION

#### REPORT OUTCOME FOR SUBSTANTIATED REPORTS Frequency by headquarters region



### REPORT ORIGINATION REGION

#### REPORT OUTCOME FOR SUBSTANTIATED REPORTS Frequency by report origination region





# 09 Reporter Category

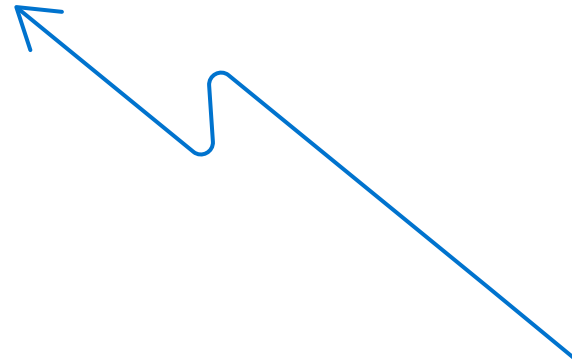
# 09 Reporter Category

## Reporter Category – Frequency Comparison

### Substantial reporting seen from third parties across global regions

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.



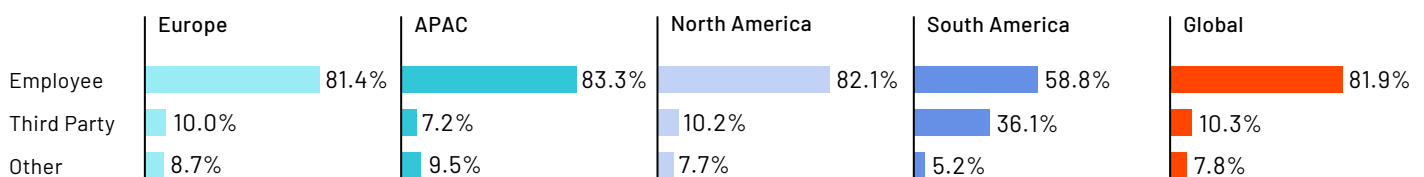
## Findings

Setting aside South America data that may represent the influence of significant outliers, third-party reports represent anywhere from 7.2% to 10.2% of reports made in the four global regions of this analysis. In other words, no matter where an organization is in the world, non-employees are speaking up in significant numbers. This appears especially true for organizations and reporting activity in Europe and North America.

### HQ REGION

#### REPORTER CATEGORY - FREQUENCY COMPARISON

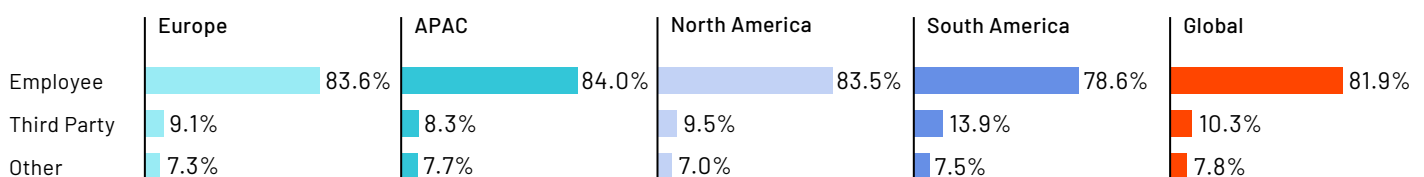
Frequency by report origination region



### REPORT ORIGINATION REGION

#### REPORTER CATEGORY - FREQUENCY COMPARISON

Frequency by report origination region

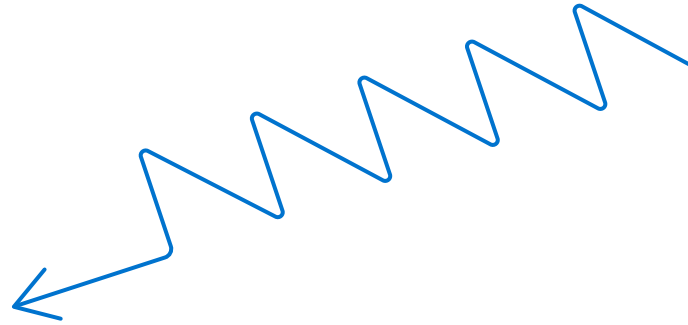


## Reporter Category by Anonymous Reporting Rate

Anonymous reporting rates are lower for third parties

### Findings

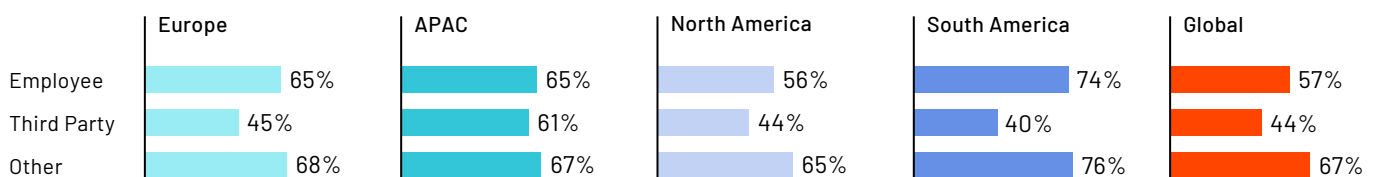
Third-party reporters are less likely to be anonymous than employees across all measures. Anonymous reporting by third parties appeared especially low for activity connected to Europe and North America.



#### HQ REGION

### REPORTER CATEGORY - ANONYMOUS REPORTING RATE

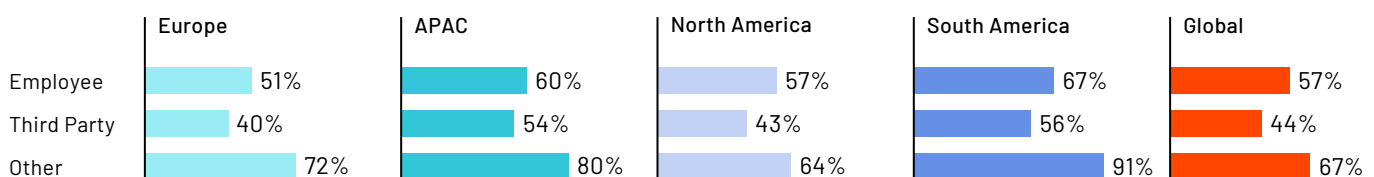
Median reporting value (MRV) by headquarters region



#### REPORT ORIGINATION REGION

### REPORTER CATEGORY - ANONYMOUS REPORTING RATE

Median reporting value (MRV) by report origination region

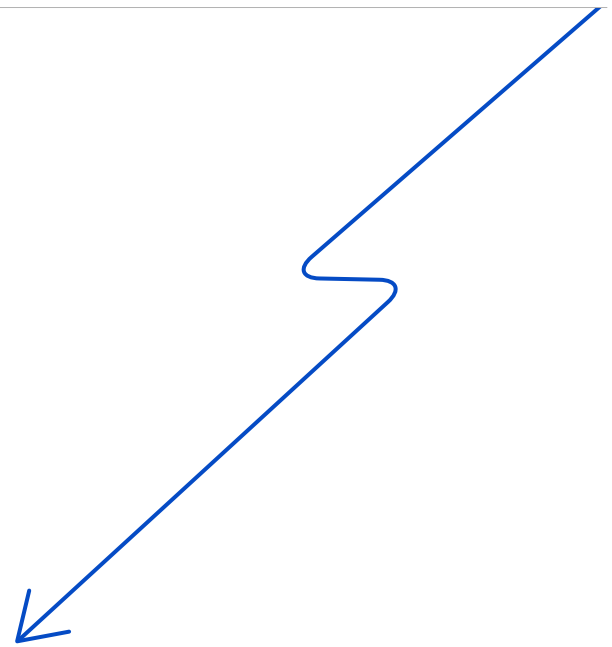


## Reporter Category by Substantiation Rate

### APAC-based organizations see strongest third-party substantiation

#### Findings

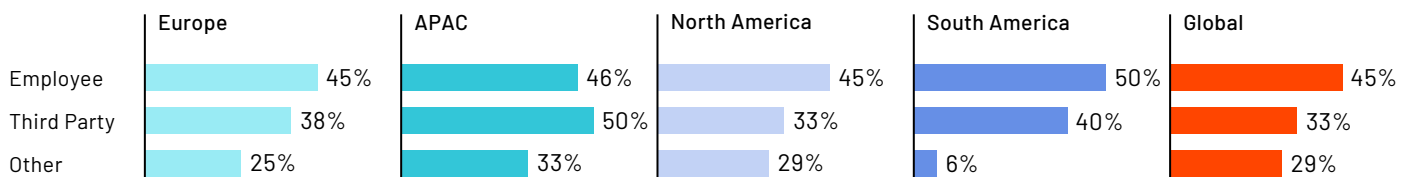
The median *Substantiation Rate* for third-party reports made to organizations based in APAC was better than those made by employees. Generally, employee reporting showed a better *Substantiation Rate* – not surprising given a better awareness of and proximity to the organization.



#### HQ REGION

### REPORTER CATEGORY – SUBSTANTIATION RATE

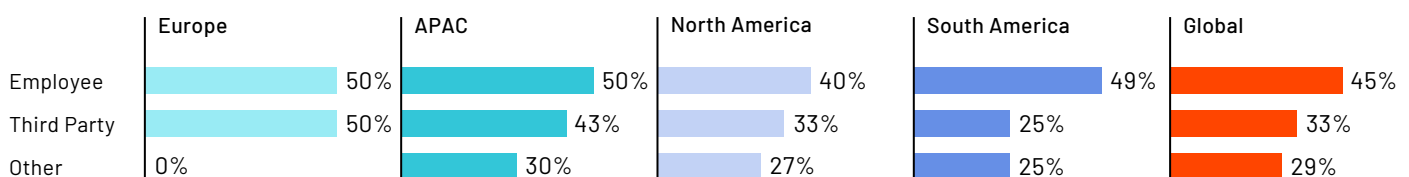
Median reporting value (MRV) by headquarters region



#### REPORT ORIGINATION REGION

### REPORTER CATEGORY – SUBSTANTIATION RATE

Median reporting value (MRV) by report origination region





10

# Reports by Company Ownership

# 10 Reports by Company Ownership

## Reports by Company Ownership – Reports per 100 Employees

### Variance seen across most of the world

Introduced in this year's NAVEX Whistleblowing & Incident Management Benchmark Report, this section reflects data based on company ownership. We present two cohorts for each region – private organizations and public organizations.

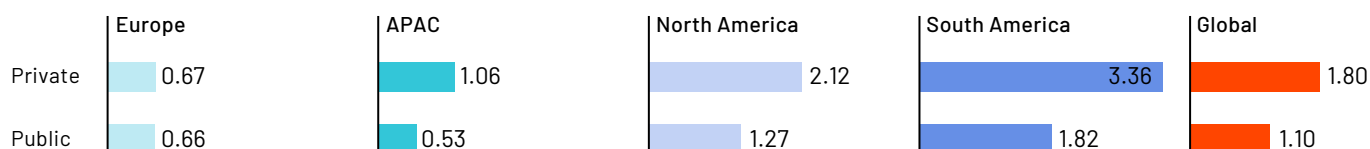
### Findings

Most regions show far greater median *Reports per 100 Employees* for private organizations compared to public organizations – sometimes twice the report volume. Europe is the exception, as both categories were nearly identical.

— HQ REGION

### REPORTS BY COMPANY OWNERSHIP – REPORTS PER 100 EMPLOYEES

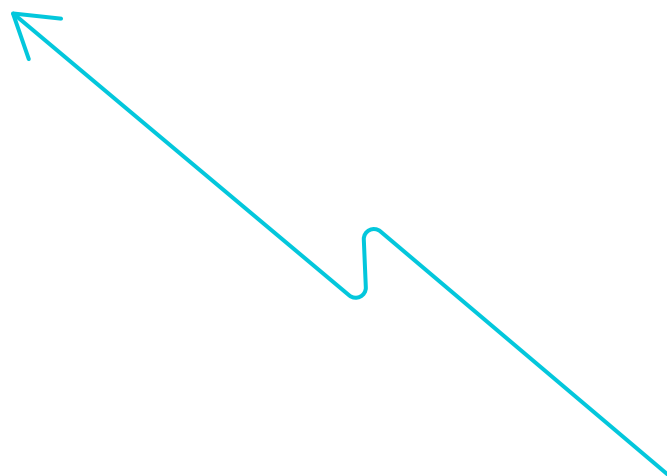
Median reporting value (MRV) by headquarters region



## Reports by Company Ownership – Anonymous Versus Named Reporting

### Largely consistent anonymity across private and public

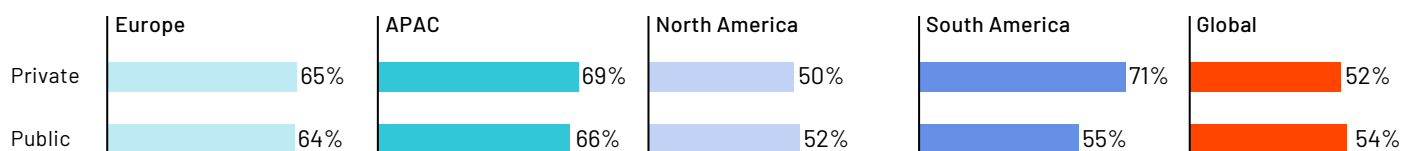
Private and public organizations showed a very similar *Anonymous Reporting Rate* across the regions of our study. This held true across both headquarters location and report origination region.



#### HQ REGION

### REPORTS BY COMPANY OWNERSHIP – ANONYMOUS VERSUS NAMED REPORTING

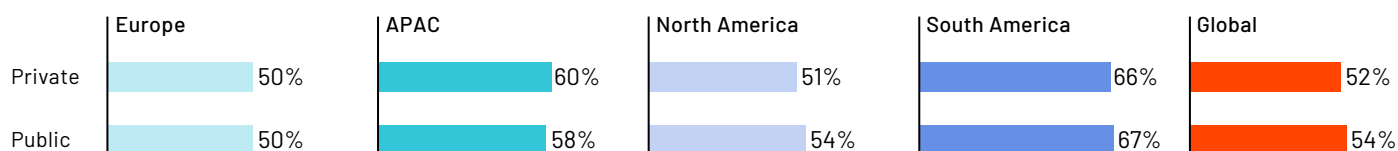
Median reporting value (MRV) by headquarters region



#### REPORT ORIGINATION REGION

### REPORTS BY COMPANY OWNERSHIP – ANONYMOUS VERSUS NAMED REPORTING

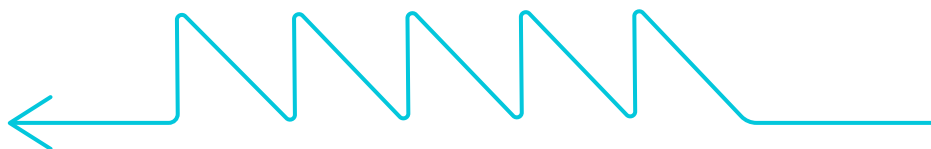
Median reporting value (MRV) by report origination region



## Reports by Company Ownership – Substantiation Rate

### Big difference seen for Substantiation Rates across private and public entities

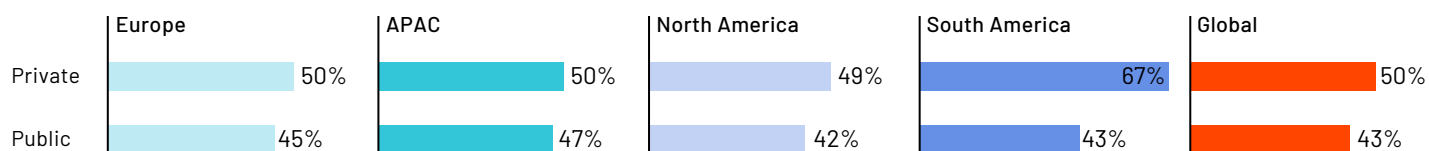
Private organizations showed significantly greater median *Substantiation Rates* than their public counterparts across each region.



#### HQ REGION

### REPORTS BY COMPANY OWNERSHIP – SUBSTANTIATION RATE

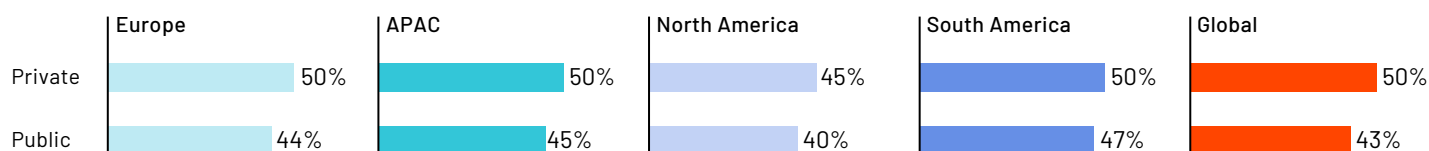
Median reporting value (MRV) by headquarters region



#### REPORT ORIGINATION REGION

### REPORTS BY COMPANY OWNERSHIP – SUBSTANTIATION RATE

Median reporting value (MRV) by report origination region



## 11

# Conclusion and Key Takeaways

# 11 Conclusion and Key Takeaways

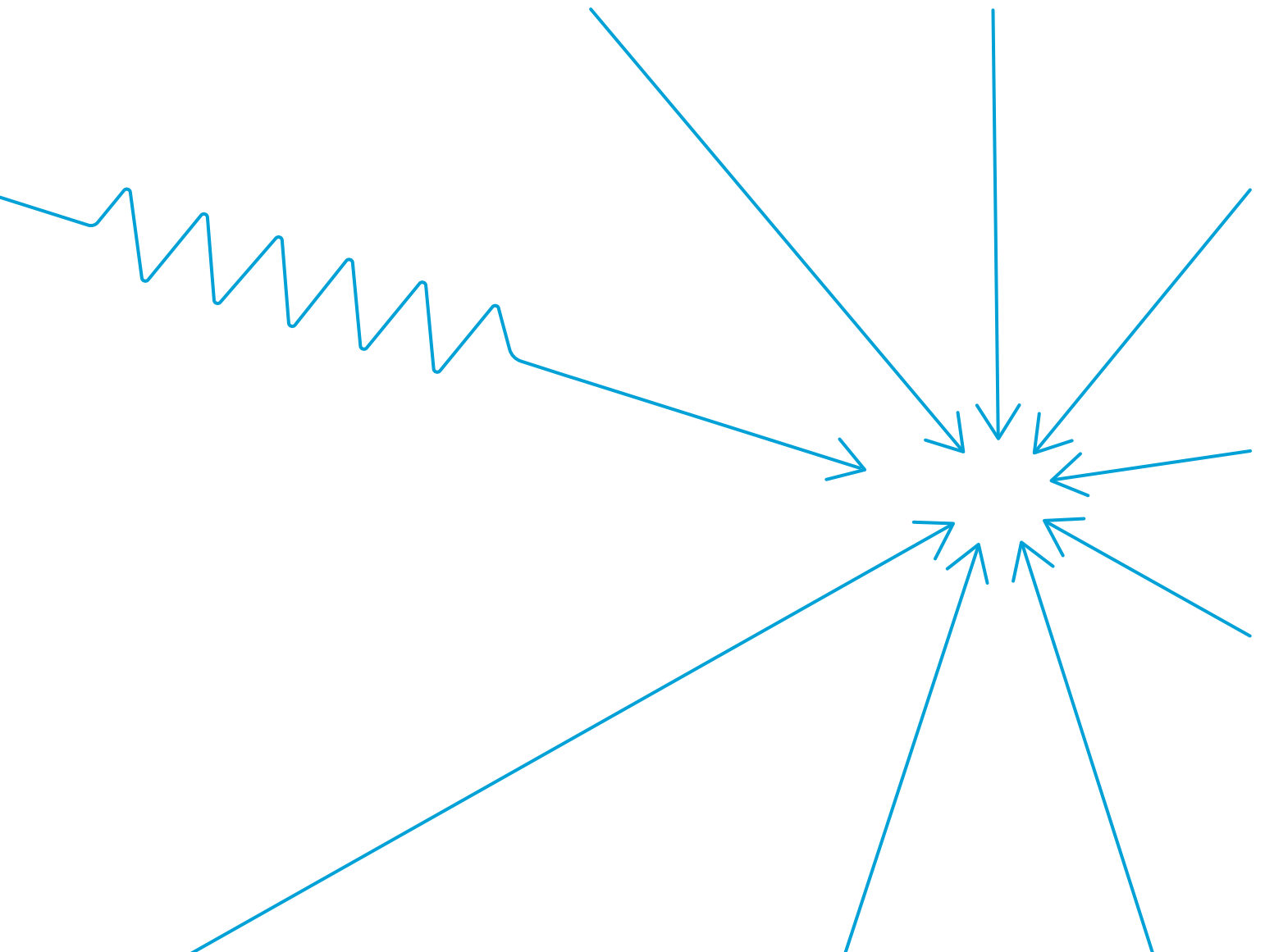
The metrics in this report empower organizations to better understand how to grow and improve their internal reporting and investigations programs. Our final analysis offers some high-level concepts to keep in mind.

- Ensure reporters know about the internal reporting system and understand how it works to help build trust in the system. Regulatory requirements may necessitate that an organization provides an internal reporting program, but the true 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 uncovering misconduct and providing information for internal reporting.
- Consider the larger 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.
- Ask whether your program is achieving metrics that help demonstrate trust in the reporting system. This includes *Follow-Up Rate to Anonymous Reports*, *Case Closure Time*, *Substantiation Rate* 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 and risk 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 (including anonymous reporters), 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.

12

# Appendix

# 12 Appendix: Guide to Risk Categories, Risk Types and Statistics



## Workplace Conduct

| Risk Type                        | Risk Type Definition  |
|----------------------------------|---|
| <b>Harassment</b>                | 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.  |
| <b>Discrimination</b>            | <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> |
| <b>Substance Abuse</b>           | 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.  |
| <b>Compensation and Benefits</b> | 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.  |
| <b>Workplace Civility</b>        | Reports related to abusive or disrespectful behavior connected to work that are not harassment or discrimination.   |
| <b>Other Human Resources</b>     | 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.   |
| <b>Retaliation</b>               | 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   |
|---|--|
| <b>Conflicts of Interest</b>                    | 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 judgment or the interests of the organization.   |
| <b>Confidential and Proprietary Information</b> | <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> |
| <b>Data Privacy and Protection</b>              | 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.  |
| <b>Free and Fair Competition</b>                | 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.  |
| <b>Bribery and Corruption</b>                   | 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.  |

## Business Integrity continued

| Risk Type                         | Risk Type Definition   |
|-----------------------------------|--|
| <b>Insider Trading</b>            | 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.   |
| <b>Global Trade</b>               | 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.  |
| <b>Political Activity</b>         | 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. |
| <b>Human Rights</b>               | 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.   |
| <b>Product Quality and Safety</b> | 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.  |
| <b>Other Business Integrity</b>   | 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  |
|---|---|
| <b>Accounting, Auditing and Financial Reporting</b> | 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  |
|---|---|
| <b>Misuse or Misappropriation of Assets</b> | 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   |
|---|--|
| <b>Imminent Threat to a Person, Animals or Property</b> | 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.  |
| <b>Environmental</b>                                    | 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.                        |
| <b>Health and Safety</b>                                | <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  |
|--------------|---|
| <b>Other</b> | 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  $\sim 6.42$ , 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 zeros into account, the median comes out to 0.4 and the mean to  $\sim 0.367$ , 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.

# About the Authors

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## Carrie Penman

*Chief Risk and Compliance Officer, NAVEX*

As one of the earliest ethics officers in the industry, Carrie Penman has been with NAVEX since 2003 after serving four years as deputy director of the Ethics and Compliance Officer Association (ECOA), now ECI. A scientist by training, she developed and directed the first corporate-wide global ethics program at Westinghouse Electric Corporation from 1994-1999.

As chief risk and compliance officer for NAVEX, Carrie leads the company's formal risk management processes. She also oversees its internal ethics and compliance activities employing many of the best practices that NAVEX recommends to its customers.

Carrie has extensive client-facing risk and compliance consulting experience, including more than 15 years as an advisor to boards and executive teams; most recently as NAVEX's SVP of Advisory Services. She has also served as a corporate monitor and independent consultant for companies with government settlement agreements.

Carrie was awarded the inaugural Lifetime Achievement Award for Excellence in Compliance 2020 by Compliance Week magazine. In 2017, Carrie received the ECI's Carol R. Marshall Award for Innovation in Corporate Ethics for an extensive career contributing to the advancement of the ethics and compliance field worldwide.

## Eric Gneckow

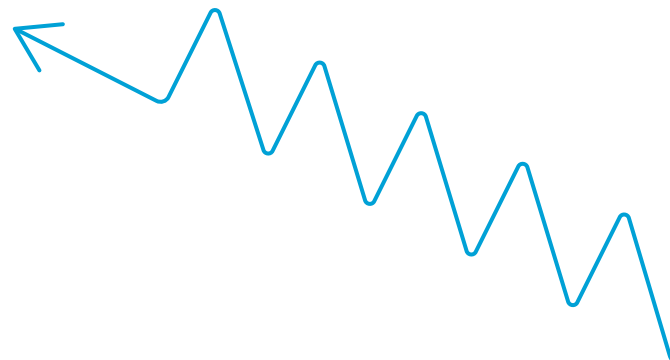
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As senior content marketing manager for NAVEX, Eric supports the creation of various thought leadership publications on behalf of the organization's subject-matter experts. A one-time reporter, he previously led the content team behind a national portfolio of cybersecurity conferences.

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Andy became a data analyst at NAVEX in 2021. Drawing on his expertise in analytics and web development, he has been instrumental in facilitating improvements to data integration and upstream enhancements to data integrity.



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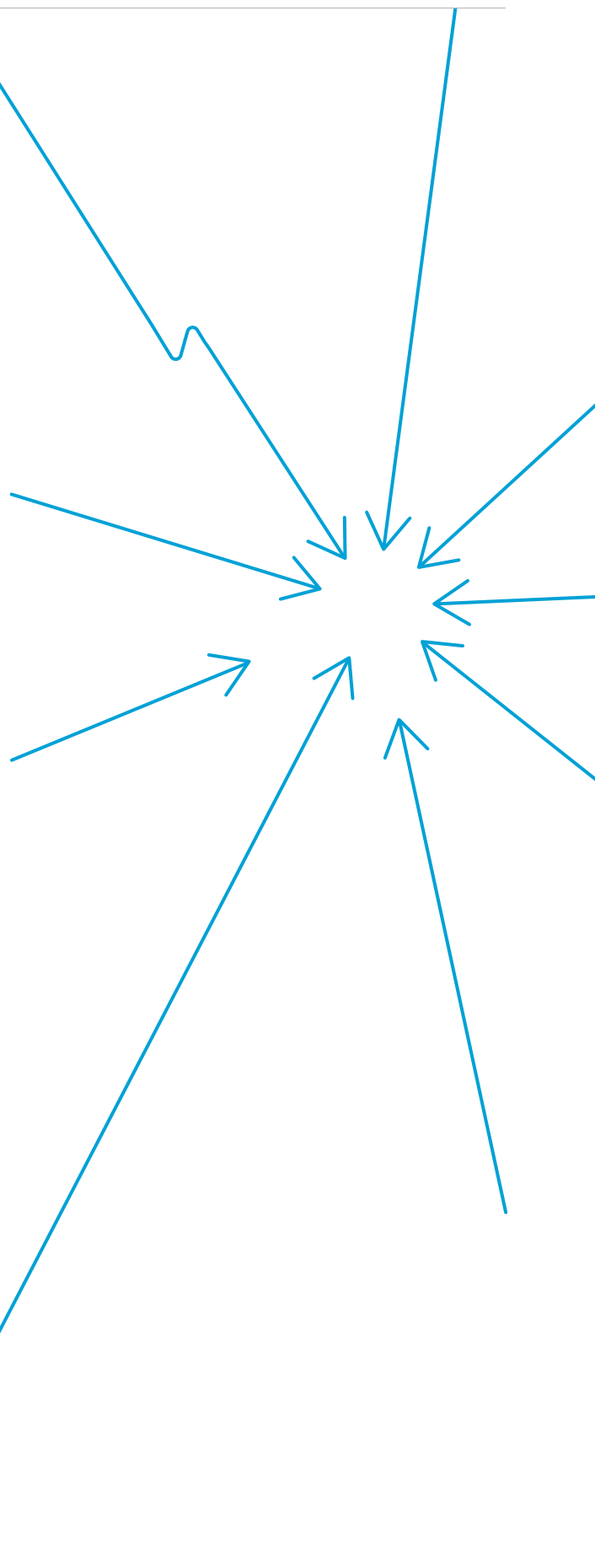
*Data Scientist Specialist, Product Engineering,  
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Isabella started working at NAVEX in 2021 as a data analyst. She obtained her M.S. in applied data science from University of San Diego, and has a background in psychology, sales and customer service analytics. She uses her skills and focus on data ethics to improve business practices and customer experiences.

### Anders Olson

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Anders transitioned from a career in banking to join NAVEX in 2020 as the company's inaugural data scientist. Since then, he has been instrumental in enhancing the data ecosystem, leveraging his expertise in applied economics to analyze and improve compliance-related human behavior data.





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