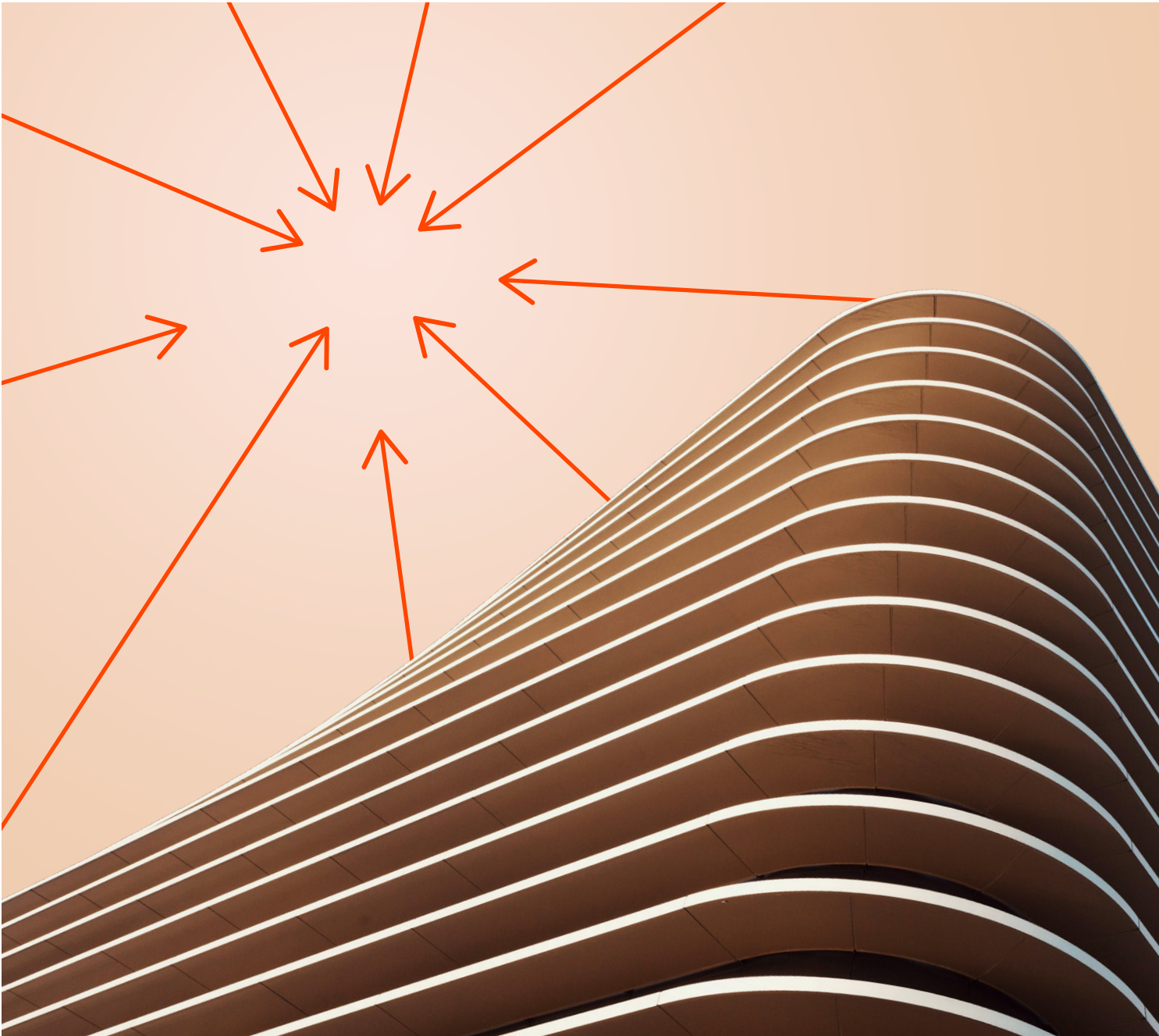


# State of Risk & Compliance Report

2025



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# Introduction

NAVEX has been delivering leading-edge market benchmark reports to the risk and compliance (R&C) industry since 2010. In 2019, we published our first-ever “Definitive Corporate Compliance Benchmark Report,” a comprehensive review of R&C programs that offered key findings, analysis and insight to help organizations measure, evaluate and advance their programs.

For 2025, NAVEX partnered again with independent research firm The Harris Poll to survey R&C professionals from a wide range of industries about the design, priorities and performance of their R&C programs. Readers of this latest report will discover the results of significant survey updates meant to deepen our exploration of areas relevant to R&C programs.

**NAVEX was proud this year to once again give respondents the opportunity to direct a donation to one of several nonprofits upon completion of the survey. We were pleased to facilitate support for the following organizations:**

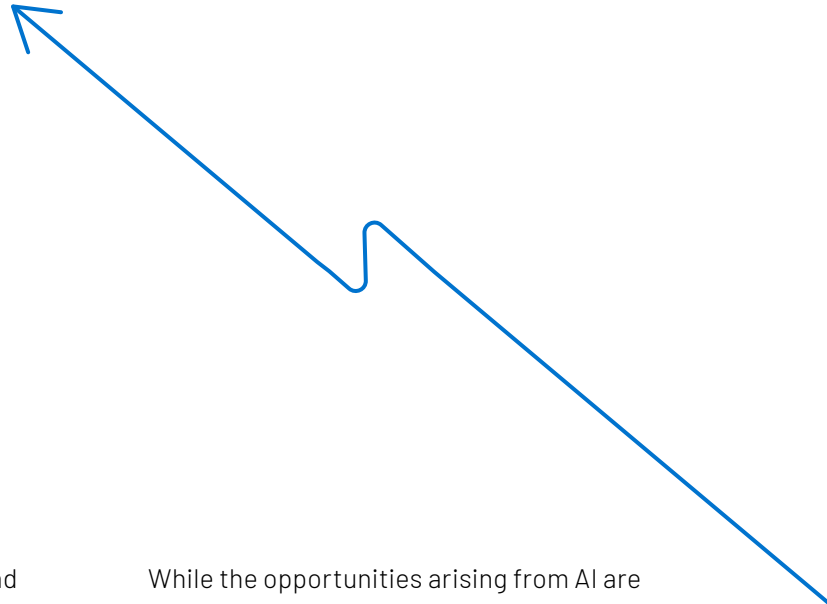
Ethics and Compliance Initiative (ECI);  
Special Olympics International; Girls Who Code; World of Children; Care.org

The results of the survey represent nearly 1,000 respondents globally who influence or manage their organization’s risk and compliance programs. In addition, this report includes detailed responses from those who actively manage or influence their program’s incident management, policy and procedure management, ethics and compliance training, third-party risk management, integrated risk management, and/or environmental, social and governance (ESG) functions.

## Insights and analysis addressed in this new 2025 report include:

- How are organizations of all sizes staffing their compliance programs and investigations?
- What structures (centralized or decentralized) are most common for compliance programs?
- How is AI playing a role in risk and compliance – as a tool, and as a force to be reckoned with?
- Where do you stand compared to the use of technology across R&C program elements?
- Is Compliance “speaking the language” of Risk?

# Executive summary



Leveraging the feedback of nearly 1,000 risk and compliance (R&C) professionals globally, this annual State of Risk and Compliance Report provides insights that enable readers to benchmark their programs and open conversations within their organizations about ways to improve. We've provided some fundamental metrics regarding the strategy around different R&C program elements and have also strived to provide new insights to help readers compare their organization's culture of ethics and compliance against those of global peers.

Below are some of the notable storylines we identified from this year's survey data.

## **Compliance's 'seat at the table' for AI – is it enough?**

Our survey data suggests organizations are roughly divided into thirds regarding Compliance's engagement with artificial intelligence decision making: a "very involved" (33%) group, a "somewhat involved" (32%) group, and a remaining third that is either "minimally," "not involved" or "not sure" (35%).

While the opportunities arising from AI are monumental, these technologies also introduce a new range of risks. Compliance needs a seat at the table, along with Risk and other disciplines, to navigate those risks that may include ethical use of AI and compliance with emerging regulations.

Most often, it is Information Technology leading the charge for AI policy development, which is not surprising. Our findings suggest Risk and Compliance may have an opportunity to forge closer ties with IT to lend their respective expertise in this area. Generally, respondents appear to express concerns over lack of collaboration, with 67% citing "lack of visibility into risks" or "gaps in implementation of compliance controls" as their top AI concern.

Fortunately, most (65%) respondents said Compliance is either "very" or "somewhat" involved in decision making regarding use of AI at their organizations. It would be encouraging to see that share grow as governance of this new technology landscape matures.

### Centralized investigation programs most common, with staffing mixed

Our analysis suggested organizations with more mature programs were more likely to use a centralized approach in their investigations. This is a question we have been asked to address over the last several years, and we included it in this year's survey.

A majority of respondents overall (67%) said their organization had a centralized program for day-to-day compliance investigations, with only 23% saying they had a decentralized approach. Respondents who said their organization had a more mature R&C program (i.e., a program that is considered managing/optimizing) were far more likely (73%) than those with less mature programs (55%) to say they have a centralized approach.

The distinction appeared more general by company size – organizations with between 1,000 and 9,999 employees were said to be most likely (72%) to have a centralized investigation program, compared to 10,000-plus (66%) and 0-999 (62%).

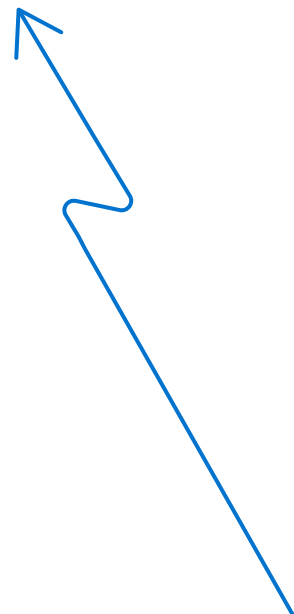
Slightly more respondents (33%) who said they have a centralized program versus those with a decentralized program (28%) said they have only 1-5 investigators.

These findings raise some interesting considerations. Are centralized programs more efficient in terms of staffing? Sixteen percent of respondents who cited a decentralized program said they have more than 30 investigators, versus 12% for centralized programs.

Looking at centralized programs, 16% of respondents from organizations with 10,000 or more employees still say they have only 1-5 investigators assigned to the program. This seemed surprising given the size of those organizations and the complexity of issues they may experience, though this staffing level represented a clear minority.

Staffing in general appears interesting, with 19% citing 1-5 individuals supporting the internal reporting program and 34% citing "more than 30."

We found little difference in program outcomes (compliance issues experienced) across these different staffing levels. In short – it may be that there isn't a "right number" of investigators based on given criteria for staffing.





### Where Compliance and Risk intersect

Ten years from now, where will Compliance sit in the organization? Is it possible that Compliance will be incorporated under a Risk leader?

This question has been top of mind for the industry in recent years as risk-based strategic thinking emerges as an increasingly important guiding principle for organizations. Compliance may be seen by some as juggling two personas – a risk mitigator, but also an evangelist of the ethical organizational cultures that inherently reduce risk.

A large majority of respondents (70%) said their compliance function was “highly engaged” in risk assessment and management. Taken with those who said that Compliance was “moderately engaged,” a full 93% said Compliance was at least engaged to some degree in the risk assessment and management process.

However, only 61% of respondents who are knowledgeable about ethics and compliance said their organization uses risk assessment results to review, test and improve their R&C programs. As risk assessment is a foundational element to any compliance program framework, we expected this number to be higher.

In a very positive finding, only 9% of respondents who are knowledgeable about ethics and compliance cited “fear of exposing weakness and increasing the risk of discovery” as the biggest barrier to conducting an effective compliance risk assessment.

That said, only one quarter (24%) of respondents who are knowledgeable about ethics and compliance said their risk assessment process is effective. This might invite conversations between risk and compliance to ensure respective business units are “on the same page” in how “risk” is discussed, quantified and acted on in the organization.

### Only two thirds of boards receive periodic compliance reports

Only 64% respondents who are knowledgeable about ethics and compliance say their boards of directors receive periodic reports on compliance matters. This number rises a bit for the largest organizations – respondents from organizations with 10,000 or more employees said the same at a rate of 71%. Only about half (52%) of respondents who are knowledgeable about ethics and compliance said the board of directors has oversight of the compliance program.

We would have hoped to see more respondents indicating their boards receive periodic reports on compliance matters, and for the level of engagement and expertise of boards regarding compliance to improve. This is a critical area where boards have an opportunity to understand how the organization is navigating a complex risk landscape that continues to evolve amid global regulatory shifts.

### Third-party risk: are organizations doing enough?

A majority of respondents who are knowledgeable about ethics and compliance said their organization was embracing two elements of screening third parties (regulatory compliance, 58%; cybersecurity and data protection, 54%), with all others failing to reach a majority. These included financial health and stability (49%), human rights (33%) and litigation history (30%).

It is true that not all third parties require the same level of scrutiny, yet some of these areas struck us as surprisingly uncommon in our respondent base. Financial health, for example, can be a leading indicator for a range of other potential risks by suggesting a level of resourcing to achieve elements like cyber resilience. This could serve as a reminder for organizations to take an intentional approach in the specific screening criteria for third parties.

In contrast, 84% of respondents who are knowledgeable about ethics and compliance either “strongly” or “somewhat” agreed that their third-party due diligence program significantly reduces their legal, financial, and reputational risks. This may be a chance to assess whether the “feeling” of program effectiveness matches with what is happening in practice.

### ESG remains a priority for Risk and Compliance

When asked to rank their organization’s top three most important considerations when making decisions, more than a quarter (26%) of respondents chose “maintaining social and

environmental accountability.” In addition, nearly half (48%) said their organization has a dedicated/full-time, C-level position devoted to sustainability.

This speaks squarely to the endurance of concepts connected to Environmental, Social and Governance (ESG). While ESG grabbed headlines in previous years, more recently, discussion of the framework appears to have become more subtle. Our findings suggest ESG’s “decline” may be misunderstood. It is possible ESG concepts are evolving to integrate more directly with more legacy concepts under ethics and compliance – that the related elements remain important but perhaps move forward under another banner.

### Some leaders encouraging employees to act unethically

It is encouraging to see most respondents flagging “positive” behaviors among different levels of leadership. For senior executives, for example, 73% of respondents who are knowledgeable about ethics and compliance were said to “have encouraged compliance and ethics” within the organization.

Negative behaviors fall off sharply in the distribution – but they do not reach zero. Roughly 10% say leaders across all levels have encouraged employees to act unethically to achieve a business objective. Specifically, 9% say senior executives and middle managers have acted in this way, while 11% report the behavior from first-line managers and supervisors. This reality – or even the impression that this may be true – could be an extremely detrimental signal in supporting a culture of ethics and compliance, and a signal of risk to organizations.



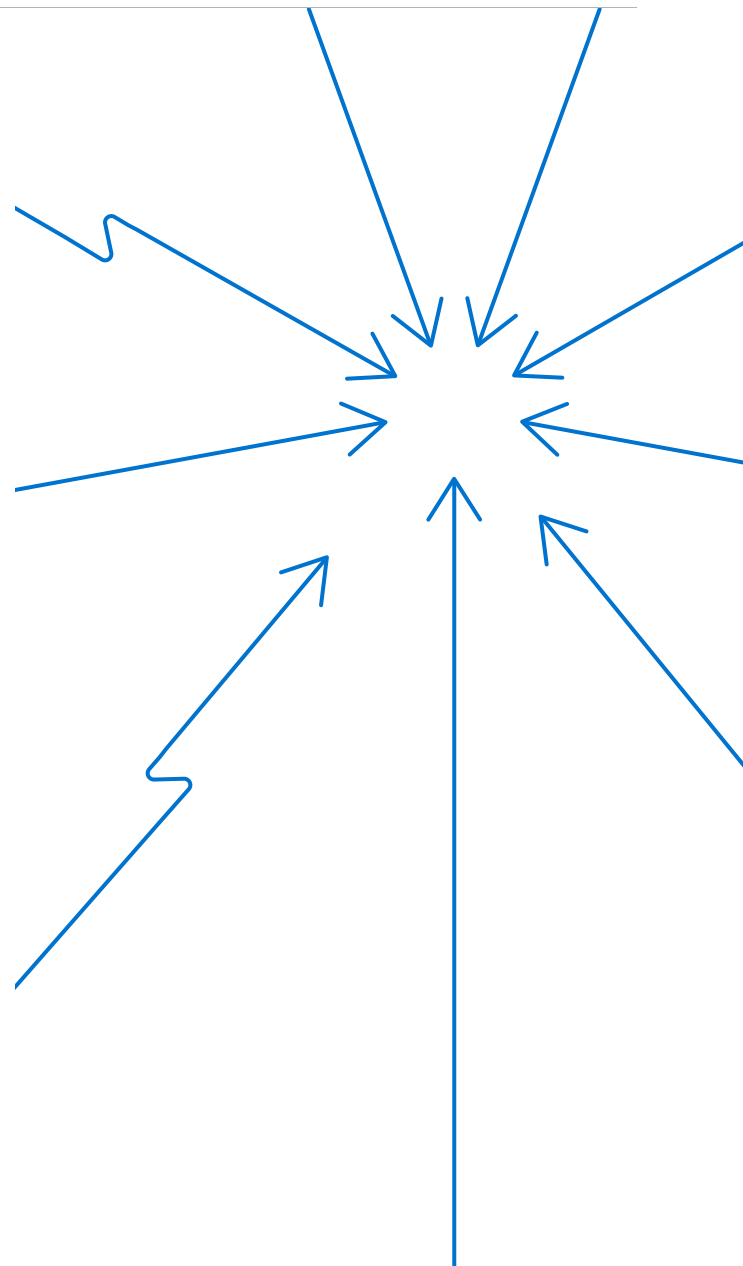
### Broad success measured for ethics and compliance training

Generally, respondents gave positive marks to the various aspects of their ethics and compliance training programs. Large majorities who are knowledgeable about ethics and compliance said their program was at least “good” in aspects such as tailoring training for high-risk and control employees (76%), offering training in the form and language appropriate for the audience (80%) and allowing a process for follow-up questions arising out of the trainings (80%). It appears that this element of risk and compliance is in a healthy place, though there are always opportunities to improve.

Forty-three percent of respondents who are knowledgeable about ethics and compliance said their organization was either “excellent” or “very good” in offering shorter, more targeted trainings. Nearly a third (32%) said the organization was “good.” In all, this is a surprising and positive finding, as “micro learning” is a relatively leading-edge aspect in the field of ethics and compliance training.

### Lack of internal reporting program elements remains surprising

As with previous years’ response cohorts, respondents in 2025 were surprisingly unlikely (53%) to say their organization has a hotline or whistleblower internal reporting channel as part of their organization's incident management program. This was less true for larger organizations (69% for those whose company has 10K+ employees vs. 43% with 0-999 and 54% with 1,000-9,999) and



organizations based in North America (59% vs. 45% of whose companies are headquartered in Europe), but levels still remained far below what might be expected for this foundational program element. Similarly, fewer than half (49%) of respondents said their organization had a non-retaliation policy. As in years past, we find these numbers to be unexpected given the critical importance of internal reporting programs.



### **Purpose-built compliance technology emerges as most common approach for ethics and compliance**

Most organizations use purpose-built technology to administer the various aspects of their ethics and compliance programs. This suggests organizations are finding value in such technologies that, in many cases, facilitate easier holistic management of compliance program processes “under one pane of glass.” When one program aspect can connect with another, as is often the case with such technology, new opportunities emerge for Compliance to serve as a strategic asset to the business.

Respondents who are knowledgeable about ethics and compliance were most likely to say they used purpose-built technology for ethics and compliance training (78%), yet other program elements also showed strong majority responses (between 59%-73%).

### **Read on for deeper analysis**

Where notable throughout this report, we call out findings based on elements like region, country, company size and industry. These findings are highly nuanced – with the help of Harris Poll and an internal team of data experts at NAVEX, our callouts highlight areas flagged as significantly deviating from a typical norm or representative of reader interest.

We encourage readers to leverage this data to both benchmark their own success and deepen communication and collaboration with other business units.

NAVEX provides a number of major research publications freely to the public – not just our customers. We hope readers will use this 2025 State of R&C Report in conjunction with other research in order to better understand the context of their R&C program successes – and ways to improve.



# Survey methodology

The 2025 research was conducted online by The Harris Poll on behalf of NAVEX among 999 adults age 18+ who are nonacademic professionals (management/ non-management or higher) and knowledgeable about risk and compliance in the United States (n=458), United Kingdom (n=123), France (n=119), Germany (n=107), Japan (n=104) and other countries (n=88). The survey was conducted between April 23 – May 29, 2025.

Raw data are not weighted and are therefore only representative of the individuals who completed the survey.

Respondents for this survey were from NAVEX's list of customers or prospects (n=382) or selected from among those who have agreed to participate in our surveys (n=617). The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within +/- 3.1 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

All sample surveys and polls, whether or not they use probability sampling, are subject to other multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.

**Note:** When comparing data between 2024 and 2025, it is important to note a range of differences in terms of specific question design, question order, and respondent base. Any year-over-year analysis should include this caveat.

## How to use this report:

The data and insights in this report help chief compliance officers and other R&C professionals to make informed program decisions. The report also outlines practical ways to improve R&C programs across differing maturity levels and organizational sizes.

- Benchmark your organization's R&C programs against peers
- Assess and compare your program maturity
- Identify potential gaps to improve your program performance
- Understand how your priorities compare to other organizations
- Gain a better picture of the risks and challenges other organizations are facing
- See how your leadership's embrace of ethics compares to global norms
- Leverage these findings to inspire decision-makers in your organization to strengthen support for your risk and compliance programs

# Key definitions

**POLICY MANAGEMENT** includes controlling the organization's policies and procedures throughout the policy lifecycle: drafting, editing, approving, updating, distributing, storing and documenting attestations. Policy management software (or a policy management system) refers to the technology that enables more efficient management and execution of those practices.

**ETHICS AND COMPLIANCE (E&C) TRAINING** includes regulatory compliance, conduct, employment law and information security training from a behavioral perspective. This definition includes all forms of training on ethics and compliance topics: online, in-person, virtual and blended training approaches. Educational and awareness approaches are also within this scope of training.

**INCIDENT MANAGEMENT** typically consists of intake channels including telephone, web, mobile and other whistleblower channels where employees and other stakeholders can ask questions and make reports of potential wrongdoing. Incident management systems also receive, record and encourage responses to questions, reports and incidents received, track investigations, manage outcomes and resolutions, and offer executive reporting tools.

**INTEGRATED RISK MANAGEMENT (IRM)** is the collection of practices and processes that offer businesses a comprehensive view of how they identify, assess and prioritize risk throughout their organization. When implemented through a centralized governance, risk management and compliance (GRC) platform, organizations can use IRM to gain a comprehensive view of their business

and operations from a risk perspective – connecting individual risk disciplines and managing them in one centralized program.

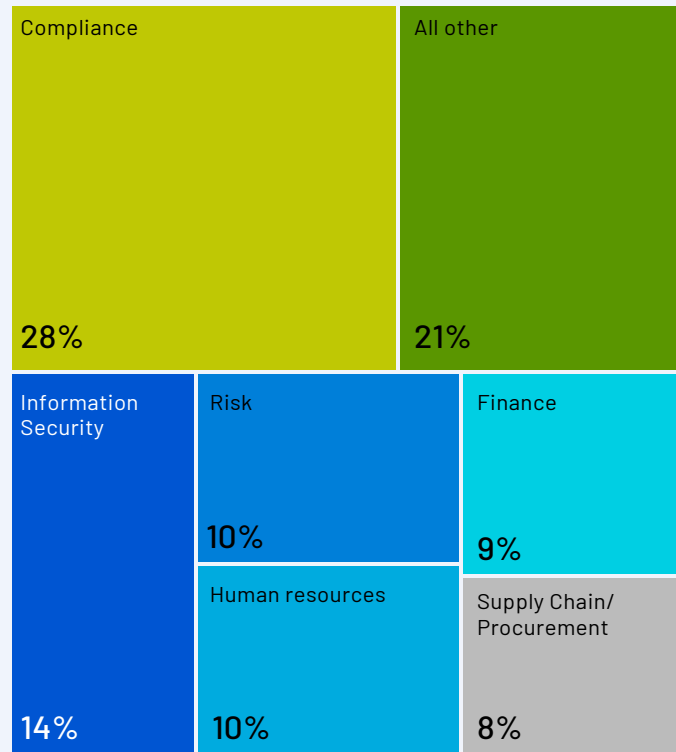
**THIRD-PARTY RISK MANAGEMENT** is an umbrella term that refers to all risk-management activities related to third parties: onboarding, screening, monitoring and in-depth risk analysis; as well as associated processes to identify, stratify, prioritize and mitigate third-party risks. Third-party due diligence refers to the studied assessment of third parties before, during and after an engagement. Internal business justifications, external preliminary risk assessments, establishing business rules and authorizations, processing documentation and policies, database analysis and reputational reporting are all third-party due diligence. It also includes active monitoring of third-party engagements for new “red flags” and real-time changes to the third party's risk profile.

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)** is a subset of non-financial performance indicators which include environmental, social, ethical and corporate governance issues such as managing a company's carbon footprint and ensuring there are systems in place to ensure accountability.

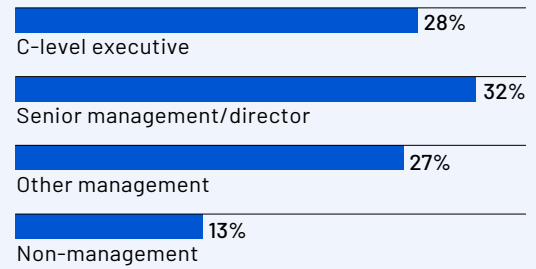
**PROGRAM MATURITY** is a measure of the size and sophistication of a company's existing risk and compliance program. For the purposes of the 2025 study, maturity designations were self-reported based on the criteria of the [Framework for E&C Program Excellence](#) from the Ethics and Compliance Initiative (ECI). We utilize program maturity as an indicator of current proficiency and performance.

## A SNAPSHOT OF OUR SURVEY PARTICIPANTS

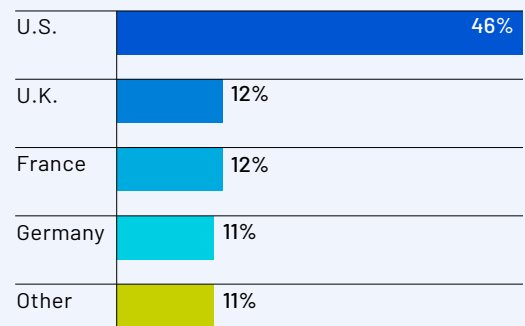
### JOB FUNCTION



### JOB LEVEL



### COUNTRY OF RESIDENCE

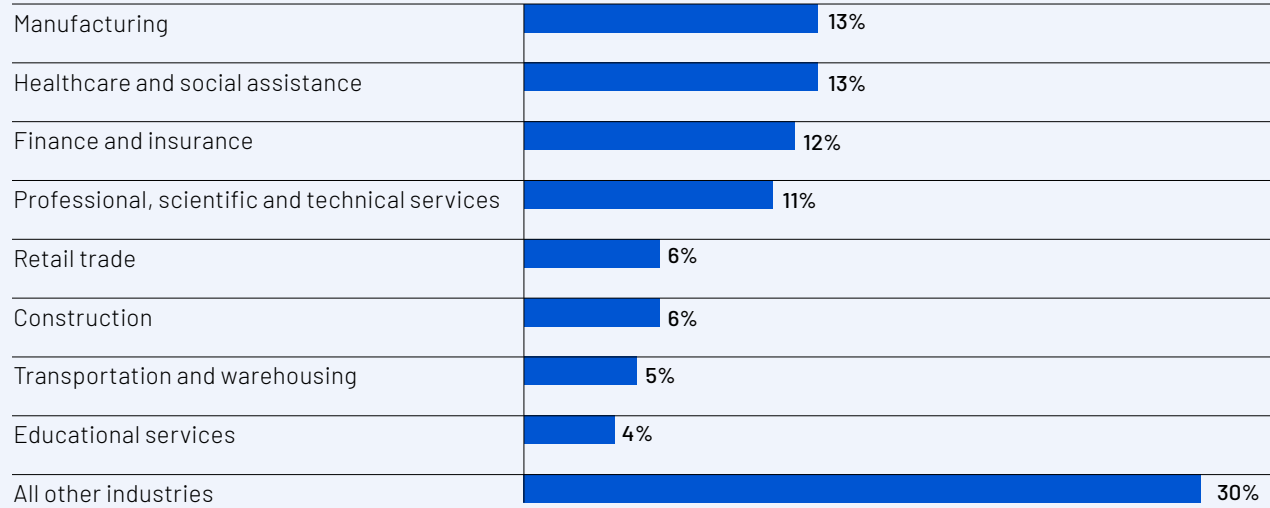


## AREAS OF RISK AND COMPLIANCE KNOWLEDGE

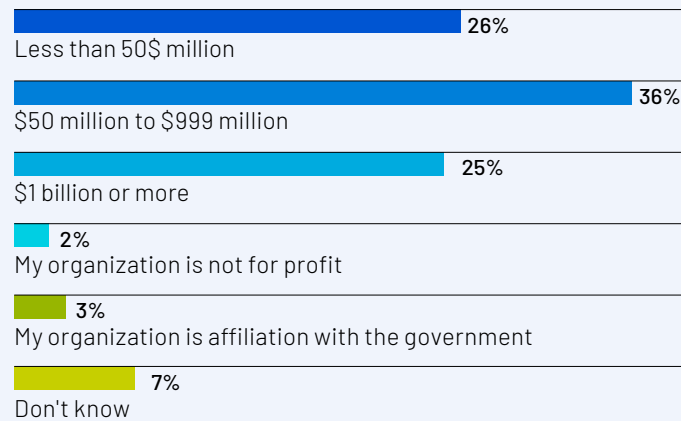


## A SNAPSHOT OF OUR SURVEY PARTICIPANTS

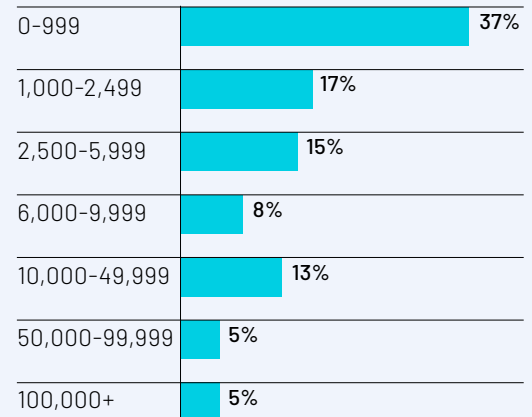
### INDUSTRY



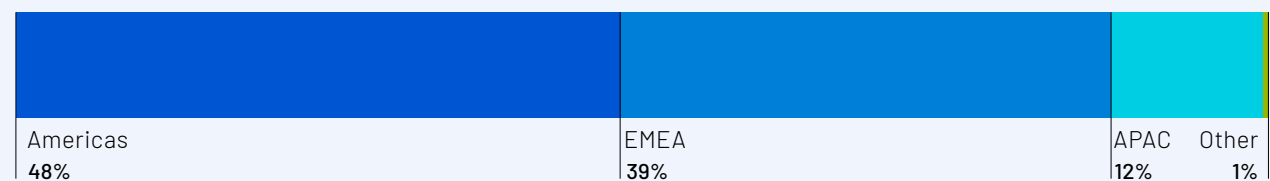
### ANNUAL REVENUE (USD)



### NUMBER OF EMPLOYEES



### COMPANY HEADQUARTERS



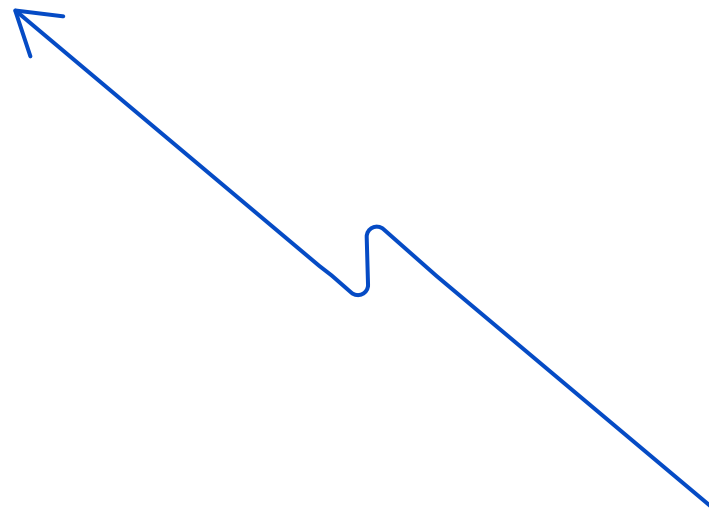
An abstract graphic on a blue background. Several white arrows of varying lengths and directions point towards a central point. A white jagged line, resembling a sawtooth or a stylized 'Z', enters from the left and points towards the center. Another jagged line enters from the bottom and points upwards towards the center.

# Program maturity and current state

NAVEX's major research publications provide real-world benchmarking metrics with which risk and compliance (R&C) practitioners can self-assess the operations of their own organization and programs compared to norms in the field. Where our whistleblowing benchmark reports derive actionable insight from the activities of internal reporting programs, this "Program Maturity and Current State" section of our State of Risk & Compliance Report does so through the direct voice of surveyed R&C professionals. Readers might see our internal reporting benchmarking as a measure of how R&C programs are playing out in real time. This State of R&C Report provides broader measures of how organizations are designing their programs to address the opportunities and challenges ahead.

To help determine the state of programs in 2025, NAVEX asked respondents to self-report their R&C program maturity based on the [Framework for E&C Program Excellence](#) criteria from the nonprofit Ethics and Compliance Initiative (ECI). This five-point scale begins at the least mature, "Underdeveloped," and advances in maturity through the stages of "Defining," "Adapting," "Managing" and, finally, "Optimizing." It is worthy of note that there is no "end" to the spectrum – even the most mature programs have room to refine their approach.

We also asked respondents to outline factors pertaining to their program reporting structure, engagement in various aspects of organizational structure, resourcing, and more. These questions seek to paint a picture of the role R&C is playing in terms of overall organizational dynamics.





Finally, for this section, we asked respondents some specific questions about the operations of different program elements – internal reporting, training, policy management and risk management.

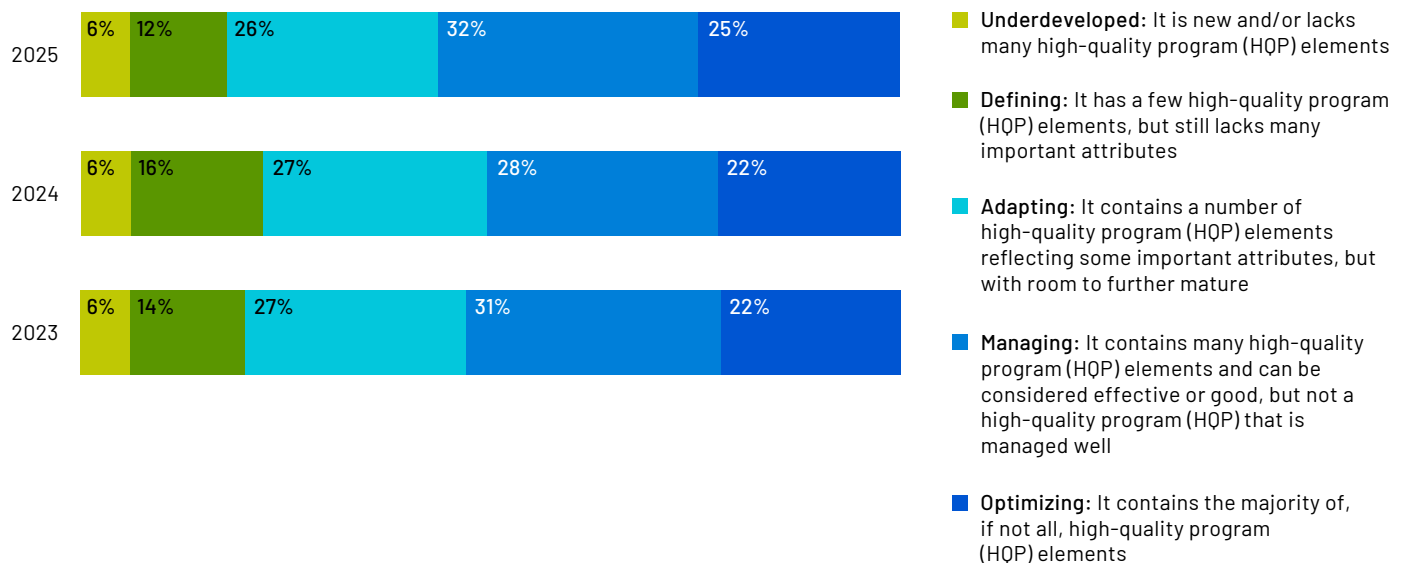
This section provides readers a sense of the current state of global R&C programs. Where notable, we've called out relevant findings by cohorts such as company size, maturity, geography and other measures within our respondent group. Readers can use this data to understand where they diverge from prominent trends and use those findings as an opportunity to reexamine their program and open conversations for ways to improve.

## Nearly 3 in 5 respondents rank their program at top maturity levels

Based on the ECI maturity definitions, 57% of respondents said their program was either Managing or Optimizing – the top two of five tiers on the maturity spectrum.

While strict year-over-year comparisons are not possible for this report due to annual changes in the respondent base and updates to our question sets, respondents in 2025 appear slightly more confident in their program maturity than in 2024 and 2023.

## DESCRIBING ORGANIZATION'S R&C PROGRAM



BASE: ALL QUALIFIED RESPONDENTS (N=999)

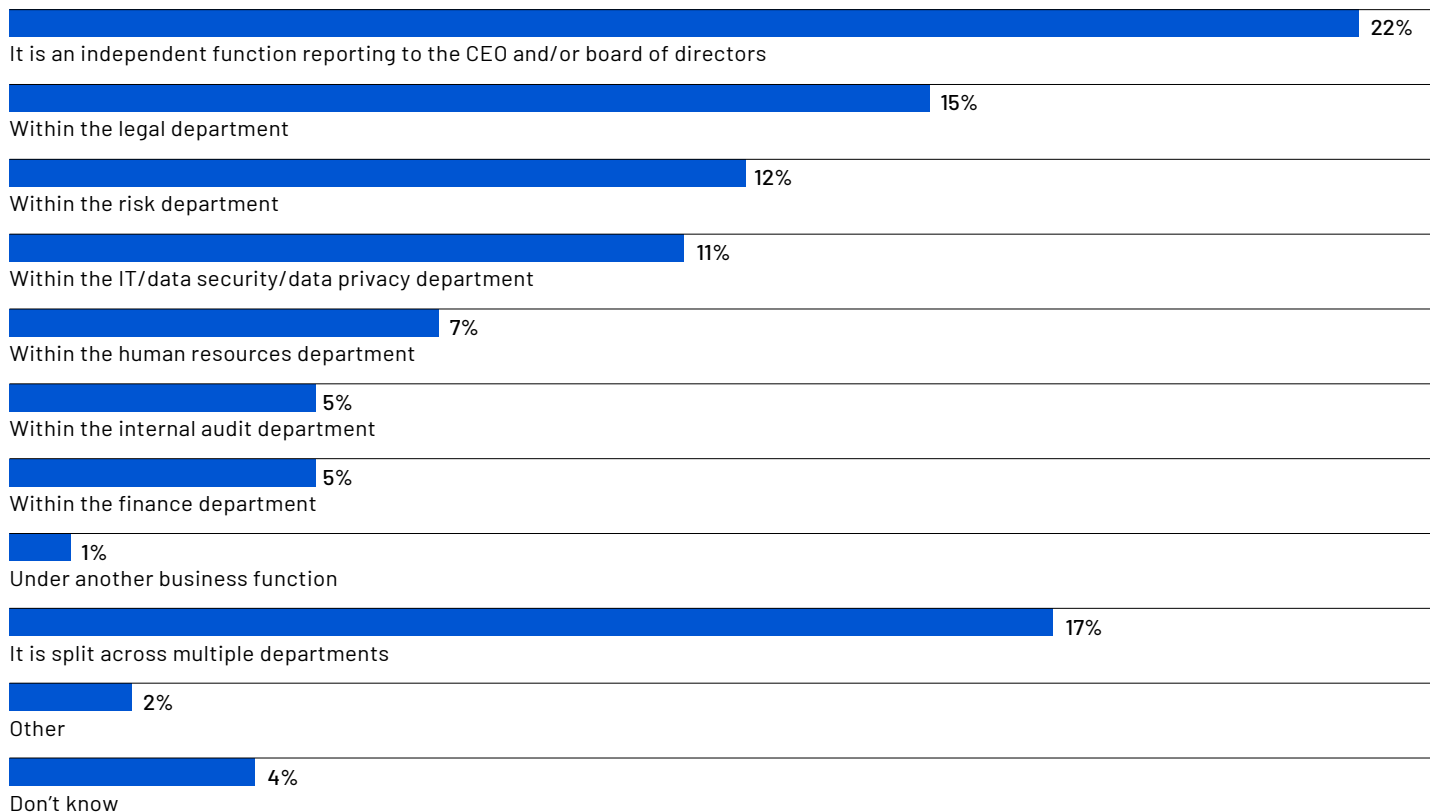
Which of the following statements best describes your organization's risk and compliance program?

### 'Independent function,' Legal and Risk represent nearly half of ownership for compliance; large share still see split ownership

Nearly half (49%) of respondents who are knowledgeable about ethics and compliance said the function responsible for their compliance program was either "an independent function reporting to the CEO and/or board of directors" (22%), Legal (15%) or Risk (12%).

Again, with the caveat that year-over-year comparisons are not strictly possible with this survey, a smaller share of our 2025 respondent base said their compliance function reported to Legal compared to our base in 2024 (15% versus 21%). The same was true for those who said their compliance function was split across multiple departments (17% versus 23%).

## FUNCTION RESPONSIBLE FOR COMPLIANCE PROGRAM



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)  
Which function is responsible for your organization's compliance program?

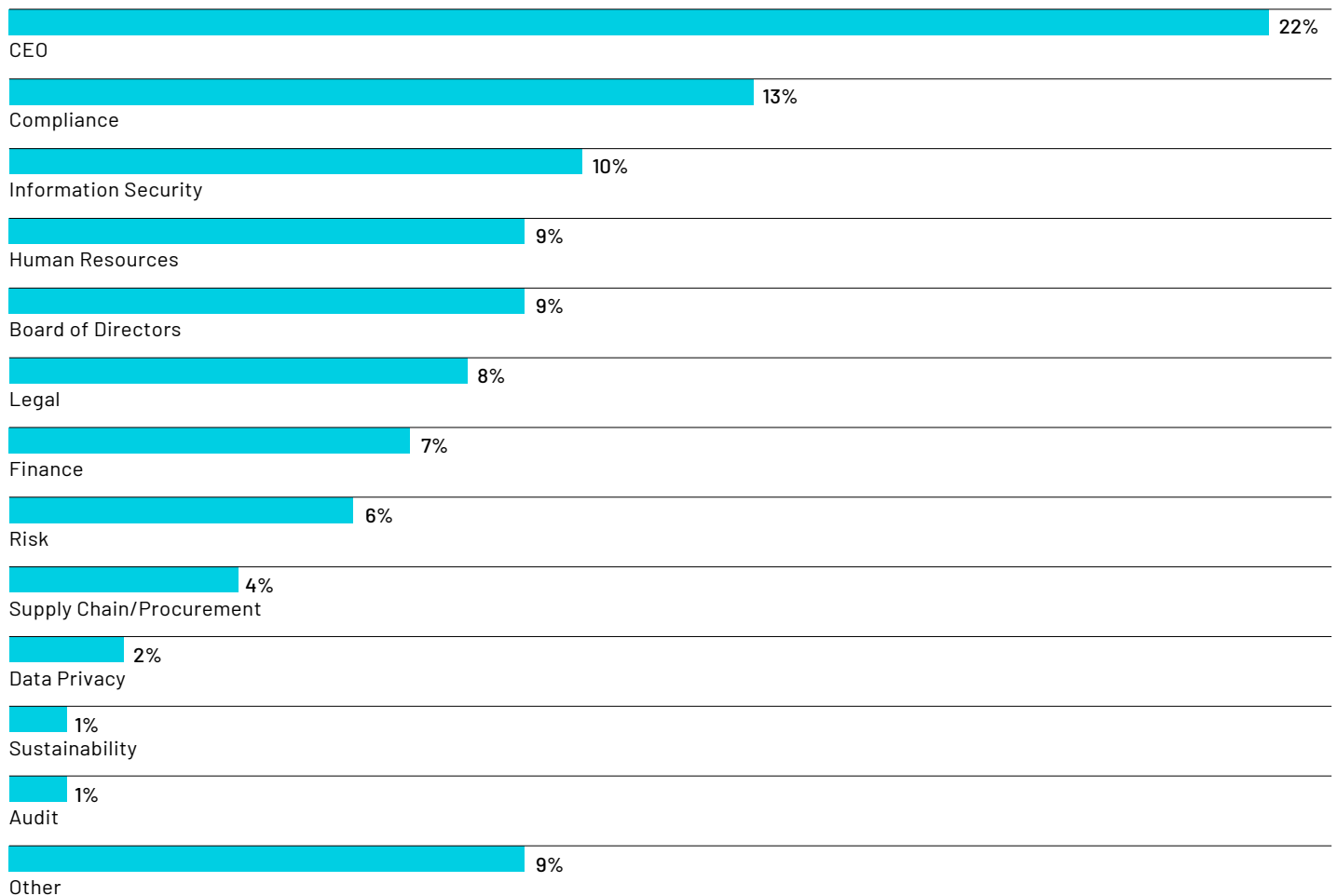
### Highest response rate for reporting to CEO, less for larger organizations

New this year, we also asked the R&C professionals to indicate which function they individually report to. More than one fifth (22%) of respondents said they report to the CEO, which was the most common response.

### Additional findings (not included in charts):

- Respondents from organizations with over 10,000 employees were less likely to say they report to the CEO (10%), compared to 22% for 1,000-9,999 employees and 29% for 0-999 employees.

## FUNCTION REPORTING TO



BASE: ALL QUALIFIED RESPONDENTS (N=999)  
Which function do you report to?

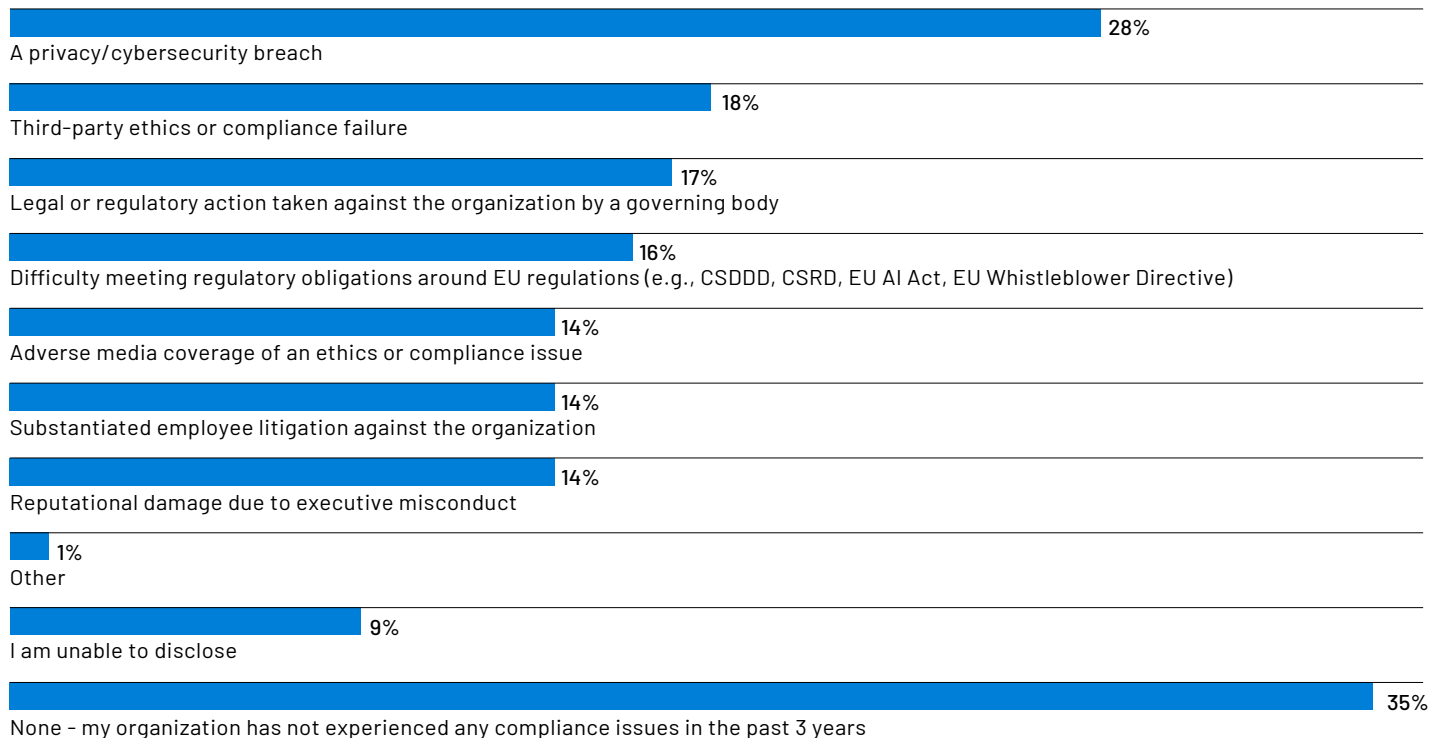
## 56% report ethics or compliance issues

As in prior years, respondents in 2025 were most likely to say their organization experienced a data privacy/cybersecurity breach in the past three years (28%), consistent to 28% in 2024. This was a full 10 percentage points greater than the next most commonly indicated compliance issue, a third-party ethics or compliance failure (18%). Yet the prevalence of third-party compliance

issues is notable, as regulators – and other groups like customers – increasingly demand that organizations maintain an ethical and compliant supply chain.

Fifty-six percent of respondents said the organization had experienced at least one compliance issue in the past three years, and 36% said their organization had experienced more than one.

### COMPLIANCE ISSUES EXPERIENCED IN THE PAST THREE YEARS



BASE: ALL QUALIFIED RESPONDENTS (N=999)

Has your organization experienced any of the following compliance issues in the past three years? Please select all that apply.

## Many have made, or are considering, changes in light of US policy and enforcement shifts

Depending on the program element in question, between 28% and 56% of respondents said their organization either already made, or plans to make, changes in light of shifts in United States government priorities and enforcement policies. The combined response share was greatest for changes to policies (new or current), followed closely by risk assessment, training plan and priorities, and code of conduct update.

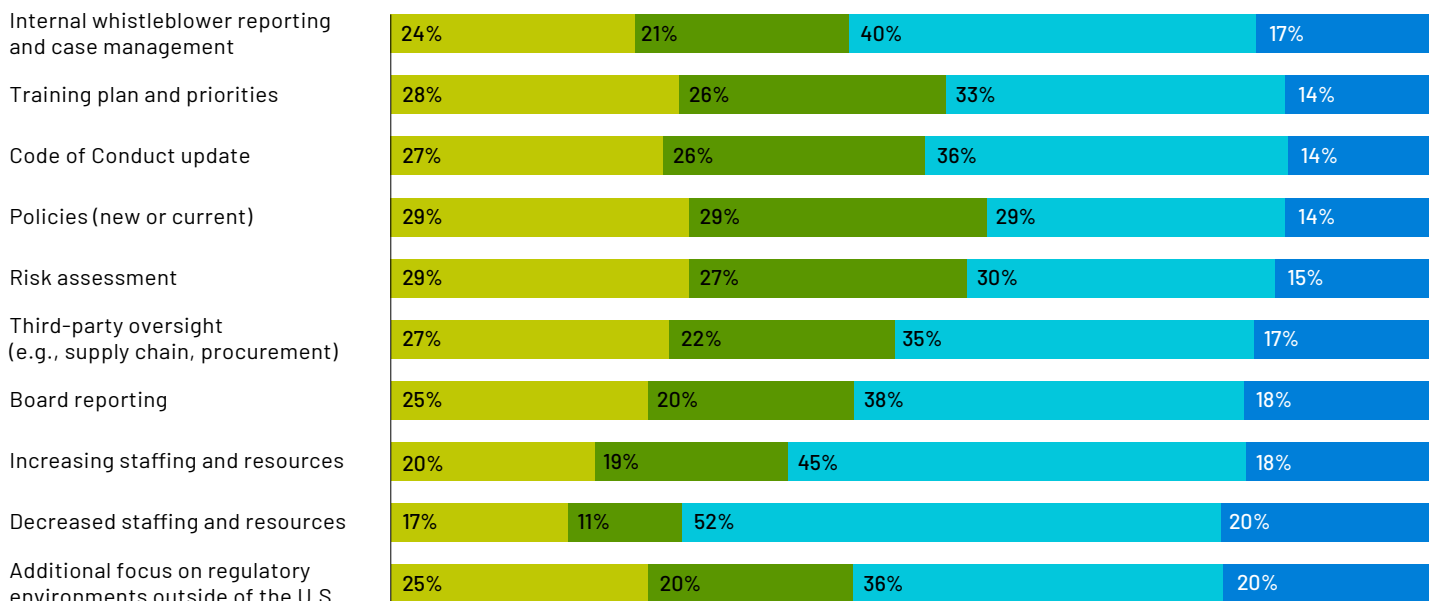
Fifty-two percent of respondents said their organization did not plan any decreases to staffing and resources, the greatest share that indicated no previous changes or consideration of future changes. In contrast, 38% said they had, or were considering, increasing staffing and resources.

### Additional findings (not included in charts):

- Respondents from the United States were generally less likely to say their organization has made/is considering making changes to several program elements than those from other countries like France, Germany, the United Kingdom and Japan. For example, 50% of U.S. respondents said their organization has made or is considering changes to risk assessment, compared to 63% in Germany, 64% in Japan and 66% in France.

## CHANGES CONSIDERING US GOVERNMENT PRIORITIES

■ Don't know   
 ■ My organization has not made changes and is not considering making changes to this program element   
 ■ My organization has made changes to this program element   
 ■ My organization is considering making changes to this program element



BASE: ALL QUALIFIED RESPONDENTS (N=999)

Has your organization made or considered making any changes to any of the program elements below in light of changes in U.S. government priorities and enforcement policies? Select all that apply.

## ISO most common as compliance program framework

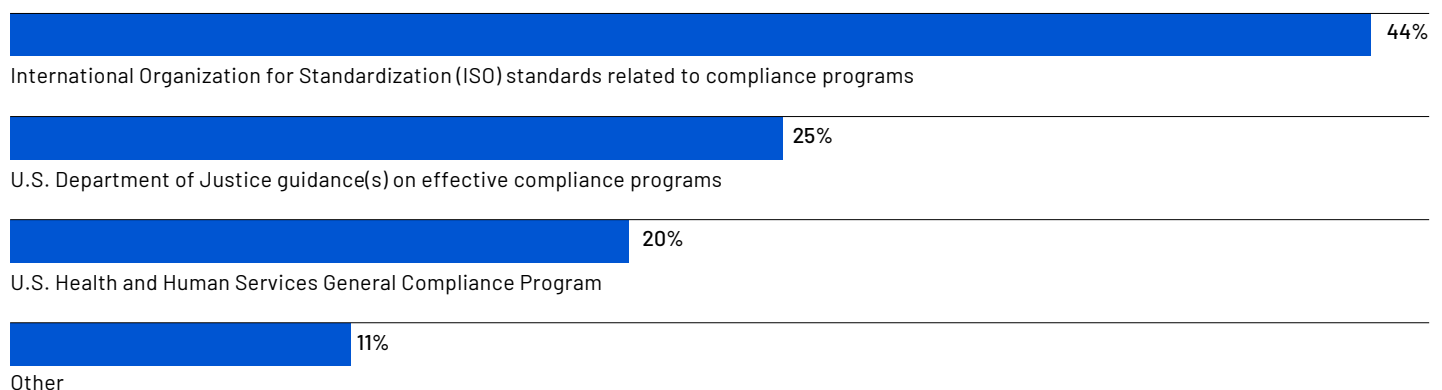
Respondents said International Organization for Standardization (ISO) standards related to compliance programs were the most common (44%) primary framework used by their organizations to inform the compliance program. Twenty-five percent of respondents said their organization uses the U.S. Department of Justice guidance on effective compliance programs, 20% cited U.S. Health and Human Services General Compliance Program Guidance and 11% cited "other."

## Additional findings (not included in charts):

- R&C professionals whose organizations are based in EMEA (65%) and APAC (67%) were more likely than those based in the Americas (24%) to say they used ISO standards related to compliance programs as their primary framework. Thirty-five percent of respondent knowledgeable about ethics and compliance living in the United States said they used DOJ guidance on effective compliance programs.
- ISO standards were more commonly used for professional, scientific and technical services (57%), manufacturing (56%) and finance and insurance (50%).\*
- Not surprisingly, respondents from healthcare organizations were far more likely than others to say their organization leans on U.S. HHS General Compliance Program Guidance (53% vs. 9% educational services, 12% manufacturing, 13% professional, scientific and technical services; 18% all other industries (excluding educational services as well as those mentioned previously)).

\*Caution: small base (<100); interpret results directionally only.

## PRIMARY FRAMEWORK USED TO INFORM THE COMPLIANCE PROGRAM



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

What is the primary framework that your organization uses to inform the compliance program? Please select one.

## Regulatory compliance and data privacy top compliance issue concerns

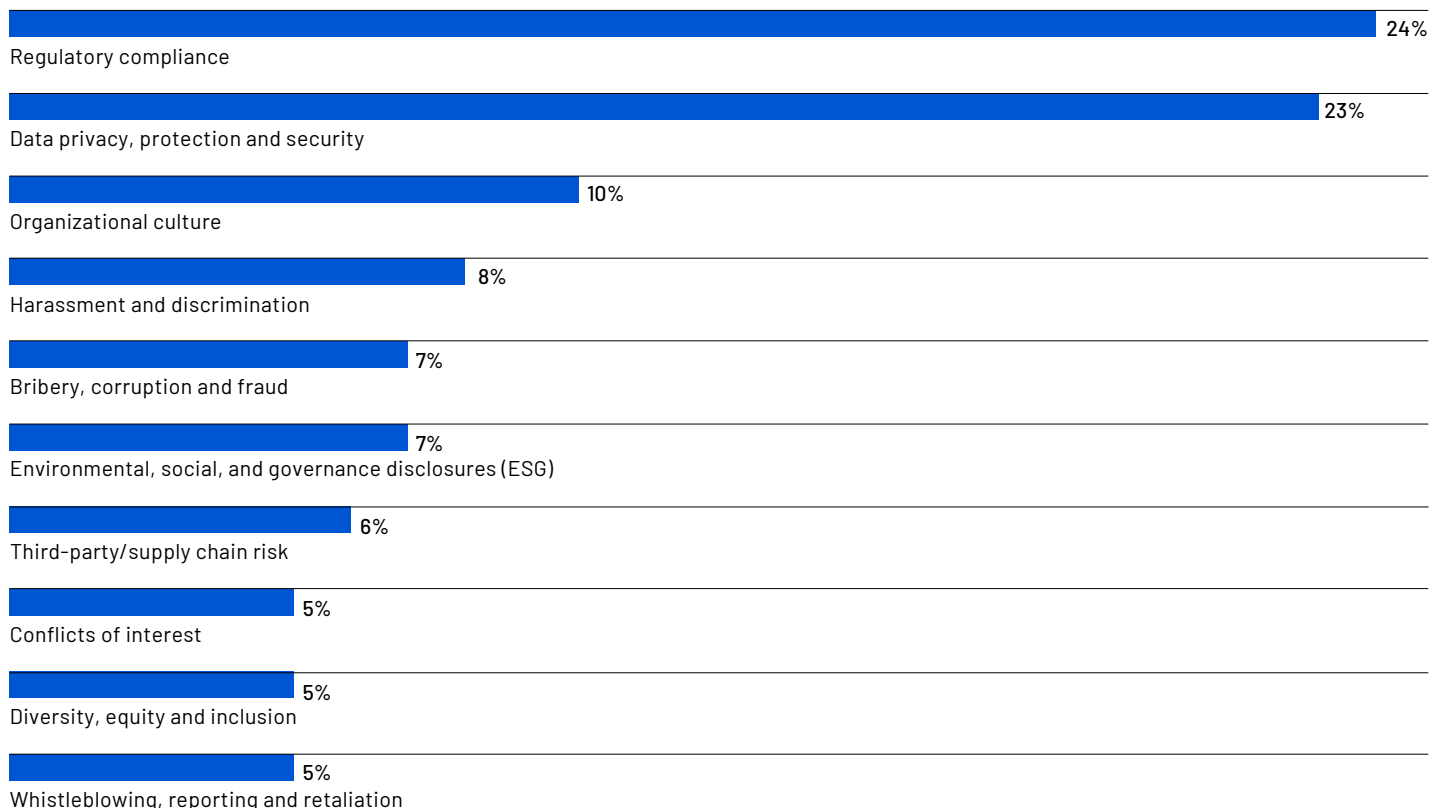
As in 2024, respondents in 2025 who are knowledgeable about ethics and compliance most commonly rated regulatory compliance (24%) and data privacy, protection and security (23%) as their organization's most important compliance issue. In last year's cohort, a greater share of respondents (29%) rated regulatory compliance at the top of their top-three issues while a slightly smaller share (20%) rated data privacy. With caution for year-over-year comparisons, we considered that the potential for reduced regulatory pressure in the United States

may explain a potential decline in priority for regulatory compliance, while the rise of artificial intelligence in organizations may be growing interest in data privacy.

### Additional findings (not included in charts):

- Respondents representing more-mature organizations (Managing/Optimizing) were less likely (21%) to say regulatory compliance was their number-one most important compliance issue out of three compared to other maturity levels including Underdeveloped/Defining (30%).

## THREE MOST IMPORTANT CONSIDERATIONS WHEN MAKING DECISIONS – RANKED 1<sup>ST</sup>

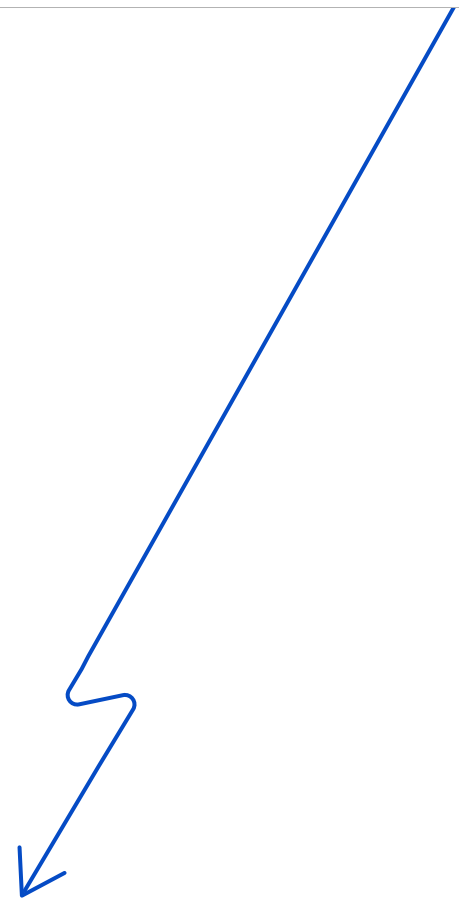


BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)  
Which of the following compliance issues are most important to your organization?

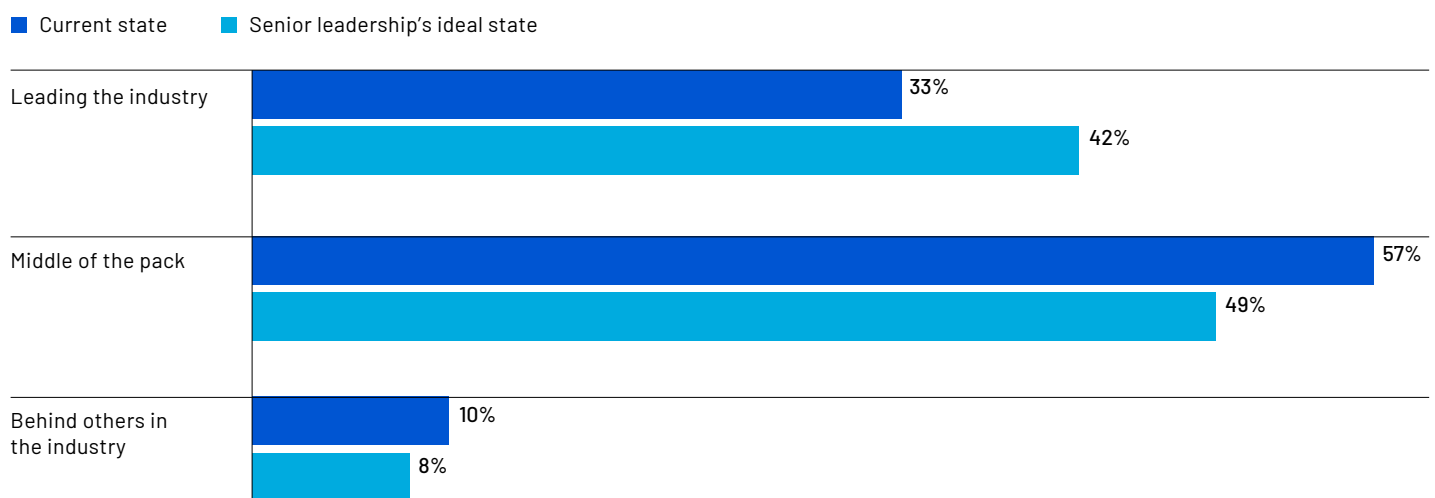


### More than two in five said leadership wants a top-level compliance program

Around two in five (42%) of respondents who are knowledgeable about ethics and compliance said senior leadership's ideal state for their organization's compliance program is that it is leading the industry, compared to the one third (33%) that said their organization is already there. Most (57%) said their program was currently "middle of the pack" – and 49% said that's also senior leadership's ideal state. Ten percent or fewer (8%) said that they were behind others in the industry and/or this represented senior leadership's ideal state, respectively.



### BEST DESCRIPTION OF CURRENT STATE OF COMPLIANCE PROGRAM AND SENIOR LEADERSHIP'S IDEAL STATE FOR COMPLIANCE PROGRAM



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which of the following best describes the current state of your organization's compliance program and senior leadership's ideal state for the compliance program?

## Belief is strongest among senior leaders that compliance is a strategic advantage, but not all are said to agree

When asked if senior leadership “strongly agreed” that compliance programs were a strategic advantage to the business, 37% of respondents who are knowledgeable about ethics and compliance said yes. This compares to the 31% that said senior leaders would strongly agree that it was like an insurance policy, and the 15% that said senior leaders viewed them as a “necessary evil” that inhibits business.

### Additional findings (not included in charts):

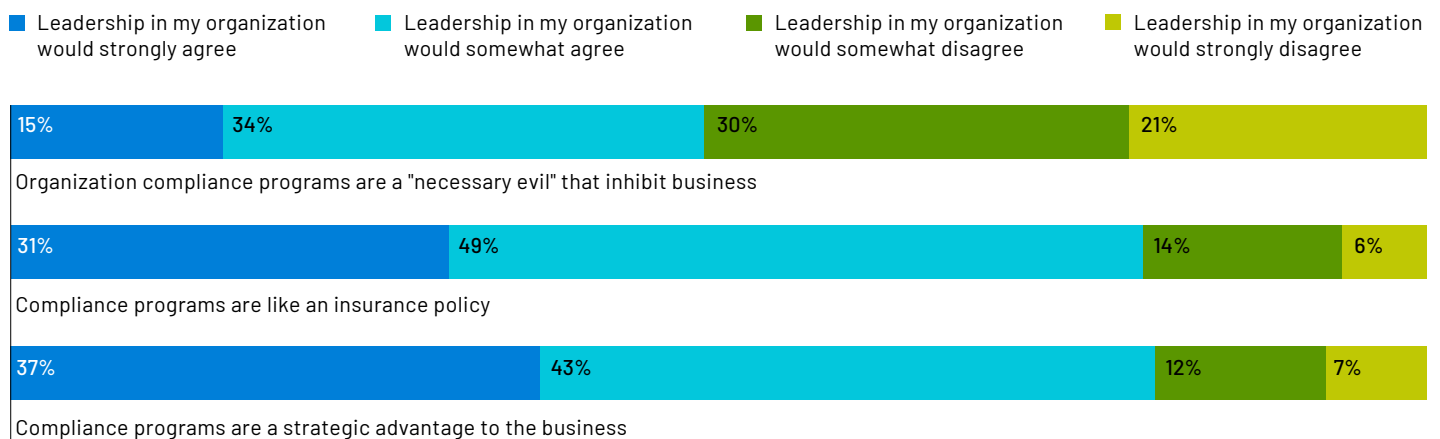
- Respondents who said their program was in one of the top two designations in the ECI maturity spectrum were most likely (84%) to say leadership either “strongly” or “somewhat” agreed compliance was a strategic advantage to the business. Those who put their program in one of the lower two tiers said that compliance was a strategic asset at a rate of 69%. Forty-six percent of those indicating

high-maturity programs said leadership agreed that compliance was a “necessary evil,” compared to 54% of those indicating lower-maturity programs.

- Respondents in manufacturing (88%) and professional, scientific and technical services (86%)\* were most likely to say leaders would agree to compliance’s strategic advantage, with other industries such as healthcare and social assistance (78%) roughly level with one another.
- Those headquartered across global geographies were roughly similar in the share of respondents that indicated some level of leadership agreement that compliance is a strategic advantage (between 80% and 81% across regions). Similarly, company size seemed to have a minimal impact on response patterns (between 78% and 84%).

\*Caution; small base (<100); interpret results directionally only” as both manufacturing and professional, scientific and technical services have a base size lower than 100.

## AGREEMENT STATEMENTS ABOUT COMPLIANCE PROGRAMS



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

From your perspective, how much do you think leadership in your organization would agree or disagree with the following statements?

## Leaders often encourage compliance and ethics, yet red flags remain

Survey results for 2025 showed positive compliance and ethics behaviors among different levels of leadership. For example, regarding senior leaders, 73% of question respondents who are knowledgeable about ethics and compliance said they have encouraged compliance and ethics within their organization. Sixty percent said their senior executives have modeled proper behavior. (Although, it is notable that 40% were not seen as modeling proper behavior.)

Some negative behaviors continue to raise red flags in 2025. Sixteen percent of respondents said senior leaders have impeded compliance personnel from effectively implementing compliance's duties, consistent with responses regarding middle (16%) and first-line management (17%). Nine percent of respondents said senior leaders have encouraged employees to act unethically to achieve a business objective.

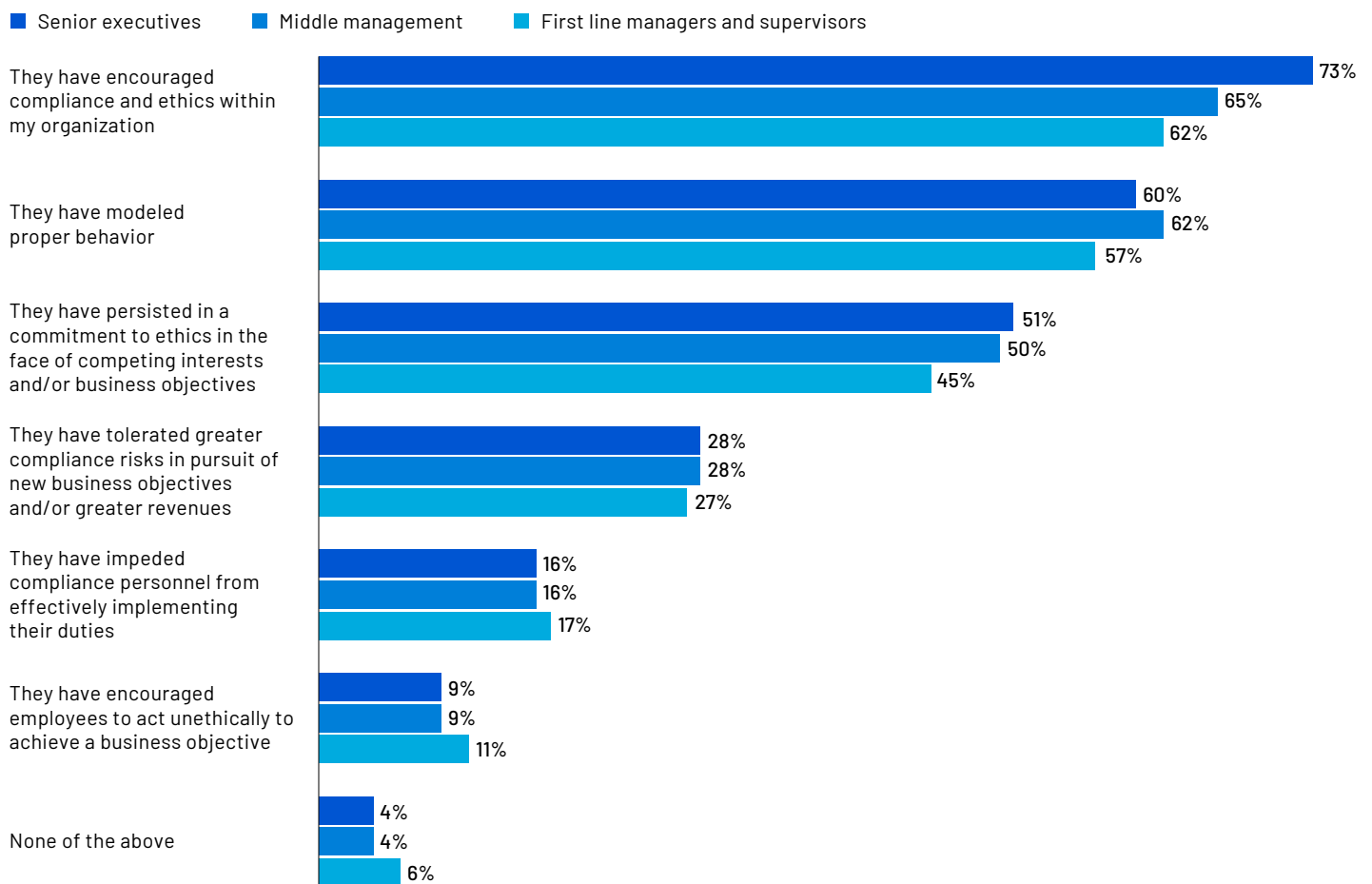
Across levels of leadership, some indicated behaviors differ. Eleven percent of respondents reported that first-line managers and supervisors were slightly more likely than other middle and senior managers (9% each) to encourage employees to act unethically to achieve a business objective. Respondents who are knowledgeable about ethics and compliance said that were also slightly less likely (45%) to persist in a commitment to ethics in the face of competing interests and/or business objectives (compared to middle management, 50%; senior management, 51%).

With our aforementioned caution in year-over-year comparisons, the 2025 cohort shows some improvements over 2024. Sixty percent in 2025 said senior executives modeled proper behavior, compared to 52% in 2024. For middle management, 62% in 2025 said they modeled proper behavior, compared to 52% in 2024. Respondents in 2025 were also slightly more likely to cite positive behaviors among frontline managers. Taken together, this suggests a potentially positive signal.

Additional findings (not included in charts):

- Respondents from larger organizations (10,000 or more employees) were slightly more likely than average to cite positive behaviors among senior executives: 75% for “encouraging compliance and ethics,” 64% for “modeling proper behavior” and 55% for “persisting in a commitment to ethics and compliance in the face of competing interests and/or business objectives.”

## TRUE STATEMENTS ABOUT MANAGEMENT



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which of the following statements are true about your organization’s senior executives, middle management, and first line managers and supervisors? Please select all that apply.

### Positive leadership behaviors show beneficial correlation to maturity, avoiding compliance issues

Respondents who are knowledgeable about ethics and compliance who considered their R&C program to be in a high maturity tier were also more likely to cite positive behaviors across all levels of leadership. Conversely, those who considered their program to be in a lower maturity tier were more likely to cite negative or riskier behaviors. It seems that the way leadership exemplifies the goals of R&C is an important part of how respondents view

the strength of their program. In short – it matters that leadership sets an example, and these metrics may help readers to make that case.

Similarly, respondents who cited negative or riskier leadership behaviors were also more likely to have said their organization experienced a compliance issue in the past 2-3 years. This suggests a tangible, negative business outcome when leadership leans toward this kind of mindset. Those who cited positive leadership behaviors were more evenly split in whether they experienced a compliance issue.

## LEADERSHIP COMMITMENT TO COMPLIANCE VERSUS PROGRAM MATURITY

PROGRAM MATURITY	TOLERATED GREATER RISK, IMPEDED COMPLIANCE PERSONNEL, ENCOURAGED EMPLOYEES TO ACT UNETHICALLY (NET)			ENCOURAGED COMPLIANCE/MODELED PROPER BEHAVIOR/PERSISTED IN COMMITMENT TO COMPLIANCE (NET)		
	Underdeveloped/ Defining	Adapting	Managing/ Optimizing	Underdeveloped/ Defining	Adapting	Managing/ Optimizing
Senior executives	39%	32%	41%	81%	88%	93%
Middle managers	45%	25%	43%	76%	89%	92%
First-line managers	43%	32%	42%	71%	84%	89%

## LEADERSHIP COMMITMENT TO COMPLIANCE VERSUS 'EXPERIENCED COMPLIANCE ISSUE IN PAST 2-3 YEARS'

EXPERIENCED COMPLIANCE ISSUE IN PAST 2-3 YEARS	TOLERATED GREATER RISK, IMPEDED COMPLIANCE PERSONNEL, ENCOURAGED EMPLOYEES TO ACT UNETHICALLY (NET)		ENCOURAGED COMPLIANCE/MODELED PROPER BEHAVIOR/PERSISTED IN COMMITMENT TO COMPLIANCE (NET)	
	Yes	No	Yes	No
Senior executives	50%	27%	92%	89%
Middle managers	52%	23%	91%	88%
First-line managers	52%	25%	85%	85%

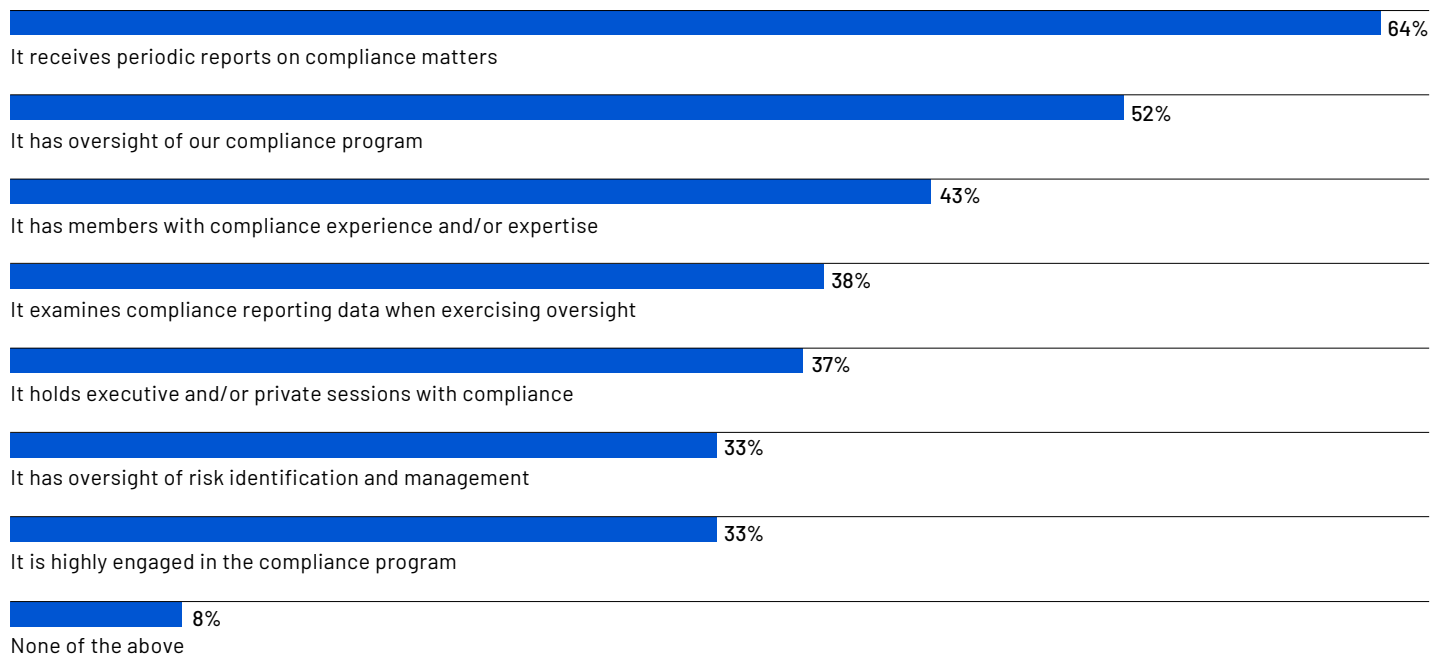
## Board engagement shows opportunities to improve

Sixty-four percent of respondents who are knowledgeable about ethics and compliance said their boards of directors received periodic reports on compliance matters – a smaller share than we would have expected, and roughly consistent with polling data from our 2024 cohort (66%). Only about half (52%) of respondents said their board of directors has oversight of the compliance program.

## Additional findings (not included in charts):

- Seventy-one percent of respondents from organizations with 10,000 or more employees said their boards of directors receive periodic reports on compliance matters.
- Respondents who indicated their organization was on the more mature end of the ECI maturity spectrum were more likely to indicate positive signals for board engagement. Highlights included: board members have compliance experience and/or expertise (50%, versus 35% for Adapting and 28% for Underdeveloped/Defining); it holds executive/private sessions with compliance (43%, versus 35% Adapting, 21% Underdeveloped/Defining); it is highly engaged in the compliance program (39%, versus 25% Adapting, 20% Underdeveloped/Defining).

## TRUE STATEMENTS ABOUT BOARDS OF DIRECTORS



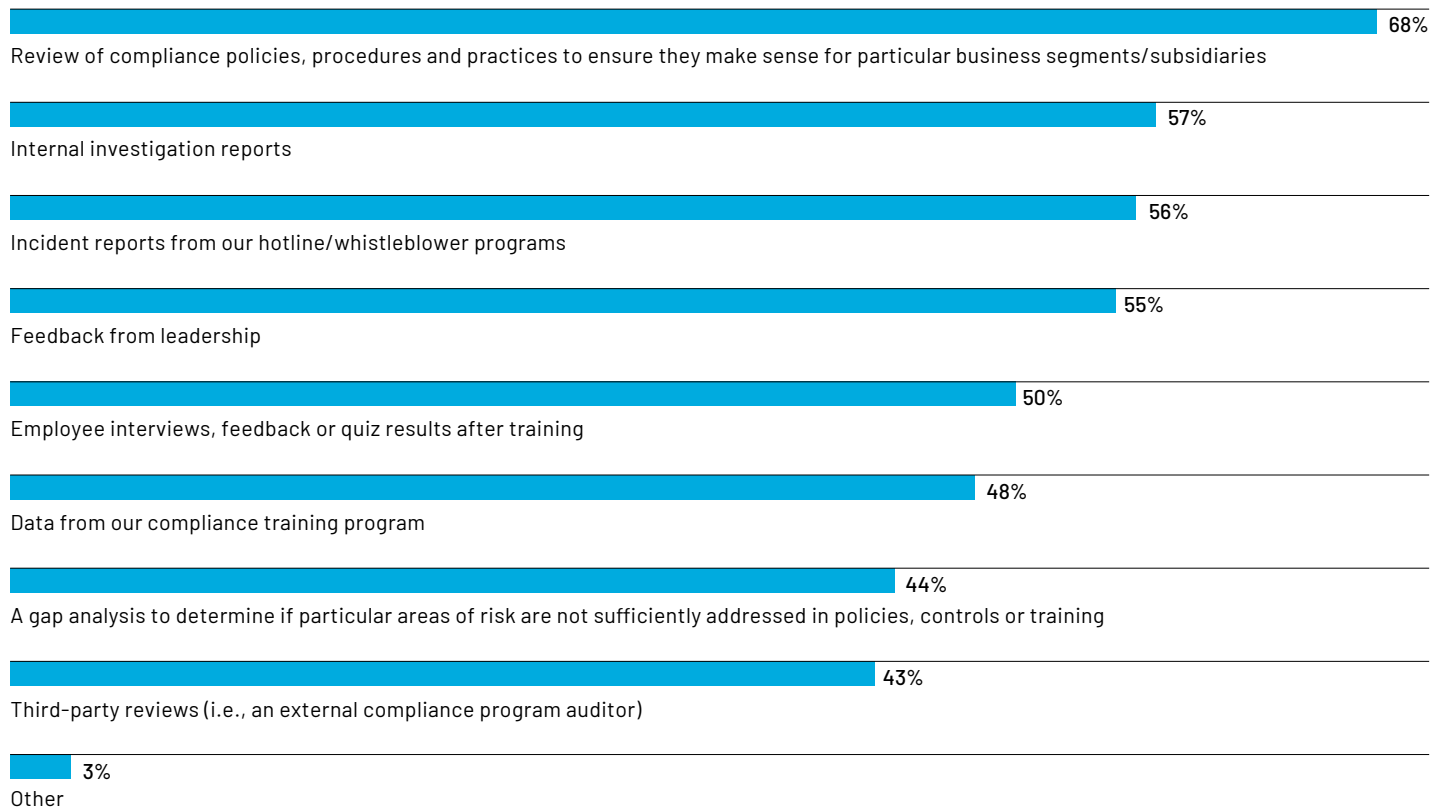
BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which of the following are true about your organization's board of directors? Please select all that apply.

### Just over half of organizations incorporate leadership feedback in measuring compliance effectiveness

Just over half (55%) of respondents whose organizations use compliance program audits said they incorporate feedback from leadership in measuring effectiveness of their risk compliance program. We found this result concerning as this should be a critical input. In contrast, the 43% who said their organization uses third-party reviews was higher than expected.

## ASPECTS OF R&C PROGRAM AUDITS



BASE: ORGANIZATION USES COMPLIANCE PROGRAM AUDITS (N=429)

Which of the following does your organization use to measure the effectiveness of its risk and compliance program? Please select all that apply.



# Program-specific elements

A diagram consisting of several light blue arrows of varying lengths and directions, all pointing towards a central point in the lower right quadrant of the page. The arrows originate from different parts of the page, including the top, left, and bottom edges, creating a sense of convergence.

# 01 Ethics and compliance

## Purpose-built tech most common for all program elements

2025 marks the first year in which a majority of respondents said they use purpose-built technology to primarily administer every E&C program element. Respondents who are knowledgeable about ethics and compliance were most likely to say they used purpose-built technology for E&C training (78%), followed by policy and procedure management (73%).

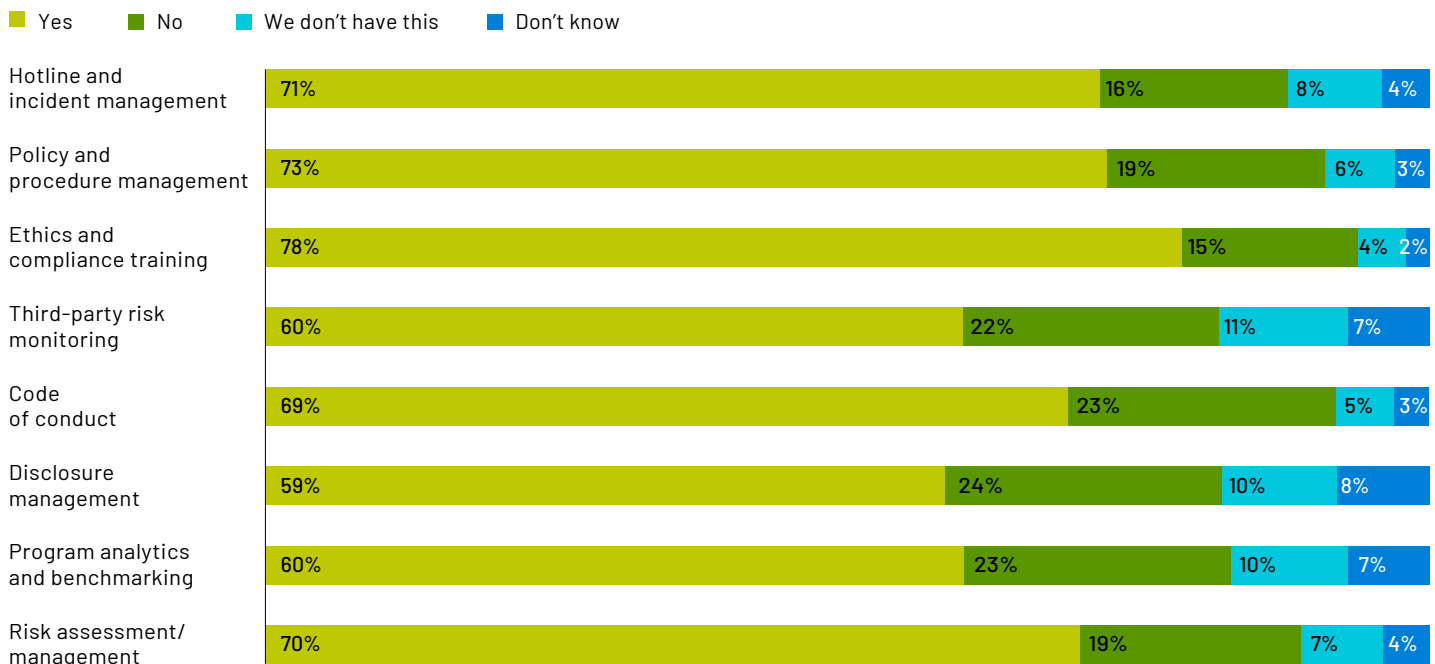
Again, with the caution that different respondent bases and question sets make it impossible to draw strict year-over-year comparisons with our previous surveys, data for 2025 suggests purpose-built technology may be becoming increasingly common for ethics and compliance (E&C) program elements. Only half (50%) of respondents in 2024 said they use purpose-built technology for program analytics and benchmarking – that share rose to 60% in 2025. An increase for risk assessment and management was also notable – 64% in 2024, and 70% in 2025.



Additional findings (not included in charts):

- The smallest organizations represented in our survey base were said to be far less likely than others to possess purpose-built technology for various E&C program elements. This varied across elements, most notably where only 58% of respondents in organizations with 0-999 employees were said to have purpose-built technology for hotline and incident management compared to 78% of their counterparts in organizations with 1,000-9,999 employees and 82% with 10,000 or more employees. Still, apart from third-party risk monitoring (46%), respondents at most smaller organizations said they were using purpose-built technology for different aspects of their E&C programs (51% to 73%).
- Rates of adoption of purpose-built technology by organizations with 1,000-9,999 employees and those with 10,000 and above were roughly similar, with one caveat. Only 58% of respondents from the largest organizations said they were using purpose-built technology for program analytics and benchmarking, compared to 68% of those in the 1,000-9,999 range.

## UTILIZATION OF PURPOSE-BUILT TECHNOLOGY TO PRIMARILY ADMINISTER ETHICS AND COMPLIANCE PROGRAM ELEMENTS



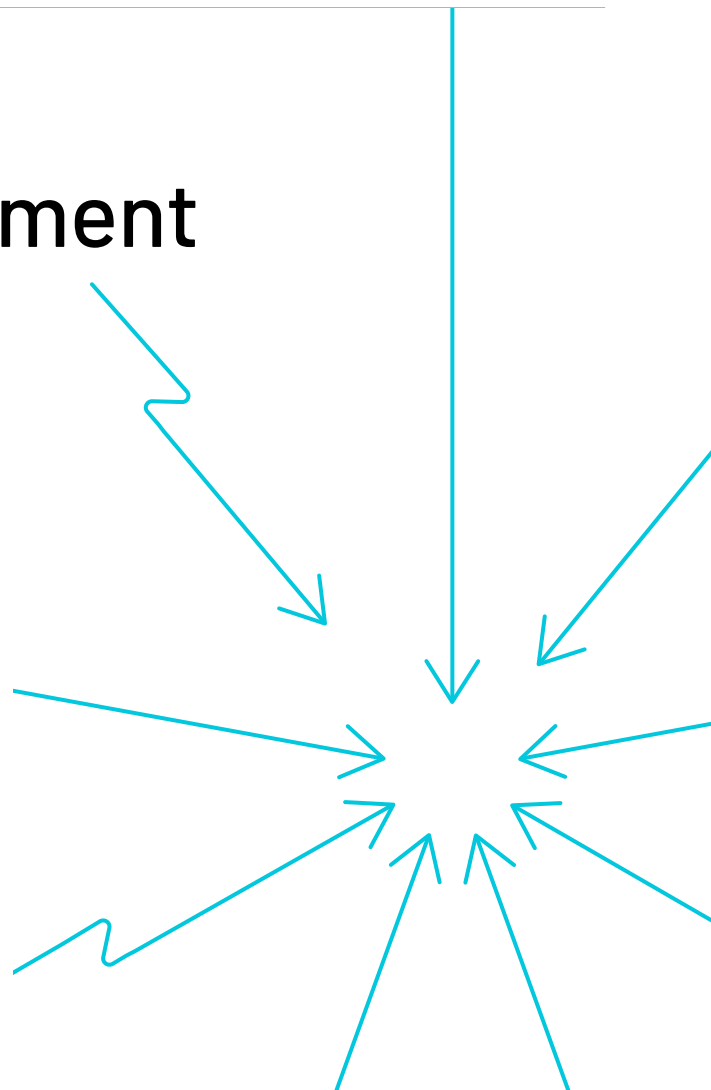
BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Does your organization use purpose-built technology to primarily administer the following ethics and compliance program elements?

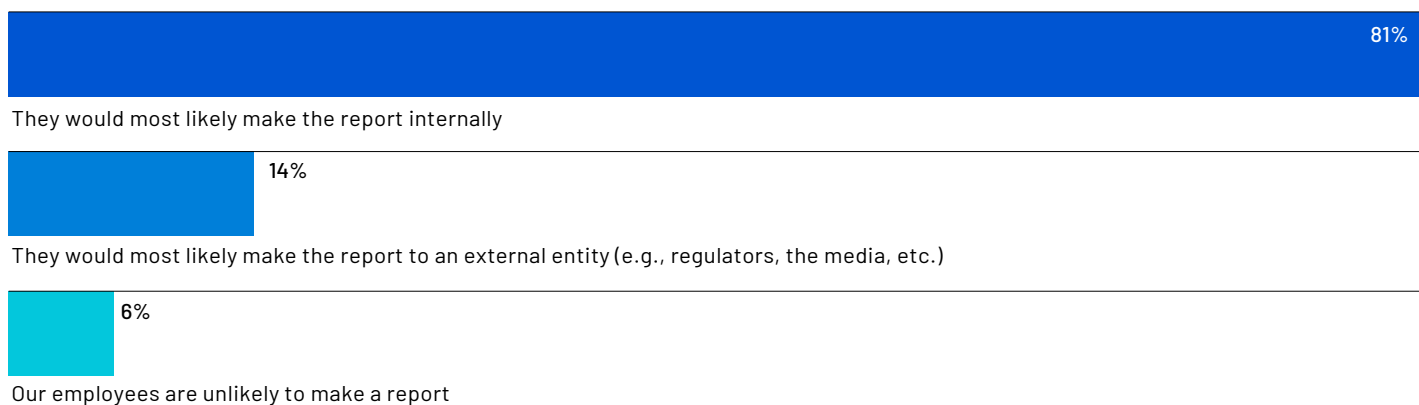
# Hotline and incident management

## Internal reporting continues as most likely whistleblowing channel

A greater share of respondents in this year's cohort (81%) said reporters were most likely to make a report internally, compared to 77% in 2024. Remaining static was the share (14%) that said reporters were most likely to report to an external entity (regulators, media, etc.).



### DESCRIPTION OF EMPLOYEES' LIKELIHOOD IN REPORTING MISCONDUCT



BASE: ALL QUALIFIED RESPONDENTS (N=999)  
Which of the following best describes your employees' likelihood in reporting misconduct?

## Again, suggested lack of internal reporting programs and non-retaliation policies raises red flag

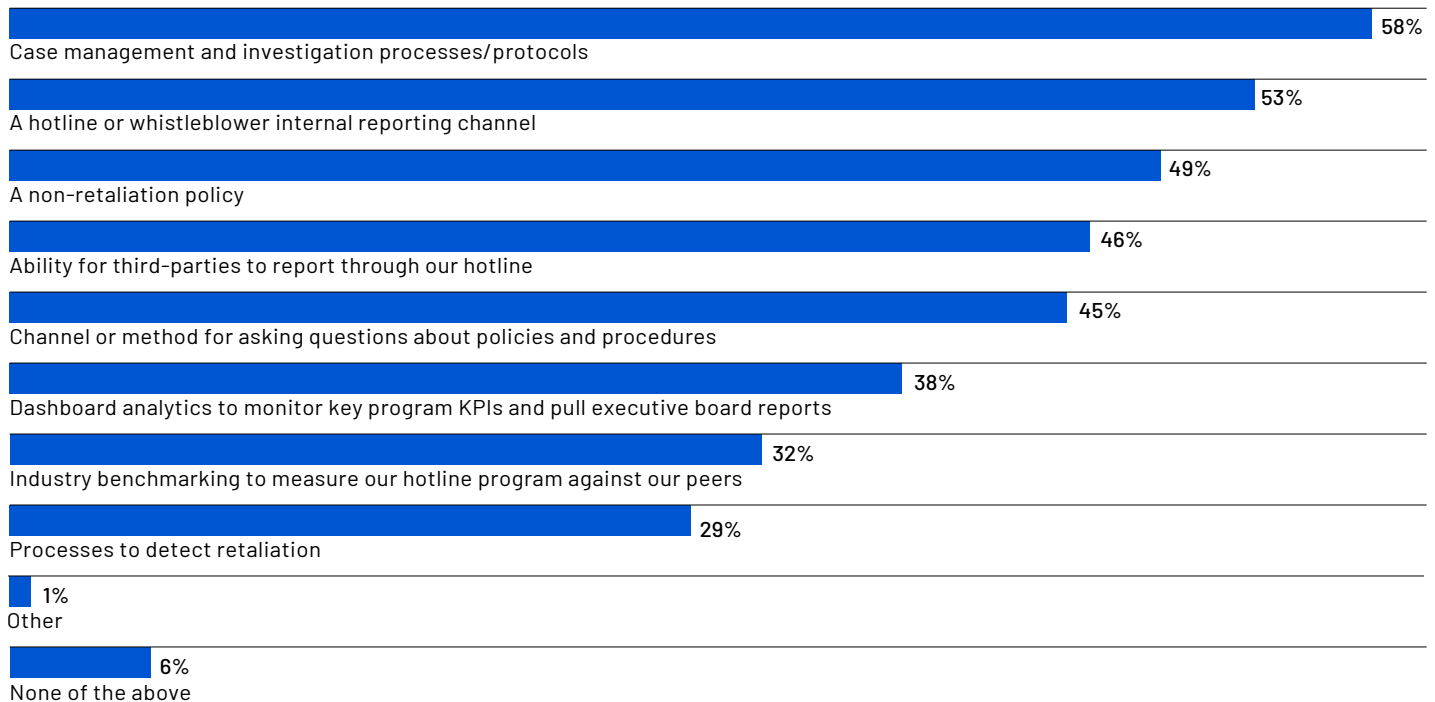
Only 53% of respondents who are knowledgeable about ethics and compliance to this question in 2025 said their organization had a hotline or whistleblower internal reporting channel as part of their incident management program. This is a striking finding given how critical such programs are as the foundation of any risk and compliance program. We were similarly concerned last year when reviewing responses from our 2024 cohort – and for that group, 61% said they had an internal reporting channel.

We also found it surprising to see only 49% of respondents indicating their organization has a non-retaliation policy. These policies play an extremely important role in addressing fears potential whistleblowers may have in making a report.

### Additional findings (not included in charts):

- Respondents representing larger organizations (10,000 or more employees) were more likely (68%) than other size ranges to say a hotline or whistleblower internal reporting channel was part of their incident management program. Forty-three percent said so for organizations with 0-999 employees, and 54% for organizations with 1,000-9,999 employees.
- Forty-six percent of respondents with headquarters in EMEA said their organization has an internal reporting channel, compared to 59% in North America. Less than half of EMEA respondents with an internal reporting channel was a surprising finding given the requirements of the EU Whistleblower Protection Directive.

## PARTS OF INCIDENT MANAGEMENT PROGRAM



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which of the following are part of your organization's incident management program? Please select all that apply.

### Only half have full visibility into case closure process

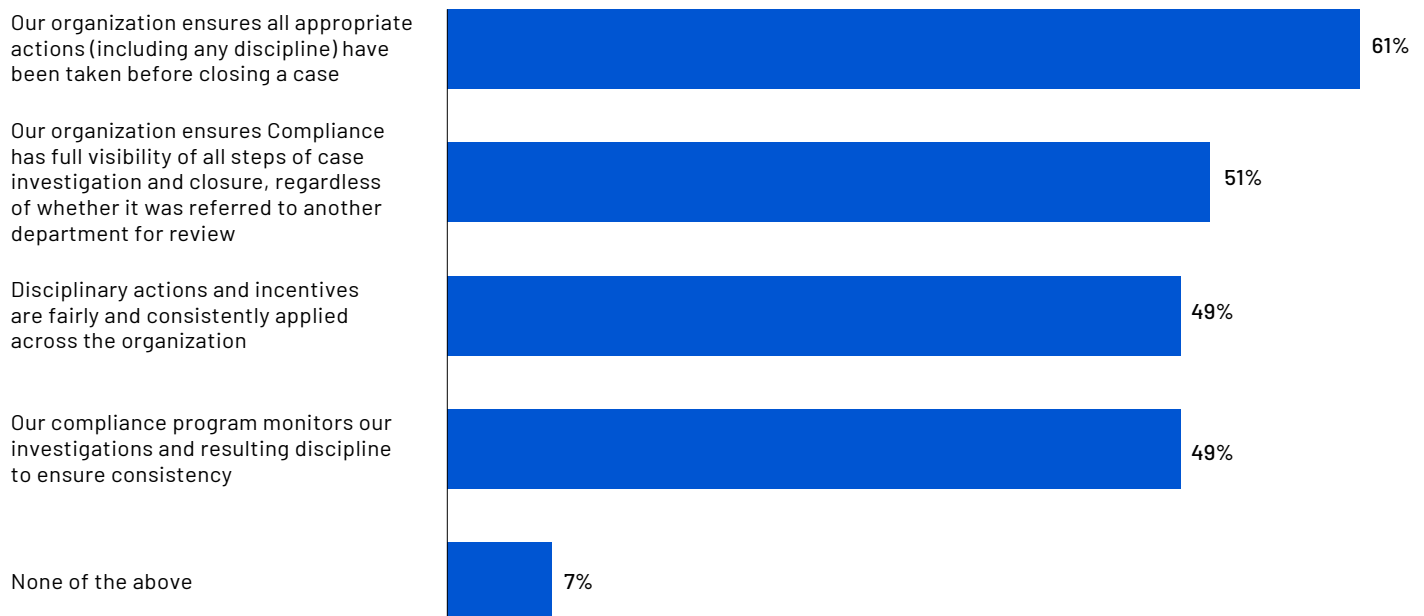
Half of respondents who are knowledgeable about ethics and compliance (51%) said their organization ensures Compliance has full visibility into all steps of case investigation and closure – regardless of whether the case was referred to another department for review. This is an important program asset, as a case may otherwise appear “closed” to the compliance department but remain “open” for the purpose of the impact it has on the organization.

A similar share (49%) of respondents said they felt disciplinary actions and incentives are fairly and consistently applied across the organization. Again, this is another important program element, as reporters who trust the organization’s approach to addressing misconduct are more likely to make a report.

#### Additional findings (not included in charts):

- Those in organizations with 10,000 or more employees were said to be more likely than the overall average (56%) to have full visibility into the case investigation and closure process. A slightly larger share (51%) than the overall were also said to have fair application of disciplinary actions and incentives.

## DESCRIPTION OF DISCIPLINARY AND CASE CLOSURE PROCESS



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which of the following statements accurately describe your organization’s disciplinary and case closure process? Please select all that apply.

## Case complexity remains biggest driver in time to investigate and close reports

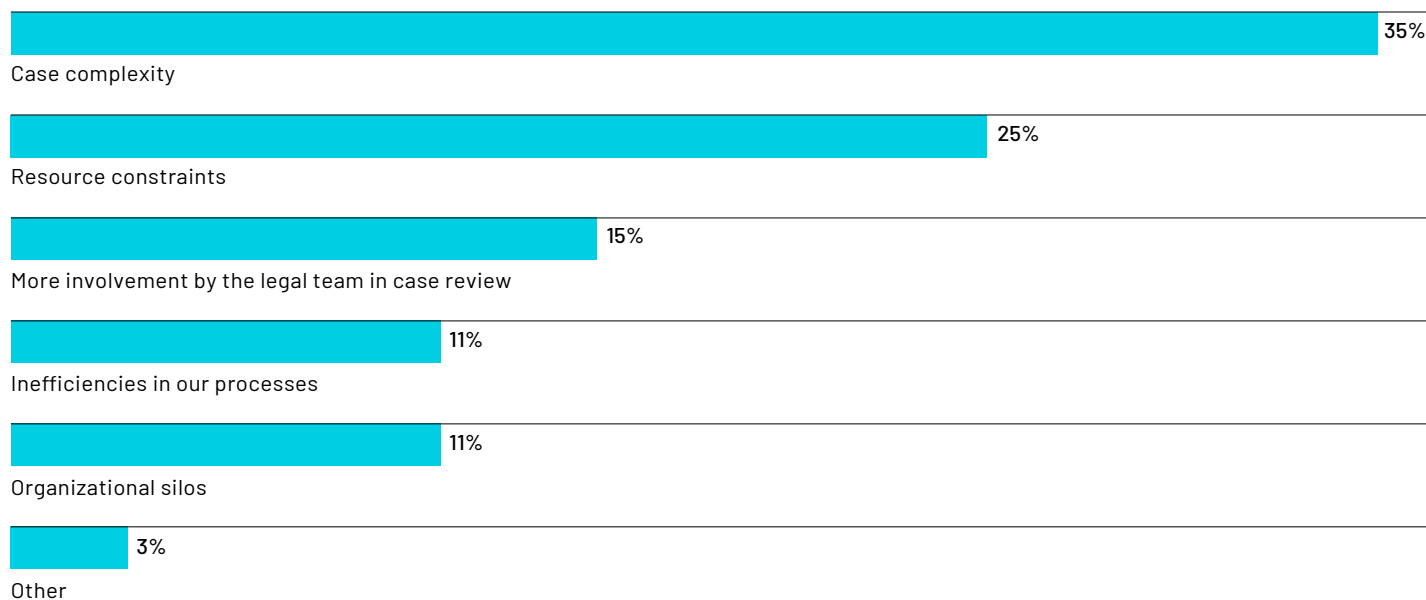
Findings for this year's survey group were roughly consistent with the group polled in 2024, with case complexity cited most frequently (35%) as having the greatest impact on the time it takes to investigate and close a report.

While trend analysis is not strictly possible, we did note that the 2025 group was slightly less likely (35% versus 40%) to cite case complexity than last year's base. They were more likely (15% versus 11%) to cite more involvement by the legal team in case review.

## Additional findings (not included in charts):

- Respondents in smaller organizations who are knowledgeable about ethics and compliance were more likely to cite involvement by the legal team: 0-999 employees, 14%; 1,000-9,999 employees, 19%; 10,000 or more employees, 8%.
- Respondents in Germany were also far more likely (27%) to cite the legal team than other geographies (those in France, 10%; those in the U.S., 15%).

## BIGGEST IMPACT ON TIME TO INVESTIGATE AND CLOSE REPORTS



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

What has the biggest impact on the time it takes to investigate and close a report in your organization? Please select one.

# Ethics and compliance training

## Majority say organization has R&C training plan

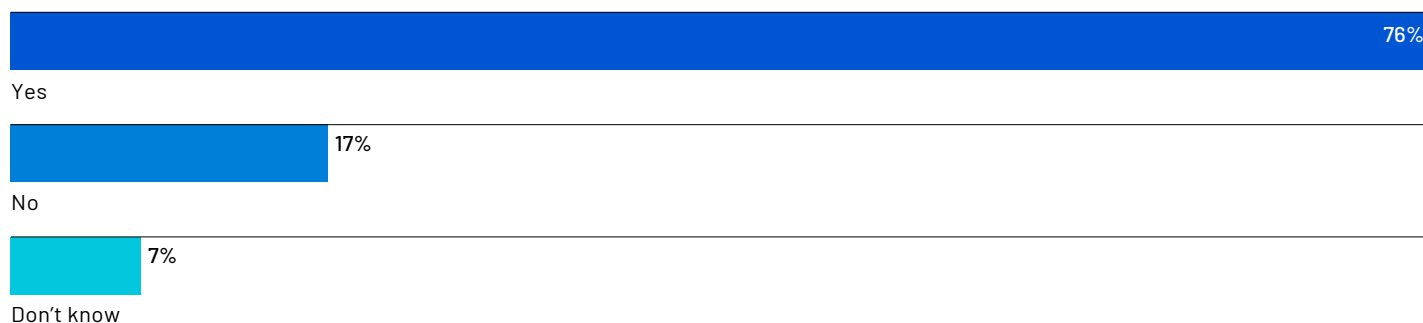
Three-quarters of respondents in 2025 who are knowledgeable about ethics and compliance (76%) said their organization has a risk and compliance training plan. In 2024, 69% of our base said the same. This is a positive trend.

### Additional findings (not included in charts):

- While the smallest organizations with 0-999 employees were least likely to be said to have a training plan (68%), respondents representing organizations beyond that threshold said so at a rate of at least 80% (80% 1,000-9,999; 81% 10K+).
- Respondents from organizations in finance and insurance were most likely to say their organization had an R&C training plan (88%).\*
- Eighty-four percent of respondents who ranked their organization toward the top of the ECI maturity scale said their organization has a training plan.

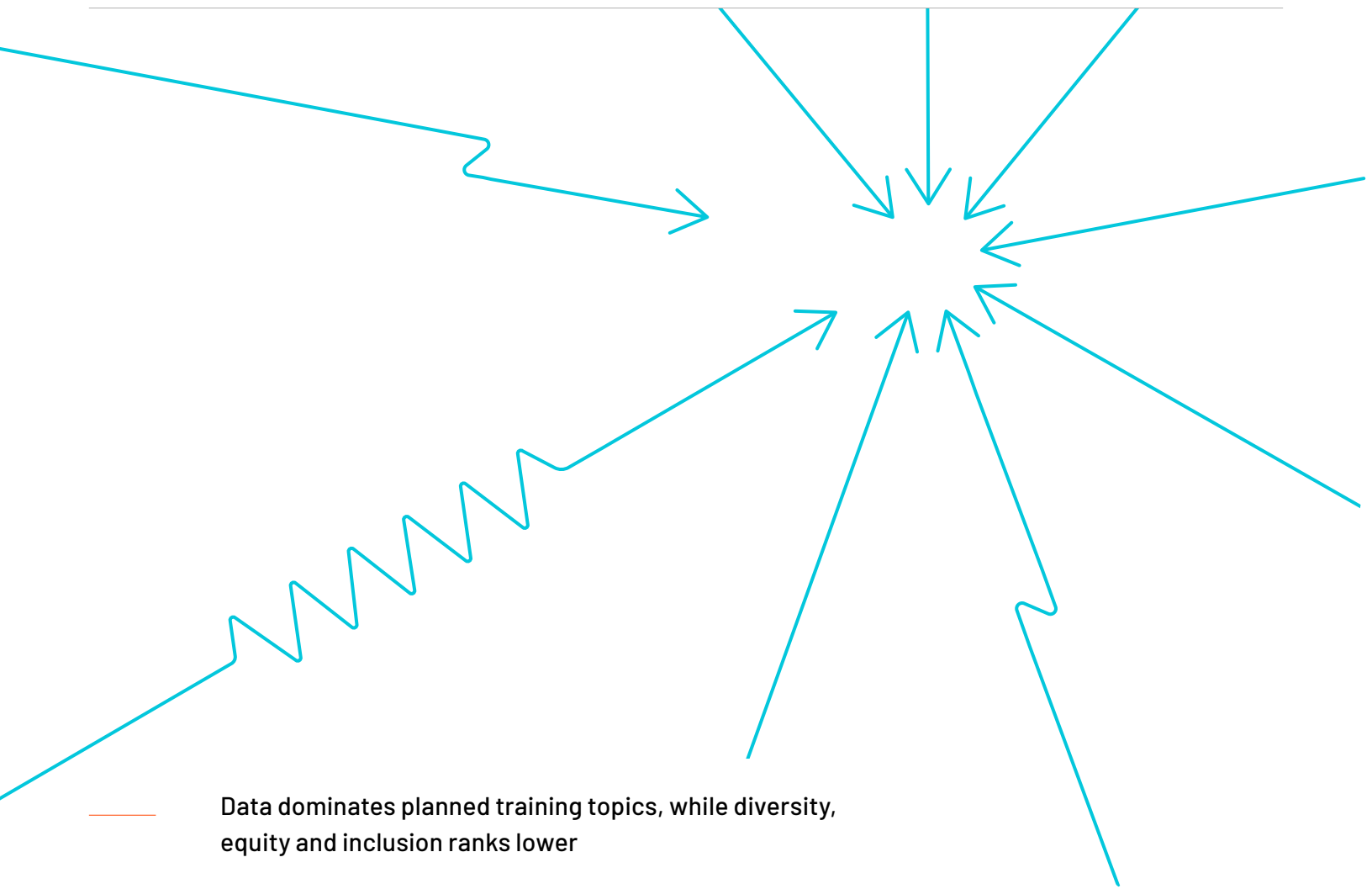
\*Caution; small base (<100); interpret results directionally only.

### ORGANIZATION HAS R&C TRAINING PLAN



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)  
Does your organization have a risk and compliance training plan?





**Data dominates planned training topics, while diversity, equity and inclusion ranks lower**

Respondents who are knowledgeable about ethics and compliance indicated three of the top five planned compliance training topics in the next 2-3 years were related to data (data privacy, cybersecurity and artificial intelligence). This evokes other parts of this report showing how often respondents are engaged in areas like a data breach and the high level of importance organizations place on data privacy – not to mention, the rise of artificial intelligence.

Cautioning that year-over-year comparisons don't necessarily describe a trend due to differences in response bases and survey design, we found it notable that planned AI training was close to the

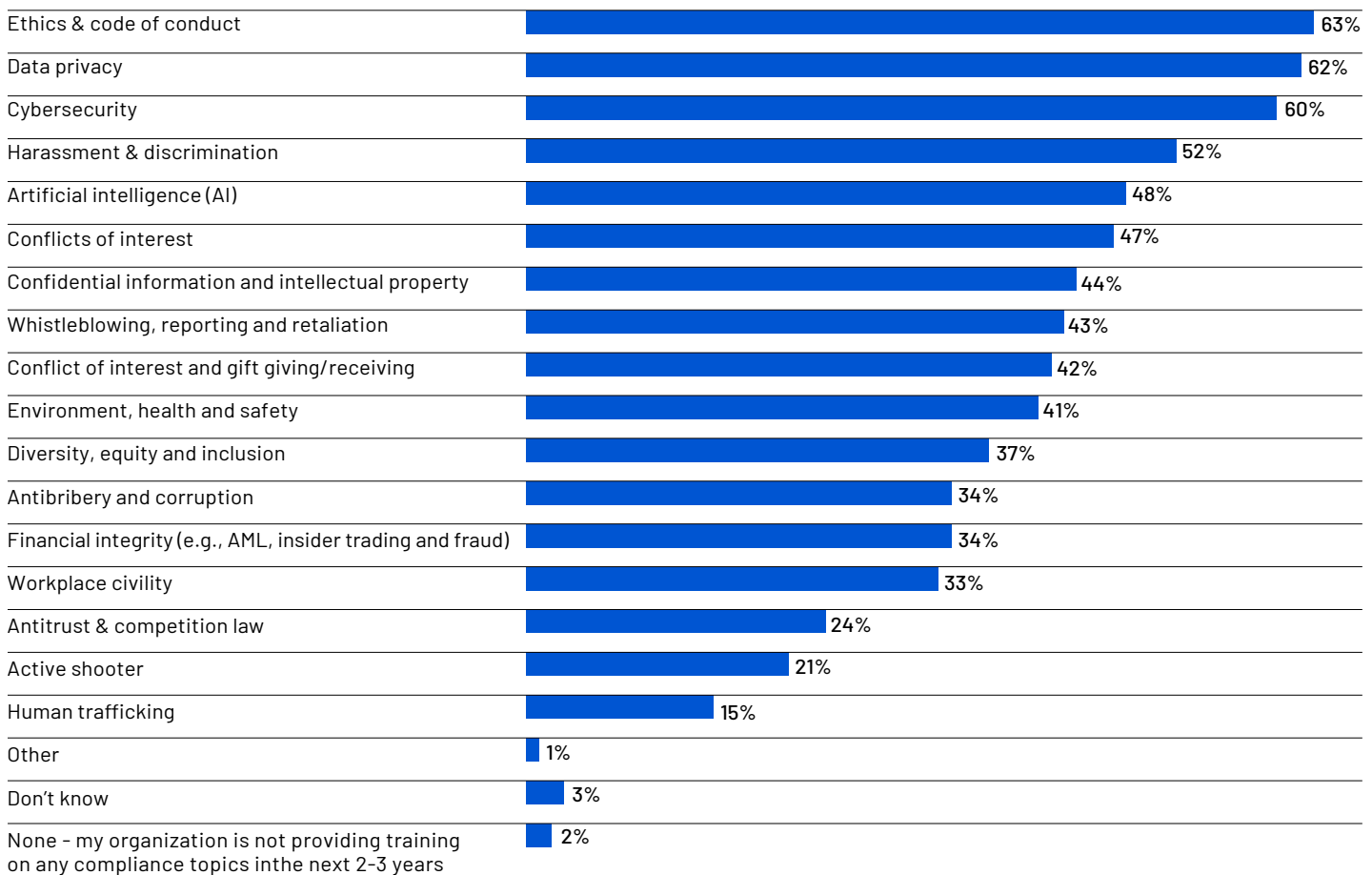
bottom of the list for last year's group and in the top-five planned topics for 2025 (48% in 2025; 39% in 2024). In another notable shift, 47% of 2024's cohort said their organization planned diversity, equity and inclusion training – in 2025, 37% said the same.

As in prior years, we were surprised to see rates so low for ethics and code of conduct (63%), and for harassment and discrimination (52%). Given the multi-year time horizon described in this survey question, it stands to reason that most if not all organizations would be pursuing refresher training for such fundamentally important topics.

Additional findings (not included in charts):

- Fifty-three percent of respondents in organizations with 10,000 or more employees said their organization was planning whistleblowing training in the next 2-3 years, compared to only 40% of those in the 1,000-9,999 range and 39% in the 0-999 range. Sixty-nine percent of those in larger organizations said they planned training around ethics and code of conduct, compared to 64% in the 1,000-9,999 range and 58% in the 0-999 range.
- Respondents representing organizations that were said to be in one of the top two tiers of the ECI maturity spectrum were more likely to say their organization planned training in categories across the board. Some notable distinctions included training planned for cybersecurity (67%, versus 46% for lower-maturity tiers), artificial intelligence (55% versus 33%) and diversity, equity and inclusion (41% versus 27%).

COMPLIANCE TOPICS TO TRAIN ON IN THE NEXT 2-3 YEARS



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

On which of the following compliance topics will your organization provide training in the next 2-3 years? Please select all that apply.

# Policy management

## Half use training results to measure effectiveness of policies

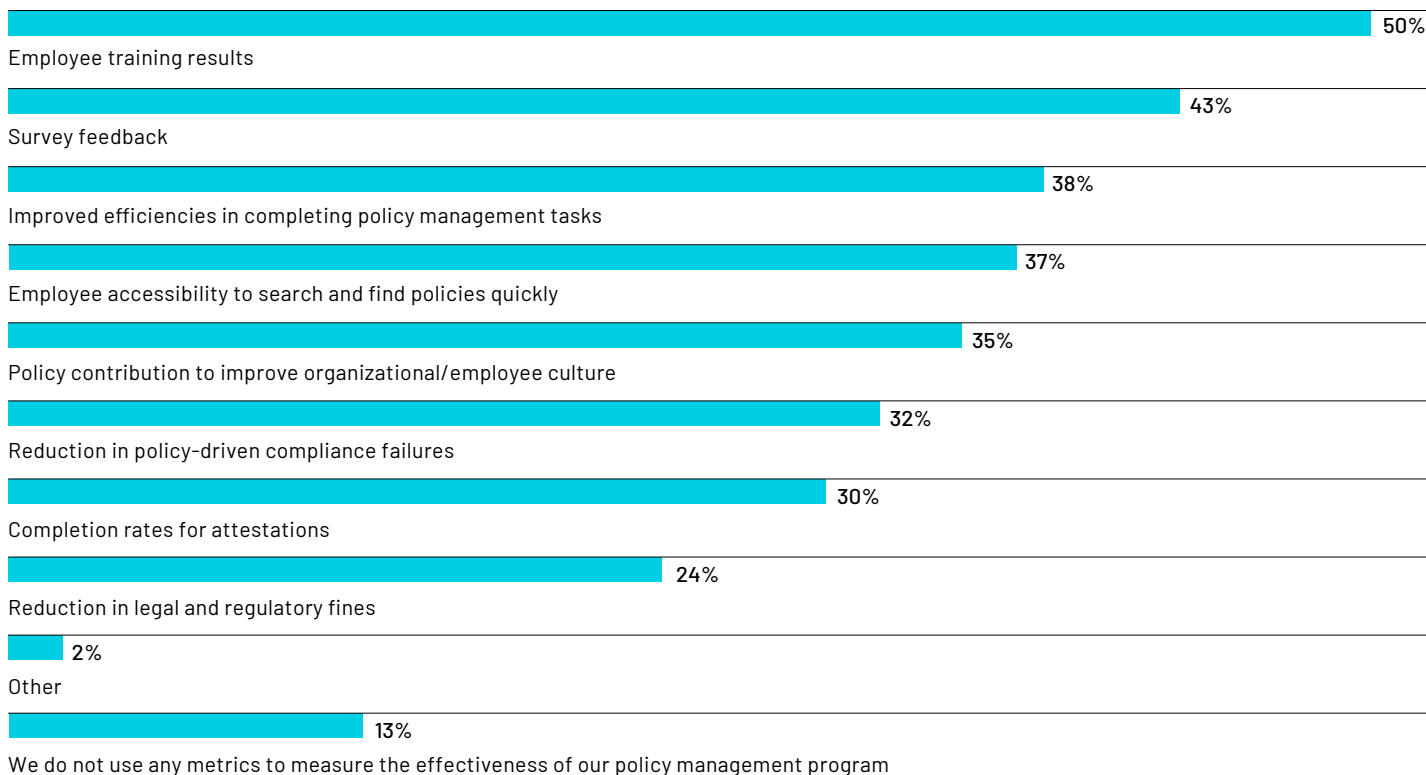
Half (50%) of respondents who are knowledgeable about ethics and compliance said their organization uses employee training results to measure the effectiveness of their policy management program. This is a positive signal pointing toward more integration of thinking around managing risk and compliance as a cohesive business process. In our previous

2024 cohort, 41% of respondents said they used employee training results.

### Additional findings (not included in charts):

- More mature organizations (Managing/Optimizing on the ECI spectrum) were said to be most likely (56%) to use employee training results for measuring the effectiveness of its policy management program compared to those in the lower two maturity tiers (37%).

## METRICS USED TO MEASURE EFFECTIVENESS OF POLICY MANAGEMENT PROGRAM



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which metrics does your organization use to measure the effectiveness of its policy management program?

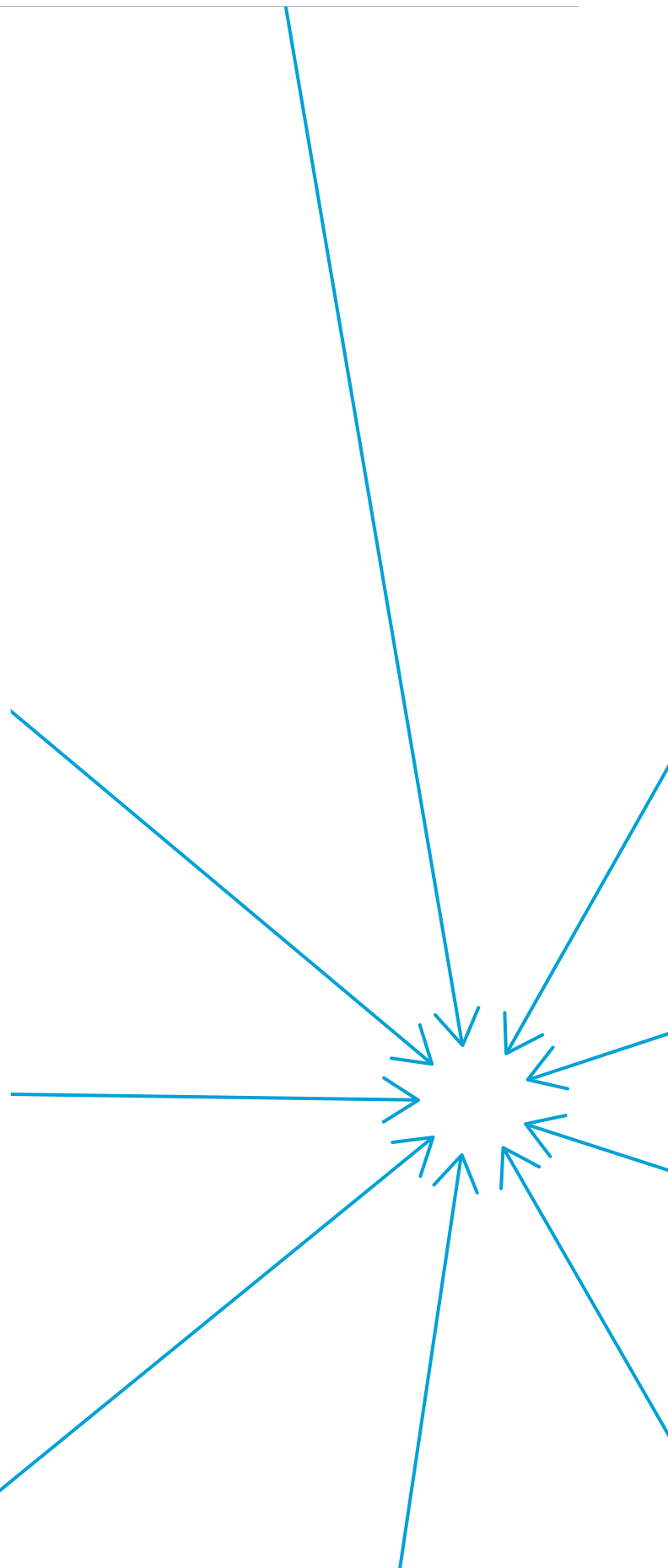


# 03 Risk management

### 4 in 10 do not screen third parties for regulatory compliance

Only 58% of respondents to this question in 2025 who are knowledgeable about ethics and compliance said their organization screens third parties or suppliers for regulatory compliance. Seen another way, nearly 4 in 10 did not say their organization screens third parties for regulatory compliance. Similarly, only 54% said they screened for cybersecurity and data protection.

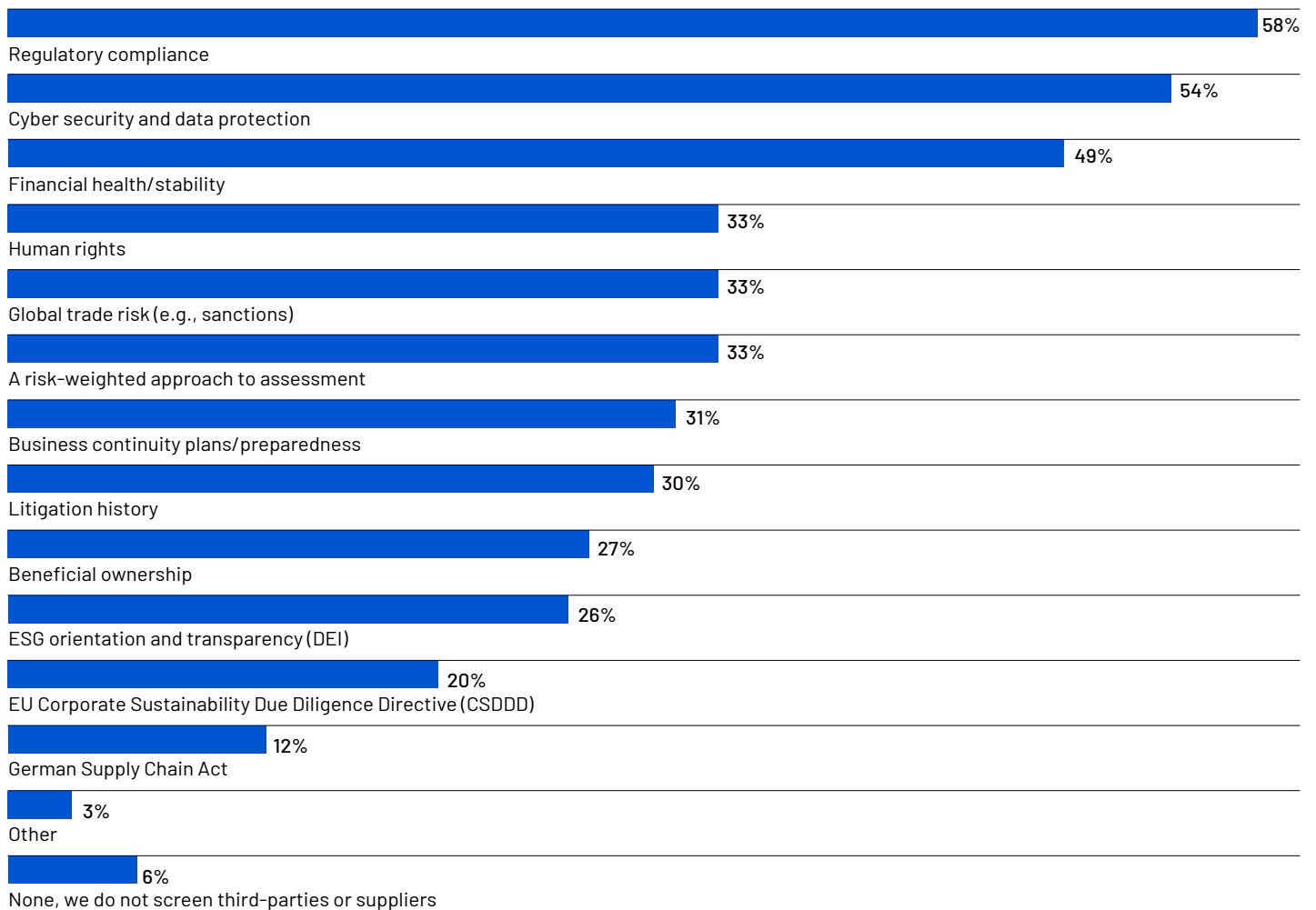
Across the board, these were the only two aspects where more than half of respondents said their organization did screening for third parties. In a similar question presented to our 2024 cohort, response rates on these elements were stronger, where 71% said they screened for regulatory compliance and 59% for cyber and data concerns. Our analysts will be looking for signals going forward to see whether this difference suggests a decreasing focus in these areas of screening third parties.



Additional findings (not included in charts):

- Those in Europe-based organizations were slightly less likely (54%) than those in North America (60%) to say they screen third parties for regulatory compliance. They were more likely (38% versus 30%) to screen for global trade risk, as well as environmental, social and governance concerns (31% versus 20%).

## ASPECTS REVIEWED WHEN SCREENING THIRD PARTIES



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which of the following aspects does your organization review when screening third parties or suppliers? Please select all that apply.

### One-third 'strongly agree' third-party due diligence program is working

One-third of respondents who are knowledgeable about ethics and compliance (33%) said they "strongly agree" their third-party due diligence program significantly reduces their organization's legal, financial and reputational risks. Fifty-one percent "somewhat agreed," meaning the vast majority (84%) of respondents were said to agree to some extent that their third-party due diligence program was effective.

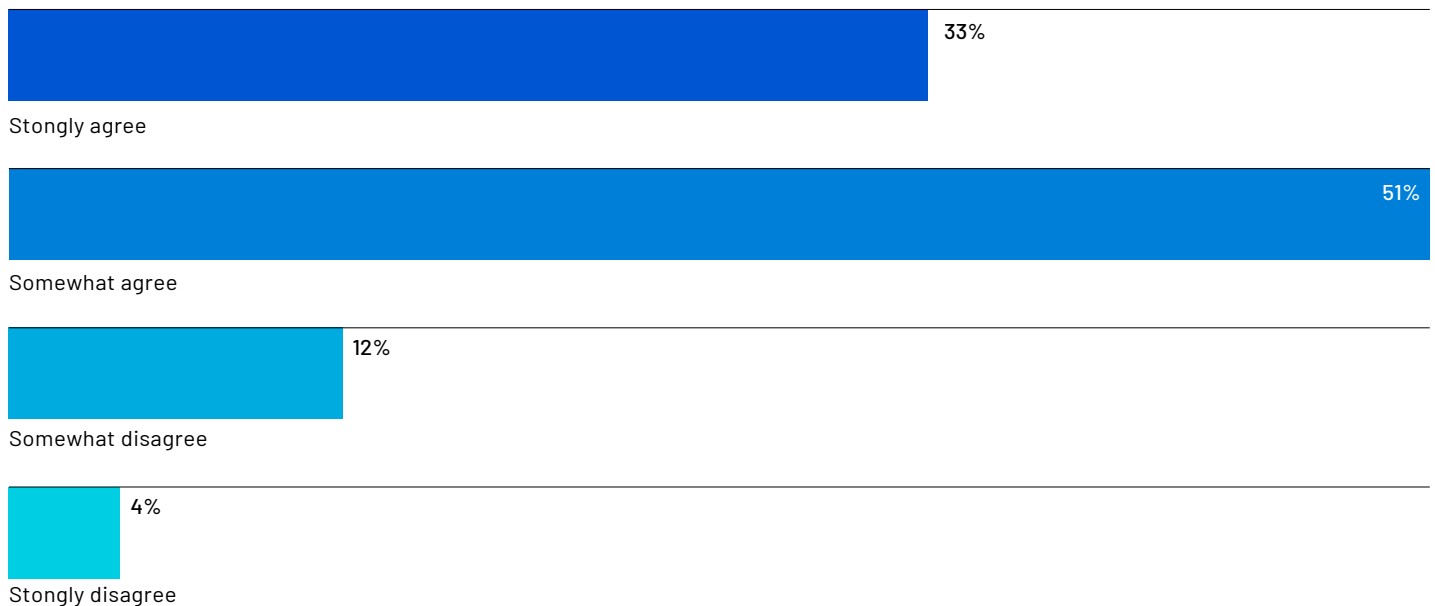
These results contrast sharply with the prior question indicating, for example, that only 58%

of respondents screen third parties and suppliers for regulatory risks and only 33% use a risk-weighted approach in that screening. This may invite an opportunity for readers to confirm their "feel" of their third-party screening effectiveness matches the reality of what they are actually doing in practice.

#### Additional findings (not included in charts):

- Respondents who placed their organization in one of the top two rankings of the ECI maturity scale were most likely (42%) to strongly agree their third-party screening significantly reduces risks. At the lower end of the scale, only 19% said the same.

### 'OUR THIRD-PARTY DUE DILIGENCE PROGRAM SIGNIFICANTLY REDUCES OUR LEGAL, FINANCIAL AND REPUTATIONAL RISKS'

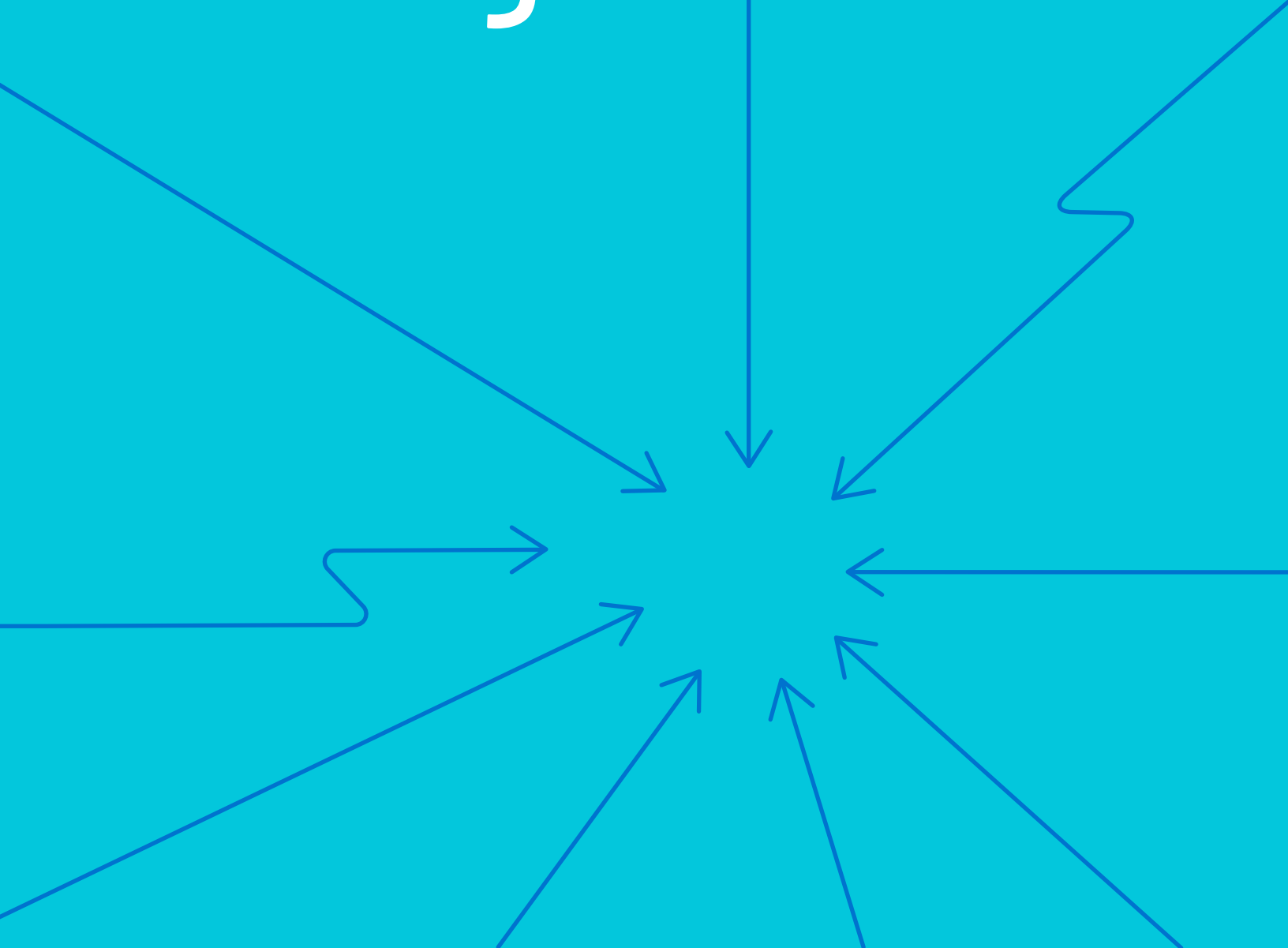


BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Rate your agreement with the following statement: "Our third-party due diligence program significantly reduces our legal, financial and reputational risks."

# 04

## Notable findings





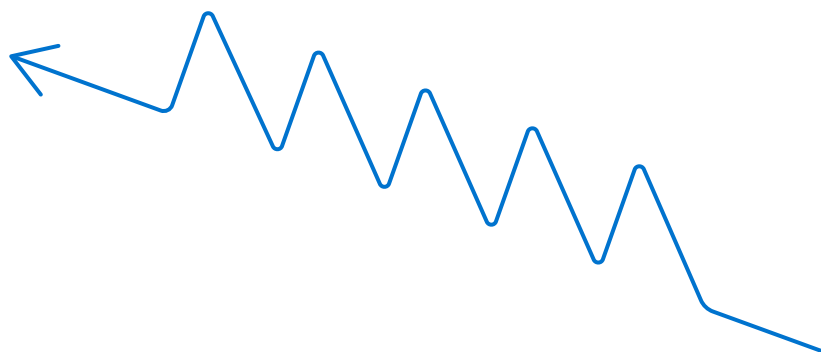
# Compliance's role in the rise of artificial intelligence

It's likely readers of this research are involved in some degree of effort to navigate the contours of the AI technologies that are rapidly transforming the way organizations operate. While the opportunities presented by these technologies are monumental, they also introduce a new range of risks to be identified and managed.

Those risks include regulatory compliance, the specifics of which are just starting to emerge within different global jurisdictions. It appears compliance generally has a seat at the table as organizations look to move forward in their use of AI, working closely with Risk, Data Privacy and other disciplines in a holistic manner.

## Most compliance teams involved to some degree in AI decision making

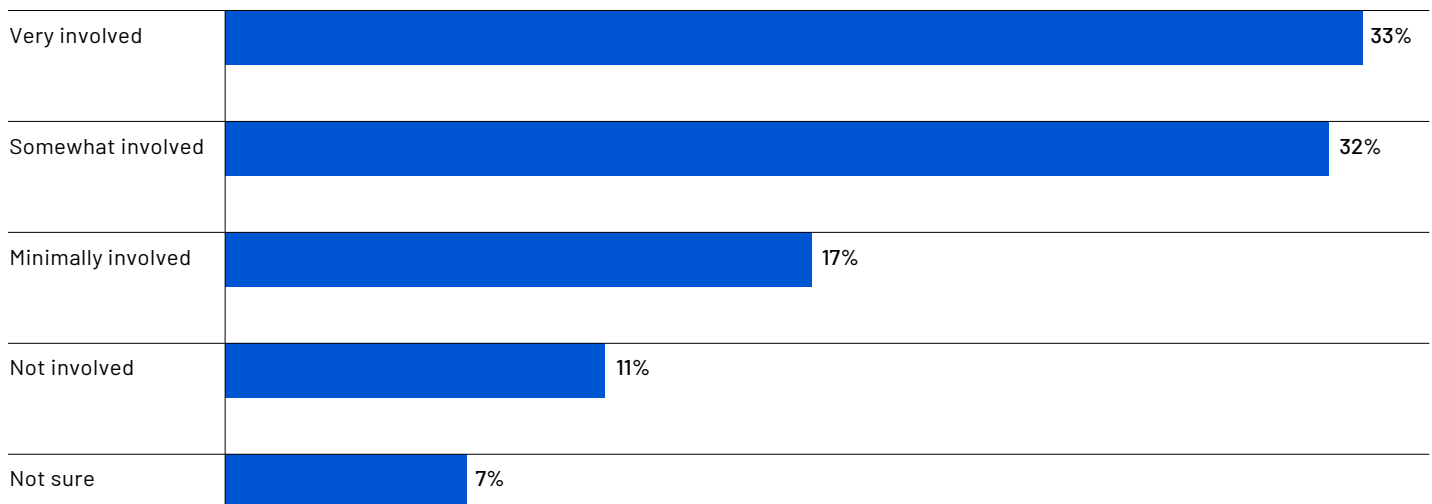
One-third of respondents (33%) said compliance was "very involved" in decision making regarding the use of AI, with a similar share (32%) saying it was "somewhat involved." Together, well over half of compliance teams are involved in how AI is used at organizations (65%).



Additional findings (not included in charts):

- Respondents from the more mature programs (Managing/Optimizing) were more likely to be “very involved” in AI decision making (40%) compared to less-mature organizations (19%).
- Those in “midrange” organizations (1,000–9,999 employees) were most likely to have Compliance “very involved” in AI decision making (38%), compared to smaller organizations (0–999, 28%) and larger organizations (10,000 or more, 30%).

INVOLVEMENT OF COMPLIANCE TEAM IN USE OF AI



BASE: ALL QUALIFIED RESPONDENTS (N=999)

How involved is your compliance team in decision making regarding the use of AI at your organization?

## Responsibility split for AI policies, with IT the most common

Respondents cited a wide range of departments as responsible for developing AI policies at their organizations in roughly equal measure – with one exception.

Thirty-nine percent said IT was responsible for AI policies. Taken with Information Security (10%), the next most common response, the share rises to half (50%), with other departments sharing the remainder of responses.

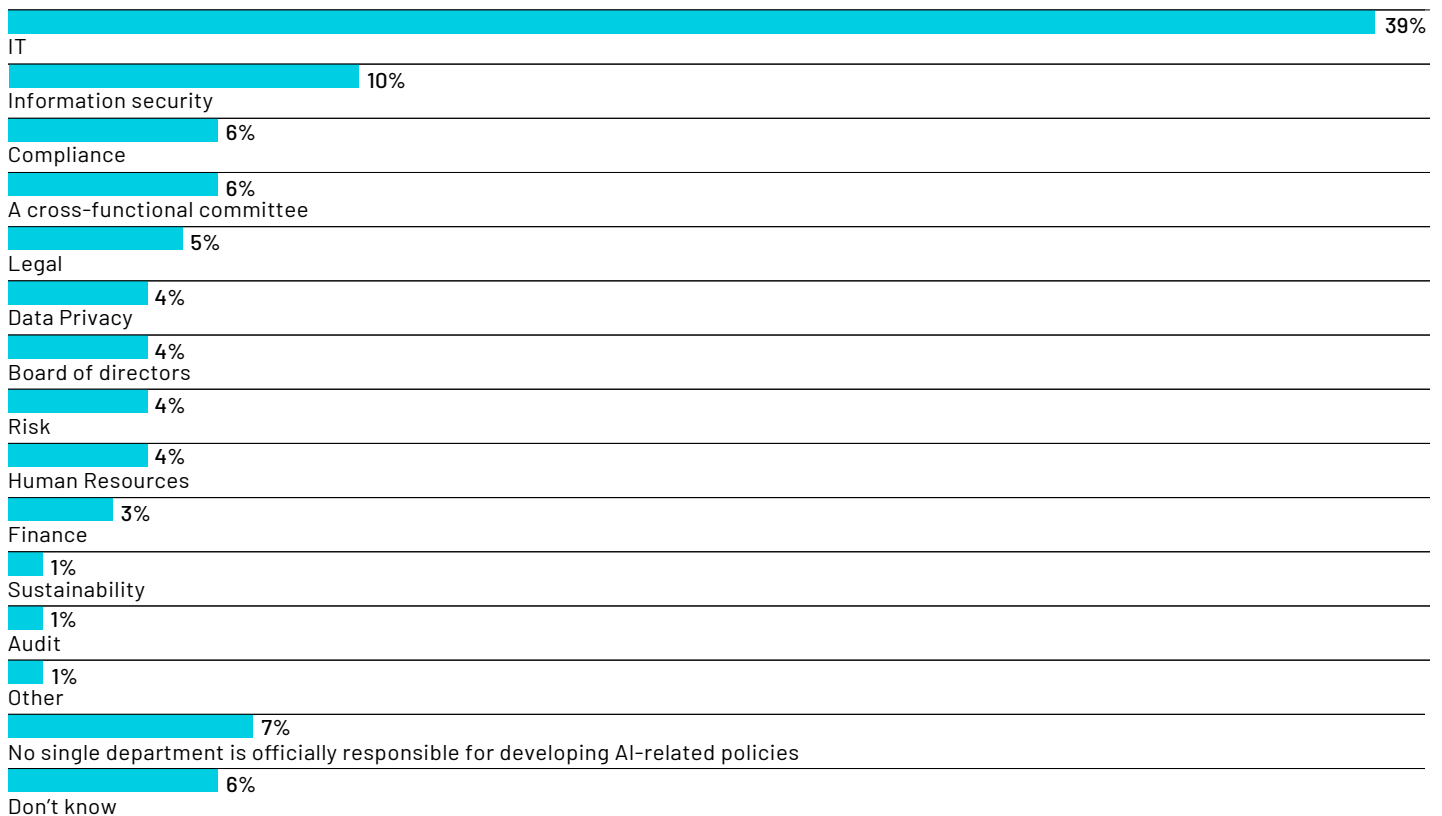
It may come as no surprise to see IT and information security often leading the way in AI

policy development. Much concern about the use of AI has focused on the corresponding use of data and related technologies. Yet many other factors remain to consider as these technologies mature and regulatory environments evolve – with so many departments at play outside of IT, it will be interesting to see how responsibilities settle in the years to come.

### Additional findings (not included in charts):

- Larger organizations (10,000 or more employees) were less likely (37%) to have IT responsible for developing AI policies compared to those with 1,000–9,999 employees (45%).

## DEPARTMENT RESPONSIBLE FOR AI-RELATED POLICIES

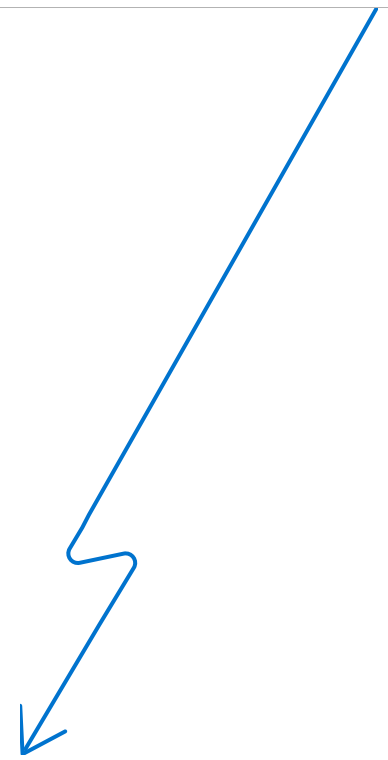


BASE: ALL QUALIFIED RESPONDENTS (N=999)

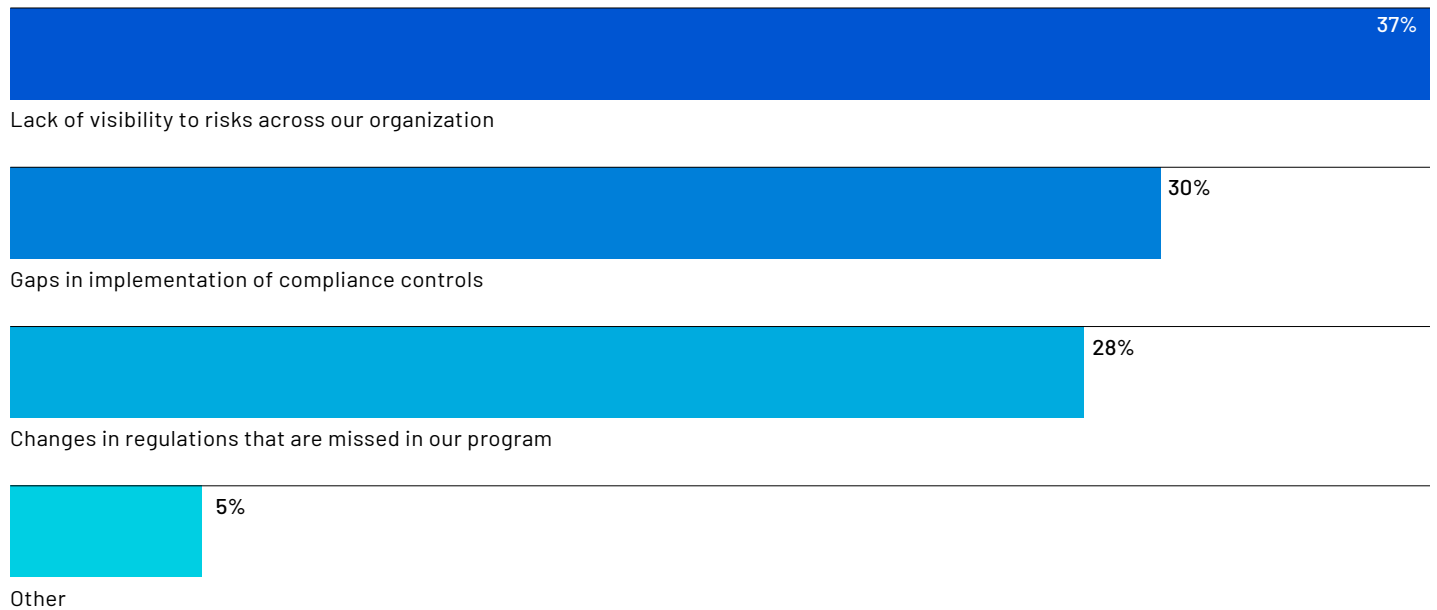
What department is most responsible for developing AI-related policies at your organization? Your best estimate is fine.

### Oversight of AI risk emerges as top compliance concern

Two-thirds (67%) of respondents said they were either most concerned about “lack of visibility to risks across our organization” or “gaps in implementation of compliance controls” in respect to AI risks. This might speak to a general climate of concern regarding oversight – visibility into what is happening, or not happening, as AI is implemented across the organization. This may support the importance of Compliance having “a seat at the table” as organizations navigate the implementation of AI.



### GREATEST AI COMPLIANCE RISK OF CONCERN



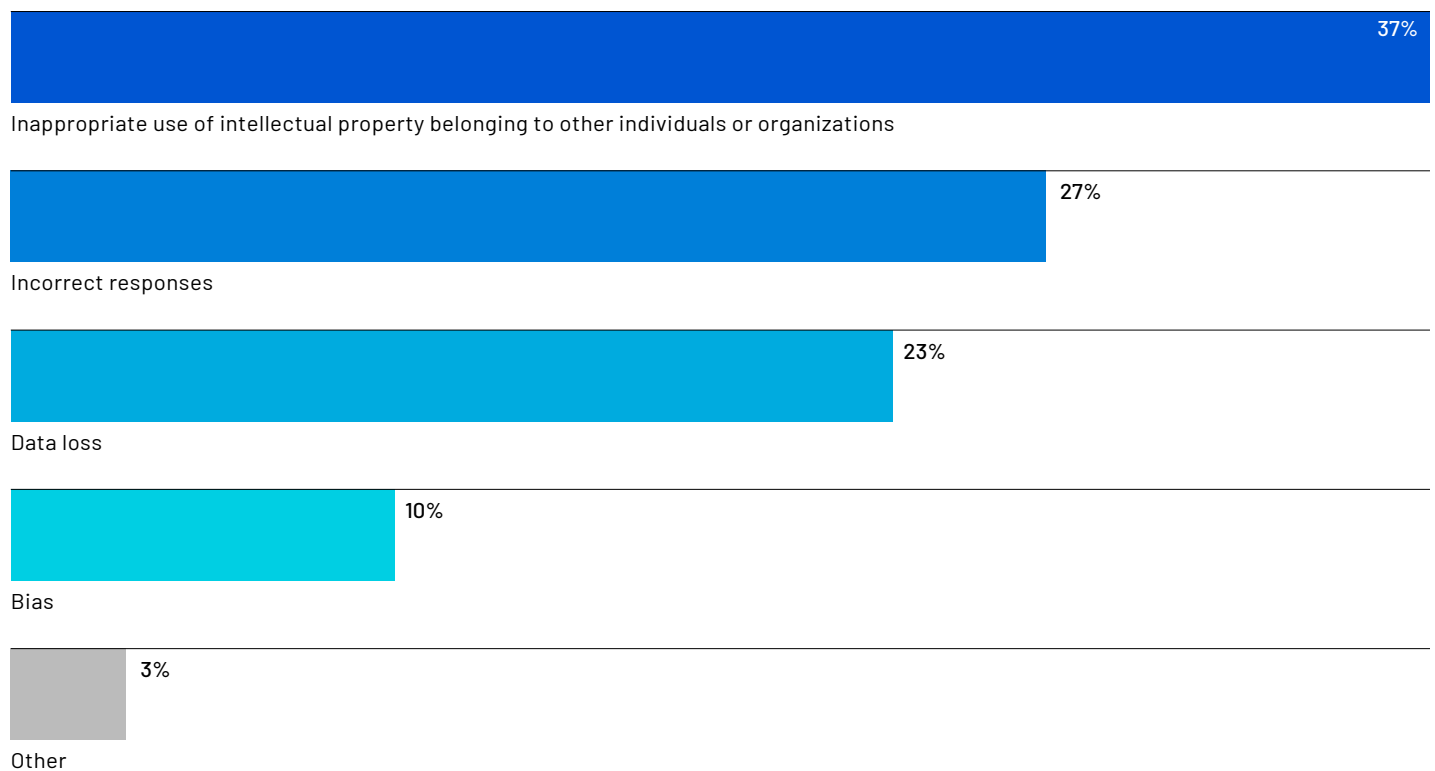
BASE: ALL QUALIFIED RESPONDENTS (N=999)  
What AI risks are you most concerned about in your compliance program?

### Overall AI risk concerns focus on data leaks

Whether using the intellectual property of others (37%) or losing data from within the organization (23%), 60% of respondents said they were most concerned about some kind of data flow issue related to the use of AI in their organizations. Over a quarter (27%) said they were concerned about incorrect responses, which is surprisingly low.

Also surprisingly low, 10% of respondents to this question said they were concerned about bias in AI. This could manifest in many areas of an organization's operations, including resume scanning and models conducting analysis of business processes.

### GREATEST OVERALL AI RISK OF CONCERN



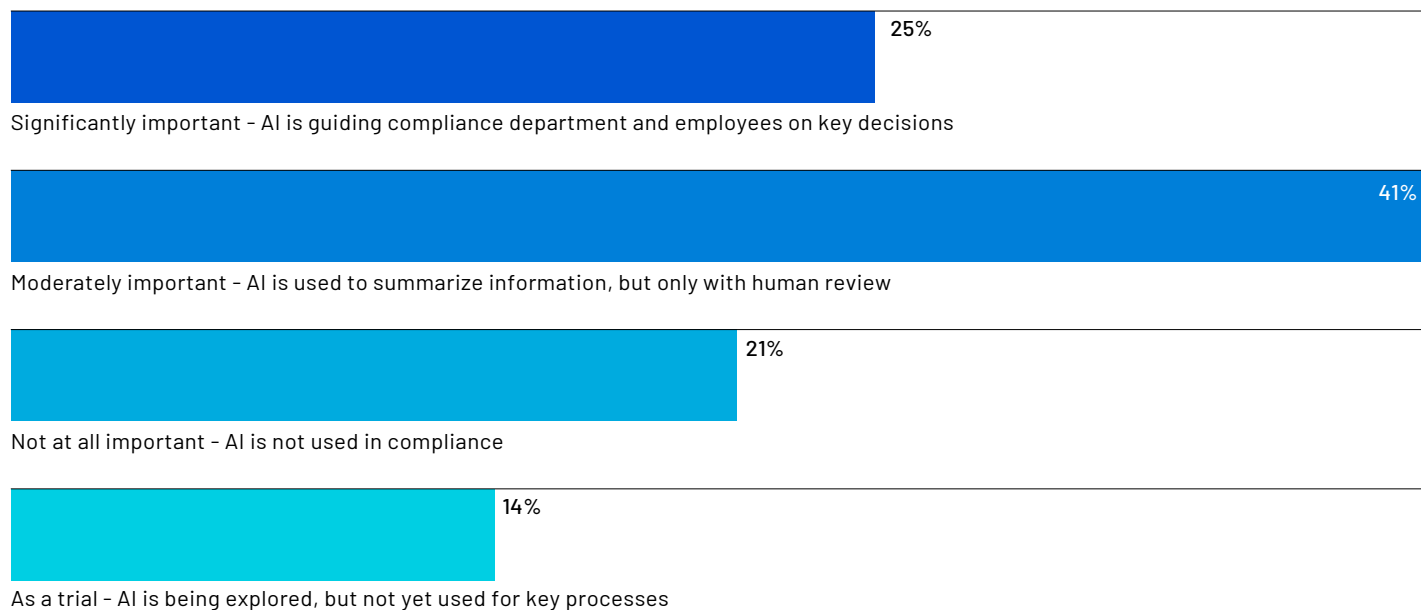
BASE: ALL QUALIFIED RESPONDENTS (N=999)  
What risk with AI are you most concerned about?



## Most say AI has some importance in compliance programs

A quarter (25%) of respondents considers AI to be “significantly important” to their compliance program. Combined with the 41% that said it was “moderately important,” two thirds (65%) of respondents said AI is important in some regard for their compliance program. We suspect this is just the beginning of the opportunities available to take aspects of compliance programs to the next level.

### IMPORTANCE OF AI IN COMPLIANCE PROGRAM



BASE: ALL QUALIFIED RESPONDENTS (N=999)  
How important is AI use in your compliance program?

# Where compliance and risk intersect

Ten years from now, where will Compliance sit in the organization? Is it possible that Compliance will be incorporated under a Risk leader?

This question has been top of mind for the industry in recent years as risk-based strategic thinking emerges as an increasingly important guiding principle for organizations. Compliance may be seen by some as juggling two personas – a risk mitigator, but also an evangelist of the ethical organizational cultures that inherently reduce risk. Time will tell how these trends may manifest, but our research shows that, in some regards, the dynamics between Risk and Compliance are not entirely settled.

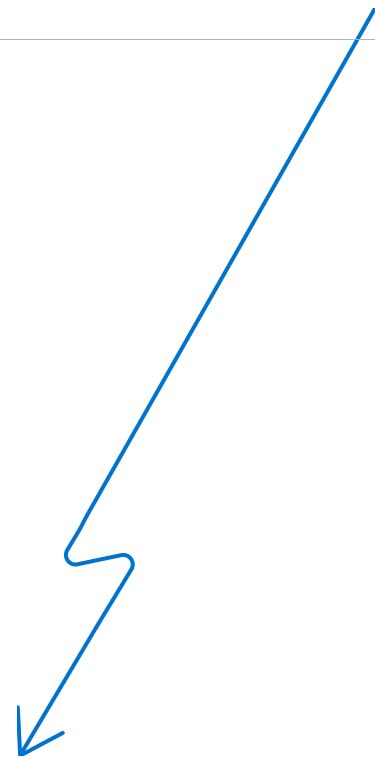
## Nearly one third have an integrated risk management program

Nearly one third (30%) of respondents who are knowledgeable about risk management said their organization has a centralized, integrated risk management program run by senior management. Meanwhile, 44% – more than 2 in 5 – said they are somewhere on the journey to full integration. This was roughly consistent with our 2024 respondent cohort.

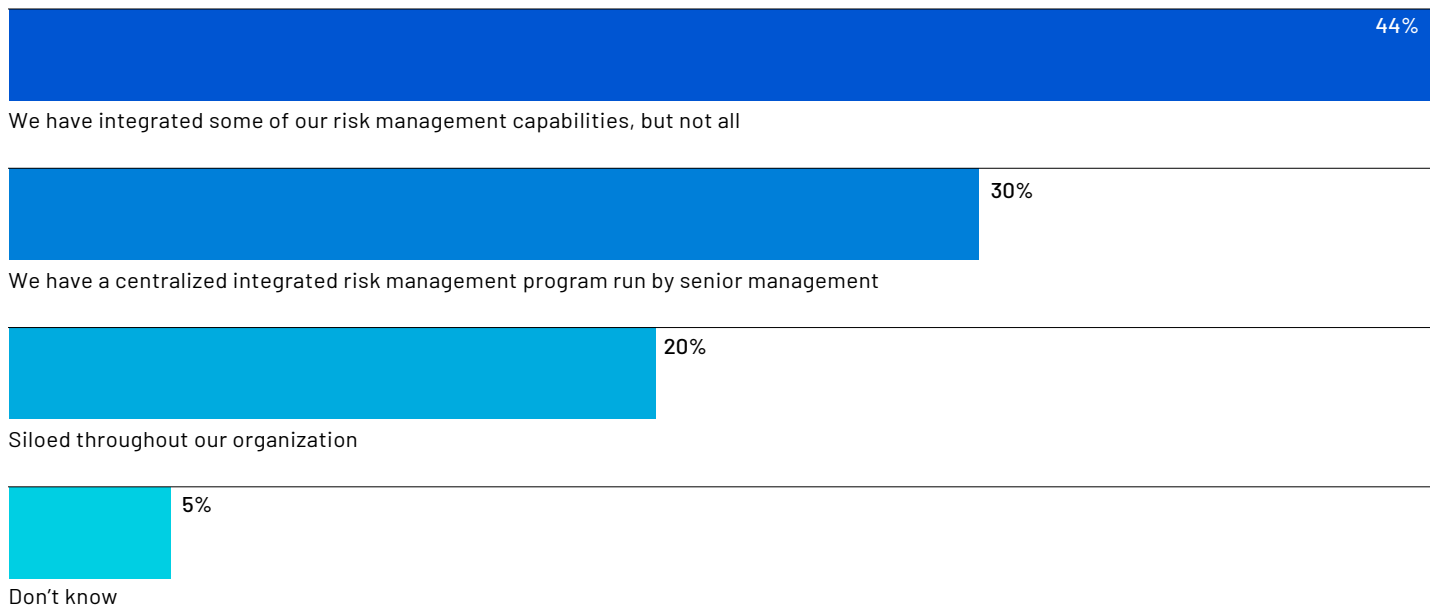


Additional findings (not included in charts):

- Respondents in organizations that were more mature were also more likely to have a centralized risk management program (35%) compared to less-mature organizations (24%).



LEVEL OF INTEGRATION FOR RISK MANAGEMENT



BASE: KNOWLEDGEABLE ABOUT RISK MANAGEMENT (N=785)  
How integrated are your organization's risk management capabilities?



## Most say compliance is engaged in risk assessment

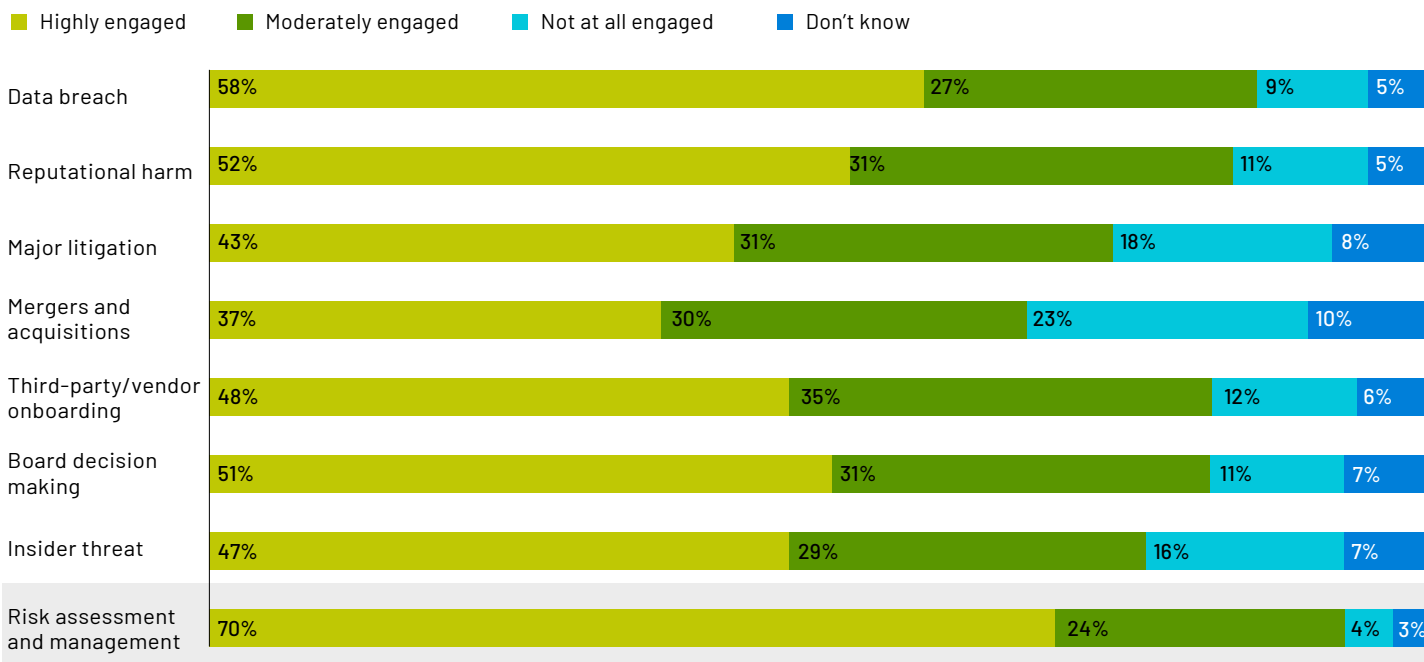
A large majority of respondents (70%) said their compliance function was “highly engaged” in risk assessment and management. Taken with those who said that Compliance was “moderately engaged,” a full 93% said Compliance was at least engaged to some degree in the risk assessment and management process.

This was a positive signal, in contrast with the earlier survey results suggesting a potential

disconnect in the language used between Risk and Compliance. It appears clear that collaboration between these functions is occurring, but the exact nature of that collaboration may be unsettled.

We found the high level of engagement in data breaches for Compliance to be interesting, evoking the level of importance indicated for this issue elsewhere in this survey.

## ENGAGEMENT OF COMPLIANCE FUNCTION IN DIFFERENT AREAS



BASE: ALL QUALIFIED RESPONDENTS (N=999)

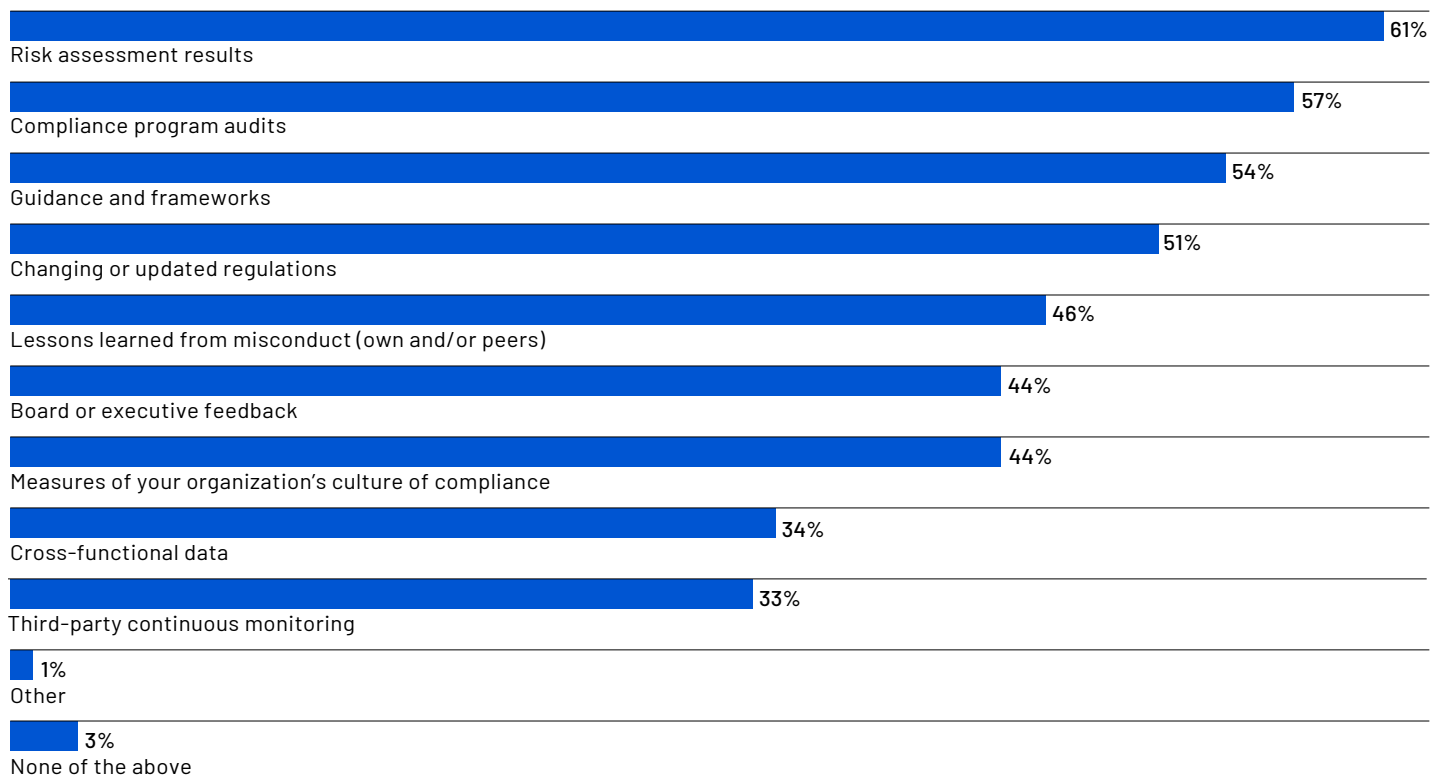
How engaged is the compliance function at your company in each of the following areas?

### Only 61% using risk assessment to improve R&C program

Only 61% of respondents who are knowledgeable about ethics & compliance said their organization uses risk assessment results to review, test and improve their R&C programs. As risk assessment is a foundational element to any compliance program, we expected this number to be higher.

Even for organizations that have not conducted a formal risk assessment connected to their compliance program, many program managers are likely to have an informal sense of risk that can inform elements like the type and cadence of training provided to certain groups of employees. Even if the assessment is not formally written down, it is a mindset, and an important framework when thinking about compliance.

### INFORMATION SOURCES USED TO REVIEW, TEST AND IMPROVE R&C PROGRAM



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which of the following information sources does your organization use to review, test and improve your risk and compliance program?

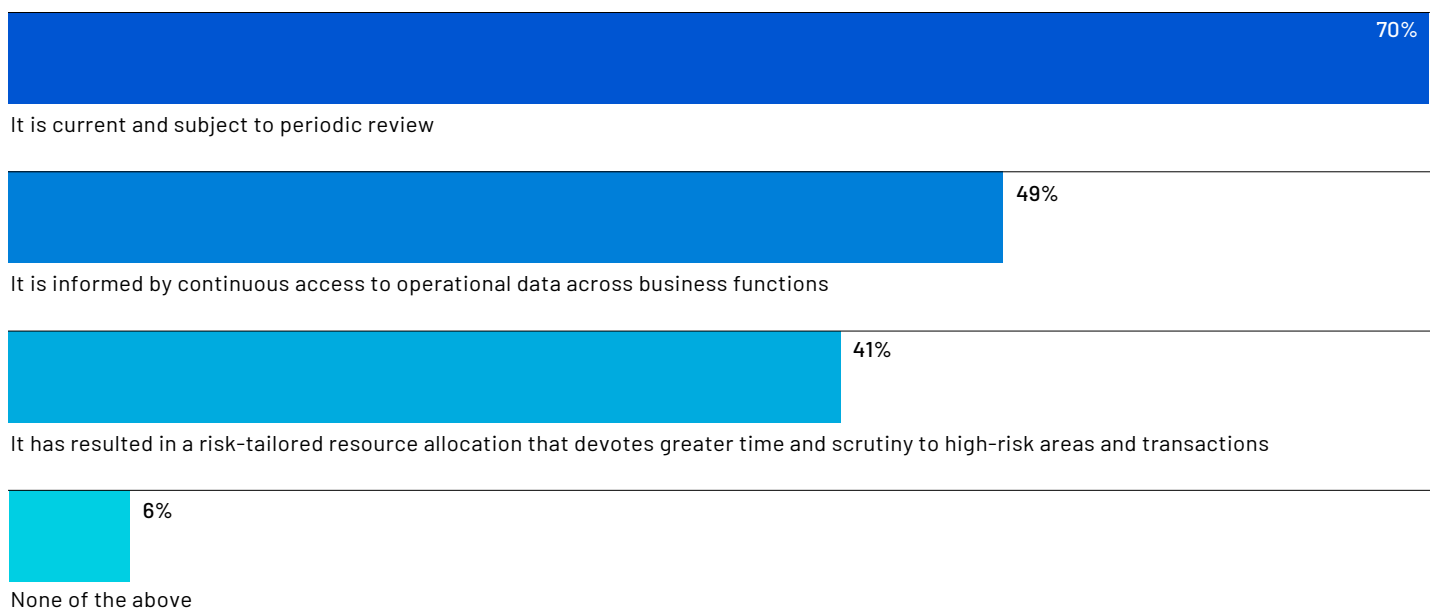
### 'No change' in risk assessment despite global shifts

Despite major geopolitical shifts in regulatory environments this year, our 2025 cohort matched our 2024 cohort where 70% said their organization's risk assessment "is current and subject to periodic review." This again begs the question of whether Risk and Compliance have a shared seat at the table – our analysts would have expected this number to be smaller for our 2025 respondents.

### Additional findings (not included in charts):

- Those with R&C programs indicated as being in one of the top two ECI maturity tiers were more likely to say they have a risk assessment that is current and subject to periodic review (75%) compared to those in the lower two tiers (53%). They were also more likely to be said to have an assessment informed by continuous access to operational data across business functions (57% versus 32%).

## TRUE OF ORGANIZATION'S RISK ASSESSMENT



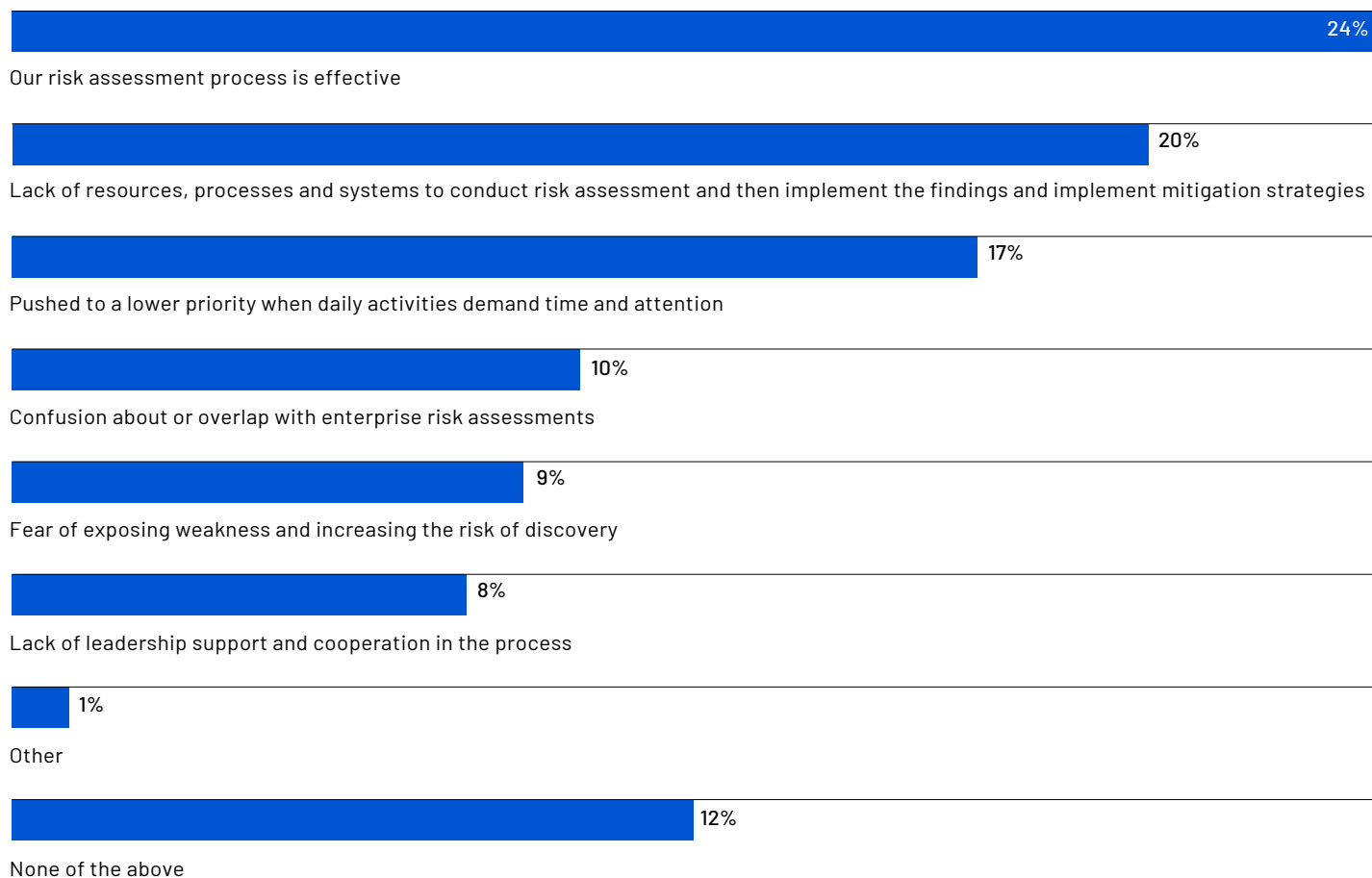
BASE: ORGANIZATION USES RISK ASSESSMENT RESULTS (N=457)  
Which of the following are true about your organization's risk assessment?

## 'Fear of exposing weaknesses' is uncommon barrier, suggesting openness to risk-based discussions

Only 9% of respondents who are knowledgeable about ethics and compliance cited "fear of exposing weakness and increasing the risk of discovery" as the biggest barrier to conducting an effective compliance risk assessment. This was a very positive signal, as the majority of organizations in our cohort appear to be comfortable with discovering risks and taking action based on those discoveries.

That said, only one quarter (24%) of respondents said their risk assessment process is effective. This might invite conversations between risk and compliance to ensure respective business units are "on the same page" in how "risk" is discussed, quantified and acted on in the organization.

### BIGGEST BARRIER TO CONDUCTING AN EFFECTIVE RISK ASSESSMENT



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

What is the biggest barrier to conducting an effective compliance risk assessment at your organization?

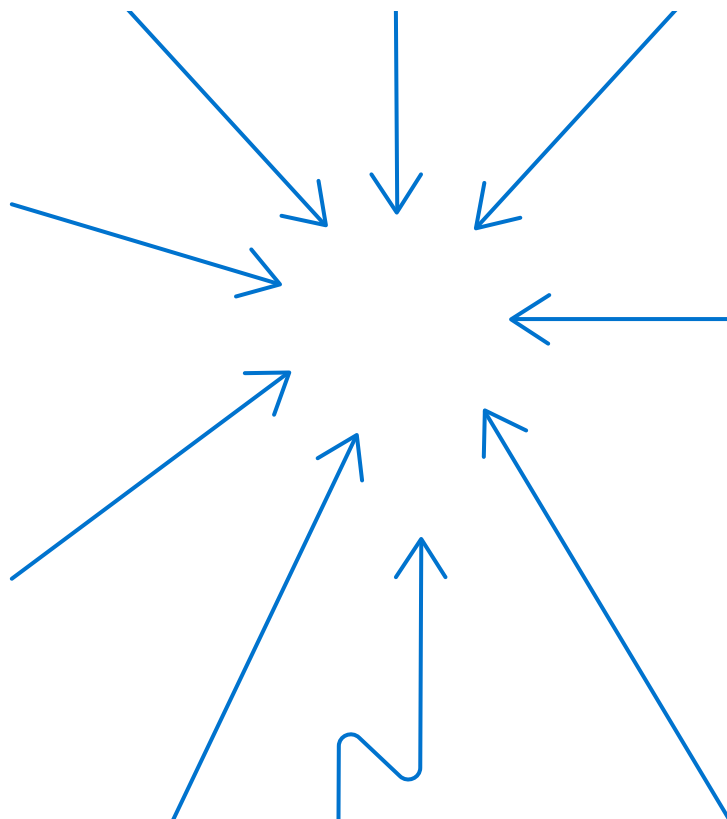
# Program resourcing and structure

Among the top topics of conversation among attendees to NAVEX webinars is resourcing and staffing. While every organization's needs are different, there remains the question – what is the “right number” of staff for Compliance and investigations? What share of organizations have a consolidated structure for their compliance program, and what share use a distributed approach?

New this year, our survey seeks to shed some light on this important topic. As with the rest of our report, these findings may best serve as an opportunity for risk and compliance professionals to open conversations within their organizations regarding ways to improve their operations with an understanding of where they stand against other organizations.

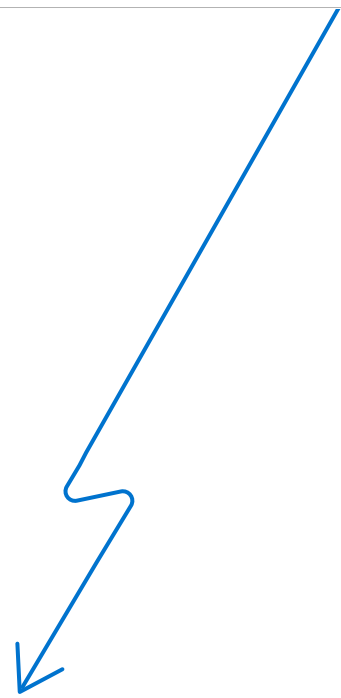
## Internal reporting program staffing not necessarily greater for larger organizations

Respondents with a sense of staffing for their organization's internal reporting program generally indicated it sat on either side of a distribution: between one and five personnel (19%) or more than 30 (34%).

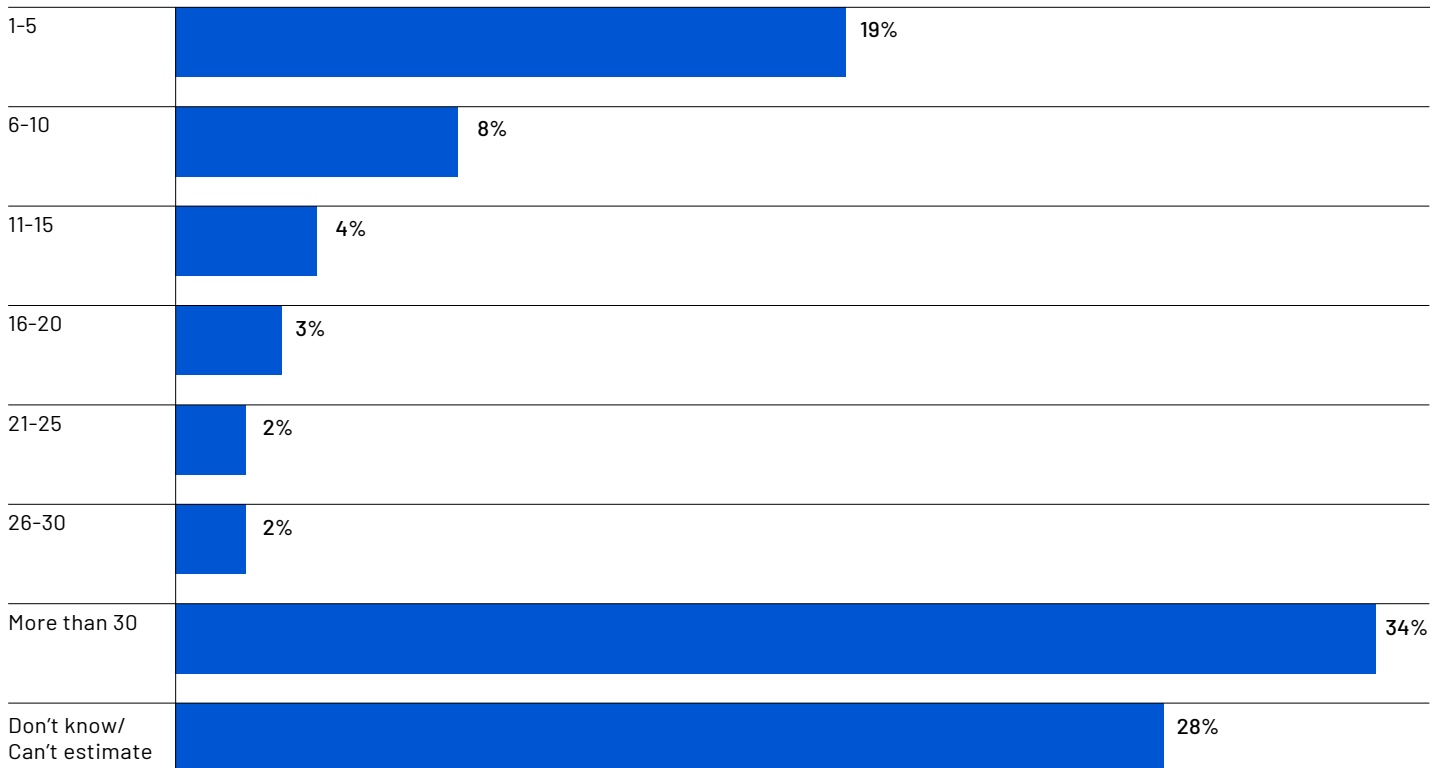


Additional findings (not included in charts):

- Not surprisingly, the smallest organizations (0-999 employees) were most likely to say they had between one and five personnel (30%). Still, even some organizations with 10,000 or more employees were said to have the same level of staffing (11%).
- Interestingly, the share of respondents who said they had more than 30 personnel supporting their program was not the greatest for larger organizations. For 0-999 employees, 24%; for 1,000-9,999 employees, 41%; and 10,000 or more, 36%.



PERSONNEL SUPPORTING INTERNAL REPORTING PROGRAMS



BASE: ALL QUALIFIED RESPONDENTS (N=999)

How many personnel are supporting your internal reporting programs at your organization? Your best estimate is fine.

### Centralized approach most common for investigations programs, staffing often leaner

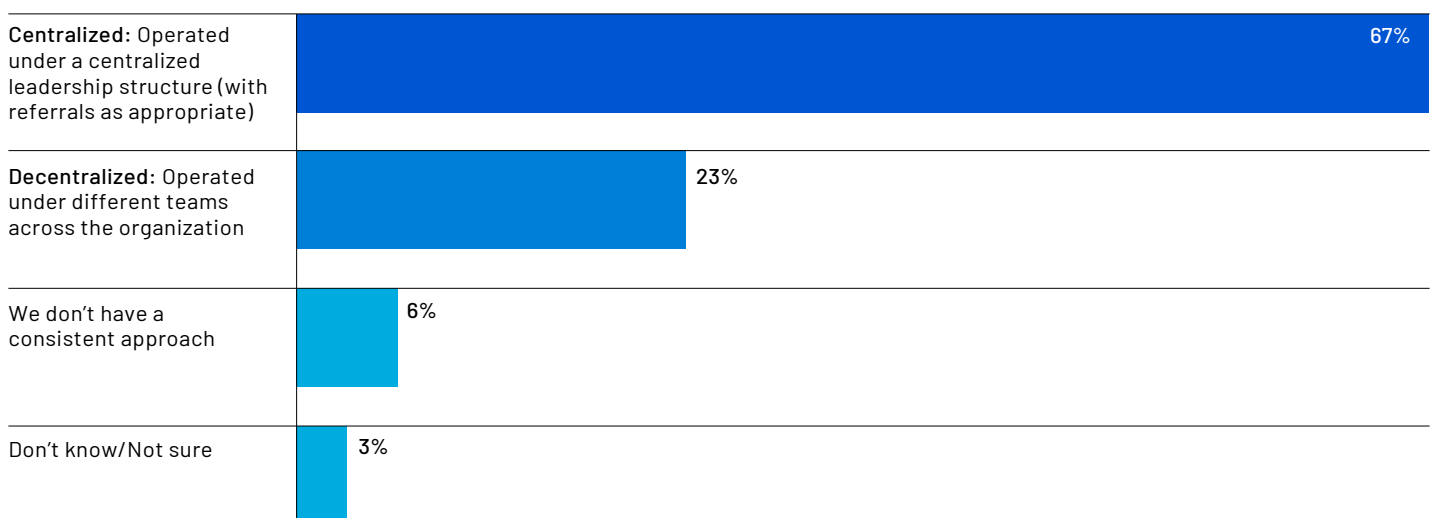
A centralized approach was said to be the most common (67%) structure for day-to-day compliance investigations programs, compared to 23% of respondents who said their program uses a decentralized approach.

While a large share of respondents said they don't know/can't estimate the number of investigators in their program, 33% of those with a centralized program said they have between one and five investigators assigned to the program. This compared to the 28% who said the same for decentralized programs. Centralized programs were also less commonly said to have more than 30 investigators (12%) compared to decentralized programs (16%).

### Additional findings (not included in charts):

- Respondents in organizations with more mature programs were far more likely (73%) than those with less mature programs (55%) to say they had a centralized investigation program.
- Respondents in organizations with between 1,000 and 9,999 employees were most likely (72%) to have a centralized investigation program, compared to 10,000-plus (66%) and 0-999 (62%).

## APPROACH TO DAY-TO-DAY COMPLIANCE INVESTIGATIONS PROGRAM

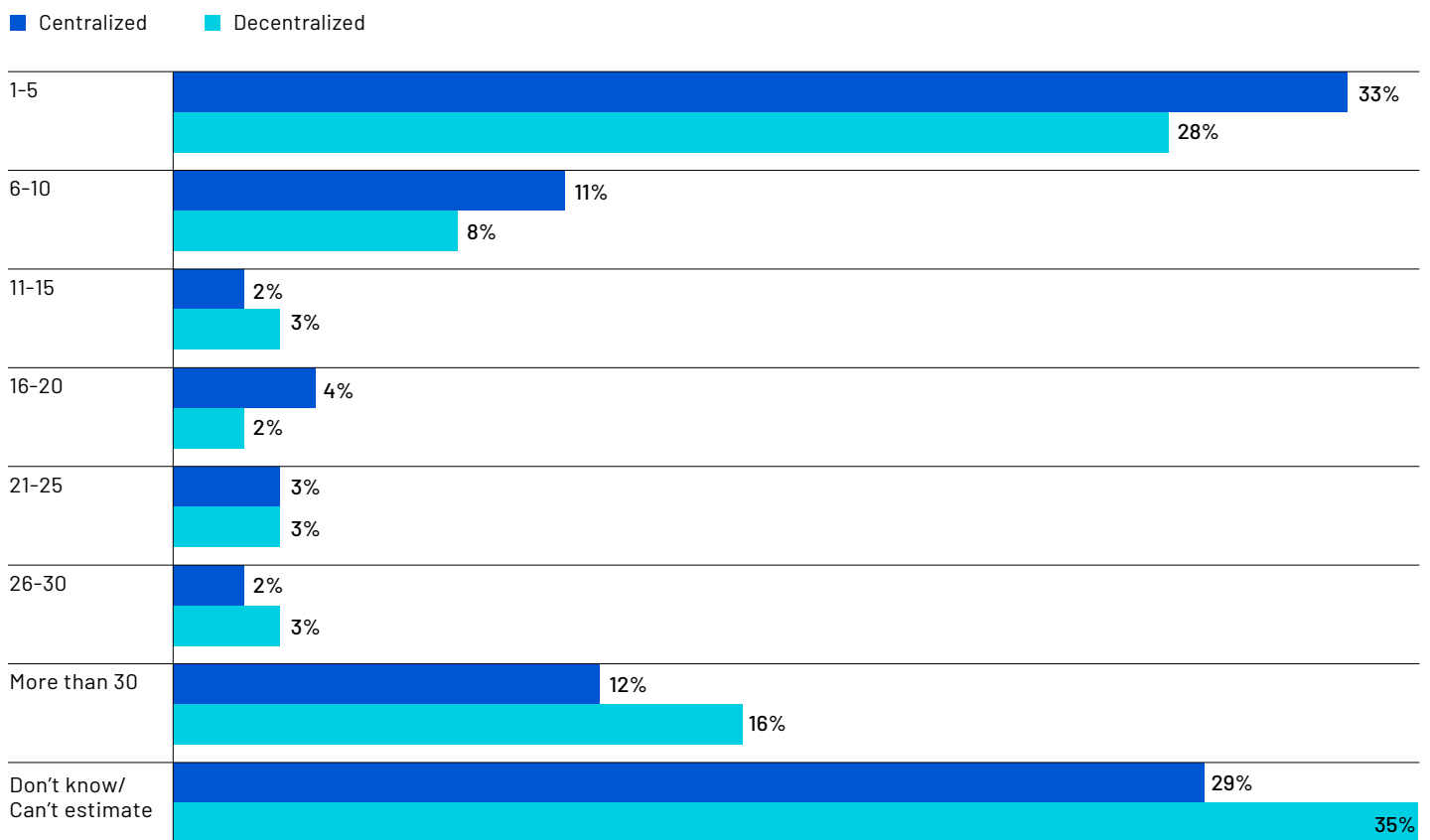


BASE: ALL QUALIFIED RESPONDENTS (N=999)

Which of the following best describes how your organization approaches its day-to-day compliance investigations program?



## INVESTIGATORS FOR CENTRALIZED AND DECENTRALIZED PROGRAMS



### BASE: CENTRALIZED (N=672)

You mentioned your organization has a centralized approach to day-to-day compliance investigations program.  
How many investigators are assigned to the program?

\* 4% of respondents responded "zero"

### BASE: DECENTRALIZED (N=232)

You mentioned your organization has a decentralized approach to day-to-day compliance investigations program.  
How many investigators are available to review cases?

\*1% of respondents responded "zero"



# Conclusion



There is much to celebrate within the findings of this 2025 State of Risk & Compliance Report. Compared to last year's cohort, a larger share of respondents in 2025 felt their organization's R&C program had a strong level of maturity. A majority said Compliance has a voice in guiding AI policies and risk management. Leaders at all levels are generally likely to embody behaviors in support of ethics and compliance. Ethics and compliance training is showing widespread success across organizations, and most are gaining the benefits of purpose-built technology supporting their R&C program elements.

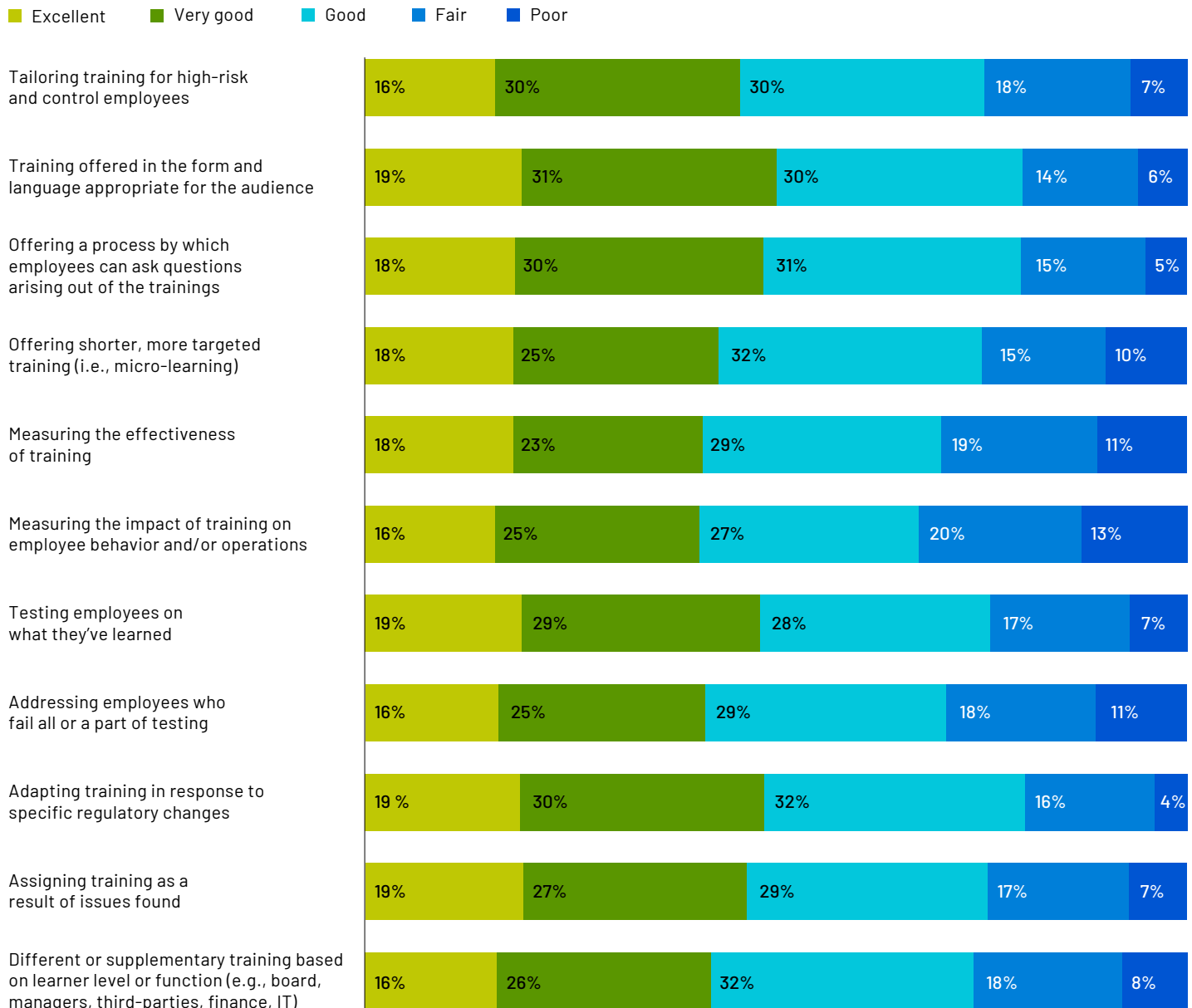
Still, we identified some red flags. For one, while Compliance typically helps to inform AI strategy, should that engagement be even stronger? Why do only half of respondents indicate their organization has an internal reporting program – a crucial foundation for compliance, risk management and

ethics? Do enough boards of directors sufficiently engage with Compliance and have expertise in the subject? Are organizations doing enough to screen for risk in their third parties and broader supply chains? What will new U.S. government priorities and enforcement policies mean for Compliance?

As with other NAVEX research publications, these survey results provide context as readers consider the efficacy of their own programs. Where an organization may be deviating from these findings, it may be positive, given the improvement opportunities identified – or it may help develop a rationale that helps senior leadership and other functional areas to understand the needs of R&C. In short, these findings are intended to help identify strengths and inform a path to improve – in resilience, compliance, business outcomes, ethics and organizational culture.

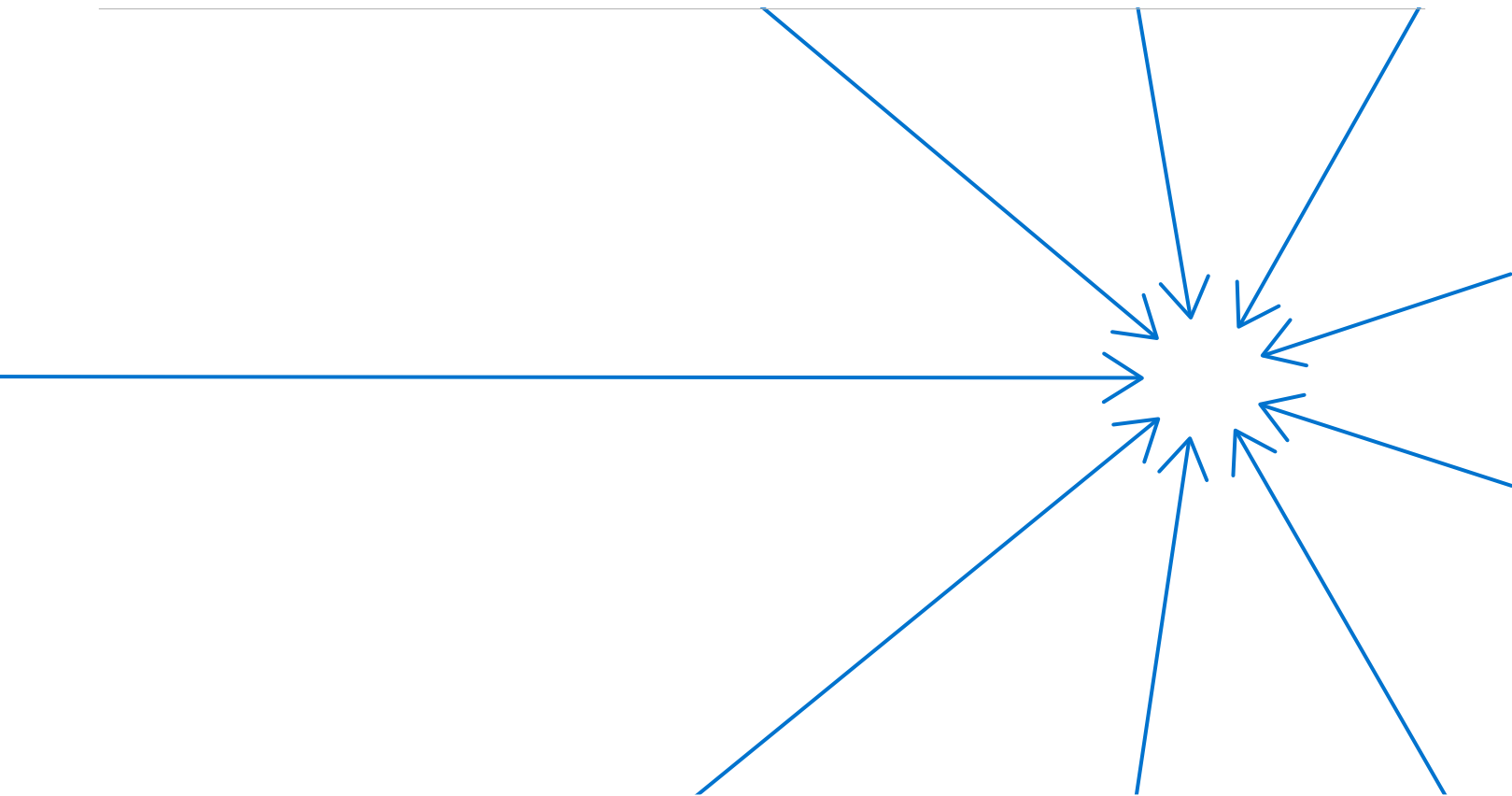
# Appendix

## RATING ORGANIZATION'S PERFORMANCE IN ASPECTS OF ETHICS AND COMPLIANCE TRAINING

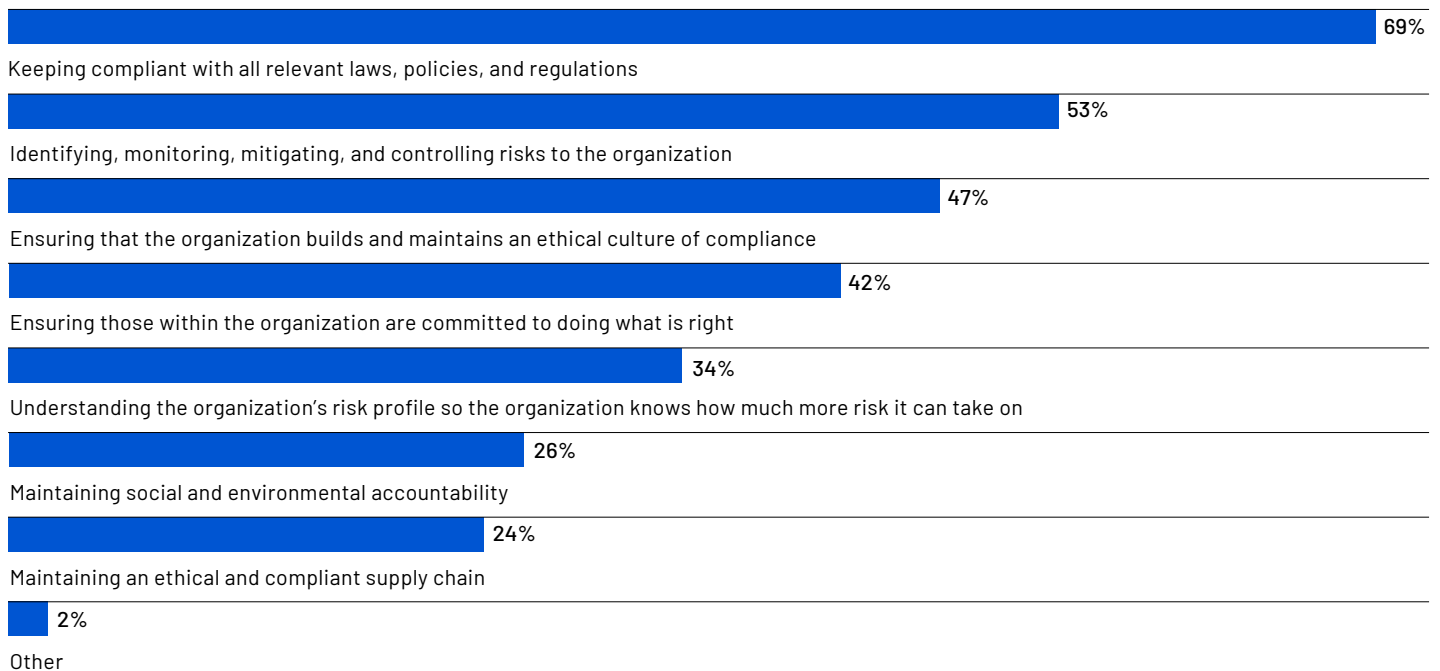


BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

How would you rate your organization's performance in the following aspects of ethics and compliance training?



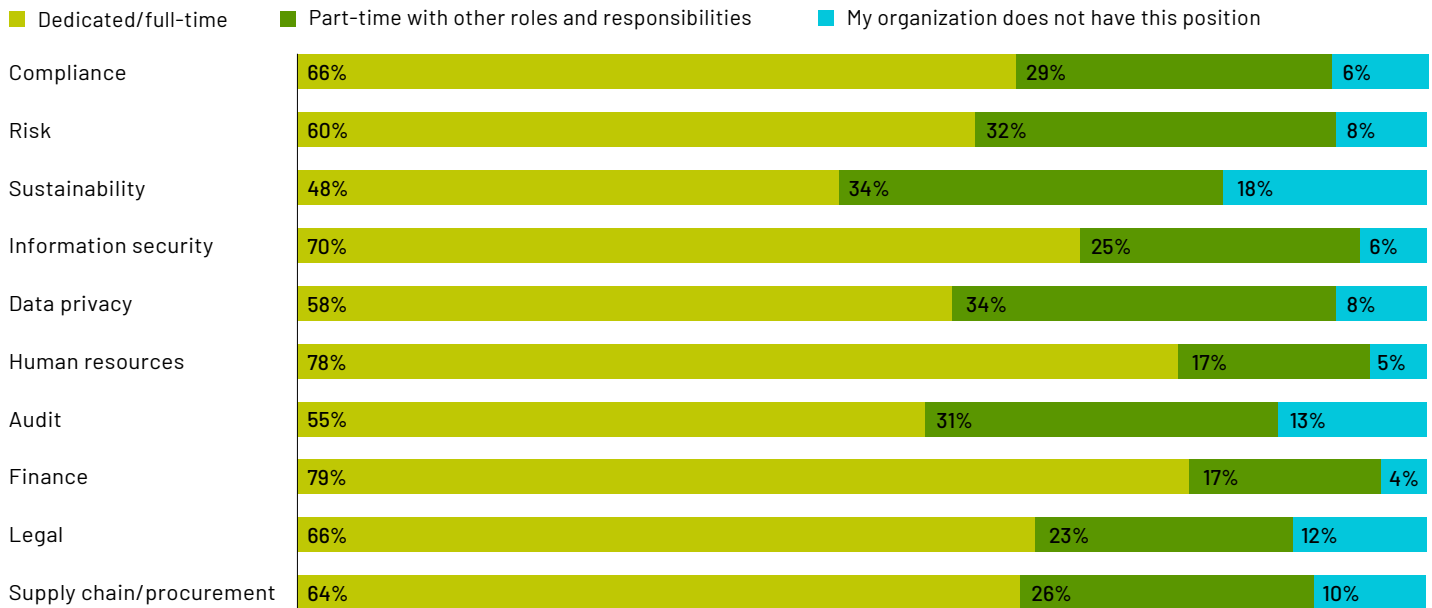
## IMPORTANT CONSIDERATIONS WHEN MAKING DECISIONS (ALL RANKS)



BASE: ALL QUALIFIED RESPONDENTS (N=999)

Which three of the following considerations are most important to your organization when making decisions?

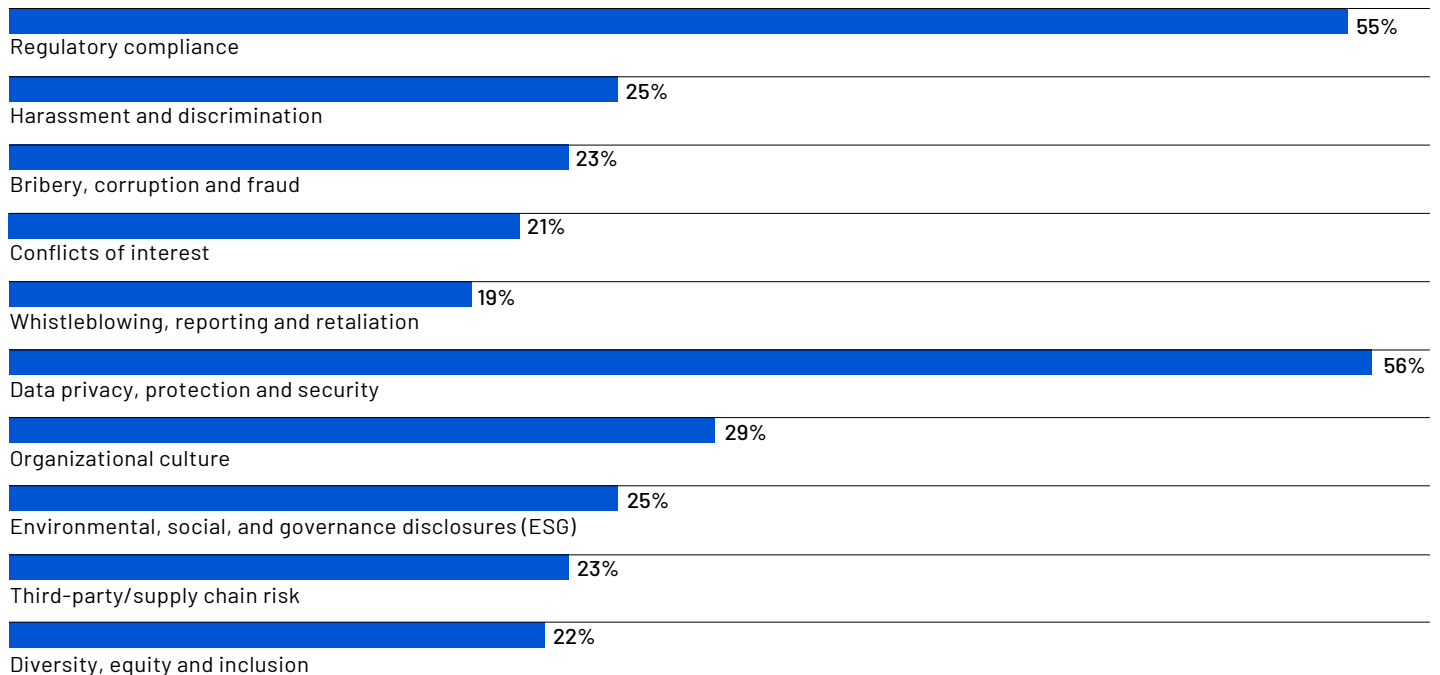
## TYPE OF EXECUTIVE-LEVEL POSITION IN DIFFERENT FUNCTIONAL AREAS



BASE: ALL QUALIFIED RESPONDENTS (N=999)

For executive-level (c-level or similar) positions in each of the following functional areas, please indicate if it's a dedicated/full-time position, part-time position with other roles and responsibilities, or if your organization does not have this position.

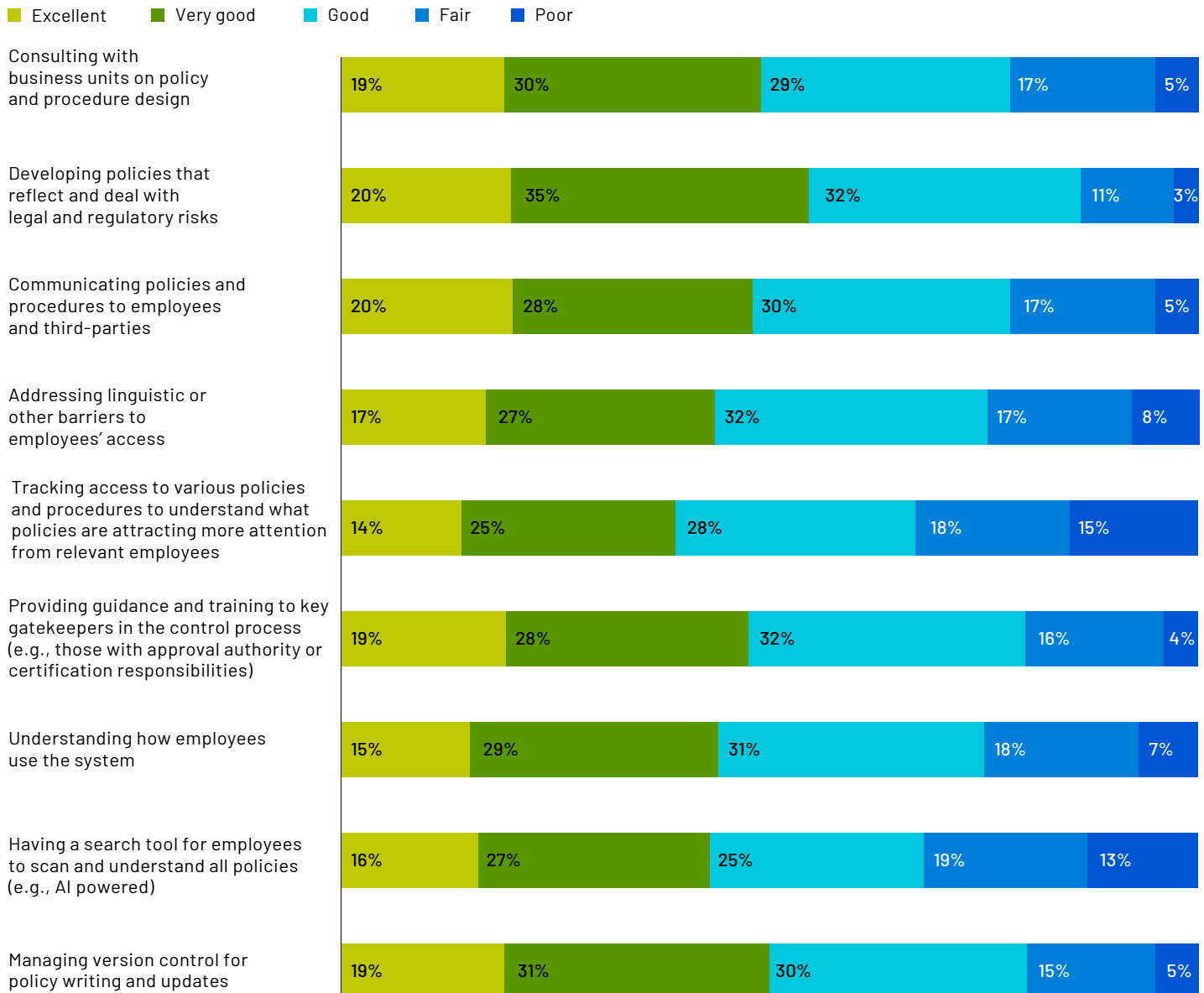
## THREE MOST IMPORTANT COMPLIANCE ISSUES (ALL RANKS)



BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

Which three of the following compliance issues are most important to your organization? Please click and drag each item into a rank position or click each item in the order you would like to rank it, from first to third.

## RATING OF COMPLIANCE PROGRAM'S PERFORMANCE IN POLICY AND PROCEDURE MANAGEMENT

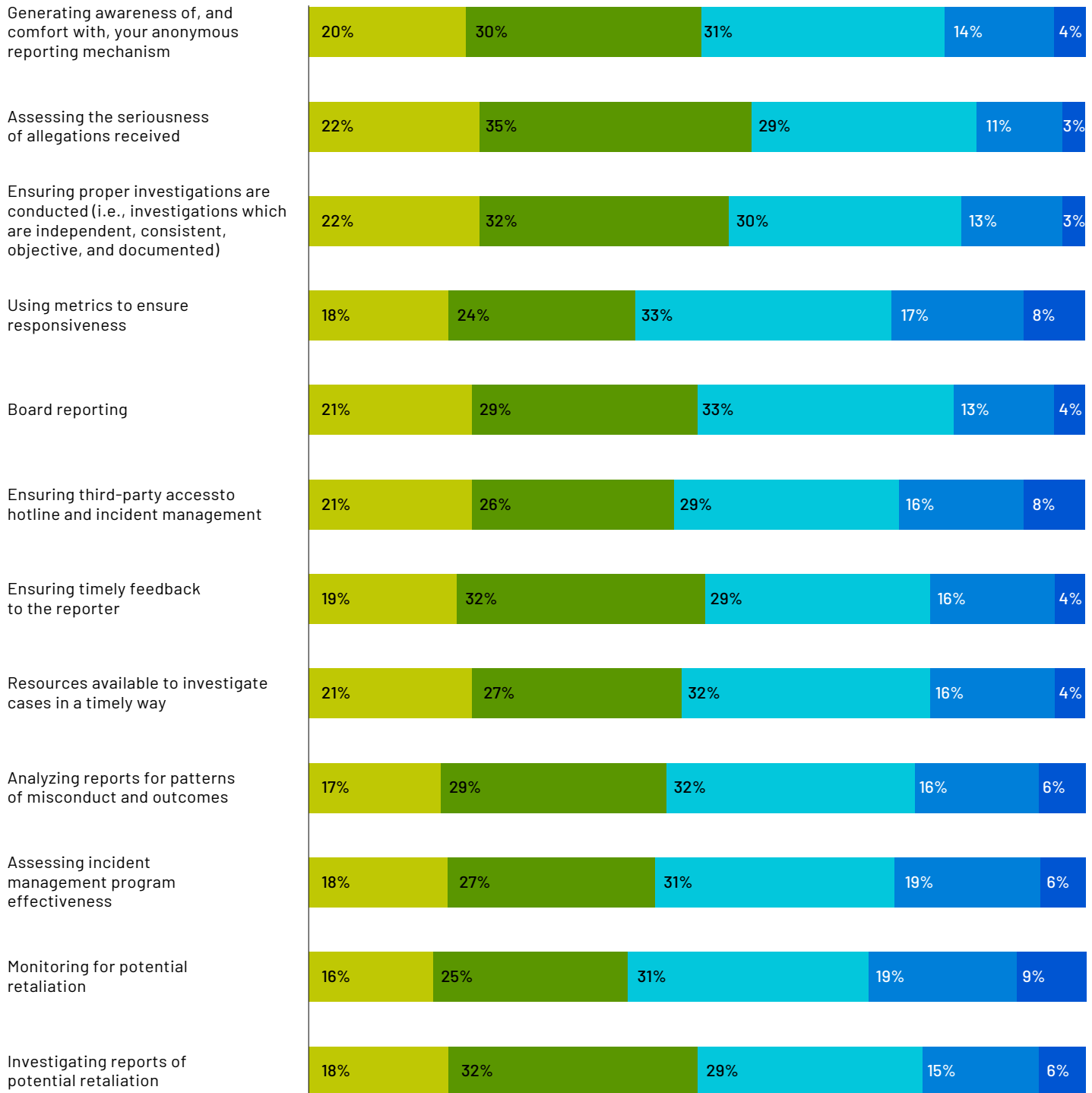


BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

How would you rate your organization's compliance program's performance in the following areas of policy and procedure management?

## RATING COMPLIANCE PROGRAM IN TERMS OF HOTLINE AND INCIDENT MANAGEMENT

■ Excellent ■ Very good ■ Good ■ Fair ■ Poor

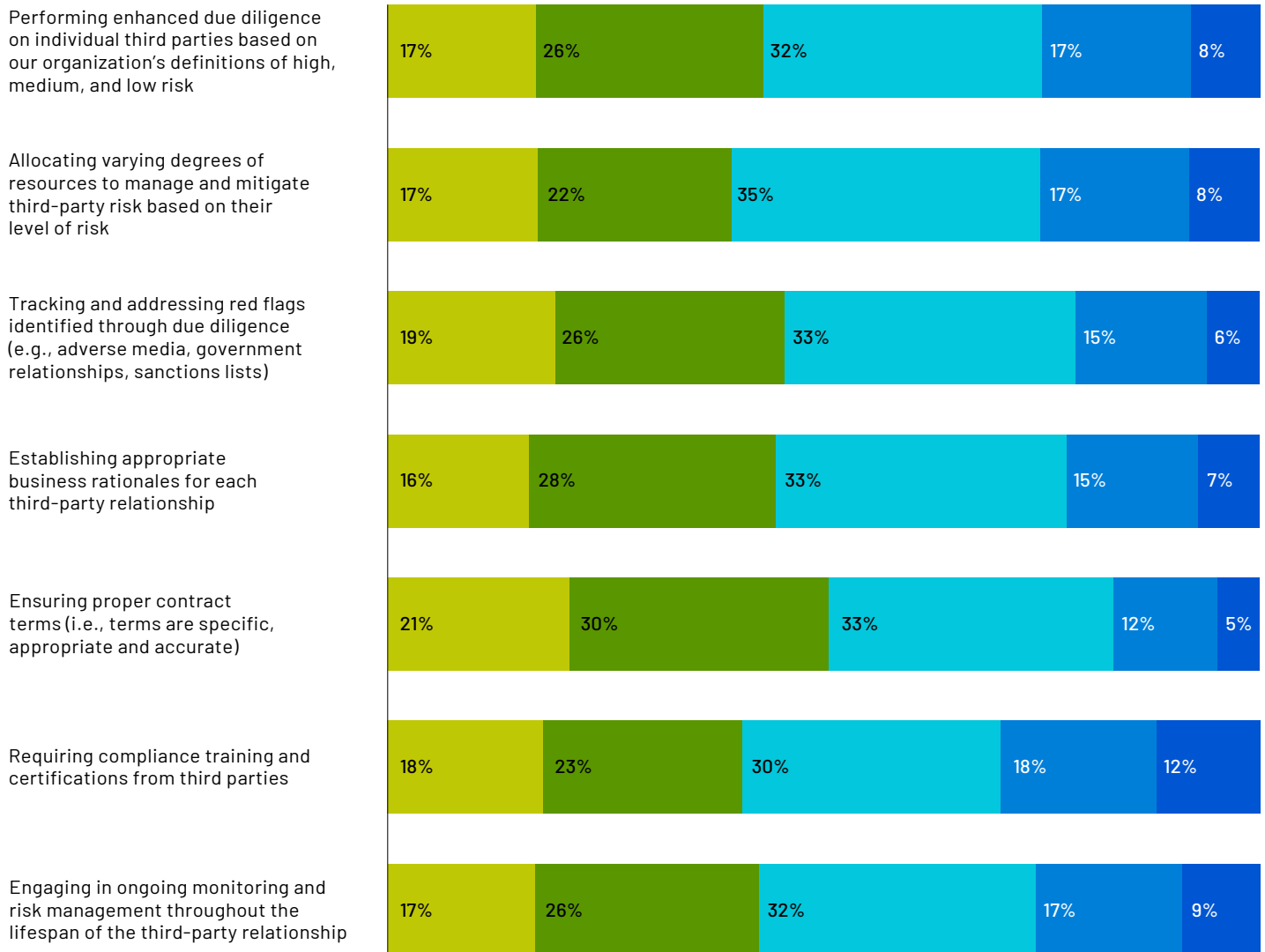


BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

How would you rate your organization's compliance program's performance in the following aspects of hotline and incident management?

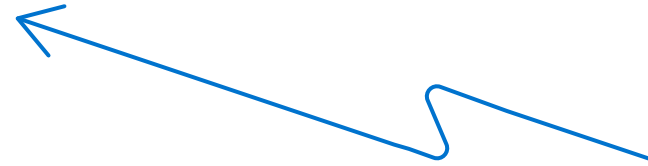
## RATING COMPLIANCE PROGRAM IN TERMS OF THIRD-PARTY DUE DILIGENCE

■ Excellent ■ Very good ■ Good ■ Fair ■ Poor



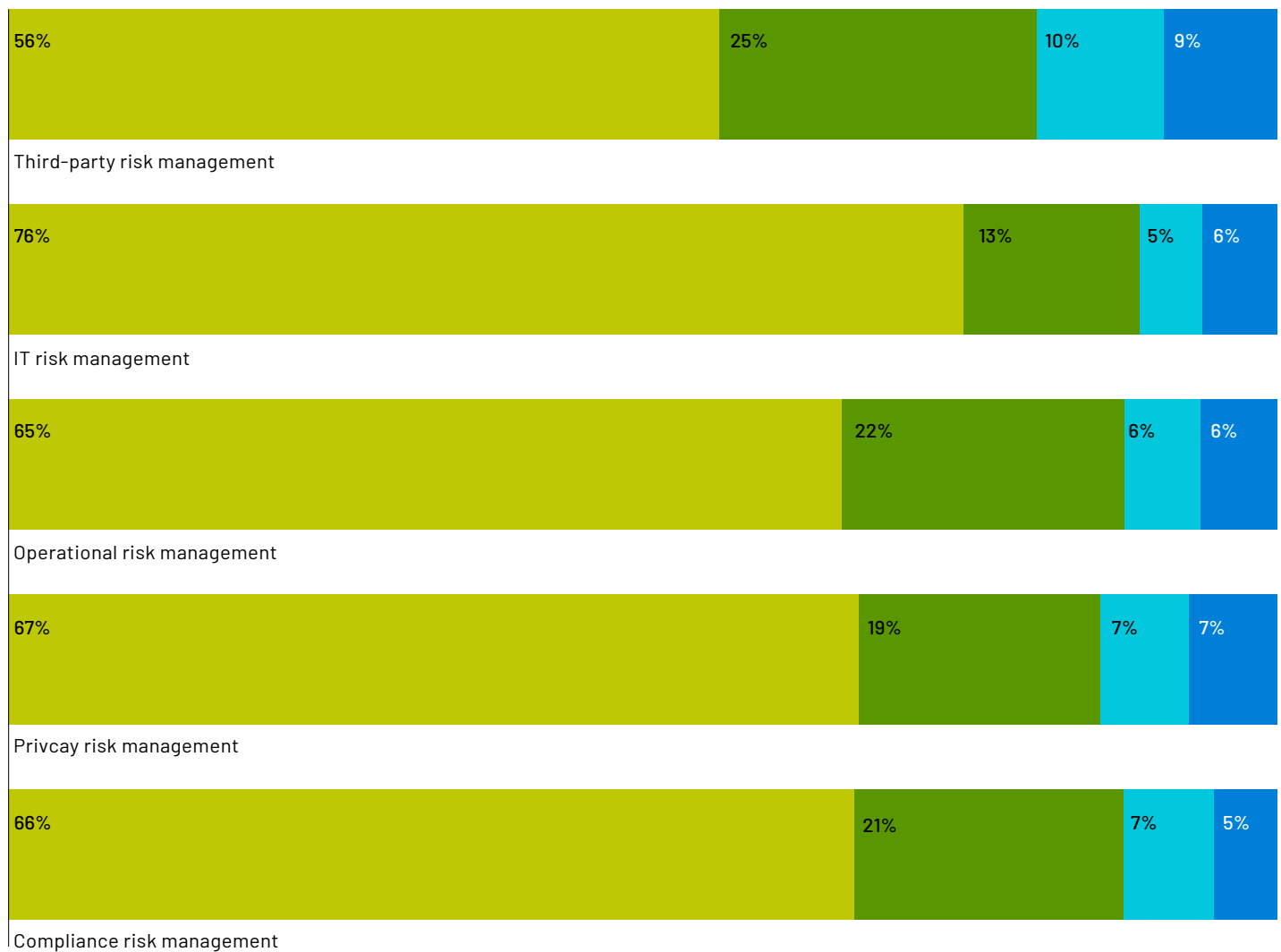
BASE: KNOWLEDGEABLE ABOUT ETHICS AND COMPLIANCE (N=747)

How would you rate your organization's compliance program's performance in the following aspects of third-party due diligence



## UTILIZATION OF PURPOSE-BUILT TECHNOLOGY TO PRIMARILY ADMINISTER RISK MANAGEMENT PROGRAM ELEMENTS

■ Yes ■ No ■ We don't have this ■ Don't know



BASE: KNOWLEDGEABLE ABOUT RISK MANAGEMENT (N=785)

Does your organization use purpose-built technology to primarily administer the following Risk Management program elements?



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

Penman was awarded the inaugural Lifetime Achievement Award for Excellence in Compliance 2020 by Compliance Week magazine. In 2017, she 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

*Senior Content Marketing Manager, NAVEX*

As senior content marketing manager for NAVEX, Eric leads the creation of major research publications on behalf of the organization's subject matter experts. A former reporter, he previously led the content team behind a national portfolio of cybersecurity conferences.

## Isabella Oakes

*Data Scientist Specialist, NAVEX*

Isabella started working at NAVEX in 2021 as a data analyst. She obtained her Master of Science 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. She has been published on the USD MS-ADS blog in an article discussing the importance of women in data science.

## Anders Olson

*Senior Manager, Data Science, NAVEX*

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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