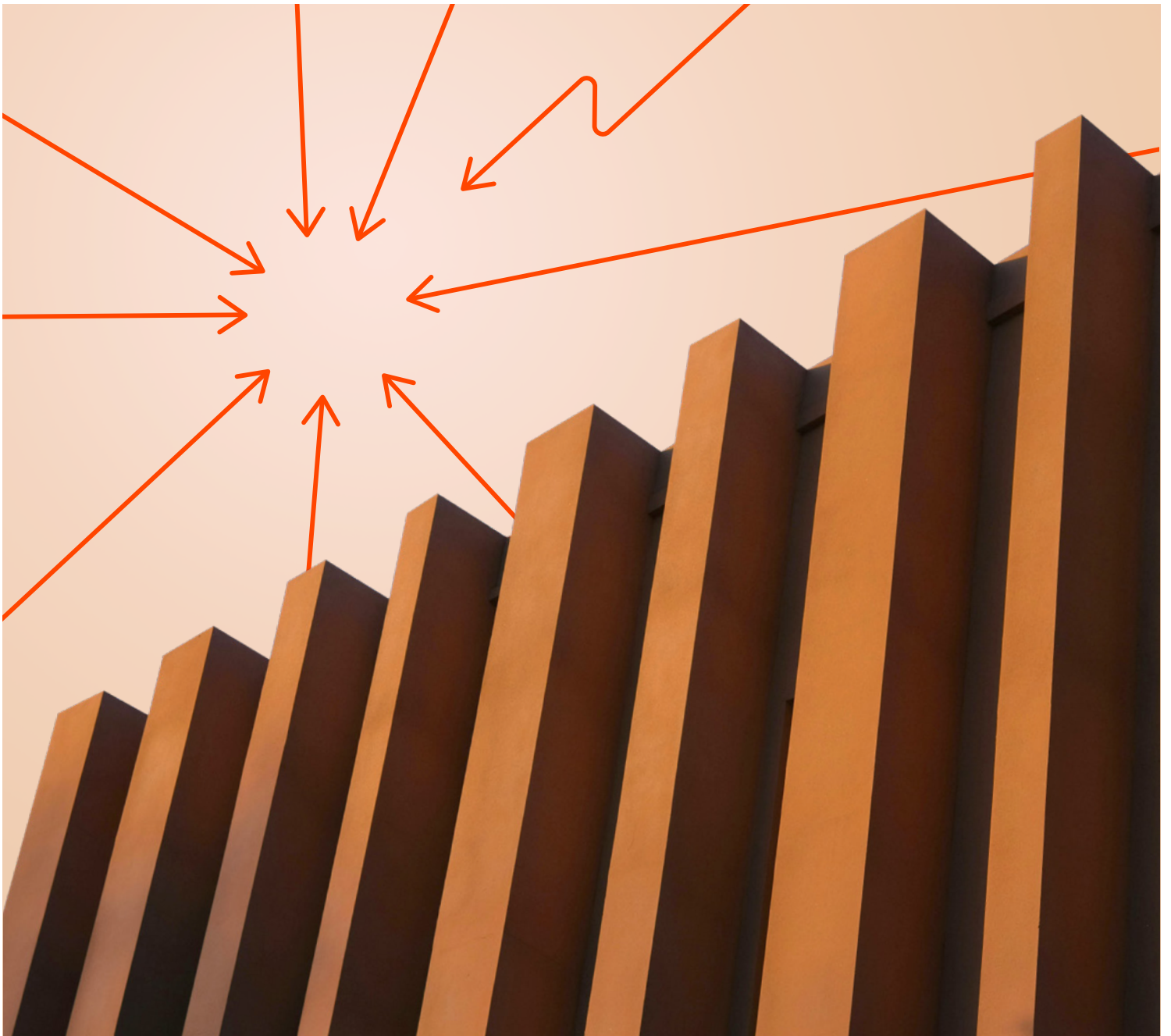


State of Risk & Compliance Report

2026



Foreword

Carrie Penman

Chief Risk & Compliance Officer, NAVEX



Ethics and compliance programs continue to evolve into more strategic drivers of resilience. At the same time, this year's findings highlight a persistent gap between structural progress and everyday experience, where leadership behavior and employee trust determine whether programs are effective.

Ethics and compliance programs have been undergoing an important transformation over the last decade. What had been viewed primarily as a regulatory control function since the scandals of Enron and Worldcom is now increasingly recognized as a more strategic component of organizational resilience and risk management.

The data in this year's survey benchmark report reflects the ongoing shift while offering opportunities for continuous improvement. This year, we surveyed nearly 1,200 risk and compliance leaders across the globe to ask key questions about their program, including budget and resources, key challenges and priorities, and the role of leadership.

We found boards and leaders are engaged to varying degrees, and organizations continue to invest in the structural elements of a compliance program such as policies, training, reporting systems and oversight mechanisms designed to strengthen governance and reduce risk. By many traditional measures, compliance programs are maturing. But building the structure is not the same as building the culture, and it is the latter that determines whether compliance is truly embedded and effective or merely present.

Across organizations, there remains an ongoing gap between how compliance is positioned and how it is experienced. Leaders may express a strong commitment to ethics and compliance, but it is not consistently reflected in their observed behavior. Employees are generally encouraged to speak up yet may remain hesitant to do so for fear of retaliation or other negative career consequences. Programs may appear to expand in size and scope, but outcomes do not always improve in parallel.

This report is designed to help leaders and practitioners identify any gap – and importantly, to benchmark where they stand within it. We hope the research and insights within this report prove valuable.

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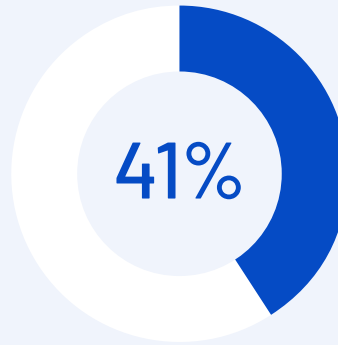
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Executive summary

Structural maturity does not always equate to better outcomes

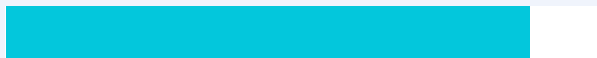
Compliance programs are becoming more structured and better resourced, but stronger infrastructure is not consistently producing better results, suggesting structure alone is not enough.

Read more in section 01



of "Optimizing" programs, the highest level of maturity according to the [HQP model](#), reported no compliance issues in the last two years

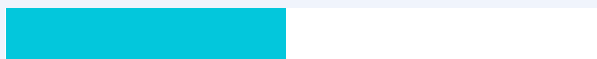
88%



of C-suite see compliance programs as a strategic advantage, yet

C-suite ambitions for R&C programs are high, but their behavior does not always reinforce that ambition

47%



of C-suite still call it a "necessary evil"

There is a persistent "say-do" gap at the top. A gap that can weaken trust, undermine speak-up culture and limit the program's impact.

Read more in section 02

Investment is rising and pressure remains real

Headcount and budgets increase with program maturity, but that does not remove pressure on teams.

Read more in section 03

#1 Biggest internal challenge

Expanded responsibilities without added resources

51%



say leaders encourage speaking up, yet 51% also say employees fear negative career consequences for doing so

Speak-up systems are in place, but confidence in them is mixed

Many organizations have the formal elements of a speak-up culture in place, but are employees confident to use them?

[Read more in section 04](#)

AI is moving into the core of compliance

AI adoption has increased since last year and is now more widespread across compliance activity, from training to investigations and reporting.

[Read more in section 05](#)

Top 4 areas in compliance programs using AI:

#1

Training

#2

Risk assessment

#3

Monitoring/
surveillance

#4

Program reporting
and analytics

Regional realities shape success in R&C

Regional differences show that program effectiveness is influenced by local regulation, governance and investment patterns.

[Read more in section 06](#)

01

Tipping the balance from investing in structure to impacting behavior

01 Tipping the balance from investing in structure to impacting behavior

Compliance programs are better resourced, more strategic, and more visible to leadership than ever before. But investment in structure alone is not enough – this year's findings reveal how compliance shows up in leadership behavior and reinforces how employee trust determines whether a program truly works.

The limits of traditional measurement

Traditionally, organizations have relied on structural indicators to assess program effectiveness. Some of those include:

- Policy and procedure distribution and attestation
- Training completion rates
- Speak up program usage and case management metrics
- Audit findings
- Staffing levels and budget allocation

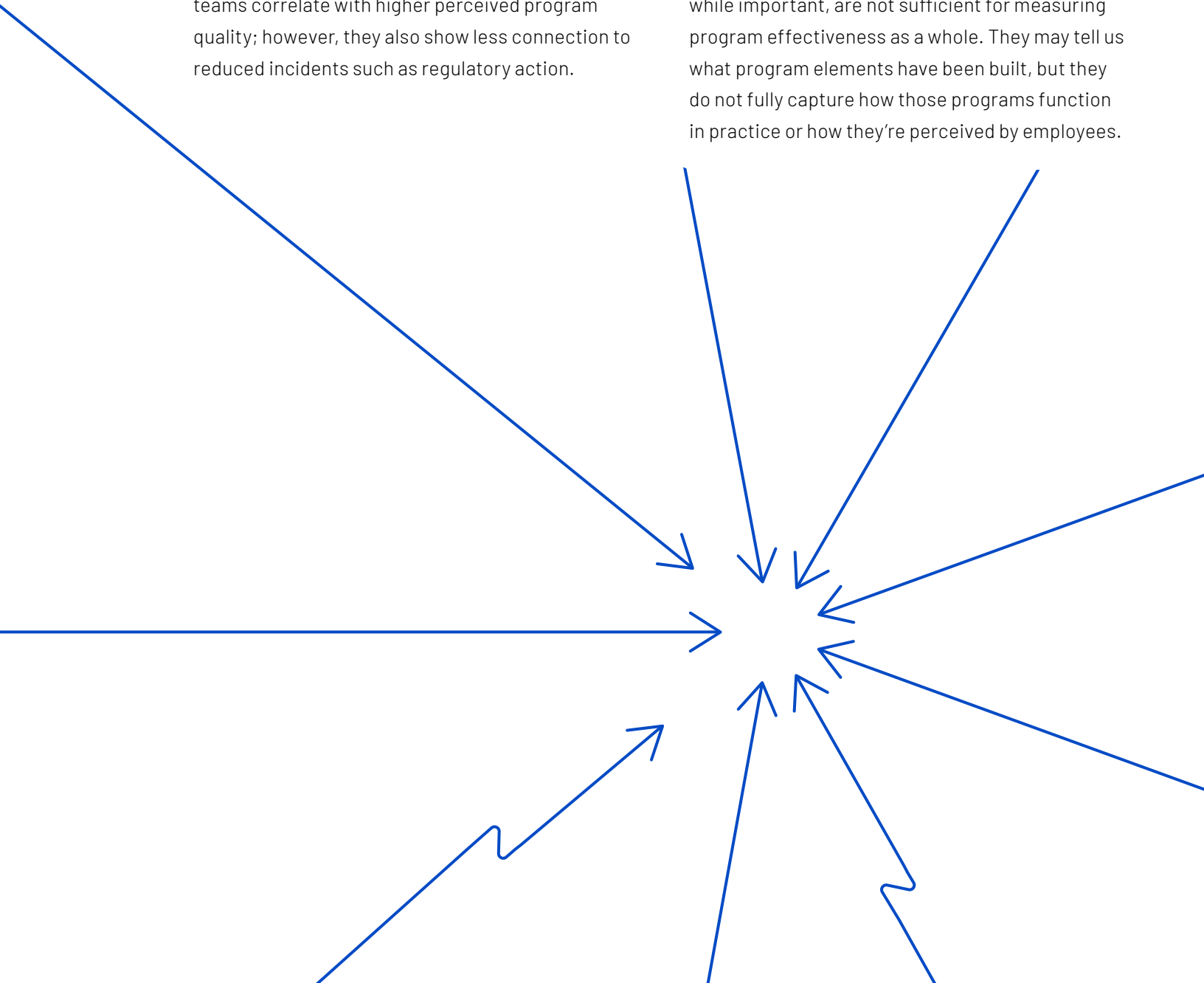
These measures remain important. They align with widely recognized frameworks, including the Ethics & Compliance Initiative's (ECI) High-Quality Program (HQP) model, international standards such as ISO governance and risk management frameworks, and the U.S. DOJ compliance program guidance – all of which emphasize formal structures, accountability, resources and documented processes.

However, as readers of this report will understand, structure alone does not determine whether a program is effective. Organizational culture, as well as lived experiences and behaviors, will always play a significant role in program effectiveness.

This year's findings identify a critical distinction: organizations with more resources, more formal systems, or larger teams do not consistently experience better compliance outcomes. Larger teams correlate with higher perceived program quality; however, they also show less connection to reduced incidents such as regulatory action.

Similarly, organizations continue to invest in training and awareness initiatives, technology upgrades, and speak-up infrastructure – yet 47% report that they do not include reporting channels with anonymous reporting options, and survey respondents cite fear of speaking up (51%) and retaliation (18%) as deterrents to employee reporting.

These findings suggest that traditional metrics, while important, are not sufficient for measuring program effectiveness as a whole. They may tell us what program elements have been built, but they do not fully capture how those programs function in practice or how they're perceived by employees.



A shift toward behavioral and cultural indicators

If structure represents the foundation of a compliance program, behaviors represent its strengths and weaknesses. The research in this report points consistently to a set of less tangible, but more predictive indicators of program maturity and effectiveness:

- Whether leaders model ethical behavior, especially under pressure
- Whether boards move beyond awareness to active oversight
- Whether employees trust that their concerns will be handled fairly
- Whether actions taken reinforce the organization's stated values

These signals are not always easy to measure, but they are highly visible within organizations. Employees observe how decisions are made when priorities conflict. They notice whether concerns lead to action or silence. They understand, often intuitively, whether compliance expectations are consistently applied or selectively enforced.

The data shows that organizations where leaders are viewed as tolerating greater compliance risk, impeding compliance personnel, or encouraging employees to act unethically, are also more likely to experience regulatory action, litigation, adverse media and reputational harm. The connection between behavior and outcome is direct.

For respondents who said their senior leadership "tolerated greater compliance risks in pursuit of new business objectives and/or greater revenues," 41% stated their organization had experienced a data privacy/cybersecurity breach in the past two years, and 30% stated they had experienced adverse media coverage of an ethics and compliance issue.

This is compared to respondents who said their senior leadership "persisted in a commitment to ethics in the face of competing interests and/or business objectives," where 32% experienced a privacy or cybersecurity breach and 23% reported adverse media coverage. This data provides further proof to the hypothesis that commitment to compliance and fostering a culture that prioritizes ethical behavior results in better business outcomes and fewer incidents.

Further, for respondents who said senior leaders have "tolerated greater compliance risks in pursuit of new business objectives and/or greater revenues," 23% experienced legal or regulatory action taken against the organization where 15% experienced this when leaders modeled proper behavior and encouraged compliance within the organization.

Where leaders were seen to uphold ethics under pressure and model expected behaviors, organizations reported fewer breaches, fewer reputational issues and lower levels of regulatory action. Leadership signals appear closely linked to risk outcomes.

In fact, across **all** compliance issues respondents could choose from, those where senior leadership, middle management and frontline management were seen as persisting in their commitment to compliance experienced fewer compliance-related issues than the companies where leaders were seen as tolerating greater compliance risks in pursuit of business objectives.

Maturity does not determine the number of compliance issues

When referencing program maturity, NAVEX aligns with the [Ethics and Compliance Initiative \(ECI\) High-Quality Program \(HQP\)](#). Survey respondents self-report their program maturity using the following ratings:

- **UNDERDEVELOPED:** A new program or an existing one that has not progressed far in embedding HQP elements
- **DEFINING:** A program that contains a number of HQP elements reflecting some important attributes, but with room to further mature
- **ADAPTING:** A program that has a few HQP elements, but still lacks many important attributes
- **MANAGING:** A program that can be considered effective or good, but not an HQP
- **OPTIMIZING:** A program that contains the majority of, if not all, HQP elements

More information on the HQP is available later in the report.

Regarding program maturity and resources, when measured against real-world compliance challenges and issues, data does not show vast differences in incidents – including regulatory action, litigation, or data privacy and cybersecurity breaches – as program maturity increases. In fact, among organizations reporting the highest maturity level (Optimizing) in the last two years, 41% reported having no compliance issues, compared to those at the lowest maturity level (Underdeveloped), where 34% reported the same.

COMPLIANCE ISSUES EXPERIENCED IN THE PAST TWO YEARS BY PROGRAM MATURITY

	Underdeveloped	Defining	Adapting	Managing	Optimizing
A data privacy/cybersecurity breach	33%	33%	27%	31%	30%
Adverse media coverage of an ethics or compliance issue	23%	17%	18%	23%	20%
Regulatory or legal action by a governing body	21%	15%	16%	15%	17%
Difficulty meeting regulatory obligations	21%	25%	19%	20%	15%
Third-party ethics or compliance failure	23%	22%	15%	23%	14%
Substantiated employee litigation against the organization	21%	17%	17%	18%	13%
Reputational damage due to executive misconduct	11%	13%	11%	13%	9%
None	34%	26%	33%	30%	41%

Has your organization experienced any of the following compliance issues in the past two years?

What's going right in risk and compliance: increased investment, AI involvement, and measurement

Though there are tangible opportunities for improvement, there are also several positive indicators. Regarding R&C program budgets, 90% of respondents have actively sought to influence leadership investment. Ultimately, 61% expect an unchanged or modest increase, and 32% a 10%+ increase, a positive sign for program resources. We also see a shift toward higher-maturity programs as defined by ECI HQP, with a growing percentage of respondents reporting they are in the Managing or Optimizing stage of maturity than in previous years.

Involvement in AI decision-making from compliance has increased since 2025. In 2025, 65% of compliance teams were somewhat or very involved in AI decision-making; in 2026, that figure rose to 78%. Additionally, we saw a six-point decrease in "minimal/no involvement" from 2025 to 2026.

Looking ahead, organizations are also looking to further strengthen their programs, with 98% reporting that they're actively measuring their programs' effectiveness.

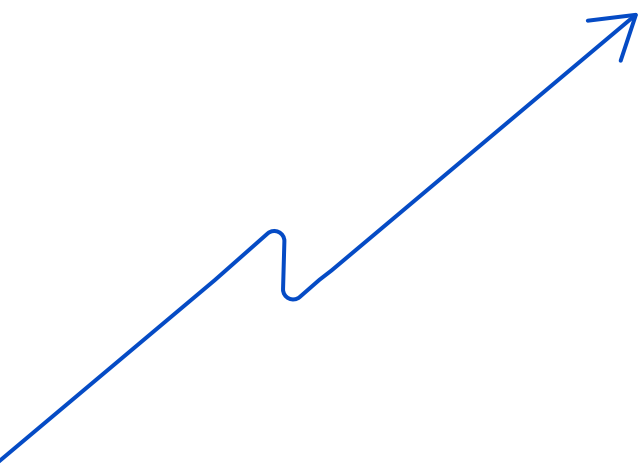
Why this report matters now

Organizations are operating in an environment defined by regulatory complexity, geopolitical uncertainty, and heightened stakeholder expectations. At the same time, new technologies such as artificial intelligence are rapidly expanding the reach and influence of compliance functions – particularly in areas such as investigations, risk assessment, third-party management and board reporting. These developments introduce both opportunity and risk.

Technology can enhance efficiency and insight, but it can also amplify existing weaknesses without proper oversight and judgment. As explored in this report, AI does not operate independently of culture – it reflects and reinforces it. In organizations with strong governance and clear accountability, decision-making can be strengthened. In those with gaps in oversight or executive alignment, it can scale those gaps in ways that are difficult to detect or correct.

At the same time, employee expectations around transparency, fairness, and accountability continue to rise. Speak-up systems are no longer evaluated solely on accessibility, but on responsiveness and trust. Delays in investigations, lack of follow-up, or inconsistent outcomes can erode confidence – even in well-designed and well-resourced programs.

In this context, program effectiveness can no longer be understood through structure alone.



How to use this report

This report is intended to serve two purposes.

First, it provides benchmarking across key dimensions of ethics and compliance programs, including resourcing, governance, speak-up culture and emerging technology adoption within risk and compliance. These benchmarks offer a practical way to compare your program against peers of similar size, complexity and maturity.

Second, and more importantly, it offers a framework for assessing the less visible, behavioral drivers of program effectiveness.

Throughout the report, we examine where gaps may exist between:

- Investment and outcomes
- Leadership intent and employee experience
- Infrastructure and trust
- Technology adoption and governance readiness

These are not gaps that can be closed solely through policy updates and internal communication. They require consistent alignment across leadership, governance, and day-to-day decision-making.

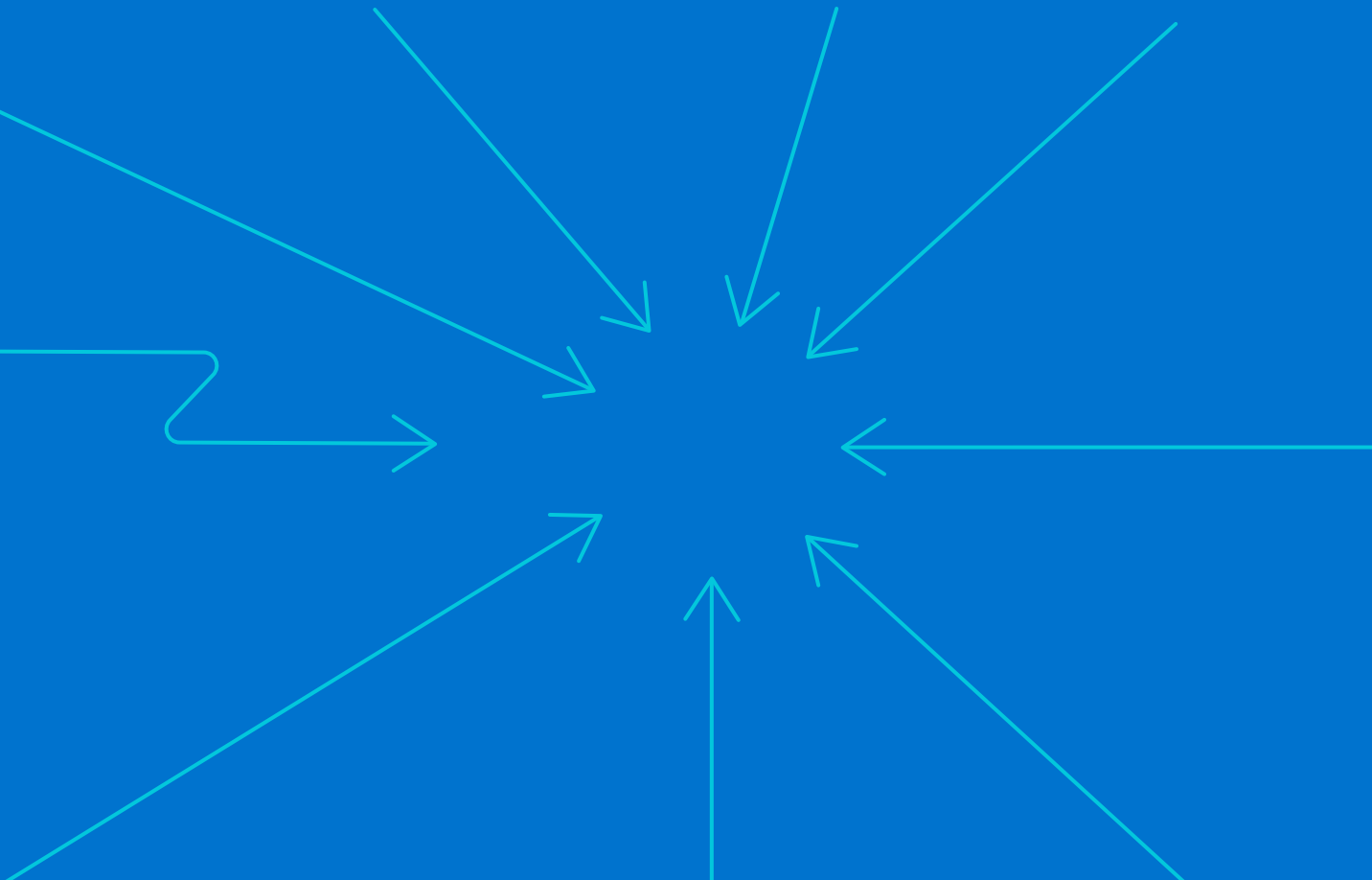
The organizations that will lead in the next phase of compliance maturity are not those with the most resources or the most complex systems. They are the ones that ensure board oversight translates into meaningful engagement; that leadership messaging is reflected in action; that employees see evidence – not just assurance – that speaking up is safe and valued. In doing so, they move beyond structure and begin to focus on the behavioral signals impacting organizational culture.

This report is intended to help organizations identify where those signals are strong, where they may be inconsistent, and what steps can be taken to strengthen them.



02

Tension at the top: The leadership consistency gap



02 Tension at the top: The leadership consistency gap



Rebecca Walker
Partner, Kaplan & Walker LLP

Leaders today overwhelmingly characterize compliance as a strategic advantage to the business. Yet the data tells a more complicated story – one in which that view is not consistently reflected in behavior across the organization.

Compliance as strategy – sometimes

The 2026 data reflects a strong endorsement of compliance at the highest levels of the organization. However, given that respondents could select multiple responses, we also found some tension. Nearly nine in ten C-suite respondents (88%) view compliance programs as a strategic advantage. At the same time, almost half of those same leaders (47%) describe compliance programs as a “necessary evil” that can inhibit business.

88%



of C-suite see compliance programs as a strategic advantage, yet

47%



of C-suite still call it a “necessary evil”

This tension is not new. Compliance has long occupied a dual identity – both a business enabler and a perceived constraint. What is notable in the current data is not that these views coexist, but how readily organizations move between them depending on context. This reflects a form of cognitive dissonance that has long impacted the profession. Compliance is considered a strategic advantage in principle yet experienced as a constraint in practice – particularly when compliance expectations intersect with commercial pressure or growth objectives.

This matters because inconsistent prioritization of compliance does not go unnoticed. Employees are attuned to the signals leaders send – particularly in moments of pressure. When compliance is framed as strategic but treated as situational, it can create uncertainty about expectations and, over time, erode trust in the organization’s commitment to ethics. The dynamics underlying this gap play out differently at the board and management levels. We consider each in turn.

"Employees are attuned to the signals leaders send – particularly in moments of pressure. When compliance is framed as strategic but treated as situational, it can create uncertainty about expectations and, over time, erode trust in the organization’s commitment to ethics."

Board engagement: present, but not always embedded

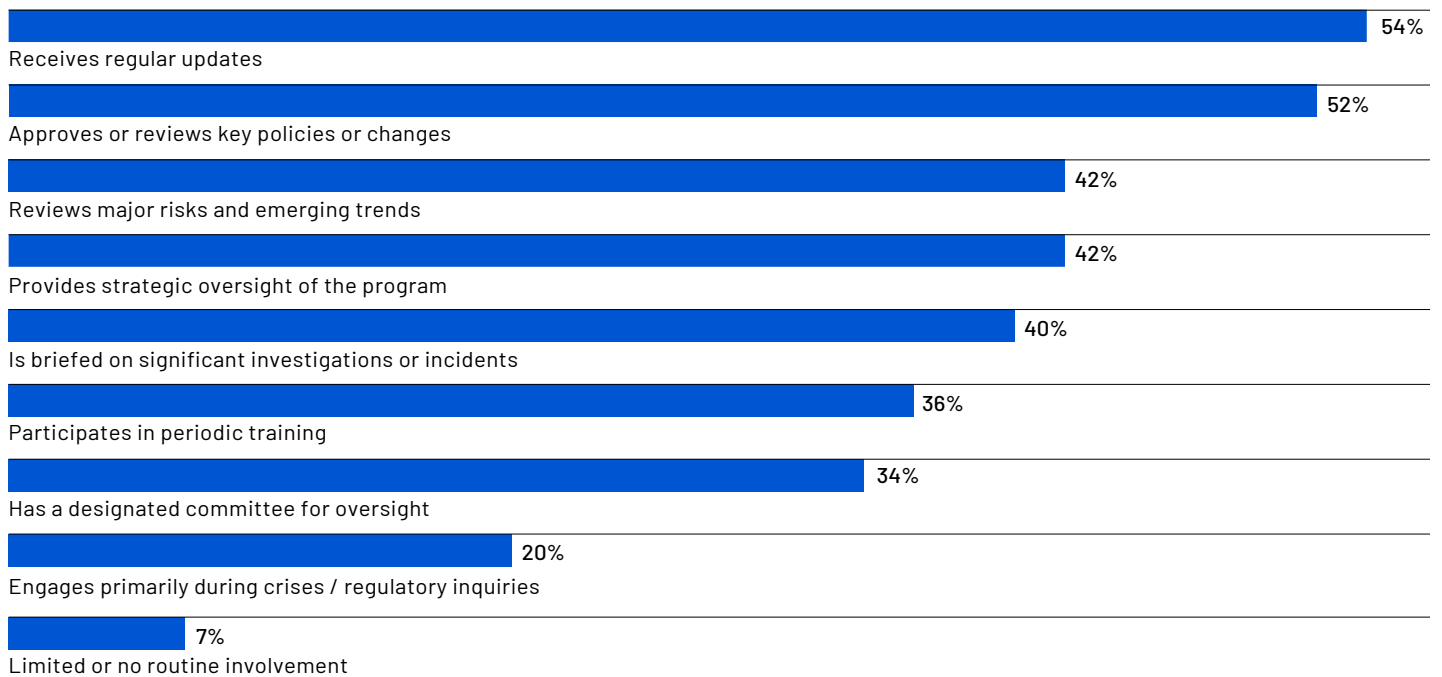
The data suggests that boards are engaged, but not consistently in ways that reflect strong oversight. A majority of boards receive regular updates (54%), but fewer provide strategic oversight (42%), a 12-point gap between awareness and accountability. More concerning, over one-quarter of boards are not consistently reported to be engaged in the compliance program: 20% engage primarily during crises or regulatory inquiries, and 7% report limited or no routine involvement. Even among engaged boards, reinforcing behaviors remain relatively weak. Only 36% participate in periodic compliance training, and only 34% have a designated compliance oversight committee.

These findings point to an important distinction: receiving information about compliance is not the same as actively shaping its direction and cultural importance. In practice, many boards receive detailed

periodic reports – investigations data, training completion, monitoring updates and due diligence metrics. Yet discussion often centers on serious investigations or regulatory exposure, with more limited engagement on trends, root causes, or what the data suggests about underlying culture. Boards may be well-informed without being deeply engaged; those are not the same thing.

There are, of course, numerous examples of more active engagement. In one recent assessment I performed, an audit committee – concerned that internal reporting rates did not align with benchmarking – requested that the CCO conduct a deeper analysis of underlying causes, reflecting a more substantive approach to oversight. That kind of inquiry – moving from receipt of data to diagnostic questioning – is the difference between a board that is informed and one that is engaged.

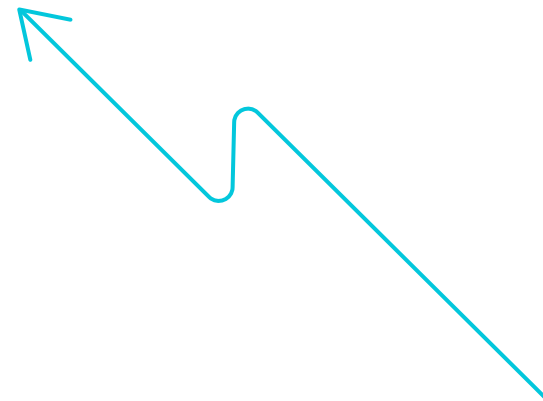
BOARD ENGAGEMENT IN COMPLIANCE PROGRAMS



How is your board of directors currently involved in your compliance program?

Management execution: the “say-do” gap in leadership behavior

If the board’s role is to set expectations and oversee, management’s role is to translate those expectations across the organization. Here, the data reveals a consistent gap between encouraging ethical behavior and modeling it – one that runs across all levels of leadership. While 70% of senior leaders are reported to encourage compliance and ethical behavior, only 55% are seen as modeling that behavior, and just 50% persist in doing so under business pressure. The pattern holds at middle management levels, where the gap between encouraging ethical behavior and modeling it has widened in year-over-year terms.



PERCEPTIONS OF ORGANIZATIONS’ SENIOR LEADERS AND MANAGERS

	Senior leaders		Middle management		Front line managers	
	2026	2025	2026	2025	2026	2025
They have encouraged compliance and ethics within my organization	70%	73%	62%	65%	59%	62%
They have modeled proper behavior	55%	60%	53%	62%	50%	57%
They have persisted in a commitment to ethics in the face of competing interests and/or business objectives	50%	51%	45%	50%	44%	45%
They have tolerated greater compliance risks in pursuit of new business objectives and/or greater revenues	29%	28%	30%	28%	27%	27%
They have impeded compliance personnel from effectively implementing their duties	15%	16%	16%	16%	17%	17%
They have encouraged employees to act unethically to achieve a business objective	10%	9%	11%	9%	11%	11%
None of the above	4%	4%	5%	4%	7%	6%

Which of the following statements are true about your organization?

Further, compared to last year’s survey, a smaller share of respondents in 2026 said leadership at all levels was modeling proper behavior. The year-over-year decline prompts a critical question: are leaders actively modeling the behaviors expected of them in 2026? Or are there additional pressures driving greater compliance risk-taking?

Even more troubling is the persistence of negative behaviors: 29% of senior leaders are reported to tolerate greater compliance risk in pursuit of business objectives, 15% are said to have impeded compliance personnel, and 10% are said to encourage unethical behavior to meet business goals.

This “say-do” gap runs the risk of impacting ethical behavior throughout the organization. As the eyes and ears for misconduct and risk, workers may be less likely to elevate a concern if they come to believe leaders are holding themselves to a weaker ethical standard than employees. Conversely, when workers see leaders modeling the ethical behaviors they encourage, they are more likely to trust those leaders take ethics and compliance seriously.

In practice, this gap often becomes most visible when competing priorities emerge. For example, an organization may have leaders who consistently describe compliance as non-negotiable, yet move forward on opportunities despite known diligence gaps, with the expectation that issues can be addressed later. The message, in effect, is that compliance matters – until it competes with growth.

LEADERS MODELING ETHICAL BEHAVIOR



Which of the following statements are true about your organization's senior leaders/middle management/first line managers and supervisors? [Selected: "Modeled proper behavior"]

Leadership behavior and risk

Perhaps the most compelling insight arising from the 2026 survey is that management behavior is not merely cultural – it is predictive. Organizations in which leaders tolerate increased compliance risk experience materially worse outcomes. This is a critical point: **leadership’s signals shape day-to-day risk exposure.**

This connection is consistent with what post-incident reviews tend to reveal. In organizations that have experienced compliance failures, the underlying issue is often not a lack of policies or

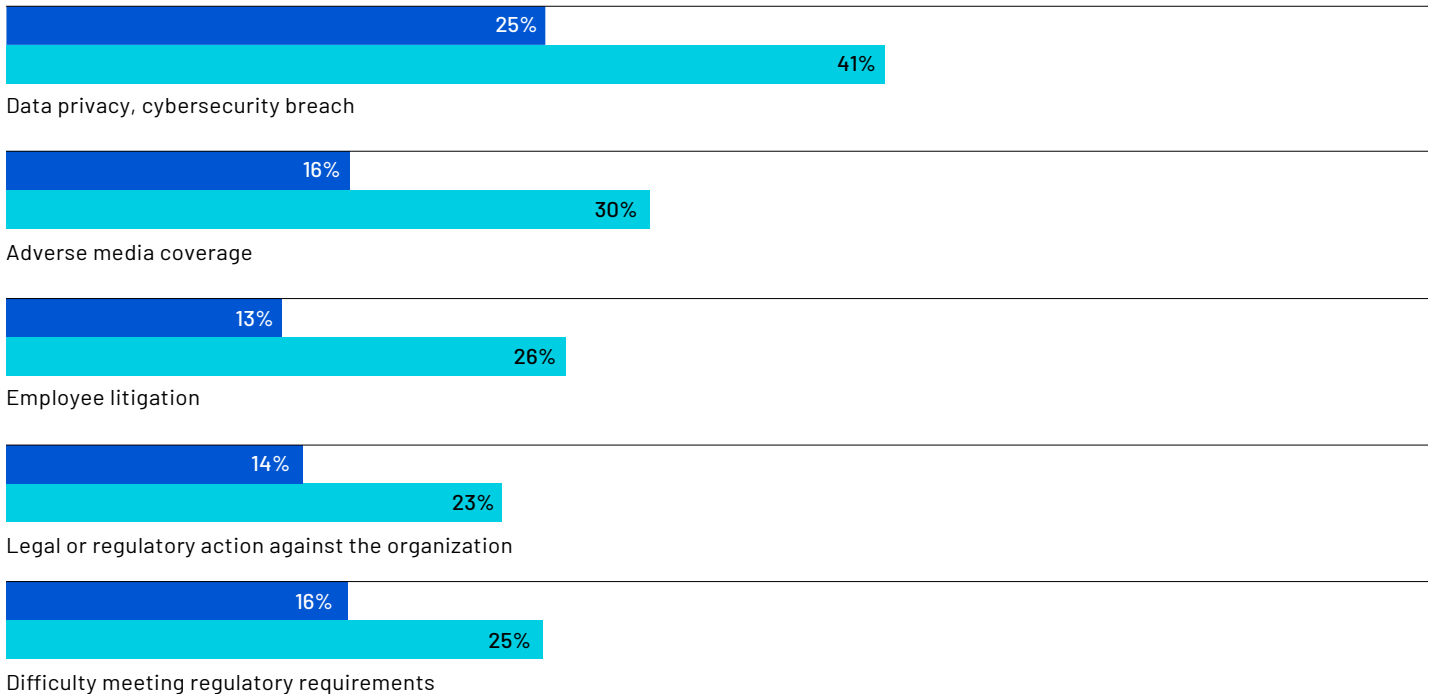
controls. Rather, it reflects a pattern of decisions – understood internally and in some cases implicitly sanctioned – to prioritize speed or commercial objectives over compliance considerations in higher-risk contexts. The issue is not the absence of controls; it is a pattern of choices.

These findings carry an important implication for leadership: decisions do not operate in isolation. Over time, they shape not only individual outcomes, but the organization’s broader risk profile and likelihood of future violations.

"The issue is not the absence of controls; it is a pattern of choices."

COMPLIANCE OUTCOMES BY LEADERSHIP BEHAVIOR

■ Leadership did not tolerate greater compliance risk* ■ Leadership tolerated greater compliance risk



*Note: these figures were calculated from the respondent group that did not select "leadership tolerated greater compliance risk" in the survey; it was not a standalone answer option.

What this looks like in practice

These dynamics are consistent with what we see in our day-to-day work with organizations. At the board level, engagement is often real but episodic. Boards receive detailed reporting and may engage deeply during moments of crisis, but less consistently on underlying cultural or behavioral drivers.

At the management level, commitment to compliance is often genuine but sometimes conditional. Business units may be encouraged to move quickly in ways that implicitly deprioritize diligence or controls, and compliance may be consulted too late to influence key decisions. Organizations may also have strong formal structures – policies, committees, reporting lines – while sending weaker informal signals. Employees quickly learn whether compliance expectations are truly non-negotiable or subject to business tradeoffs.

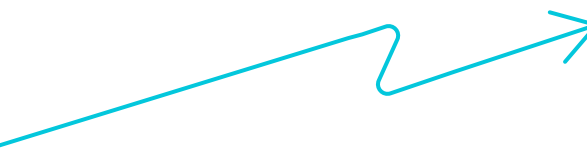
Closing the gap

Both boards and management increasingly recognize the strategic value of compliance, which is news that should be celebrated. The remaining challenge is consistency – ensuring compliance is prioritized, lived and reinforced in a sustained way, rather than fluctuating based on context or commercial pressure.

At the board level, that means engagement focused not only on oversight but on actively reinforcing culture and expectations. The data does not establish a direct causal link, but organizations with more engaged boards tend to exhibit stronger leadership behaviors and more mature compliance programs – which points to a meaningful governance role in sustaining consistent expectations beyond moments of heightened risk.

At the management level, it means greater alignment between what organizations say about compliance and the decisions they make under pressure – particularly where business performance and compliance intersect. Leadership modeling matters most precisely in moments where the right decision is not the easy one.

Organizations do not fall short because they fail to articulate the importance of compliance. They fall short when that importance is not consistently reinforced – by boards through governance, and by management through behavior. The data identifies where those gaps are largest and where closing them would have the most measurable effect.



"Organizations do not fall short because they fail to articulate the importance of compliance. They fall short when that importance is not consistently reinforced."



03

What is 'normal' in R&C headcount and budget?

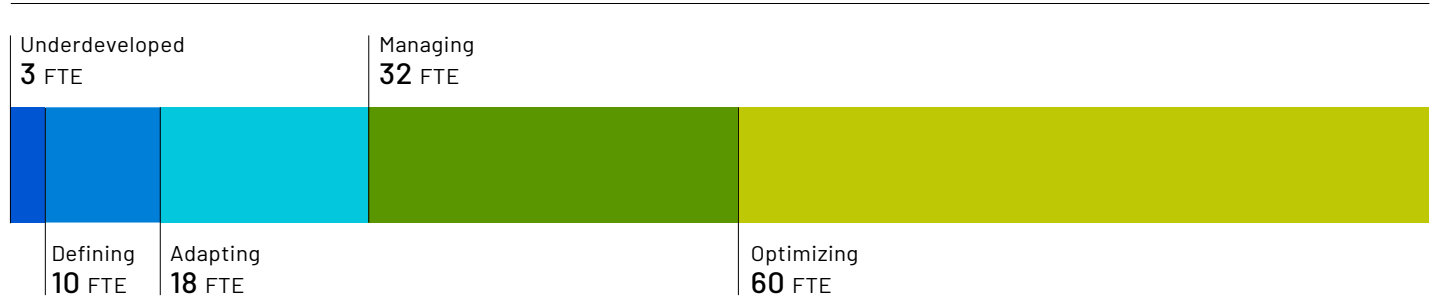
03 What is 'normal' in R&C headcount and budget?

Mature R&C programs usually mean bigger budgets and more headcount. But the relationship is more nuanced than this. As ethics, risk and compliance programs scale, headcount is often used as one proxy for maturity. But the survey data suggests a more complex reality.

Bigger teams, stronger perception of quality

Organizations with larger R&C teams are more likely to rate their programs as mature or well-developed. Our survey data reveals organizations that self-report high maturity, as measured by the Ethics and Compliance Initiative (ECI) High Quality Program (HQP) scale, are also better-resourced. As expected, as program maturity and organization revenue increase, so does the headcount.

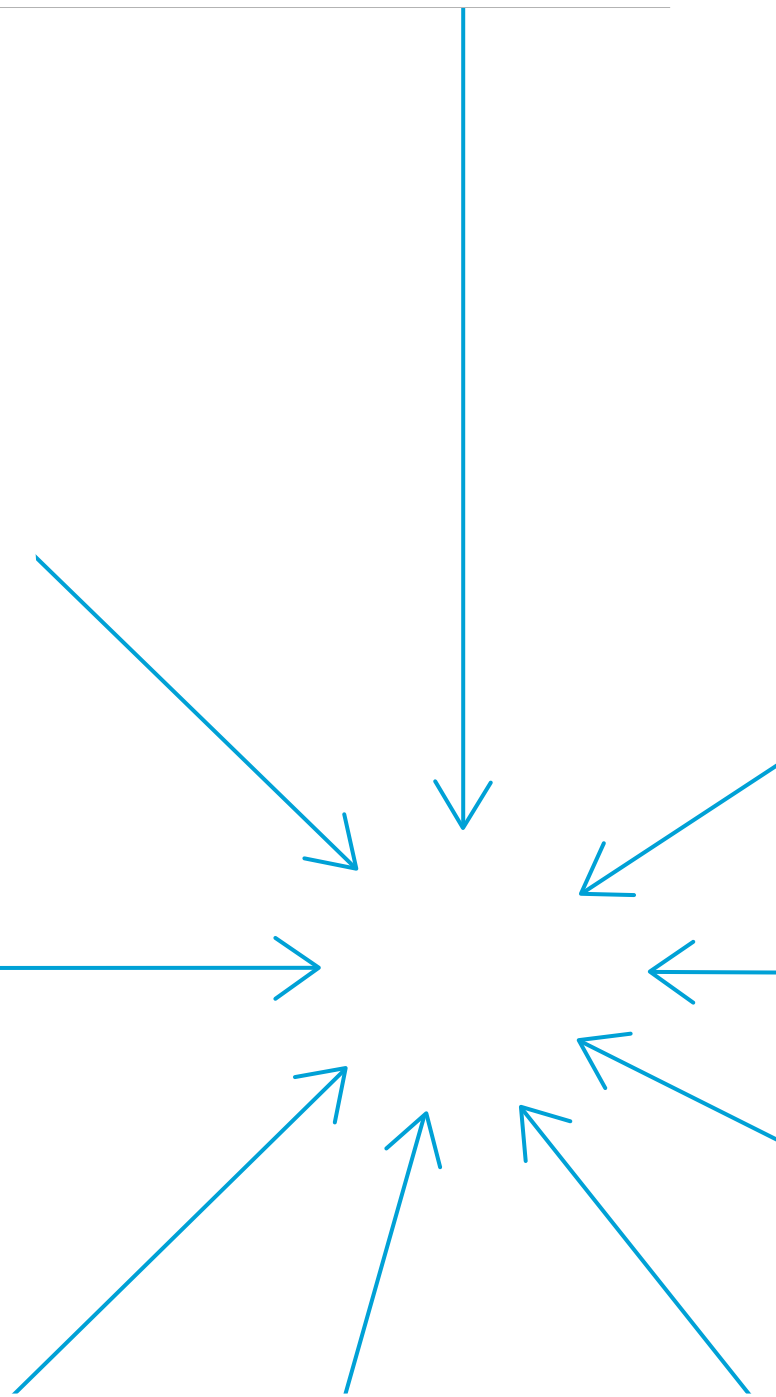
PROGRAM MATURITY AND R&C HEADCOUNT (MEAN)



This correlation between headcount and self-reported program quality likely reflects the operational benefits of added capacity – broader coverage, more formal processes and increased visibility.

For the purposes of this report, organizations have been grouped into three annual revenue categories:

- **Small to mid-market:** less than \$50 million
- **Mid-market:** \$50 million to \$999 million
- **Large-market:** \$1 billion or more



ORGANIZATION REVENUE AND R&C HEADCOUNT (MEAN)



What "typical" headcount looks like

We're often asked to benchmark program resources and headcount to give leaders a better picture of the norm. This information can be difficult to attain and contextualize, but it offers valuable insight into whether your program is adequately resourced given its size, complexity, and other factors. Here, we explore R&C headcount in more depth by organization employee count.

As expected, smaller organizations (those with fewer than 2,500 employees) have less R&C headcount proportionate to company size. For these small and mid-sized organizations, a clear baseline emerges:

- 500-999 employees: 60% have R&C teams of 2-9
- 1,000-2,499 employees: 60% have teams of 5-15

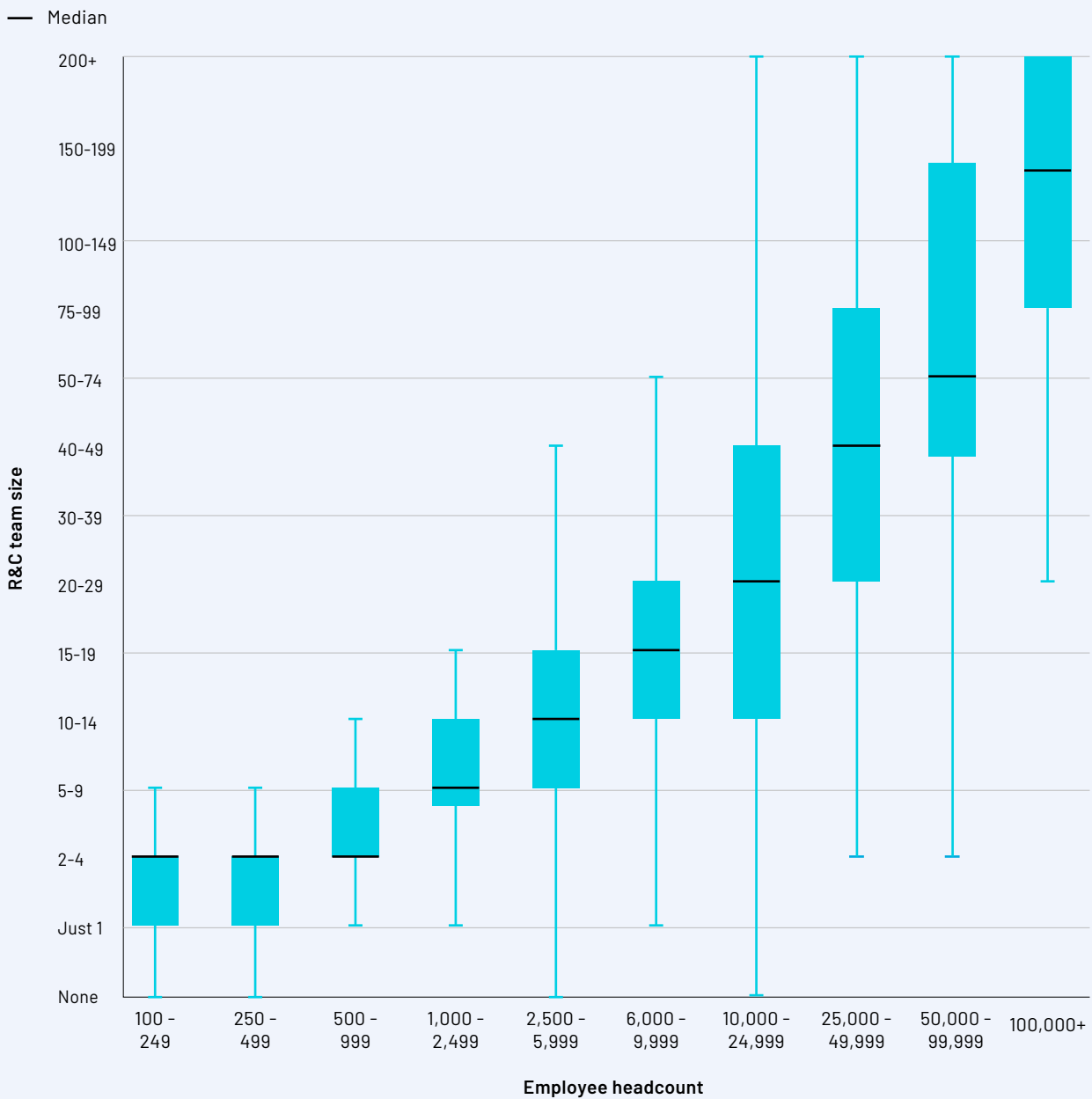
At the large market scale, variability defines the model. **Among organizations with 100,000+ employees, the mean dedicated compliance and investigations headcount is 67**, but:

- 36% have 200 or more
- 28% have fewer than 100



The chart below shows how R&C team headcount increases with company size. For each category, the box represents the middle 50% of all companies – from the 25th to the 75th percentile. The horizontal line inside the box shows the median R&C headcount. The whiskers above and below each box show the full range, excluding outliers.

THE RELATIONSHIP BETWEEN EMPLOYEE HEADCOUNT AND R&C TEAM SIZE



Let's talk about budget

This year, we endeavor to give risk and compliance leaders more clarity into where the rubber really meets the road: program budget.

In this survey, we defined budget as "all staffing, technology, external services, and program activities required to run your Risk and Compliance function (e.g., investigators, compliance software, external advisers, training, policy management, risk assessments, and investigations).

Company headcount and Risk and Compliance program spend

Consistent with other trends, we see program spend incrementally increase corresponding with increasing company size. The following chart provides insight into R&C program spending based on company employee count, with a broad range of spending which is likely impacted by program maturity and whether organizations are highly regulated.

RISK AND COMPLIANCE PROGRAM SPEND BASED ON EMPLOYEE HEADCOUNT

<input type="checkbox"/> Highest response share by headcount band	100 - 249	250 - 499	500 - 999	1,000 - 2,499	2,500 - 5,999	6,000 - 9,999	10,000 - 24,999	25,000 - 49,999	50,000 - 99,999	100,000+
Under \$100,000	43%	14%	13%	4%	4%	3%	4%	1%	-	-
\$100,000 - \$249,999	25%	33%	12%	7%	4%	4%	4%	-	-	1%
\$250,000 - \$499,999	3%	27%	19%	20%	10%	2%	2%	2%	1%	1%
\$500,000 - \$999,999	8%	1%	23%	17%	17%	9%	2%	-	3%	1%
\$1 million - \$2.49 million	-	5%	12%	23%	17%	17%	13%	3%	7%	6%
\$2.5 million - \$4.9 million	-	1%	6%	9%	21%	23%	15%	15%	14%	14%
\$5 million - \$9.9 million	2%	1%	-	5%	11%	19%	20%	30%	25%	23%
\$10 million - \$24.9 million	-	-	-	1%	6%	9%	11%	27%	18%	17%
\$25 million - \$49.9 million	-	-	-	-	*	1%	4%	7%	11%	-
\$50 million +	-	-	-	-	-	1%	1%	2%	3%	9%
Don't know	13%	14%	10%	9%	6%	8%	15%	7%	12%	20%
Unable to disclose	5%	3%	6%	5%	4%	6%	8%	7%	7%	7%
Mean	\$320k	\$510k	\$810k	\$1.7m	\$3.6m	\$5.6m	\$8.3m	\$13.1m	\$14.2m	\$14.7m

How much is expected to be spent on Risk and Compliance across your organization in 2026?

Program maturity influences Risk and Compliance spend

Going deeper, we also sought to look at how program maturity influences spend. Here, we also see program budget is strongly correlated with program maturity. As expected, and worth noting, organizations reporting higher maturity are more likely to be in the enterprise market category and to have larger budgets, likely due to increased complexity and compliance requirements of multi-jurisdictional enterprise companies.

2x higher compliance budgets reported by more mature programs

R&C PROGRAM BUDGET BY PROGRAM MATURITY (MEAN)

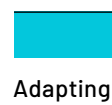
\$700,000



\$1.7 million



\$3.5 million



\$6 million

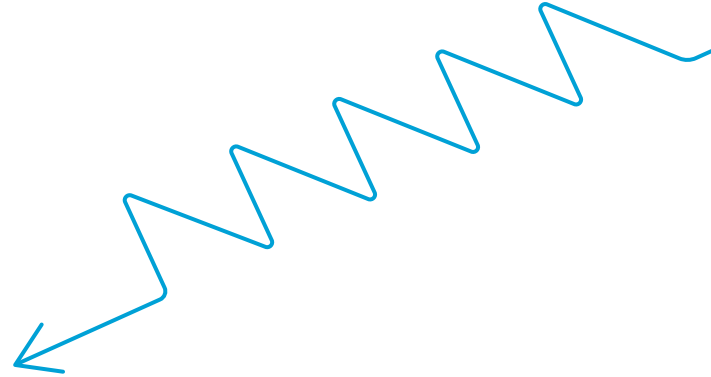


\$12 million



This chart further illustrates the breakdown of projected budgets by program maturity for more nuanced analysis.

Please note that budget includes all staffing, technology, external services, and program activities required to run the Risk and Compliance function including investigators, compliance software, external advisors, training, policy management, risk assessments, and investigations.



RISK AND COMPLIANCE 2026 BUDGETS BY PROGRAM MATURITY

Highest response share by maturity level

	Underdeveloped	Defining	Adapting	Managing	Optimizing
Under \$100,000	21%	13%	8%	4%	2%
\$100,000 - \$249,999	20%	21%	7%	3%	3%
\$250,000 - \$499,999	18%	11%	10%	10%	2%
\$500,000 - \$999,999	10%	13%	13%	8%	4%
\$1 million - \$2.49 million	8%	11%	14%	15%	10%
\$2.5 million - \$4.9 million	3%	11%	15%	17%	11%
\$5 million - \$9.9 million	2%	3%	13%	16%	21%
\$10 million - \$24.9 million	-	1%	4%	10%	18%
\$25 million - \$49.9 million	-	1%	1%	2%	5%
\$50 million +	-	-	-	1%	4%
Don't know	10%	14%	10%	8%	12%
Unable to disclose	8%	1%	5%	5%	9%
Mean	\$700,000	\$1.7m	\$3.5m	\$6m	\$11.8m

How much is expected to be spent on Risk and Compliance across your organization in 2026?

Less mature programs are well-aware of their gaps

Organizations with less mature programs – those in the Underdeveloped or Defining category – explicitly identified areas for improvement.

When asked what is needed to significantly improve their ethics and compliance programs, these organizations consistently point to leadership and behavioral factors:

- 44% cite the need for stronger backing from senior management (vs. 32% of Optimizing or Managing programs)
- 53% point to improving training or certification (vs. 43%)
- 31% say they need external advisers (vs. 20%)

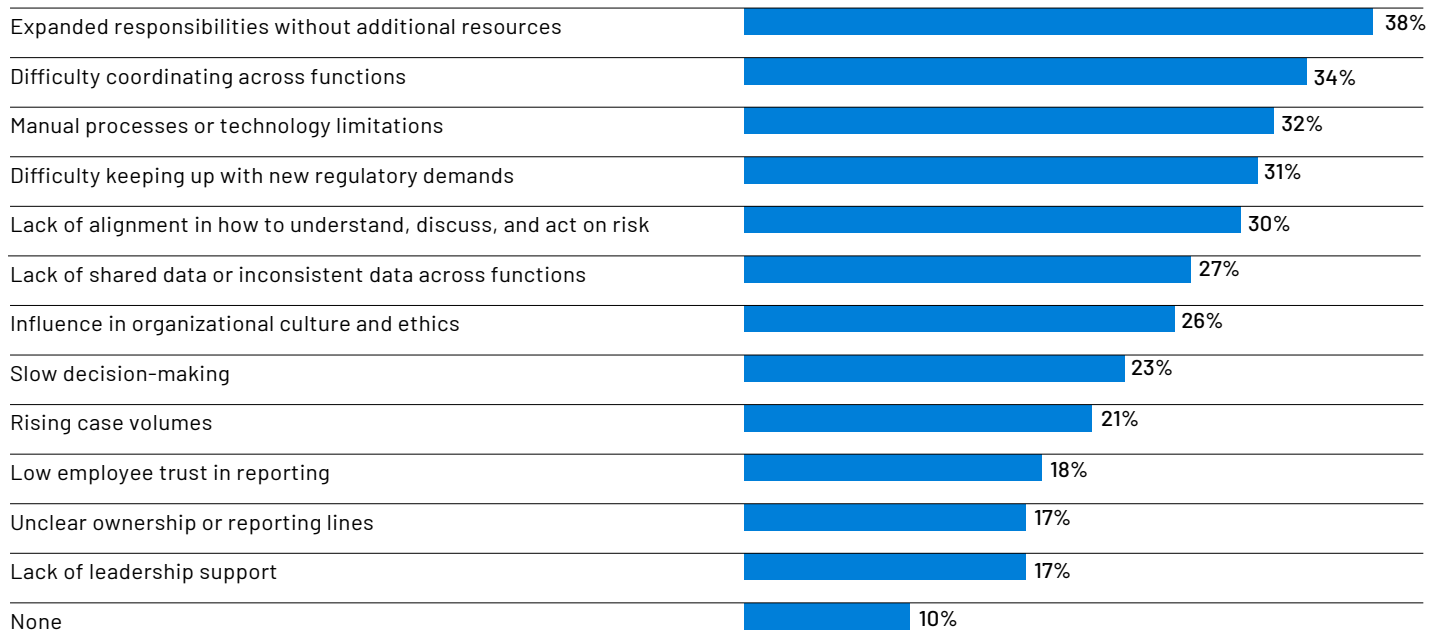
These responses reflect a clear recognition: the gap is both structural and cultural.

Less mature programs are actively seeking reinforcement – from leadership, from training, and from external expertise. Their investment priorities are corrective, aimed at strengthening areas where expectations are not consistently understood, modeled or enforced.

This is a critical inflection point. Organizations at this stage are often building or rebuilding the visible elements of compliance. But without consistent reinforcement from leadership, those investments risk remaining surface-level. Maturity is defined by behavior, not just systems.

The biggest internal challenge for all respondents in the last 12 months is “expanded responsibilities without additional resources,” which 38% of respondents indicate as an issue. This further illustrates the strain R&C leaders feel when making the case for additional resources and support from leadership.

INCREASED INTERNAL CHALLENGES IN COMPLIANCE



Which of the following internal challenges have increased in compliance over the past 12 months?

Are E&C budgets growing, shrinking or steady?

Budget is the ever-present challenge: few program leaders believe they have what they need, and increases are often not as substantial as all hope. This year, we're exploring trends in budget for E&C programs. We asked, "How much is the Ethics and Compliance program budget expected to change from 2025 to 2026?" and the chart on the bottom of the page highlights some interesting findings when comparing budget projects to program maturity.

The cohort projecting the greatest growth in E&C budget also reports lower tiers of program maturity.

In fact, 41% of respondents who identify as having an Underdeveloped and 44% that identified as Defining maturity also report a 10% or more increase in budget between 2025 and 2026, likely reflecting a correction to program resources to meet demand and regulatory expectations.

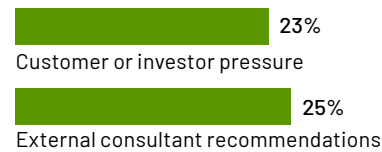
Also of interest are the motivations behind making the investment case. We found that 49% of respondents stated "internal audits," and 45% stated "regulatory changes as the most effective in making the case for increasing investment in compliance programs.

As for what was least effective in making the case to increase investment, 23% stated "customer or investor pressure," and 25% stated "external consultant recommendations." Worth noting separately, "evidence of failures" was only effective for 25% of respondents, a finding that should invite further consideration.

Most effective drivers of increased investment

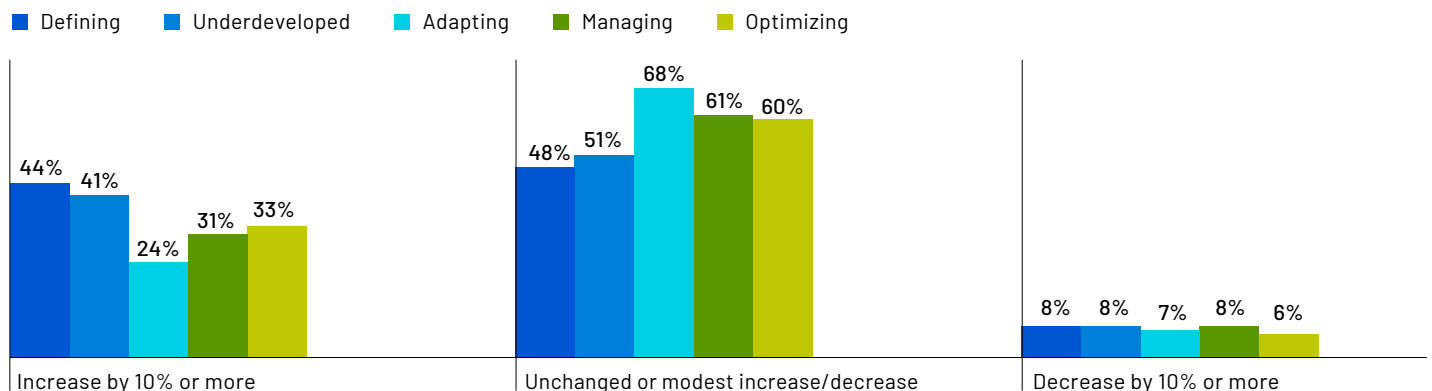


Least effective drivers of increased investment



Which of the following have been most effective in making the case to increase investment in your compliance program?

EXPECTED ETHICS AND COMPLIANCE BUDGET CHANGES (2025 TO 2026) BY PROGRAM MATURITY



How much is your Ethics and Compliance program budget projected to change from 2025 to 2026?

Following the money

Going even further, we also explore *where* the program resources are increasingly being allocated. The majority of investments are in training and awareness (53%), technology upgrades (49%) and risk assessments (45%).

Unsurprisingly, ethics and compliance training, hotline and incident management, and policy and procedure management are the top areas in which companies purchase specialized technology.

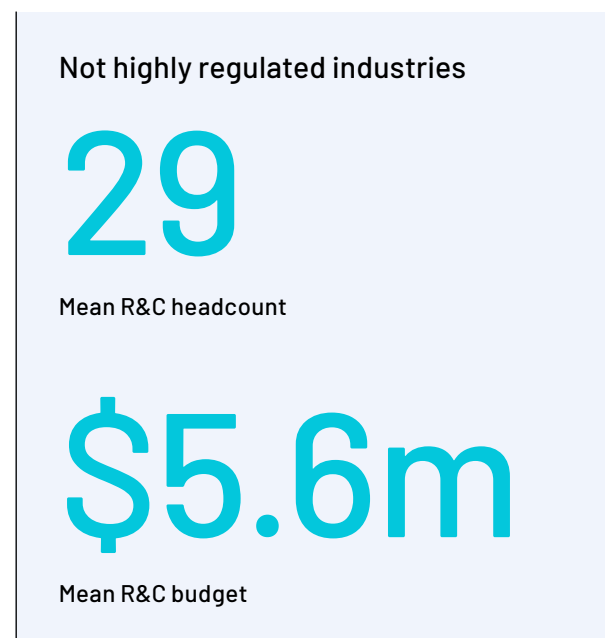
How does industry influence budget and headcount?

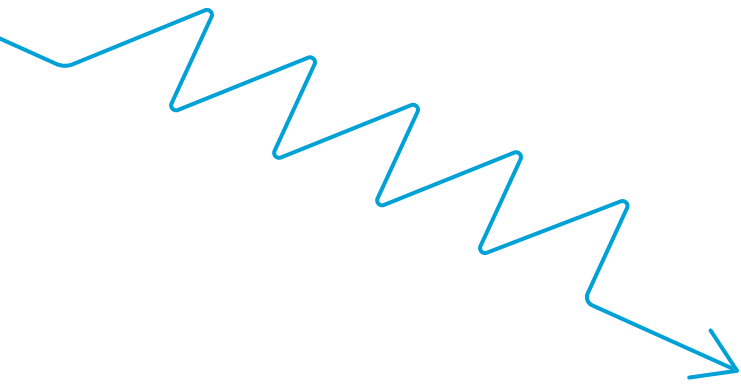
Recognizing that not all organizations face the same complexities related to regulatory oversight, it's valuable to also look at budget and headcount through the lens of "highly regulated" industries, and those we'll classify as "not highly regulated." For the purposes of this conversation, "highly regulated" industries include:

- Healthcare and social assistance
- Finance and insurance
- Mining, quarrying, and oil and gas extraction
- Utilities

Here, we find a meaningful difference by industry head count depending on whether the organization is highly regulated or not.

The same trend is true for program budget. Among highly regulated industries, the average program budget is \$6.6 million, compared with \$5.6 million for the less regulated cohort.





Regarding projections for budget changes, we saw very little difference between highly regulated and less regulated organizations, with 32% of both groups reporting an expected increase of 10% or more.

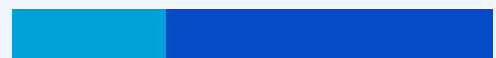
The data outlined in this section is nuanced but important. Higher spending is the key to a program perceived as high-quality; every step along the long journey from an underdeveloped to an optimized program sees budget about double.

Unfortunately, this does not insulate R&C teams from the cost squeeze that is being felt across all industries, with pressure to do more with less each year. This data will, hopefully, help R&C leaders make their case with greater force that they need continued investment.

"The spending only generates real returns when paired with the behavioral and cultural conditions that make programs work in practice."

But the data also shows that spending alone is not enough. Looking at the gap between organizations with the highest versus the lowest budget, the gap in outcomes is more modest than many would expect. This underlines that a strong R&C program is necessary but not sufficient. The spending only generates real returns when paired with the behavioral and cultural conditions that make programs work in practice. Budget buys capacity. But culture, the subject of our next section, determines what that capacity actually delivers.

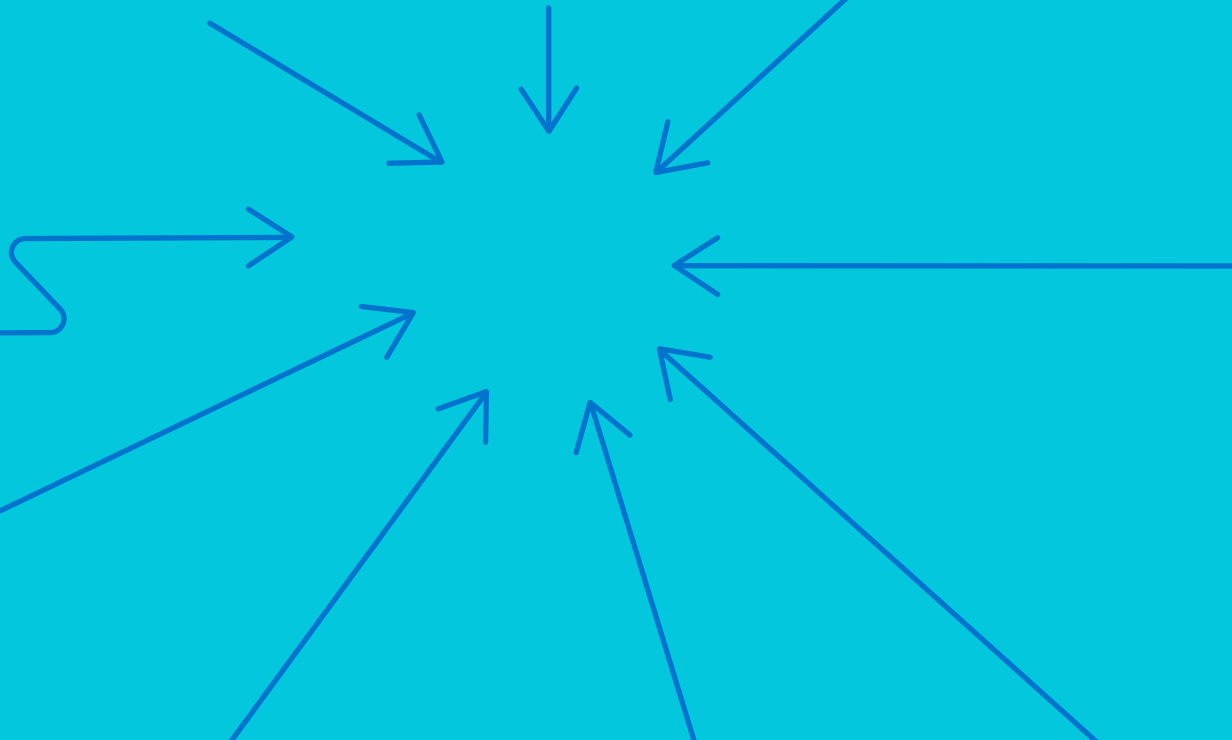
32%



of organizations expect R&C budgets to increase by 10% or more, regardless of regulation level

04

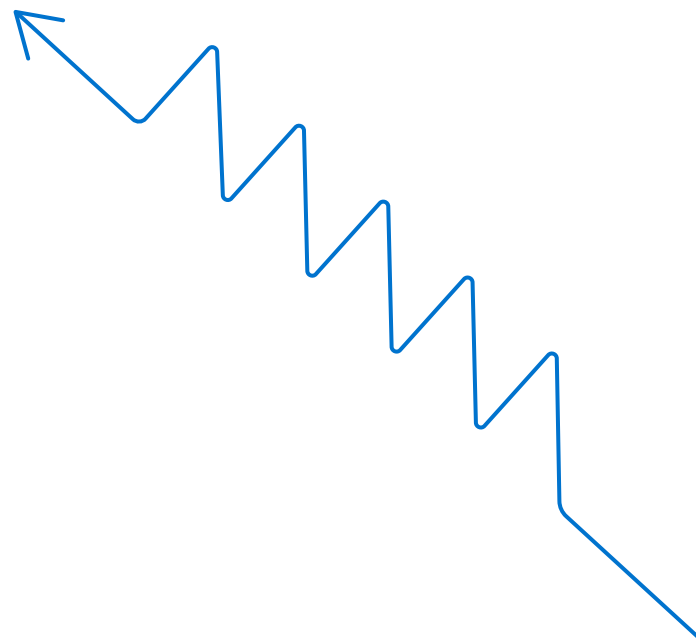
Realities of speak- up programs: Differences between processes, priorities and perceptions



04 Realities of speak-up programs: Differences between processes, priorities and perceptions

Most organizations have built the structural components of a speak-up program, but that infrastructure alone may not create psychological safety. Fear of retaliation remains a dominant barrier to speaking up, and closing that gap requires a different kind of investment.

Speak-up culture has become one of the most visible indicators of whether compliance is truly embedded in an organization. Employees who feel safe raising concerns give leaders the early warning signals they need to address issues before those issues get bigger. Those who don't feel safe stay silent, and the consequences of that silence can be significant. The question is no longer whether organizations have the systems in place, but whether those systems are trusted.

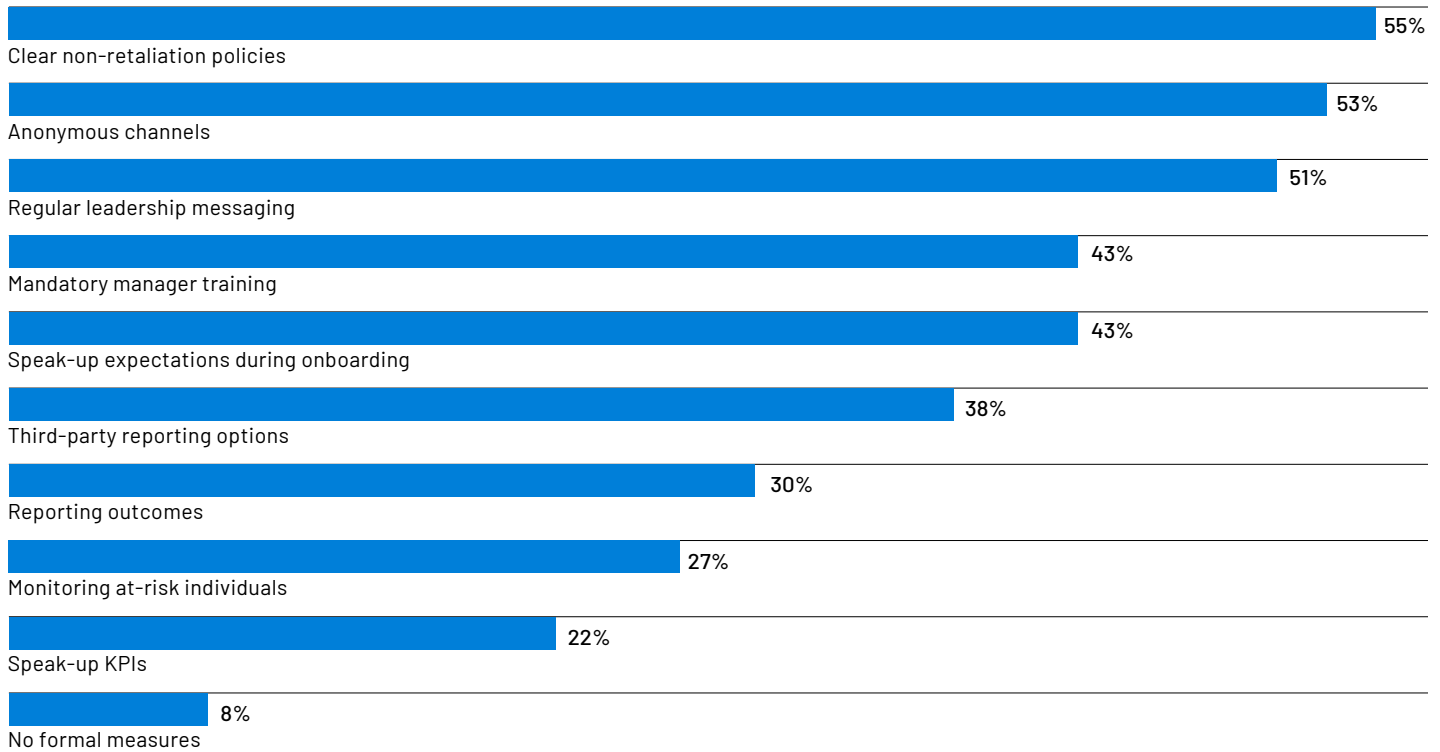


Survey insights indicate a gap between speak-up best practices and some current implementations

Most organizations invest in some type of speak-up infrastructure. As programs mature, reporting channels are generally more accessible, policies are typically consistent with expected practice, oversight mechanisms are often formalized, and there is usually some leadership reporting on activity and outcomes.

When looking at the measures organizations have in place to promote a strong speak-up culture, we found that many organizations have built the structural components of a speak-up program: more than half of organizations have clear, widely communicated non-retaliation policies (55%), anonymous reporting channels (53%), and regular leadership messaging about speaking up (51%). On the other hand, there is still work to do.

MEASURES ORGANIZATIONS HAVE IN PLACE TO PROMOTE A STRONG SPEAK-UP CULTURE



Which of the following measures (if any) does your organization have in place to promote a strong speak-up culture?

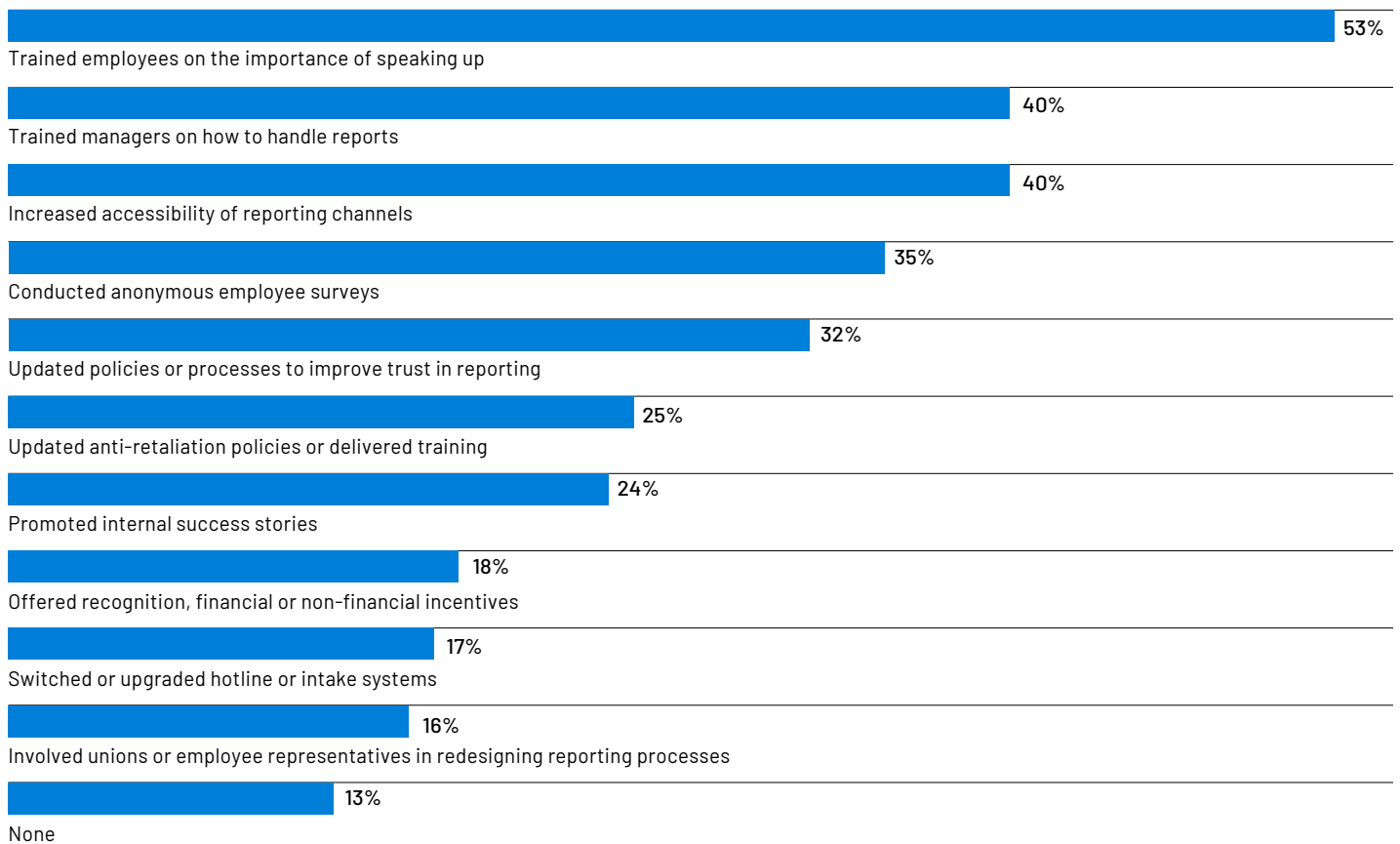
Truly cultivating a speak-up culture requires ongoing maintenance and continuous improvements. We asked respondents to identify the actions taken in the last 12 months to strengthen their internal reporting culture. Here, our research finds that many organizations are in the process of doing so. More than half (53%) have trained employees on the importance of speaking up, and 40% have increased visibility or accessibility of internal reporting channels.

But from there, we see fewer organizations taking additional meaningful actions. Only 25% have updated anti-retaliation policies, 32% have updated internal processes to improve trust

in internal reporting, and 35% have conducted anonymous employee sentiment surveys – meaning the large majority of organizations have taken no such actions.

Only 40% of respondents said they have trained managers on how to receive or handle reports with care and without retaliation. Given that most organizations refer employees with questions or concerns to their managers first, if managers are not clear on what to do when they receive this information, the likelihood of mishandling the report increases. The organization could miss an opportunity to catch a problem early, risking damage to employee trust in internal reporting processes.

ACTIONS ORGANIZATIONS HAVE TAKEN TO SIGNIFICANTLY STRENGTHEN INTERNAL REPORTING CULTURE

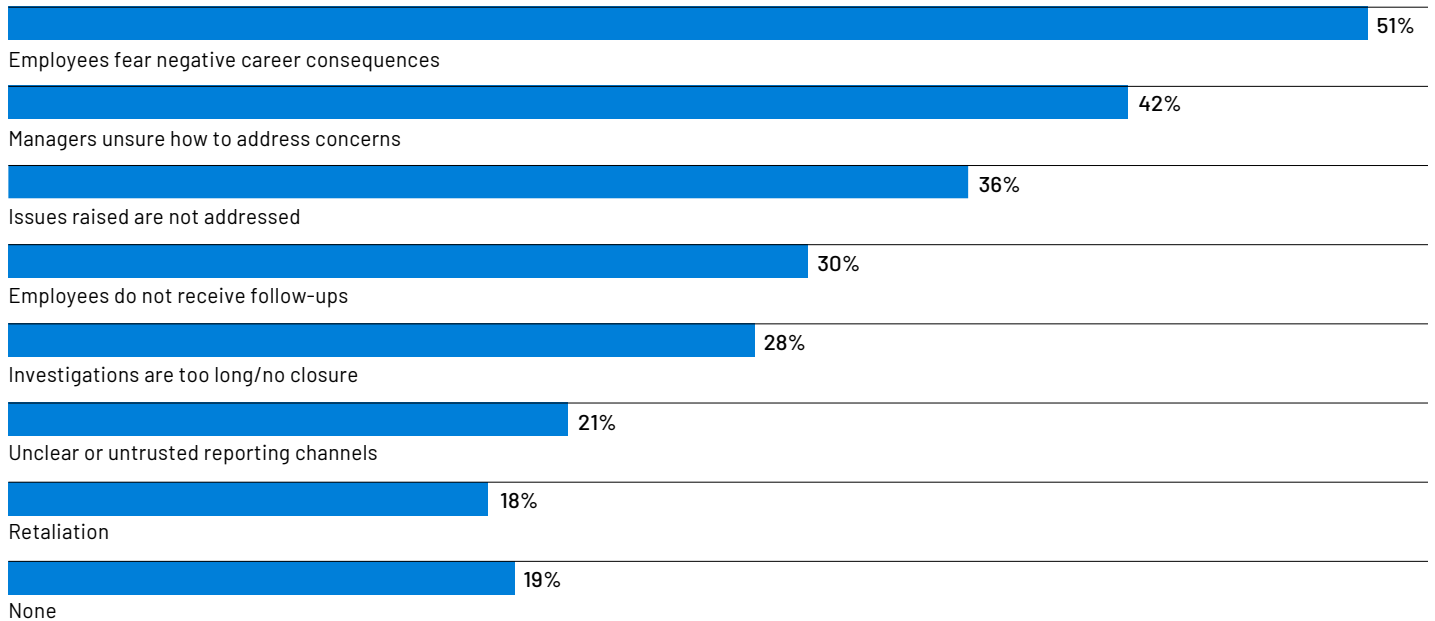


Which of the following actions (if any) taken by your organization have significantly strengthened internal reporting culture in the past 12 months?

Further, when asked “which of the following challenges (if any) affect speak-up culture in your organization,” 42% say “managers do not consistently know how to handle or escalate concerns,” indicating they are aware of the issue. In addition to the potential for mishandled reports, a lack of managers' understanding of these processes also increases the risk of perceived or actual retaliation.

Ultimately, the results of this question highlight the fundamental, long-standing barrier that remains to supporting a healthy speak-up culture: respondents indicated that employees may not feel safe speaking up. Fifty-one percent cited “employees fear negative career consequences if they report concerns (whether or not justified)” and 18% cited “retaliation” as challenges affecting the speak-up culture. It is quite notable that nearly 20% state that “none of these challenges exist.”

CHALLENGES AFFECTING SPEAK-UP CULTURE



Which of the following challenges (if any) affect speak-up culture in your organization?

Structural initiatives focus more on creating protective measures and less on enforcing them

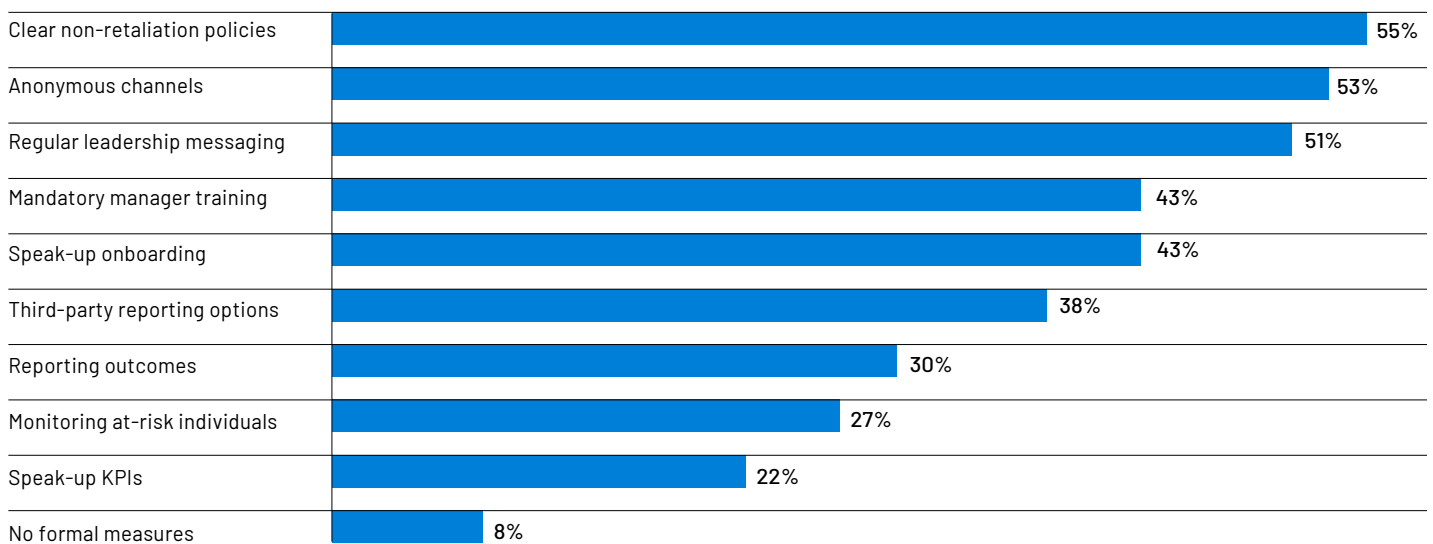
The survey findings highlight an important distinction: organizations have focused on building systems that enable reporting but have not fully addressed the cultural conditions that make employees feel safe using them. While many, but not all, organizations have established anonymous reporting channels and anti-retaliation policies, fewer have taken steps to embed trust and accountability into daily practice, such as the lack of the above-noted manager training or reporting back to the person raising the concern about the outcomes with whatever information can be shared.

It is notable from the earlier chart that the least adopted measures are those that reinforce accountability and transparency:

- 30% track and report retaliation or case outcomes to leadership
- 27% monitor at-risk individuals for retaliation
- 22% include speak-up metrics in manager performance reviews

Ultimately, lasting progress in speak-up culture will depend on organizations' ability to prioritize both structural safeguards and the everyday reinforcement of trust, transparency and accountability. Sharing trends and lessons learned from reporting (while protecting confidentiality) can reinforce the value of speaking up and demonstrate organizational commitment to improvement. Regular employee sentiment surveys and tracking retaliation metrics can also help organizations identify gaps, adapt, and improve their speak-up culture.

EXISTING MEASURES TO PROMOTE SPEAK-UP CULTURE



Which of the following measures (if any) does your organization have in place to promote a strong speak-up culture?

Leadership messaging is not translating into employee confidence: is the C-suite tuned into the sentiment?

In many cases, leaders consistently communicate support for ethical behavior and non-retaliation. Earlier findings in the research show that over half (51%) of organizations report leaders encouraging employees to speak up.

However, only **25% of organizations plan to increase investment in culture and speak-up initiatives in 2026** (ranking near the bottom of priority areas). Taken together, this indicates a disconnect between intention, perception and action.

We also looked at the challenges our respondents cited that affect culture and speak-up programs. Here, we found that **53% of non-leadership respondents believe employees fear negative consequences**. However, only **43% of the C-suite thought the same**.

Paired with the low prioritization of culture and speak-up program investment, this suggests the C-suite underestimates this foundational cultural barrier to speaking up.

53%



of non-leadership respondents believe employees fear negative consequences, but only

43%



of the C-suite think they do

PROGRAM ACTIVITIES EXPECTED TO SEE INCREASED INVESTMENT OR ACTIVITY IN 2026

Training and awareness	53%
Technology upgrades	49%
Risk assessments	45%
Monitoring and audits	40%
Internal investigations	31%
Policy management	32%
Culture and speak-up initiatives	25%
Third-party due diligence	24%
No change	12%

Which of these program activities will see increased investment or activity (e.g., budget, staff time, scope, priority) in 2026?

Primary reasons for not speaking up

As explored earlier, there is a gap between respondent perception and perceived organizational intent, and this is also true when it comes to addressing issues raised. Survey respondents indicated the following speak-up challenges in their organization:

- 36% of respondents say issues raised are not addressed or resolved (actual or perceived)
- 30% report employees do not receive follow-up after raising concerns
- 28% say investigations take too long or stall without closure

This reveals a potential perception and communication gap. Employees may receive the message about the importance of speaking up, but they evaluate the system based on what happens after they report.

- Do concerns lead to action?
- Is there transparency in outcomes?
- Are reporters protected in practice, not just in policy?

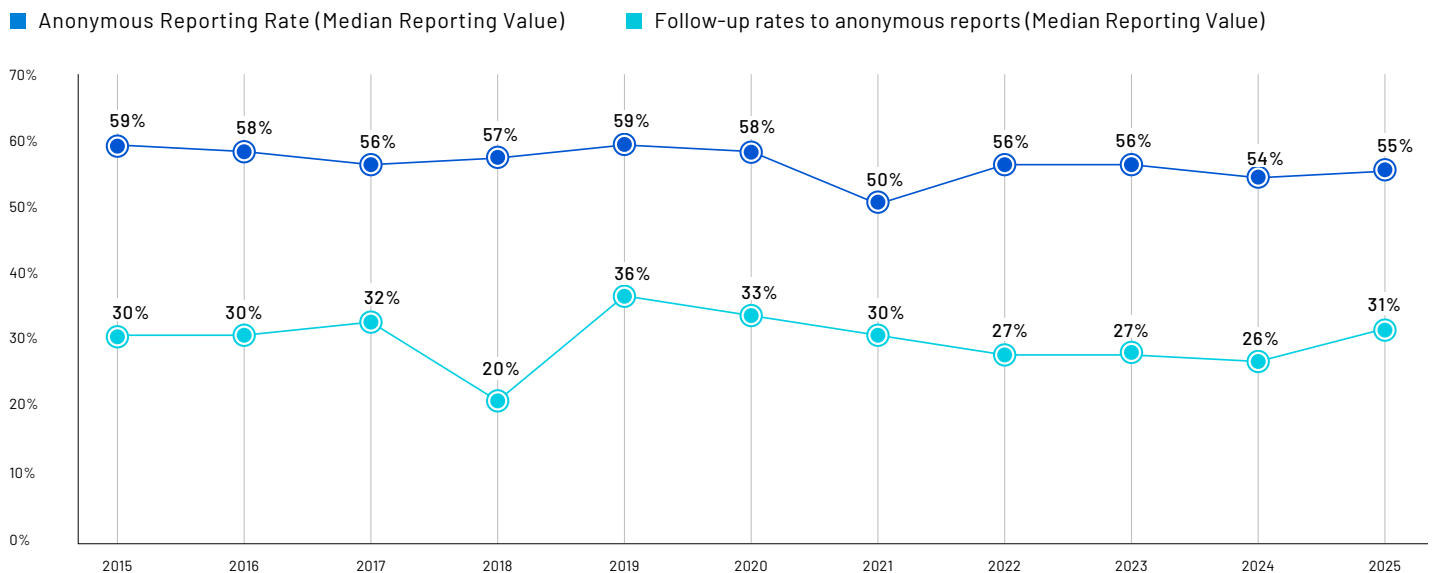
Reporting behavior data confirms some uncertainty in the system

While year-over-year reporting levels continue to reach record highs, behavior within speak-up systems reinforces that employees are either uncertain or unwilling to give their name when raising a concern.

According to the [NAVEX 2026 Whistleblowing & Incident Management Benchmark Report](#), **anonymous reporting remains steady at a median 55%**, indicating continued caution among the majority of employees when raising concerns.

Further, only **31% of anonymous reporters follow up on their report**, meaning roughly two-thirds disengage after raising their concern. This could be attributed to the reporter not wanting to be further involved in the situation, to uncertainty about whether their report will be handled fairly or lead to meaningful action, or to a lack of awareness of the investigation process.

ANONYMOUS REPORTING RATES AND FOLLOW-UP RATES TO ANONYMOUS REPORTS



Speed and visibility shape trust

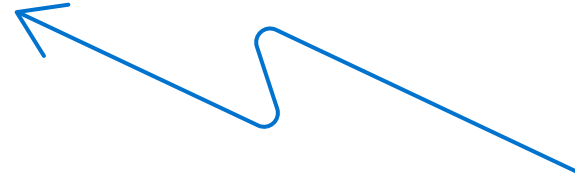
Trust in speak-up systems is shaped not only by outcomes, but by how visibly and efficiently those outcomes are delivered.

The data shows the **median Case Closure Time increased to 28 days in 2025, up seven days from the previous year**. We also saw the proportion of cases closed within 10 days dropped sharply from 21% to 11% in 2025.

Notably, median Case Closure Time for Workplace Civility reports increased year-over-year from 19 days in 2024 to 31 days in 2025. As Workplace Civility issues are foundational to workplace culture, this metric is one to watch closely.

Longer investigations may reflect greater rigor or case complexity. But from an employee perspective, extended timelines could also signal delays, uncertainty or low prioritization – especially when communication is lacking or inconsistent.

In speak-up systems, responsiveness carries weight. Timely follow-up and visible action reinforce that concerns are taken seriously. Delays, even when justified, can weaken that perception. Ongoing communication with the reporter is key when delays occur.



Trust is built through visible reinforcement

Across all of these findings, one theme is consistent: trust is not created by infrastructure alone. Organizations have invested in the mechanisms of reporting, but employees judge those systems by the signals that follow:

- Whether leaders consistently reinforce non retaliation
- Whether reporters receive communication and closure
- Whether outcomes lead to visible change
- Whether leadership engages with speak-up data

These are behavioral indicators that require ongoing reinforcement, not one-time implementation. Without them, even well-designed systems risk losing employee confidence.



05

AI will amplify the state of programs' compliance culture

05 AI will amplify the state of programs' compliance culture



Anders Olson
Senior Manager, Data Science, NAVEX

AI is reshaping compliance by scaling expertise and extending program reach. But it does not replace human judgment, it amplifies the foundations already in place.

AI has changed our world in ways we don't fully comprehend and that continue to evolve. Its adoption is becoming increasingly inescapable, and compliance is not – nor should it be – the exception. Expertise is infinitely scalable and execution is far less expensive. Being able to move quickly makes “back office” work more manageable and allows compliance leaders to focus on making risk and compliance a strategic advantage to their organizations.

AI is already extending the reach of compliance programs in ways that were previously impractical. Tasks that once required significant manual effort

– policy updates, risk scoring, case triage – can now be executed with greater consistency and at a scale that better matches the complexity organizations face. For programs that are already well-structured, this creates an opportunity to reinforce good decision-making across a much broader surface area.

But AI will not replace human judgement in compliance programs – it is an amplifier for what's already there, be it a strong program or an underdeveloped one.

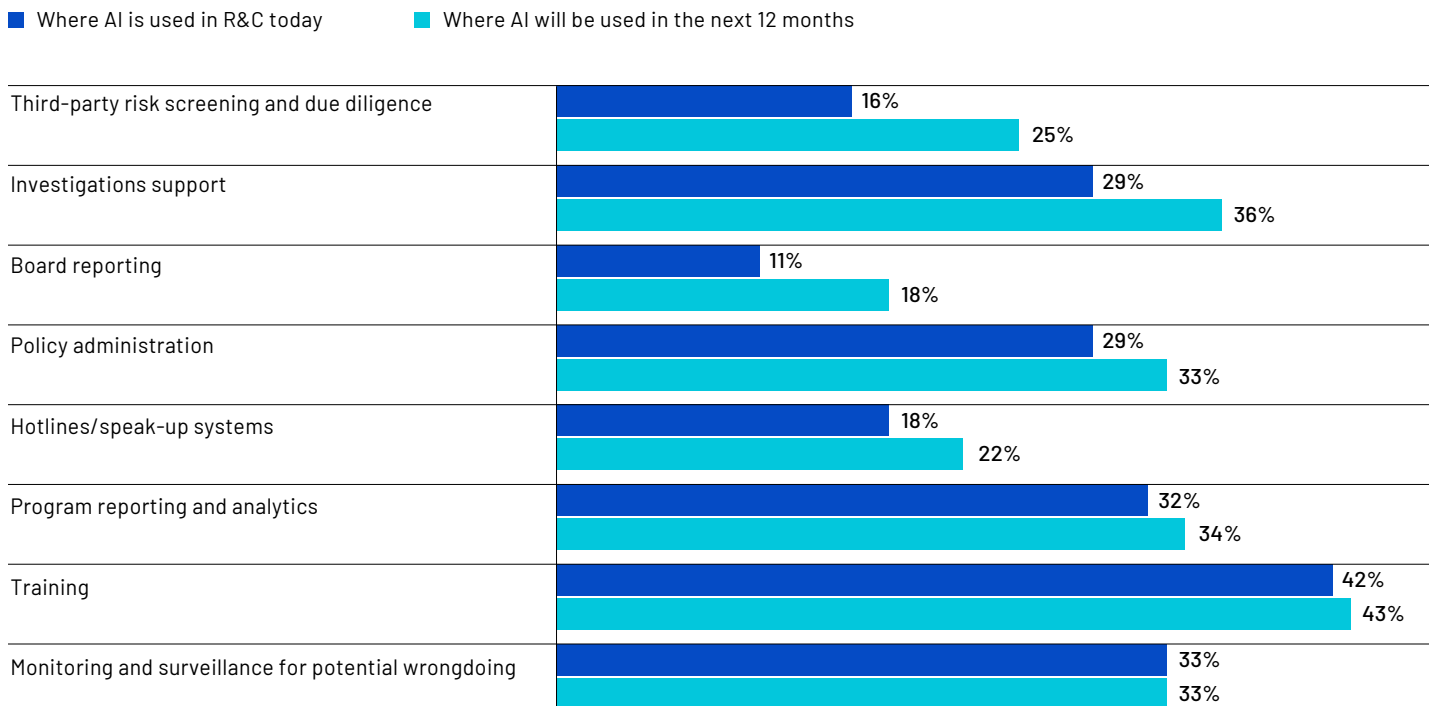
AI adoption in Risk and Compliance

If we look at where AI is being adopted today within the Risk and Compliance function, it is evident that it is not experimental in nature. Only 4% of respondents said they were not using AI anywhere in their compliance program. AI use in training is north of 40% adoption and stabilizing, but higher value items like board reporting, investigations and third-party risk screening are gaining ground. Those functions enable high-level decision making about what to focus on, who is accountable and who to do business with; these are far from tactical back-room operations.

This distribution of use reflects a shift in how organizations view the role of AI within compliance – not as a peripheral tool, but as something increasingly embedded across core program functions and across the full lifecycle of risk and compliance activities. Non-adoption is becoming the exception rather than the norm.

Despite these shifts, the expectations of impact are generally evenly distributed between optimists, pessimists and realists. It's not that the technology is something compliance professionals are dismissing or dreading – it's simply one that many don't yet fully understand or have confidence in.

AI USAGE IN COMPLIANCE PROGRAMS



Which of the following areas of your compliance program currently use AI? / Which of the following areas of your compliance program will use AI in the next 12 months?

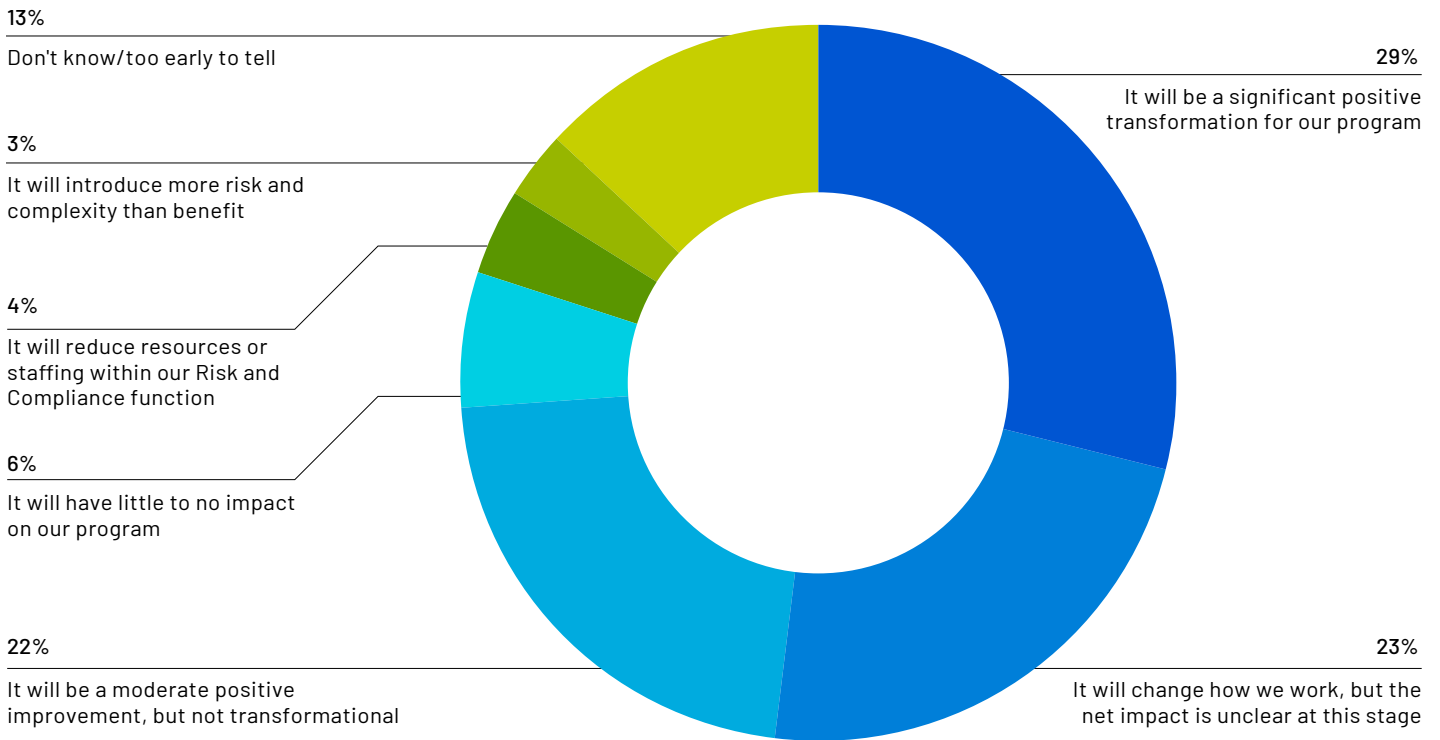
Even so, the overall direction of travel is evident. A majority of organizations expect AI to have a positive impact on their programs, with over half anticipating either moderate improvement (22%) or significant positive transformation (29%). With 23% saying they believe AI will change the ways of working but are unclear how the uncertainty that remains is less about whether AI will matter, and more about how its benefits will be realized in practice.

The risk lies in where AI is now taking root. Uncertainty about AI in training is a manageable risk. The nature of investigations and board reporting dictates a different risk profile. Those functions shape perception, accountability and

decision-making at the highest levels. They are also the areas where AI has the potential to deliver the greatest value. The ability to process large volumes of information, identify patterns that are difficult to detect manually, and apply consistent logic across decisions can strengthen both the speed and quality of outcomes. The question is not whether AI belongs in these functions, but how it is governed once it is there.

When the people responsible for them aren't sure how AI will change them, then the ambiguity flows downstream. It surfaces in how employees experience the program, how leadership interprets risk, and what truth the board grounds itself in.

HOW ORGANIZATIONS EXPECT AI TO CHANGE THEIR R&C FUNCTION OVER THE NEXT 2 TO 3 YEARS



How do you expect AI to change the way your Risk and Compliance function operates over the next 2-3 years?

AI in action

As discussed, while there is a degree of uncertainty in how AI will ultimately reshape compliance functions, most organizations expect AI to deliver measurable improvement or transformation, with only a small minority anticipating it will introduce more risk than benefit. In that context, the current state is less one of hesitation and more one of active evaluation.

To understand what this looks like in practice, we'll consider two common compliance scenarios where AI can create real value while introducing new oversight challenges that leaders need to manage.

AI can improve the efficiency of investigations, but human judgment remains critical where nuance, severity and fairness need to be considered.

SCENARIO 1: AI IN INVESTIGATIONS

Opportunities

Manages report triage and routing

Improves consistency in handling high case volume

Group similar reports to identify patterns

Surfaces emerging issues earlier

Reduces backlog and manual admin burden

Removes human bias

Risks

Important cases may be deprioritized if case falls outside the rules for accurate scoring logic

Incorrect categorization can shape the entire investigation path

If incorrect categorization, follow-up questions may compound error

Nuance and secondary components can be lost

Overreliance can weaken investigator judgement

Human judgment that an AI tool may not be equipped to make

SCENARIO 2: AI IN THIRD-PARTY RISK SCREENING

Opportunities

Screen volume of suppliers quickly

Enable more frequent reassessment of third parties

Brings wider data signals into decision-making

Improves consistency and broader coverage

Human review needs to go beyond the outcome and interrogate the evidence itself. This means looking at where the information came from, how current it is, and what it might be missing. The alternative is a screening process that is fast, consistent, and occasionally wrong in ways that may be very hard to explain.

Risks

Decisions may rely on outdated information, especially given Large Language Models (LLMs) have training cutoffs and risk profiles change over time

Some of the most consequential data sits behind paywalls that an AI agent can't access

Resolved historical issues may be overweighted or overlooked where companies have buried issues effectively

Outputs may be incorrect

The trade-off is not between perfect accuracy and failure, but between limited visibility and a more expansive, if imperfect, view of risk.

Compliance involvement with AI decision-making

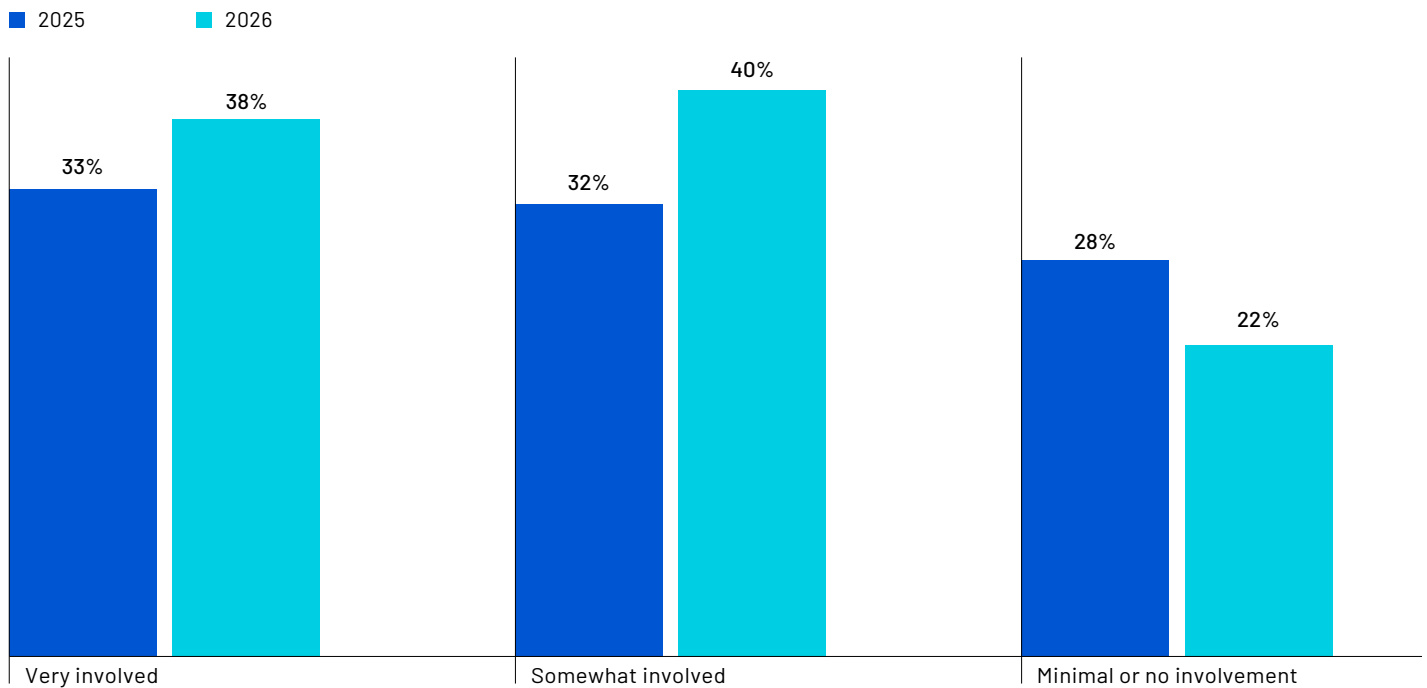
Given the variety of the risks that AI can introduce, it's critical that risk and compliance leaders be involved in deciding which tools to let inside your organization's walls.

While R&C oversight in AI decision-making across the organization is scattered, the overall level of involvement is trending in the right direction. In the majority of organizations, compliance is already engaged in AI-related decisions, often early enough to influence outcomes. This suggests governance models that are still evolving and the role of compliance in shaping AI use becoming more established.

Our findings show that compliance teams have minimal/no involvement regarding use of AI across the organization 22% of the time – slightly better than when we asked this question in 2025 (28%). On a positive note, Compliance is “very involved” 38% of the time and “somewhat involved” 40% of the time, both showing improvement from 2025 (33% and 32% respectively).

Taken together, these patterns point to a function that is actively integrating AI into its operations. Adoption is widespread, expansion is focused on high-impact areas, and expectations of value are generally positive. The challenge to ensure AI is being used in a way that preserves trust, accountability and clarity of decision-making.

INVOLVEMENT OF COMPLIANCE TEAM IN DECISION-MAKING REGARDING USE OF AI OVER THE PAST YEAR



How involved is your compliance team in decision-making regarding use of AI across your organization?

Four areas of focus to mitigate AI risk

There are many potential vectors for introducing risk when utilizing AI, but that is not to say Risk and Compliance professionals should not make use of it. The mandates of new AI regulations and this writer's opinion on how best to use AI in this space boil down to four discrete points.

Ultimately, the technology in question will keep evolving. **Governance is the variable companies can control.**

01

Human validation and judgment must remain in place for the most consequential decision points

02

Usage of AI needs to generate an auditable trail of data interactions

03

Transparency about where and how AI is being used is not optional

04

Governance cannot be an afterthought



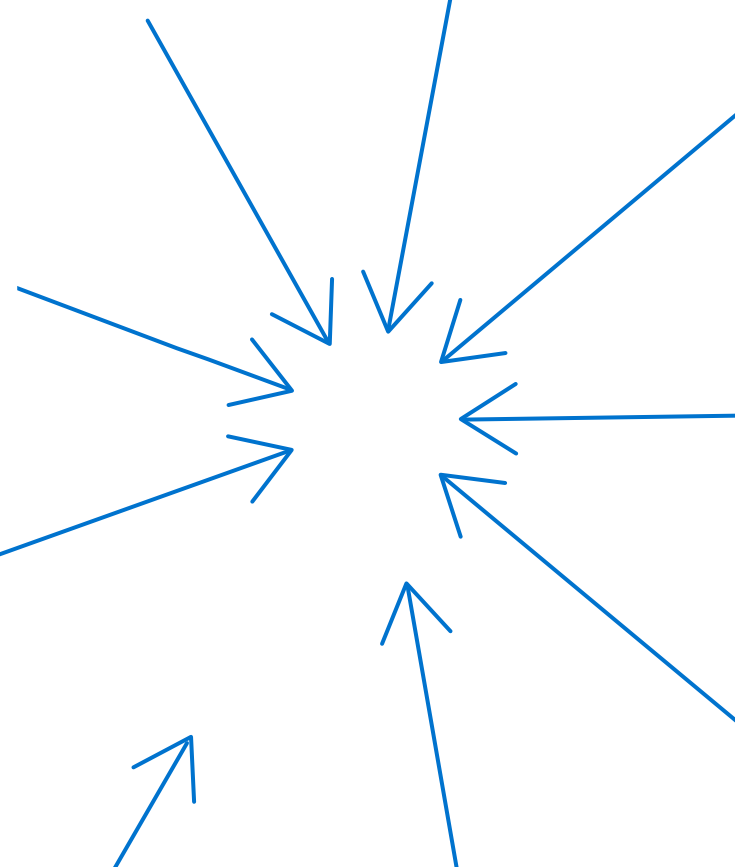
06 Regional highlights

06 Regional highlights: How risk and compliance priorities vary globally

Distinct regional patterns show how local factors are influencing priorities, investment decisions and the evolution of risk and compliance programs.

While global trends provide a valuable benchmark, the data illustrates significant differences across regions for risk and compliance programs. Regional dynamics – including regulatory structures, cultural expectations and governance models – shape how organizations invest in and operationalize their programs. For this year’s State of Risk & Compliance report, we had a specific focus on:

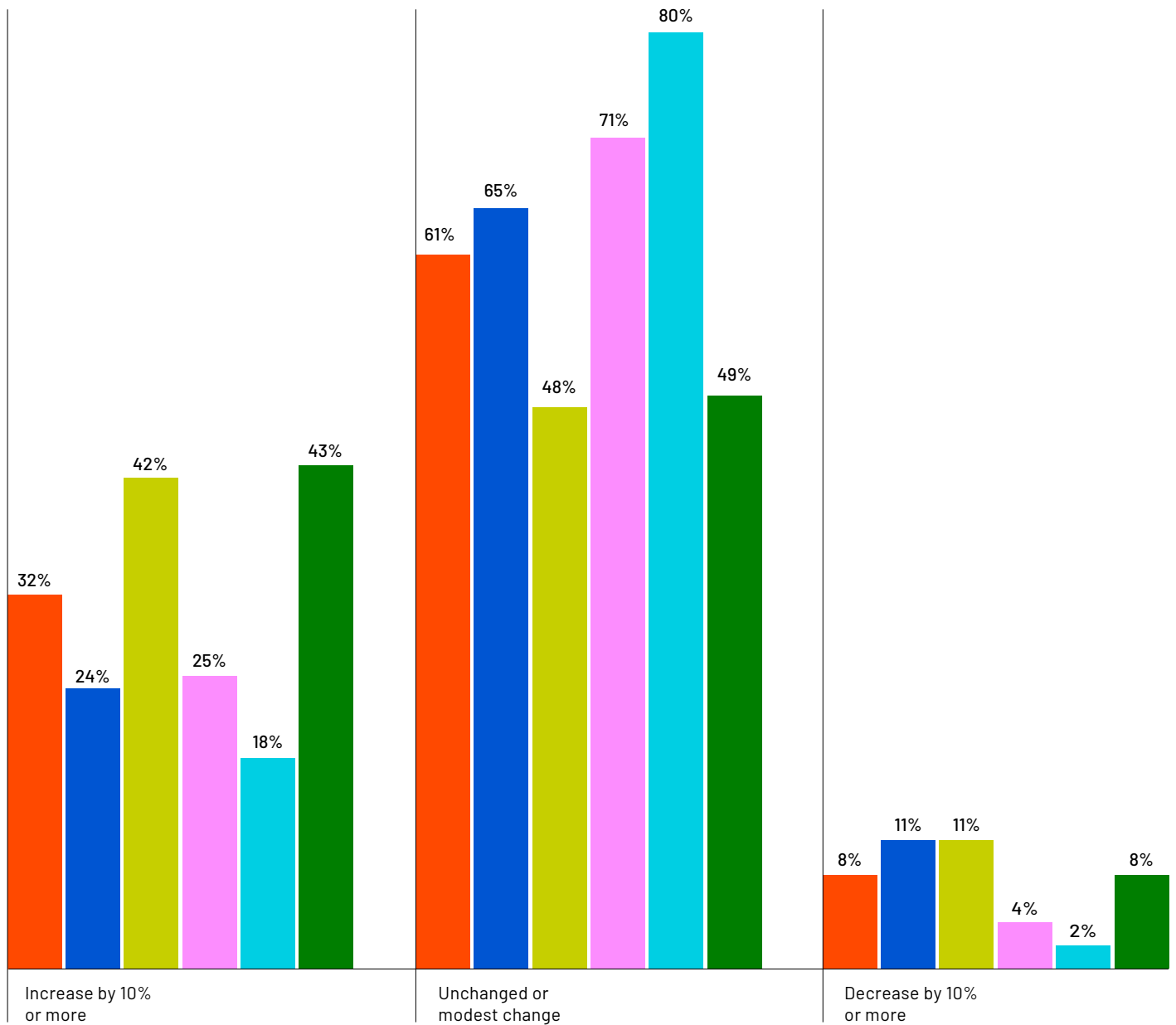
- United States
- Germany
- France
- Japan
- United Kingdom



Here, we share a few highlights from our survey findings across these key markets, where differences from the global benchmarks around budgets and other key metrics are noteworthy.

PROJECTED R&C INVESTMENT CHANGES BY REGION

■ Global
 ■ United States
 ■ Germany
 ■ France
 ■ Japan
 ■ United Kingdom



How much is your Ethics and Compliance program budget projected to change from 2025 to 2026?

United States

Value-driven approaches to regulatory changes paired with cautious budgets

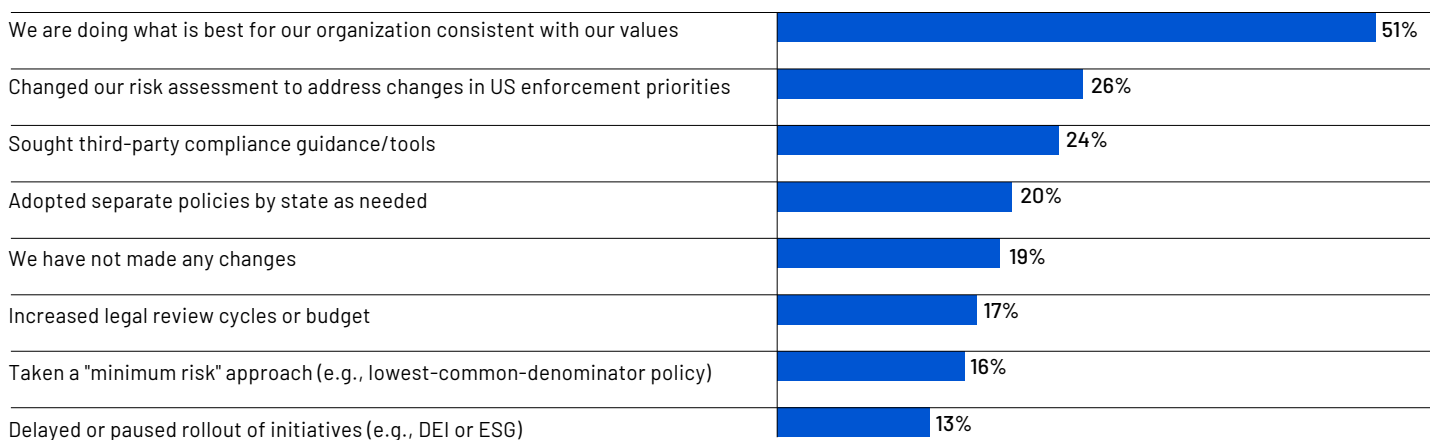
The U.S. is not alone in experiencing regulatory upheaval and economic uncertainty – both of which impact how organizations make risk and compliance decisions.

This year, we found that U.S.-based organizations most often describe their response to regulatory change as values-driven, with 51% reporting they act in line with organizational values of ethics and compliance.

However, budget projections suggest a more cautious approach, with most organizations reporting stable or only modest increases. In the U.S., 24% of respondents indicated a 10% or more budget increase, compared to the global average of 32%.

This suggests that many U.S.-based companies are indeed experiencing either steady budgets or a slight cooling of their program investments.

U.S. COMPANIES RESPONSE TO REGULATORY CHANGE REFLECT THEIR VALUES



How has your organization responded to state-federal-international regulatory evolution over the past year?

Germany

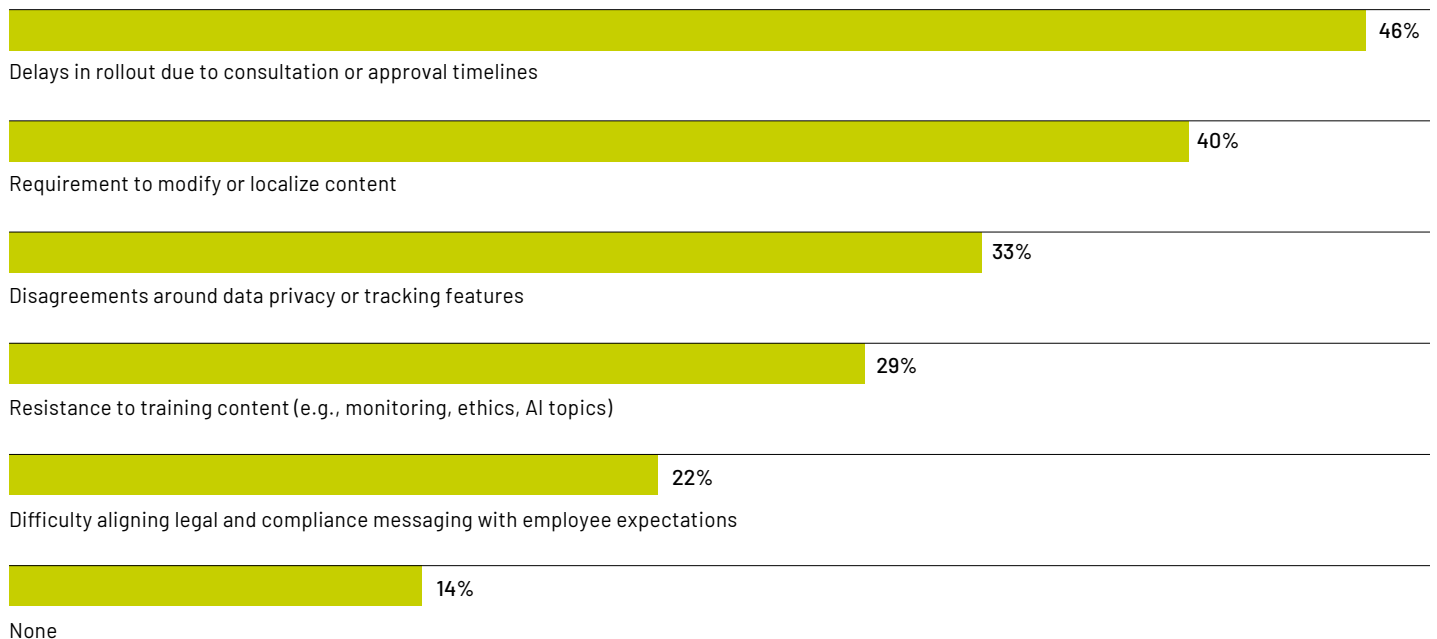
Expected increased investment and a spotlight on the Betriebsrat (works council)

Germany reflects a different dynamic. Here, respondents reported more significant budget growth, with 42% expecting increases of 10% or more – well above the global average of 32%.

However, governance complexity, including Betriebsrat involvement, can introduce additional layers of coordination that need to be managed in an effective compliance program. The Betriebsrat is a legally mandated employee representative body in Germany, designed to give workers a formal voice in workplace decisions, and it was conceived as a mechanism to ensure fairness and accountability. This includes requirements to be consulted on compliance-related matters.

With this added process, compliance programs need to ensure they allow appropriate time in their program planning to meet these requirements. Here, 46% of the Germany-based respondents indicated “approval and consultation delays” were a main challenge. Only 14% reported “no major challenges,” suggesting the majority of R&C professionals experience at least some challenge with governance complexity and works council involvement in Germany.

BETRIEBSRAT OVERSIGHT ADDS PROCESS IN GERMANY



In the past 12 months, what challenges (if any) have you experienced when working with the Betriebsrat on compliance communication or training?

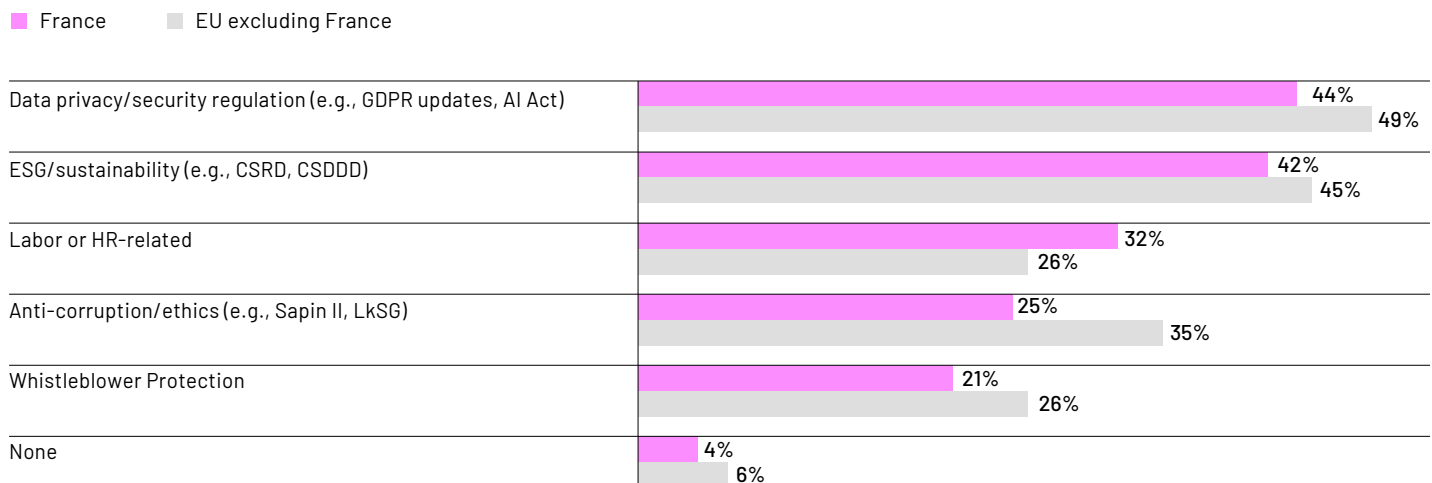
France

Greater regulatory alignment

In France, regulatory alignment appears modestly more streamlined than that of peers across the EU. French organizations report fewer challenges in implementing EU-wide regulations such as data privacy, ESG and sustainability requirements and whistleblower protections. However, French respondents report greater difficulty with labor and HR regulations and anti-corruption/ethics laws.

Meanwhile, legislation such as Sapin II continues to drive leadership engagement and program visibility, with 47% of French respondents reporting that Sapin II influenced updates to anti-corruption policies and 40% reporting expanding third-party due diligence as a result of this regulation.

FRENCH COMPANIES HAVE LESS DIFFICULTY IMPLEMENTING EU REGULATION VERSUS OTHER EU COUNTRIES



Which types of EU regulation have been difficult to implement consistently across jurisdictions?

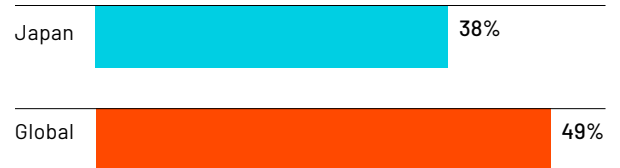
Japan

Building the case for compliance from the inside out

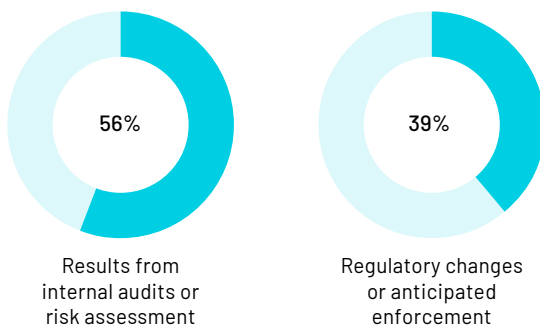
Regulation plays an important role in compliance investment in Japan, but the data suggests it is not the strongest driver. When asked what has been the most effective in making the case for increased investment, Japanese organizations were most likely to cite results from internal audits or risks assessments, ahead of regulatory changes or anticipated enforcement. This suggests that R&C investment in Japan is often driven by what organizations identify internally, rather than by external regulatory pressure alone. That points to a compliance approach with strong internal foundations and an opportunity to ensure those foundations also support timely adaptation as regulatory expectations and risk conditions evolve.

When looking at R&C program budget, Japan presents a more conservative investment profile. Only 18% of Japanese organizations report budget increases of 10% or more (compared to the 32% global average). Investment in technology also trails global averages (38% in Japan compared to 49% globally), suggesting a more measured approach to program expansion.

EXPECTED TECHNOLOGY INVESTMENTS ARE LOWER IN JAPAN THAN THE GLOBAL AVERAGE



TOP REASONS FOR INCREASING R&C PROGRAM INVESTMENT IN JAPAN



Which of these program activities will see increased investment or activity (e.g., budget, staff time, scope, priority) in 2026? [Selected: "Technology upgrades"]

Which of the following have been most effective in making the case to increase investment in your compliance program?

United Kingdom

UK companies are more likely to invest

U.K. companies stand out for their willingness to invest. With 43% of organizations increasing budgets by 10% or more, and 91% reporting increased investment in at least one key area. This data suggests that U.K. programs are prioritizing growth – particularly in technology-enabled compliance – especially when compared to global averages.

UK ORGANIZATIONS LEAD GLOBAL PEERS IN TECHNOLOGY INVESTMENT IN 2026

70%



U.K.

VS

49%



Global

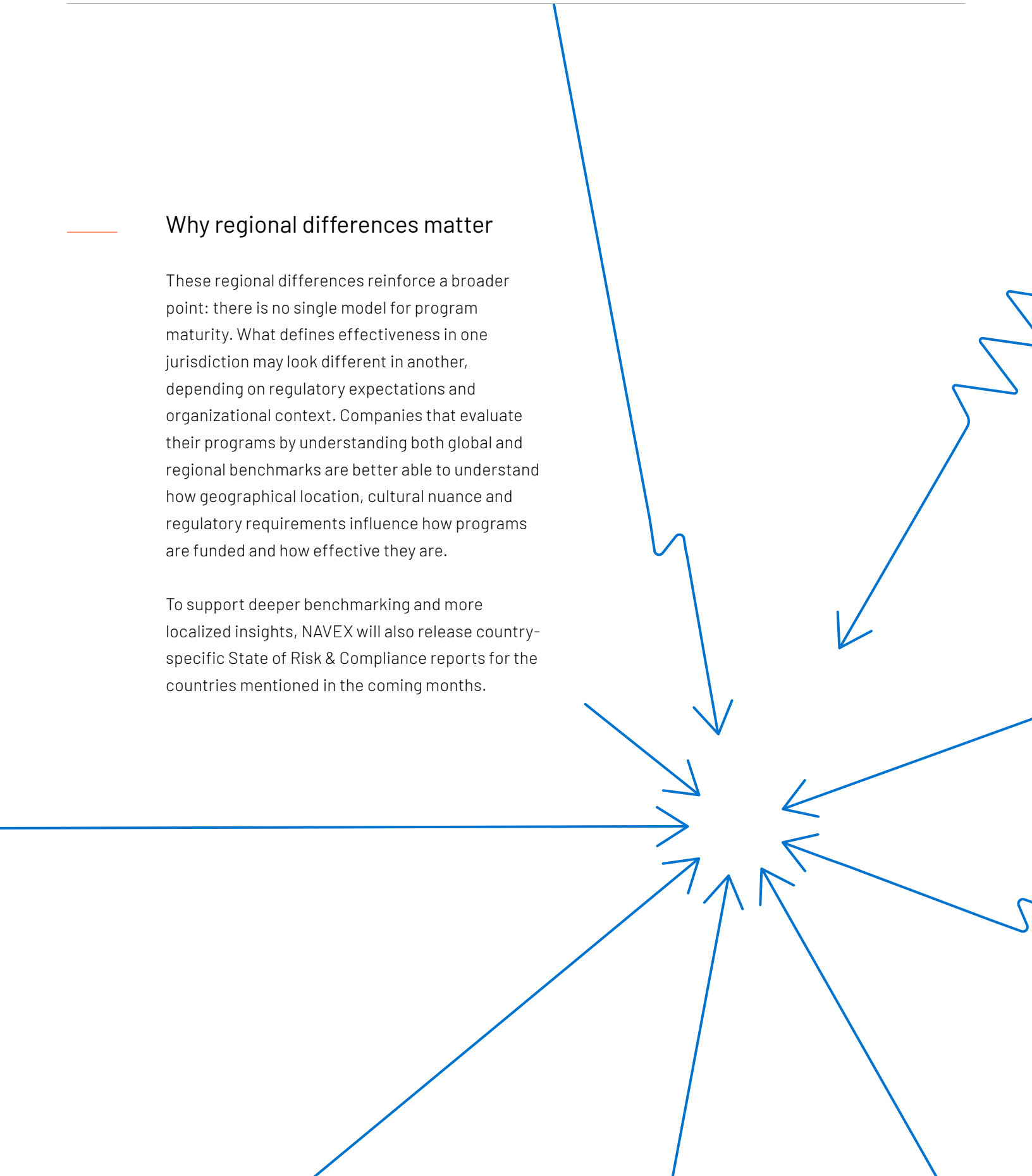
Which of these program activities will see increased investment or activity (e.g., budget, staff time, scope, priority) in 2026? [Selected: "Technology upgrades"]

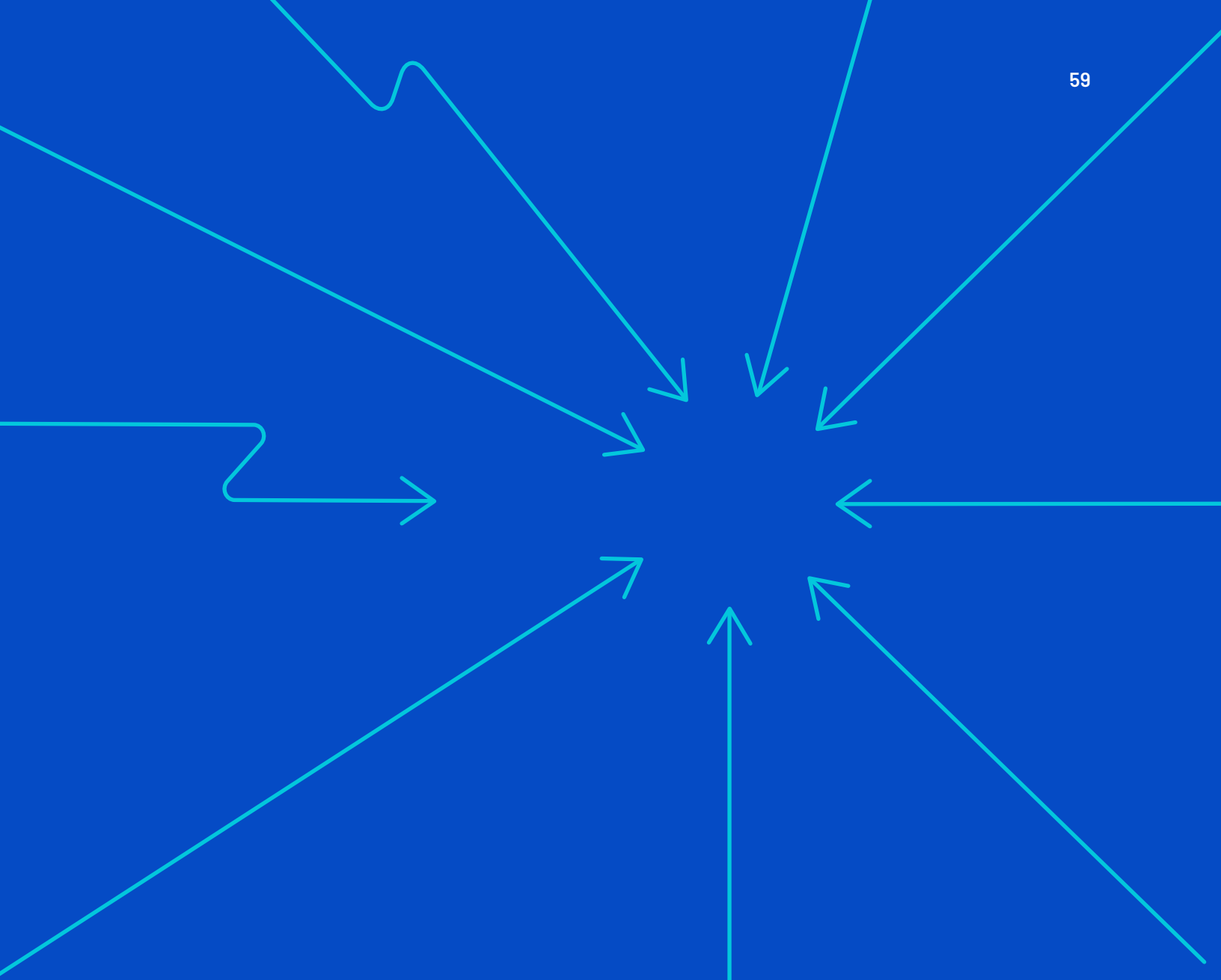


Why regional differences matter

These regional differences reinforce a broader point: there is no single model for program maturity. What defines effectiveness in one jurisdiction may look different in another, depending on regulatory expectations and organizational context. Companies that evaluate their programs by understanding both global and regional benchmarks are better able to understand how geographical location, cultural nuance and regulatory requirements influence how programs are funded and how effective they are.

To support deeper benchmarking and more localized insights, NAVEX will also release country-specific State of Risk & Compliance reports for the countries mentioned in the coming months.



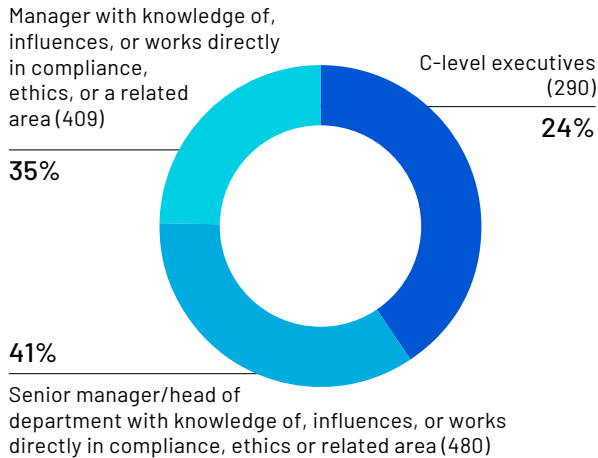


Appendix

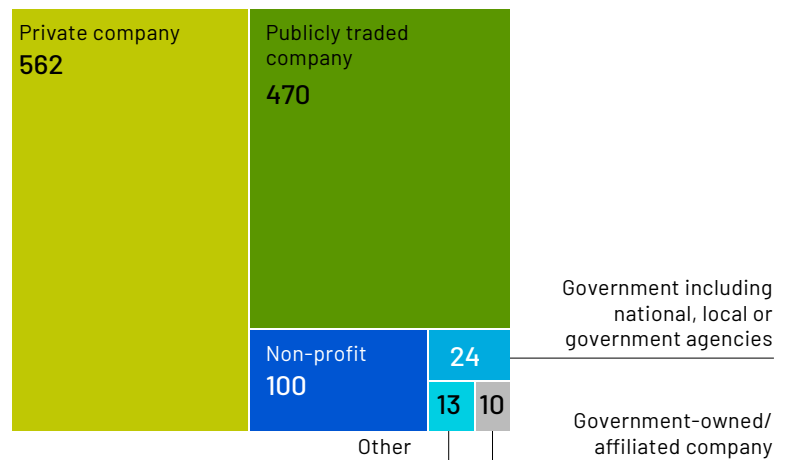
Survey methodology

NAVEX and alan. agency, a leading London-based B2B marketing agency, surveyed 1,179 senior executives at businesses across a range of industries globally, including healthcare and social assistance, manufacturing, professional, scientific and technical services, retail trade, utilities and more. The fieldwork by iResearch Consulting Group took place between January 5 and February 5, 2026.

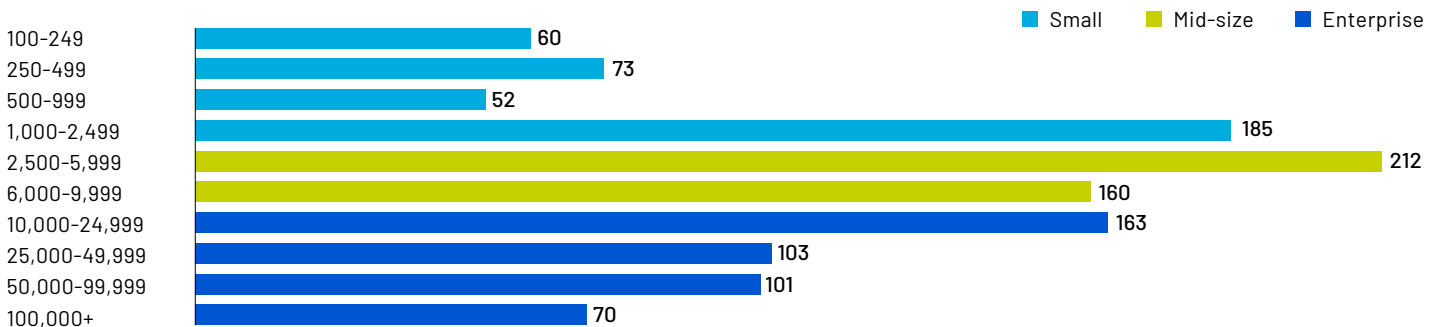
JOB ROLES



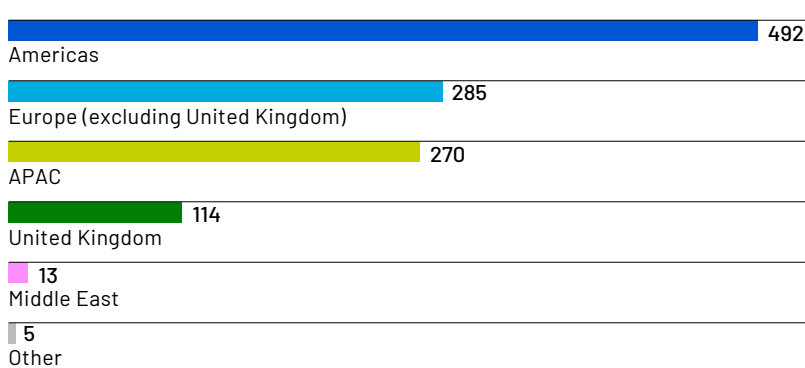
OWNERSHIP



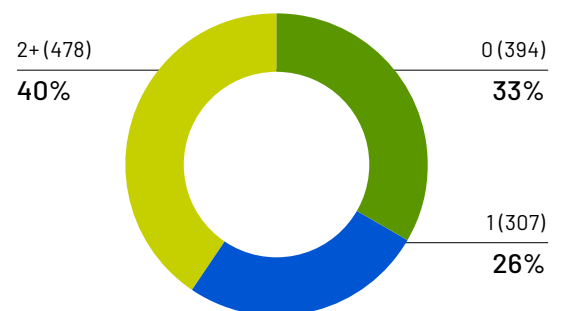
COMPANY SIZES (NUMBER OF EMPLOYEES)



LOCATION



NUMBER OF COMPLIANCE OUTCOMES EXPERIENCED IN THE LAST TWO YEARS



About the authors

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 (ECO), now ECI. A scientist by training, she developed and directed the first corporate-wide global ethics program at Westinghouse Electric Corporation from 1994 to 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 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.

Rebecca Walker

Partner, Kaplan & Walker LLP

As a partner at Kaplan & Walker LLP, a law firm dedicated exclusively to compliance and ethics counseling, Rebecca advises organizations on compliance and ethics programs. For more than 25 years, she has supported companies with program design, assessments, investigations processes, governance and risk areas including anti-corruption and conflicts of interest. She has also served as a corporate monitor, is a frequent speaker and author on compliance and ethics issues, and chairs the Practising Law Institute's annual Compliance and Ethics Essentials program.

Anders Olson

Senior Manager, Data Science, Project Engineering, 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.

Linda Meikle

Associate Director, Content Marketing, NAVEX

Linda leads a global team of brand marketers responsible for thought leadership, demand generation and strategic content initiatives. As editor-in-chief of the Risk & Compliance Matters blog, she oversees editorial strategy and content development focused on the evolving risk and compliance landscape. With deep expertise in writing, editing and storytelling, she uses data, research and industry insights to help organizations better understand emerging risks and the value of effective ethics and compliance programs.

Eric Gneckow

Senior Content Marketing Manager, NAVEX

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 former reporter, he previously led the content team behind a national portfolio of cybersecurity conferences.



NAVEX is a governance, risk and compliance software provider that brings reporting, training, policy management, regulatory change and risk oversight together in one system. Shaped by more than 35 years of GRC expertise, the NAVEX One platform combines efficient, automated workflows with renowned benchmarking and industry-pioneering data intelligence to help teams identify patterns, manage regulatory obligations and strengthen risk oversight.

Learn more at www.navex.com and follow the [NAVEX blog](#), [LinkedIn](#) and [YouTube](#) for the latest compliance news, guidance and product updates.

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