INTEGRITY DIAGNOSTICS™

Acme, Inc. Benchmark

Q1 2018 Comparisons and Historical Trends
INTRODUCTION

INTEGRITY DIAGNOSTICS™

Turning Data Into Actionable Insights

Aggregate data from almost 5,400 organizations

2,382 clients received 10 or more reports in 2016

Nearly 1 million reports were captured in 2016

Our data covers over 25 industries

About NAVEX Global®

NAVEX Global® defends your organization from legal, financial, reputational, and regulatory risk. Our proven solutions help you contain risks related to the constant stream of new threats, laws and regulations your organization must address each day.

Your Trusted Partner

More than 95 of the FORTUNE 100 and 12,500 clients around the world trust us to power their ethics and compliance (E & C) programs. Our flexible, scalable solutions make E & C programs more effective – and easier to manage and measure. A partnership with NAVEX Global® helps you protect your people, reputation and bottom line.
RANGES AND MEDIANS

The primary, and simplest, method that other helpline data providers use to generate their benchmarks is to pool data, generally by industry and calculating the average result for each given metric. The problem with this method of benchmarking is that it does not account for outliers, such as companies with an extremely high or low call count or a large or small employee population. As a consequence, the data is generally skewed away from the bulk of the companies and towards the outliers.

To reduce the impact of outliers, NAVEX Global® calculates every benchmark for each company individually and then identifies the median data point. Where appropriate, we also provide a range of results which includes the middle 80 percent of data points. If a company’s data falls into our calculated range, it is our opinion that the data is unlikely to be representative of a potential issue. If a company’s data falls outside of our calculated ranges, it is possible that there is still no issue, but we feel that the result warrants further analysis.

How Integrity Diagnostics™ Looks at Historical Trends

Anonymous Reporting Rate

Q1'17 Q2'17 Q3'17 Q4'17 Q1'18

0% 20% 40% 60% 80%

Industry Only Range [IOR]
Industry Only Median
All Industry Range
All Industry Median
In Range
Out of Range
HISTORICAL TRENDS CHART SUMMARY

Reports per 100 Employees Quarterly

Anonymous Reporting Rate

Follow-ups to Anonymous Reporting
HISTORICAL TRENDS CHART SUMMARY

**Online Reports**

- Q1'17: 20%
- Q2'17: 22%
- Q3'17: 17%
- Q4'17: 19%
- Q1'18: 20%

**Hotline Reports**

- Q1'17: 80%
- Q2'17: 80%
- Q3'17: 80%
- Q4'17: 80%
- Q1'18: 80%

**Other Reports**

- Q1'17: 68%
- Q2'17: 62%
- Q3'17: 60%
- Q4'17: 51%
- Q1'18: 51%
### APPENDIX A: RESULTS Q1 2017 - Q1 2018

<table>
<thead>
<tr>
<th>Q1-17 Metric</th>
<th>Q1-17 No. of Reports</th>
<th>Q1-17 Metric</th>
<th>Q2-17 No. of Reports</th>
<th>Q2-17 Metric</th>
<th>Q3-17 No. of Reports</th>
<th>Q3-17 Metric</th>
<th>Q4-17 No. of Reports</th>
<th>Q4-17 Metric</th>
<th>Q1-18 No. of Reports</th>
<th>Q1-18 Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reports per 100 Employees (Quarterly)</strong></td>
<td>100</td>
<td>0.5</td>
<td>100</td>
<td>0.5</td>
<td>100</td>
<td>0.5</td>
<td>180</td>
<td>0.9</td>
<td>200</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Anonymous Reports</strong></td>
<td>35</td>
<td>35%</td>
<td>29</td>
<td>29%</td>
<td>34</td>
<td>34%</td>
<td>41</td>
<td>23%</td>
<td>48</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Follow-ups to Anonymous Reports</strong></td>
<td>29</td>
<td>83%</td>
<td>28</td>
<td>95%</td>
<td>31</td>
<td>91%</td>
<td>37</td>
<td>90%</td>
<td>23</td>
<td>96%</td>
</tr>
<tr>
<td><strong>Substantiated Named Allegations</strong></td>
<td>20</td>
<td>42%</td>
<td>26</td>
<td>58%</td>
<td>24</td>
<td>50%</td>
<td>32</td>
<td>37%</td>
<td>36</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Substantiated Anonymous Allegations</strong></td>
<td>21</td>
<td>43%</td>
<td>23</td>
<td>48%</td>
<td>18</td>
<td>36%</td>
<td>29</td>
<td>32%</td>
<td>31</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Case Closure Time in Days</strong></td>
<td>10</td>
<td></td>
<td>17</td>
<td></td>
<td>25</td>
<td></td>
<td>9</td>
<td></td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>Reports Submitted via Web</strong></td>
<td>20</td>
<td>21%</td>
<td>26</td>
<td>26%</td>
<td>27</td>
<td>27%</td>
<td>20</td>
<td>20%</td>
<td>20</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Reports Submitted via Hotline</strong></td>
<td>34</td>
<td>34%</td>
<td>23</td>
<td>23%</td>
<td>23</td>
<td>26%</td>
<td>19</td>
<td>19%</td>
<td>20</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Reports Submitted via Other</strong></td>
<td>46</td>
<td>46%</td>
<td>51</td>
<td>51%</td>
<td>50</td>
<td>54%</td>
<td>61</td>
<td>62%</td>
<td>60</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Accounting, Auditing and Financial Reporting</strong></td>
<td>5</td>
<td>5%</td>
<td>8</td>
<td>8%</td>
<td>8</td>
<td>8%</td>
<td>10</td>
<td>10%</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Business Integrity</strong></td>
<td>28</td>
<td>28%</td>
<td>25</td>
<td>25%</td>
<td>29</td>
<td>29%</td>
<td>34</td>
<td>34%</td>
<td>24</td>
<td>24%</td>
</tr>
<tr>
<td><strong>HR, Diversity and Workplace Respect</strong></td>
<td>61</td>
<td>61%</td>
<td>57</td>
<td>58%</td>
<td>54</td>
<td>54%</td>
<td>48</td>
<td>48%</td>
<td>55</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Environment, Health and Safety</strong></td>
<td>0</td>
<td>0%</td>
<td>5</td>
<td>5%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Misuse, Misappropriation of Corporate Assets</strong></td>
<td>6</td>
<td>7%</td>
<td>5</td>
<td>5%</td>
<td>9</td>
<td>9%</td>
<td>7</td>
<td>7%</td>
<td>7</td>
<td>7%</td>
</tr>
</tbody>
</table>
**APPENDIX A: MEDIANS AND RANGES 2017**

<table>
<thead>
<tr>
<th>Category</th>
<th>Custom Industry Median</th>
<th>Custom Industry Range</th>
<th>All Industry Median</th>
<th>All Industry Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports per 100 Employees (Quarterly)</td>
<td>0.3</td>
<td>0.1 - 2.6</td>
<td>0.3</td>
<td>0.1 - 2.6</td>
</tr>
<tr>
<td>Anonymous Reports</td>
<td>58%</td>
<td>12% - 87%</td>
<td>61%</td>
<td>19% - 86%</td>
</tr>
<tr>
<td>Follow-ups to Anonymous Reports</td>
<td>39%</td>
<td>17% - 63%</td>
<td>33%</td>
<td>6% - 65%</td>
</tr>
<tr>
<td>Substantiated Named Allegations</td>
<td>44%</td>
<td>19% - 73%</td>
<td>45%</td>
<td>20% - 85%</td>
</tr>
<tr>
<td>Substantiated Anonymous Allegations</td>
<td>42%</td>
<td>16% - 54%</td>
<td>36%</td>
<td>16% - 60%</td>
</tr>
<tr>
<td>Case Closure Time in Days</td>
<td>32</td>
<td>11 - 106</td>
<td>39</td>
<td>9 - 150</td>
</tr>
<tr>
<td>Reports Submitted via Web</td>
<td>28%</td>
<td>6% - 71%</td>
<td>23%</td>
<td>4% - 66%</td>
</tr>
<tr>
<td>Reports Submitted via Hotline</td>
<td>37%</td>
<td>8% - 81%</td>
<td>32%</td>
<td>5% - 74%</td>
</tr>
<tr>
<td>Reports Submitted via Other</td>
<td>35%</td>
<td>1% - 79%</td>
<td>45%</td>
<td>10% - 86%</td>
</tr>
<tr>
<td>Accounting, Auditing and Financial Reporting</td>
<td>2%</td>
<td>0% - 9%</td>
<td>2%</td>
<td>0% - 12%</td>
</tr>
<tr>
<td>Business Integrity</td>
<td>21%</td>
<td>0% - 61%</td>
<td>17%</td>
<td>5% - 51%</td>
</tr>
<tr>
<td>HR, Diversity and Workplace Respect</td>
<td>68%</td>
<td>23% - 90%</td>
<td>69%</td>
<td>32% - 88%</td>
</tr>
<tr>
<td>Environment, Health and Safety</td>
<td>4%</td>
<td>0% - 6%</td>
<td>6%</td>
<td>2% - 18%</td>
</tr>
<tr>
<td>Misuse, Misappropriation of Corporate Assets</td>
<td>5%</td>
<td>0% - 19%</td>
<td>6%</td>
<td>2% - 18%</td>
</tr>
</tbody>
</table>
APPENDIX B: GLOSSARY

Median
The midpoint of the dataset in question. For example, if 101 companies had data related to the issue, the 51st company’s data (with the data sorted from least to most) would be the median.

Range
The data of 80% of companies with sufficient reports in the field in question, centered on the median. The highest 10% and lowest 10% of companies’ data would fall outside the range.

Report
An allegation, concern, question or issue submitted to NAVEX Global® by hotline, web or mobile report, or received internally by other means and entered directly into the company’s information management system by ethics and compliance program administrators.

Report per 100 Employees Quarterly
A volume metric that enables organizations of all sizes to compare their total number of unique contacts from all reporting channels including web forms, hotline, open door, mobile, email, mail and more.

Anonymous Reporting Rate
The percentage of all reports submitted by individuals who chose to withhold their identity.

Follow-Ups to Anonymous Reporting
The percentage of reports that were submitted anonymously and that were subsequently followed-up on by the reporter.

Substantiated Named Allegations
Percent of reports from named reporters that are (fully or partially) substantiated.

Substantiated Anonymous Allegations
Percent of reports from anonymous reporters that are (fully or partially) substantiated.

Case Closure Time (In Days)
Number of calendar days it takes an organization to complete an investigation and close a case.
Online Reports
Percent of all reports submitted online.

Hotline Reports
Percent of all reports submitted via hotline.

Other Reports
Percent of all reports submitted in ‘other’ ways (ethics office open door, email, postal mail, fax, manager submissions, etc.)

Accounting, Auditing and Financial Reporting
Financial misconduct, internal controls, expense reporting, etc.

Business Integrity
Bribery, falsification of documents, fraud, conflicts of interest, vendor/customer issues, etc.

HR, Diversity and Workplace Respect
Discrimination, harassment, retaliation, compensation, general HR-related issues, etc. As well as cases marked as “other”

Environment, Health, and Safety
Environmental Protection Agency compliance, assault, safety, OSHA Violations, substance abuse, etc.

Misuse, Misappropriation of Corporate Assets
Computer usage, employee theft, time clock abuse, etc.

The GRC Insights reports are for use by NAVEX Global clients only. The data provided is for informational purposes only. It is not for the purpose of providing legal advice, and it should not be relied on as legal advice. The content cannot be posted on external sites or made otherwise accessible to other individuals.