The State of Whistleblower Hotlines & Incident Management for 2020

Carrie Penman, Chief Risk & Compliance Officer
NAVEX Global

Mary Bennett, President
Right Compliance Consulting, LLC
About the Presenters

Carrie Penman
Chief Risk & Compliance Officer
NAVEX Global

Mary Bennett
President
Right Compliance Consulting, LLC
Agenda

• Introductions
• Benchmark Methodology
• Key Findings
• Update on COVID-19 Reporting
• Key Takeaways & Best Practice Recommendations
• Q&A
• Additional Resources
Benchmarking Methodology
Hotline Benchmark Statistical Snapshot

A Snapshot of Our Database

Over 50 million employees generated over 1.4 million reports in 2019 representing

50M

3,255 customers that received 10 or more reports in 2019

Industry Leading Approach

We use Medians or Midpoints rather than averages to reduce the impact of outliers

We calculate ranges to help identify extreme data points as potential areas of concern

Methodology

Our report reflects both allegations and inquiries:

Allegations

Inquiries

Captured via all intake methods:

Hotline

Web

Other
Report Origination by Continent
Key Findings
Report Volume
Reports per 100 Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Range (reports per 100 employees)</th>
<th>Median (reports per 100 employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.4</td>
<td>1.2</td>
</tr>
<tr>
<td>2013</td>
<td>0.5</td>
<td>1.2</td>
</tr>
<tr>
<td>2014</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2015</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2016</td>
<td>0.3</td>
<td>1.4</td>
</tr>
<tr>
<td>2017</td>
<td>0.3</td>
<td>1.4</td>
</tr>
<tr>
<td>2018</td>
<td>0.3</td>
<td>1.4</td>
</tr>
<tr>
<td>2019</td>
<td>0.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>
Distribution of Reports per 100 Employee Medians

- 0.0 to 0.24 Reports per 100: 9% (2018), 10% (2019)
- 0.25 to 0.49 Reports per 100: 12% (2018), 12% (2019)
- 0.5 to 0.99 Reports per 100: 18% (2018), 18% (2019)
- 1.0 to 1.5 Reports per 100: 14% (2018), 12% (2019)
- 1.5 to 1.9 Reports per 100: 6% (2018), 9% (2019)
- 2.0 to 2.9 Reports per 100: 10% (2018), 10% (2019)
- 3.0 to 3.9 Reports per 100: 6% (2018), 6% (2019)
- 4.0 - 4.9 Reports per 100: 4% (2018), 5% (2019)
- 5.0 Reports or More per 100: 17% (2018), 19% (2019)
Reports per 100 Employees
Hotline & Web Only vs. All Intake Sources

- 2019:
  - Hotline & Web Only: 0.2, 1.0, 5.2
  - All Intake Sources: 0.4, 2.0, 13.8

100% more
Report Distribution & Reports per 100 Employees by Employee Count

**Figure A:** Report Distribution

**Figure B:** Reports per 100 Employees (Median)
Anonymous Reporting
Anonymous Reporting

![Graph showing anonymous reporting percentages from 2009 to 2019. The percentages range from 56% to 65%.]

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Distribution of Anonymous Reporting Volumes

% of Total Organizations

- 0%: 1%
- 25% to <50%: 24 (2018), 22 (2019)
- 50% to <75%: 39 (2018), 38 (2019)
- 75% to <100%: 21 (2018), 23 (2019)
- 100%: 2 (2018), 2 (2019)
Follow-Ups to Anonymous Reports

Percent of Anonymous Reports With a Follow-Up

Percent of Anonymous Reports With Additional Information Added

<table>
<thead>
<tr>
<th>Year</th>
<th>Follow-Up</th>
<th>Additional Information</th>
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<tbody>
<tr>
<td>2012</td>
<td>30%</td>
<td>0%</td>
</tr>
<tr>
<td>2013</td>
<td>31%</td>
<td>0%</td>
</tr>
<tr>
<td>2014</td>
<td>33%</td>
<td>0%</td>
</tr>
<tr>
<td>2015</td>
<td>30%</td>
<td>0%</td>
</tr>
<tr>
<td>2016</td>
<td>30%</td>
<td>0%</td>
</tr>
<tr>
<td>2017</td>
<td>32%</td>
<td>0%</td>
</tr>
<tr>
<td>2018</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>2019</td>
<td>36%</td>
<td>0%</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>2018</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2019</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Case Closure Time (in Days)
Median Case Closure Time (in Days)

- 2011: 32 days
- 2012: 34 days
- 2013: 36 days
- 2014: 39 days
- 2015: 46 days
- 2016: 42 days
- 2017: 44 days
- 2018: 40 days
- 2019: 45 days
Average Case Closure Time (in Days)
Distribution of Median Case Closure Times
Named vs. Anonymous Case Closure Time (in Days)

- 2017: Anonymous 45 days, Named 40 days
- 2018: Anonymous 42 days, Named 37 days
- 2019: Anonymous 45 days, Named 43 days
Median Gap Between Incident & Report Date

- Less than 5 Days: 19%
- 5 to 9 Days: 12%
- 10 to 14 Days: 9%
- 15 to 19 Days: 9%
- 20 to 24 Days: 6%
- 25 to 29 Days: 6%
- 30 to 39 Days: 8%
- 40 to 49 Days: 6%
- 50 to 59 Days: 5%
- 60 Days or More: 20%

21 days
37 days
Intake & Report Categories
Report Intake Method

<table>
<thead>
<tr>
<th>Year</th>
<th>Hotline</th>
<th>Web Submission</th>
<th>All Other Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>36%</td>
<td>20%</td>
<td>44%</td>
</tr>
<tr>
<td>2014</td>
<td>32%</td>
<td>23%</td>
<td>45%</td>
</tr>
<tr>
<td>2015</td>
<td>34%</td>
<td>24%</td>
<td>42%</td>
</tr>
<tr>
<td>2016</td>
<td>34%</td>
<td>26%</td>
<td>40%</td>
</tr>
<tr>
<td>2017</td>
<td>38%</td>
<td>23%</td>
<td>39%</td>
</tr>
<tr>
<td>2018</td>
<td>37%</td>
<td>25%</td>
<td>38%</td>
</tr>
<tr>
<td>2019</td>
<td>33%</td>
<td>24%</td>
<td>44%</td>
</tr>
</tbody>
</table>
Allegations vs. Inquiries

- 2012: 79% Allegation, 21% Inquiry
- 2013: 80% Allegation, 20% Inquiry
- 2014: 79% Allegation, 21% Inquiry
- 2015: 78% Allegation, 22% Inquiry
- 2016: 83% Allegation, 17% Inquiry
- 2017: 80% Allegation, 20% Inquiry
- 2018: 85% Allegation, 15% Inquiry
- 2019: 85% Allegation, 15% Inquiry
Categories of Reports Used

1. Accounting, Auditing and Financial Reporting
   (i.e. financial misconduct, internal controls, expense reporting)

2. Business Integrity
   (i.e. bribery, falsification of documents, fraud, COI, vendor/customer issues, HIPAA)

3. HR, Diversity and Workplace Respect
   (i.e. discrimination, harassment, compensation, general HR, and cases marked as “other”)

4. Environment, Health and Safety
   (i.e. EPA compliance, violence, safety, OSHA, substance abuse)

5. Misuse, Misappropriation of Corporate Assets
   (i.e. employee theft, time clock abuse)
## Category Medians

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting, Auditing &amp; Financial Reporting</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Business Integrity</td>
<td>18%</td>
<td>17%</td>
<td>15%</td>
<td>14%</td>
<td>17%</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>HR, Diversity &amp; Workplace Respect</td>
<td>73%</td>
<td>69%</td>
<td>71%</td>
<td>72%</td>
<td>72%</td>
<td>70%</td>
<td>65%</td>
</tr>
<tr>
<td>Environment, Health &amp; Safety</td>
<td>7%</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Misuse, Misappropriation of Corporate Assets</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
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Median Case Closure Time (in Days) by Category
Substantiation Rates
Median Substantiation Rate
Distribution of Substantiation Rates

Webinar Exclusive Data

<table>
<thead>
<tr>
<th>% of Substantiated Reports</th>
<th>% of Total Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to &lt;25%</td>
<td>21%</td>
</tr>
<tr>
<td>25% to &lt;50%</td>
<td>24%</td>
</tr>
<tr>
<td>50% to &lt;75%</td>
<td>25%</td>
</tr>
<tr>
<td>75% to 100%</td>
<td>14%</td>
</tr>
</tbody>
</table>

2018 Percent of Customers

2019 Percent of Customers
Named vs. Anonymous Substantiation Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Anonymous Substantiation</th>
<th>Named Substantiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>36%</td>
<td>47%</td>
</tr>
<tr>
<td>2016</td>
<td>35%</td>
<td>46%</td>
</tr>
<tr>
<td>2017</td>
<td>39%</td>
<td>50%</td>
</tr>
<tr>
<td>2018</td>
<td>38%</td>
<td>50%</td>
</tr>
<tr>
<td>2019</td>
<td>38%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Substantiation Rate by Employee Count

<table>
<thead>
<tr>
<th>Employee Count</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9,999</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>10,000+</td>
<td>43%</td>
<td>43%</td>
</tr>
</tbody>
</table>
Reports of Retaliation, Harassment & Discrimination
Retaliation Reports

- 2011: 0.52%
- 2012: 0.70%
- 2013: 0.64%
- 2014: 0.71%
- 2015: 0.91%
- 2016: 0.93%
- 2017: 1.10%
- 2018: 1.20%
- 2019: 1.10%
Substantiation of Retaliation Reports

- 2011: 10%
- 2012: 10%
- 2013: 12%
- 2014: 27%
- 2015: 26%
- 2016: 26%
- 2017: 21%
- 2018: 22%
- 2019: 23%
Harassment & Discrimination Reports

<table>
<thead>
<tr>
<th>Year</th>
<th>Harassment Reports</th>
<th>Discrimination Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.62%</td>
<td>3.97%</td>
</tr>
<tr>
<td>2017</td>
<td>5.03%</td>
<td>3.54%</td>
</tr>
<tr>
<td>2018</td>
<td>5.46%</td>
<td>3.91%</td>
</tr>
<tr>
<td>2019</td>
<td>4.81%</td>
<td>3.83%</td>
</tr>
</tbody>
</table>
Substantiation of Harassment & Discrimination Reports

<table>
<thead>
<tr>
<th>Year</th>
<th>Harassment Reports</th>
<th>Discrimination Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>2017</td>
<td>40%</td>
<td>27%</td>
</tr>
<tr>
<td>2018</td>
<td>41%</td>
<td>29%</td>
</tr>
<tr>
<td>2019</td>
<td>40%</td>
<td>30%</td>
</tr>
</tbody>
</table>
Key Takeaways & Best Practice Recommendations
Key Takeaways

• Focus on Case Closure Time
• Get a more complete picture of your risks by documenting all reports in one centralized incident management system
• Encourage employees to see your hotline as a resource for information, not just a channel for reporting
• Train and communicate consistent definitions for key reporting topics like retaliation, harassment and discrimination
Additional Resources

2020 Benchmark Report
2020 Hotline Benchmark Report

White Papers
Definitive Guide to Incident Management
Strength in Numbers: The ROI of Compliance
Program Hotline Reporting
Harassment Investigation Checklist

Learn More About Our Solutions
EthicsPoint Incident Management
GRC Insights – Healthcare Industry Benchmarking Reports

Join the Conversation at Risk & Compliance Matters
Thank You!