2016
Ethics & Compliance
Hotline Benchmark Report

Benchmark Your Ethics & Compliance Program Against the World's Largest
Database of Hotline Reports—and Improve Program Effectiveness

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INTRODUCTION

Good analysis and benchmarking of hotline data helps organizations answer crucial questions about their ethics and compliance program, including:

- Does our culture support employees who raise concerns?

- Are our communications with employees reaching the intended audiences and having the desired effect?

- Are our investigations thorough and effective?

- Do we need more training?

- Do we need to review or update our policies?

- Do employees know about our reporting channels?

Comparing internal data year over year to help answer these questions is important. But getting a broader perspective on how your performance matches up to industry norms is critical.

To help, each year NAVEX Global takes anonymized data collected through our hotline and incident management systems and creates this report. Because we have the world's largest and most comprehensive database of reports and outcomes, ethics and compliance professionals can trust our benchmarks to help guide decision-making and better understand how their programs stack up against broader benchmarks.

For each benchmark provided in this report you will find:

- A description of the benchmark

- Instructions on how to calculate the benchmark

- The 2015 combined data for all industries in the NAVEX Global database

- Key findings and recommendations

This annual report is an excellent starting point for organizations committed to benchmarking and improving program effectiveness. To leverage more advanced benchmarks, NAVEX Global offers custom benchmarking options as part of our Integrity Diagnostics™ report services. You can work with us to get apples-to-apples benchmarking based on industry, size, or other facets of your organization. Learn more about this service on our website.

TRUST NAVEX GLOBAL'S ETHICS & COMPLIANCE SOLUTIONS

NAVEX Global's comprehensive suite of ethics and compliance software, content and services helps organizations protect their people, reputation and bottom line. Trusted by 95 of the FORTUNE 100 and more than 12,500 clients, our solutions are informed by the largest ethics and compliance community in the world.

World's Largest Report Database

Starts with

•••••••••••••••••••••• 12,500 ••••••••••••••••••

NAVEX Global Clients

More than **4,900**

Clients used our Hotline Reporting / EthicsPoint™ Incident Management Solutions

In 2015
2,311 CLIENTS
received 10+ reports

representing

34 MILLION

employees globally

these clients collectively received

867,551

reports representing

↓

99% of all reports

in our database

2.9 MILLION
reports analyzed over the
LAST 5 YEARS

report intake methods including

web   hotline   walk-in   mobile   email   mail

reports reflect data from
26 INDUSTRIES
45 SUB-INDUSTRIES

For 2015, this data includes only legacy NAVEX Global clients

Most Statistically Accurate Approach

Median

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

▷ Central 80% ◁

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

Medians and ranges provide context for your individual benchmarks

HOW WE CALCULATE OUR BENCHMARKS

For statistical accuracy, our analysis includes only those organizations that received ten or more reports in 2015. The resulting database includes 2,311 clients that received a total of 867,551 individual reports. These reports represent 99 percent of our total report database in 2015.

To remove the impact of outliers that might skew the overall reporting data, we carefully calculated benchmarks for each organization and then identified the median (midpoint) across the total population. This reporting methodology allows us to create a clearer picture of what is actually happening in our clients' organizations, as well as to provide you with benchmarking data that is not skewed by organization size.

That said, there are no "right" metrics in hotline benchmarking data. Where appropriate in this report, we provide what we consider to be a healthy range of results to provide context for your own data. Falling within the "normal" range indicates an organization is on par with medians for the organizations within our database. Falling outside the normal range is a good prompt to take a closer look at whether there is an issue that needs more attention at your organization.
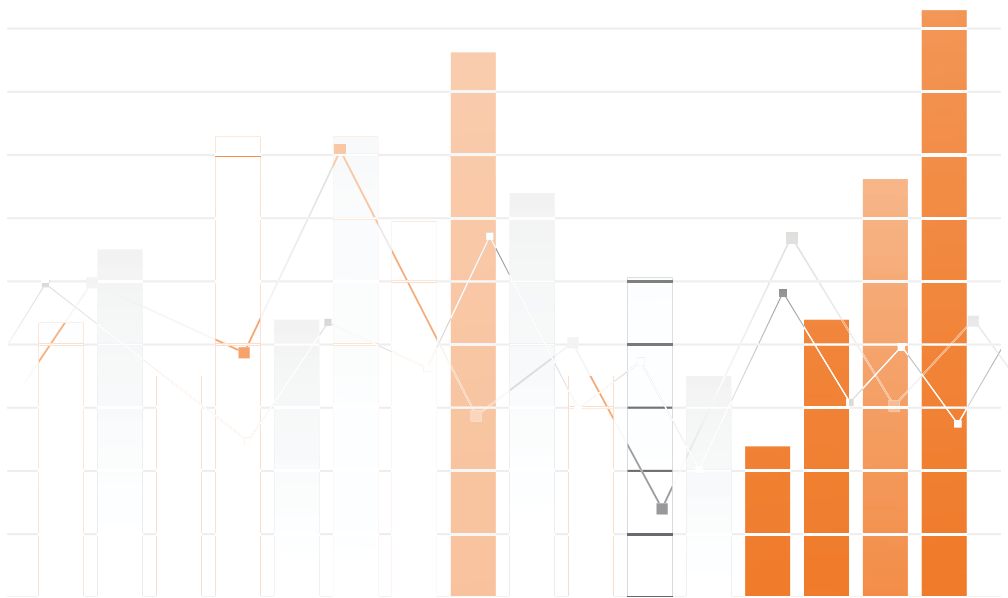
This year's analysis of our data from more than 2,300 hotline and case management clients revealed several key data points ethics and compliance professionals can use to benchmark and assess their program's performance, and move toward predictive risk mitigation. Of particular note in the 2015 data:

- **Case closure times continue to climb year over year.** From a median of 32 days in 2011 to 46 days in 2015, case closure times continue to increase dramatically. That is a 44 percent increase in the last five years. This is an ongoing and significant concern given that the median reporting rate remained steady in 2015 at 1.3 reports per 100 employees. Best practice programs close their cases in an average of 30 days.

- **Report substantiation rate reaches an all-time high.** The substantiation rate for all reports (reports received from both anonymous reporters and reporters who provided their name) reached 41 percent. This is the highest level since we began reporting on this statistic in 2008. The increase was driven by an increase in the substantiation rate for named reporters; anonymous reporting substantiation rates have remained consistent over the past three years.

- **The rate of retaliation reports remains very low—below one percent of all reports received.** This low level of reports is not consistent with the fact that nearly 45 percent of all charges filed with the EEOC in 2015 were related to retaliation, making it the most frequently filed charge of discrimination in the U.S. The rate of retaliation reports is still below one percent of the total reports; however we have seen the reporting rate increase from 0.52 percent to 0.91 percent over the past five years. The low number of retaliation-related reports captured in our

data gives us cause to believe that employees are more likely to report retaliation issues externally than internally.

- **Organizations that document reports from all communication channels in their incident management system have better risk visibility.** Organizations that document reports from all reporting channels (not just their hotline or web intake forms) captured 72 percent more reports than those that document reports from hotline and web intake only. More reports being captured means more risk visibility—and more opportunity to spot trends and take action on emerging problem areas.

- **Substantiation rates for reports of retaliation remain at an elevated level.** From 2013 to 2014, there was a 125 percent increase in the substantiation rate of retaliation reports (from 12 percent to 27 percent). This year, the substantiation rate remains elevated at 26 percent, indicating that the increased rate was likely not an anomaly. This "new normal" rate is a sign that organizations are moving in the right direction, taking a more focused approach to managing and investigating allegations of retaliation.

As E&C programs continue to mature, these and the other data points included in this report can become part of the scorecard organizations use to ensure they are moving in the right direction with program initiatives and goals. The data can also help organizations take proactive— rather than reactive—steps to strengthen their organizational culture of ethics and respect.

KEY FINDINGS

1. Report Volume per 100 Employees
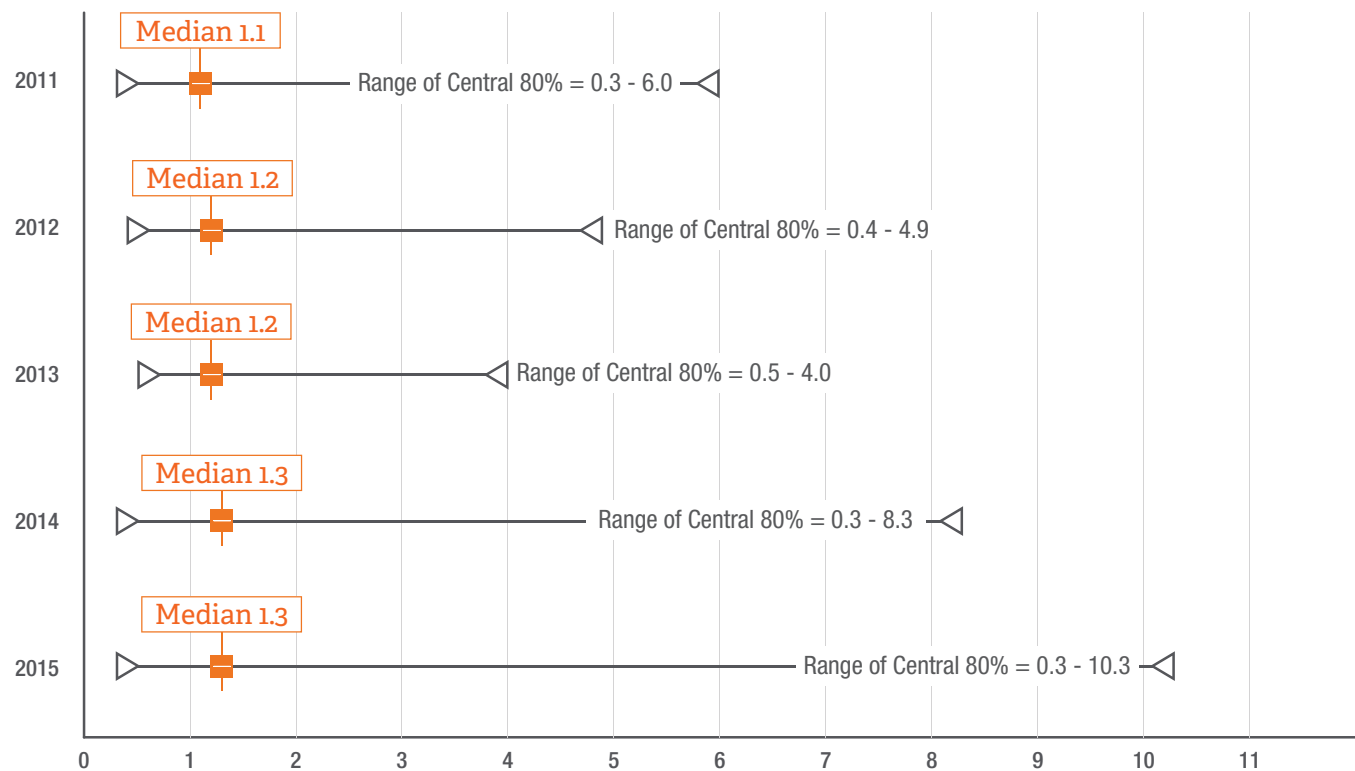
Volume Remains at an All-Time High

Report Volume per 100 Employees is 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, walk-in, mobile, email, mail and more.

How to Calculate: Take the total number of unique contacts (incident reports, allegations and specific policy inquiry questions) from all reporting channels received during the period, divide that number by the number of employees in your organization and multiply it by 100.

Findings: Over the last five years we have seen a significant rise in the reporting rate—an 18 percent increase since 2011 and a 44 percent increase since 2010 where the median was 0.9 reports per 100 employees. The consistency of the elevated rate over the last four years indicates this higher level is becoming the new norm and organizations need to be prepared to manage the higher level of total reports.

Report Volume Per 100 Employees Annually

2011 — Median 1.1 — Range of Central 80% = 0.3 - 6.0

2012 — Median 1.2 — Range of Central 80% = 0.4 - 4.9

2013 — Median 1.2 — Range of Central 80% = 0.5 - 4.0

2014 — Median 1.3 — Range of Central 80% = 0.3 - 8.3

2015 — Median 1.3 — Range of Central 80% = 0.3 - 10.3

This elevated level of reporting may be attributed to a number of possible trends:

▶ Maturing ethics and compliance programs mean more employees recognize the need to report issues, and know how to do so.

▶ Increased use of incident management tools to capture all reports—not just phone and web-based reports.

▶ Employee confidence that reporting will make a difference in their organizations.

▶ More media attention—and therefore employee awareness of—workplace rights, whistleblower protections, lawsuits and awards.

In 2015, the central 80 percent range of reports per 100 employees expanded significantly to the widest range ever. This data shows that significantly more organizations are experiencing a higher report volume—so many more that the high end of the normal range doubled from 2013 to 2014, and increased further in 2015 to 10.3.

This indicates that many organizations are experiencing a higher volume of reports, and/or that organizations are capturing more reports by documenting reports from more intake methods. (See next section for more data on this.)

Organizations That Document Hotline and Web Reports Only Are Missing Critical Data

We wanted to determine whether the higher levels of *Report Volume per 100 Employees* were influenced by organizations that use their incident management systems to enter and track reports they receive from all reporting channels (including walk-in, mobile, email, mail and more)—not just reports to their hotline or web intake channels.

How to Calculate: There are two distinct groups in this calculation. The first group is clients that have their incident management system connected to their web and hotline reporting channels only. The second group is clients that have their incident management system connected to all of their reporting channels.

Calculate your metric by determining which group reflects the approach your organization takes, then use the same *Report Volume per 100 Employees* calculation as described previously.

Findings: Organizations that documented reports from all channels in their incident management system captured 72% more reports than organizations that documented reports made through web and hotline channels only.
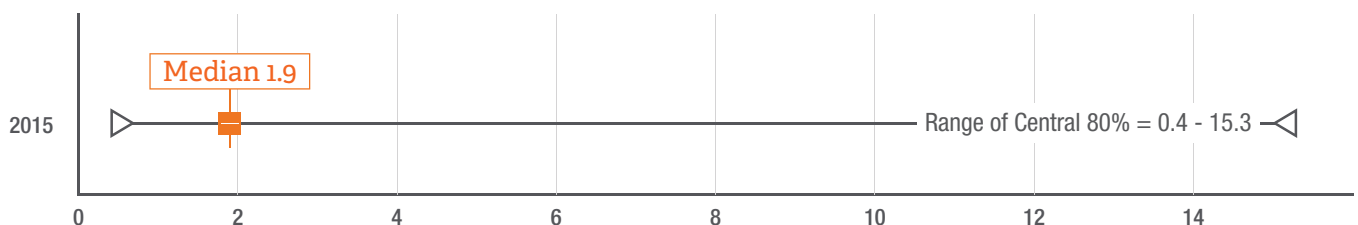
The implications are significant. If you are collecting reports only through your hotline and basic web forms, you're missing a significant percentage of the reports already being made in your organization, but that aren't being documented. This means you are missing the opportunity to spot trends and proactively address issues occurring in your organization.

We continue to encourage organizations to collect reports from all intake methods in a centralized incident management system. Doing so nearly doubles the visibility into reported issues and risks. It also provides a more disciplined, systematic method for tracking, investigating, analyzing and resolving these issues.

Organizations That Track Reports from Web and Hotline Only

Median 1.1
2015   Range of Central 80% = 0.2 - 6.6
0   2   4   6   8   10   12   14
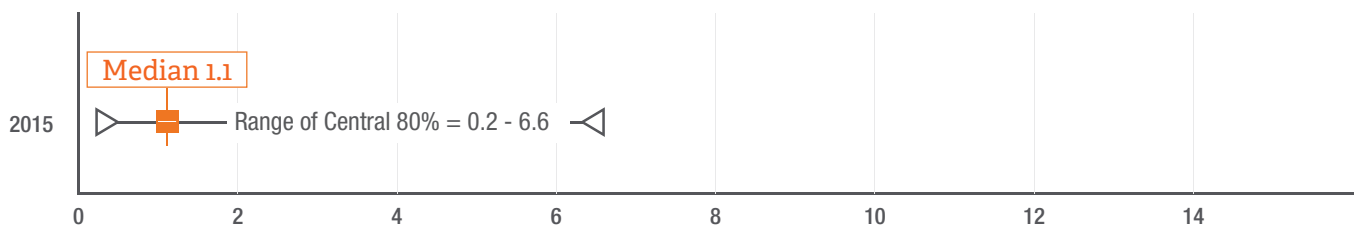
Organizations That Track Reports from All Sources

Median 1.9
2015   Range of Central 80% = 0.4 - 15.3
0   2   4   6   8   10   12   14

Percentages Remain Consistent

The kinds of reports an organization receives are an indicator of program effectiveness. Categorizing reports and tracking the number of reports in each category can help reveal program gaps—and successes. We organized our report data into five primary allegation categories. This gives us a way to compare (at a high level) the types of reports that different organizations and industries receive.

How to Calculate: First, ensure each report is placed into one of the five report allegation categories. Then, divide the number of reports in each of the five categories by the total number of reports created during the reporting period.

Findings: Despite significant increases in report volumes and the changing intake methods over the last five years, the percentage breakdowns in report categorizations has remained roughly the same. The one notable move is in Environment, Health and Safety reporting, where there was a significant drop over the last five years from nine percent to five percent.

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

Year	Percentage
2011	3%
2012	3%
2013	3%
2014	2%
2015	2%

0% 10% 20% 30% 40% 50% 60% 70%
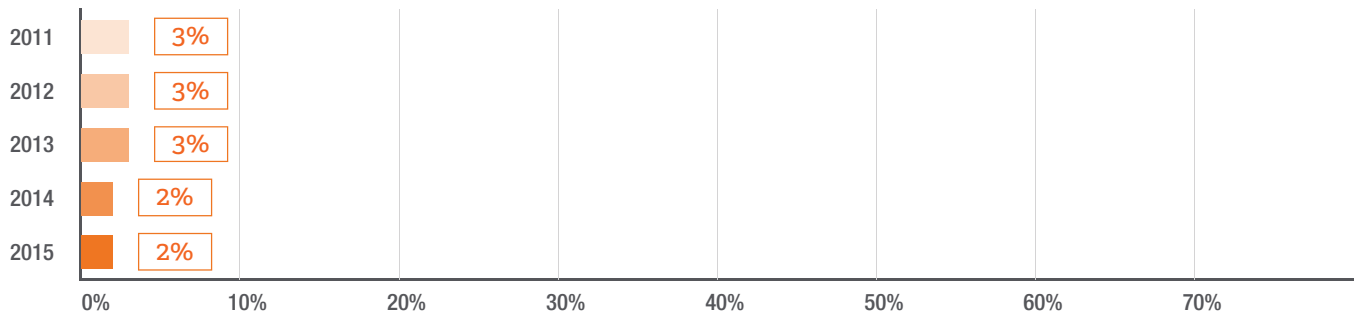
Business Integrity
(i.e. bribery, falsification of documents, fraud, COI, vendor/customer issues, HIPAA)

Year	Percentage
2011	16%
2012	17%
2013	18%
2014	17%
2015	15%

0% 10% 20% 30% 40% 50% 60% 70%
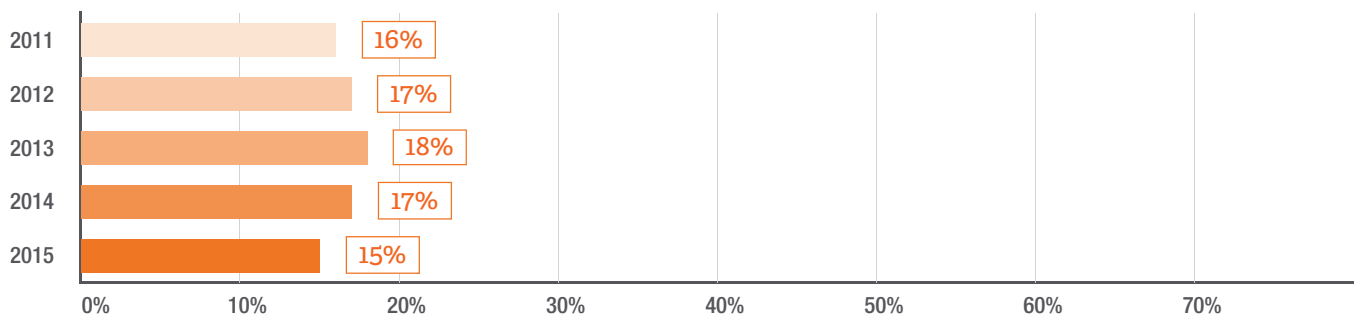
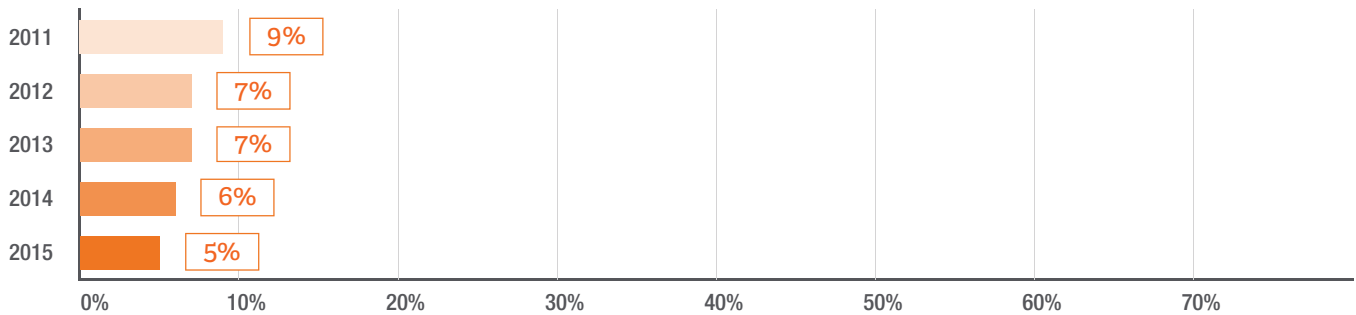## HR, Diversity and Workplace Respect

(i.e. discrimination, harassment, compensation, general HR, and cases marked as "other")

Year	Value
2011	68%
2012	69%
2013	73%
2014	69%
2015	71%

0% 10% 20% 30% 40% 50% 60% 70%
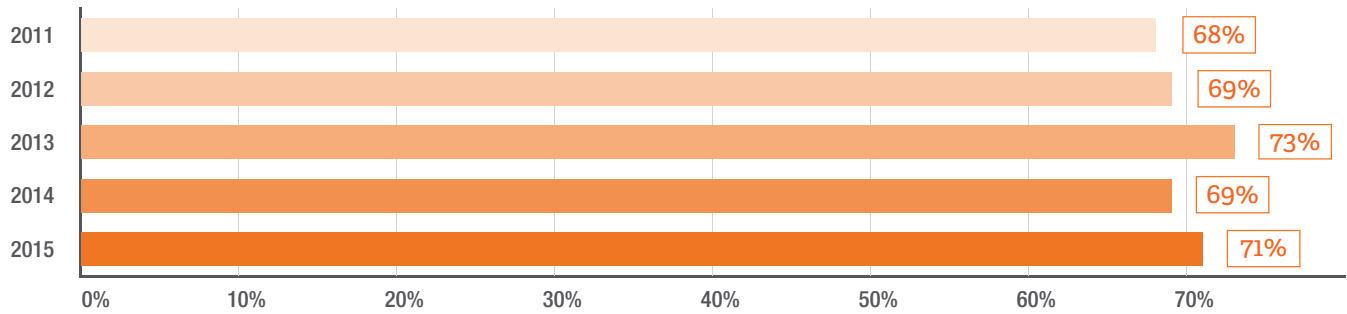
Environment, Health and Safety

(i.e. EPA compliance, violence, safety, OSHA, substance abuse)

Year	Value
2011	9%
2012	7%
2013	7%
2014	6%
2015	5%

0% 10% 20% 30% 40% 50% 60% 70%

Misuse, Misappropriation of Corporate Assets

(i.e. employee theft, time clock abuse)

Year	Value
2011	7%
2012	6%
2013	6%
2014	6%
2015	7%

0% 10% 20% 30% 40% 50% 60% 70%
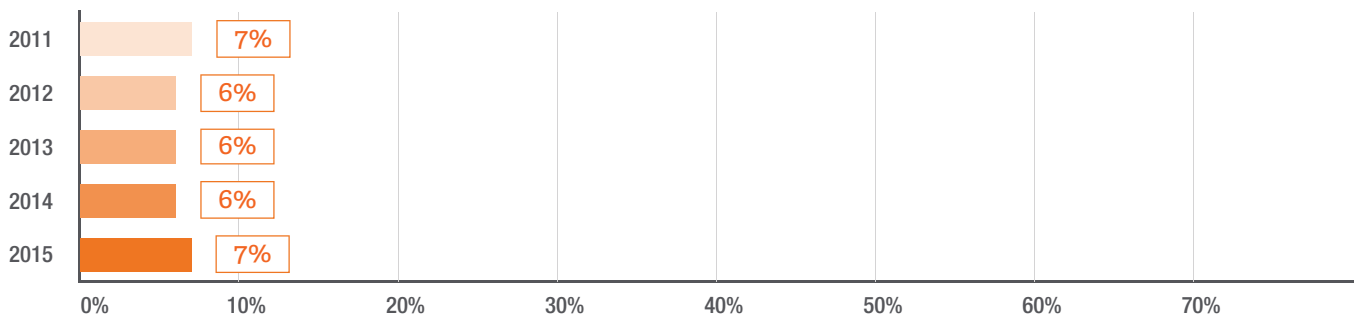
Industries with the Highest Median Reporting Rate per Allegation Category

We also reviewed the data to determine which industries received the highest rate of reporting in each allegation category. The Health Care industry received the highest number of Business Integrity-related reports—this is likely due to the inclusion of HIPAA-related reports in this category. The Retail industry had the highest level of HR, Diversity and Workplace Respect reports, exceeding the overall median rate by 15 percentage points.

2015 Highest Median Report Rate per Industry

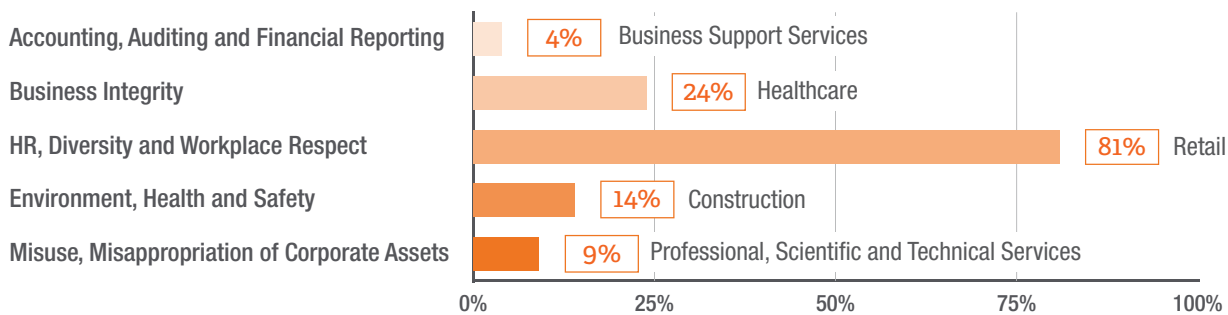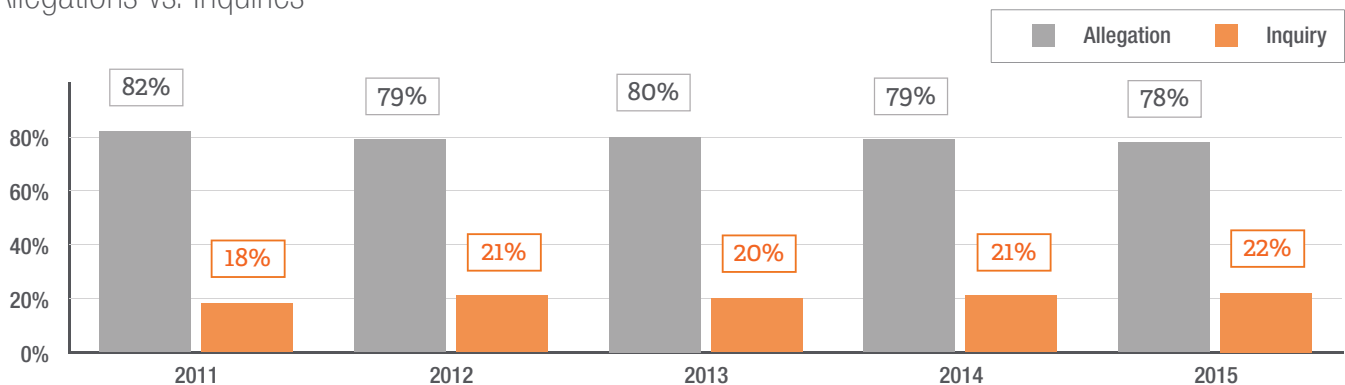| Category		
Accounting, Auditing and Financial Reporting	4%	Business Support Services
Business Integrity	24%	Healthcare
HR, Diversity and Workplace Respect	81%	Retail
Environment, Health and Safety	14%	Construction
Misuse, Misappropriation of Corporate Assets	9%	Professional, Scientific and Technical Services

0%   25%   50%   75%   100%

Reporter Allegations vs. Inquiries

This metric helps organizations answer the question: Are employees just using E&C reporting channels to make allegations or are they also using the channels to ask questions?

Findings: The ratio of allegations vs. inquiries has been fairly consistent over the previous five years. This may indicate an opportunity for organizations to encourage their employees to see their hotline as a resource for information, rather than just a channel for reporting.

Allegations vs. Inquiries

Legend: ▇ Allegation ▇ Inquiry

Year	Allegation	Inquiry
2011	82%	18%
2012	79%	21%
2013	80%	20%
2014	79%	21%
2015	78%	22%

Anonymous Reporting Drops Below 60 Percent For the First Time

Anonymous vs. Named Reporters shows the percentage of all reports submitted by individuals who chose to withhold their identity.

How to Calculate: Divide the number of reports submitted by an individual who withheld their identity by the total number of reports received.

Findings: In the last seven years we have seen a small but steady decrease in anonymous reporting rates. After a jump in 2008 (from 60 percent to 65 percent) the rate of anonymous reports has been steadily moving back towards 60 percent. 2015 marks the first time the rate has dipped below 60 percent (to 59 percent) since we began reporting these statistics in 2008. We will continue to watch this trend to determine if the

rate remains below 60 percent next year or if this is just statistical fluctuation around the 60 percent mark. A few potential reasons for this decrease are:

‣ The anonymous reporting rate may have increased during the economic recession period because employees were more fearful for their jobs. With the improving economy, employees may be feeling more secure.

‣ Reporters may be feeling more protected from retaliation with all of the recent legislation and focus on whistleblower protections. Therefore, they may be more willing to disclose their identity.

‣ With the increase in external whistleblower payments (and the publicity surrounding these payments), reporters may be including their name more frequently in the event they ultimately choose to report the issue to a government agency or to ensure they are protected from retaliation.

Median Anonymous Reporting Rate
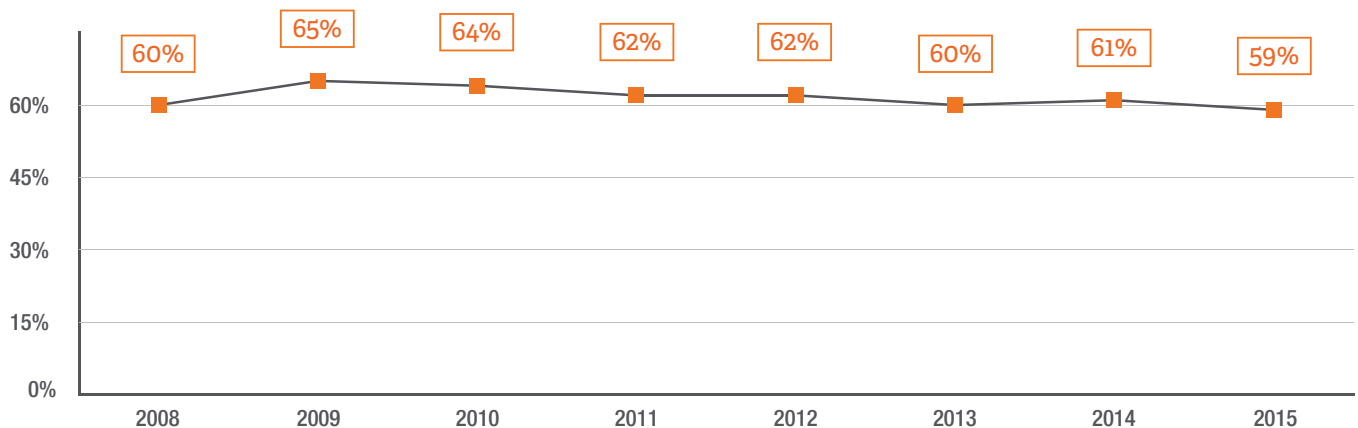
4. Reporter Follow-Up Rate to Anonymous Reports

## No Improvement in Follow-Up Rate

Effective hotline/helpline programs encourage anonymous reporters to check back in (anonymously) on the status of their report. If more information is needed to investigate a claim, E&C officers must be able to reach out through the anonymized reporting interface to ask questions or get clarification. The *Reporter Follow-up Rate to Anonymous Reports* metric indicates the percentage of reports submitted anonymously and that were subsequently followed-up on by the reporter.

How to Calculate: Divide the number of anonymous reports with one or more follow-ups by the total number of anonymous reports. (Note that we only include the first follow-up to an anonymous report, not multiple follow-ups to the same report.)

Findings: The *Reporter Follow-Up Rate to Anonymous Reports* had remained flat over four of the past five years. However, in 2014, the rate increased to 33 percent, which was the highest rate we had seen since we began calculating this data. In 2015 the number returned to 30 percent.

Employers need to educate employees on all steps required for successful anonymous reporting—including the critical responsibility to check back in on their report. If employees have been well-trained on this process, lack of follow-up could be a red-flag indicator for organizational culture. Tracking this metric is important for identifying training and communications opportunities—as well as identifying potential cultural weak spots.

Median Follow-Up Rate of Anonymous Reports

Year	2011	2012	2013	2014	2015
Rate	31%	30%	31%	33%	30%
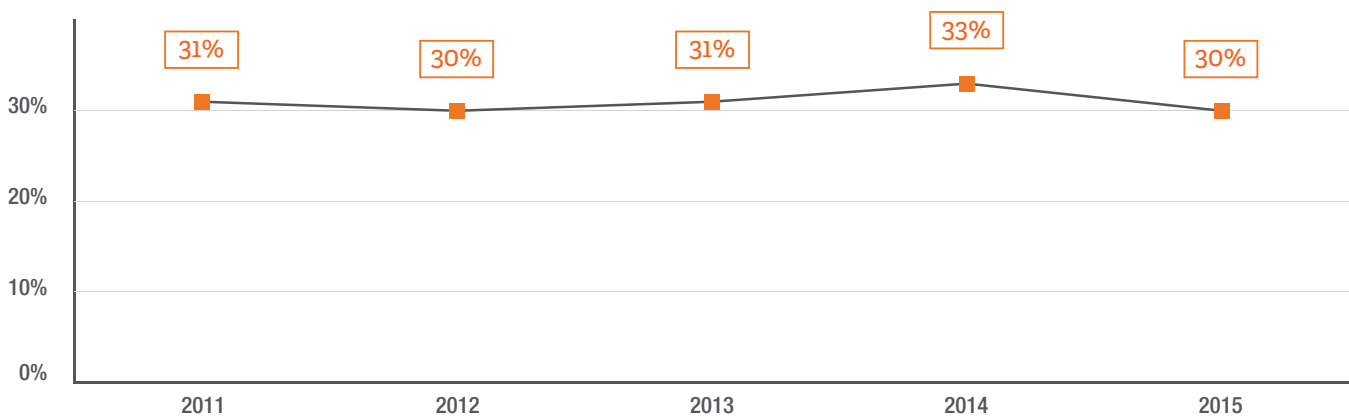
## Overall Substantiation Rate Hits All-Time High

Substantiation Rate reflects the rate of allegations (from both named and anonymous reporters) which were determined to have at least some merit (substantiated or partially substantiated). A high *Substantiation Rate* reflects a well-informed employee base making high-quality reports coupled with effective investigations processes.

How to Calculate: Divide the number of overall reports that are either fully or partially substantiated by the total number of reports that were closed.
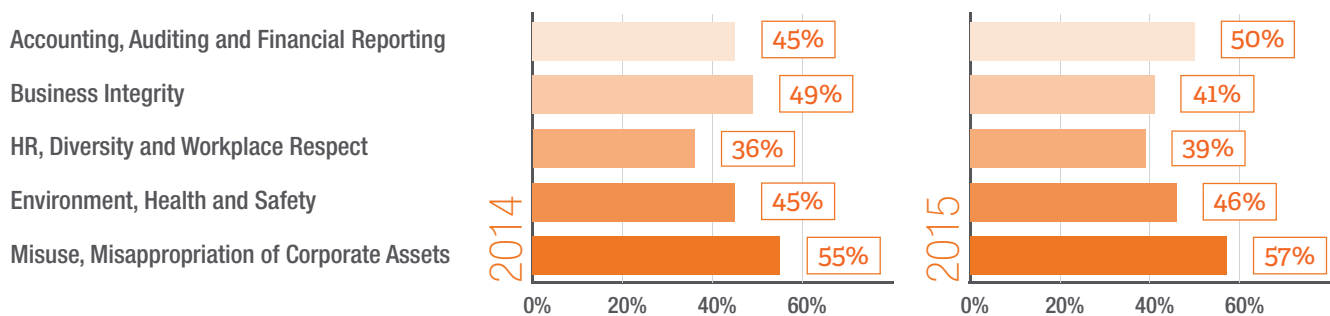
Findings: The *Substantiation Rate* for all reports increased by 11 percentage points since 2010 up to 41 percent of all reports received. This indicates organizations are receiving higher quality and more actionable reports—and are conducting better or more thorough investigations.

Of note in *Substantiation Rate* by allegation category: Accounting, Auditing, and Financial Reporting issues regained five of the ten percentage points lost in 2014; HR, Diversity and Workplace Respect increased by three percentage points; and Business Integrity decreased by eight percentage points.

Overall Median Substantiation Rate
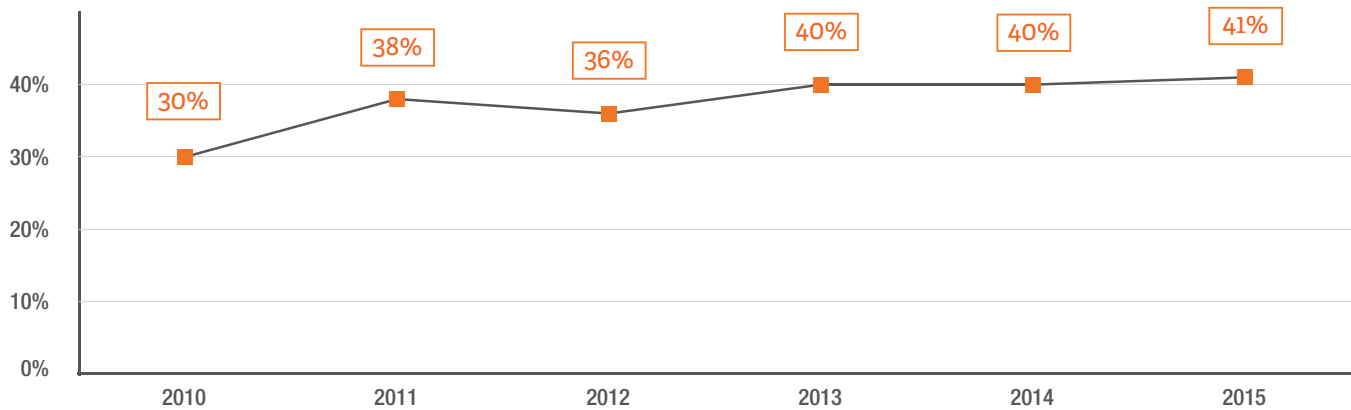
Overall Median Substantiation Rate by Report Allegation Category

Anonymous Substantiation Rate Holds Steady

A bias can exist among senior leaders and board members against the acceptance of anonymous reports. However, research has shown that names are withheld typically out of fear of retaliation or a desire to not be involved—not because the issue reported is deliberately false or frivolous. The fact that investigators may be unable to get the information they need to follow up on anonymous reports may also explain some of the gap between substantiation rates for "named" and "anonymous" reports.
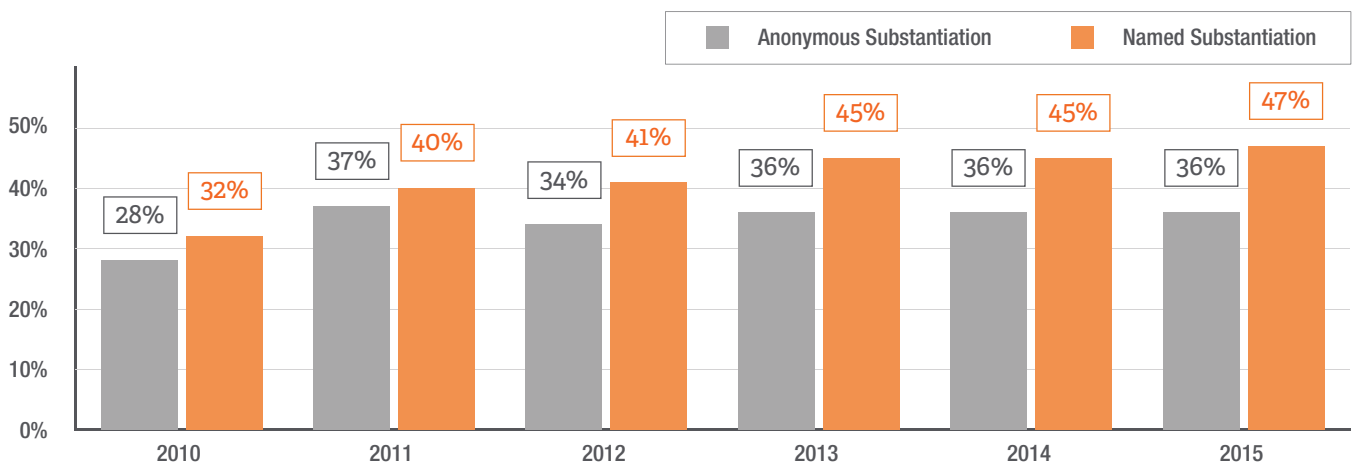
How to Calculate Substantiated Anonymous Reports: Divide the number of anonymous reports that are (fully or partially) substantiated by the total number of reports that were closed as substantiated, partially substantiated and unsubstantiated.

How to Calculate Substantiated Named Reports: Divide the number of reports from named reporters that are (fully or partially) substantiated by the total number of reports that were closed as substantiated, partially substantiated and unsubstantiated.

Findings: Despite the potential bias against anonymous reporters among some leaders and investigators, the substantiation rate for anonymous reports has stayed at 36 percent for the last three years. This demonstrates that these reports are valuable and credible. The substantiation rate of reports from reporters who give their name has been steadily increasing from 32 percent in 2010 to 47 percent in 2015. This rate has remained over the 40 percent mark since 2012.

Comparison of Substantiation Rates between Anonymous and Named Reporters

Legend: ■ Anonymous Substantiation ■ Named Substantiation

| Year	Anonymous Substantiation	Named Substantiation
2010	28%	32%
2011	37%	40%
2012	34%	41%
2013	36%	45%
2014	36%	45%
2015	36%	47%

7. Case Closure Time

Another Significant Increase

Case Closure Time is the number of calendar (not just business) days it takes an organization to complete an investigation and close a case. To earn employees' trust, and ensure they know their concerns are important and are being seriously considered, organizations must complete investigations in a timely fashion. If months go by without a case being resolved, reporters will conclude that their organization is not listening and not taking action which could be detrimental to an organization on a number of levels.

How to Calculate: First calculate the number of days between the date a case is received and the date it is marked closed. Calculate for each case closed during the reporting period. (Calculating the rate based on case open date will skew the data toward shorter closure times, making the result less accurate).

Then, calculate the case closure time by dividing the sum of all case closure times by the number of cases closed in the reporting period.

Median Case Closure Time in Days

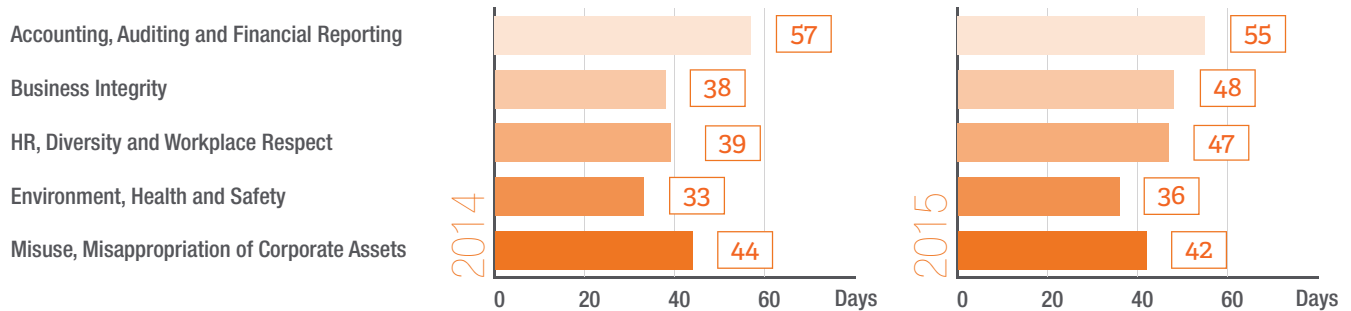| Year	Days
2011	32
2012	34
2013	36
2014	39
2015	46
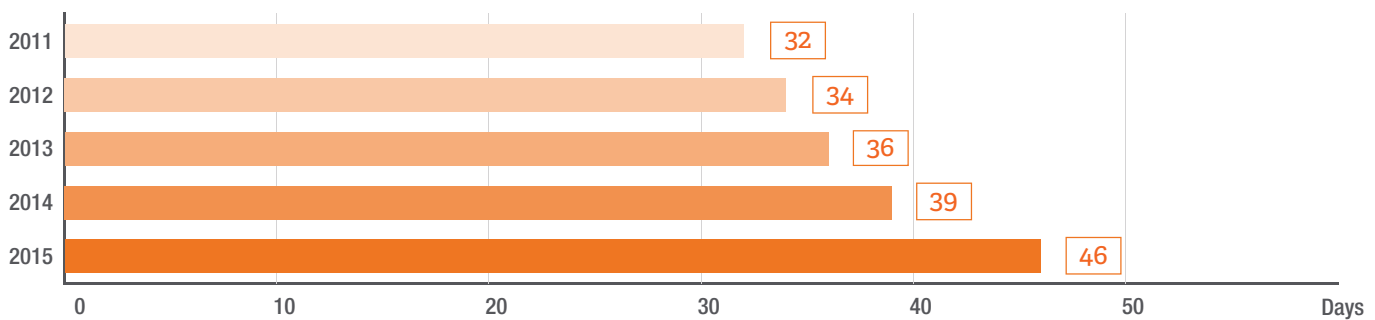
Findings: Over the last five years the median *Case Closure Time* has climbed from 32 to 46 days. *Case Closure Time* in 2008 was 30 days. This represents an 18 percent increase in case closure time over last year and a 44 percent increase in the last five years.

This is a significant concern given that case closure times climbed while the overall median reporting rate remained steady this year. We believe this is a strong indicator that organizations do not have sufficient resources to address the volume of reports they are now consistently receiving.

This trend is also notable given that, under certain agency whistleblower provisions, an organization will have limited time to complete an internal investigation.

Organizations that significantly or consistently exceed an average 30 day *Case Closure Time* are encouraged to review their case handling and investigation procedures and to review with senior leadership any gaps in available resources that need to be addressed.

Case Closure Time by Report Allegation Category in Days

	2014	2015
Accounting, Auditing and Financial Reporting	57	55
Business Integrity	38	48
HR, Diversity and Workplace Respect	39	47
Environment, Health and Safety	33	36
Misuse, Misappropriation of Corporate Assets	44	42

Findings: *Case Closure Time* by report category shows there has been an increase in case closure time for three of the five categories. Accounting, Auditing and Financial Reporting and Misuse, Misappropriation of Corporate Assets each dropped by two days but still remain well above best practice.

▸ For Accounting, Auditing and Financial Reporting the case closure time of 55 days means organizations are approaching the halfway point to the 120 day opportunity for an employee to also report directly to the SEC.

▸ Further, after 120 days from the date of reporting, an audit or compliance professional can also report to the SEC and be eligible for a whistleblower award.

▸ There was a significant (10 day) increase in closure time for Business Integrity cases.

▸ Finally, of serious concern is that the time to close an HR, Diversity and Workplace matters rose from 39 to 47 days. HR related cases are often able to be addressed in a week or less if they receive prompt attention. Given the impact that a festering workplace problem can have on morale, productivity and organizational culture, taking nearly 50 days to address and close this type of case is worrisome.

Small Changes in the Overall Mix, But Web Reporting Continues to Increase Over the Long Term

Monitoring the mix of reporting methods employees choose to use can provide insight into how aware employees are of their different reporting options and their comfort level with the available options.
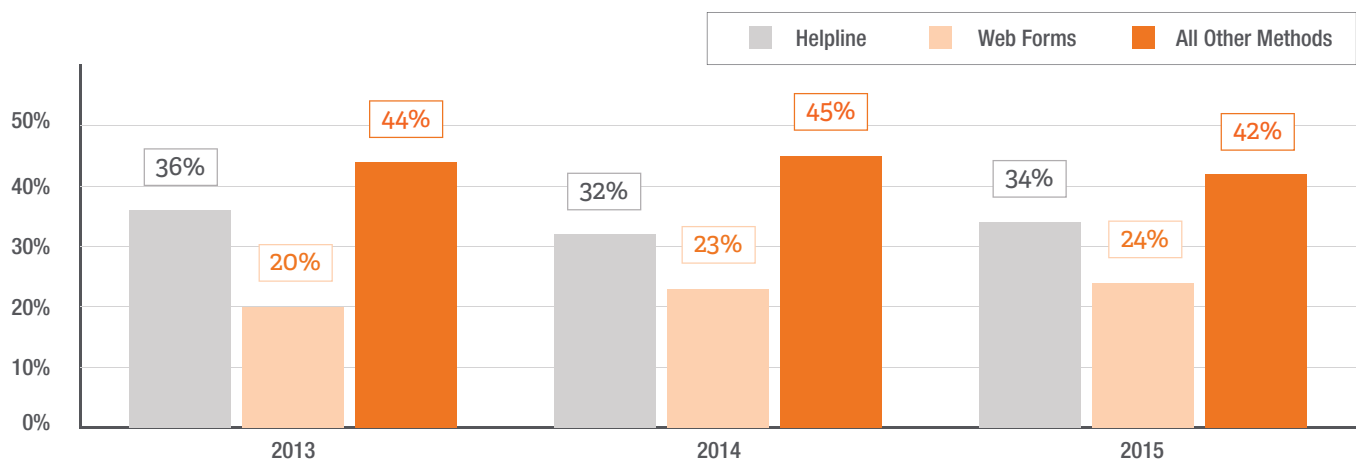
Several factors impact intake method. First, reporting channels have to be made *available* to employees. Second, those channels need to be easily *accessible* to employees. And finally, employees need *awareness* of all the channels available to them so that when they have a reporting need they know where to go, what to do and they can do it in a manner with which they are comfortable.

How to Calculate: Group all non-hotline and non-web report forms (including walk-ins, mobile, email, mail and more) as "All Other Methods." Then tally up the number of reports received by each method and divide by the total number of reports. The resulting percentages represent how employees are choosing to report.

Findings: Results for 2015 showed a slight change from 2014 in the overall mix of intake methods with hotline (phone) submissions increasing by two percentage points and web reporting increasing by one percentage point. We saw a decrease of three percentage points for "All Other Methods." The top three methods in the "All Other Methods" category were email, mail and walk-ins.

While the year-over-year changes were small, reviewing data from 2013 forward shows a trend toward higher level of web reporting (20 percent in 2013 and 24 percent in 2015).

Report Intake Method*

Legend: Helpline | Web Forms | All Other Methods

Year	Helpline	Web Forms	All Other Methods
2013	36%	20%	44%
2014	32%	23%	45%
2015	34%	24%	42%

* Benchmarks for this section include only organizations that track all intake methods in NAVEX Global's EthicsPoint™ Incident Management solution.
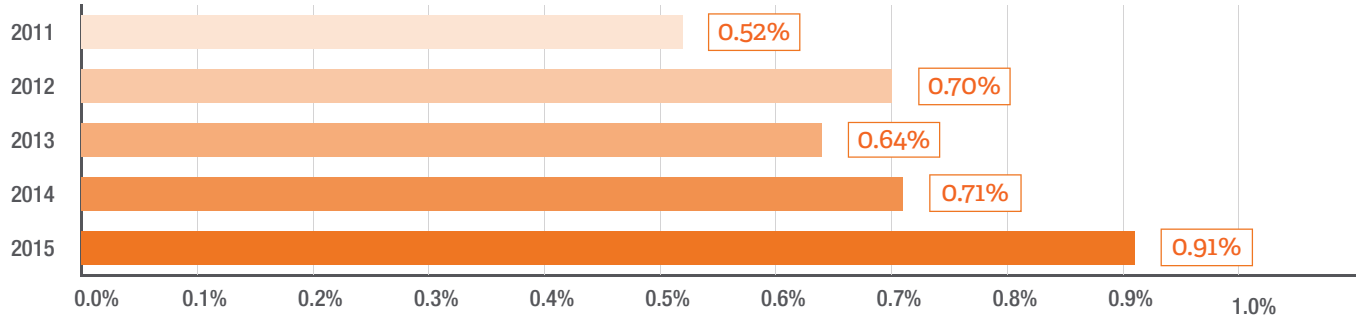
Substantiation Rates Remain Elevated

Discussion of retaliation issues by the ethics and compliance community, as well as by government agencies, continues at an intense level. And, while reports of potential retaliation filed with the Equal Employment Opportunity Commission
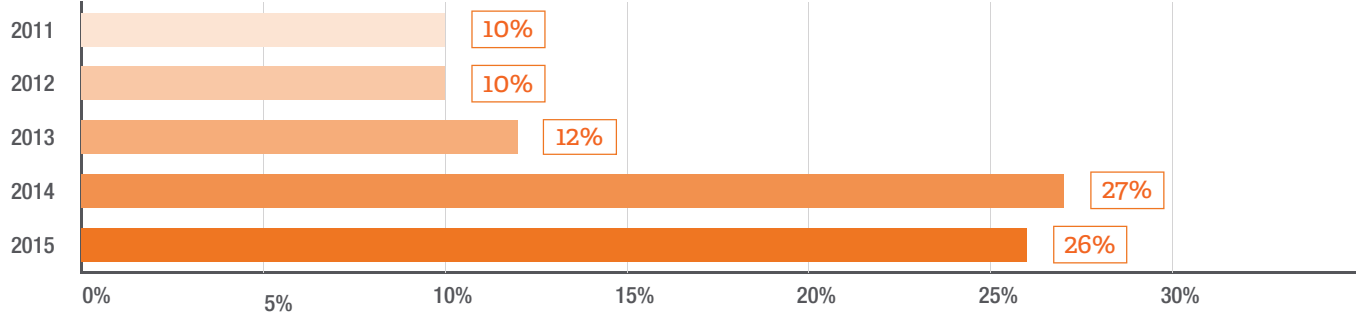
(EEOC) and other government agencies indicates retaliation claims continue to rise, employees are still not using their internal hotline to report these concerns internally.

How to Calculate: Take the total number of reports made, and divide that by the total number of reports made with retaliation as the primary allegation.

Percentage of Retaliation Reports in the Database

Year	Percentage
2011	0.52%
2012	0.70%
2013	0.64%
2014	0.71%
2015	0.91%

Substantiation Rate of Retaliation Reports

Year	Rate
2011	10%
2012	10%
2013	12%
2014	27%
2015	26%

Findings: Since 2011 we have seen the retaliation reporting rate increase from 0.52 percent to 0.91 percent of the reports in our database. However, it is important to note this is still less than one percent of all reports organizations received internally.

When compared to the number of reports of retaliation that are going to outside agencies, organizations are still not getting the opportunity to address a claim of potential retaliation.

Last year we highlighted that substantiation rates for reports of retaliation rose by 125 percent from 12 percent to 27 percent. We were not sure if this was accurate or an anomaly. Based on this year's finding of 26 percent substantiation rate, we are more confident that these findings are accurate.

While the substantiation rate for retaliation claims is not yet close to the overall case substantiation rate of 41 percent, this improvement is encouraging. It indicates more employees are seeing their claims being taken seriously, and may now be more likely to report internally than externally.

Retaliation is a hot-button issue for regulatory agencies. First, the SEC Office of the Whistleblower (OWB) highlighted in its 2015 Annual Report to Congress on the Dodd-Frank

Whistleblower Program, the OWB *"continues to work with Enforcement staff on identifying potential anti-retaliation enforcement actions."*

The report goes on to cite the actions the agency is taking to *"ensure employees are protected from employment retaliation whenever they report possible securities law violations whether internally or to the SEC…"*

Second, OSHA has drafted guidelines designed to help organizations design effective compliance programs that protect whistleblower rights and monitor for retaliation. The guidance includes recommendations to implement retaliation response and monitoring systems and anti-retaliation training.

And finally, in January 2016, the EEOC released for public comment *Proposed Enforcement Guidance on Retaliation and Related Issues*. This is important given that FY 2015 data released by the EEOC showed that retaliation again was the most frequently filed charge of discrimination making up 45 percent of all private sector charges filed.

Ethics and compliance officers have many opportunities to leverage the data in their hotline and incident management systems to improve their compliance programs—and their organizational culture of ethics and respect. This year's benchmarks point to several opportunities to increase program effectivness:

▸ **Increase focus on anti-retaliation efforts: training, investigating and encouraging employees to report internally.** The low number of retaliation-related reports captured in our data gives us cause to believe that employees are more likely to report retaliation issues externally than internally.

▸ **Work on getting case closure times back within best practice ranges.** The ongoing and significant rise in case closure times is cause for concern, as a festering workplace issue can drag down morale, productivity and organizational culture. It can also lead to allegations being reported outside the organization to regulatory agencies directly. Best practice case closure time is an average of 30 days. Look carefully at the factors that could be causing delays in closing cases and address them.

▸ **Get a more complete picture of your risks by documenting all reports in one centralized incident management system.** Documenting reports from *all* reporting channels in an incident management systsem creates a more accurate, comprehensive and holistic view of your E&C cases—and the cultural health of your organization. It also increases the rigor with which you can track, investigate, analyze and resolve those reports.

▸ **Make the business case for matching your report volume with appropriate resources.** Report volumes are up, and staying up, and case closure times are getting worse every year. If your organization hasn't caught up to the "new normal" in reporting volume, use the data we've provided to help make the business case for adding resources and tools to help. Share this data with your board and executive leadership to make the business case for additional resources to manage issues.

▸ **Encourage employees to see your hotline as a resource for information, not just a channel for reporting.** Increased awareness of the ability to use the hotline as a helpline can give employees permission to call when they need advice or assistance, not just to report an issue. Seeing the hotline as a resource can help increase the likelihood that your employees will feel comfortable asking for help—and take preventative action to avoid misconduct.

Hotline data that is carefully tracked, reviewed, benchmarked and presented with sufficient context often provides the early warning signs needed to detect, prevent and resolve problems. We at NAVEX Global hope that this report is helpful to your organization and we welcome any feedback on these findings.

ABOUT OUR HOTLINE & INCIDENT MANAGEMENT SOLUTIONS

NAVEX Global's ecosystem of GRC software and services can help your organization prevent, detect and respond to legal, regulatory and reputational risks.

The software and services in our Report & Resolve product family help organizations spot trends and take corrective action before minor issues become major.

▸ **Hotline Reporting:** The ethics hotline provider trusted by thousands of clients around the world, our employee hotlines help staff, customers, suppliers and other stakeholders to quickly and easily report potential ethics and compliance issues. Our compliance hotlines also provide the ethics

and compliance data you need to inform your program, helping you increase and measure overall effectiveness.

▸ **Incident Management:** Our EthicsPoint™ Incident Management software empowers organizations to capture and investigate ethics and compliance-related reports from all locations and reporting channels in a centralized database, creating a systematic approach to documenting case assignments and streamlining workflow.

▸ **Awareness Solutions:** Raise awareness of key E&C program components, including your hotline and key training messages, with NAVEX Global's proven awareness materials.

ESTABLISH & MANAGE POLICY

PolicyTech™ Policy Management

Policy Writing & Review

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EXPERT GUIDANCE

Strategic Consulting

TRAIN & ENGAGE

Online Training

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ASSESS & MONITOR

RiskRate™ Enterprise Due Diligence

Program Reviews & Assessments

Custom Benchmarking

Independent Monitoring

PROTECTING YOUR PEOPLE, REPUTATION AND BOTTOM LINE

REPORT & RESOLVE

Hotline Reporting

EthicsPoint™ Incident Management

Awareness Solutions

ADDITIONAL RESOURCES

NAVEX Global also offers many valuable resources for helping you increase program effectiveness by leveraging your hotline and incident management data.

Visit our resource center at www.navexglobal.com/resources to find these tools and more:

White Papers:

▸ Whistleblower Hotlines and Case Management Solutions—Major Challenges and Best Practice Recommendations

▸ Key Elements for Effective Compliance Program Board Reporting

▸ Maximizing the Benefits of Hotline Data: Analysis and Benchmarking

On-Demand Webinars:

▸ Whistleblowing & Retaliation: Legal Developments And Practical Advice

▸ How Do I Prove My E&C Program is Effective? The Art & Science of Effectiveness Measurement

Carrie Penman

Chief Compliance Officer and Senior Vice President, Advisory Services
NAVEX Global

Carrie Penman is NAVEX Global's chief compliance officer and senior vice president of the Advisory Services team. She has been with the firm since 2003 after four years as deputy director of the Ethics and Compliance Officer Association (ECOA). Carrie was one of the earliest ethics officers in America—a scientist who developed and directed the first corporate-wide global ethics program at Westinghouse Electric Corporation. Since joining the advisory services team, she has conducted numerous program and culture assessment projects for clients around the world and regularly works with and trains boards of directors and executive teams. She also serves as a corporate monitor and independent consultant for companies with government agreements.

Edwin O'Mara

Operations Manager, Advisory Services
NAVEX Global

Eddy O'Mara, operations manager of Advisory Services, leads the development of our Integrity Diagnostics product offering, as well as making key statistical and analytical contributions to our annual Ethics and Compliance Hotline Benchmark Report and Client Culture Surveys. Eddy graduated from Bentley University with both a B.A. in Ethics and Corporate Social Responsibility and a B.S. in Business Management. He has been with NAVEX Global's Advisory Services team since 2012.

NAVEX Global's comprehensive suite of ethics and compliance software, content and services helps organizations protect their people, reputation and bottom line. Trusted by 95 of the FORTUNE 100 and more than 12,500 clients, our solutions are informed by the largest ethics and compliance community in the world. For more information, visit www.navexglobal.com.

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