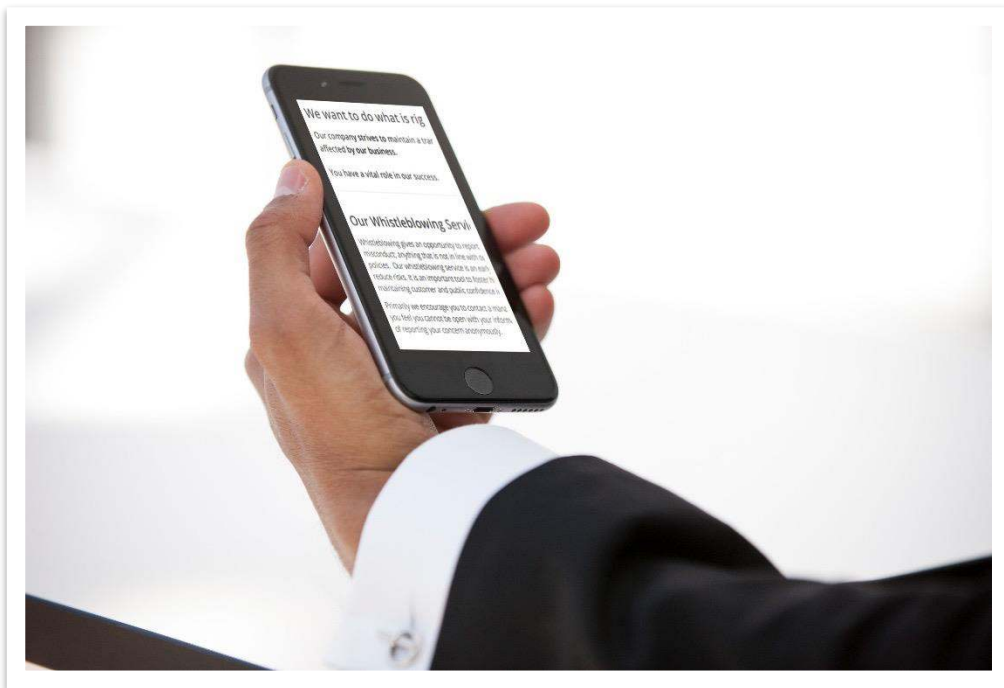


## Corporate whistleblowing - what can you expect?

Findings from WhistleB's surveys on corporate whistleblowing

November 2016



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Whistleblowing is rising further up the compliance and ethics agenda as one of the most effective tools for combatting corruption. However, even in the Nordics, considered to be one of the least corrupt regions in the world, blowing the whistle remains an uncomfortable step for a person to take – for fear of repercussion<sup>1</sup>.

To encourage more people to report suspected corporate wrongdoing, new regulations are being introduced across Europe. In Sweden a new law for stronger whistleblower rights will come into force on January 1<sup>st</sup> 2017. In Norway employers are now obliged to establish policies for internal notification of wrongdoing. At a European level, the updated EU General Data Protection Regulation that will be introduced in May 2018 will further protect whistleblower personal data.

Against this background, WhistleB carried out a survey of our customers during the summer of 2016, which was subsequently updated in November 2016. How is whistleblowing currently handled within Swedish organisations that have an established whistleblowing service? And what can an organisation expect to gain from a whistleblowing service?

### About the survey:

- The online survey combines results from 100+ Swedish companies, authorities and organisations.
- The study was conducted by WhistleB and EY.
- Participants answered a web-based questionnaire using the WhistleB whistleblowing channel.
- Participants were able to answer anonymously.
- The online survey was supplemented by WhistleB's findings from the Third Summit on Anti-Corruption that took place in Oslo in November 2016.

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WhistleB  
WHISTLEBLOWING CENTRE

EY  
Building a better  
working world

Delta i studien & Testa att blåsa i visselpipan!  
Välkommen till WhistleBs och EYs studie om visselblåsartjänster.

Du svarar i visselblåsarkanalerna

Studien görs i WhistleBs visselblåsarkanal, där frågorna till visselblåsaren är utbytta till frågor om en visselblåsartjänst. Ni deltar i studien genom att välja "Skapa ny rapport" och fylla i frågeformuläret på nästa sida. Liksom visselblåsaren, svarar du anonymt.

Almedalen

WhistleB och EY är föredragshållare under seminariedagen "Tillsammans mot korruption". Under seminariet lanserar vi resultatet av denna studie och diskuterar vad lagförslaget om starkt visselblåsarskydd innebär för arbetsgivaren. Välkomna till seminariet den 5 juli kl 16 Wisby Strand Congress & Event.

Ditt bidrag är viktigt

Den nya lagen om starkt visselblåsarskydd gör behovet av en trovärdig visselblåsartjänst än mer angeläget. Därför är det värdefullt att få information av dig som redan har erfarenhet av en visselblåsartjänst. För dig som deltar i studien finns resultatet tillgängligt i denna kanal redan den 1 juli. Välj "Följ upp" och ange ditt personliga ID och lösenord som du får efter att du har skickat svaren. (Visselblåsaren använder denna funktionalitet för att föra en dialog med arbetsgivaren i utredningsfasen med behållnen anonymitet.)

Välkommen att kontakta oss vid frågor: info@whistleb.com

Skapa ny rapport

Följ upp

Tack för din medverkan, och Välkommen att ta del av resultatet i Almedalen.

<sup>1</sup> Transparency International, Sweden - Press release 16th November 2016

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## Summary of survey findings

### How many reports does your organisation receive?

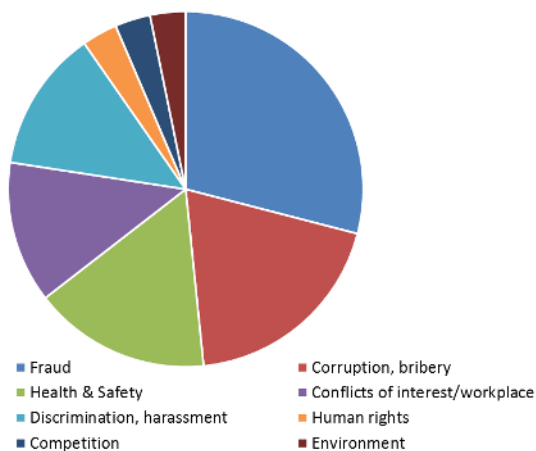
Aggregated result: 1 report per 500-1000 employees and year.

The number of whistleblowing reports received varies between sectors and countries of operation, but not so much between organisation sizes.

Approximately half of the reports received led to an anonymous dialogue between the whistleblower and the employer. Such dialogue is invaluable for the employer as it enables the organisation to manage the issue internally and limit cost and reputational damage.

### What kinds of issues are reported through the whistleblowing channel?

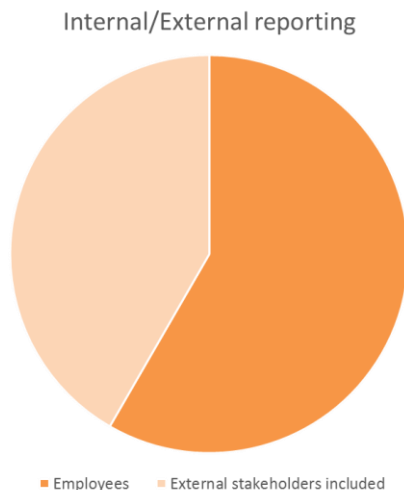
3



1. Fraud, theft
2. Corruption, bribery
3. Discrimination, harassment, workplace related issues
4. Health & safety

Almost half of all reports received by participants were related to economic crime of some sort, which is partly to be expected since whistleblowing systems were originally conceived to fight corruption and fraud. On the other hand, the fact that half of the reports received related to non-economic crime, is an indication that whistleblowing systems help organisations surface other very relevant information that they would otherwise not be able to get.

## Who is invited to report?



Example of external stakeholders:

- Suppliers
- Customers
- General public

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It's not only employees that spot suspicious behaviour. More than half of the companies surveyed said that they invite external stakeholders to report misconduct. These organisations recognise that amongst customers, suppliers, partners or other stakeholders there might well be a whistleblower that can save their company's reputation. Not only that, by inviting external stakeholders to report suspected wrong-doing, organisations clearly show their intolerance to corruption and commitment to working with others who have good corporate ethics.

## How are whistleblowing cases escalated?

Summary of responses:

Most organisations report to the Board of directors on a quarterly or a bi-annual basis. They report to the management team more frequently, often monthly or bi-monthly. Severe cases are an exception however, and organisations say they have a faster escalation process under these circumstances.

The results of whistleblowing reporting are often presented as statistics, including the number of reports and the nature of the incident, as well as other company-specific indicators.

When it comes to escalation, it's essential that the board of directors has the capability to handle whistleblowing reports. Board members need to be able to evaluate the whistleblowing procedure, ensure that it is accurate and adequate, and that it complies with relevant regulations such as data protection and confidentiality. Survey responses indicated that the existence of an escalation process between the board and shareholders was vital. Shareholders should be kept informed and even involved as part of the escalation process.

## Compliance officers have their say

Compliance officers are often the front line recipients of whistleblowing reports and responsible for their escalation. At the 3rd Summit on Anti-Corruption (Nordics Edition) in November 2016, WhistleB conducted a simple poll of compliance professionals to find out their preferences when it comes to whistleblowing reporting. The results provide insight to business leaders considering which type of whistleblowing reporting channels they may want to provide.

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### 1. From which channel do you receive the majority of your whistleblowing reports?

- Insert PIE CHART version of Q1 results

The results show that nearly 80% of respondents receive the majority of their whistleblowing reports through a web service. This is a trend WhistleB is seeing among our customers more broadly, and perhaps the most obvious reason is the anonymity and security that web-based reporting channels provide. However, another key factor is the optimisation of web platforms for smart phones, enabling whistleblowers to record and report evidence of misconduct more easily.

## 2. Through which channel do you prefer to receive your whistleblowing reports?

- Insert PIE CHART version of Q2 results

Nearly 80% of the compliance professionals surveyed revealed that they preferred to receive reports through a web service, whereas only one in ten preferred to receive them by telephone. A key reason for this preference may be that an online system enables compliance officers to capture information more efficiently, and subsequently handle cases more effectively with the help of a structured online process.

## 3. How do you handle the management of whistleblowing cases?

- Insert PIE CHART version of Q3 results

Nearly 70 % of those polled said that the management of whistleblowing cases is handled internally, while approximately 30% revealed that it is handled both internally and externally.

These results tell us that Nordic companies clearly prefer an internal investigation team, and there are of course advantages to handling investigations internally:

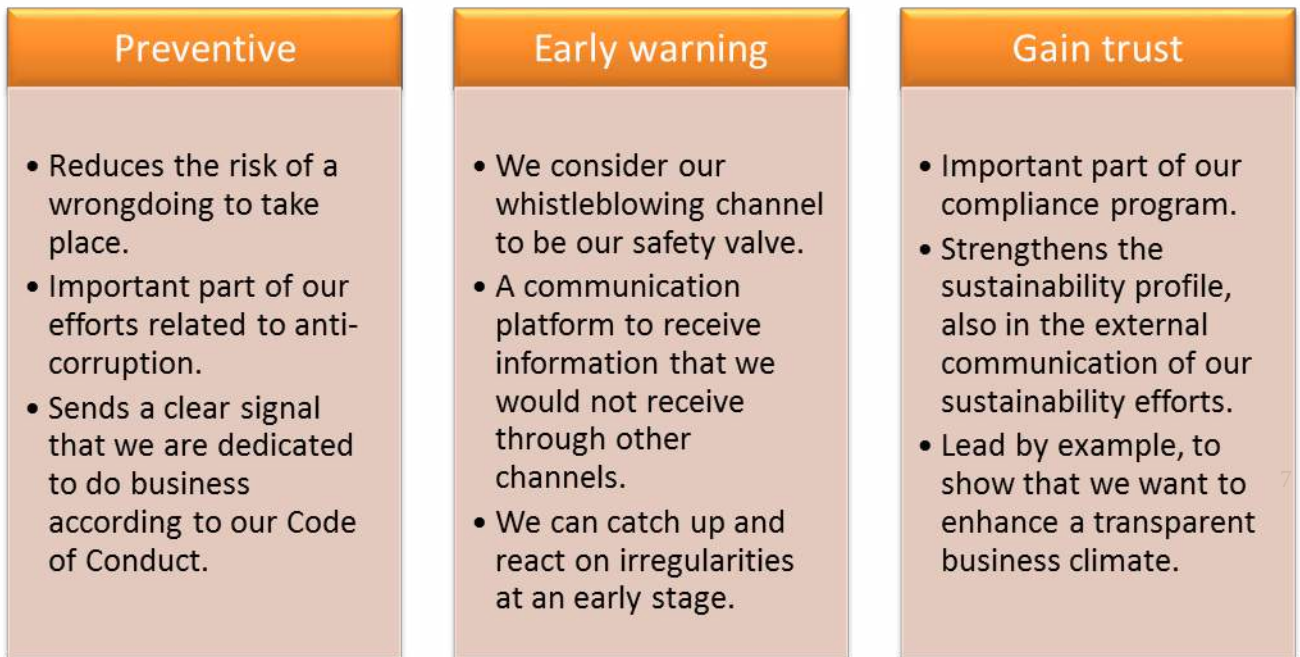
- Only the internal team can extract and combine information from multiple reports and sources to find a pattern.
- Information is more secure since it is handled within the organisation.
- It is usually more cost efficient since external expertise is only called upon for specialist skills that don't exist in-house.

On the other hand, there are a number of critical pre-requisites for successful internal handling of investigations:

- The investigation team must be trustworthy and able to work independently.
- A process must be in place for the correct escalation of cases.

## Major benefits of a corporate whistleblowing service

According to respondents of our online survey, prevention, receiving early warnings and gaining trust were the major benefits of a corporate whistleblowing service.



### Prevention

- Reduces the risk of wrongdoing taking place
- Effective part of anti-corruption efforts
- Sends a clear signal that we are committed to our Code of Conduct

### Early warning mechanism

- Acts as a safety valve, when other channels have failed
- Provides a communication platform for receiving information we would not otherwise receive through other channels
- Enables us to catch and act on irregularities early

### Gain trust

- A key part of our compliance programme
- Strengthens our position as a sustainable business, internally and externally
- Enables us to lead by example in stimulating a transparent business climate

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## What do customers say are the success factors for a corporate whistleblowing service?

Respondents reported that the main success factor for a corporate whistleblowing service is that it provides **anonymous reporting and a trustworthy investigation process**. Below are some of the direct quotations from participants in the online survey.

*"We see that reporting increases when the employees can report with guaranteed **anonymity** and in **their own language**."*

*"That there is a channel to report for those who want to be **anonymous**, and that there is a **structured process** for reporting and for handling of cases."*

*"The most important thing is to show that there is a **serious process**. We have received more tips through the channel than I expected. "*

*"A whistleblowing function that members of staff can trust is a key sustainability tool for the board. It is important that irregularities... can be reported anonymously, for example through an independent external third party."*

Leif Johansson, chairman of Ericsson and AstraZeneca, former CEO of Volvo.  
Quote from the handbook "Sustainable Profit"  
by the founders of WhistleB, Whistleblowing Centre





## About WhistleB

WhistleB provides a whistleblowing service for companies, authorities and organisations. We are a fast-growing company present in more than 100 countries.

WhistleB has more than 20 years of experience in the fields of compliance and corporate sustainability. We are committed to helping customers minimise their risks and strengthen their performance through high ethical procedures and a leading whistleblowing service.

In 2016, WhistleB was nominated for the annual Legal Innovator Prize by Legaltech.se, Legal Works and Legal Hackers.

*“We are very proud to have received this nomination. It is proof that we provide a next generation whistleblowing service, where user-friendliness and security are key.”* Gunilla Hadders, co-founder of WhistleB, Whistleblowing Centre

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For more information about this study, or if you have further questions concerning corporate whistleblowing, please contact Karin Henriksson, Co-founder of WhistleB, [karin.henriksson@whistleb.com](mailto:karin.henriksson@whistleb.com)