NAVEX

Workplace Whistleblowing: What your board needs to know

With remote and flexible working trends here to stay, it is more important than ever that senior executives and board members understand the importance of providing access to a confidential whistleblowing process.

From health & safety, and harassment & discrimination, to data privacy, financial misreporting and conflicts of interest, organisations should ensure their employees and stakeholders can always safely speak up about their concerns, no matter where they are located.

Below are 8 key facts your board needs to know about workplace whistleblowing.

What is a whistleblower?

A whistleblower is an employee, or external stakeholder, who reports a concern or suspected wrongdoing that may have occurred within the workplace. A report can relate to a potential breach of law, company policy, or unethical activity, and is made confidentially to senior management, or to the organisation's nominated whistleblowers' champion, or submitted through a dedicated whistleblowing channel. Employees can also submit a report externally to the appropriate industry or government body.

Whistleblowing channels are known by many names...

- Whistleblowing hotline
- Fraud hotline
- Integrity line
- Ethics helpline
- Confidential helpline
- Speak-up line
- Alert line
- Loss-prevention line

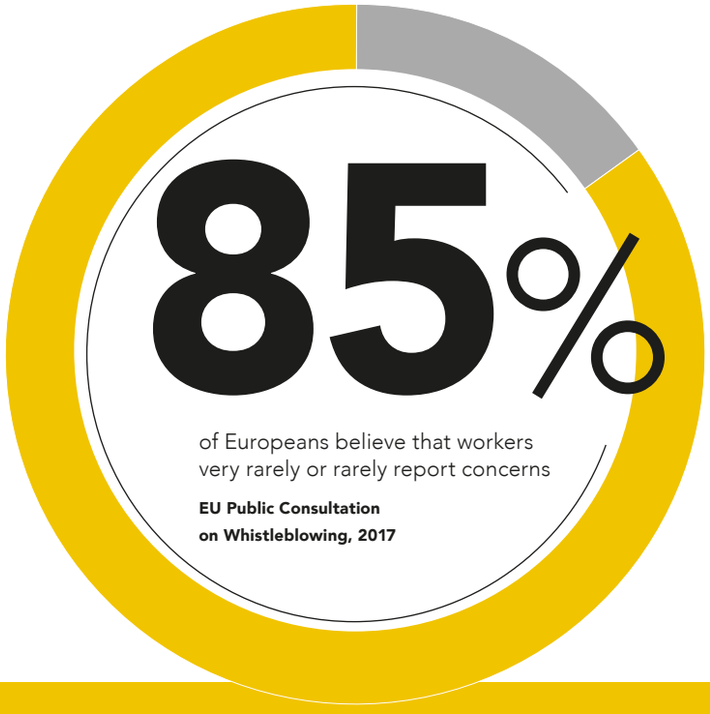
...and can take many forms

- Telephone
- Post and Email
- Web and PC
- Mobile
- In-person

01 It is not good news if your employees aren't raising any concerns

Your board needs to know that it is not good news if you are not hearing any concerns being raised by your employees. It is likely that misconduct is occurring within your workplace that you are not aware of.

Many employees have concerns they wish to raise, but most are not comfortable in doing so. It is far more beneficial to encourage your employees to raise their concerns so they can be identified and resolved early on rather than remain unchecked where they can escalate into a crisis.



52% of respondents have had information or concerns about misconduct at work

56% of these chose not to report

EY Fraud Survey, 2017

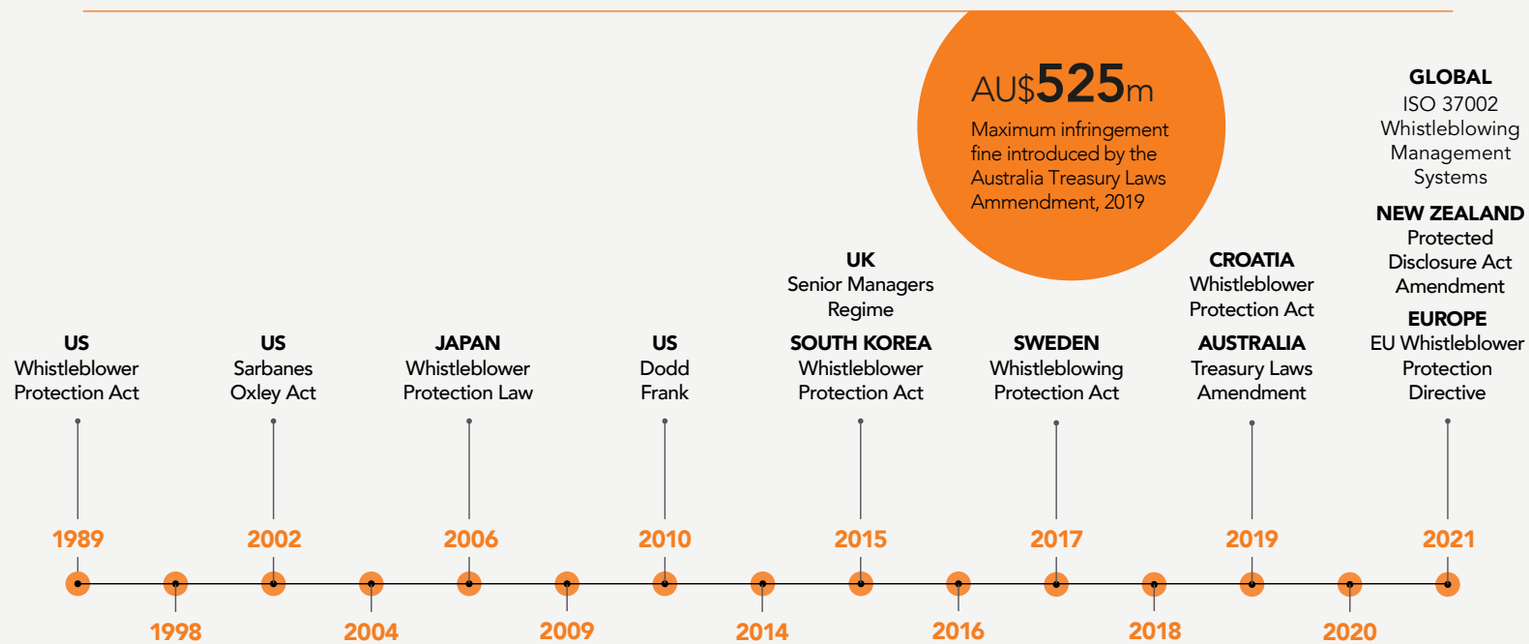
> Every organisation faces the risk that something will go badly wrong and ought to welcome the opportunity to address it as early as possible.
>
> Whistleblowing Arrangements – Code of Practice, BSI British Standards

02 Establishing a whistleblowing process is a legal requirement

Your board needs to know that whistleblower regulations are not only increasing around the world but many jurisdictions are also amending existing regulations to broaden the scope of existing legal requirements and establish greater enforcement.

Hundreds of thousands of organisations, both in Europe and further afield, are now legally required to have whistleblowing processes in place, depending on their size, location or industry. Failure to comply with these laws may result in prosecution and severe financial penalties.

MAJOR COMPLIANCE REGULATIONS ARE BEING INTRODUCED AND UPDATED WITH TOUGHER REQUIREMENTS



UK
Public Interest Disclosure Act

ROMANIA
Whistleblower Protection Act

AUSTRALIA
Corporations Act

CHINA
PRC Consititutional Law

INDIA
Whistleblowers Protection Act

FRANCE
Loi Sapin II

NETHERLANDS
House for Whistleblowers

ITALY
Whistleblowing Law 179

NORWAY
Working Environment Act Amendment

JAPAN
Protection Law Whistleblower Amendment

Many public and private organisations are now required by law to establish a whistleblowing process.

FIND OUT MORE

WhistleB®
By NAVEX

WhistleB is a cost effective whistleblowing system designed specifically to meet the EU Whistleblower Directive and the GDPR. It is quick to implement, easy to use and can be ordered on-line.

03 The more whistleblowing reports you receive, the better

Your board needs to know that receiving a high number of whistleblowing reports is good for business.

It is a common misconception that receiving whistleblowing reports is a sign of an unhealthy culture and an underperforming business. On the contrary, academic research shows that a strong speak-up culture where employees raise their concerns not only helps the business achieve regulatory compliance, but it also provides a strategic competitive advantage. The data shows that the more whistleblowing reports you receive, the better your organisation's financial performance is likely to be.

ORGANISATIONAL BENEFITS OF RECEIVING A HIGHER NUMBER OF WHISTLEBLOWING REPORTS

2.8%
increase in return on assets

6.9%
fewer material lawsuits

20.4%
reduction in settlements

46%
fewer negative news stories

George Washington University, Evidence on the Use and Efficacy of Internal Whistleblowing Systems, 2018

04 Your employees must trust your whistleblowing programme

Your board needs to know that your employees will only raise their concerns if they trust your whistleblowing programme.

There are three essential requirements to establishing trust with your whistleblowing programme and to maximise the likelihood that your employees will speak up about their concerns.

YOUR EMPLOYEES SHOULD KNOW HOW TO RAISE THEIR CONCERNS AND CAN SUBMIT A REPORT AT ANY TIME

4 in 5

employees do not know their company has a whistleblowing hotline

EY Fraud Survey, 2017

YOUR EMPLOYEES SHOULD FEEL SAFE AND AFFORDED A HIGH DEGREE OF CONFIDENTIALITY

80%

of workers do not report due to fear of legal consequences

EU Public Consultation on Whistleblowing, 2017

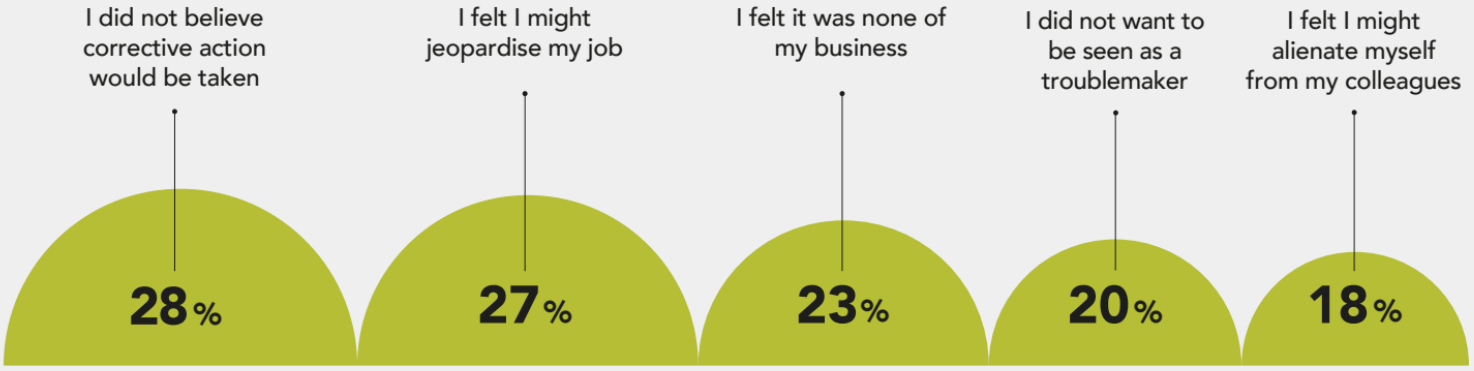
EVERY REPORT SHOULD BE INVESTIGATED PROMPTLY AND APPROPRIATE ACTION TAKEN

35%

of workers do not report as they believe no action will be taken

EU Public Consultation on Whistleblowing, 2017

TOP 5 REASONS WHY EMPLOYEES DID NOT RAISE CONCERNS ABOUT MISCONDUCT



Institute of Business Ethics, Ethics at Work Survey Europe, 2018

05 The more reporting channels you provide, the more reports you will receive

Your board needs to know that the more communication channels you provide for your employees to raise their concerns, the greater the number of whistleblowing reports you will receive.

To maximise engagement with your whistleblowing programme you should aim to provide a range of reporting channels such as web, telephone, and in-person. This allows the whistleblower to choose the communication channel they feel most comfortable using and increases the likelihood that they will submit a report.

MEDIAN NUMBER OF WHISTLEBLOWING REPORTS RECEIVED PER ORGANISATION

PERCENTAGE OF WHISTLEBLOWING REPORTS MADE BY REPORTING CHANNEL

1 Report
per 100 employees

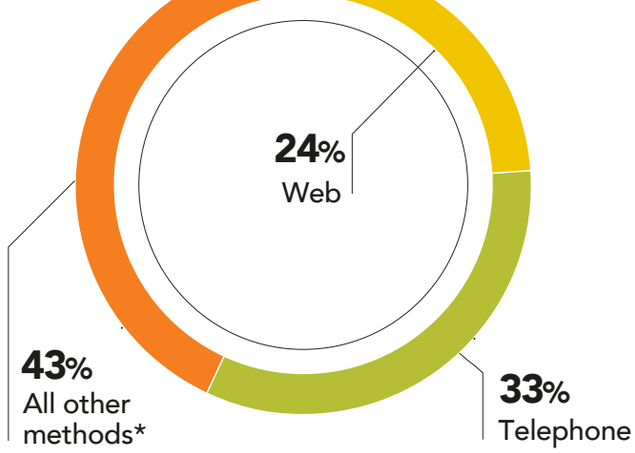
Available reporting channels: Web and Telephone

2 Reports
per 100 employees

Available reporting channels: All channels*

*includes Web, Telephone, Mobile, In-Person, Email and Post

NAVEX Global Whistleblowing Benchmark Report, 2020



*includes Mobile, In-person, Email and Post

NAVEX Global Whistleblowing Benchmark Report, 2020

06 Anonymous whistleblowing reports hold significant value

Your board needs to know that anonymous whistleblowing reports are valuable and should be encouraged.

There is a long-standing, and unfounded belief, that anonymous reports are frivolous or deliberately false compared to named reports. Data shows that anonymous whistleblowing channels continue to offer valuable insights and provide similar levels of substantiated allegations compared with named reports. Organisations should therefore ensure they have channels in place that allow employees to report their concerns anonymously.

REPORTS MADE BY TELEPHONE

Anonymous Reports

32% substantiated

Named Reports

36% substantiated

REPORTS MADE BY WEB

Anonymous Reports

36% substantiated

Named Reports

40% substantiated

NAVEX Global Whistleblowing Benchmark Report, 2020

07 Regulations require minimum whistleblowing standards

Your board needs to know your organisation may be legally obliged to maintain minimum standards throughout the whistleblowing process.

Legal requirements cover the provision of whistleblowing services across many stages of the process. These include requirements relating to whistleblowing awareness and reporting options, to managing the investigations process, providing appropriate feedback and safeguarding the reporter.

THE EU WHISTLEBLOWER PROTECTION DIRECTIVE REQUIRES A WHISTLEBLOWING PROGRAMME TO:

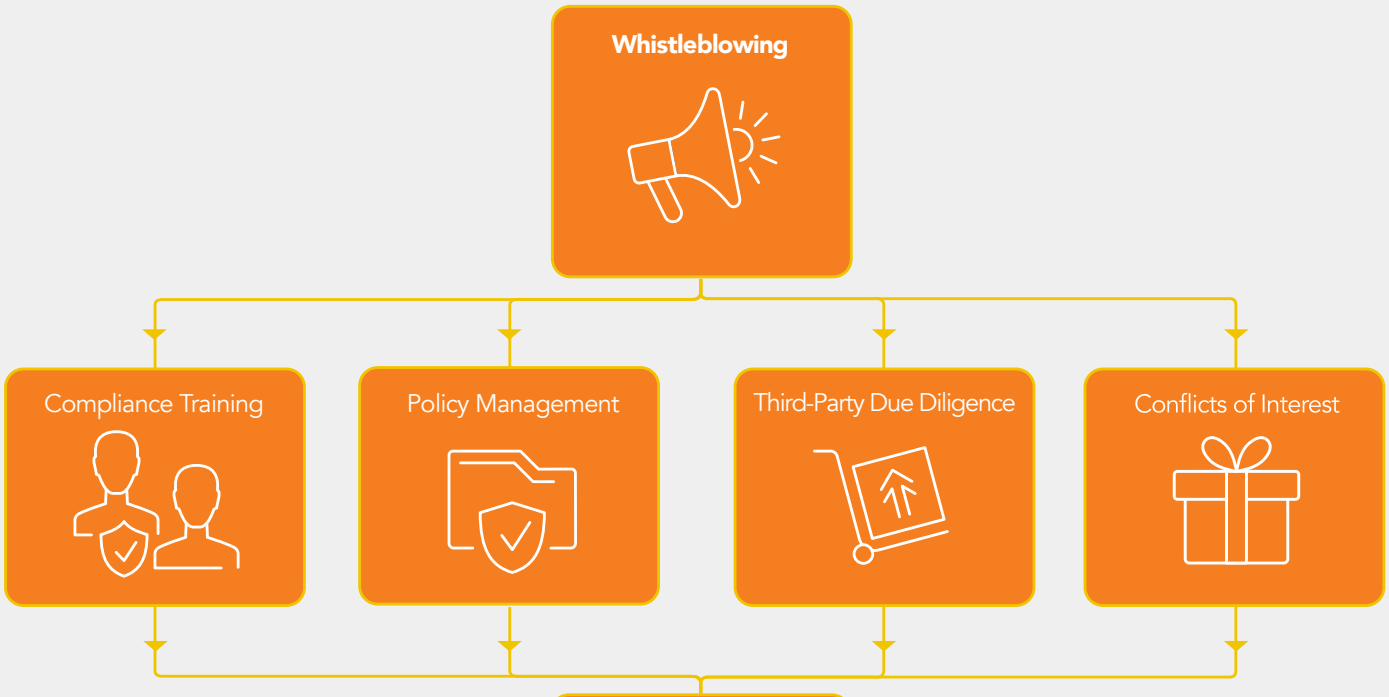
- provide employees [sic] with clear information on the internal reporting process and the reporting channels to the competent authority
- allow reporters to submit a report in writing, and/or orally, and/or via a personal meeting
- **confirm receipt of the report to the reporting person and the status of the internal investigation and its outcome within set timeframes**
- to handle all personal data in accordance with the GDPR and store all reports in a safe place
- provide robust protection against all direct and indirect forms of retaliation against the reporting person and other protected parties

EU Whistleblower Protection Directive (Directive (EU) 2019/1937)

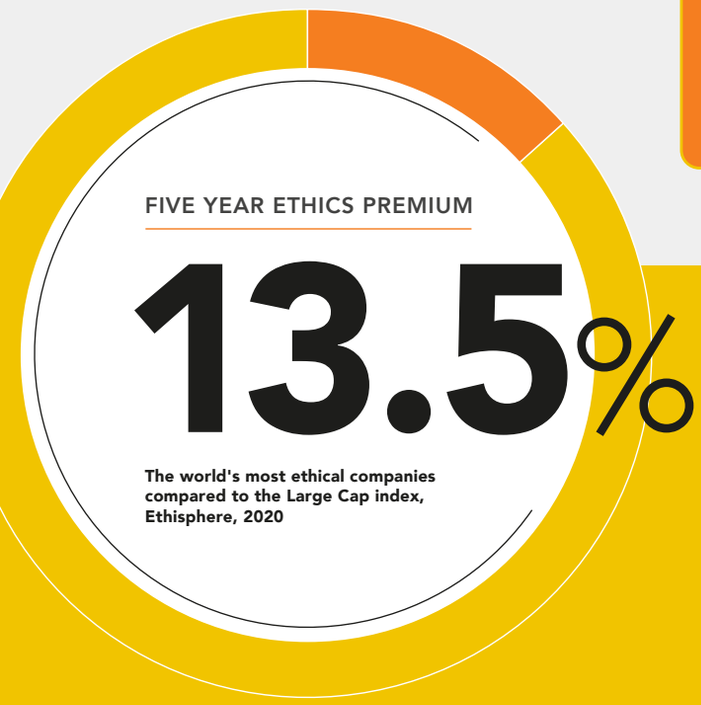
08 Whistleblowing improves your risk and compliance programme outcomes

Your board needs to know that effective whistleblowing processes can bring significant benefits to your wider compliance programme.

Organisations can gain additional insights and build a stronger workplace culture by connecting the whistleblowing programme with the broader compliance framework. Whistleblowing data provides valuable information on the efficacy of your risk and compliance programme and provides full visibility of your organisation's risks for better reporting and decision making.



Reporting & Benchmarking Dashboard



> Organisations that embrace whistleblowing as an important source of information find that managers have better information to make decisions and control risk.
>
> UK Gov, Dept Business, Innovation and Skills

Discover the right whistleblowing solution for your organisation

NAVEX Global provides the world's most popular whistleblowing and speak-up solutions, supporting more than 10,000 organisations and 50 million employees every day:

Convenient
On-line service provides instant access for employees

Cost-effective & Fast
On-line purchase and set-up keep costs managable

Configurable
Powerful options to tailor to individual requirements

Integrated
Connect to your wider risk and compliance programme

DISCOVER OUR SOLUTIONS

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#YearOfTheWhistleblower