



» Whistleblowing Report 2019 «

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Foreword



Internal whistleblowing is beneficial for companies. Reporting legal or internal rules and values violations can help to identify risks at an early stage and avoid sanctions, fines and reputational damage. While many European companies recognise this and have established whistleblowing systems, others continue to lag due to an inadequate compliance culture, internal reticence or ineffective reporting channels.

Whistleblowing is gaining recognition throughout Europe, not least due to recent legislative change. While whistleblowing systems were already widespread in Great Britain, in 2017 France introduced the Sapin II anti-corruption law, obliging companies to set up reporting channels. Now the European Union is following suit. Once Member States have implemented the Whistleblowing Directive into national law, companies with more than 50 employees will be obliged to set up efficient and effective reporting channels. This will serve to protect the whistleblowers. They should not have to fear consequences for disclosing misconduct.

But how can effective reporting channels be implemented that meet all requirements? Where should reports be managed within the organisation? Should anonymous reporting be made possible, and is it sensible to open reporting

channels outside the organisation? We have addressed these and other questions in this Whistleblowing Report 2019 carried out in partnership with the Swiss University of Applied Sciences HTW Chur. Our aim was to use robust data analysis to improve awareness of whistleblowing systems and to address uncertainties that still exist in many companies.

The Whistleblowing Report 2019 provides comprehensive insight into current practices in Germany, France, Great Britain and Switzerland. We hope that you enjoy reading it and gain new insights into this topic. We would like to thank the many companies whose cooperation has made this study possible. Our special thanks go to Prof. Christian Hauser, and his team from HTW Chur, for their professional cooperation.

Achim Weick
Founder & CEO
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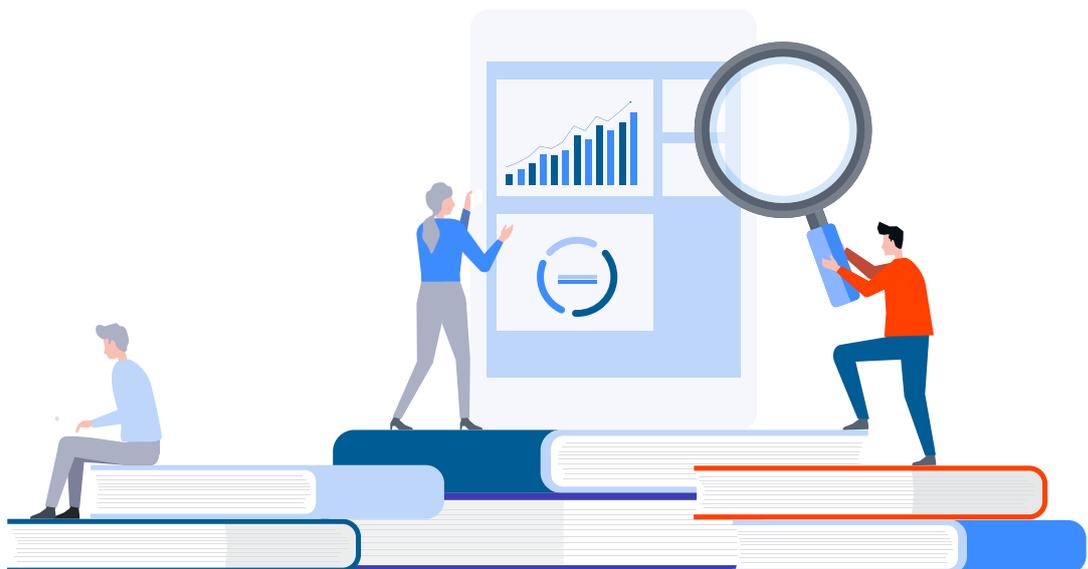
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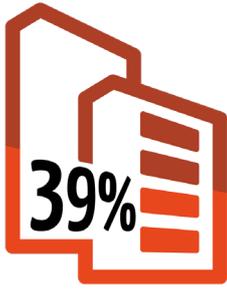
Management Summary

Illegal and unethical actions are a serious problem for companies. Information from employees, and other stakeholders plays an important role in the prevention and detection of legal or internal rules and values violations. Many companies have already recognised this and set up whistleblowing systems to identify misconduct at an early stage and avoid sanctions, fines and reputational damage. At the same time, many companies are still uncertain how to design and introduce an effective whistleblowing system.

This study provides answers and scientifically sound findings on whistleblowing and whistleblowing systems. In comparison to the report on whistleblowing systems in Swiss companies published last year by the University of Applied Sciences HTW Chur in cooperation with the EQS Group, this Whistleblowing Report 2019 has been extended to include Germany, France and Great Britain. The 2019 report is also much more comprehensive in terms of content: it shows the extent to which companies in these four countries are affected by misconduct and how and why whistleblowing systems are used as a detection and prevention tool. In addition, it examines the question of how effective whistleblowing systems can be designed and communicated and how they are of benefit to companies.

A total of 331 British, 352 German, 344 French and 365 Swiss companies took part in the online survey which forms the basis of this study. The sample per country is made up of around one third of small and medium-sized enterprises (SMEs) with 20 to 249 employees and two thirds of large companies (250 employees or more). As the study has used random sampling, the findings can be generalized across the population of companies in each country.





Keeping a close eye

Around 40 per cent of companies surveyed were affected by misconduct in 2018.

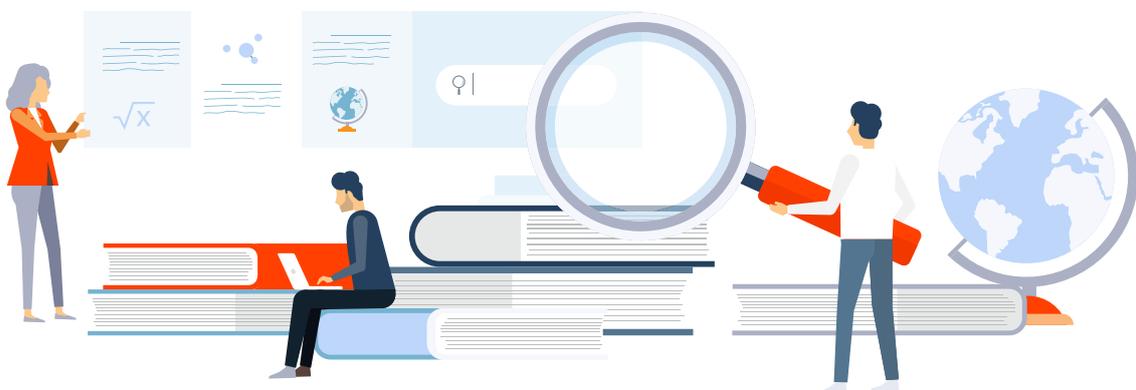
Behaviour that violates applicable laws, or the ethics of a company, occurred in more than one in three companies surveyed. The statistical analysis shows that large companies and international companies are more likely to be affected. Although Swiss companies tend to be less prone to misconduct, the financial losses of the affected companies are generally higher than in the other three countries.

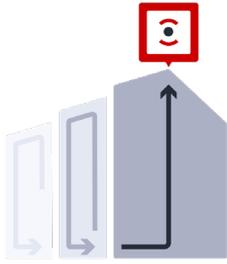


Prevention and exposure

More than one in two of the companies surveyed have a whistleblowing system.

Companies take various measures to prevent or identify illegal or unethical actions at an early stage. Across all countries and company sizes surveyed, almost 60 per cent of the companies interviewed had implemented a whistleblowing system, i.e. reporting channels excluding official reporting lines, through which whistleblowers can report concrete or suspected misconduct. Large companies, including banks and insurance companies, are more likely to have implemented these reporting channels.





Decision making

One in three companies without a whistleblowing system is planning or discussing the introduction of one in the next 12 months.

The results show that companies have various reasons for introducing a whistleblowing system. These include wanting to avoid financial loss, enhancing the ethical and moral image of a company, and because they are convinced of the benefits and effectiveness of this tool. These reasons are also shared by one third of companies without a whistleblowing system, because they are planning for the introduction of one. For the remaining companies, the majority of which are SMEs, the implementation of a whistleblowing system remains a low priority, primarily because it is not yet a legal requirement.



Design

Companies offer their employees and stakeholders an average of three reporting channels.

The design of a whistleblowing system is essential to its successful implementation and use. On average, companies offer employees and stakeholders three different channels to report misconduct. Of particular note: the companies surveyed with specialized reporting channels – hotline/call centres, mobile apps, social media and web-based whistleblowing systems – receive more reports. For the majority of companies, in addition to employees, their reporting channels can be used by at least one other internal or external stakeholder group. The statistical analysis shows that the more stakeholders are allowed to report misconduct, the higher the proportion of financial loss uncovered with the help of the whistleblowing systems. Furthermore, around 60 per cent of companies allow whistleblowers to submit their reports anonymously. Larger and economically successful companies allow this significantly more frequently and French companies significantly less frequently.



Communication

The more widely the whistleblowing system is communicated, the higher the proportion of financial loss discovered thanks to the whistleblowing system.

Companies use numerous channels and various messages to draw the attention of stakeholders to their whistleblowing system. Companies that regularly inform employees, and other stakeholders, about their whistleblowing system are able to uncover a higher proportion of financial loss with the help of the whistleblowing system. Given this, it is striking that half of the companies surveyed with a whistleblowing system refer to it in their internal communications only once - for example when the system is launched - or annually.



Use

On average, whistleblowing systems receive 52 reports per year.

In all four countries in which the survey was carried out, the majority of companies with a whistleblowing system received reports last year. On average, there were 52 whistleblowing reports per whistleblowing system surveyed. The likelihood of receiving reports was higher for large companies as well as for companies with an international footprint and public sector companies. In addition, specialized reporting channels and the use of numerous communication media are drivers for increasing the number of reports.

Every second report received by the companies surveyed proved to be relevant and well-founded. Whistleblowing systems are therefore an effective tool for unearthing unlawful and unethical behaviour and protecting a company's reputation. Abusive reports of a purely opportunistic nature and aimed at discrediting an individual are rare, although there are some significant differences between countries in this respect.

Contrary to popular belief, the option of anonymous reporting has no influence on the number of abusive reports. In companies that make anonymous reporting

available, more than half of the initial reports were submitted anonymously and in more than one third of these cases, the whistleblower decided to disclose their identity during the investigation. In companies with web-based reporting channels as well as economically successful companies and those that frequently communicate their whistleblowing system, whistleblowers disclose their identity more often.



The results of this study show that companies benefit in many ways from their whistleblowing system. In 2018, around one third of the companies surveyed were able to recoup more than 60 per cent of their total financial loss thanks to the whistleblowing system. The proportion of financial loss revealed by the whistleblowing system is not only influenced by communication, but also increases with the whistleblowing system’s target audience. Companies also benefit from a multitude of non-monetary advantages. These include a better understanding of compliance by employees, reinforcing the ethical and moral image of a company as well as improved processes and the promotion of proper conduct.

Results

For this study, a representative online survey was conducted in Germany, France, Great Britain and Switzerland. The feedback from a total of almost 1,400 respondents from the four countries provides valuable insights into the practice of European companies, which are presented in detail below. On the one hand, the study examined the extent to which companies are affected by misconduct and, on the other hand, how and why they design, use and communicate whistleblowing systems as a preventive tool against such misconduct.

Misconduct in companies

Keeping a close eye

Illegal and unethical conduct in companies

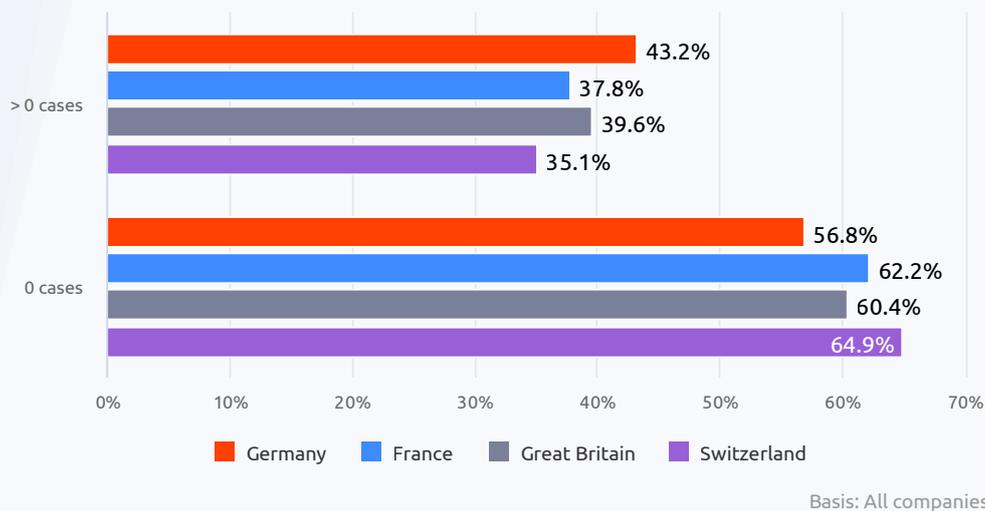


Figure 1 Illegal and unethical conduct: affected companies (country comparison)

The results of the study show (see Figure 1) that in 2018 in all four countries, more than one third of the companies surveyed were affected by misconduct, i.e. illegal or unethical actions. Such conduct, which may be to the detriment of the company but also allegedly for its benefit, violates applicable laws (e.g. falsification of financial data, industrial espionage, corruption, bribery, theft, fraud, and embezzlement) or the ethical guidelines of a company (e.g. targeted exploitation of differences



in international legislation, for example in the areas of environmental protection, labour law or tax law). Compared by country, the German companies surveyed were the most frequently affected by misconduct at 43 per cent, followed by the British (40 per cent), French (38 per cent) and finally the companies headquartered in Switzerland (35 per cent).

However, further statistical analysis showed that the size of the company plays a greater role in this context than its country of origin. Accordingly, in all countries the large companies surveyed are more affected than the SMEs. Last year, for example, every second large German company surveyed uncovered at least one case that actually turned out to be illegal or unethical (see Figure 2). In France it was 42 per cent (see Figure 3), and in Great Britain 46 per cent (see Figure 4) of large companies.

In comparison with last year’s edition of the Whistleblowing Report, which was limited to Switzerland, the proportion of large Swiss companies affected by misconduct rose by seven percentage points to almost 40 per cent (see Figure 5).

In addition, the analysis shows that illegal or unethical conduct is significantly more frequent in the companies surveyed that operate internationally than in purely domestic companies.

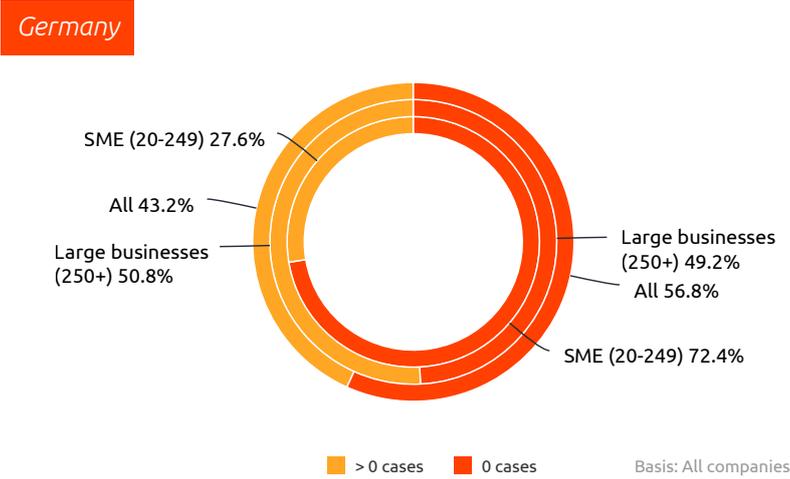


Figure 2 Illegal and unethical conduct: affected companies in Germany

France

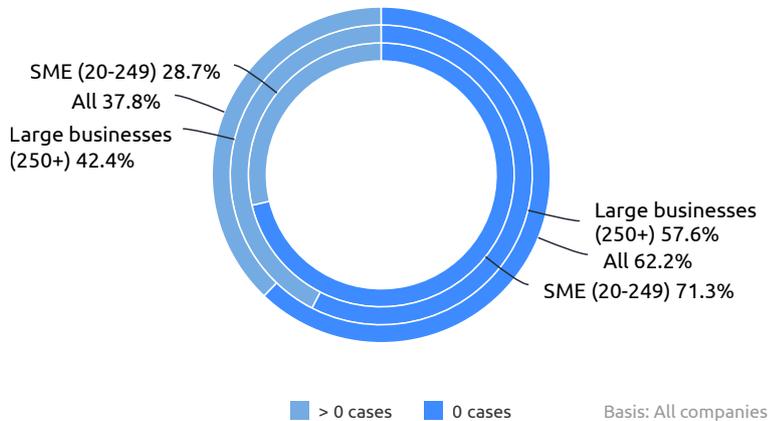


Figure 3 Illegal and unethical conduct: affected companies in France

Great Britain



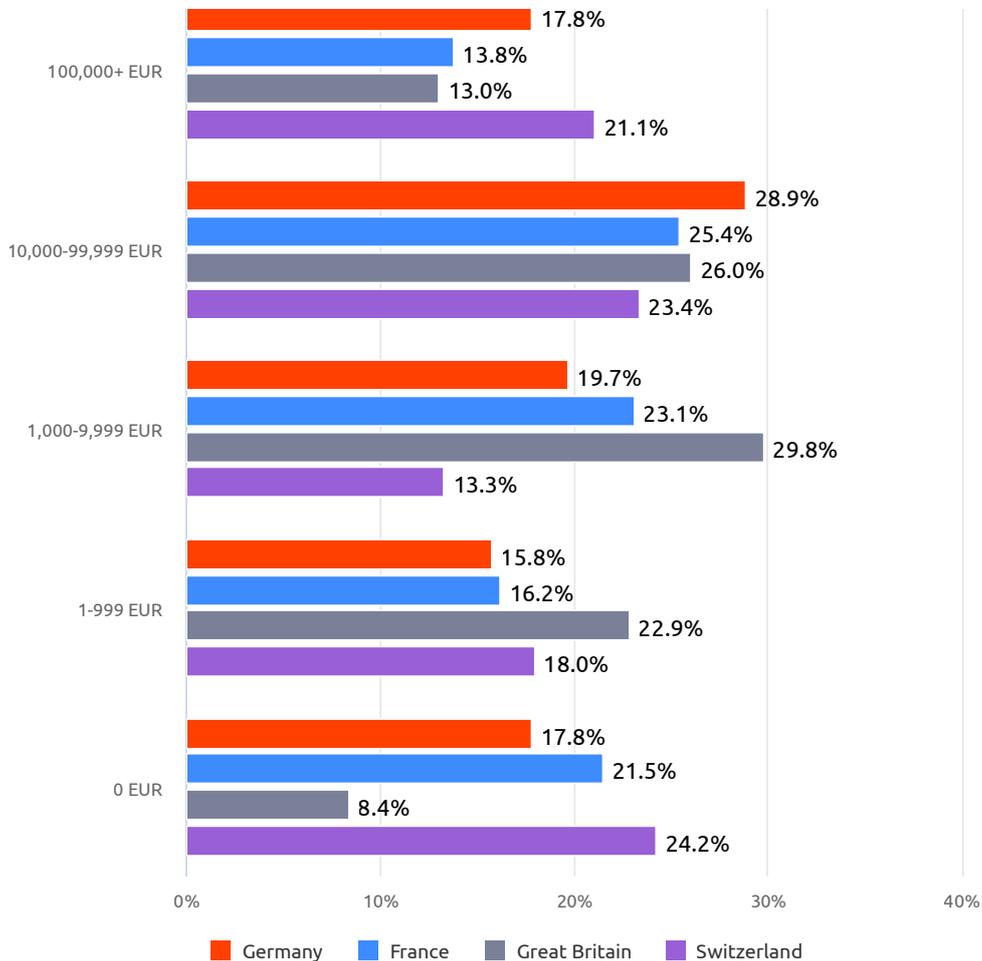
Figure 4 Illegal and unethical conduct: affected companies in Great Britain

Switzerland



Figure 5 Illegal and unethical conduct: affected companies in Switzerland

Financial loss



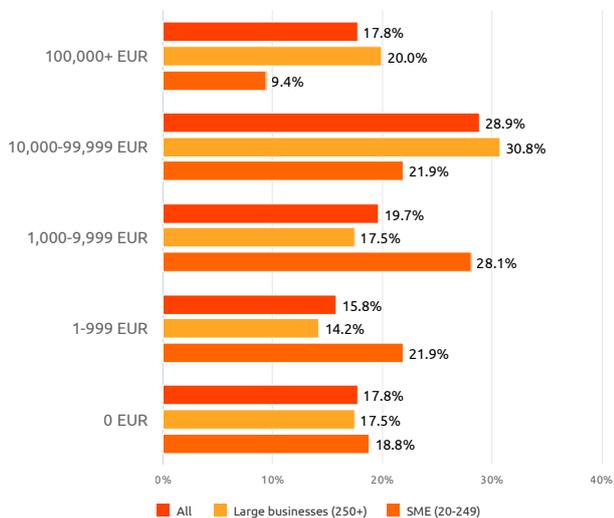
Basis: All companies with cases of misconduct 2018 > 0

Figure 6 Total financial loss due to misconduct (country comparison)

The study examined not only whether companies were affected by misconduct, but also what total loss they suffered as a result in 2018 (see Figure 6). Total loss refers to all financial expenses incurred by the companies surveyed directly as a result of the misconduct and in the course of its exposure and resolution, including all material and immaterial consequences.

There is also a clear correlation between the amount of loss and the size of the company. As a rule, the larger the company, the higher the total financial loss caused by misconduct (see country charts). In addition, it is noticeable that although Swiss companies tend to be less prone to misconduct. The financial losses of the affected companies are generally higher than in the other three countries.

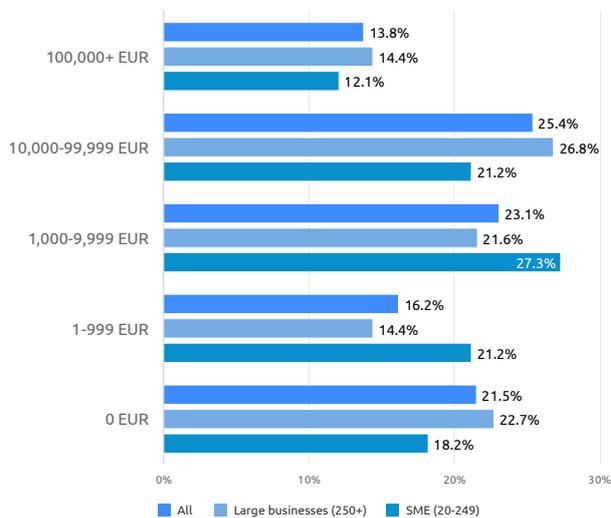
Germany



Basis: All companies with cases of misconduct 2018 > 0

Figure 7 Germany: total financial loss due to misconduct

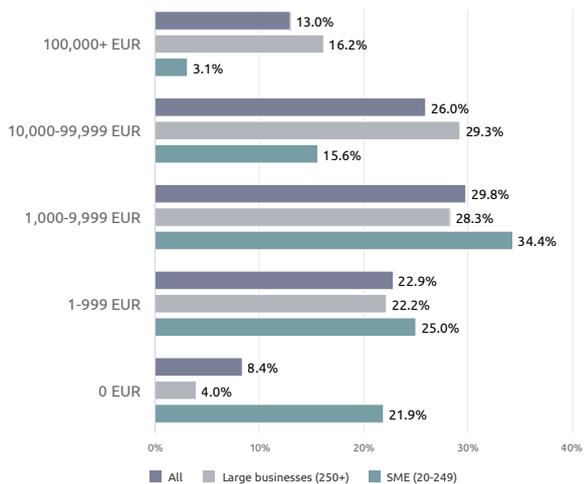
France



Basis: All companies with cases of misconduct 2018 > 0

Figure 8 France: total financial loss due to misconduct

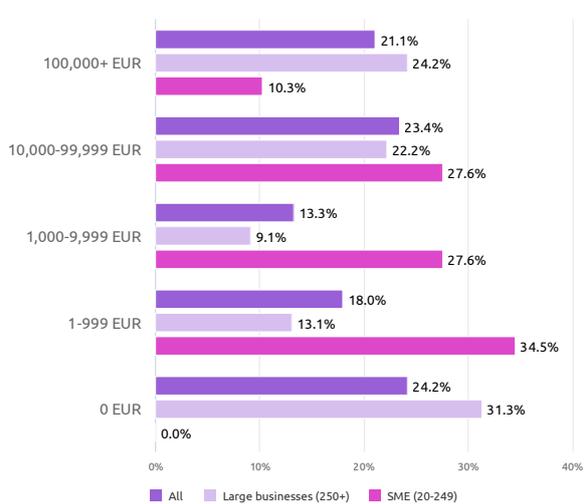
Great Britain



Basis: All companies with cases of misconduct 2018 > 0

Figure 9 Great Britain: total financial loss due to misconduct

Switzerland

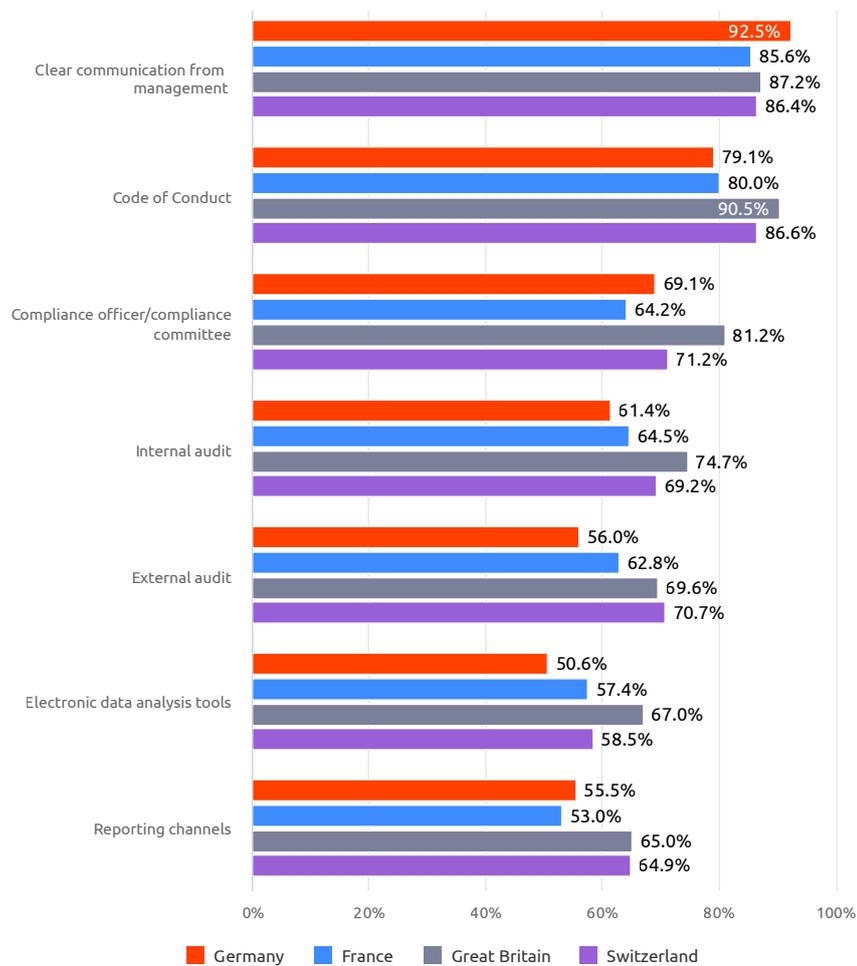


Basis: All companies with cases of misconduct 2018 > 0

Figure 10 Switzerland: total financial loss due to misconduct

Prevention and exposure

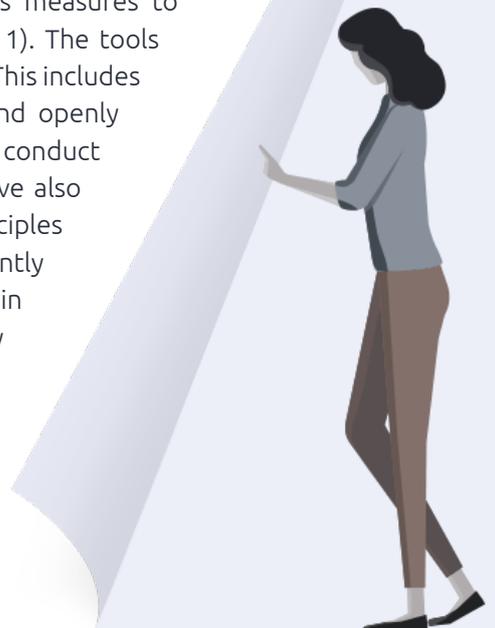
Measures for preventing and exposing misconduct



Basis: All companies

Figure 11 Measures for preventing and exposing illegal or unethical conduct (country comparison)

The companies surveyed from all four countries use various measures to prevent or expose misconduct at an early stage (see Figure 11). The tools that are most frequently used are also the most cost-effective. This includes clear communication from the management, who actively and openly address the issue and make it clear that illegal and unethical conduct will not be tolerated. The majority of companies surveyed have also drawn up a Code of Conduct that sets out their business principles and rules of conduct in writing. These two measures are frequently used by the surveyed small and medium-sized companies in particular, while the other tools are used much less frequently by SMEs compared to large companies in all countries (see country charts).



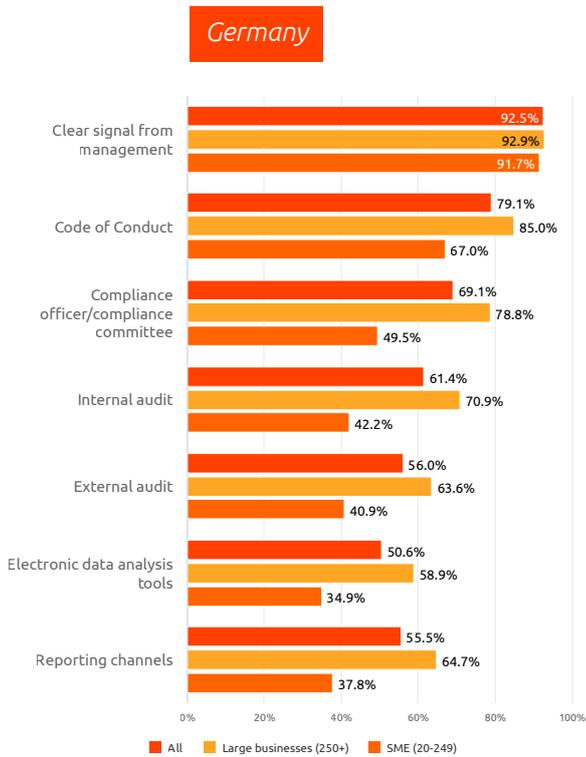


Figure 12 Germany: measures for preventing and exposing illegal or unethical conduct

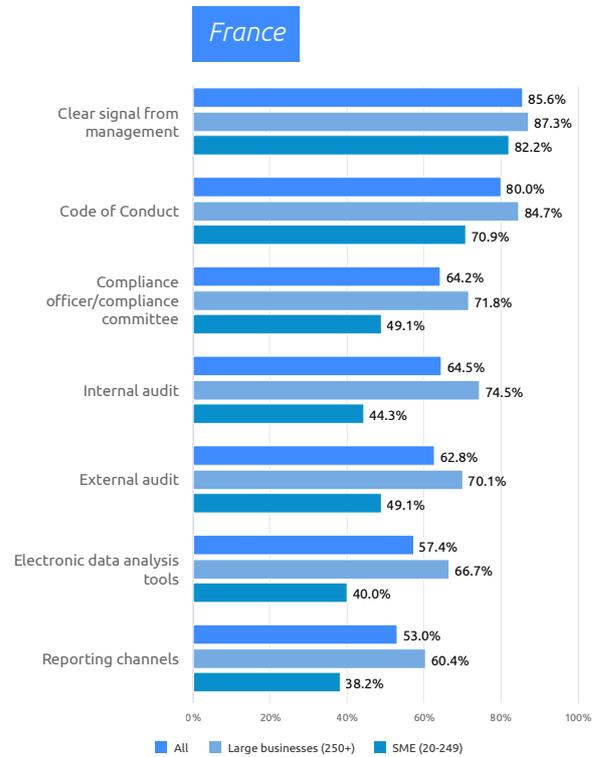


Figure 13 France: measures for preventing and exposing illegal or unethical conduct

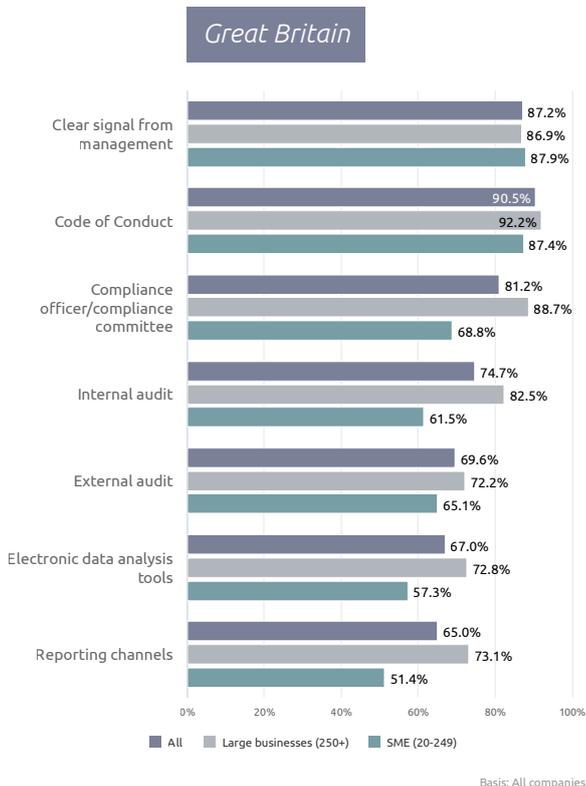


Figure 14 Great Britain: measures for preventing and exposing illegal or unethical conduct

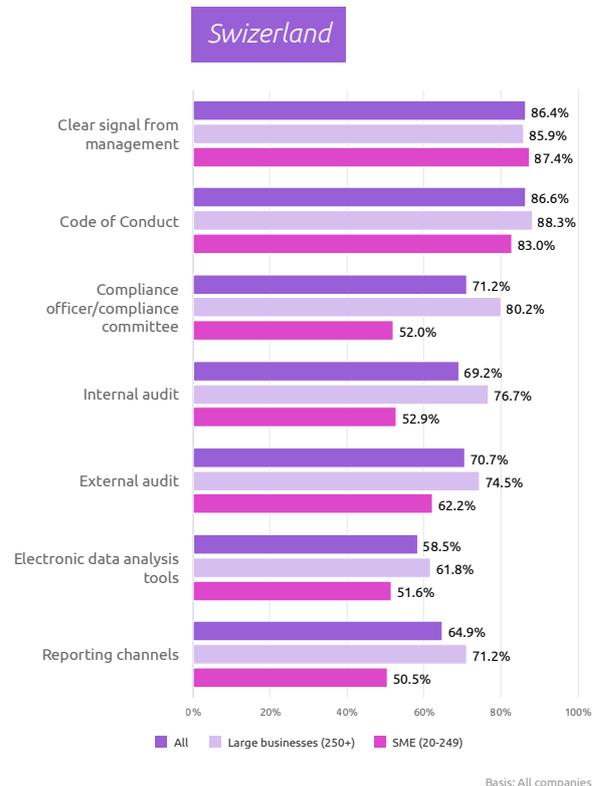


Figure 15 Switzerland: measures for preventing and exposing illegal or unethical conduct

Whistleblowing systems

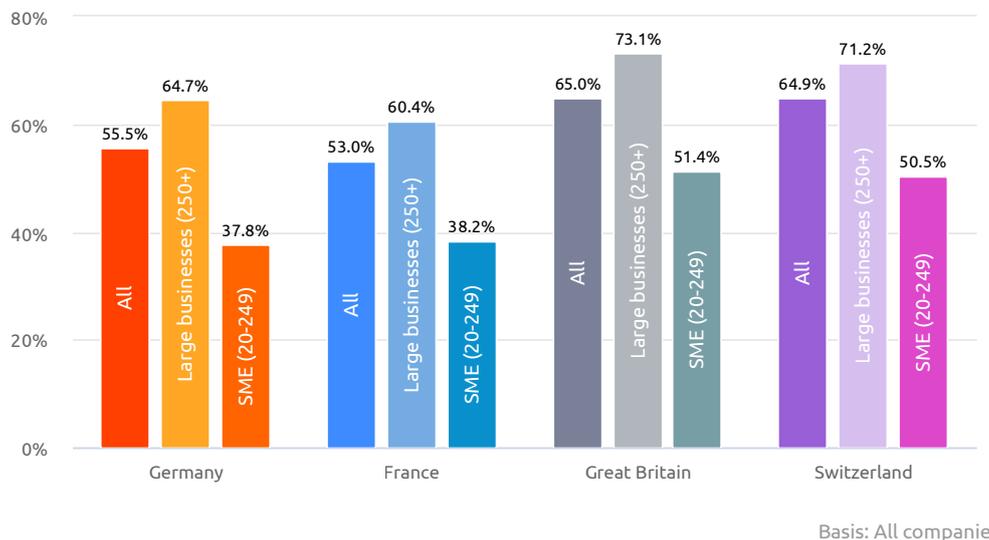


Figure 16 Whistleblowing system for preventing and exposing illegal or unethical conduct (country comparison)

Almost two thirds (65%) of the companies surveyed in Great Britain and Switzerland have a whistleblowing system. Reports of concrete or suspected misconduct can thus also be submitted outside the disciplinary or technical reporting line prescribed by the organisational chart (see Figure 16). In Germany it is significantly lower, at around 56 per cent, followed by France, at 53 per cent. In all the countries surveyed, a clear majority of large companies have established a whistleblowing system, whereas this is (still) considerably less amongst small and medium-sized companies.

Across all countries, 59 per cent of all companies have introduced a whistleblowing system, 67 per cent of the large companies and 44 per cent of the SMEs.

The proportion of large Swiss companies with a whistleblowing system (71%) is almost identical to the results of the last Whistleblowing Report, which was produced for Switzerland only. In the previous report it was 70 per cent. This suggests that in the last two years hardly any additional large companies have introduced whistleblowing systems.

The in-depth statistical analysis shows that larger companies and those in the financial sector are more likely to have a whistleblowing system. The same positive correlation could be observed across all countries. Compared to other industries, the banks and insurance companies surveyed have more whistleblowing systems implemented.

The next chapter is devoted to the topic of whistleblowing systems in even more detail and examines the questions of why companies opt for or against a whistleblowing system, how these whistleblowing systems are designed and communicated, and to what extent companies benefit from this measure.

Whistleblowing systems in companies

Decision making

Reasons for introducing a whistleblowing system

As the individual country charts show, companies opt for a whistleblowing system for a variety of reasons. In particular, the desire to strengthen the company's image as an ethical and moral company was an important reason for the majority of companies in all countries, as was the desire to avoid financial loss. In contrast, existing legal obligations or pressure from stakeholders play a lesser role.

The **3 most important reasons** for introducing a whistleblowing System



We introduced a whistleblowing system because...

All countries

- 1 ... we want to strengthen our reputation as an ethical, moral company.
- 2 ... we want to avoid financial losses.
- 3 ... we believe in the usefulness and effectiveness of a whistleblowing system.

Germany

- 1 ... we want to strengthen our reputation as an ethical, moral company.
- 2 ... we believe in the usefulness and effectiveness of a whistleblowing system.
- 3 ... we want to avoid financial losses.

France

- 1 ... we want to avoid financial losses.
- 2 ... we believe in the usefulness and effectiveness of a whistleblowing system.
- 3 ... we want to meet the benchmark in our industry.

Great Britain

- 1 ... we want to strengthen our reputation as an ethical, moral company.
- 2 ... we have an obligation towards our employees to do so.
- 3 ... we want to meet the benchmark in our industry.

Switzerland

- 1 ... we want to strengthen our reputation as an ethical, moral company.
- 2 ... we want to avoid financial losses.
- 3 ... we believe in the usefulness and effectiveness of a whistleblowing system.

In Great Britain, the results show a similar pattern among the SMEs surveyed compared to large companies. In the other countries, on the other hand, there are some significant differences. For example, the ‘obligation towards employees’ and the requirement to ‘meet the benchmark’ have had a greater impact on large German and French companies than on SMEs. Furthermore, the aim of establishing a speak-up culture with the whistleblowing system played a smaller role among the German SMEs surveyed than among large companies. The same picture can be seen in the motivation to establish a professional compliance system with a whistleblowing system. Large companies are also feeling greater pressure from stakeholders to introduce a whistleblowing system. Among the Swiss companies surveyed, it was found that almost a third of SMEs do not see ‘stakeholder pressure’ as a reason for introducing their whistleblowing system, while only 15 per cent of the large companies surveyed clearly reject this reason.’

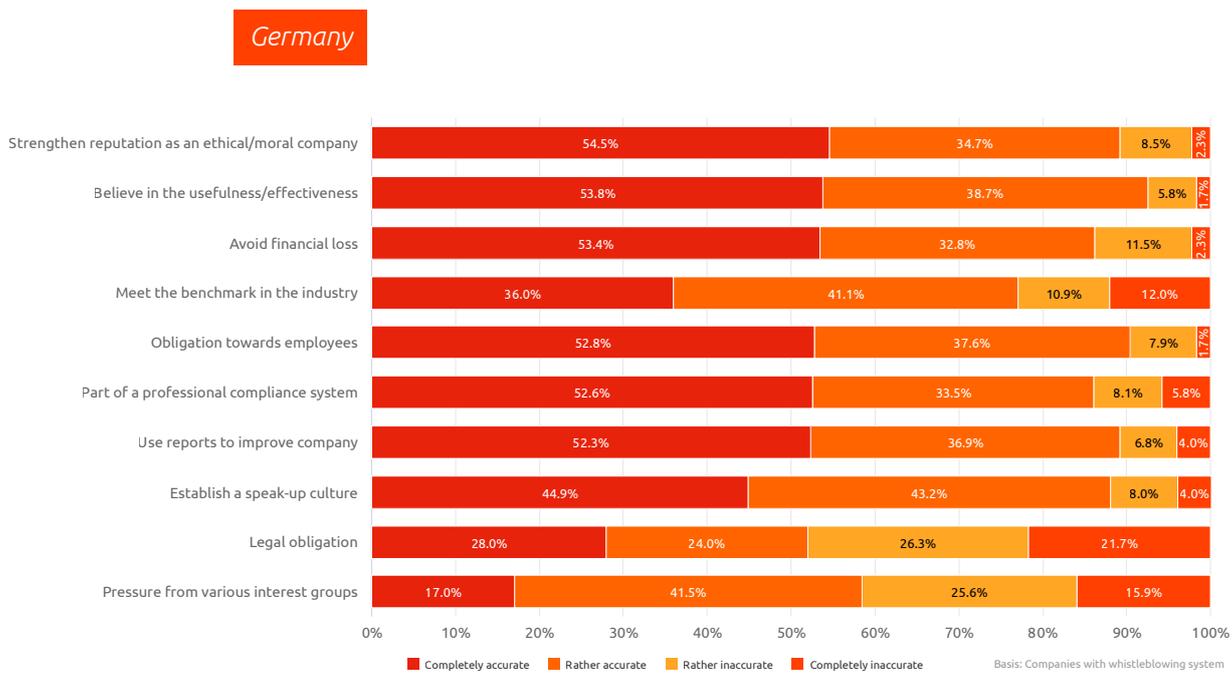


Figure 17 Germany: reasons for introducing a whistleblowing system

France

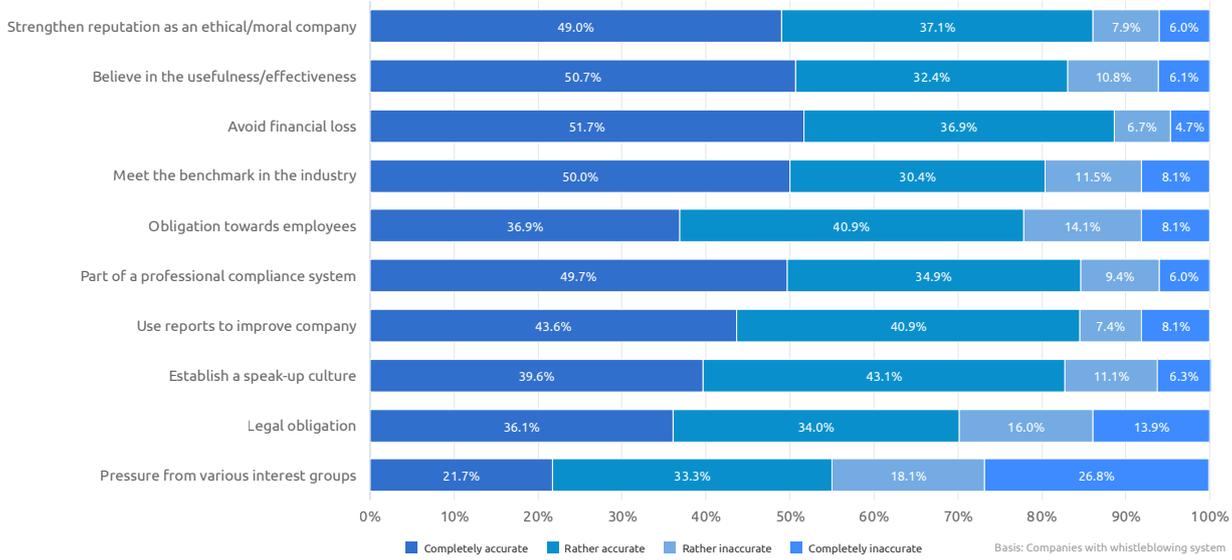


Figure 18 France: reasons for introducing a whistleblowing system

Great Britain

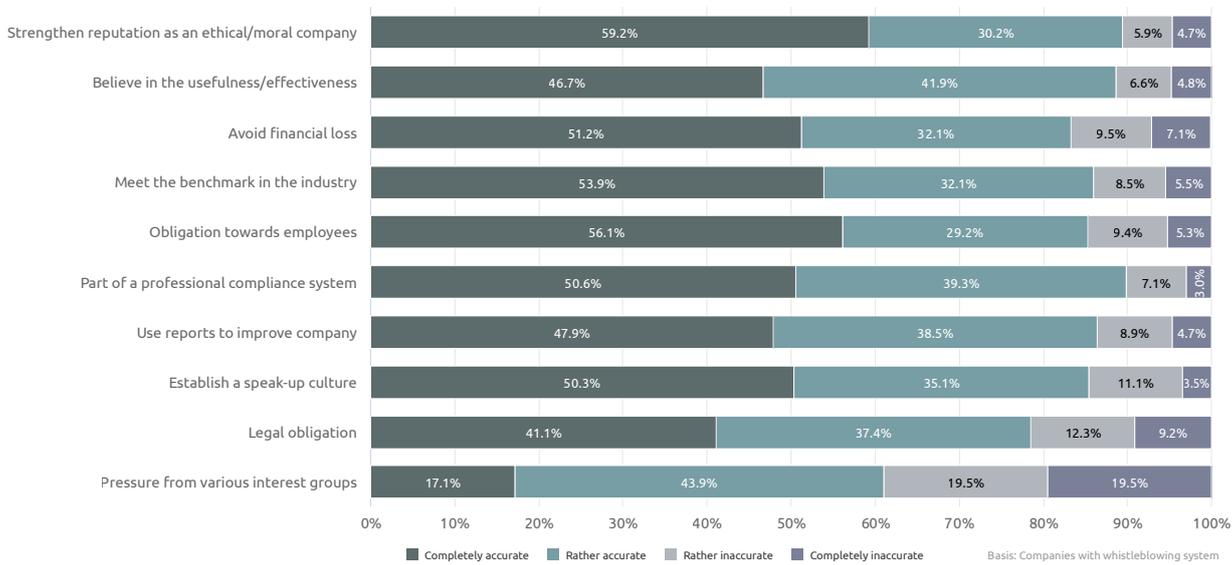


Figure 19 Great Britain: reasons for introducing a whistleblowing system

Switzerland

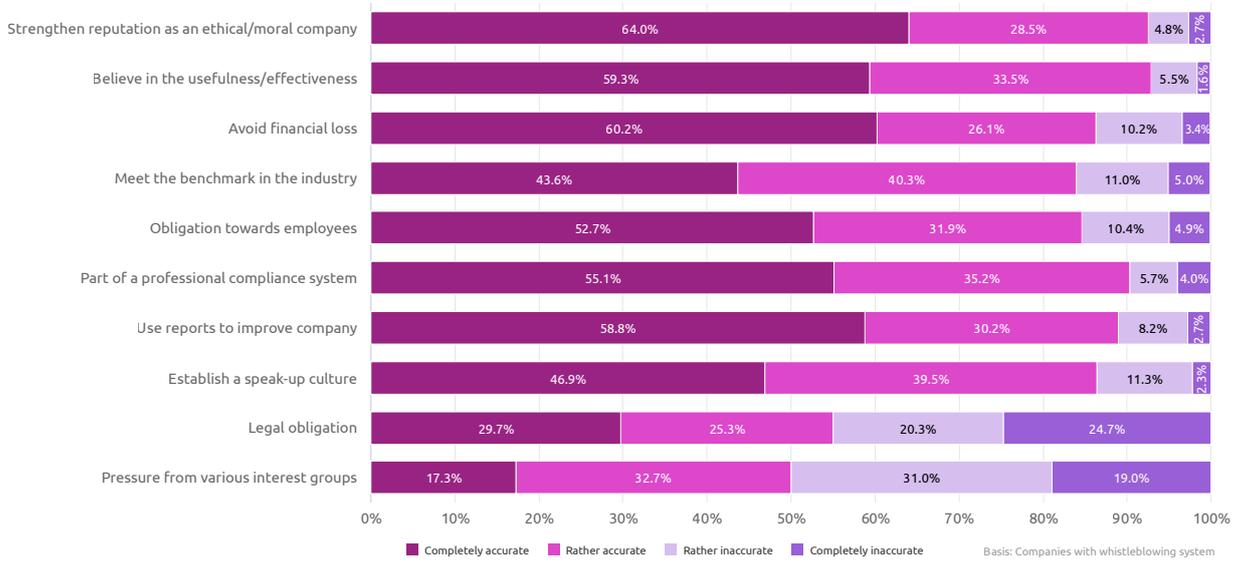
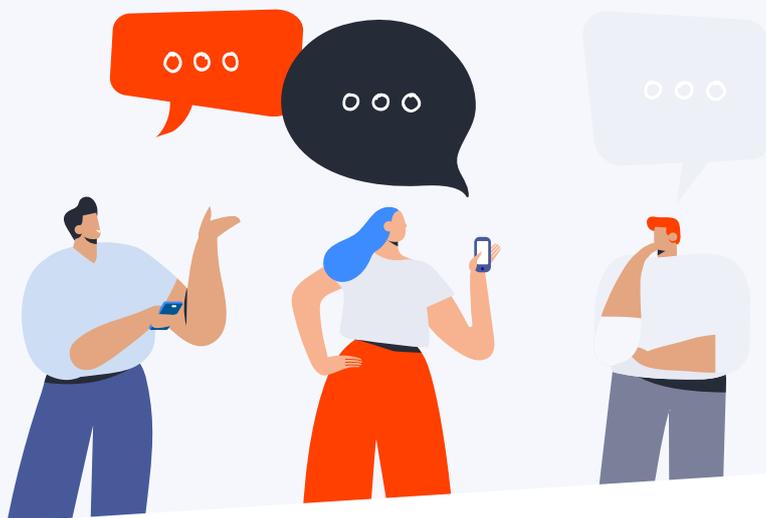


Figure 20 Switzerland: reasons for introducing a whistleblowing system

Reason for not introducing a whistleblowing system

The analysis shows that many of the companies surveyed do not have a whistleblowing system because they are convinced that they already have a strong culture of integrity. The lack of a legal obligation is also mentioned as one of the main reasons for not having a whistleblowing system. Many companies also state that they are not convinced of the effectiveness of a whistleblowing system. The fear of being flooded with reports is not shared by the majority of companies surveyed in all countries.

The **3 most important reasons** not having a whistleblowing System



We don't have a whistleblowing system yet because ...

All countries

- 1 ... we have a strong culture of integrity.
- 2 ... there is no obligation to introduce a whistleblowing system.
- 3 ... a whistleblowing system would not be effective/useful in our company.

Germany

- 1 ... there is no obligation to introduce a whistleblowing system.
- 2 ... we have a strong culture of integrity.
- 3 ... a whistleblowing system would not be effective/useful in our company.

France

- 1 ... we have a strong culture of integrity.
- 2 ... there is no obligation to introduce a whistleblowing system.
- 3 ... we do not have the required financial resources for such a system.

Great Britain

- 1 ... we have a strong culture of integrity.
- 2 ... a whistleblowing system would not be effective/useful in our company.
- 3 ... there is no obligation to introduce a whistleblowing system.

Switzerland

- 1 ... there is no obligation to introduce a whistleblowing system.
- 2 ... we have a strong culture of integrity.
- 3 ... we want to avoid a culture of denunciation.

It is striking that in all four countries where the survey was carried out, the reasons for rejecting the introduction of a whistleblowing system depend on the size of the companies. In Germany, France, Great Britain and Switzerland, SMEs cite the already strong culture of integrity and the lack of financial and human resources much more frequently as reasons for their decision than large companies (see country charts). In addition, small and medium-sized companies also state that they are not convinced of the effectiveness of a whistleblowing system.

Not surprisingly, in France, the lack of a legal obligation on SMEs is cited more often as a reason than for large companies who are subject to the Sapin II anti-corruption law which prescribes the introduction of a whistleblowing system. For large French companies, on the other hand, the fear of a possible flood of reports is more of an issue than it is for SMEs.

In Switzerland, it is striking that the SMEs surveyed are much more likely than large companies to cite scepticism on the part of stakeholders regarding a whistleblowing system.

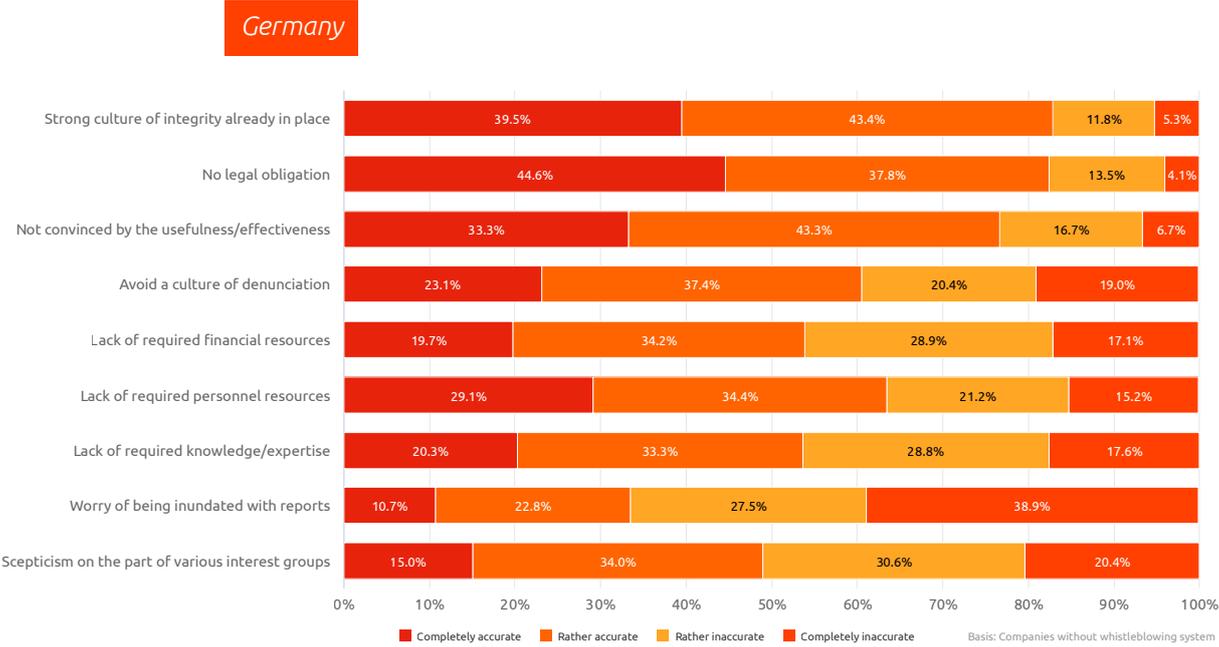


Figure 21 Germany: reasons for not introducing a whistleblowing system

France

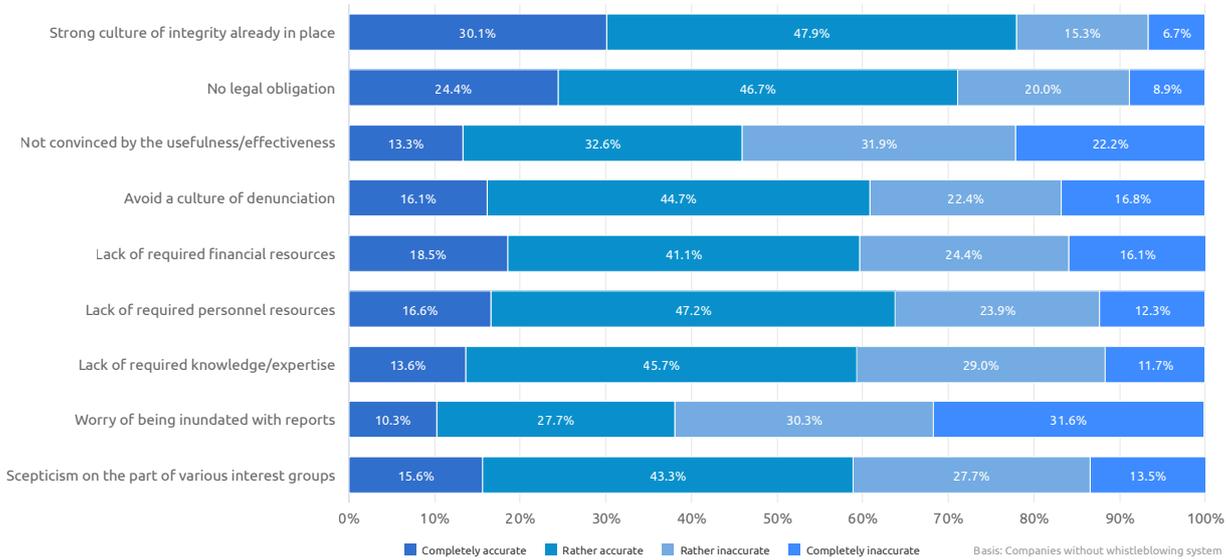


Figure 22 France: reasons for not introducing a whistleblowing system

Great Britain

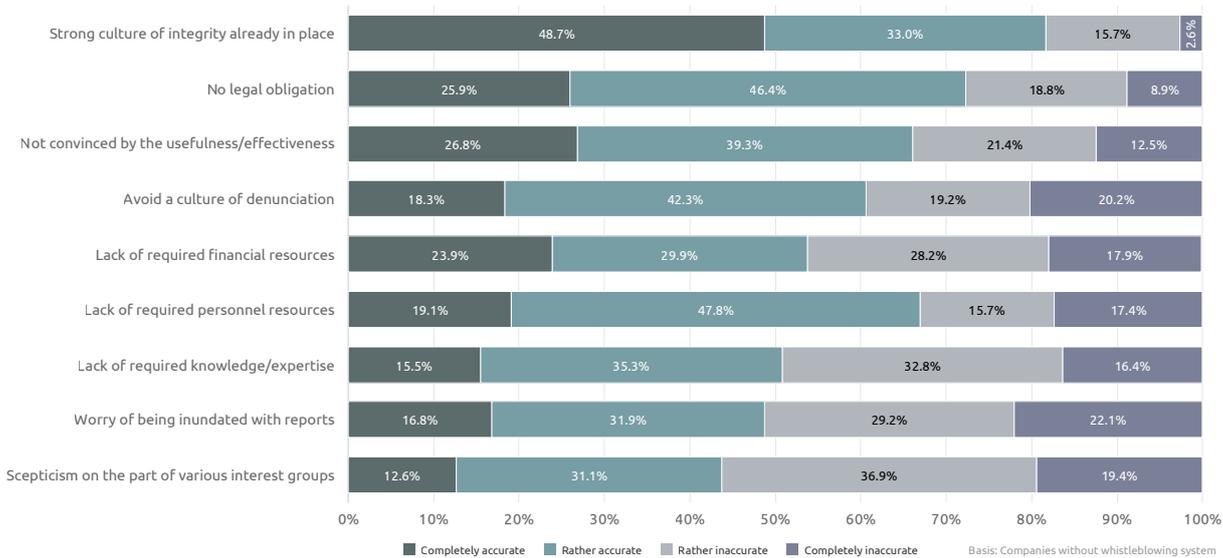


Figure 23 Great Britain: reasons for not introducing a whistleblowing system

Switzerland

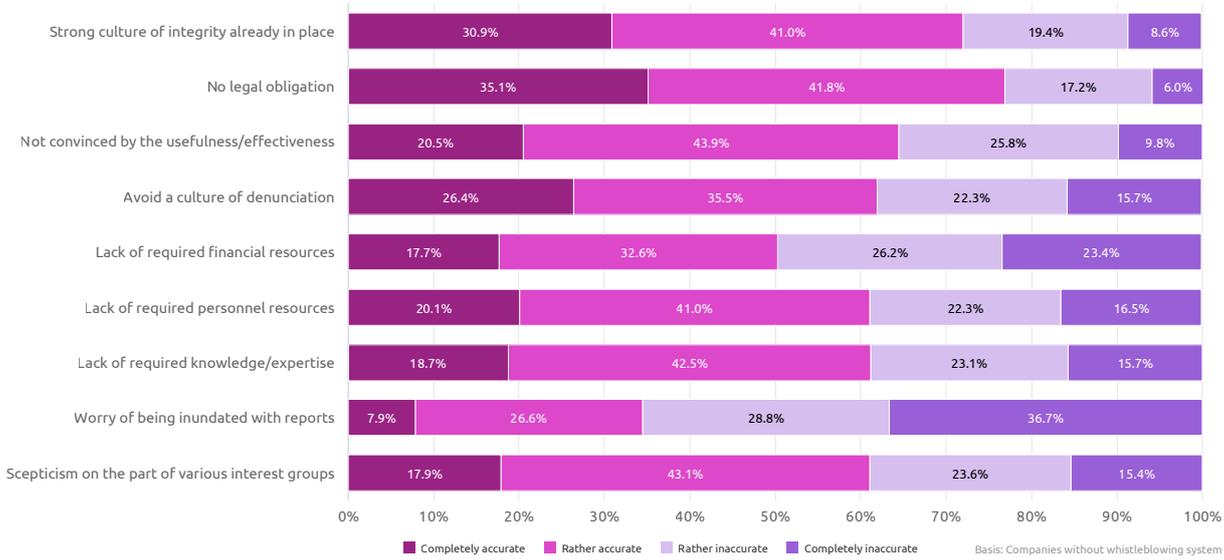
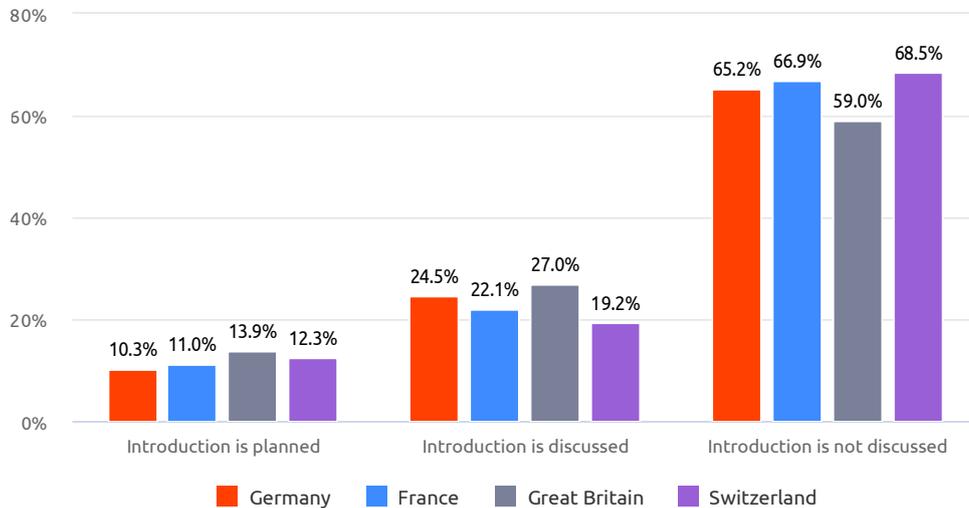


Figure 24 Switzerland: reasons for not introducing a whistleblowing system

Intention to introduce a whistleblowing system



Basis: Companies without whistleblowing system

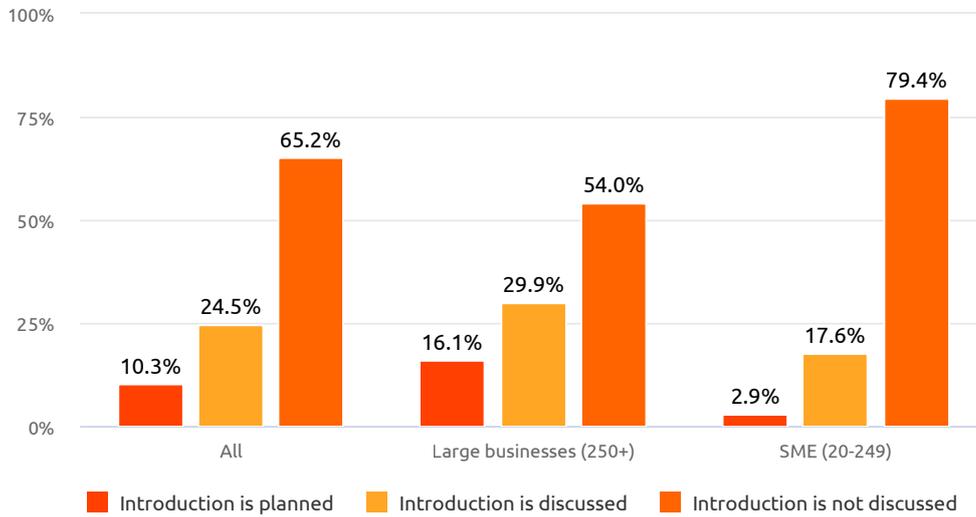
Figure 25 Intention to introduce a whistleblowing system (country comparison)

A good third of the German and French companies surveyed, who do not yet have a whistleblowing system, are discussing the introduction of a whistleblowing system or are already planning implementation within the next twelve months.

In Great Britain, an even greater percentage of companies are working on the introduction of a whistleblowing system. 14 per cent aim plan to implement one within the next year while 27 per cent are engaged in discussions but do not have a specific timetable.

The Swiss companies surveyed stated most frequently that they were not considering introducing a whistleblowing system (69%). At the same time, however, 12 per cent of companies without a whistleblowing system are planning the implementation of one. In all four countries there are clearly more large companies than SMEs who want to establish this tool for the prevention and exposure of misconduct in the next twelve months (see country charts).

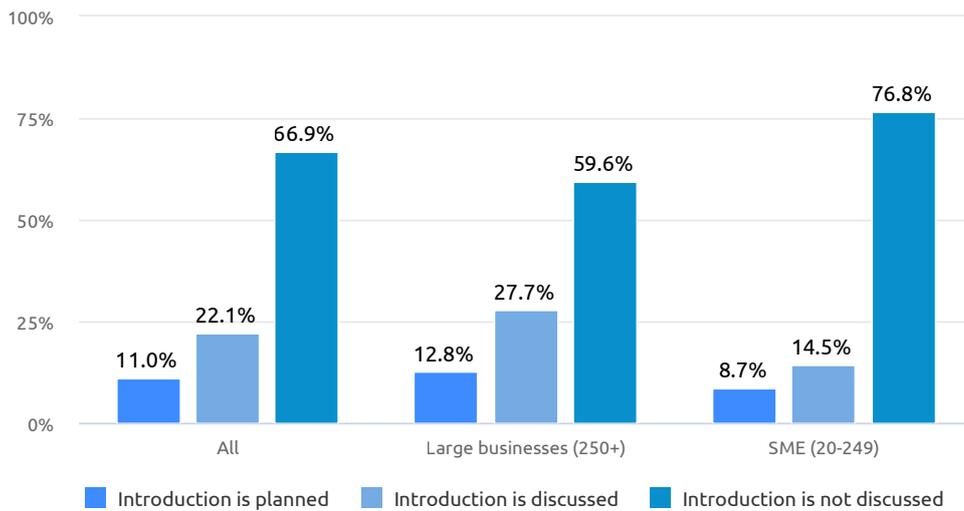
Germany



Basis: Companies without whistleblowing system

Figure 26 Germany: intention to introduce a whistleblowing system

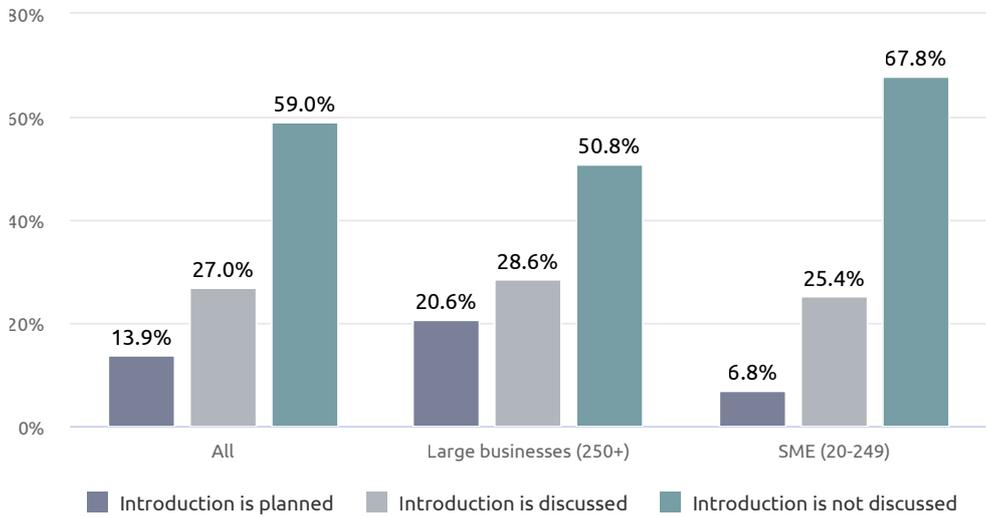
France



Basis: Companies without whistleblowing system

Figure 27 France: intention to introduce a whistleblowing system

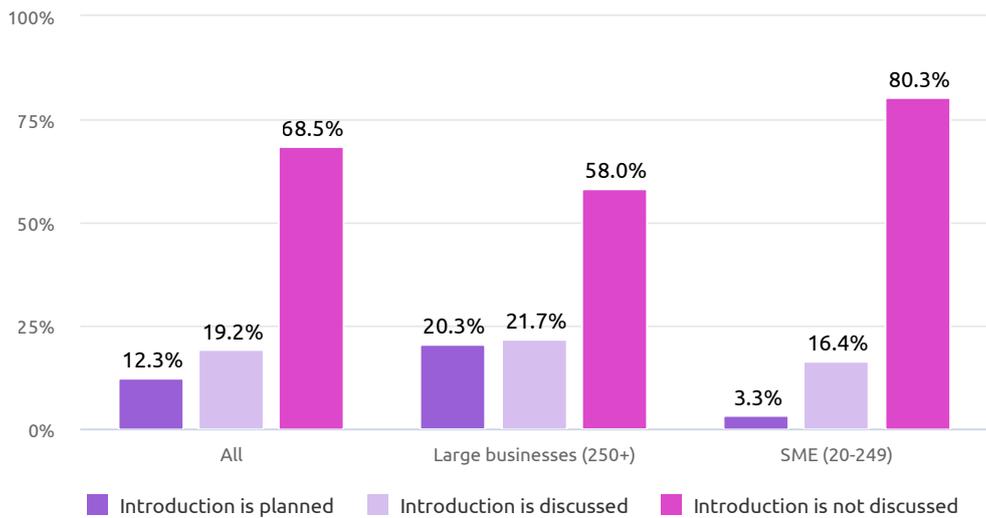
Great Britain



Basis: Companies without whistleblowing system

Figure 28 Great Britain: intention to introduce a whistleblowing system

Switzerland



Basis: Companies without whistleblowing system

Figure 29 Switzerland: intention to introduce a whistleblowing system

Design

Year of introduction

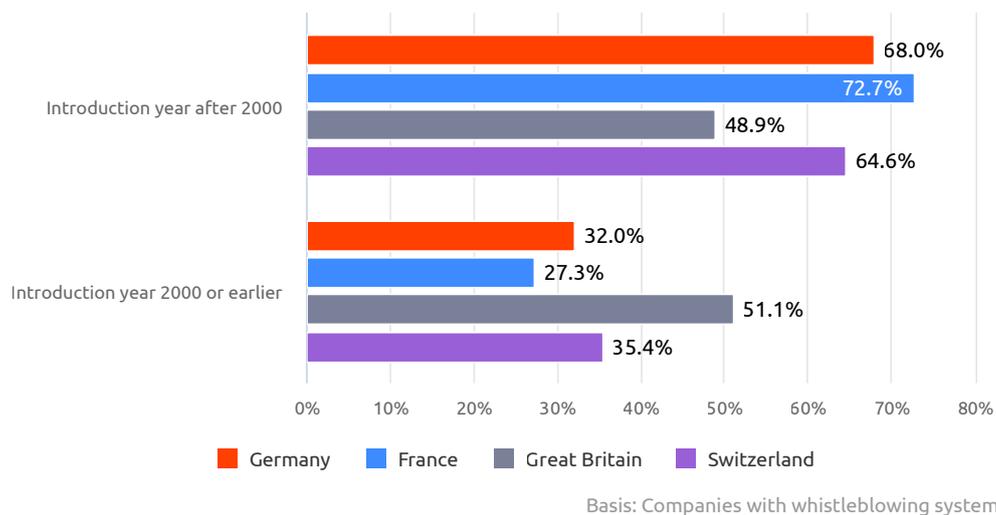
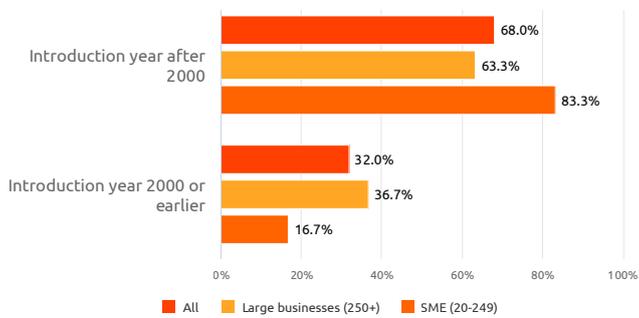


Figure 30 Introduction year of the first whistleblowing system (country comparison)

A clear majority of the companies surveyed that have a whistleblowing system introduced it after 2000. The British companies surveyed have been using this tool for some time (see country charts). The statistical analysis shows that this is mainly attributable to large companies. In Germany, France and Switzerland, too, the proportion of SMEs that did not set up a whistleblowing system until after 2000 is higher than that of large companies.

The in-depth statistical analysis shows that international and successful companies introduced a whistleblowing system earlier on. The companies defined as successful are those which, measured by their sales development, have grown over the last two years and expect growth for the coming 12 months.

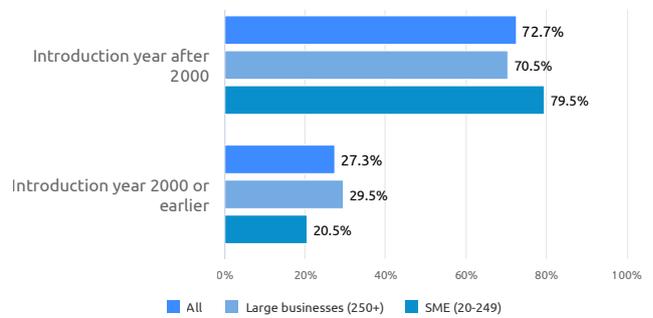
Germany



Basis: Companies with whistleblowing system

Figure 31 Germany: introduction year of the first whistleblowing system

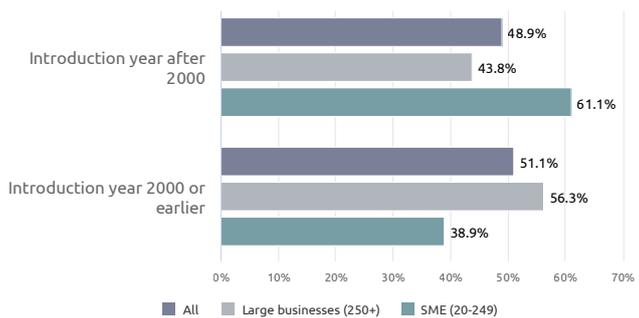
France



Basis: Companies with whistleblowing system

Figure 32 France: introduction year of the first whistleblowing system

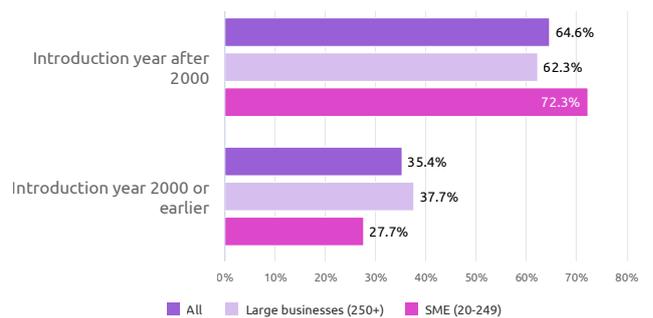
Great Britain



Basis: Companies with whistleblowing system

Figure 33 Great Britain: introduction year of the first whistleblowing system

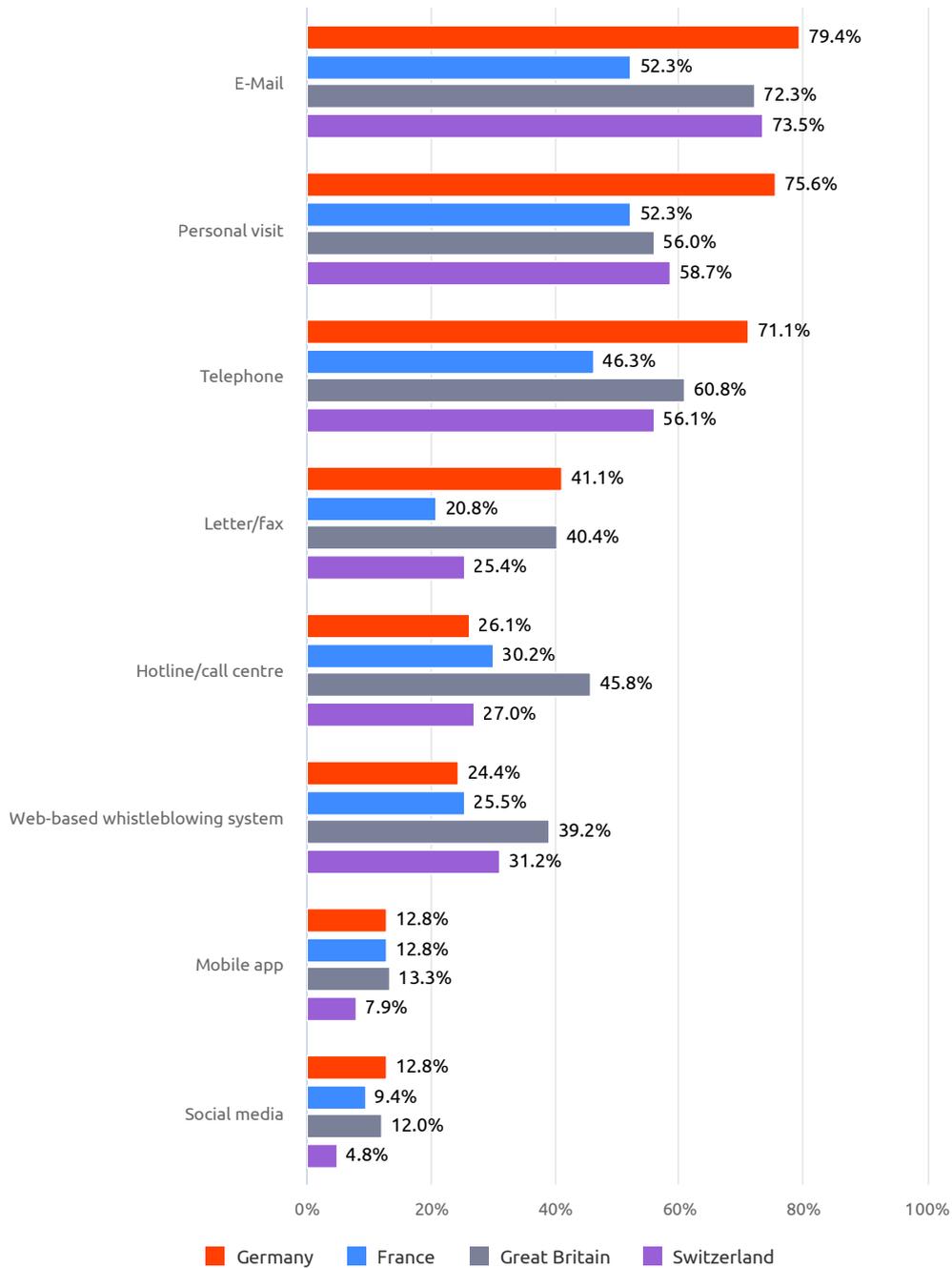
Switzerland



Basis: Companies with whistleblowing system

Figure 34 Switzerland: introduction year of the first whistleblowing system

Reporting channels



Basis: Companies with whistleblowing system

Figure 35 Reporting channels (country comparison)

The companies surveyed offer their employees and stakeholders various options to get in touch with the relevant authority. A distinction can be made between general and specialised reporting channels. The general reporting channels include personal visits to the relevant authority, letters, faxes and e-mails, as well as telephone contact. A specialised reporting channel is the hotline/call centre, which in contrast to the 'telephone' reporting channel can be reached around the clock

and is supported by trained personnel. The specialized channels also include mobile apps and social media channels set up specifically for reporting misconduct, as well as web-based whistleblowing systems.

Overall, the most widespread general reporting channels are usually the less expensive ones. There are striking differences between the countries in this regard. More than 70 per cent of German, British and Swiss companies offer an e-mail address specifically set up for this purpose, while this is only the case for half of French companies. It is also striking that German companies give their whistleblowers the opportunity to visit the person in charge of the whistleblowing system in person much more frequently. It is noteworthy that British companies have set up a hotline (45%) and a web-based reporting channel (39%) more frequently than companies in the other three countries. The web-based reporting channel is still the least widespread in Germany at 24% of those companies surveyed.

Across all countries, 30 per cent of companies have implemented a web-based reporting channel. The figure is 33 per cent for large companies and 21 per cent for SMEs.

Not surprisingly, in all four countries large companies have established more specialised reporting channels (see country charts). SMEs prefer general reporting channels; in particular, personal visits to those responsible for the whistleblowing system and telephone contact are much more common here than in large companies.

The survey showed that companies across all four countries and company sizes offer three reporting channels on average. Germany is the leader in this respect: 72 per cent of companies offer their whistleblowers at least three reporting channels to report concrete or suspected misconduct. In Switzerland and Great Britain, this is the case for just over half of the companies, while in France only 37 per cent have at least three reporting channels.

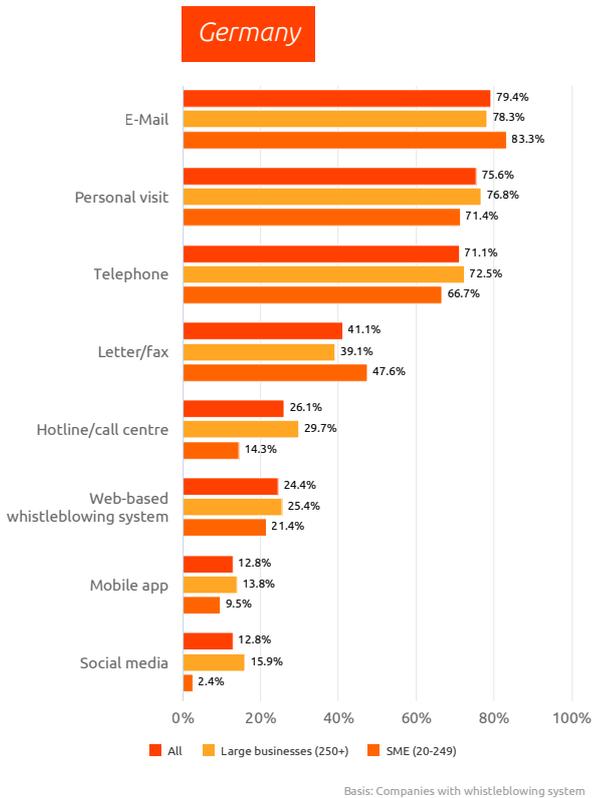


Figure 36 Germany: reporting channels

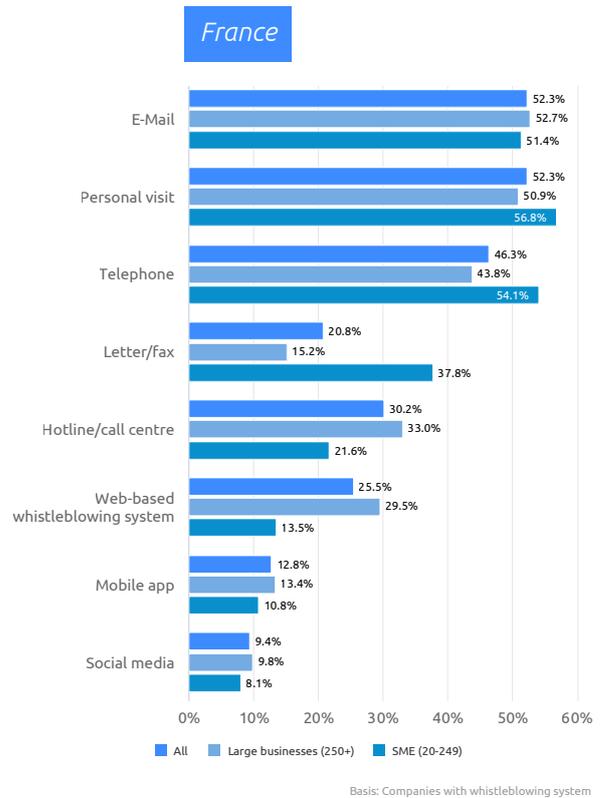


Figure 37 France: reporting channels

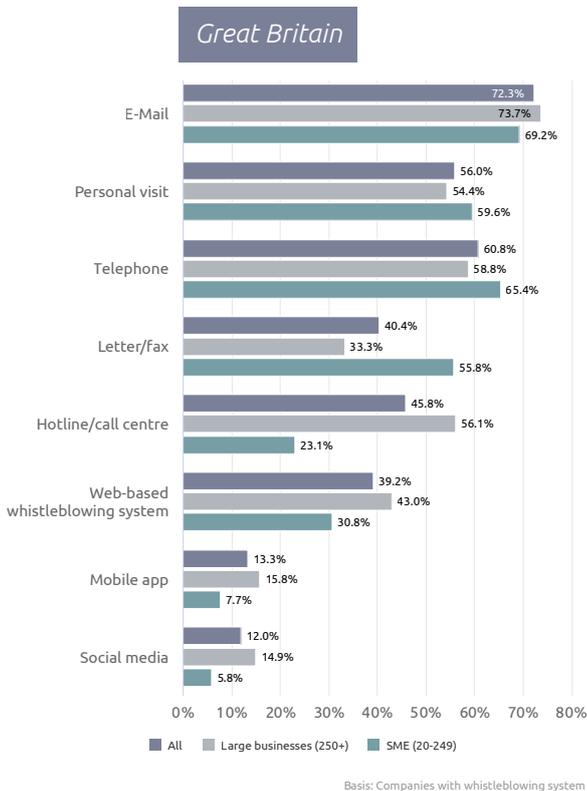


Figure 38 Great Britain: reporting channels

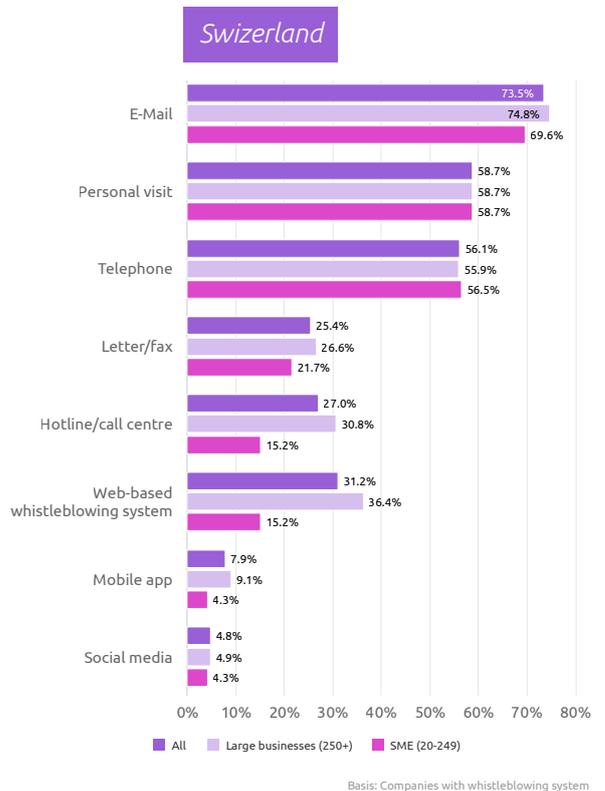


Figure 39 Switzerland: reporting channels

Target audiences

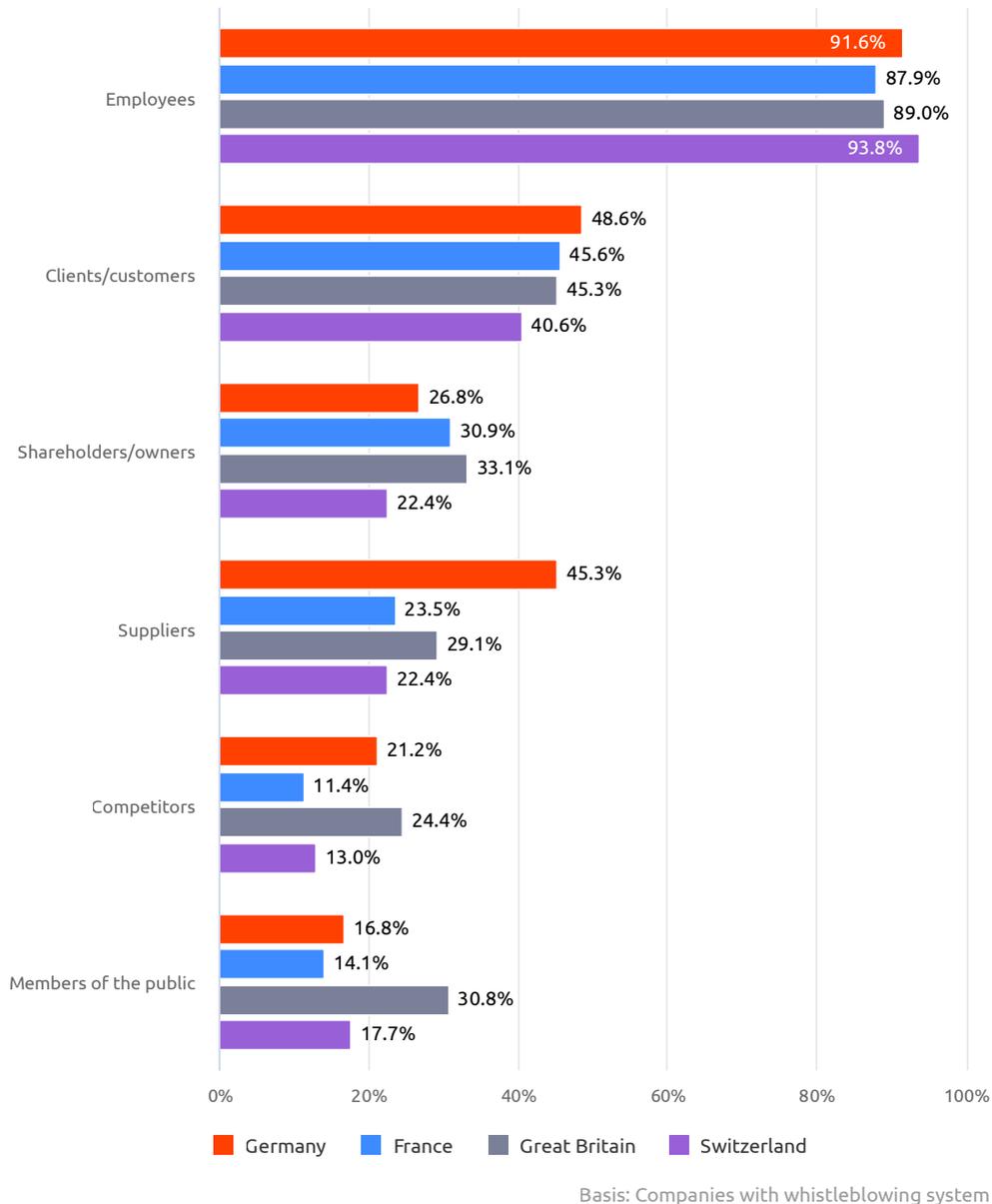


Figure 40 Target audiences of the whistleblowing system (country comparison)

There is diversity not only in the range of reporting channels, but also in the stakeholder groups for whom the whistleblowing system is available. Employees are by far the most important stakeholder group that can submit reports. Across all countries, more than half of the companies also give other internal stakeholders – such as shareholders and owners – as well as external stakeholders – such as customers and suppliers – the opportunity to report illegal or unethical conduct.

Further analysis shows that in Germany one third, in Great Britain just over 40 per cent, in Switzerland nearly half and in France just over half of the companies surveyed open the whistleblowing system to one stakeholder group only. On average, the companies surveyed in Germany, France, Great Britain and Switzerland make their whistleblowing system available to two different stakeholder groups.

While in Germany and France, the SMEs surveyed on average open their whistleblowing system more than large enterprises, in Switzerland and Great Britain the reverse is true (see country charts).

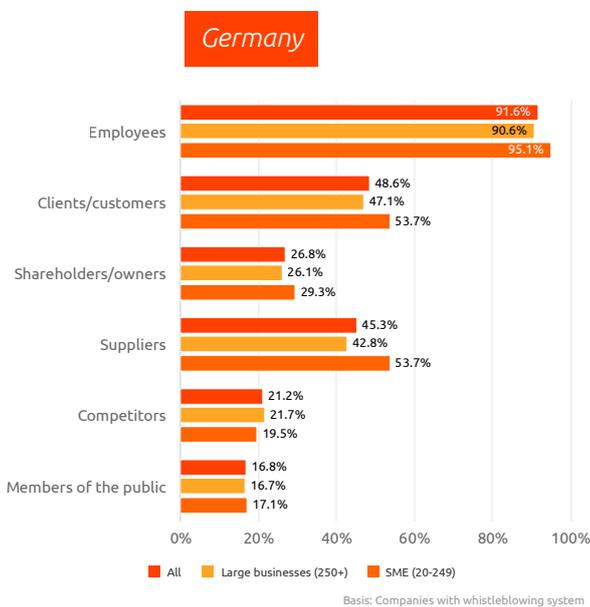


Figure 41 Germany: target audiences of the whistleblowing system

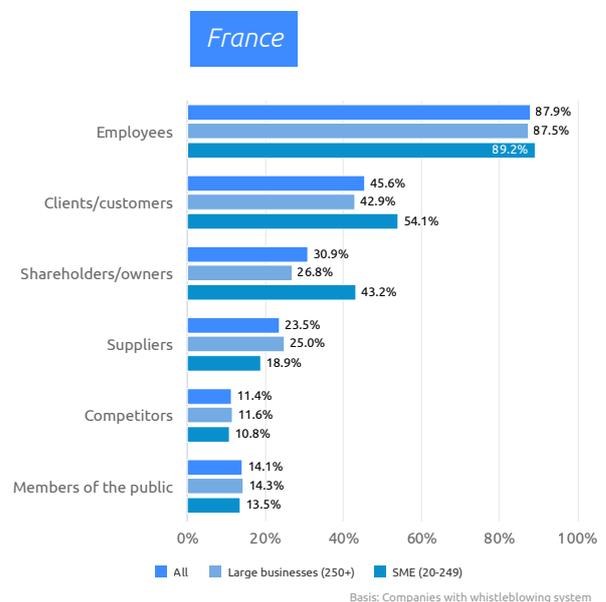


Figure 42 France: target audiences of the whistleblowing system

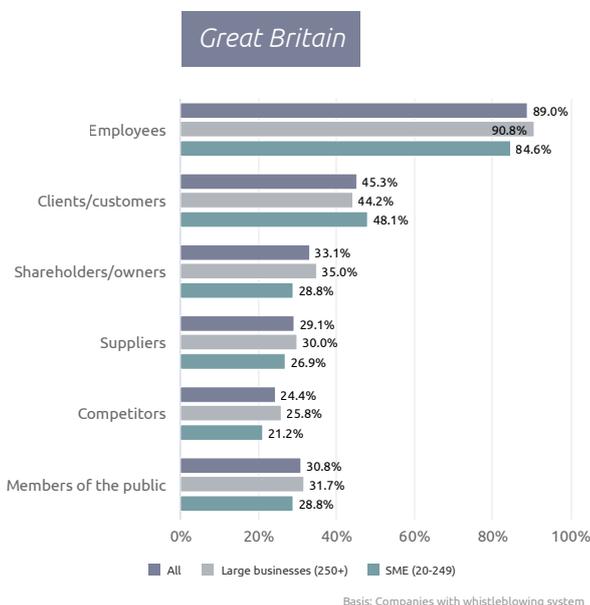


Figure 43 Great Britain: target audiences of the whistleblowing system

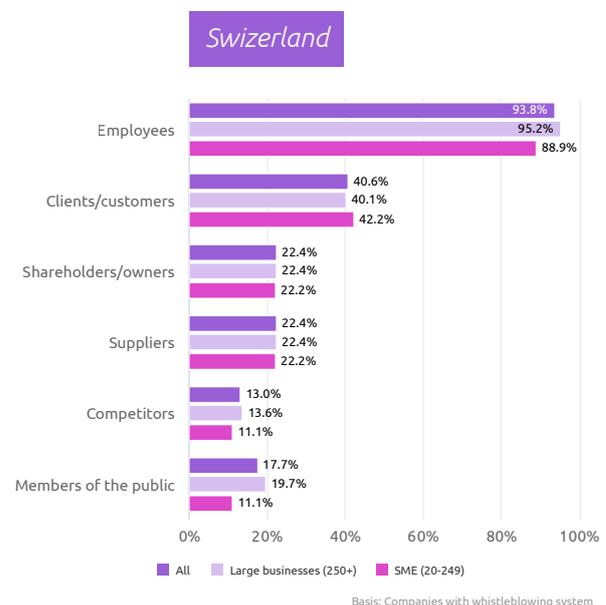
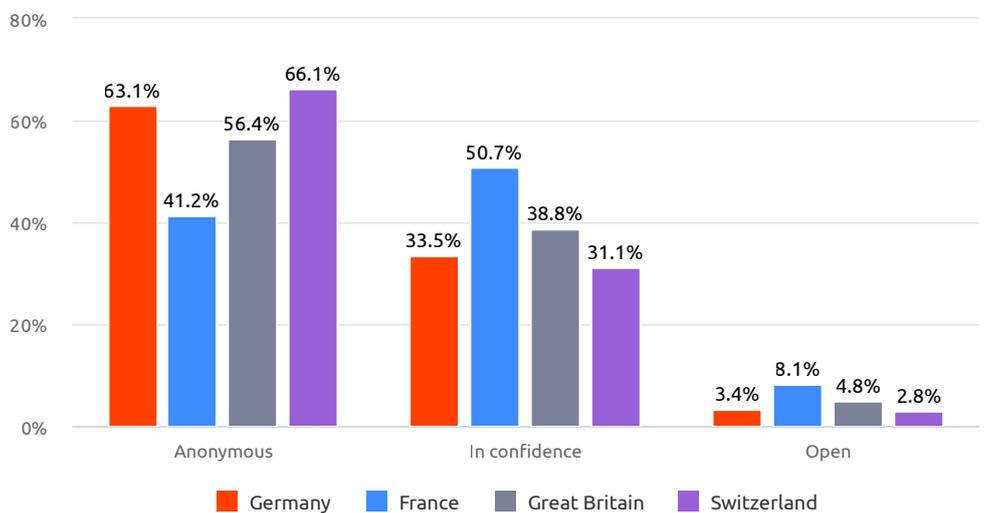


Figure 44 Switzerland: target audiences of the whistleblowing system

Anonymity



Basis: Companies with whistleblowing system

Figure 45 Anonymity of whistleblowers (country comparison)

More than half of the companies surveyed in Germany, Great Britain and Switzerland allow their whistleblowers to submit reports anonymously. By contrast, the majority of the French companies surveyed expect whistleblowers to indicate their name. This is treated confidentially by those responsible for the whistleblowing system and is not passed on during processing. Only for a small proportion of all companies surveyed are whistleblowers obliged to state their name when reporting, which can also be disclosed by the relevant authority.

The in-depth analysis shows that both larger and successful companies, which have grown over the last two years and expect growth in the coming 12 months, are more likely to allow anonymous whistleblowing.

It is striking that the results of SMEs and large companies differ significantly only in Switzerland (see country charts). 73 per cent of the large companies surveyed there enable anonymous reporting – almost 20 per cent more than in the first Whistleblowing Report. For SMEs, this is only around 44 per cent; the majority of companies, on the other hand, insist that the whistleblower identity be disclosed.

Germany

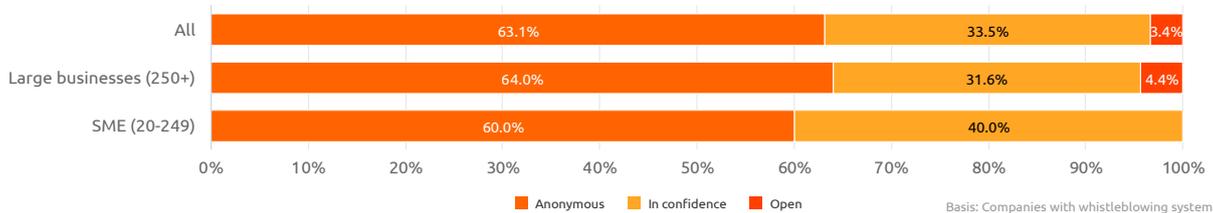


Figure 46 Germany: anonymity of whistleblowers

France

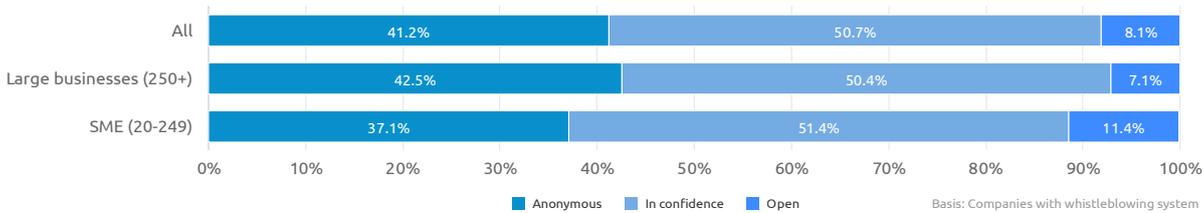


Figure 47 France: anonymity of whistleblowers

Great Britain

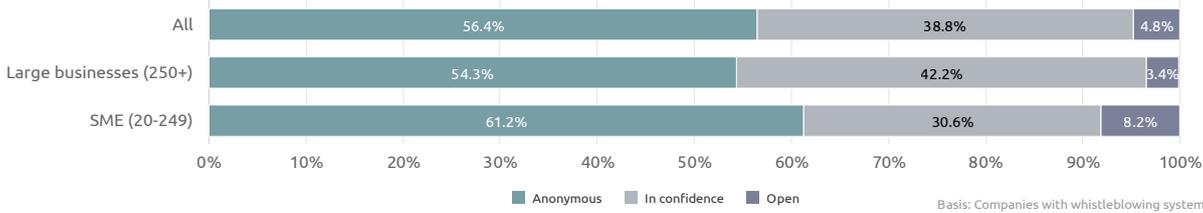


Figure 48 Great Britain: anonymity of whistleblowers

Switzerland

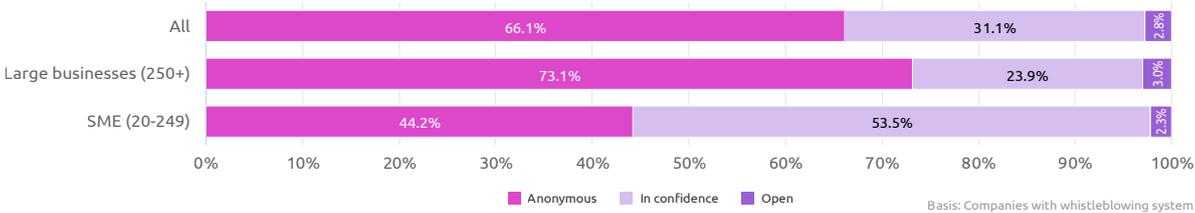
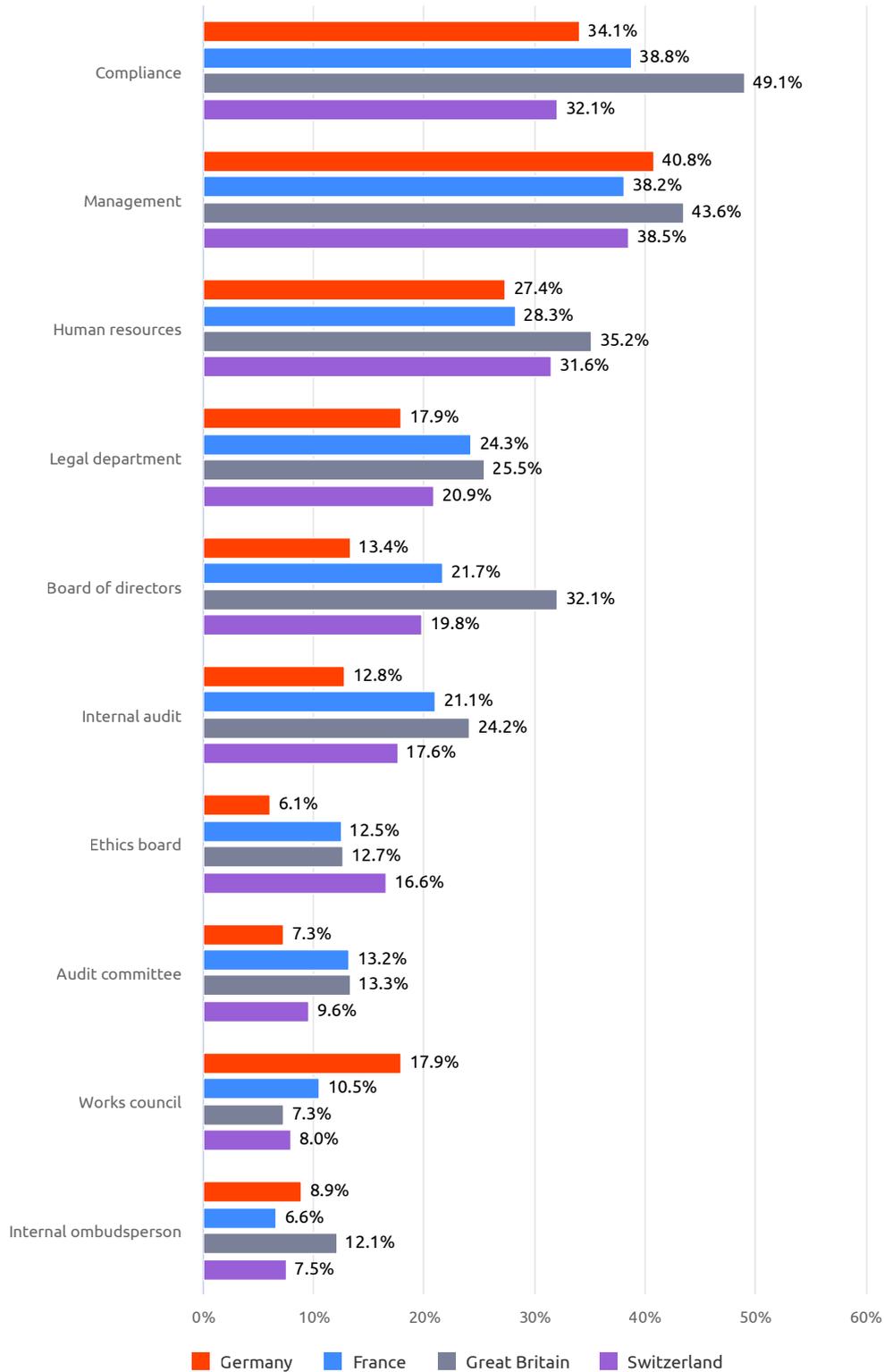


Figure 49 Switzerland: anonymity of whistleblowers

Responsibility



Basis: Companies with whistleblowing system

Figure 50 Departments responsible for the whistleblowing system (country comparison)

Whistleblowing systems can be managed across different departments or even several departments. According to the survey results, in all four countries the compliance department, the management and the human resources department are most frequently responsible or at least jointly responsible for receiving and handling the cases.

In the majority of the companies surveyed with headquarters in Germany or Switzerland, only one office deals with suspected or concrete reports of misconduct. In the British and French firms surveyed, on the other hand, two offices are involved on average.

Not surprisingly, the results show that in all countries the large companies surveyed have most frequently located their whistleblowing systems in the compliance department, while in the SMEs surveyed it is mainly the management itself that handles the cases (see country charts).

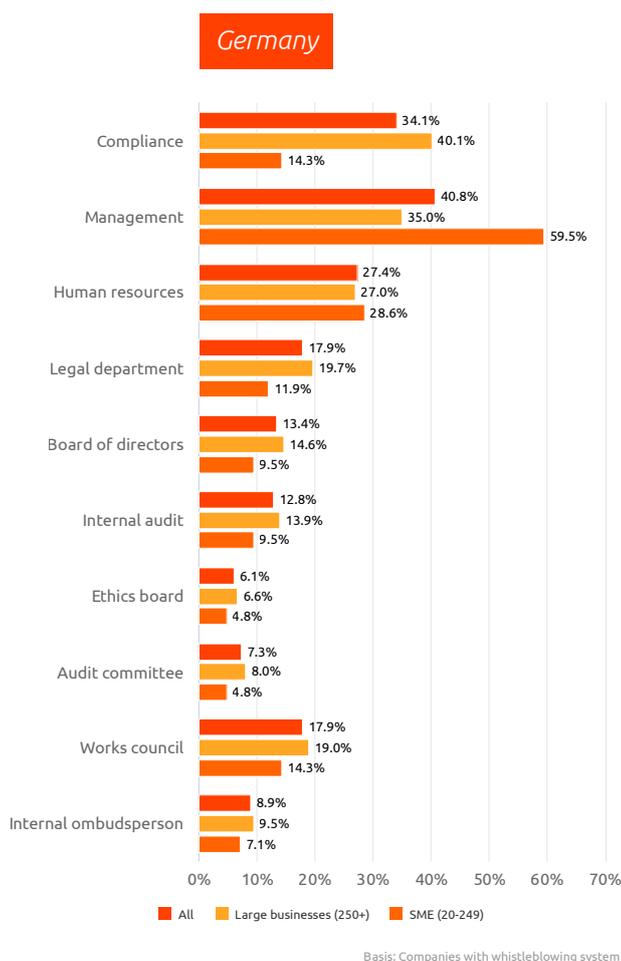


Figure 51 Germany: department responsible for the whistleblowing system

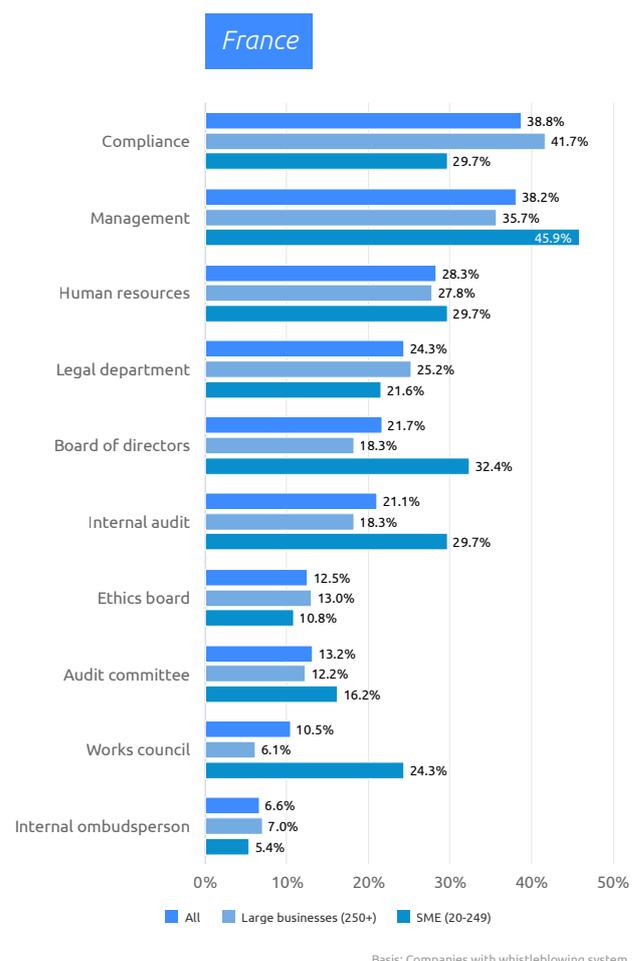


Figure 52 France: department responsible for the whistleblowing system

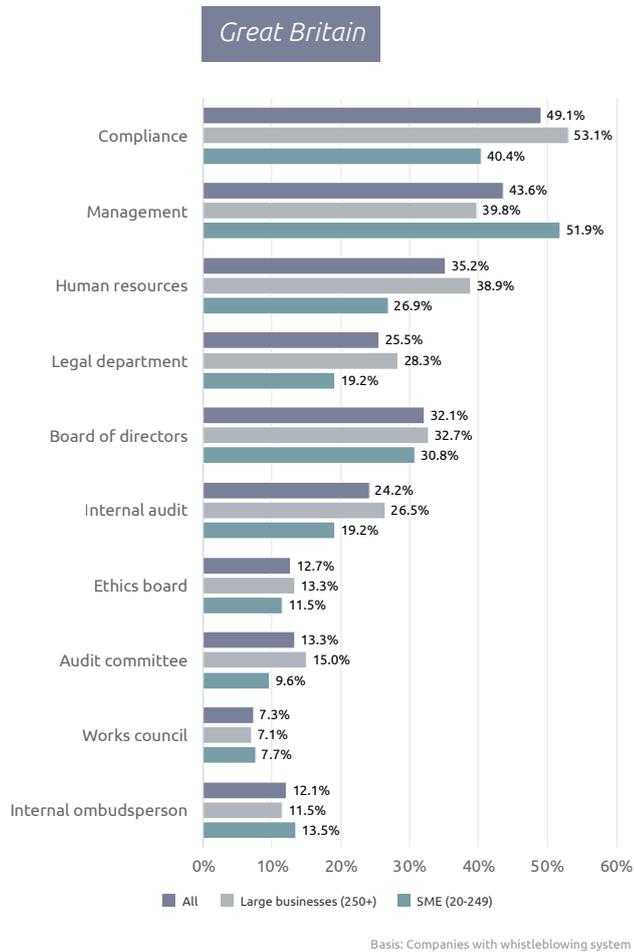


Figure 53 Great Britain: department responsible for the whistleblowing system

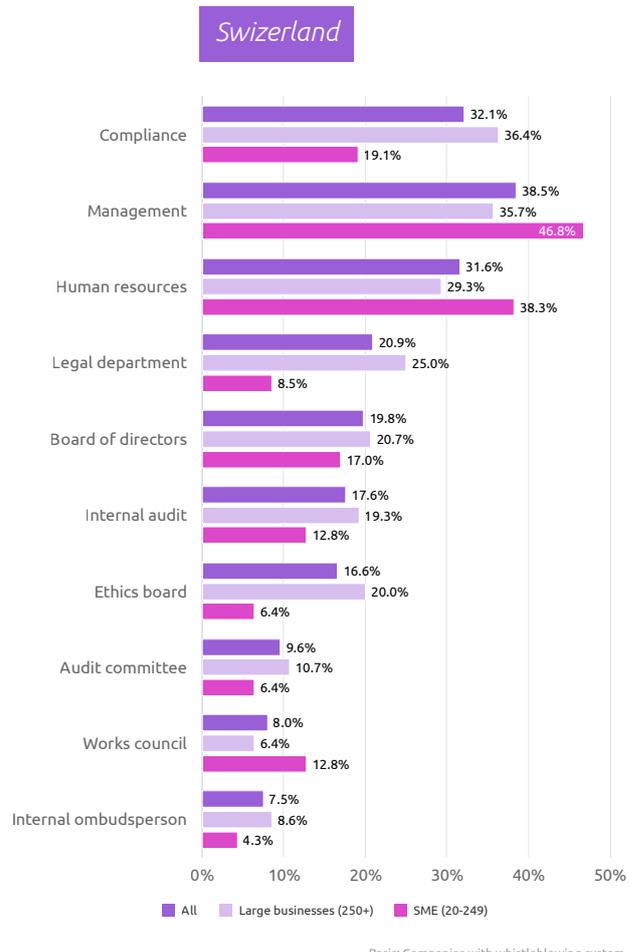
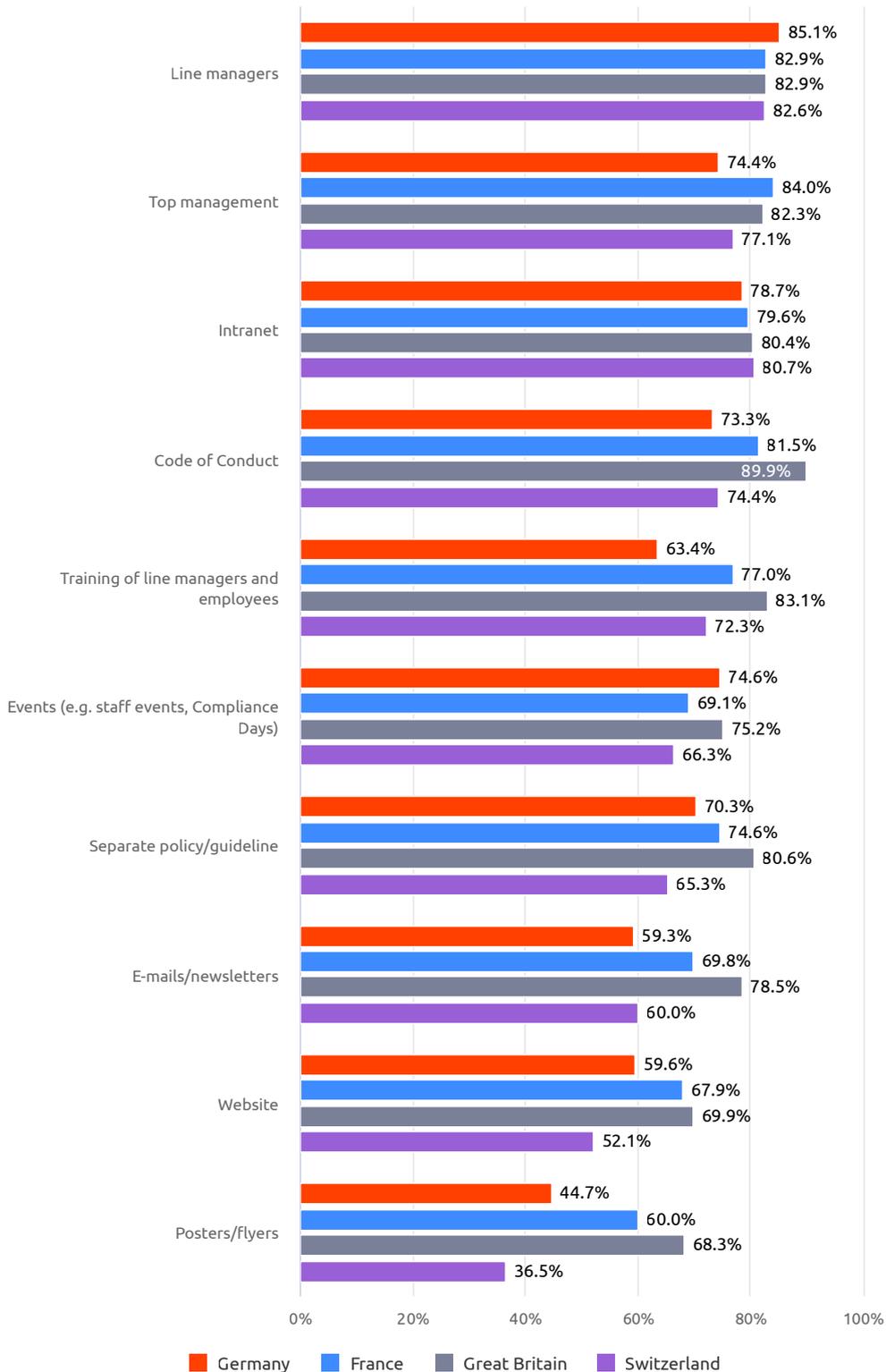


Figure 54 Switzerland: department responsible for the whistleblowing system

Communication

Means of communication



Basis: Companies with whistleblowing system

Figure 55 Means and channels for communication of the whistleblowing system (country comparison)

The companies surveyed use many methods and channels to draw attention to their whistleblowing system. Two thirds of the German and French companies surveyed have established more than half of the methods and channels listed in Figure 55 to provide information about their whistleblowing system. In Great Britain it is more than three quarters of the companies.

The Swiss companies are at the back of the pack with almost 60 per cent. However, large companies in Switzerland have increased the number of communication methods used compared to the Whistleblowing Report 2018. The values for most measures are significantly higher, with communication by top management in particular rising by 46 percentage points.

It is not surprising that the SMEs surveyed in all four countries use fewer channels and resources on average (see country charts). Like large companies, they communicate strongly via top management and line managers. The intranet is also a central communication tool. For the vast majority of SMEs and large companies, the whistleblowing system is addressed in the Code of Conduct. Interesting to note in this context: the vast majority of companies have already drawn up a separate whistleblowing policy or guideline.

In addition, in-depth statistical analysis shows that more reports are received by the whistleblowing system if it is communicated via as many channels as possible.

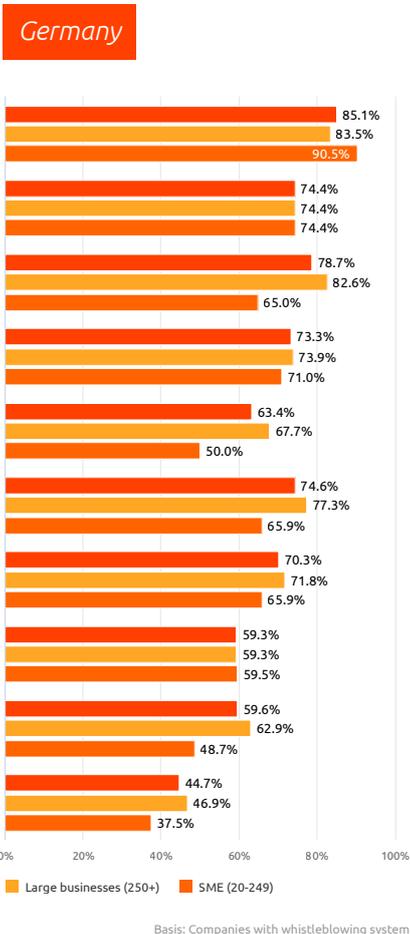


Figure 56 Germany: Means and channels for communication of the whistleblowing system

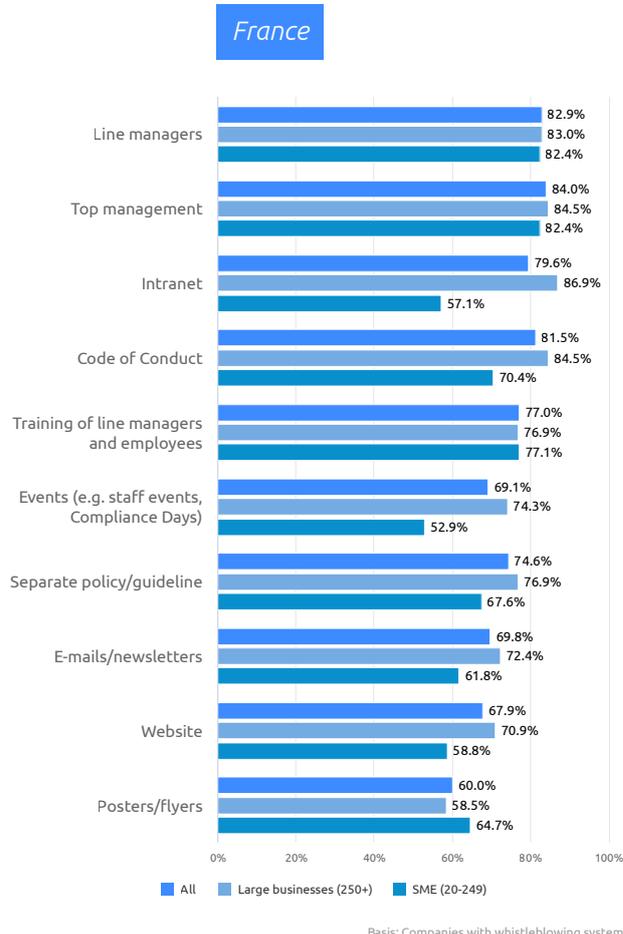


Figure 57 France: Means and channels for communication of the whistleblowing system

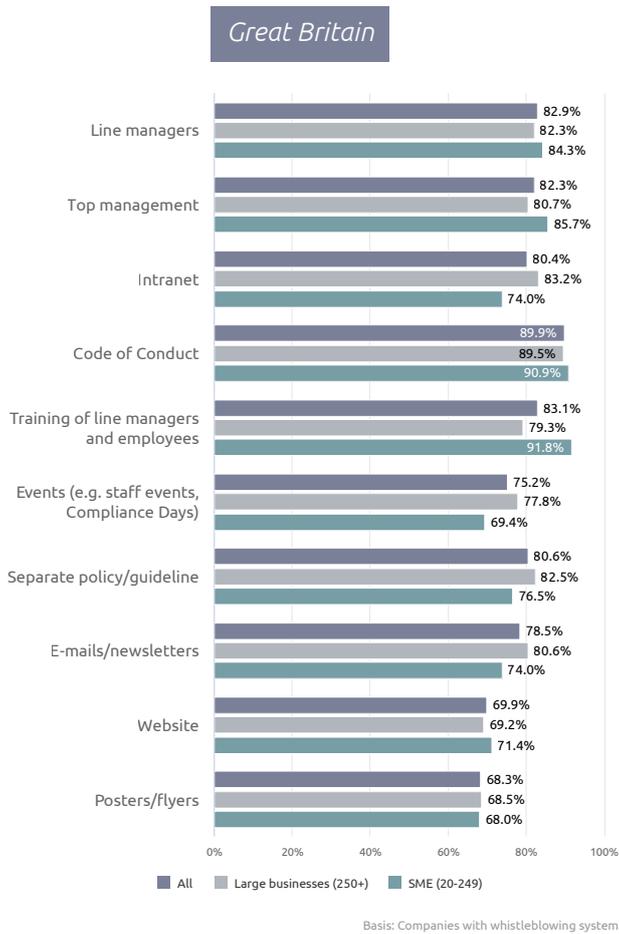


Figure 58 Great Britain: Means and channels for communication of the whistleblowing system

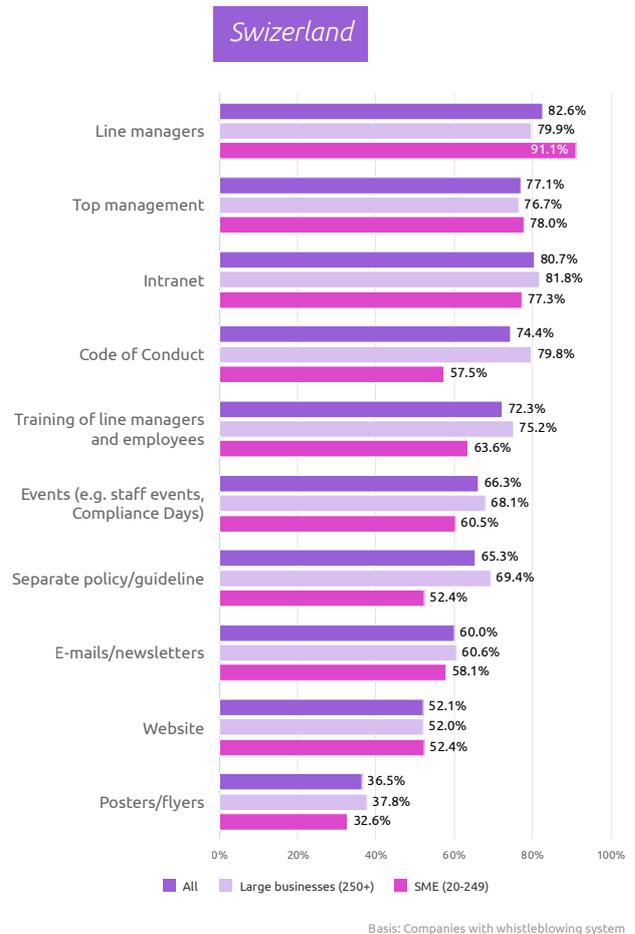
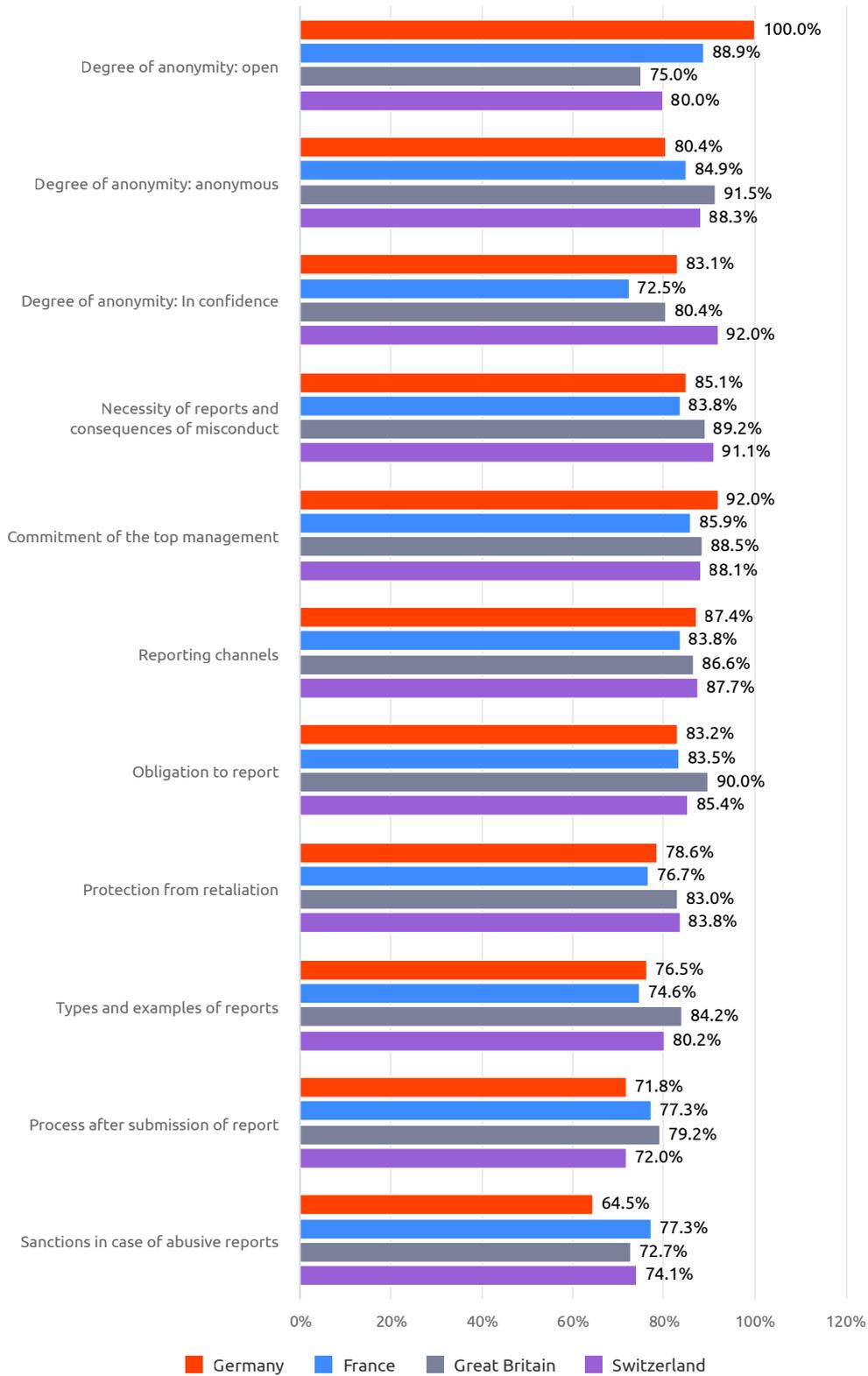


Figure 59 Switzerland: Means and channels for communication of the whistleblowing system

Messages and content



Basis: Companies with whistleblowing system

Figure 60 Content of communication messages (country comparison)

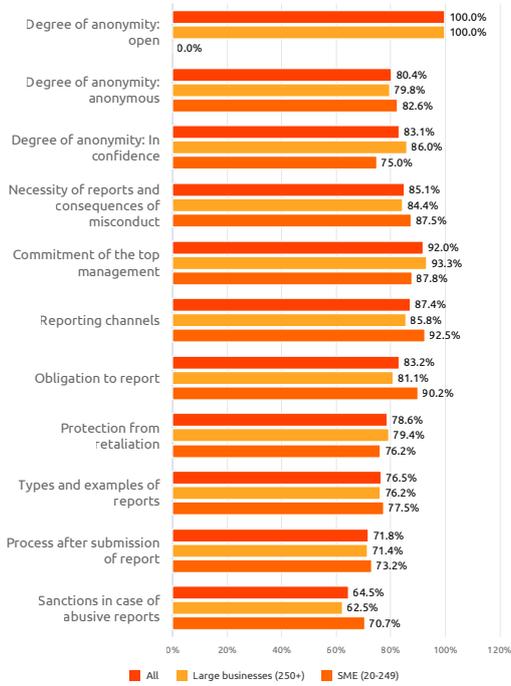
In addition, companies were also asked about how they communicate their whistleblowing systems. Figure 60 shows that the vast majority of large companies and SMEs in all countries use all of the communication messages (see country charts).

Amongst other things, this concerns information as to whether the whistleblowers can or must report anonymously, confidentially or openly.

The companies surveyed emphasized the clear commitment of top management to ethical and moral conduct across all countries. In communication surrounding the whistleblowing system, it is therefore very often stressed that the company management unconditionally stands behind the whistleblowing system and does not regard reporting as a breach of loyalty. Furthermore, 'the need for reporting misconduct', 'the available channels of communication' and 'the duty to report misconduct' are among the most frequently communicated messages.

It is striking that in comparison to the first study conducted exclusively in Switzerland, the large Swiss companies surveyed communicate 'protection from negative repercussions' and 'sanctions for abusive reports' much more strongly. Last year's results showed, amongst other things, that the number of abusive reports is reduced when companies communicate and explain how whistleblowers are protected from negative repercussions.

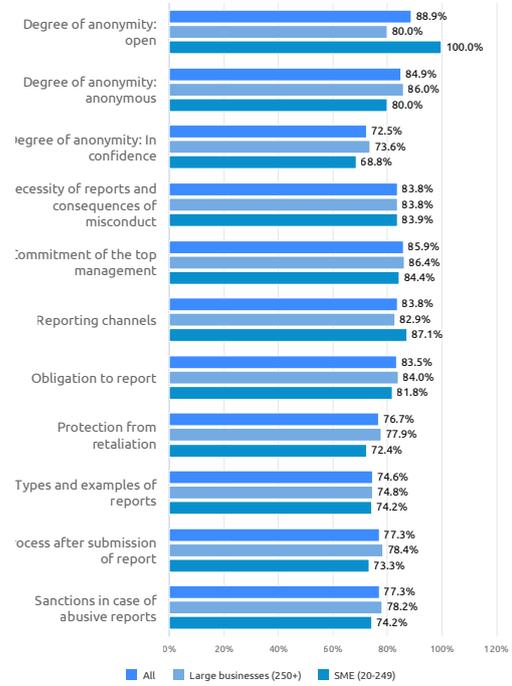
Germany



Basis: Companies with whistleblowing system

Figure 61 Germany: Communication messages and content

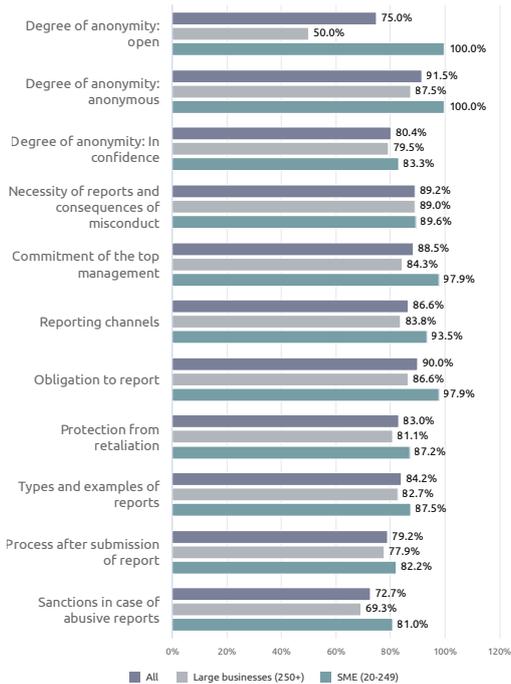
France



Basis: Companies with whistleblowing system

Figure 62 France: Communication messages and content

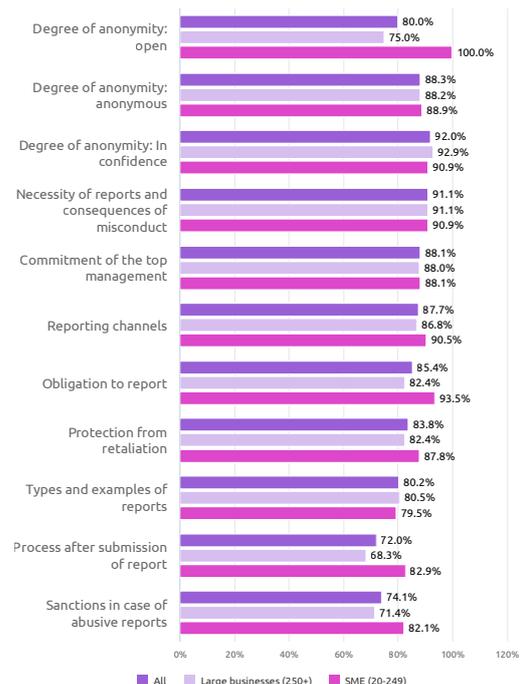
Great Britain



Basis: Companies with whistleblowing system

Figure 63 Great Britain: Communication messages and content

Switzerland



Basis: Companies with whistleblowing system

Figure 64 Switzerland: Communication messages and content

Frequency

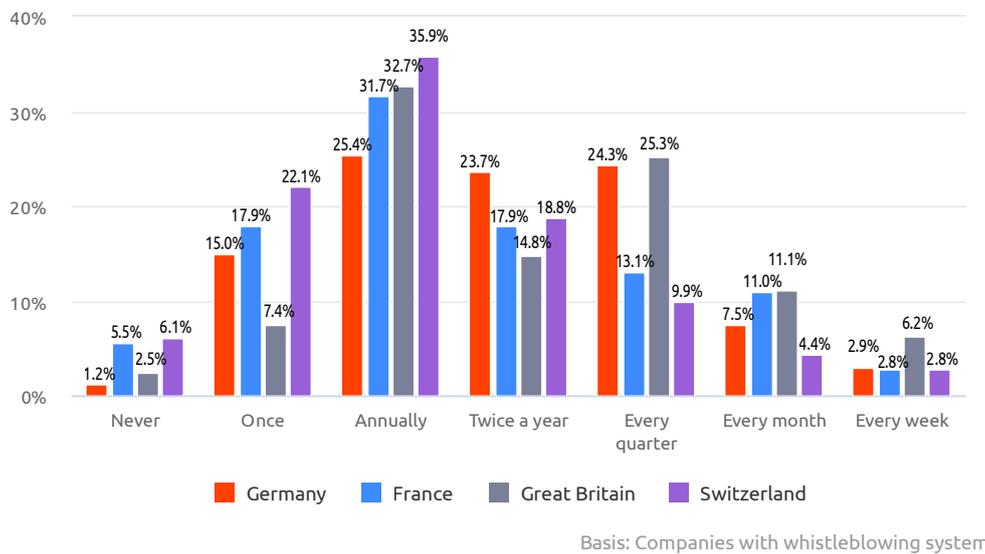


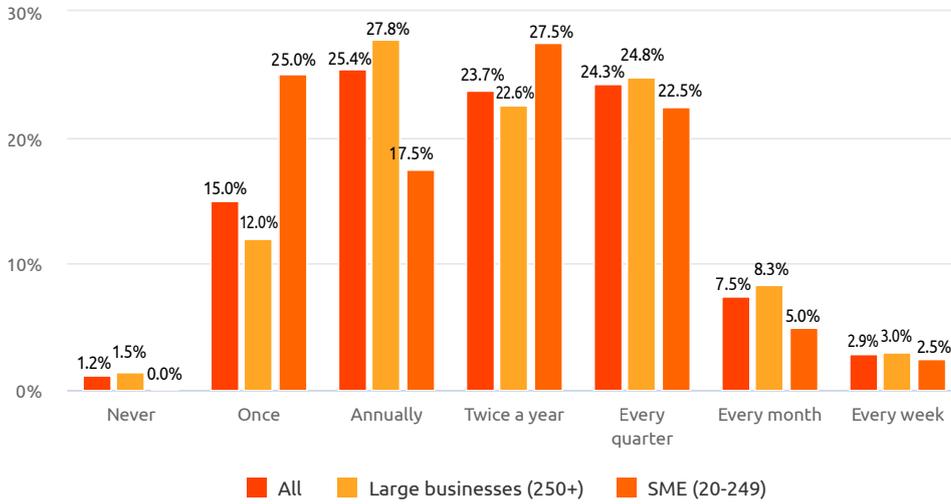
Figure 65 Frequency of communication (country comparison)

The results show that the companies surveyed in all four countries have numerous means of communication at their disposal. The question now arises as to how often they use them to draw the attention of their employees to the whistleblowing system.

A clear majority of British and German SMEs and large companies surveyed issue communications at least twice a year about their whistleblowing systems. Around 40 per cent inform their employees annually or only once, for example when the whistleblowing system is introduced.

Looking at the results for France and Switzerland, it appears that the companies inform their workforce less frequently than in the other countries. Less than half of the French companies surveyed (45%) and only one third of Swiss companies communicate at least twice a year. While in France the large companies surveyed communicate more strongly, in Switzerland it is more the SMEs (see country charts); 60 per cent of the large Swiss companies surveyed make their employees aware of their whistleblowing systems only once or annually.

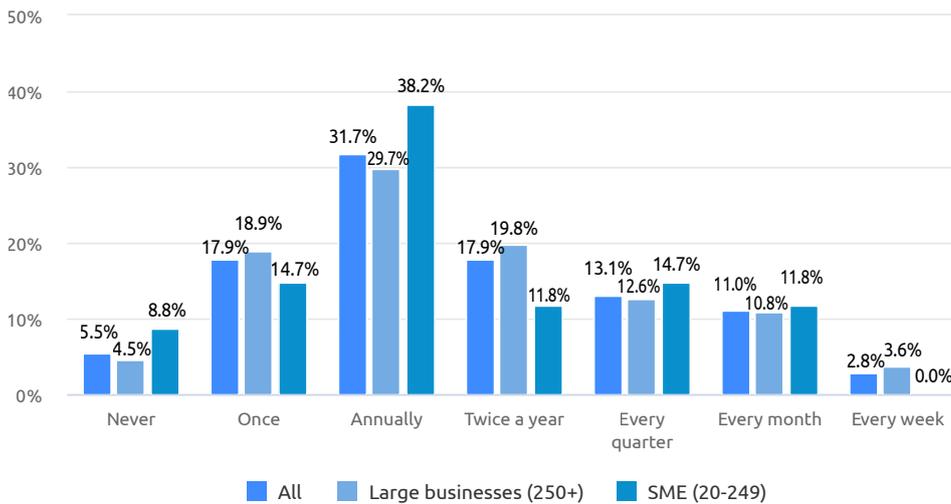
Germany



Basis: Companies with whistleblowing system

Figure 66 Germany: frequency of communication

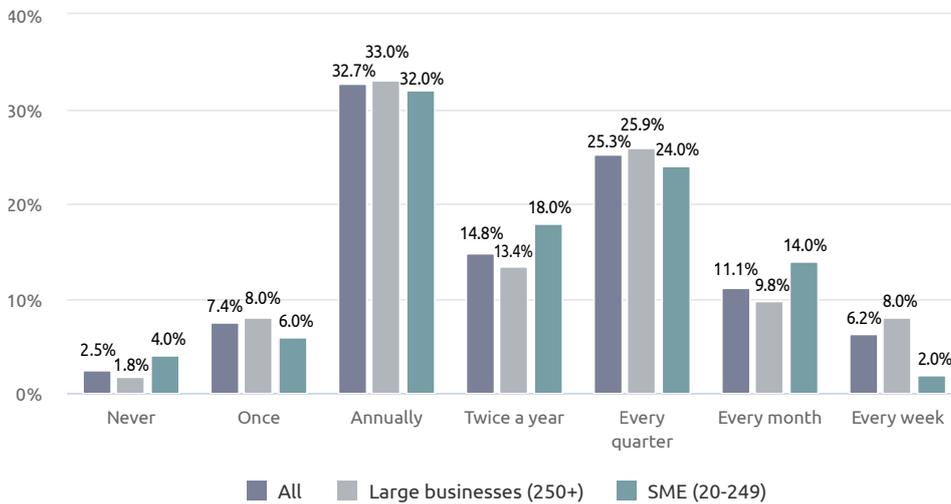
France



Basis: Companies with whistleblowing system

Figure 67 France: frequency of communication

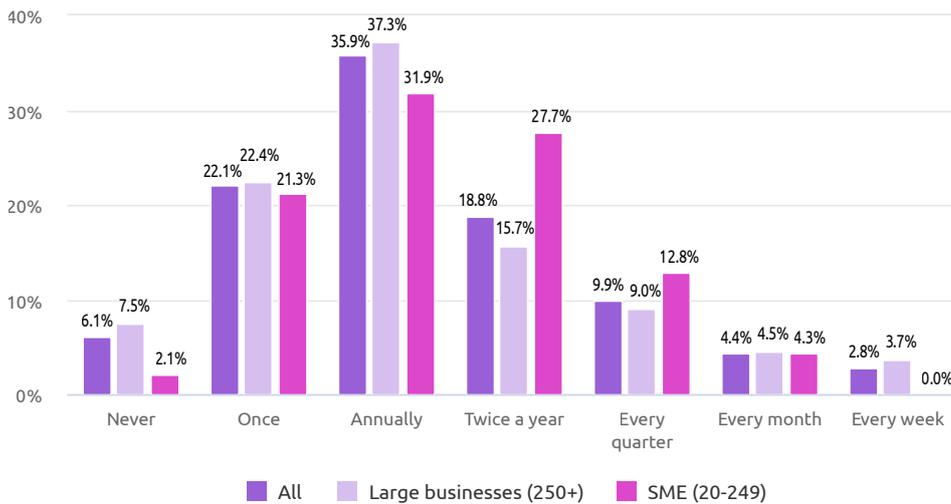
Great Britain



Basis: Companies with whistleblowing system

Figure 68 Great Britain: frequency of communication

Switzerland



Basis: Companies with whistleblowing system

Figure 69 Switzerland: frequency of communication

Communication of the consequences of misconduct

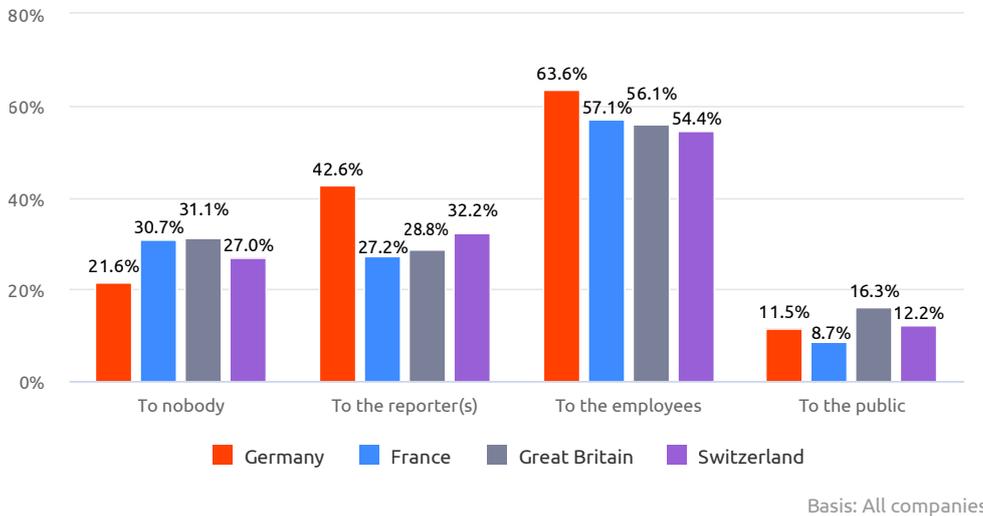


Figure 70 Communication of the consequences of misconduct (country comparison)

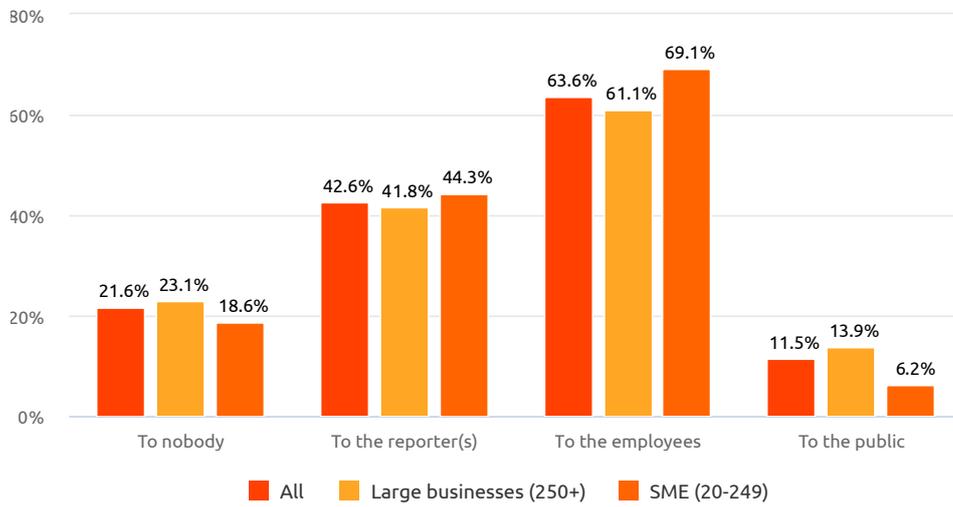
In practice, there is often uncertainty as to whether and to whom the outcomes of misconduct investigations should be communicated. In the present study, this question was put to all companies, regardless of whether they have a whistleblowing system.

As Figure 70 shows, the majority of the companies surveyed tell their employees about the outcomes of misconduct investigations. Around 30 per cent communicate the outcomes to the whistleblower who drew attention to the misconduct. However, just as many companies refrain from communicating the outcomes at all. Only very few of the companies surveyed inform the public about the outcomes of a misconduct investigation.

In all four countries, more SMEs communicate the consequences of misconduct to their employees than large companies (see country charts). Unsurprisingly large companies are more likely to communicate the outcomes to the public.

Finally, the statistical analysis shows that the companies surveyed with a whistleblowing system are more likely to communicate the outcomes of a misconduct case than those that don't have one.

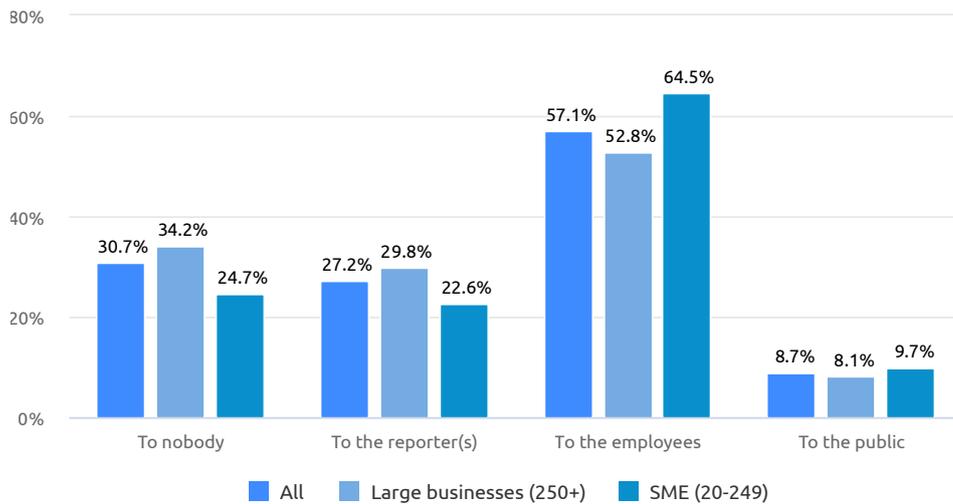
Germany



Basis: All companies

Figure 71 Germany: Communication of the consequences of misconduct

France



Basis: All companies

Figure 72 France: Communication of the consequences of misconduct

Great Britain

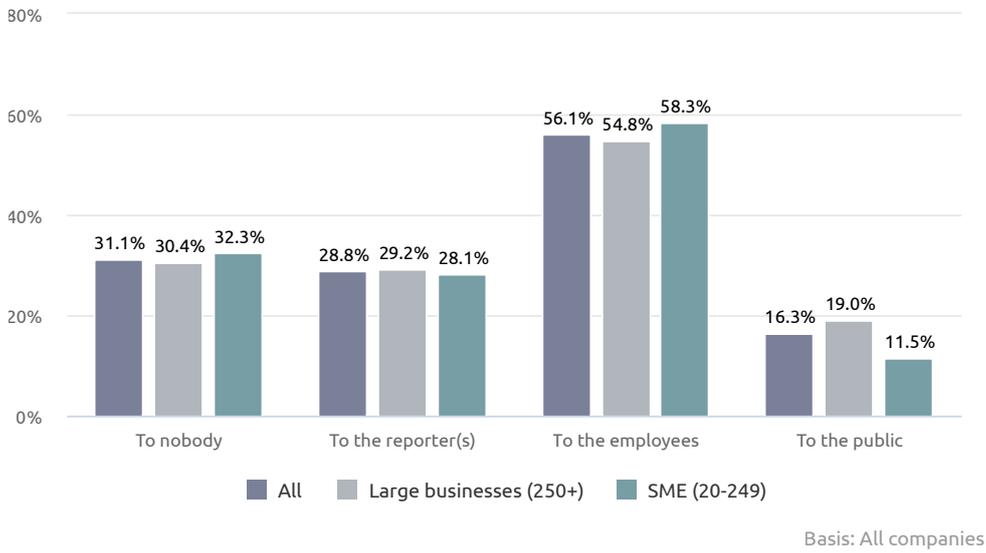


Figure 73 Great Britain: Communication of the consequences of misconduct

Switzerland

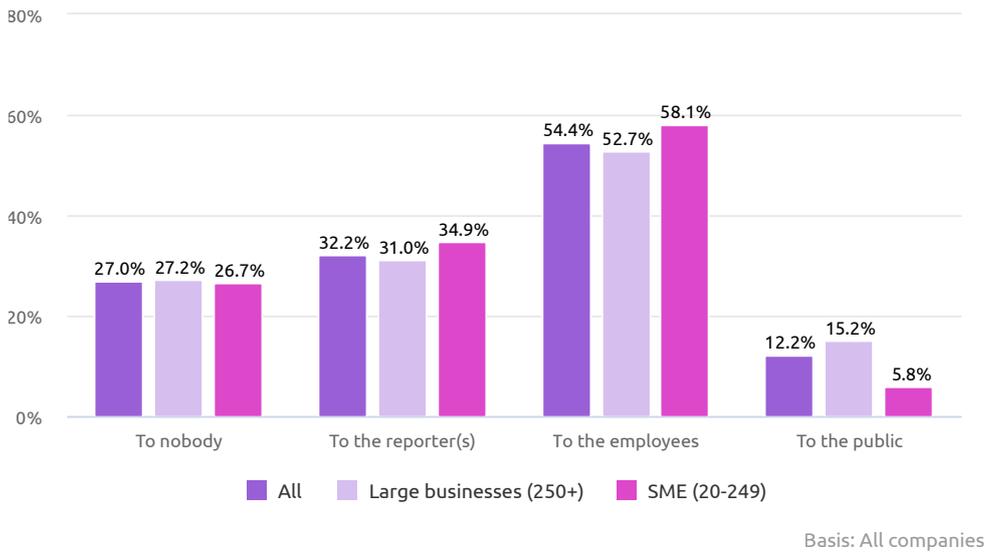
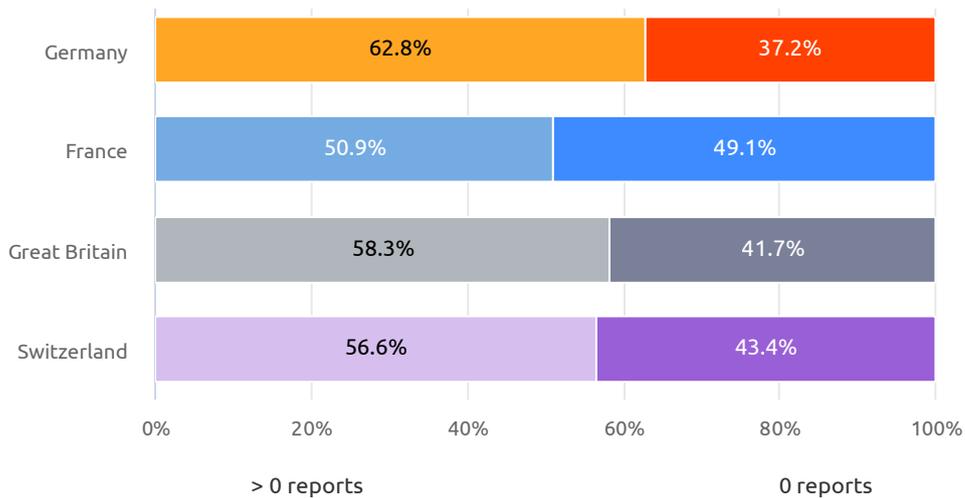


Figure 74 Switzerland: Communication of the consequences of misconduct

Use

Number of reports



Basis: Companies with whistleblowing system

Figure 75 Number of reports (country comparison)

In all four countries, more than half of the companies surveyed received whistleblowing reports from the whistleblowing system last year (Figure 46). There are clear differences depending on company size: the larger the company, the higher the probability of reporting (see country charts).

The statistical analysis also shows that whistleblowing systems of international companies and public sector enterprises are used more frequently. French companies received the fewest whistleblowing reports from their whistleblowing systems.

In the last study, which was carried out in Switzerland only, 29 per cent of large companies received no reports in 2017. At 40 per cent, the proportion is significantly higher in this year's survey. Receiving no reports or a low number of reports can be an indication that there are few or no cases of misconduct in a company. On the other hand, a low number can be due to a lack of awareness or distrust on the part of stakeholders. The available data does not allow for a clear explanation of the reasons.

Looking more closely at the number of reports, companies received an average of 52 last year across all countries and company sizes. Here, too, the size of the company is a decisive factor. The larger a company, the more whistleblowing reports the whistleblowing system receives. Large companies receive an average of 65 reports per year and SMEs 16.

In addition, it can be observed that specialized reporting channels - i.e. hotline/call centres, mobile apps, social media and web-based whistleblowing systems – are a driver for the number of reports. Companies with these reporting channels receive more reports than companies that use general channels (personal visits, letter/fax, e-mail and telephone). In addition, in-depth statistical analysis shows that more reports are received by the whistleblowing system if communication is facilitated via as many channels as possible.

Germany

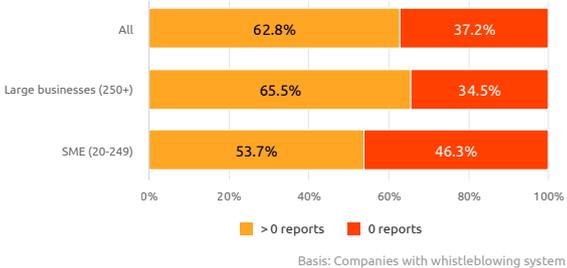


Figure 76 Germany: number of reports

France

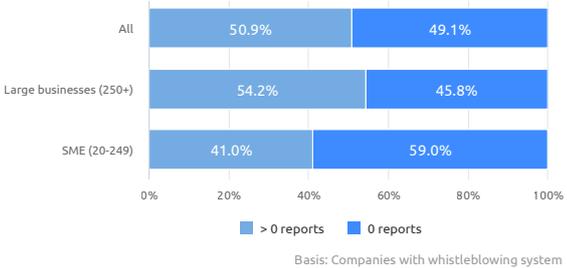


Figure 77 France: number of reports

Great Britain

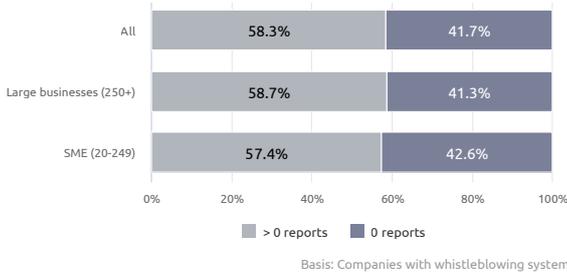


Figure 78 Great Britain: number of reports

Switzerland

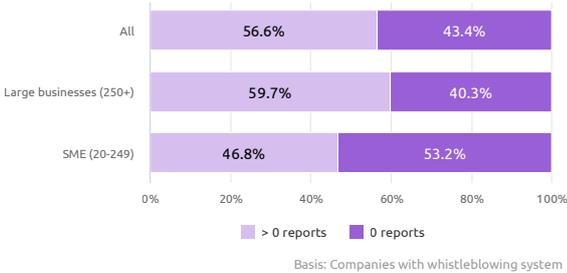
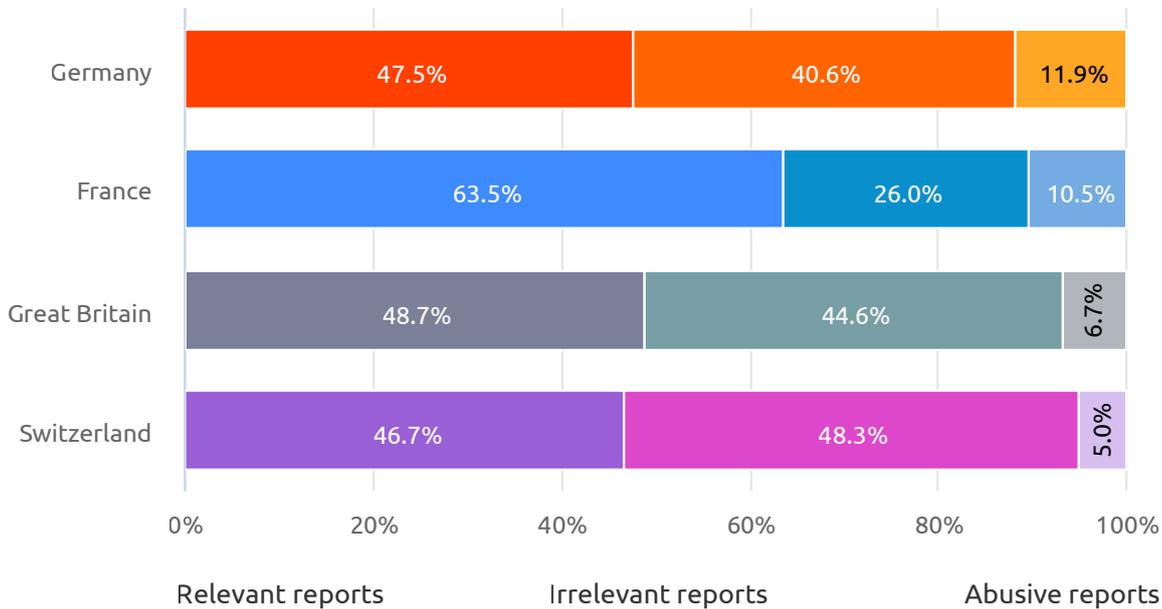


Figure 79 Switzerland: number of reports

Quality of the reports



Basis: Companies with whistleblowing system and number of reports 2018 > 0

Figure 80 Quality of the reports (country comparison)

In Germany, Great Britain and Switzerland, almost half of the incoming reports are relevant and substantiated, i.e. they actually indicate a compliance-related instance of wrongdoing or misconduct. In France, according to the online survey, the figure is higher than 60 per cent. Whistleblowing systems are thus an effective instrument for uncovering unlawful or unethical actions, and also make a crucial contribution to protecting a company's reputation.

The in-depth analysis reveals factors that statistically influence the proportion of relevant reports. For example, the proportion of relevant reports is lower in the general reporting channels (personal visits, letters/faxes, e-mail and telephone) and in the web-based reporting channels.

A frequently voiced reservation about whistleblowing systems is the fear that they may be misused by whistleblowers, for example to make false or defamatory reports that are intended to harm individual employees or the company. However, the results of the survey show that only five per cent of the reports in Switzerland and almost seven per cent in Great Britain can be classified as abusive. In France (almost 11 per cent) and Germany (12 per cent), on the other hand, abuse of the whistleblowing system is much more frequent. The result for Switzerland is within the fluctuation range of the last Whistleblowing Report (3 per cent). The statistical evaluation makes it clear that the ability to submit reports anonymously has no influence on the proportion of abusive reports.

However, there are also reports that, while not abusive should not have been submitted via the whistleblowing system. In the Swiss companies surveyed, for instance, 48 per cent of the reports proved to be irrelevant. In Germany and Great Britain the figures are slightly lower at just under 41 per cent and 45 per cent, respectively. In the French companies, however, the proportion of non-relevant reports is only 26 per cent. Examples of such reports include various internal company problems such as individual complaints about management style or technical operational problems. However, these reports, which are not relevant from a compliance point of view, generally prove to be unproblematic in terms of operating the whistleblowing system and can be forwarded to the relevant contact points (e.g. the HR department or building services).

Anonymous reports

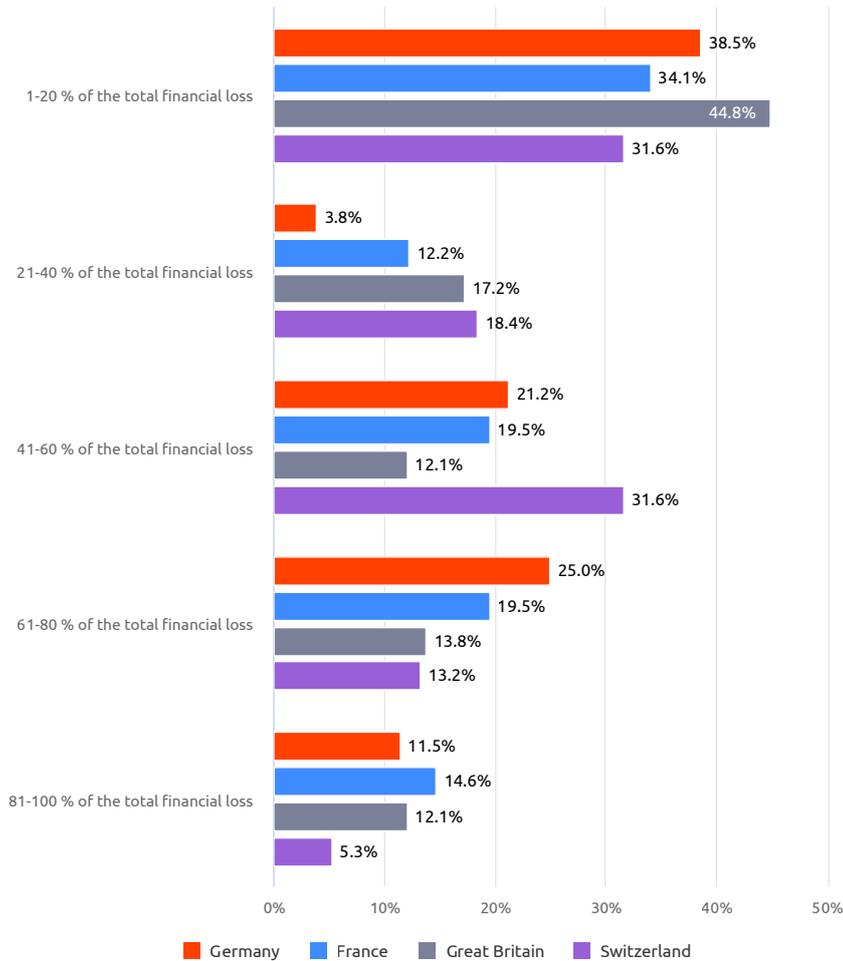
In the companies that make anonymous reports possible, 58 per cent of the first reports were received without identifying the whistleblower. In more than one third of the initial reports received anonymously (38%), however, the reporter discloses his or her identity during the investigation.

The probability that the identity of the whistleblower will become known in the course of the investigation is significantly higher for the general channels (personal visit, letter/fax, e-mail and telephone), while it is significantly lower for web-based reporting channels. The anonymity of whistleblowers is thus more reliably protected with this channel.

Whistleblower anonymity is also more often maintained in companies that communicate a wide variety of content and information regarding their whistleblowing system as well as in successful companies. It can be assumed that broad-based communication is characterised by the maturity of the organisation.

Benefits

Exposure by whistleblowing systems



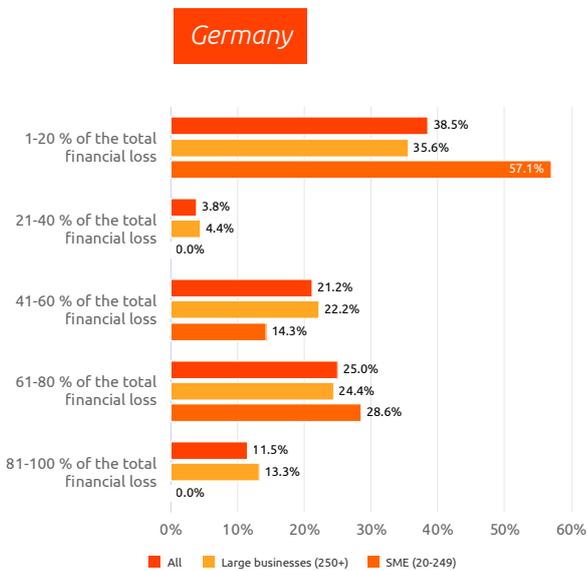
Basis: Companies with whistleblowing system and with a total financial loss 2018 > 0

Figure 81 Percentage of total financial loss exposed by the whistleblowing system (country comparison)

The results show that in 2018 in all four countries more than one third of the companies surveyed were affected by misconduct (see Chapter Illegal and unethical conduct in companies) and in some cases suffered significant financial loss as a result (see Chapter Financial loss). As Figure 81 illustrates, whistleblowing systems are an effective tool for exposing misconduct and thus reducing further financial cost and risk to the company.

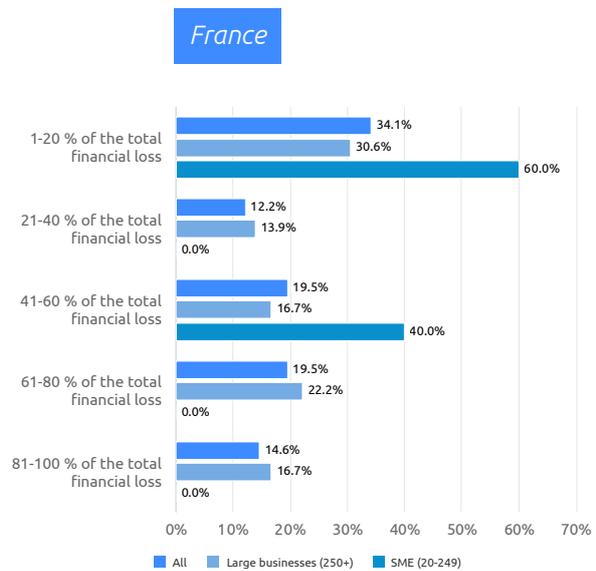
For example, all the companies surveyed who suffered financial loss last year confirm that they were able to expose part of this total loss thanks to the whistleblowing system. One third of German and French were able to uncover more than 60% of their total financial loss (financial loss due to misconduct) thanks to the whistleblowing system.

But in France this result was mostly driven by large companies; the proportion of financial loss uncovered by the whistleblowing system is lower for SMEs. The survey in Switzerland showed that half of the companies questioned were able to expose between 21 and 60 per cent of the total financial loss thanks to the whistleblowing system. In Great Britain, the figure is slightly lower at just under 30 per cent, where many of the companies (45 per cent) state that they were able to uncover a smaller proportion of the total loss (1-20 per cent) through the whistleblowing system.



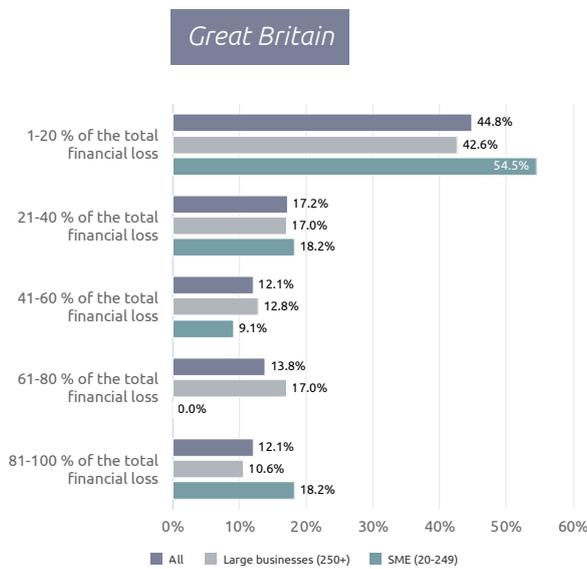
Basis: Companies with whistleblowing system and with a total financial loss 2018 > 0

Figure 82 Germany: percentage of total financial loss exposed by the whistleblowing system



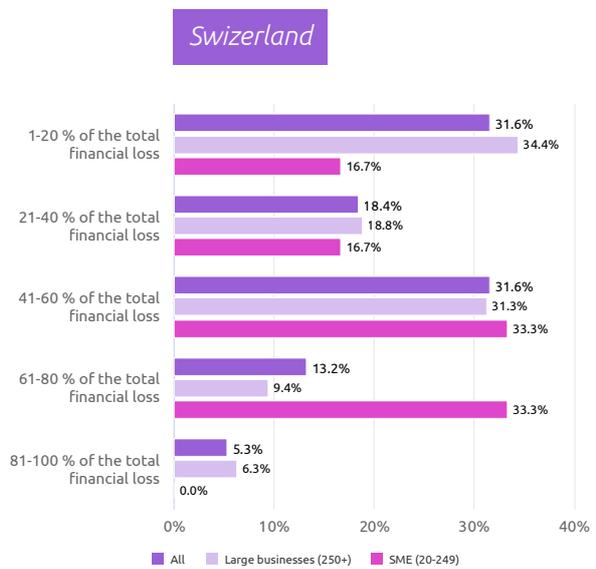
Basis: Companies with whistleblowing system and with a total financial loss 2018 > 0

Figure 83 France: percentage of total financial loss exposed by the whistleblowing system



Basis: Companies with whistleblowing system and with a total financial loss 2018 > 0

Figure 84 Great Britain: percentage of total financial loss exposed by the whistleblowing system



Basis: Companies with whistleblowing system and with a total financial loss 2018 > 0

Figure 85 Switzerland: percentage of total financial loss exposed by the whistleblowing system

Greatest loss detected

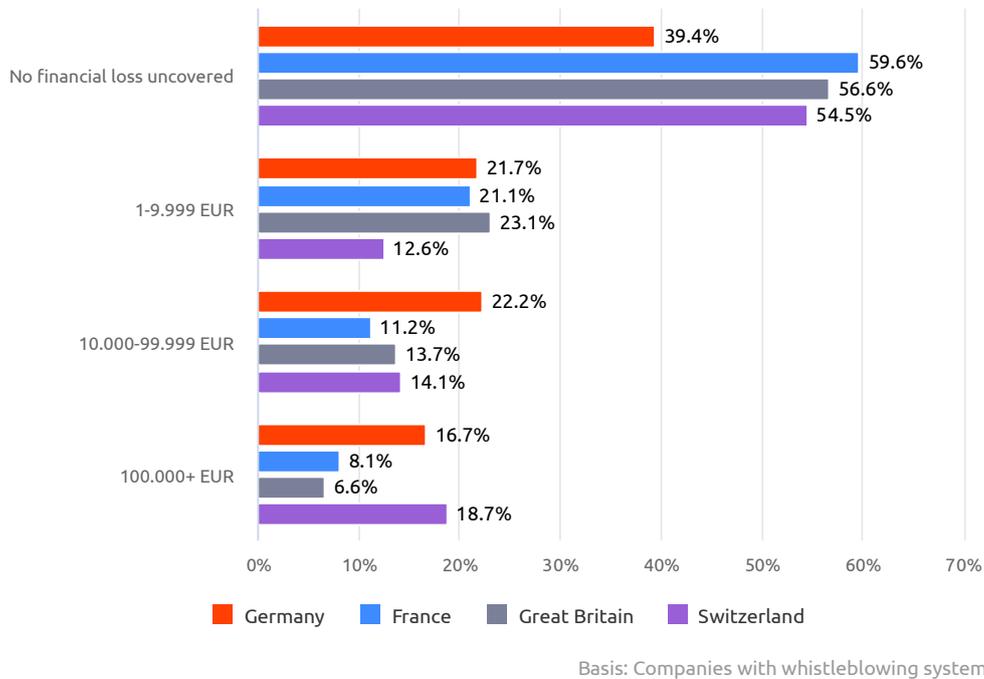


Figure 86 Greatest financial loss detected by the whistleblowing system (country comparison)

In the context of this second whistleblowing report, it was also of interest to find out what the largest financial loss has been since the introduction of the whistleblowing system.

The majority of companies in all countries, with the exception of Germany, have not yet been able to identify any misconduct resulting in financial loss through the whistleblowing system. This does not mean, however, that these companies have not yet been able to expose any misconduct through the whistleblowing system, as not every illegal or unethical action causes immediate, quantifiable financial loss (e.g. bullying, sexual harassment etc.).

As Figure 86 shows, German and Swiss companies in particular were able to uncover serious cases with financial loss of EUR 100,000 or more thanks to submissions made via the whistleblowing system. This is mainly relevant to large companies (see country charts). The fact that the proportion of high loss is greater in Switzerland is consistent with the recognition that the financial losses for Swiss companies tend to be higher (see Chapter Financial loss).

Furthermore, the statistical analysis makes it clear that the proportion of financial loss is particularly high, i.e. that the whistleblowing system is particularly effective, if it is easily accessible. This means that as many stakeholders as possible (e.g. employees, customers, shareholders/owners, competitors, suppliers and the general

public) have the opportunity to submit reports (see Chapter Target audiences) and the whistleblowing system is communicated as widely as possible (see Chapter Means of communication).



Figure 87 Germany: greatest financial loss detected via the whistleblowing system

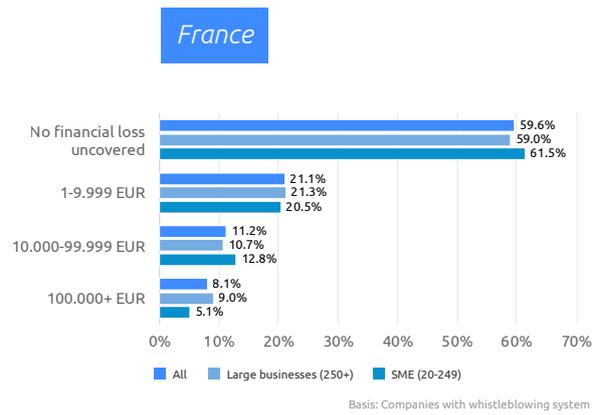


Figure 88 France: Greatest financial loss detected via the whistleblowing system

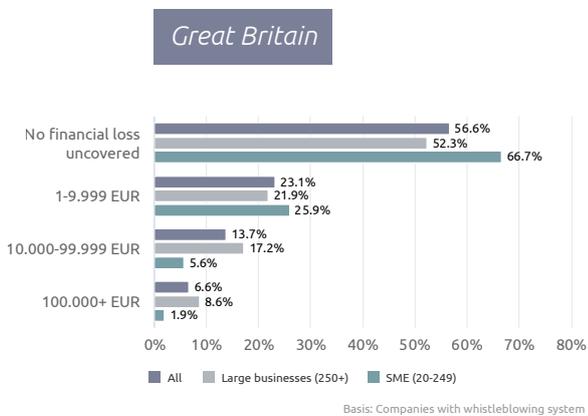


Figure 89 Great Britain: Greatest financial loss detected via the whistleblowing system

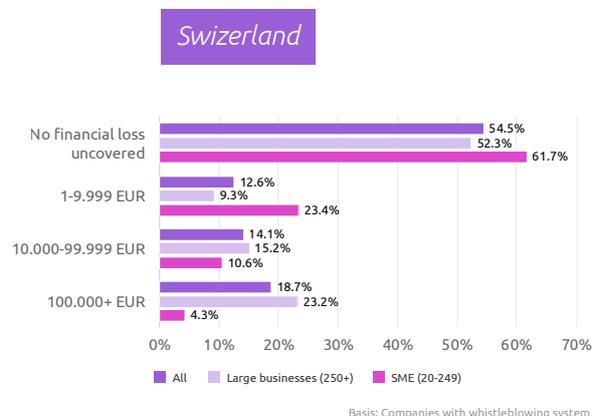


Figure 90 Switzerland: Greatest financial loss detected via the whistleblowing system

Non-monetary benefits

As the results of the Chapter Decision making show, by introducing a whistleblowing system, companies do not only aim to avoid financial damages. They are also convinced of the benefits and effectiveness of the whistleblowing system and would like to strengthen their image as an ethical and moral company. This raises the question of the extent to which companies benefit from their whistleblowing systems and whether such a system also has non-monetary benefits in addition to the financial aspects.

Across all countries, the companies surveyed most frequently find that their employees gain a better understanding of compliance thanks to the whistleblowing system. Furthermore, the whistleblowing system contributes to strengthening the image of the company as an ethical and moral one and to improving behavioural integrity. They also benefit from improved processes.

The companies from Germany and France also observe a lower number of cases of misconduct, whereas the whistleblowing systems in the Swiss companies are also held responsible for professionalising their compliance systems and compliance management.

The **3 most important advantages** of a whistleblowing system



All countries

- 1 Better understanding of compliance among employees
- 2 Strengthened image as an ethical & moral company
- 3 Improved processes and stronger behavioural integrity

Germany

- 1 Improved processes and stronger behavioural integrity
- 2 Fewer cases of misconduct
- 3 Strengthened image as an ethical & moral company

France

- 1 Fewer cases of misconduct
- 2 Better understanding of compliance among employees
- 3 Improved processes and stronger behavioural integrity

Great Britain

- 1 Better understanding of compliance among employees
- 2 Strengthened image as an ethical & moral company
- 3 Improved processes and stronger behavioural integrity

Switzerland

- 1 More professional compliance system /compliance management
- 2 Strengthened image as an ethical & moral company
- 3 Better understanding of compliance among employees

Germany

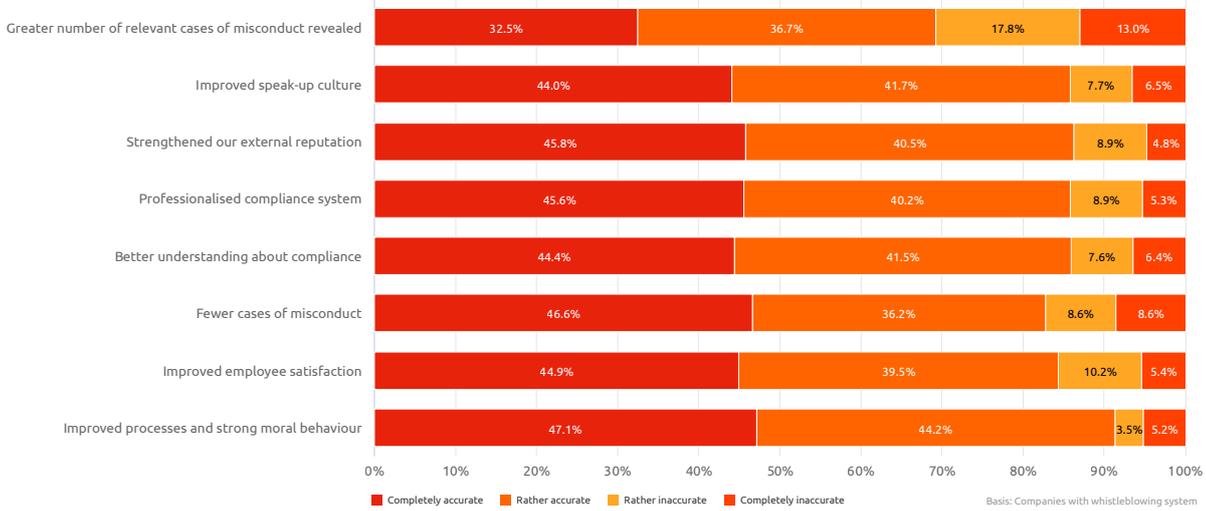


Figure 91 Germany: non-monetary benefits of whistleblowing systems

France

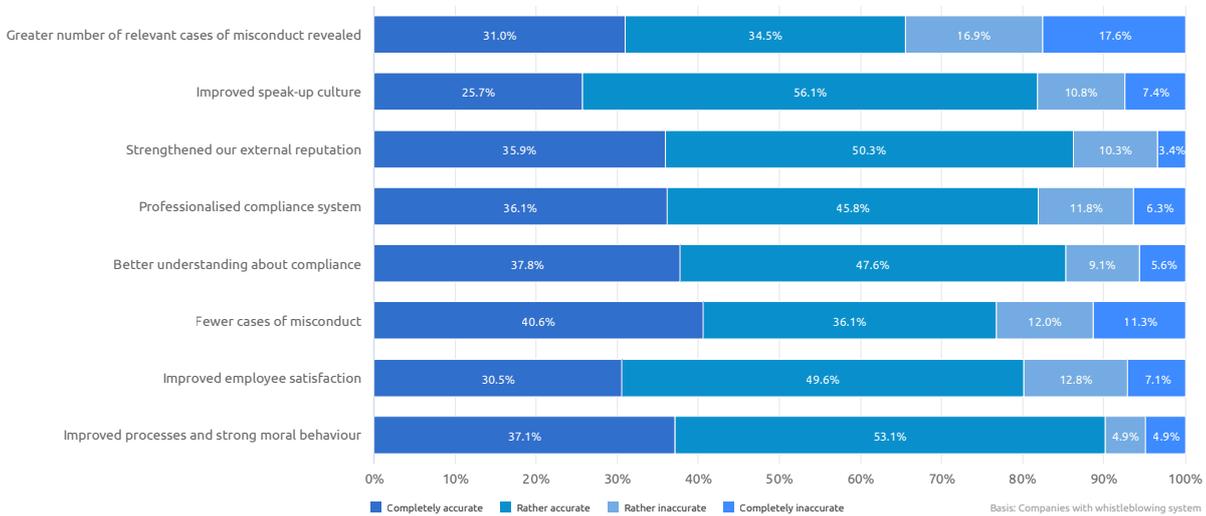


Figure 92 France: non-monetary benefits of whistleblowing systems

Great Britain

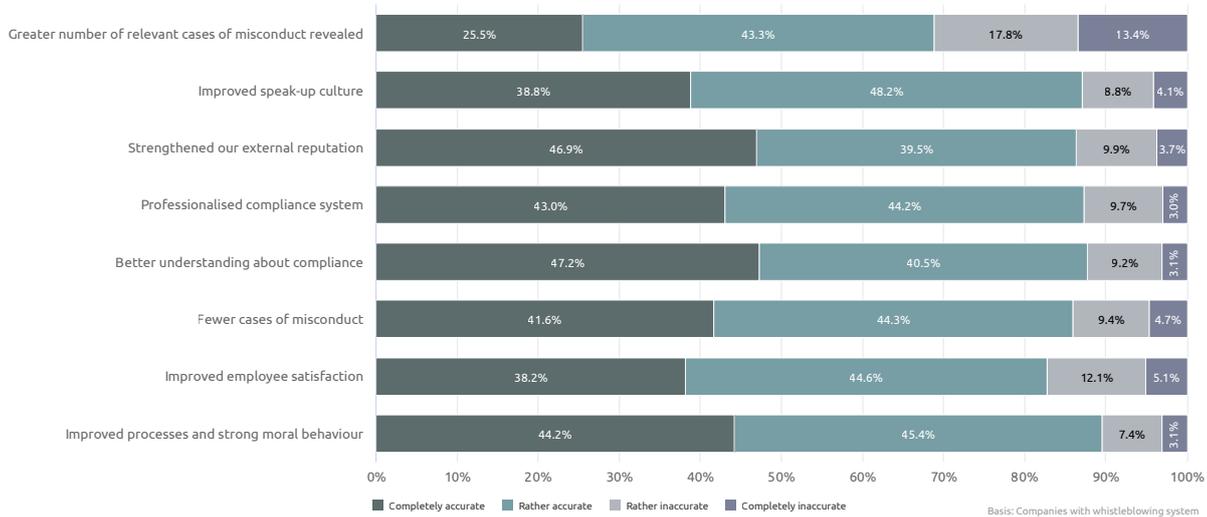


Figure 93 Great Britain: non-monetary benefits of whistleblowing systems

Switzerland

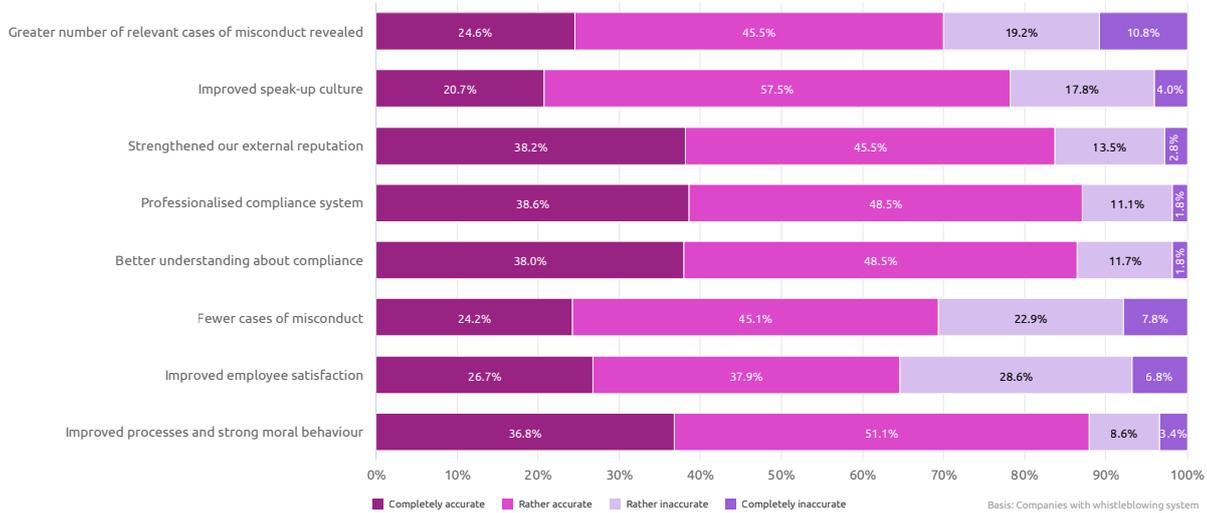


Figure 94 Switzerland: non-monetary benefits of whistleblowing systems

About this study

Project design

Within the scope of the study, data from companies in Germany, France, Great Britain and Switzerland were collected quantitatively.

Form and duration of the survey

The quantitative survey was conducted by means of an online questionnaire. The questions were identical for all four countries and could be answered in German, English or French. In addition to general demographic data, the participants were asked about misconduct in their company, the design, use and impact of the whistle-blowing system, the frequency and type of incoming reports and communication measures. The survey was carried out in January and February 2019.

Sample and response

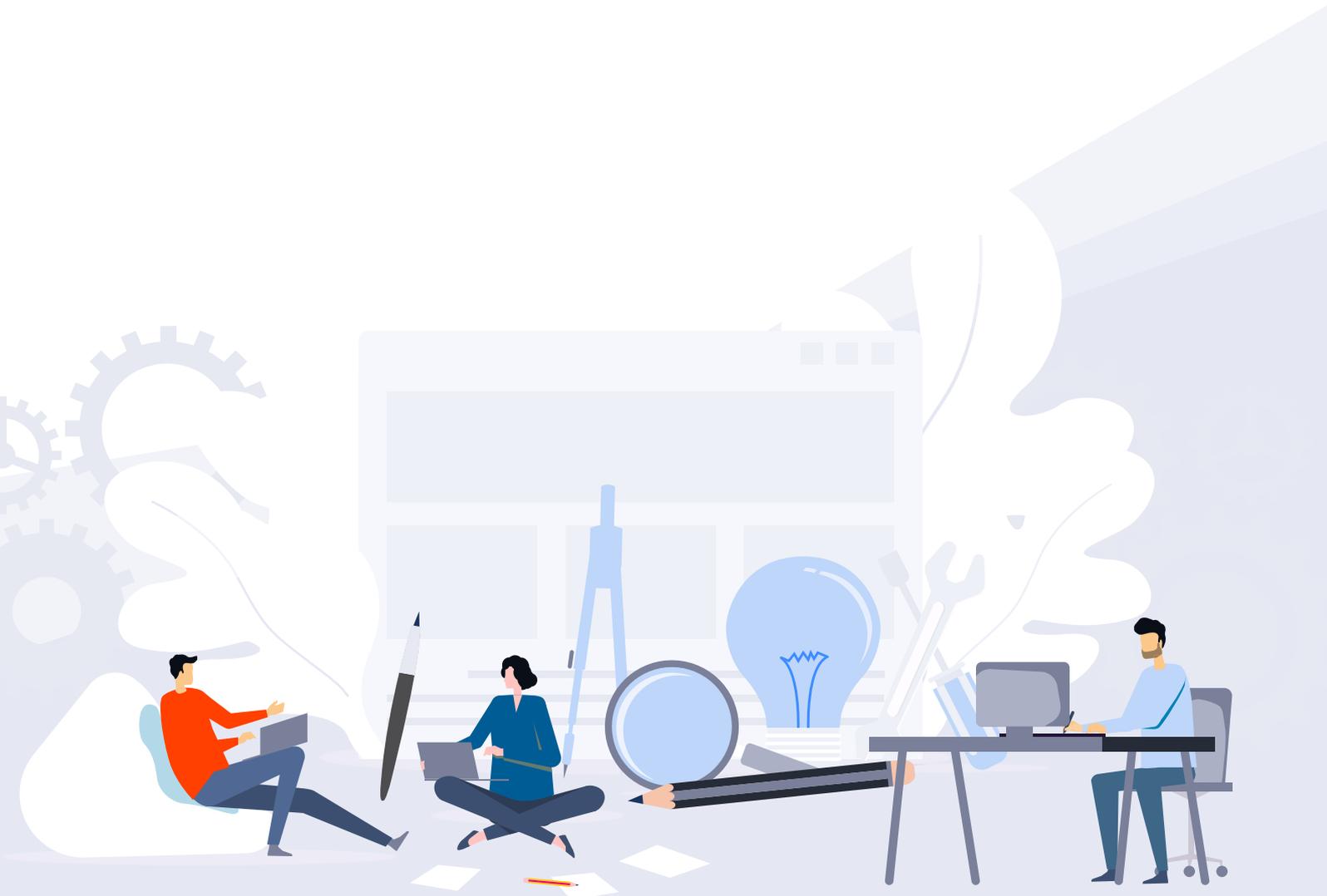
A stratified random sample was drawn for the online questionnaire. For each country, this comprises around one third small and medium-sized companies (SMEs) with 20 to 249 employees and two thirds large companies (250 employees or more). A total of 331 British, 352 German, 344 French and 365 Swiss companies took part in the survey. This corresponds to a response rate of roughly 12 per cent. The survey was aimed exclusively at company representatives who occupy one of the following positions and thus have a deep understanding of compliance in the respective company: Managing Director, Owner, Partner, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Other Member of the Executive Board, Head of Compliance, Compliance Manager, Head of Legal Services, Legal Manager, Head of Human Resources, Human Resources Manager, head of another department or employee with in-depth knowledge of compliance measures in the company.

Evaluation and representativeness

The data was evaluated using descriptive and multivariate statistical methods. Due to the sampling, the results can be generalised to the two company groups: SMEs with 20 to 249 employees and large companies with 250 or more employees. The confidence interval is ± 2.7 with a confidence level of 95 per cent.

Quality assurance

To ensure high data quality, various measures were implemented from the conception of the survey to its evaluation. The questionnaire was developed with the involvement of experts from all four countries. Then the designed and programmed survey was tested by various test persons with regard to content, comprehensibility and user-friendliness. The survey was also initiated with a soft launch to identify possible deficiencies. Finally, a careful preparation and evaluation of the data ensued in order to minimise possible sources of error in the interpretation of the results.



Companies surveyed

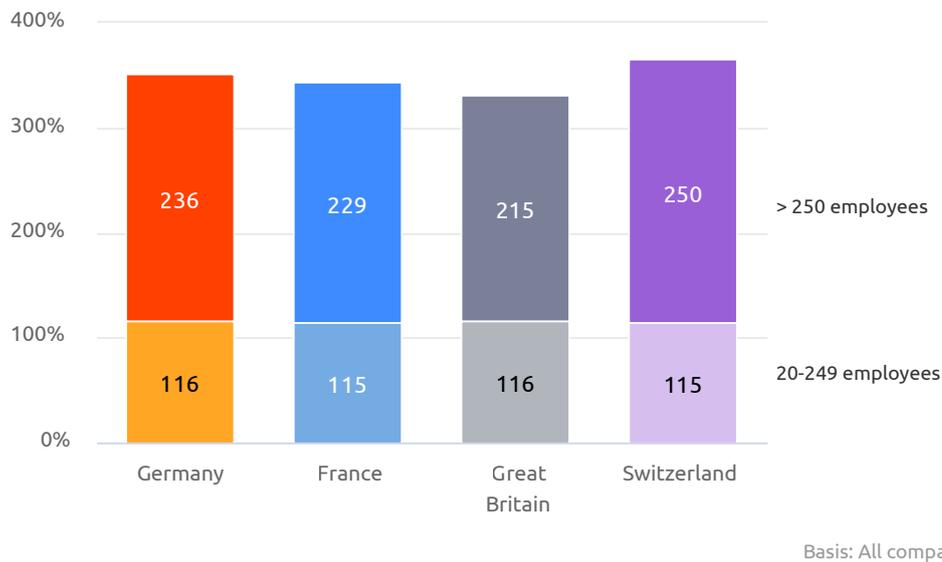
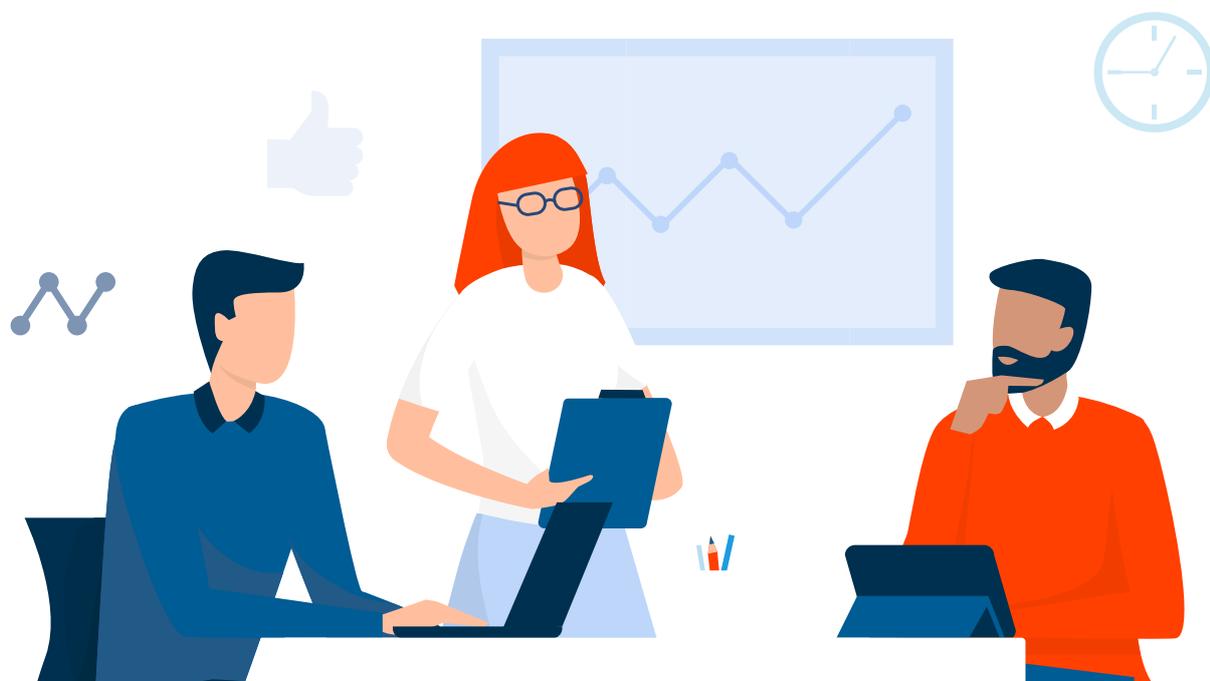
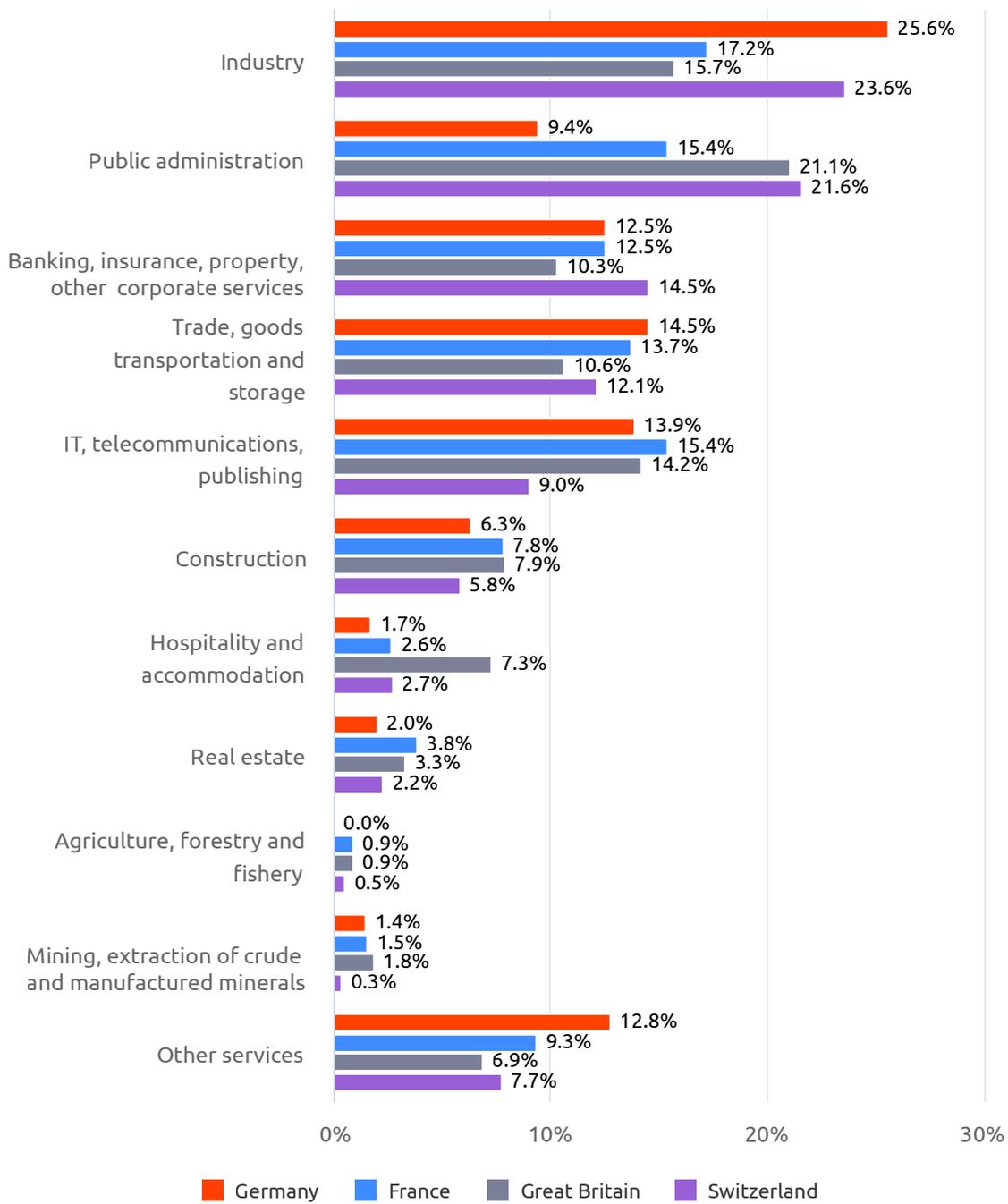


Figure 95 Composition of the sample by size of company

The quantitative survey targeted large, small and medium-sized companies (SMEs) with headquarters in Germany, France, Great Britain and Switzerland (see Project design). As can be seen in Figure 95, a total of 352 companies participated in Germany, of which 116 are SMEs (33%), i.e. companies with 20-249 employees, and 236 large companies (67%) with 250 or more employees. From France, 115 SMEs (33%) and 229 large companies (67%) participated, making a total of 344 companies. In addition, representatives of 331 companies headquartered in Great Britain responded, 116 of which are SMEs (35%) and 215 companies with 250 or more employees (65%). Finally, a total of 365 companies from Switzerland participated, divided into 115 SMEs (32%) and 250 large companies (68%).

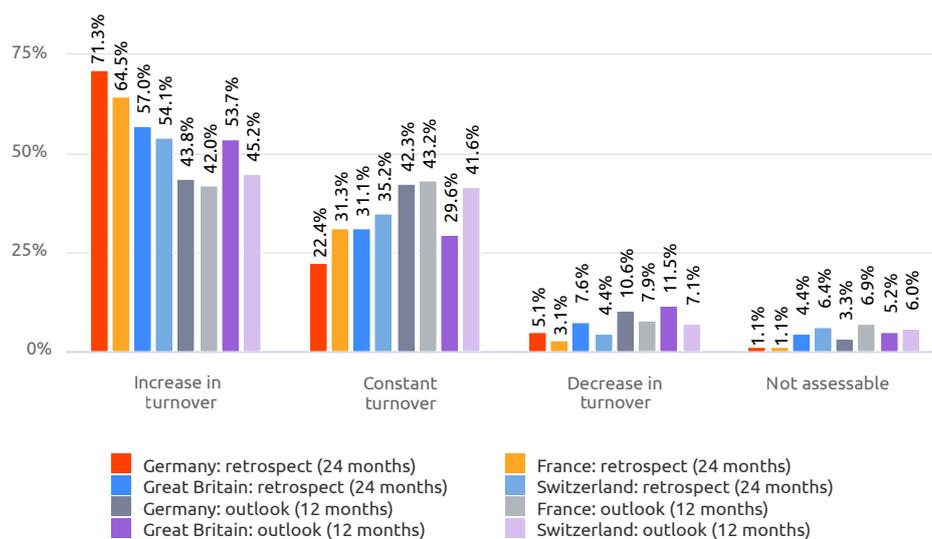




Basis: All companies

Figure 96 Composition of the sample by sector

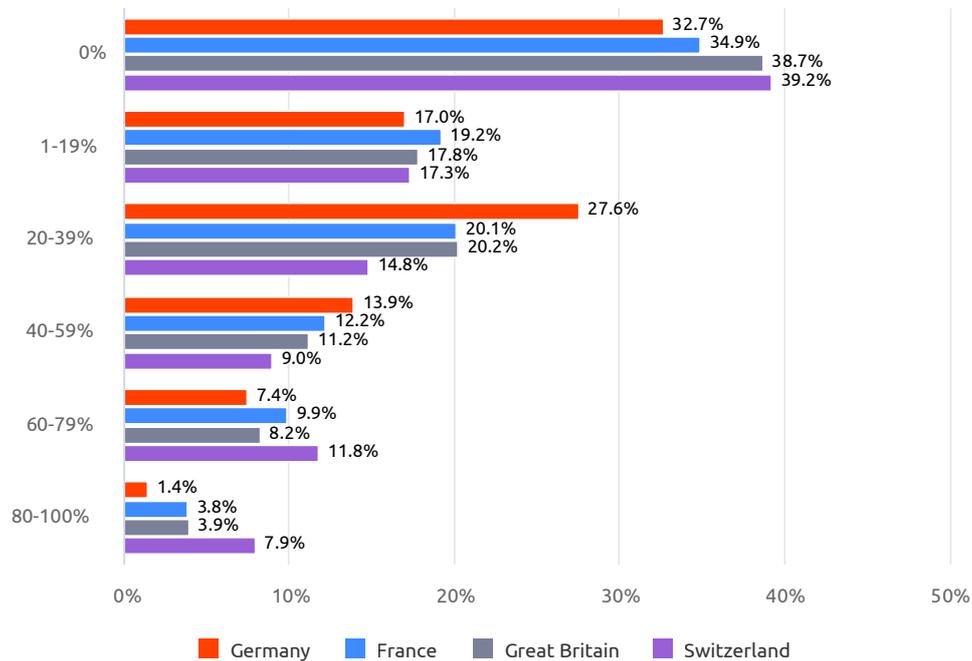
As Figure 96 illustrates, the present study was carried out in all four countries on a cross-sectoral basis, with the classification being based on the *NOGA sector index* of the Swiss Federal Statistical Office. The British organisations in this survey come from public administration (21%) and industry (16%), followed by IT, telecommunications and publishing (14%). A quarter of the German companies involved come from industry. With 15 and 14 per cent respectively, the trade, transport and warehousing as well as IT, telecommunications and publishing sectors are the second and third most represented. With a share of 17 per cent, most of the French companies involved are from the industrial sector and, with 15 per cent each, the second most frequently from public administration and the IT, telecommunications and publishing sectors. Finally, the majority of the companies surveyed in Switzerland were in industry (24%) and public administration (22%), followed by banks, insurance companies and real estate (15%).



Basis: All companies

Figure 97 Composition of the sample by company success

In order to determine the business success of the companies surveyed, they were asked about the sales development over the last 24 months and their assessment of business development for the coming 12 months. The turnover of over 70 per cent of German companies has risen in the recent past, followed by France with 57 per cent, Switzerland with just under 54 per cent and finally Great Britain with 44 per cent, with another 42 per cent of British companies recording consistent turnover in the last two years (see Figure 97). More than half of the German (65 %) and French (54 %) companies are optimistic about future business development, while the companies surveyed from Great Britain and Switzerland are somewhat more cautious with their forecasts.



Basis: All companies

Figure 98 Composition of the sample by international activity

Of the companies from Germany and France, one third did not generate any sales abroad. Half of German and 46 per cent of French companies recorded foreign sales of at least 20 per cent in 2018. Of the British companies surveyed, 39 per cent were not active abroad last year, while almost a third generated between 20 and 60 per cent. Nearly 40 per cent of the Swiss companies surveyed were active only in Switzerland in 2018. About 20 per cent, on the other hand, achieved at least two thirds of their turnover abroad (see Figure 98).

Project partners

The Whistleblowing Report 2019 was carried out as part of an applied research and development project of the University of Applied Sciences (*HTW Chur*) in cooperation with the *EQS Group* durchgeführt. Die Projektpartner haben bereits eine erste umfassende wissenschaftliche Studie zu Meldestellen in Schweizer Unternehmen publiziert (vgl. *Whistleblowing Report 2018*). The project partners have already published a first comprehensive scientific study on whistleblowing systems in Swiss companies (see Whistleblowing Report 2018). Due to the positive response and relevance of the topic, the survey was conducted again this year and extended cover to Germany, France and Great Britain.

The project is scheduled to last three and a half years and will be supported by *Innosuisse*, the Swiss Agency for Innovation Promotion. Innosuisse is Switzerland's innovation promotion agency. Its aim is to promote innovations from cooperation between industry and science. Innosuisse finances applied research and development projects conducted by universities in conjunction with companies, public administrations or non-profit organisations.

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The project partners introduce themselves

University of Applied Sciences HTW Chur



The University of Applied Sciences HTW Chur is an innovative and entrepreneurial university of applied sciences with about 1700 students. Its applied research contributes to innovation, knowledge and solutions for society. The HTW Chur offers Bachelor's and Master's degrees and continuing education courses in architecture, civil engineering, digital science, management, multimedia production, photonics, technology and tourism. The HTW Chur conducts applied research and development in all disciplines and offers consulting and services.

The Swiss Institute of Entrepreneurship (SIFE) and the Swiss Institute of Information Science (SII), two institutes of the University of Applied Sciences HTW Chur, are involved in this applied research and development project.

Swiss Institute for Entrepreneurship (SIFE)

The **SIFE** of the HTW Chur conducts application-oriented research, teaching and services in the fields of innovation, digitisation, internationalisation and corporate responsibility. In the research area of Corporate Responsibility, research projects are carried out on the topics of business integrity and corruption prevention as well as integrity in the media and social media.

Swiss Institute for Information Science (SII)

The **SII** of the HTW Chur deals with solutions for problems related to the production, organisation and distribution of information and knowledge. For this purpose, the interdisciplinary team of the SII has both the necessary methodological expertise and the necessary knowledge from various application domains in business and administration. Thematically the SII concentrates on the fields of information organisation as well as Big Data and analytics.

EQS Group



EQS Group is a leading international provider of regulatory technology (RegTech) in the fields of corporate compliance and investor relations. In working with EQS Group, thousands of companies worldwide inspire trust by fulfilling complex national and international disclosure obligations, minimizing risks and communicating transparently with stakeholders.

EQS Group's products are pooled in the cloud-based software '*EQS COCKPIT*'. They ensure the professional control of compliance workflows in the fields of *whistleblower protection and Case Management*, policy management, *insider list management* and *disclosure obligations*. In addition, listed companies benefit from a *global newswire, investor targeting* and *contact management, IR websites, digital reports* and *webcasts* for efficient and secure investor communications.

EQS Group was founded in 2000 in Munich, Germany. Today the group employs around 500 professionals around the globe and has offices in the world's key financial markets.

EQS Integrity Line: One central system – encrypted and secure

Whistleblowers can use EQS Integrity Line 24/7 to submit secure, anonymous reports about potential misconduct within the company in any language. All incoming reports are encrypted and stored in high-security data centres. Case managers can use EQS Integrity Line to manage all reports centrally and efficiently. They can also contact whistleblowers without compromising their anonymity.



Glossary

Anonymous (anonymous reporting) // The operators of the whistleblowing system do not know the identity of the reporter.

Compliance // Compliance with laws and regulations and self-imposed codes of conduct by companies.

Compliance system // Measures, structures and processes that a company has established to ensure and promote compliance with laws, guidelines and self-imposed codes of conduct.

Total financial loss // Financial expenses incurred by the company directly as a result of the misconduct and in the course of its discovery and processing, including all material and immaterial consequences.

General reporting channels // Personal visit to the operators of the whistleblowing system, letter/fax, e-mail and telephone.

Large company // Company with 250 and more employees.

Reporter / Whistleblower // People who report illegal or unethical actions

Illegal or unethical actions // Conduct that violates applicable (legal) regulations or the ethical ideas of a society (e.g. falsification of financial data, industrial espionage, corruption, bribery, theft, fraud, embezzlement, targeted exploitation of differences in international legislation, e.g. in the field of environmental protection, labour law or tax law). It is irrelevant whether the actions are to the detriment of the company or to its alleged benefit.

SME // Small and medium-sized enterprises with up to 249 employees.

Reporting culture / Speak-up culture // A corporate culture that promotes the open addressing of questions, doubts, problems and conflicts relating to compliance and offers employees an atmosphere of trust and dialogue.

Whistleblowing system // A system enabling reporters to submit information about concrete or assumed misconduct.

Abusive report // A report that is merely opportunistic in nature and serves to blacken someone's name.

Misconduct // See illegal or unethical actions

Non-relevant report // A report that is submitted without any abusive intent, but where the subject is not related to compliance and should not be submitted via the whistleblowing system (e.g. various internal company problems such as individual complaints about management style or indications of technical operating problems).

Open (open reporting) // Reporters must state their name and the operators of the whistleblowing system may disclose this if necessary.

Relevant report // A report that raises an instance of misconduct (illegal or unethical actions).

Specialised reporting channels // Hotline/call centre, mobile app, social media, web-based reporting channel/Internet platform.

Confidential (confidential reporting) // Reporters must state their name. However, this is known exclusively to the operators of the whistleblowing system and will not be passed on.

Culture shaped by denunciation // A culture in which reporting possible wrongdoing is done primarily for personal, political and base motives.

Web-based reporting channel // The person providing information can report concrete or suspected misconduct via the Internet.

Whistleblowing // ,The disclosure by organizational members (former or current) of illegal, immoral, or illegitimate practices. under the control of their employers, to persons or organizations that may. be able to effect action' (Near and Miceli 1985).

