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Hochschule für Technik und Wirtschaft  
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Effective Ethics



Reporting points in Swiss companies

# Whistleblowing Report 2018

# Management Summary

Unlawful and unethical conduct is also a serious problem in Switzerland. Studies show that reports from employees and groups closely associated with companies play a central role in preventing and combatting compliance breaches. For this reason, companies have started to set up internal reporting points in recent years to ensure reporters have a clear and specialised point of contact which can process their reports rapidly and effectively.



The results show that 11 percent of all companies in Switzerland have implemented a reporting point. There are, however, considerable differences depending on company size: while the majority (70 percent) of large companies with more than 249 employees have an internal and/or external reporting point, SMEs with such a reporting point are in the minority (10 percent). Furthermore, it can be seen that companies active abroad and successful companies that have grown in the last two years and expect more growth in the coming 12 months are more likely to set up a reporting point.

95 percent of companies with a reporting point have not received a single reporting in the past year. Here, too, there are significant differences between large companies and SMEs: while 70 percent of large companies have received reports (an average of 54 reports per company), only four percent of SMEs have received reports, which totals an average of 0.4 reports per company. This means that SME reporting points receive a report approximately every three years on average.

Every second report received by a Swiss company in the past year proved to be relevant and well-founded. Reporting points are thus an effective instrument for uncovering unlawful and unethical conduct.

Abusive reports of a purely opportunistic nature and aimed at denigrating an individual are a rare phenomenon. Only 3 percent of reports are classified as abusive. Nevertheless, the possibility of a report being defamatory must be taken seriously.

Large companies receive an average of 54 reports per year. SME reporting points receive a report every three years on average.

Contrary to regularly expressed concerns, the option of submitting reports anonymously has no effect on the number of abusive reports. This means that if anonymous reports are permitted, the number of abusive reports does not increase. To prevent abusive reports, it is recommended that the communication provided by the reporting point includes information on penalties for abuse as well as the active protection granted to reporters against reprisals.

In addition, the following recommendations can be formulated from the results of the research:

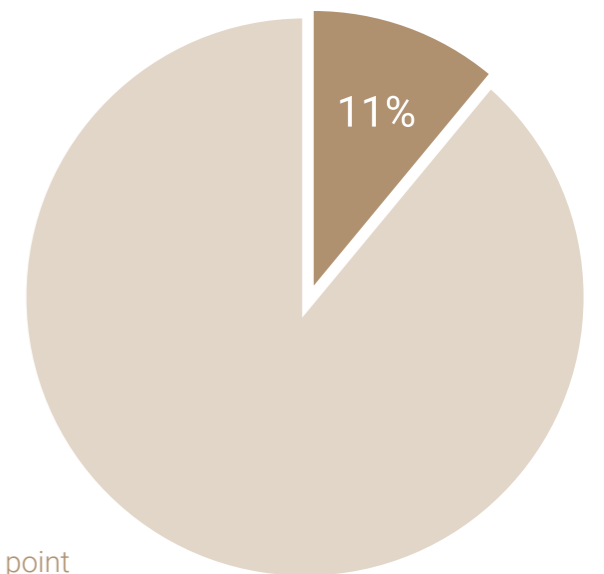
The more accessible the reporting point – wide target audience, many reporting channels, broad-based communication – the higher the number of total reports and relevant reports received by the reporting point. Companies should thus design the reporting point to be as accessible as possible and provide a number of reporting options for a wide range of stakeholders (e.g. employees, customers, shareholders/owners, competitors, suppliers and public at large). The analyses have furthermore demonstrated that specialised reporting channels, i.e. hotline/call centre, mobile apps, social media and web-based reporting systems/Internet platforms also lead to a greater number of relevant reports and reports in general.

Even reports deemed irrelevant from a compliance point-of-view may be significant to a company because they serve to identify weak points and enhance organisation. They should therefore be forwarded to the company-internal reporting point responsible in a quick and simple manner.

Companies should inform the various stakeholders on a regular basis of the objectives set as well as the operation and success

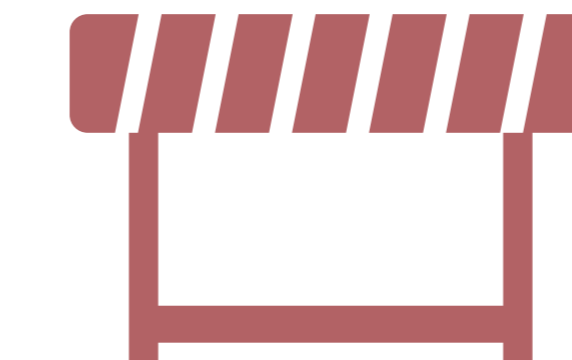
of the reporting point. As such, it is recommended that reported misconduct which was able to be rectified should be publicised as success stories in company-internal media to ensure the reporting point can also act as a preventative mechanism.

Reporting points should not be introduced as an isolated measure, but rather conceived as part of a comprehensive compliance programme. An effective compliance programme includes clear



11% of all companies have implemented a reporting point

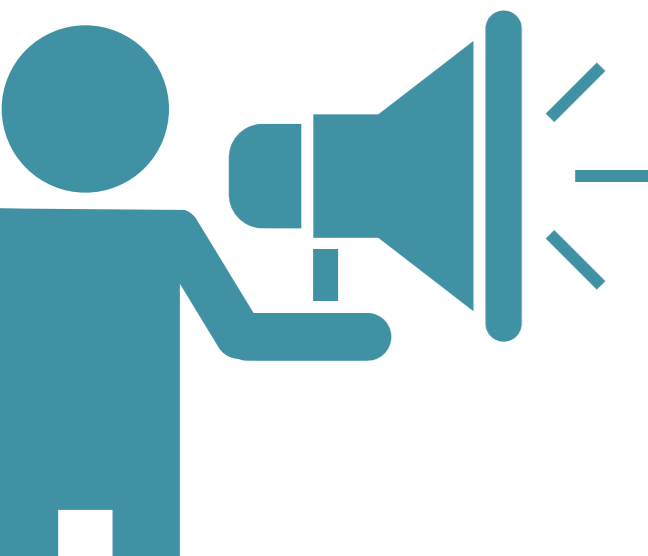
support from top management that is communicated publicly, an internal code of conduct, as well as unambiguous responsibilities (compliance officer or compliance committee).



Companies should design reporting points to be as accessible as possible

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While other countries have already conducted studies on this topic, there is considerable need for research in Switzerland to investigate technical and organisational design, efficacy, and how the number of these reporting points can be increased. To answer these questions, an online survey was conducted as part of the present study and the responses from 364 companies were evaluated statistically. These results are representative for all companies in German- and French-speaking Switzerland. 26 representatives from internationally-active Swiss companies were also interviewed.



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