ETHICO

‘26

Benchmark *Report*

HOTLINE AND INVESTIGATION MANAGEMENT

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Letter from *Leadership*

2025 was a year that tested the architecture of organizational integrity. Regulatory frameworks shifted beneath compliance teams' feet. Federal enforcement priorities pivoted sharply. DEI policies reversed course at scale. AI governance moved from an emerging concern to an urgent operational reality. And through it all, the professionals who serve ethics hotlines, manage investigations, and steward speak-up cultures were asked to hold the line with fewer resources and less external clarity than ever before.

The 2025 data does not tell a comfortable story, but one that is more critical than ever. Reporting is up, trust is down, and the categories of concern reaching compliance functions are more complex and more legally consequential than at any point in the past seven years. Benchmarking this data matters precisely because the pressure to deprioritize ethics infrastructure intensifies in uncertain times.

The headline trend is one that ethics and compliance professionals should take seriously: anonymous reporting increased meaningfully in 2025, with unidentified reporters at the highest rate we have seen since 2020. Parallel to this, a near-sevenfold increase in fully withheld reporter identity signals something more significant than a statistical fluctuation. Taken together, these numbers point to a workforce that is watching carefully — and increasingly choosing to speak up behind a shield.

This is a problem. But for the compliance professionals willing to engage with it seriously, an opportunity.

Framed correctly, this is the clearest case that has been made in years for investing in your program. Despite the increased fear of identification, reporters are speaking up more than ever. Smart ethics & compliance professionals are capitalizing on this growth.

Overall reporting volume continues to rise and case closure times remain among the best in the industry. Organizations that have invested in intake quality, investigation infrastructure, and speak-up culture are seeing the returns in their data.

Compliance programs that are doing the most effective work right now are not simply processing reports, they are crowdsourcing risk intelligence at scale and feeding those insights where the organization most needs to act. They are demonstrating that the speak-up program is not a liability management mechanism, but a living system for understanding and responding to the lived reality of your organization.

The reframe from compliance as protection to compliance as contribution must be built on a solid foundation of data. That is what this report seeks to provide.

The work is harder and more consequential than it was. The case for doing it better has never been stronger. None of this requires perfect conditions or unlimited resources. It requires a different orientation — one that sees the data in this report not as a report card but as the most honest possible guide to where the work needs to go next.

The benchmark is not a destination. It is a starting point. Your best comparison is not the aggregate — it is yourself, a year ago, and the trajectory you are on.

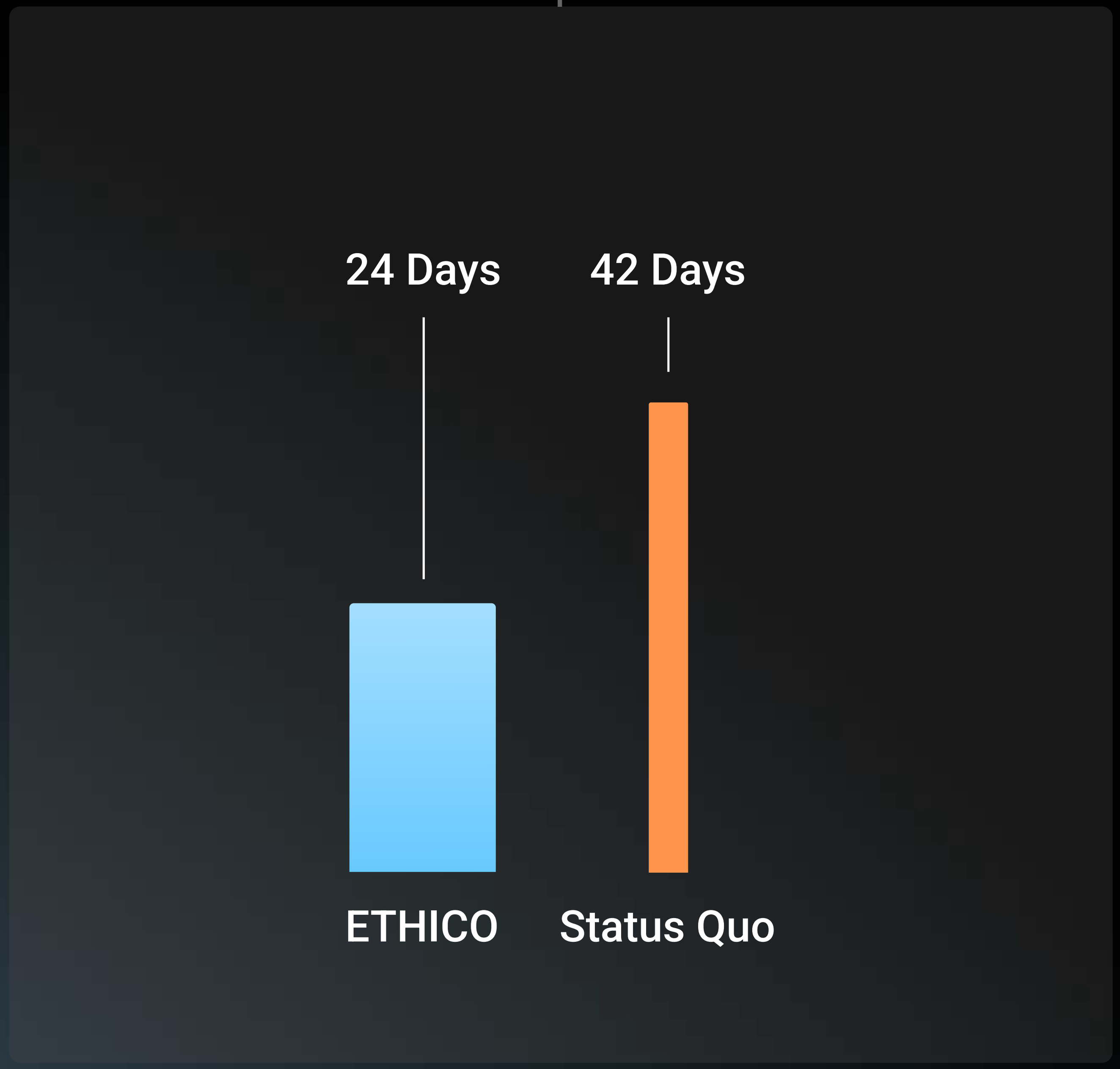
This is the decade where the compliance function has the opportunity to demonstrate its value more clearly than at any point in its history. The conditions are demanding. The opportunity is real. Seize it with us.

Ethico Leadership

Executive *Summary*

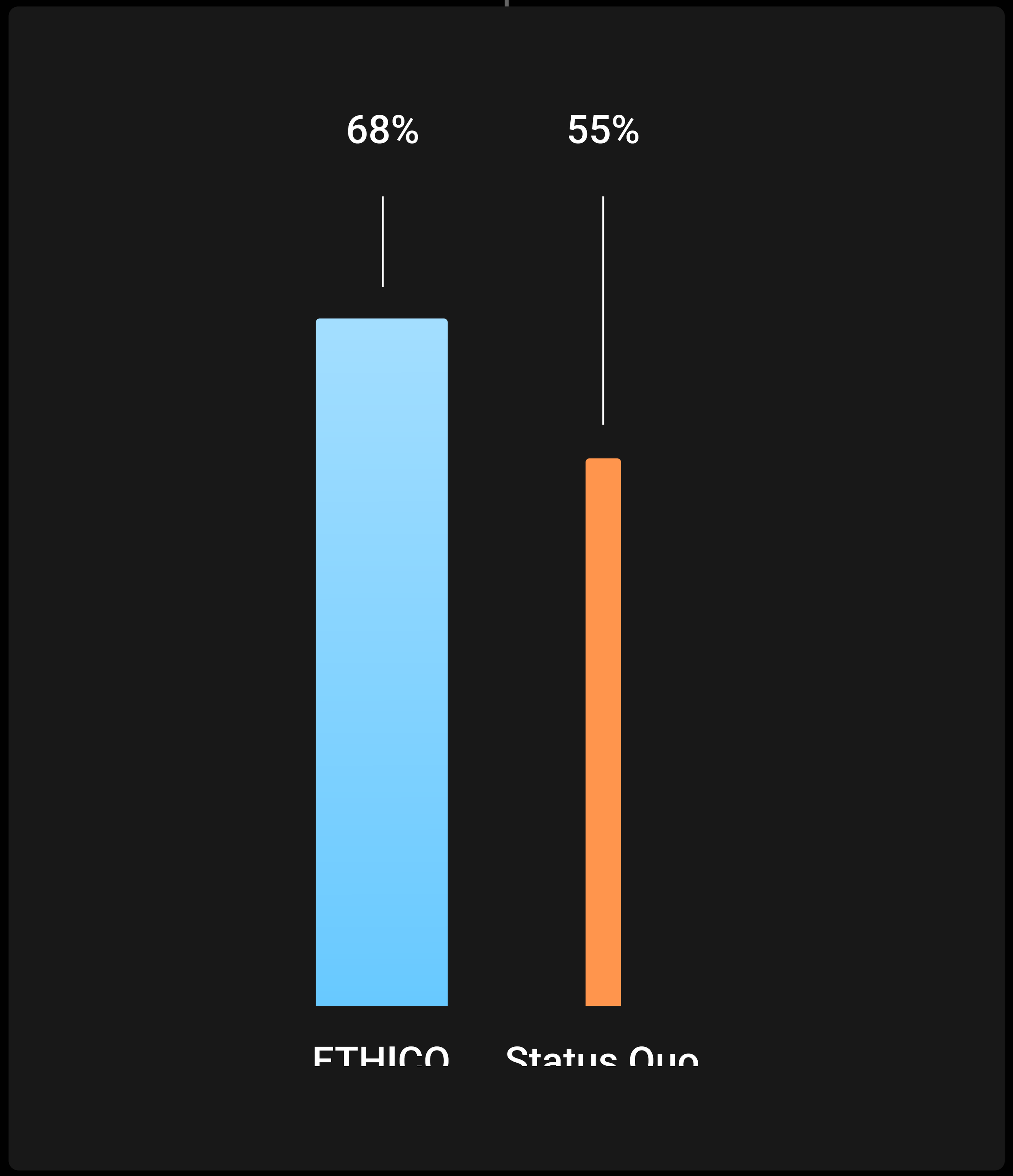
01

The average case closure time was 24 days (Status Quo Comparison 42 days), with 81% of cases resolved within 30 days, a 2% increase from 2024.



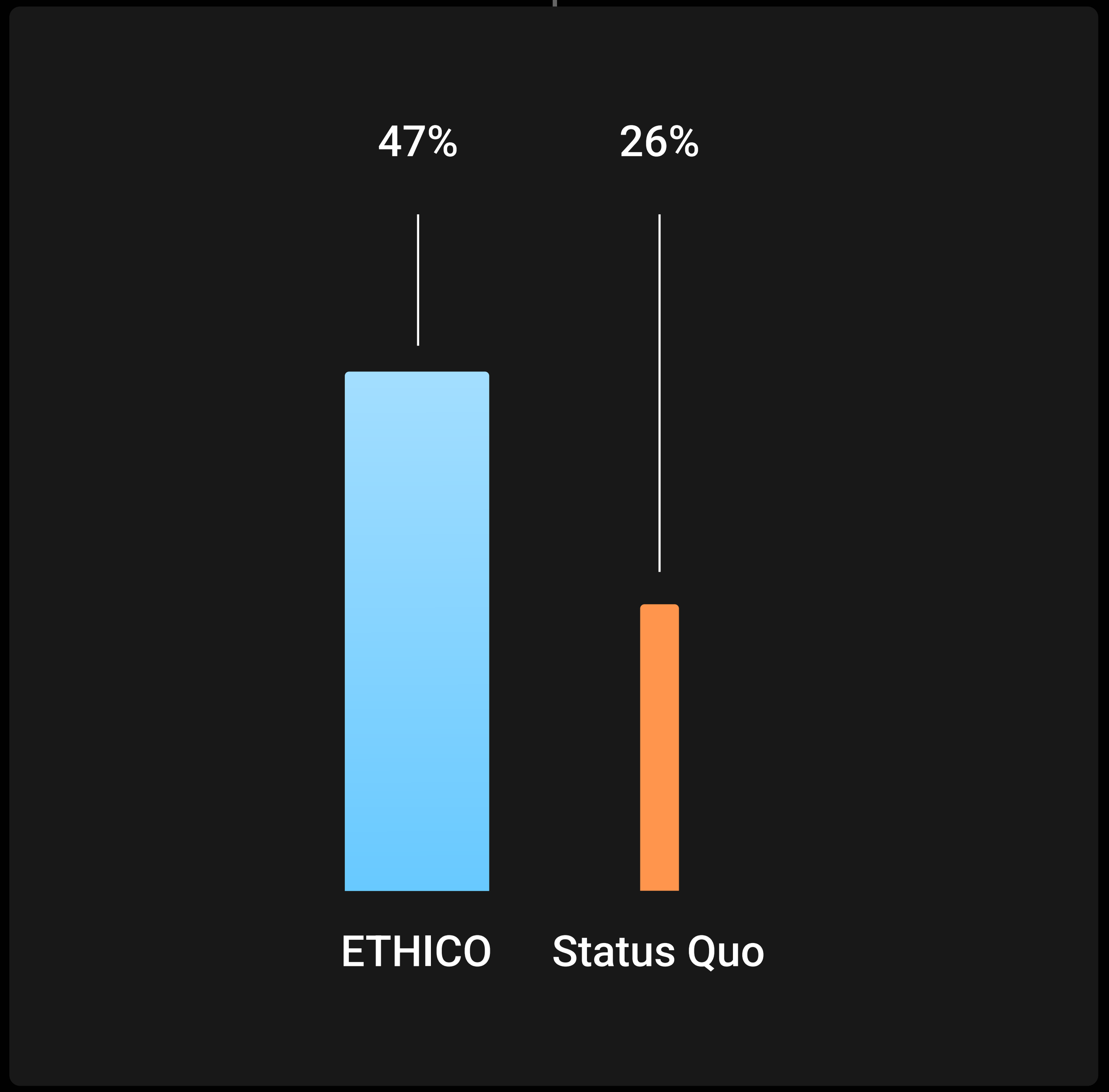
02

The proportion of self-identified reporters reached 68% in 2025 (Status Quo Comparison 55%).



03

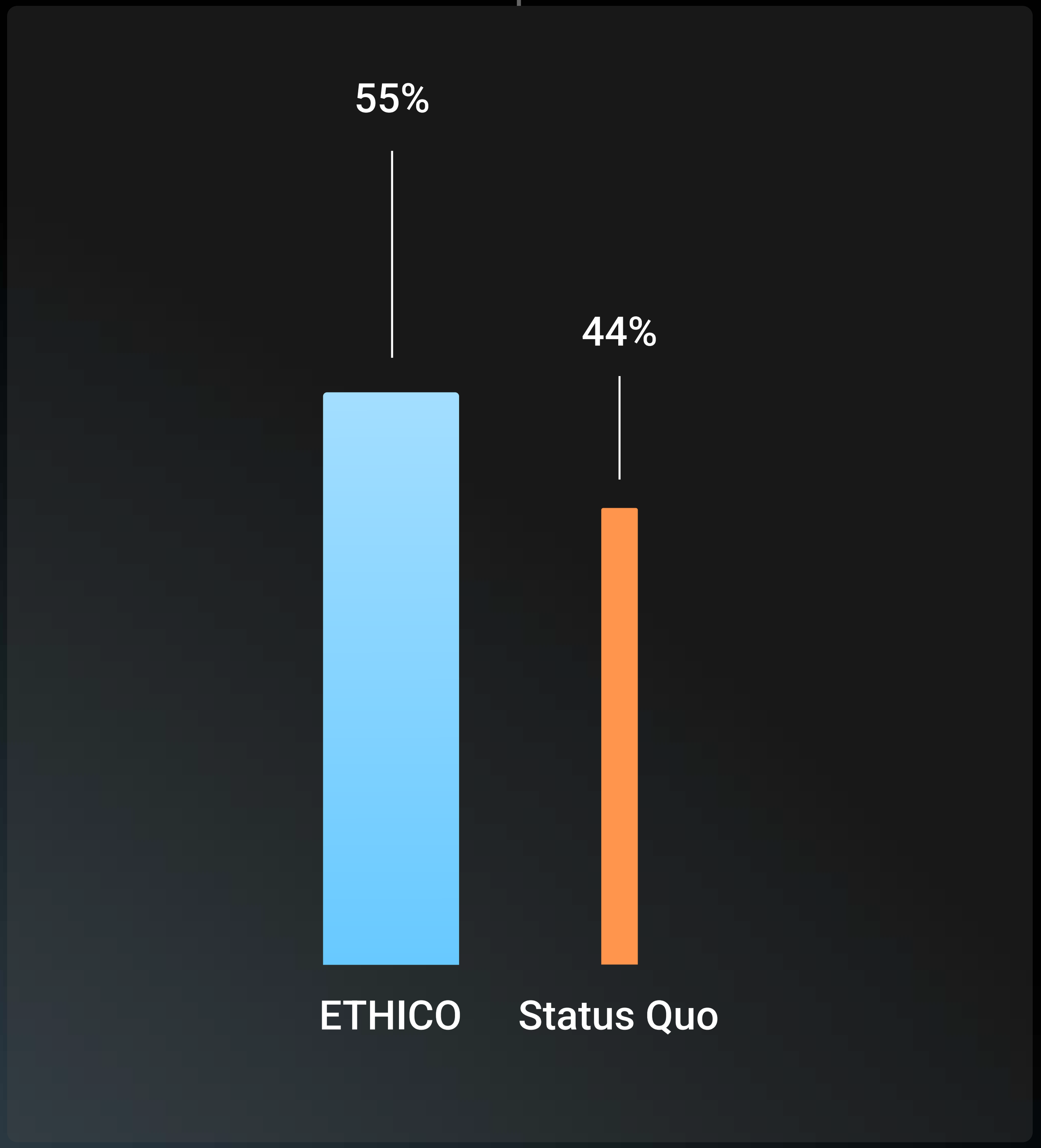
While hotline remains the dominant reporting channel at 47% (Status Quo Comparison 26%), other channels have grown to over 50% of all reports for the first time in our dataset.



Executive *Summary*

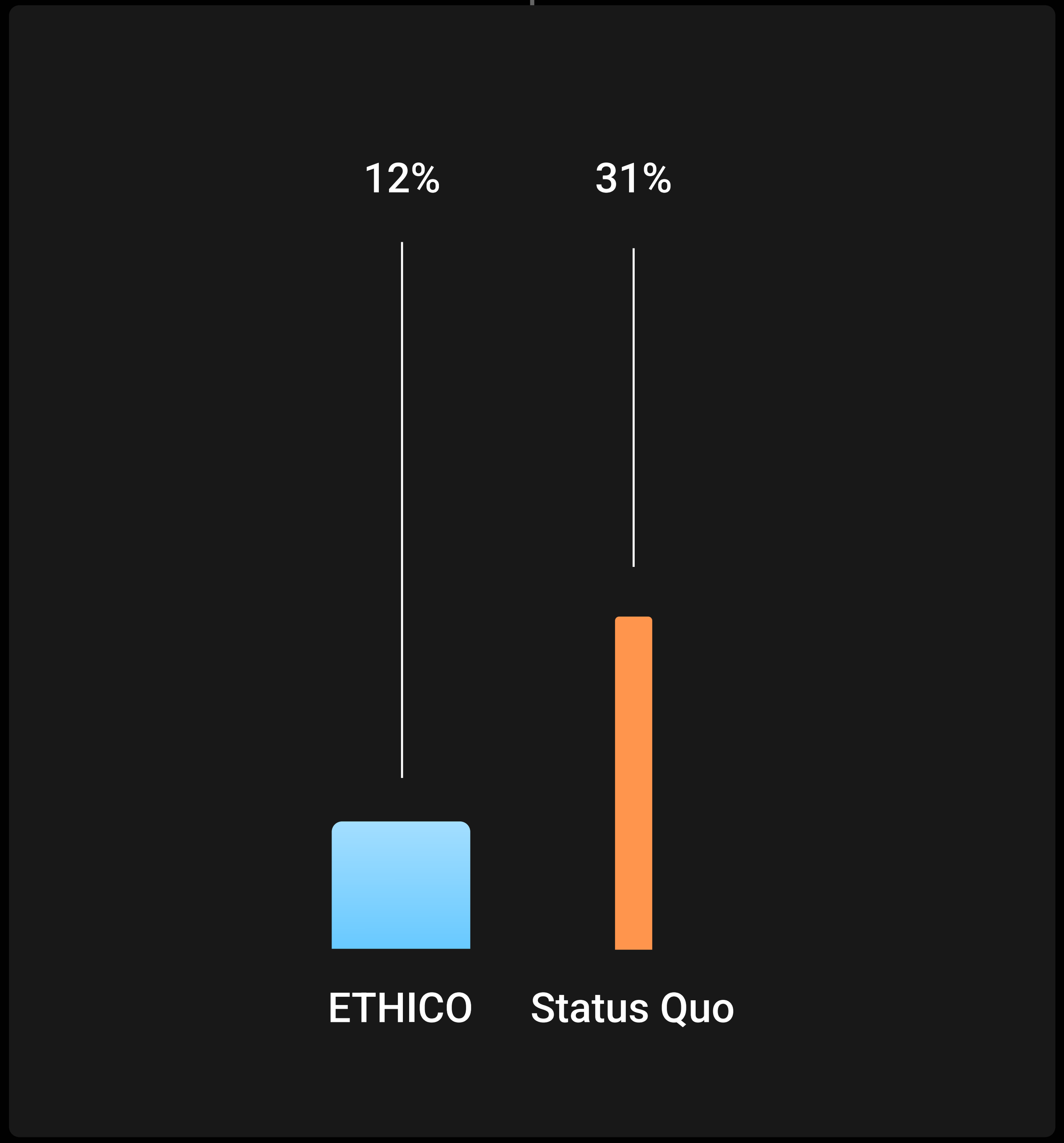
04

Substantiated reports accounted for 55% of all reports (Status Quo Comparison 44%), down 3% from 2024.



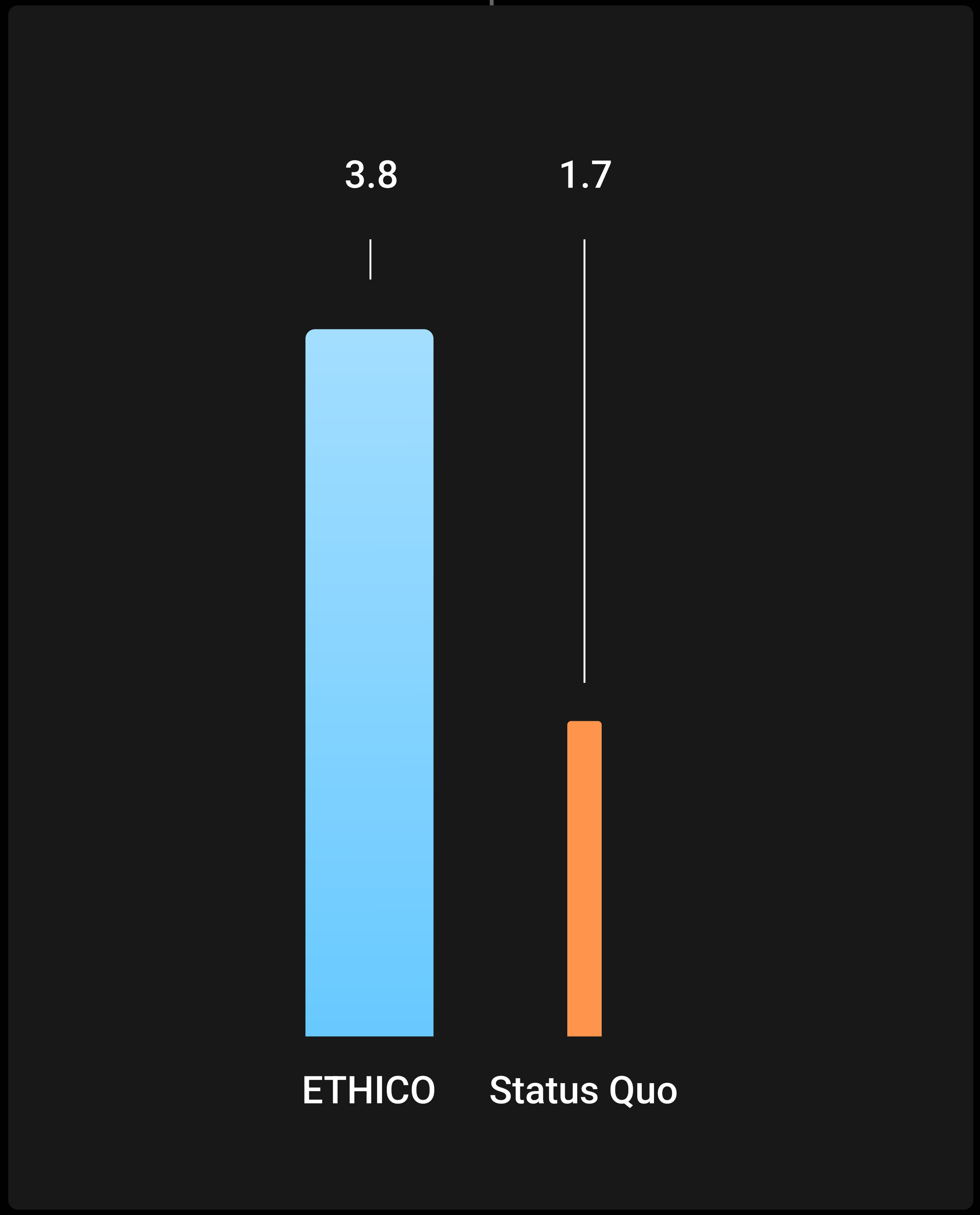
05

Reports with Follow-Ups represented 12% of all reports in 2025 (Status Quo Comparison 31%).



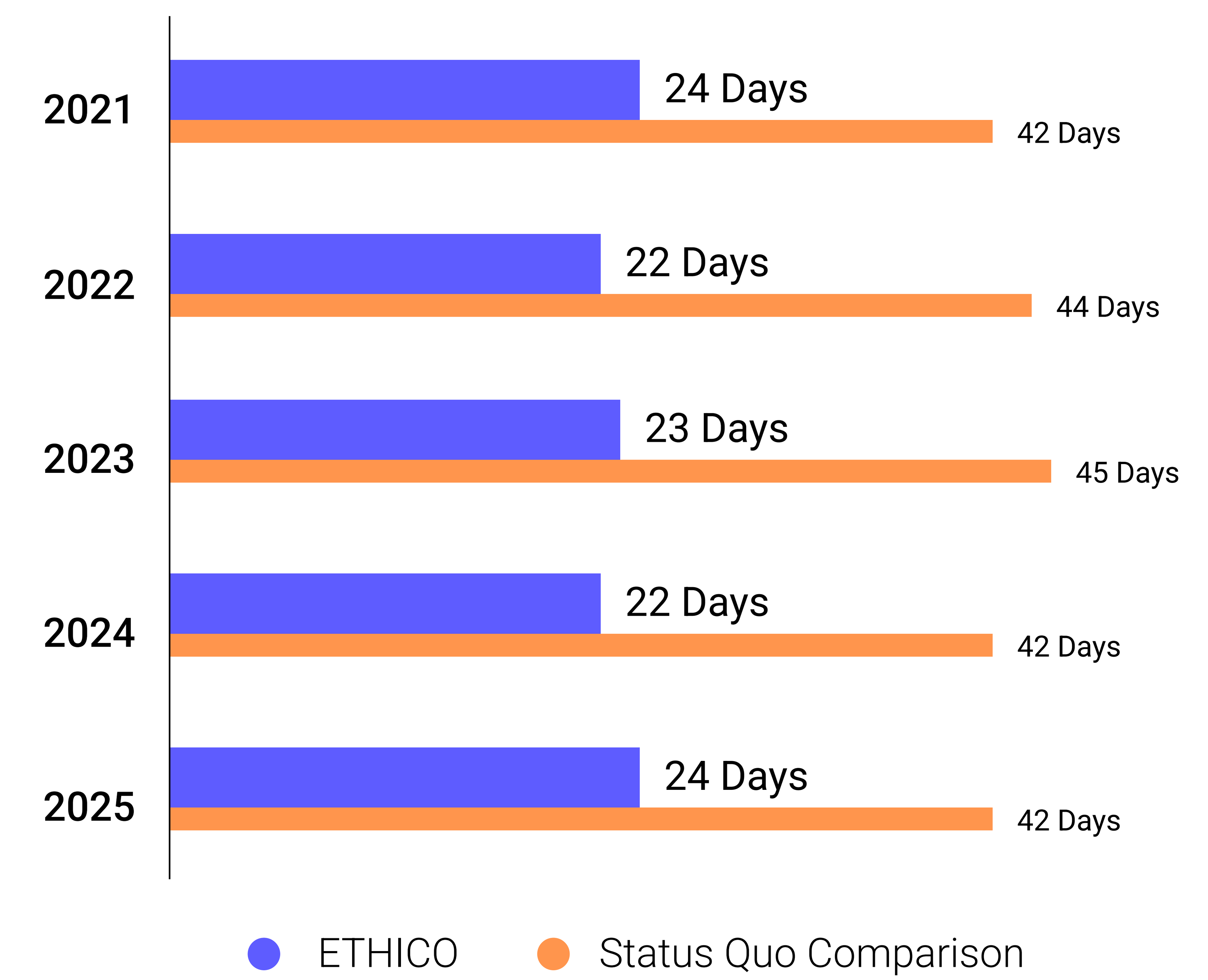
06

Total reports per 100 employees rose to 3.8 in 2025 (Status Quo Comparison 1.7).



Case Closure Time

Average *Case Closure Time*



Case closure time is the clearest operational signal of a program's efficacy. It is a direct measure of how well concerns are received, investigated, and resolved. It reflects process health, team capacity, and complexity of concerns reported.

In 2025, average case closure time rose to 24 days. This uptick is best understood in context: the issue categories driving the most growth in 2025 are structurally more complex. These longer, multi-party investigations take more time to close.

Additionally, regulatory uncertainty in 2025 prompted some compliance teams to hold complex cases open longer while awaiting clearer legal guidance, particularly in areas where enforcement priorities shifted significantly.

Deliberate investment in investigation infrastructure (automated case routing, integrated documentation workflows, and collaborative investigation platforms) allow overloaded teams to absorb the increased complexity without a proportional increase in staffing or time-wasting busywork.

The stakes of timely case resolution remain critical. Organizations that close cases efficiently communicate something important to their workforce: that reports are taken seriously and that the program is built to act, not just to receive.

? Does your investigation platform automatically flag aging investigations to prevent dropped balls?

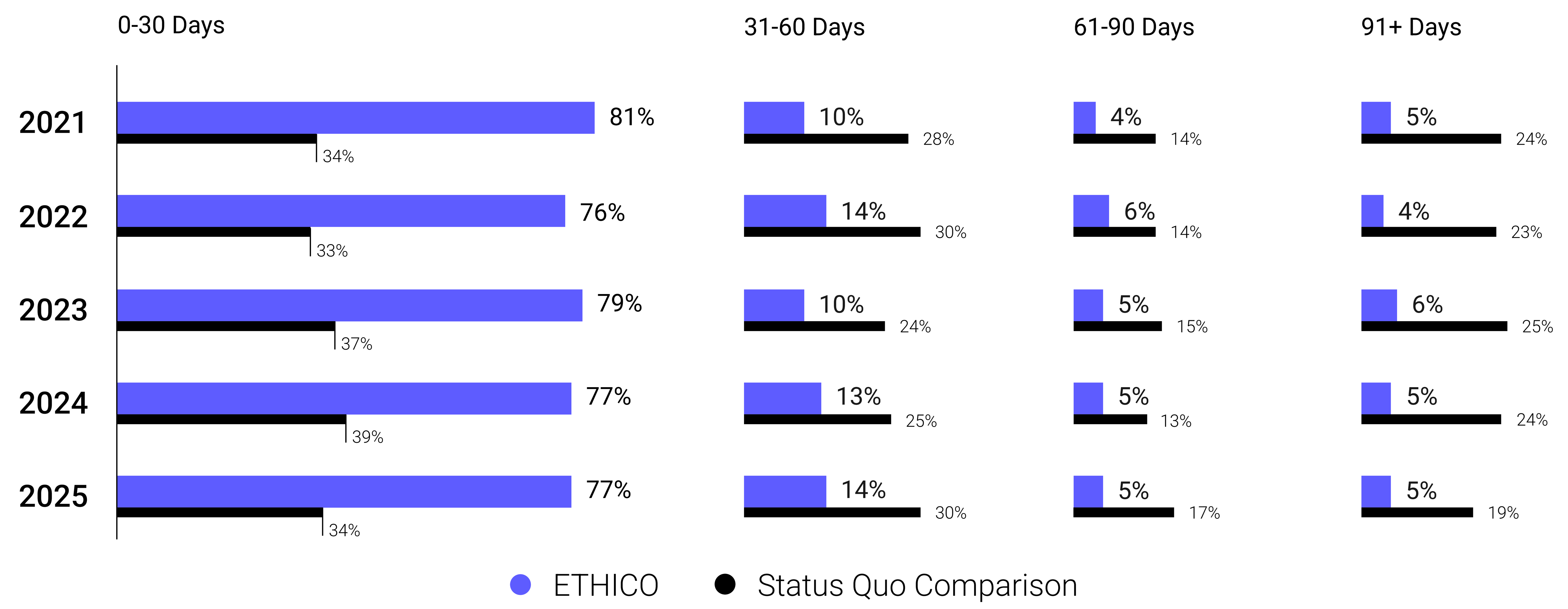
01

Section 01

Case Closure Time

Trends in *Case Closure Time*

In 2025, 81% of cases were closed within 30 days, a 2% recovery from 2024's dip to 79%. This rebound suggests that the workflow pressures of the prior year were transient rather than structural.



Leverage investigation technology.

Count the steps in your investigation workflow that still require manual coordination. Consider automating or streamlining by leveraging new technologies.

The share of cases extending into the 31-60 day window narrowed slightly, and long-duration cases of 91+ days continued their gradual multi-year decline at 4%. The stability of the 61-90 and 90+ day case groupings is a positive signal amidst rising investigation complexity.

When workflows are automated, cases are intelligently prioritized, and investigators are supported by platforms that eliminate administrative friction, programs can maintain performance levels that manual operations simply cannot sustain.

Think *About*

- When a case misses its target closure window, is there a documented reason? Is that reason pointing to a pattern?
- How does your case closure time compare to two years ago? What drove (or didn't drive) the change?
- Could a well-configured platform handle a larger portion of your case load?
- Are your cases concentrated in a particular category, investigator, or intake channel?

Tips

- **Audit your intake quality.** Check if your investigators are asking questions that should've been asked during the initial report.
- **Map your handoff points.** Identify moments in your investigation workflow where a case moves from one person, team, or system to another.
- **Close the loop, implement Corrective Action Plans.** Document post-investigation processes and ensure cases are properly resolved and reporters are respected.

Formula

$$\text{Case Closure Rate} = \frac{\text{Total Days Open}}{\text{Total Cases Closed}}$$

Determine the number of days each issue is open and sum all the days. Divide the total sum of all days open by the total number of cases closed.

Breaking Down the Numbers

Case Closure Time

Company Size

	0-30 Days	31-60 Days	61-90 Days	91+ Days
1 to 1,000	72.7%	15.1%	6.3%	5.9%
1,001 to 5,000	73.5%	14.9%	5.5%	6.1%
5,001 to 10,000	72.8%	14.0%	6.1%	7.1%
10,001 to 50,000	74.8%	15.2%	5.3%	4.7%
50,001+	92.6%	5.2%	1.4%	0.7%

Intake Method

Intake Method
Hotline
19 Days

Intake Method
Webform
27 Days

Intake Method
In-Person
26 Days

Reporter

27.2 Days
Reporter Type
Employee

16.8 Days
Reporter Type
Customer/Related Party

16.6 Days
Reporter Type
Vendor/Contractor

Industry

Industry Type	Anonymous	Identified
Hospitals, Clinics, Health Systems	25 Days	18 Days
Rehabilitation, Senior Care	23 Days	16 Days
Life Sciences, Biotechnology	30 Days	25 Days
Health Finance, Support Systems	14 Days	21 Days

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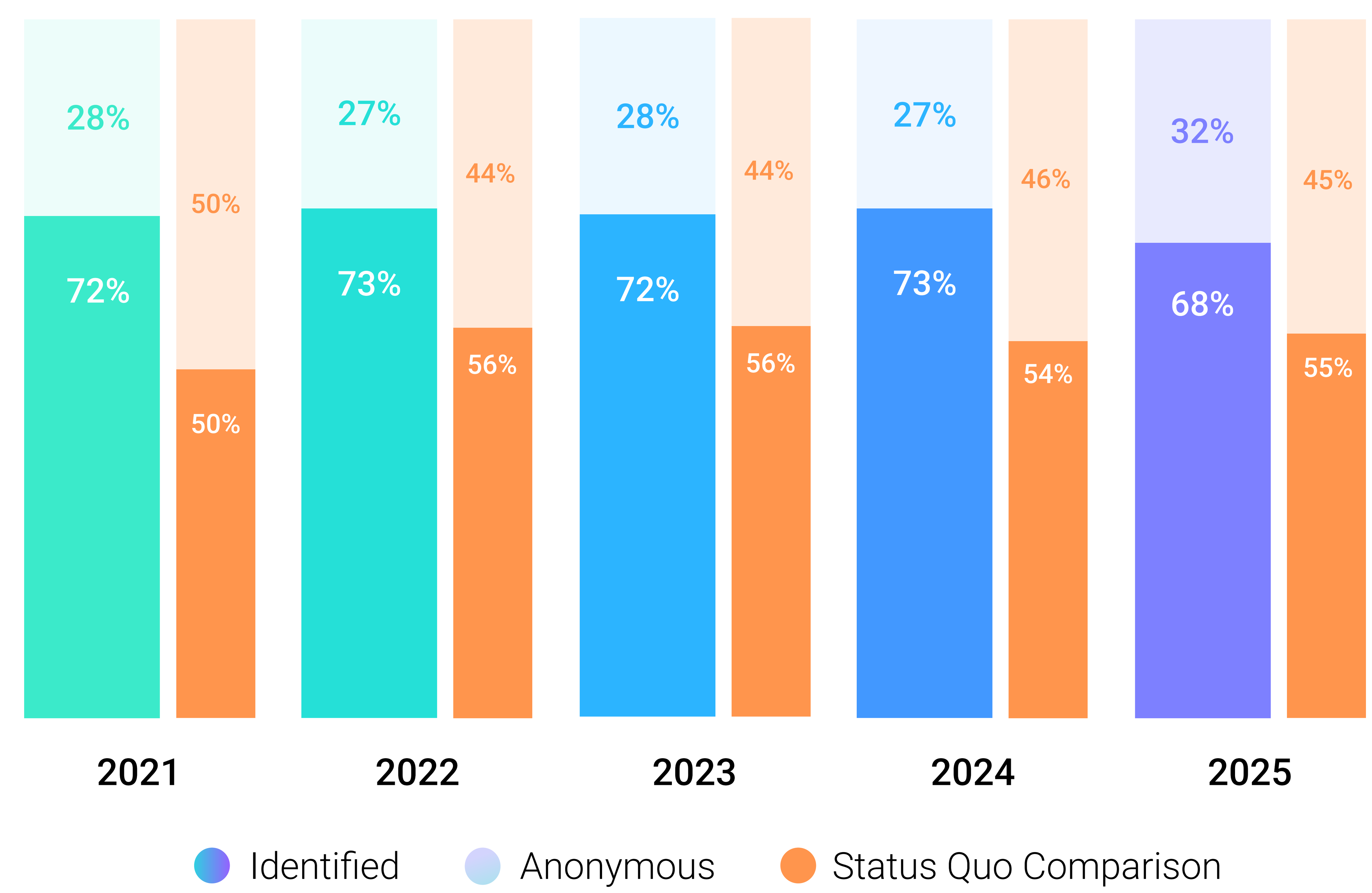
Trends in *Issue Anonymity*

In 2025, the proportion of self-identified reporters declined to 68%, a 5% drop from 73% in 2024 and the largest single-year reversal in our tracked dataset.

Widespread workforce reductions, reduced federal whistleblower enforcement activity, rapid reversals of DEI policy, and a broadly unsettled regulatory environment gave employees rational reasons to protect themselves when raising concerns. Retaliation fear, whether based on actual risk or perceived risk, produces identical behavior: reporters choose anonymity as a form of self-preservation.

An anonymity spike often traces back to a management issue or a recent organizational change. Elevated anonymity on a particular issue type often reflects a legitimate fear of identification in high-stakes situations. Organizations that track these dimensions over time, set explicit targets for movement, and communicate those targets to the workforce tend to see the most durable improvement.

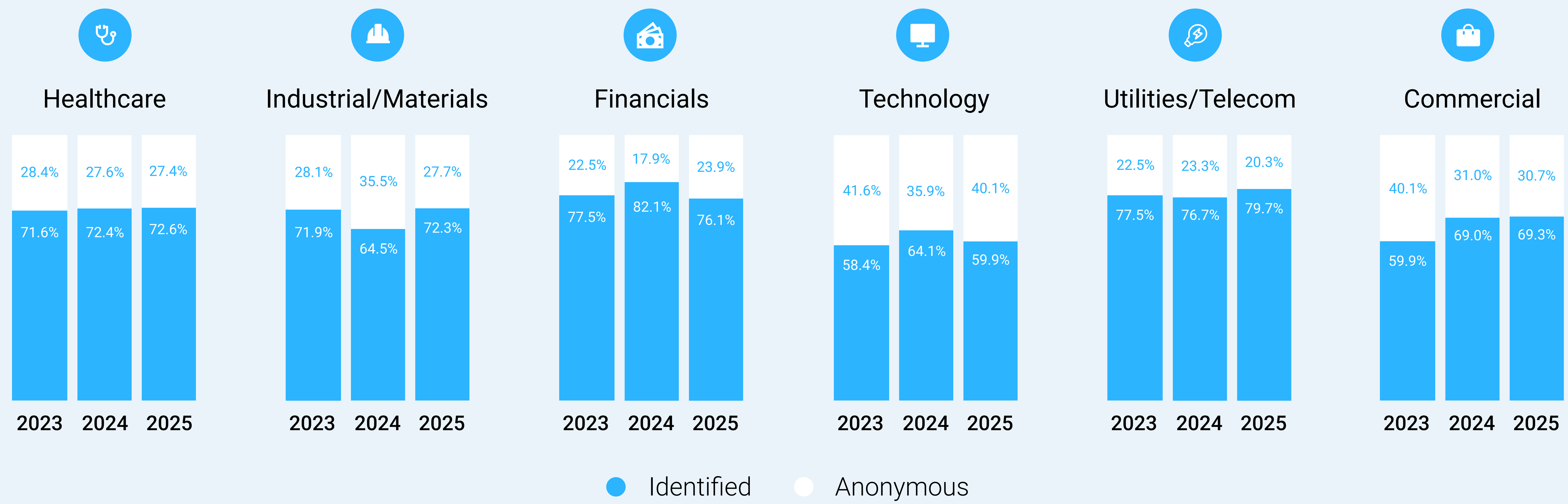


Ensure that reporters are aware of the protections in place to prevent retaliation, and that those protections are more than words.

Anonymity Insight

A healthy anonymity rate reflects a program that protects reporters while building enough trust that most choose to be known.

Issue Anonymity by Sector



Utilities/Telecom reached an all-time dataset high of 79.7% identified, Industrial/Materials recovered strongly to 72.3%, and Commercial climbed to 69.3%, while Financials pulled back from its 2024 peak to 76.1%. Technology's anonymity rate held at 40%, the highest of any sector in the dataset.

Sector benchmarks are most valuable when read alongside your own program's trend line. They should be treated not as a ceiling to approach, but as a reference point for understanding where your identified reporting rate stands relative to peers navigating similar regulatory pressures and workforce dynamics.

Anonymity Question

If your anonymity rate is above your sector average, what is it telling you about how your workforce perceives the cost of speaking up?

Think *About*

- **An anonymity rate that is elevated in specific categories, but healthy overall, points to a localized trust problem rather than a program-wide one.**

  Cut your anonymity data by business unit, issue type, and intake channel to surface the specific pockets where targeted intervention is most needed.

- **The gap between your anonymity rate and your sector's top performers is not just a benchmarking data point, it is an estimate of how much additional risk intelligence your program is not capturing.**

  Treating that gap as a recoverable opportunity, rather than an acceptable variance, is what separates programs that improve from those that plateau. Consider your work culture, reporting infrastructure, and recent organizational events to determine where you can improve reporter trust. Category-level analysis is where the actionable story lives.

- **Reporter awareness of anonymity protections is frequently lower than compliance teams assume.**

  If employees do not know what happens to their identity after they submit a report, who can see it, and what safeguards are in place, they will default to anonymity out of uncertainty rather than genuine distrust. Proactive communication about how reports are handled can move this metric without changing anything else about the program.

Tips

- **Audit your intake experience.** Ask honestly whether your reporting process communicates safety and empathy, or procedure and risk. Intake tone is often the single biggest driver of whether a reporter chooses to identify themselves.
- **Activate middle managers.** Employees are far more likely to report identified concerns to a trusted manager than to an anonymous channel. Give managers the tools, training, and explicit permission to receive and document concerns on behalf of their teams.
- **Close the loop, every time.** Reporters who receive follow-up communication after their case is closed are more likely to identify themselves in the future, and more likely to tell others the program is worth trusting.
- **Set a target and share it.** Make your anonymity rate a visible organizational goal. Communicating to your workforce that you are actively working to build a program they feel safe engaging with by name creates accountability and signals genuine commitment.

Formula

$$\text{Anonymous Rate} = \frac{\text{Total Anonymous Issues}}{\text{Total Issues}}$$

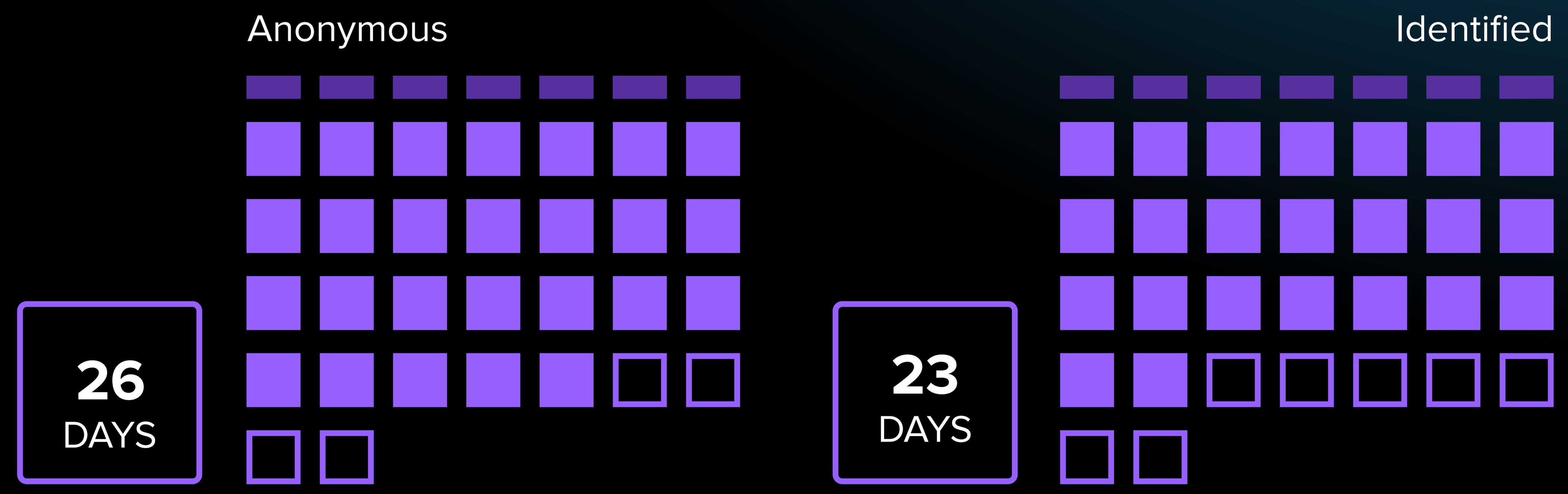
$$\text{Identified Rate} = 1 - \text{Anonymous Rate \%}$$

Divide your number of anonymous issues by total issues to get your anonymous reporting rate. Subtract the anonymous reporting rate from 1 to get your identified rate.

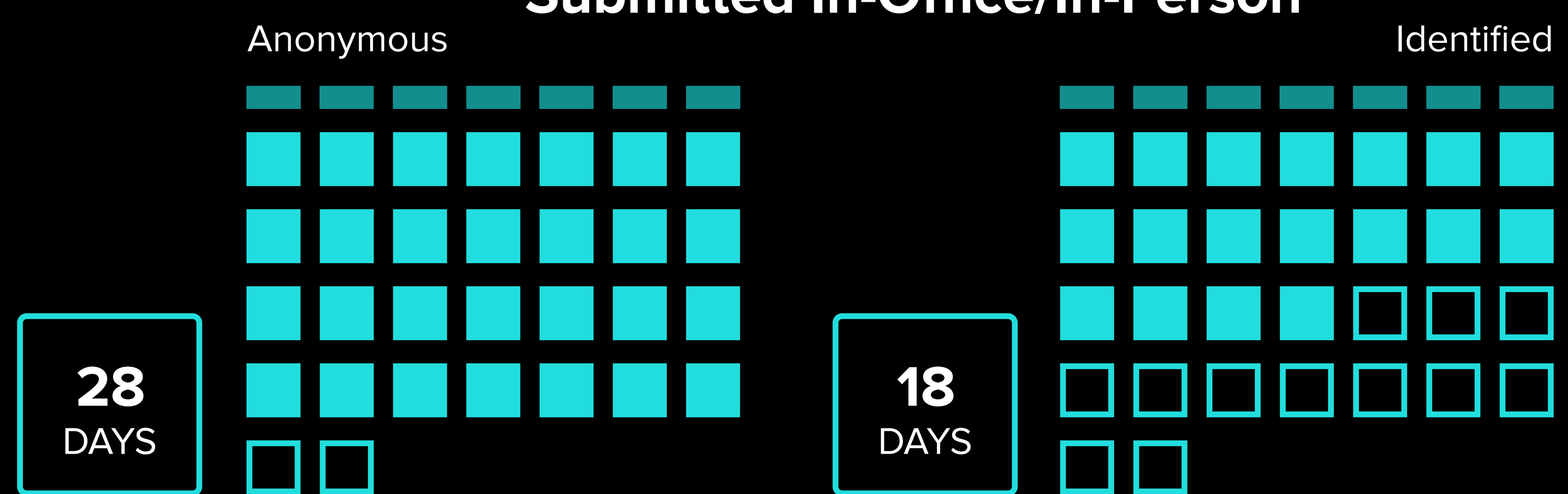
Breaking Down the Numbers

Issue Anonymity

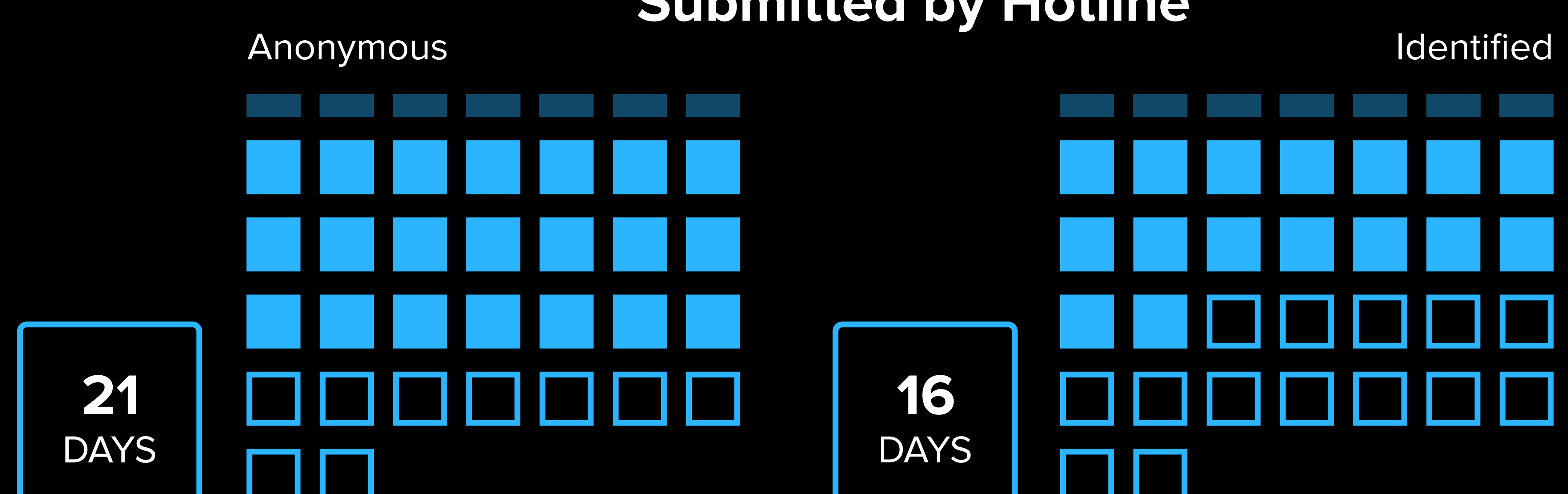
Average Days to Close Issues
Submitted Online



Average Days to Close Issues
Submitted In-Office/In-Person



Average Days to Close Issues
Submitted by Hotline



Anonymity Rate Based on **Issue Category**

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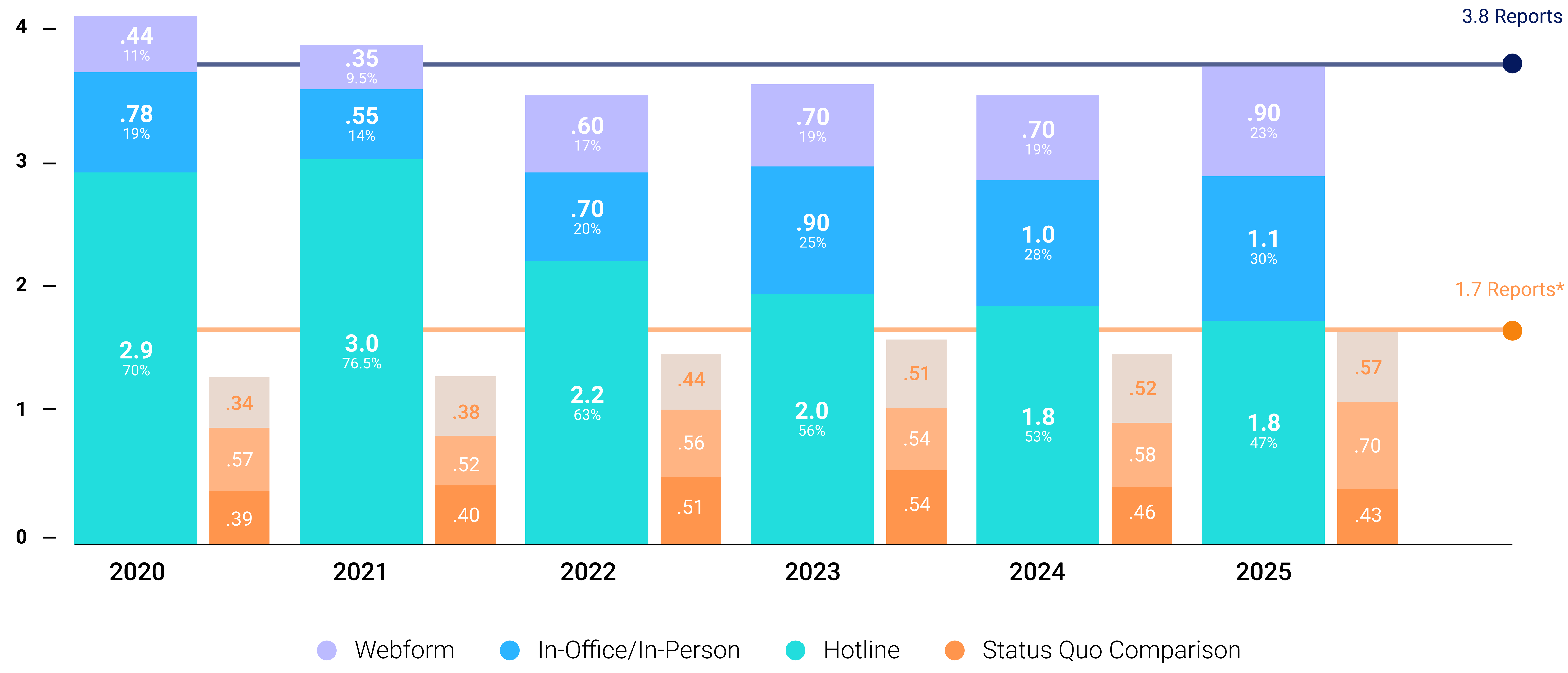
Reporting Channel Use per 100 Employees



Reporting Channel Graph Information Continued on Next Page...

Reporting Channel Use

For the first time in our dataset, hotline reporting fell below 50% of total reports at 47%, while in-person reporting climbed to 30% and web submission reached 23%. Taken together, non-hotline channels now account for the majority of all intake, a structural shift that has been building for several years and shows no signs of reversing.

This is not a story about the hotline declining in value. It is a story about a workforce that has more options and is using them. The hotline remains the single largest individual channel by a significant margin, but the increase in webform & in-person reporting is the result of successful intake option diversification.

Employees now arrive at reporting decisions with a broader mental menu of options, and the programs capturing the most risk intelligence are the ones that have made every item on that menu work well.

Leverage configurable intake technology.

Comprehensive case management solutions should leverage branching logic, role-specific questions, and in-depth compliance knowledge to ensure consistent quality of risk intelligence regardless of the channel.

Reporting Channel Insight

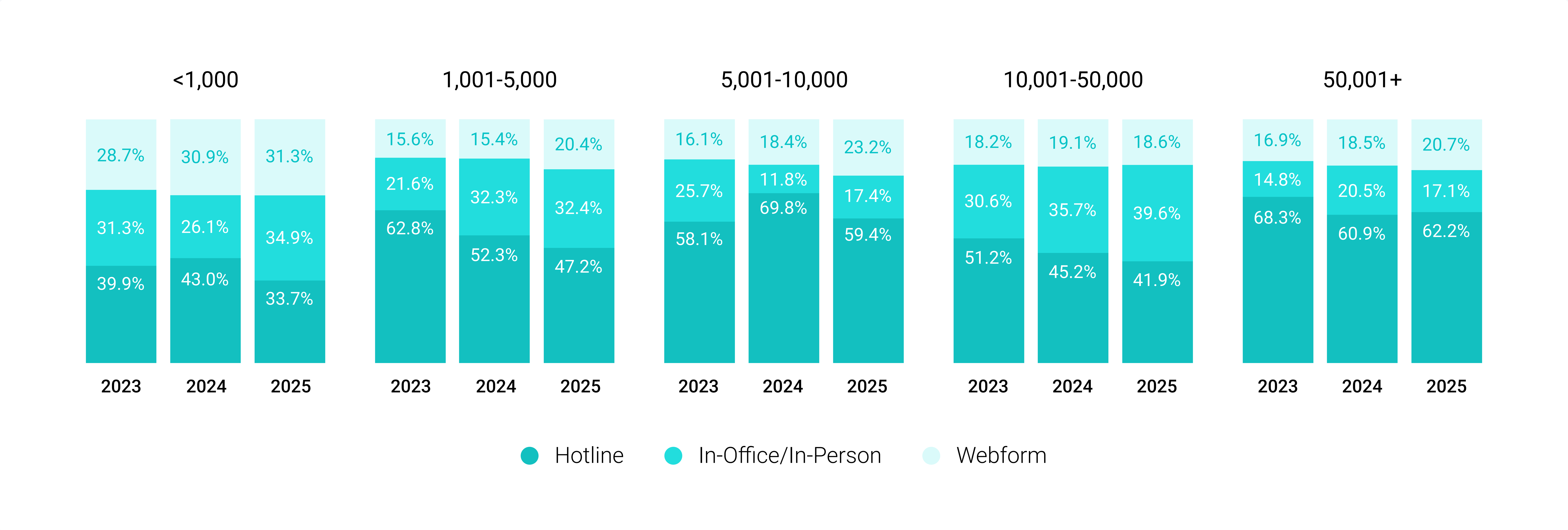
Hotline Intake fell below 50% for the first time ever. A diverse range of intake methods is more essential than ever. Maintaining a consistent intake methodology across all intake channels is crucial to ensure intelligence quality.

The continued growth of in-person reporting, now at its highest share in the dataset, reflects the maturation of proxy reporting as a genuine intake strategy rather than a supplementary one.

Employees remain 6-8X more likely to raise a concern with a trusted manager than to initiate a formal report. That's why it remains critical to equip middle managers with the knowledge and resources to effectively turn informal complaints into formal risk intelligence.

Organizations that have invested in equipping managers to receive, document, and route those conversations are seeing that investment show up directly in their intake numbers. The compliance programs best positioned for the next several years are those treating omnichannel accessibility not as a feature but as a foundation.

Reporting Channel Use per 100 Employees



Hotline use declined across most organization sizes, with the sharpest drop occurring in organizations with <1,000 employees, where hotline share fell to 34%. 1,001-5,000 organizations showed the most dramatic channel rebalancing of any segment, with web submission climbing to over 20% for the first time.

Organizations in the 10,001 to 50,000 employee range now receive nearly 40% of their reports through in-person and proxy channels. Across all size bands, the consistent theme is diversification. The organizations generating the highest reports in each segment are not those with the strongest single channel. They are the ones that have built intake infrastructure capable of capturing a concern however and wherever a reporter chooses to raise it.

Reporting Channel Question

How does your reporting channel split compare to organizations of the same size? Are all your channels equally capable?

Think *About*

- Are all of your intake channels structured to gather the same depth & quality of information?
- Are your managers aware that they are a reporting channel? Do they have the tools to serve as one?
- How recently have you reviewed your web intake experience on a mobile device?
- How many steps does each intake channel require? Can you reduce that number?

Tips

- **Treat every channel as a primary channel.** Audit each channel separately to ensure consistency in the information captured, the tone communicated, and the follow-up process triggered.
- **Simplify your digital intake experience.** A well-designed digital intake process that is mobile-accessible, clearly worded, and easy to navigate is one of the highest-return investments an intake program can make.
- **Review channel performance by substantiation rate.** Analyze which channels yield the most complete, actionable, and substantiated reports to identify where to invest and where to improve.

Formula

$$\text{Reporting Channel} = \frac{\text{Cases by Intake Method}}{\text{Total Cases}}$$

Generate your list of cases over the last year and code each one based on the intake channel. Sum all cases by channel and divide each total by the total number of cases.

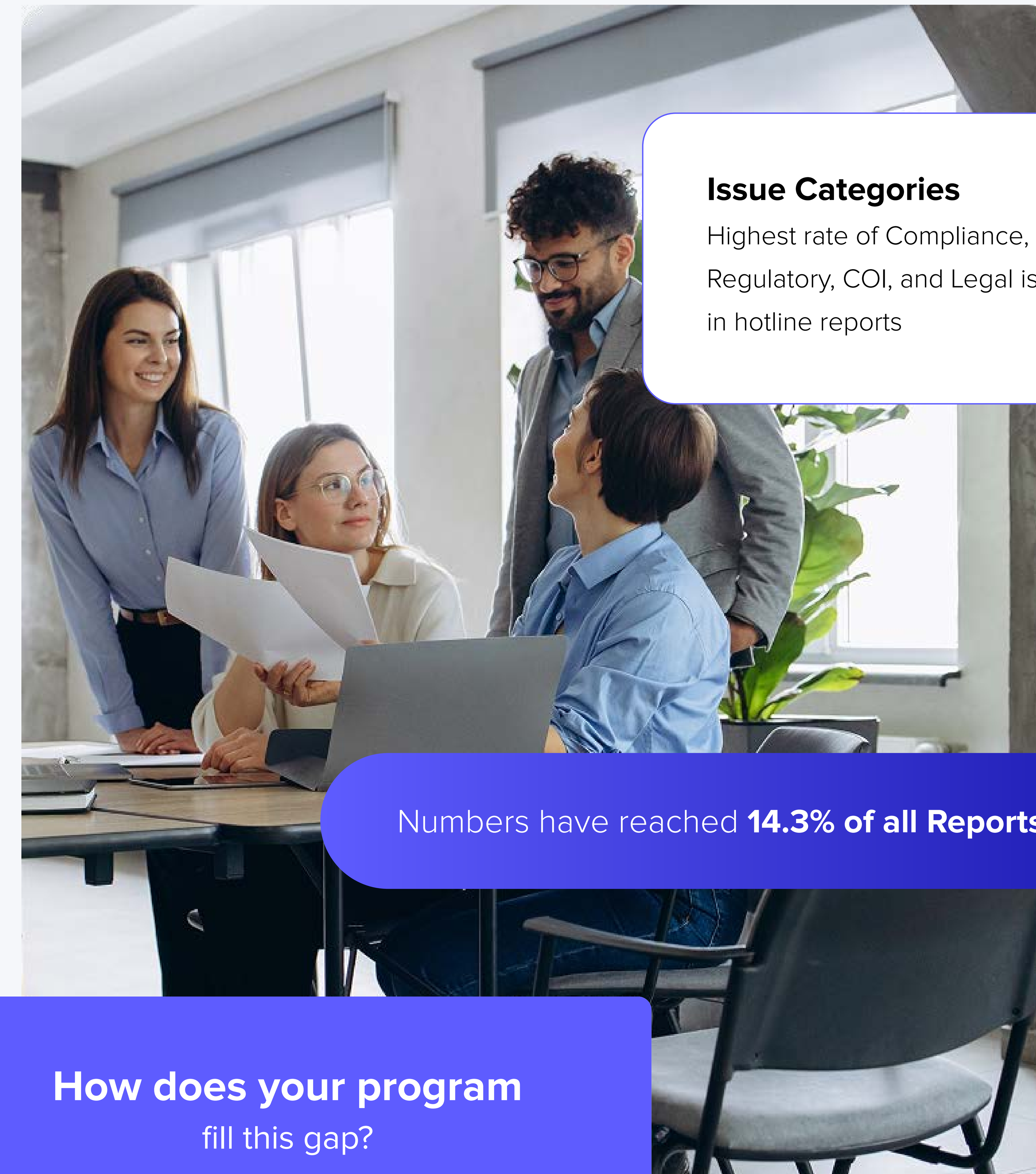
THE INTELLIGENCE YOU'RE NOT ASKING FOR:

AI Risk Assessments and the Compliance Program of Tomorrow

In 2025, Compliance, Regulatory, COI, Legal issues reached 14.3% of all hotline reports in our dataset, their highest share in benchmark history. This category has nearly doubled since 2018. No single category in this year's data moved more dramatically. Practitioners on the ground are increasingly pointing to one emerging accelerant above all others: AI governance.

AI governance — the absence of it, the confusion around it, and the concerns employees are beginning to raise about it — is showing up in the data. Employees are reporting concerns that organizations have not yet built adequate frameworks to address. The intelligence is already flowing through your intake channels. What organizations need now is a framework for acting on it.

The uncertainty around which department should take charge of AI risk (IT, Legal, HR, etc) should not be seen as a barrier to prevent compliance from stepping in. It's an opportunity.



Issue Categories
Highest rate of Compliance, Regulatory, COI, and Legal issues in hotline reports

Numbers have reached **14.3% of all Reports**

How does your program
fill this gap?

- Treat every program as a primary channel
- Review channel performance by substantiation rate
- Simplify your digital intake

Artificial Intelligence

Taking charge of this emerging risk is a matter of reframing the tools already at your disposal. Once activated, an AI-focused compliance department can not only manage risk, but wield a greater amount of influence within the workplace.

By embracing the cutting-edge, compliance professionals can position themselves as leaders focused on improving business outcomes and increasing organizational efficiency. This means a bigger seat at the table, greater ammunition for budget discussions, and an internal rebrand essential for compliance to mature to its ideal future-state.

The practical entry point is simpler than it feels. An AI risk program doesn't need to be comprehensive to be valuable. Start with an inventory: what AI tools are in active use across the enterprise, including the shadow AI — the employee-adopted applications that never went through a formal procurement or policy review? Map that inventory against your existing risk categories. Identify the gaps. Prioritize by exposure. Document your process.

Map & Analyze Your Shadow AI Risk Profile

Don't wait for regulators to define your AI governance. Use flexible analytics to map AI risks and determine which areas of the business must be prioritized.

The foundation of a practical AI risk assessment is simply to walk your existing risk register forward and ask, for each category: does our current AI use create new exposure here, and what does our oversight infrastructure need to look like to see it?

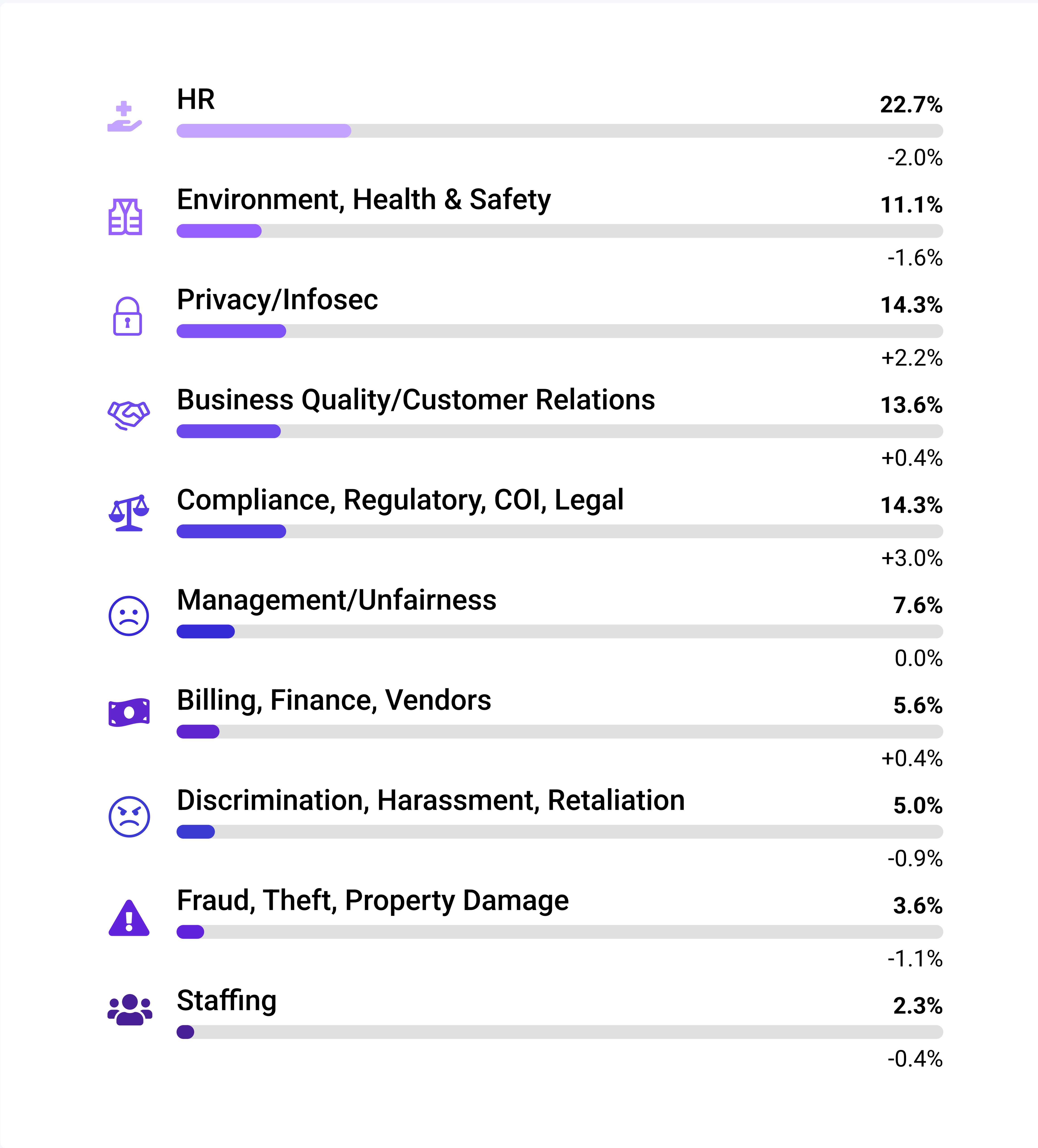
The second challenge is the risks that don't map anywhere. Model drift, algorithmic bias, hallucination, and the downstream use of AI-generated outputs — these represent a novel category of compliance exposure. Unlike traditional conduct risk, AI risk involves technical failure modes that can emerge gradually. This demands a different kind of oversight, one that monitors outputs over time, involves cross-functional review, and maintains clear accountability for model performance.

The final challenge is the race to beat regulators at their own game. The GDPR created an entire compliance practice area overnight, rewarding organizations that had already built privacy infrastructure and creating costly scrambles for those that hadn't. The same dynamic is forming around AI. State-level AI legislation is accumulating. The SEC, EEOC, and CFPB have all signaled enforcement interest in algorithmic accountability. Organizations that establish AI governance programs proactively will be in a materially different position when that regulation crystallizes.

The 14.3% in this year's data is a signal worth taking seriously. Not evidence that the problem is already out of control, but as an early warning that the workforce is paying attention to something compliance hasn't fully organized around yet. The moment to move is now, if not yesterday.

Issue Categories

Showing Percent from all Reports Taken and Change Since 2024



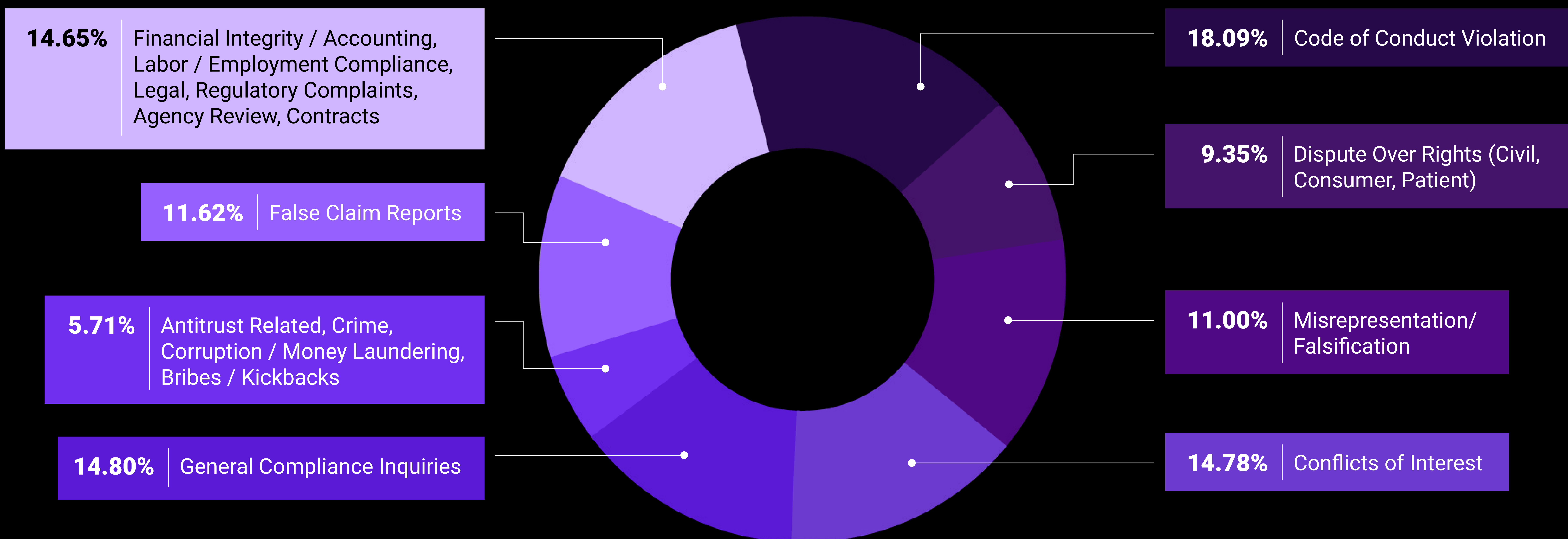
The 2025 issue category data reflects a compliance landscape in genuine transition. HR issues continued their long-term decline, falling to 22.7% of all reports. This category has fallen a total of 10% since 2018, representing the growing share of more complex issue types.

Environment, Health & Safety reports fell to 11.1%, continuing its decline from the pandemic-driven high. Fraud, Theft, Property Damage reports declined to 3.6%, likely connected to the significant drop in Vendor and Contractor reporting.

The Compliance, Regulatory, COI, Legal and Privacy/Infosec categories both rose to 14.3%, reaching their highest rate since the dataset began. Together these categories represent more than a quarter of all reports, which has direct implications for investigation capacity, legal coordination requirements, and the technical sophistication of compliance programs.

Conflict of interest cases require more parties and more documentation. Privacy and data concerns increasingly intersect with evolving legal frameworks. Regulatory complaints strain programs already operating with lean resources. The category mix of 2025 is a direct challenge to the investigation infrastructure most programs were built around, and the data makes clear that meeting it requires deliberate investment rather than incremental adjustment.

Category Breakdown of *Ethics & Compliance Issues*



Issue Categories Insight

Code of Conduct Violations declined to 18.1% after holding above 20% for the previous two years. Amidst the regulatory uncertainty of 2025, the categories continued decline suggests that the foundational work done to clarify expectations and embed ethical frameworks into daily operations is producing durable results.

04

Issue Categories

From a high of roughly 32% in 2018, HR issues have declined nearly every year since, likely accelerated in 2025 by the regulatory policy rollbacks, workforce reductions, and the growing share of more complex issue types.

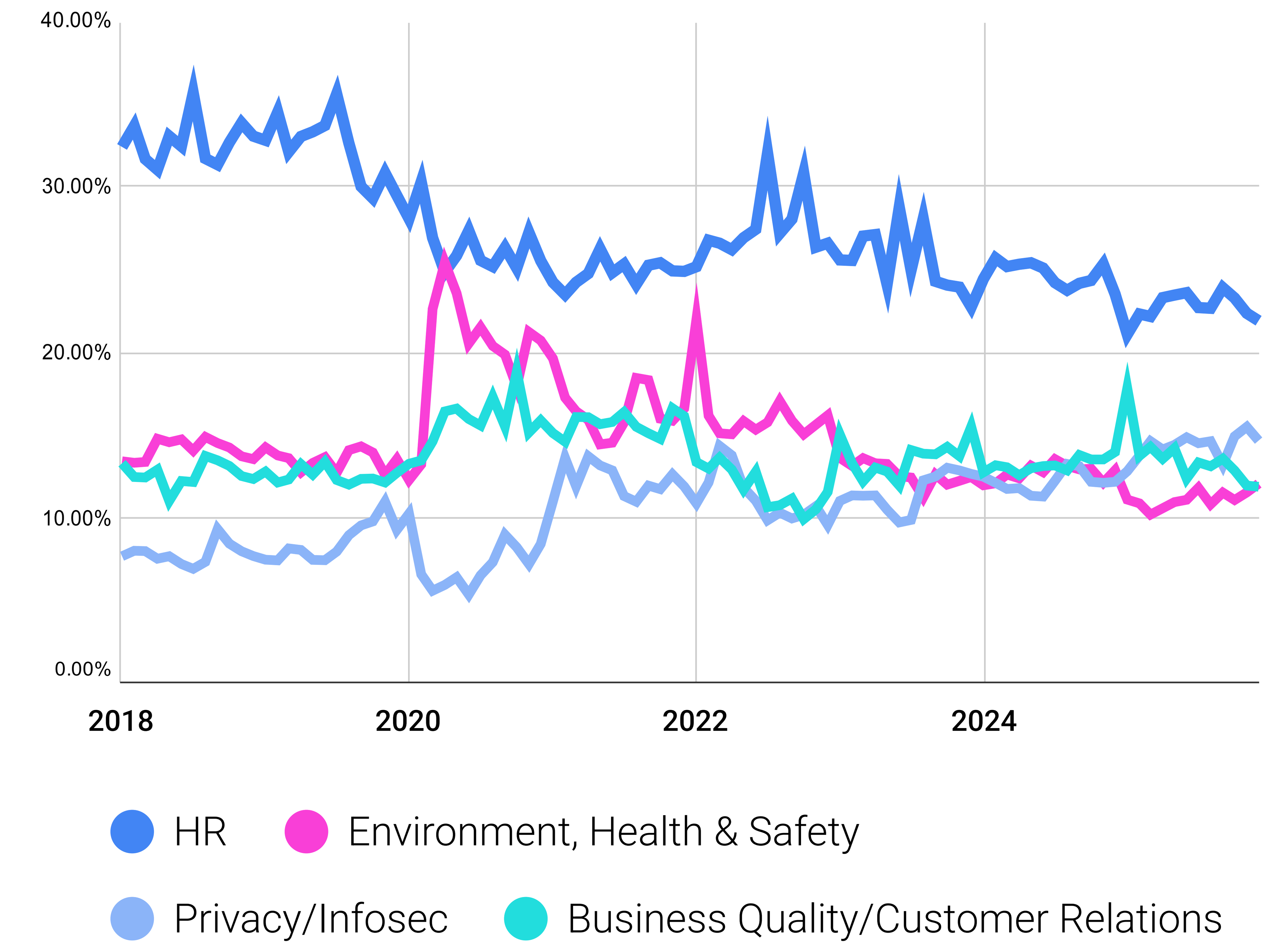
The Privacy/Infosec category built steadily through the remote work era, driven by expanded data handling obligations and a workforce newly attuned to digital security concerns.

Business Quality and Customer Relations issues have held remarkably steady across the full six-year period, absorbing the disruption of the pandemic era and normalizing back to their historical average with unusual consistency. This stability suggests a constant baseline of operational concern rather than a category sensitive to external conditions.

The Environment, Health & Safety category offers a useful reference point for how dramatically category composition can shift and then normalize. From a pandemic-driven peak of nearly 25% in 2020, the category spent four years unwinding and now sits at 11.1%. This demonstrates that some category compositions are always in motion, and programs that track those movements over time are the ones best positioned to allocate resources ahead of the shifts rather than in response to them.

One

Trends in Reporting Issues



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Is the growth in your Privacy/Infosec reports outpacing your program's ability to investigate them?

Management/Unfairness issues held at 7.6%, essentially flat against the seven-year average. Significant movement in this category within a specific organization can point to a localized management issue.

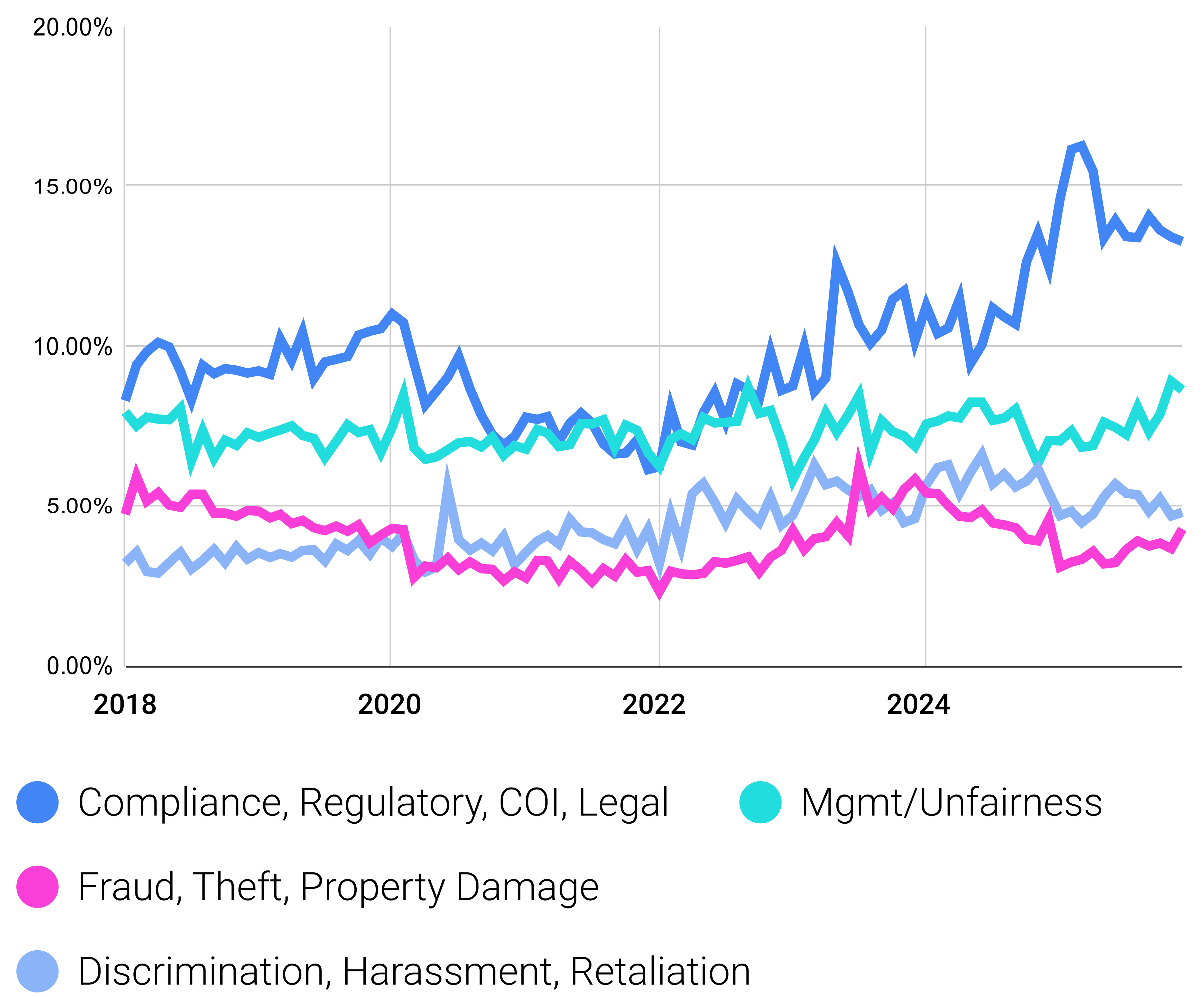
Discrimination, Harassment, and Retaliation reports declined modestly to 5.0% in 2025. The decline may reflect a genuine chilling effect: reporters who fear identification most acutely on sensitive personal concerns choosing anonymity or silence over formal reporting.

Compliance, Regulatory, COI, Legal issues accelerated more recently, with the sharpest growth occurring in the past two years as regulatory uncertainty intensified and AI governance questions began generating formal reports at scale.

Taken together, the stable categories provide a useful counterpoint to the headline shifts elsewhere in the data. While Compliance, Regulatory, COI, Legal and Privacy/Infosec concerns are demanding greater resources, these stable categories represent a consistent, predictable workload that programs can plan around. The risk is not that they will surprise — it is that their stability makes them easy to deprioritize in favor of the categories generating more noise. A well-resourced program keeps both in view.

Two

Trends in Reporting Issues



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How are you leveraging these reporting trends to inform resource allocation within your program?

Issue Categories

Code of Conduct Violations fell to 18.1%, its lowest point in the seven-year dataset. Taken alongside the continued rise of COI reports to 14.8%, the data suggests a meaningful reorientation in what employees understand as a compliance concern worth reporting.

False Claims Report issues declined to 11.6%, pulling back from their recent uptick, while Misrepresentation/Falsification continued a long-term downward trend, falling to 11%.

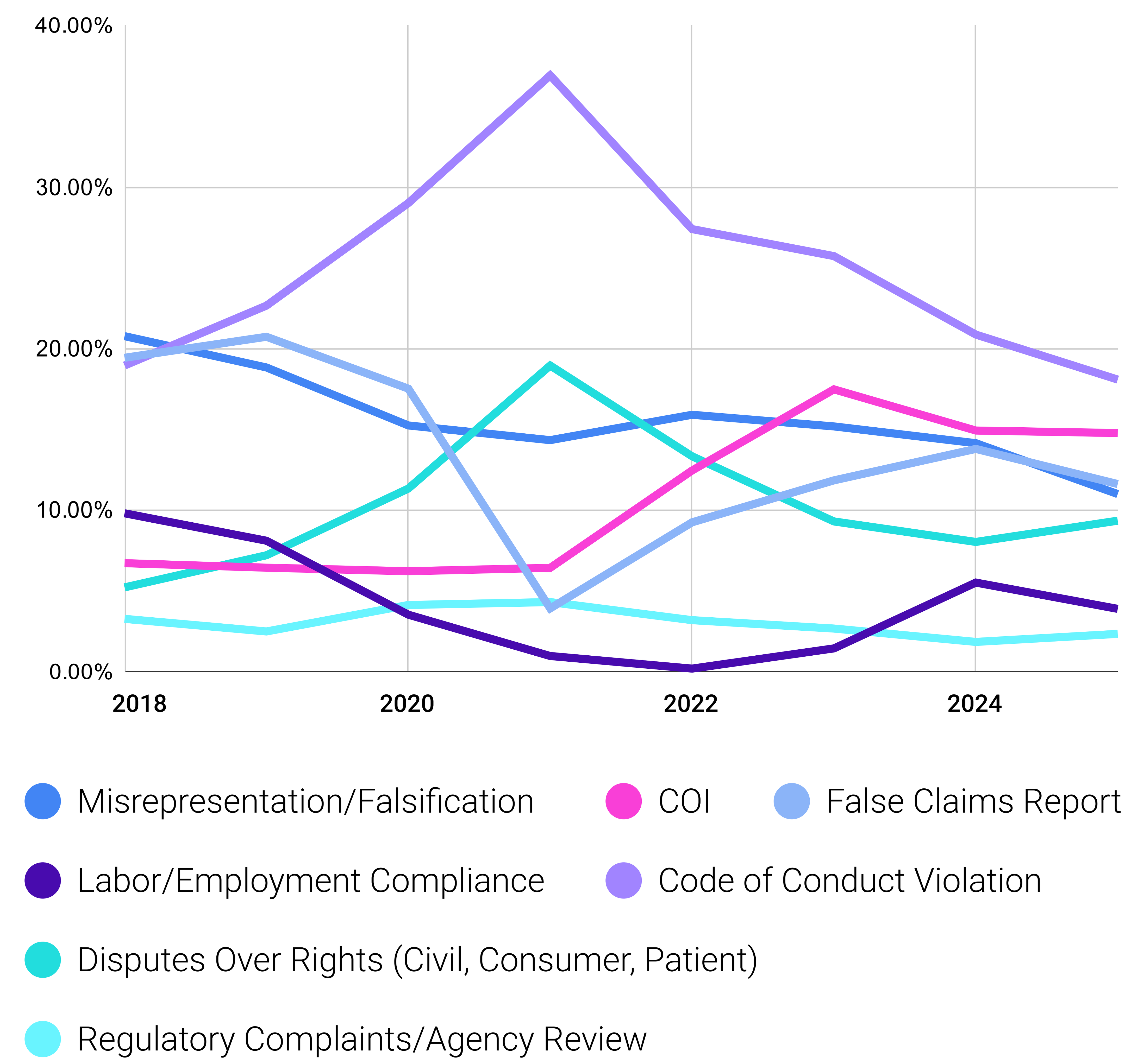
Labor/Employment Compliance issues declined to 3.9% after a partial recovery in 2024. This is a category worth monitoring in the year ahead. Enforcement pullbacks historically suppress formal reporting without resolving the conditions driving it, and programs that reduce their attention in response to lower report volume may find themselves underprepared when that reporting rebounds.

Taken together, the category data points toward a profession defined by complexity, nuance, and judgment-intensive issues that resist simple policy responses.

Issue Categories Question

If a category is over or underrepresented in your data, does that reflect culture, intake, or both?

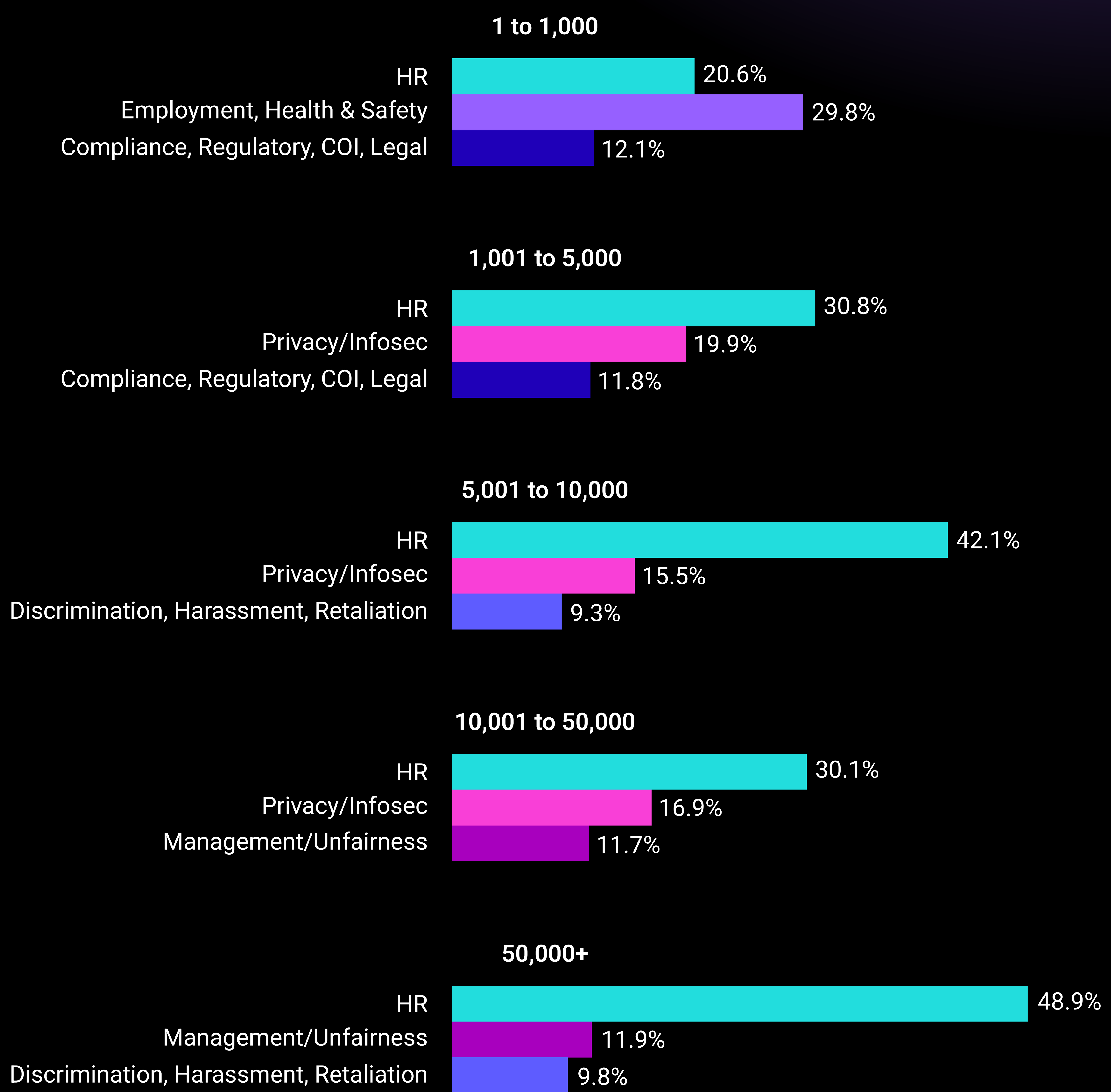
Trends in Major Ethics & Compliance Issues



Breaking Down the Numbers

Issue Categories

What are the most common issue categories for **EMPLOYEES** based on company size?



What are the most common issue categories for **CUSTOMERS** based on company size?

Think *About*

- Is your intake process equipped to handle the issue categories growing the fastest? Reporting tools designed around HR and conduct issues may not be capturing the detail investigators need.
- When a category declines in your program, do you know whether that reflects genuine improvement, reduced reporter confidence, or a chilling effect driven by retaliation fear?
- How does your category mix compare to your industry peers in this dataset? Significant divergence from your sector average in any category is worth investigating.
- If your COI reports are growing in line with the broader trend, is your investigation infrastructure keeping pace? Or are those cases taking disproportionately longer?

Formula

$$\text{Issue Intake by Category} = \frac{\text{Issue Category}}{\text{Total Cases}}$$

Aggregate all reports/issues over a specific time period and assign consistent categories to each issue. Once categories are assigned to each case, determine the number of instances in each category and divide by the total number of cases in the measurement period. This will give you your proportion of cases by category. Repeat for other equal measurement periods to compare trends over time.

Tips

- **Build category-specific intake questions.** For your highest-volume and fastest-growing categories, develop tailored intake prompts that gather the specific details investigators need.

- **Develop investigation playbooks for rising categories.** Purpose-built playbooks that define the steps, stakeholders, documentation standards, and escalation thresholds for rising categories reduce the variability that drives extended closure times

- **Review substantiation rates by category.** A category with a low substantiation rate may indicate unclear policy expectations, insufficient intake detail, or an investigation process that is not well calibrated for that issue type.

- **Use category data to anticipate resource needs.** Build your investigative capacity, legal coordination relationships, and training investments around where the caseload is heading.

- **Audit your category taxonomy annually.** AI governance, emerging privacy regulations, and evolving COI definitions all create gaps between existing taxonomies and the issues actually arriving at intake. An annual review ensures your categories are capturing what matters rather than obscuring it.

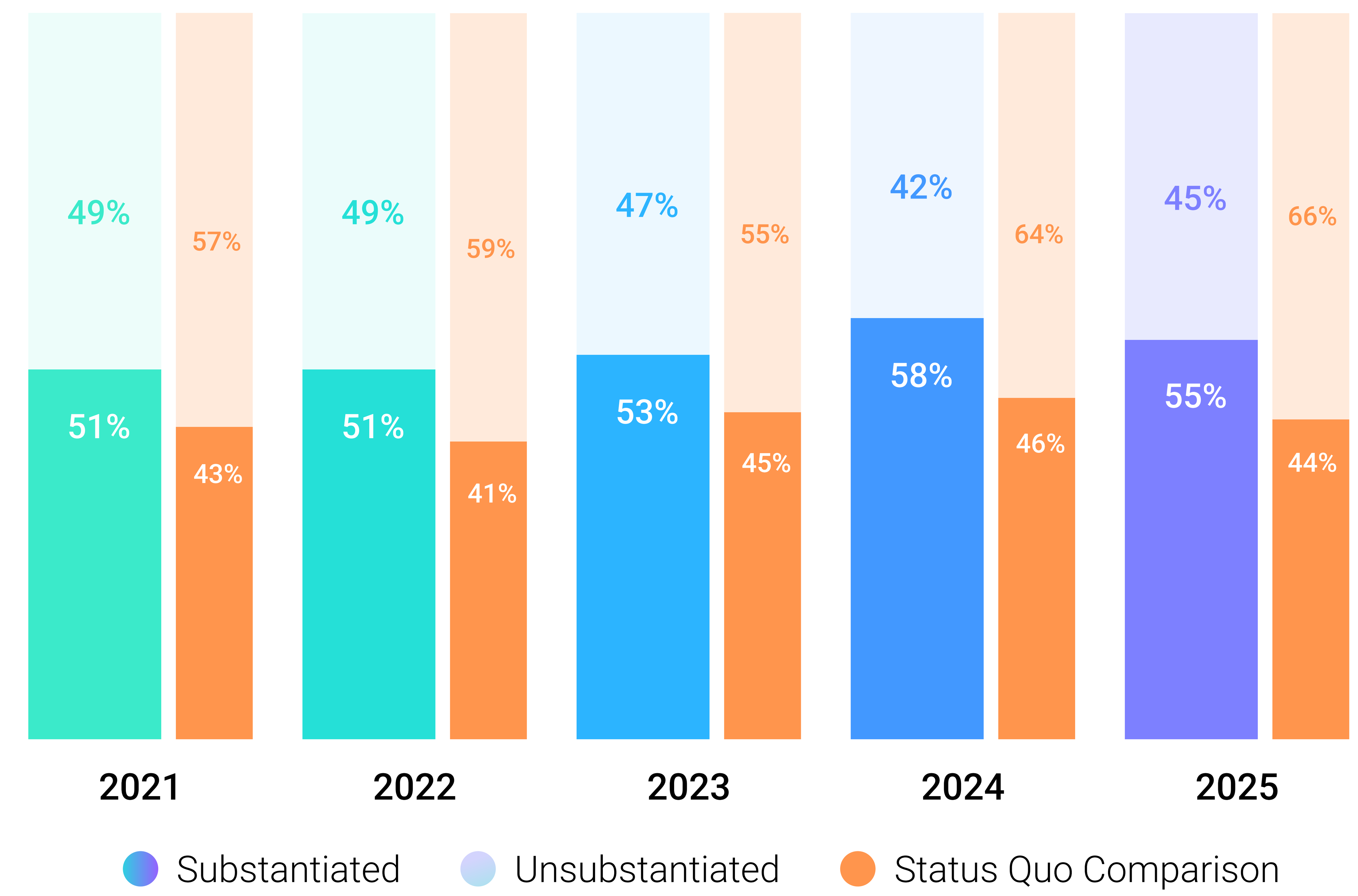
Trends in *Issue Substantiation*

Issue substantiation — the rate at which reported concerns are confirmed through investigation — reflects the quality of intake, the rigor of investigation, and the clarity of policies. In 2025, the substantiation rate settled at 55%, a modest pullback from last year's 58%.

The category mix of 2025 puts natural downward pressure on this metric. Compliance, Regulatory, COI, Legal cases carry lower average substantiation rates than HR and conduct issues, because the evidentiary bar for these issues is significantly higher.

Commercial sector reports substantiated at the highest rate of any industry in 2025, while Finance and Industrial reports trailed behind. Vendor/Contractor submitted concerns remained the most likely to be confirmed through investigation.

Understanding where your own program's substantiation rate is strongest and weakest is the analysis that turns this metric from a benchmark into a roadmap.



Tracking the reasons behind unsubstantiated cases can reveal education gaps, policy issues, and investigation process weaknesses.

Substantiation Insight

Organizations with CCEP-qualified intake specialists demonstrated 13% higher substantiation rates.

Think *About*

- **If your substantiation rate shifted in 2025, do you know what drove it? Is that shift coming from your category mix, your intake quality, or your investigation process?**
  - **Have your fastest-growing issue categories historically substantiated at higher or lower rates than your overall average?** A category mix shift can move your substantiation rate significantly without any change in investigation quality.
  - **Are reporters in your highest-growth issue categories receiving clear guidance on what constitutes a reportable concern?** The gap between what reporters perceive as a violation and what investigators can confirm is often widest in categories that are newer to the intake mix.
  - **If your anonymous reporting rate is elevated, how are you accounting for the effect that incomplete intake information has on your ability to substantiate concerns?** A high substantiation rate in a high-anonymity environment may reflect a narrower investigative scope rather than genuine program strength.

Issue Substantiation Insight

Triangulate your anonymity rate with other metrics to identify where reporter trust can be improved.

Tips

- **Invest in intake quality before investigation quality.** The single biggest driver of substantiation outcomes is the detail captured at first contact. An intake process that gives investigators what they need to confirm a concern without chasing information should always be prioritized.

- **Train intake specialists in compliance fundamentals.** Specialists who understand the evidentiary threshold for different issue types know which follow-up questions to ask in real time. A generalist intake process applied uniformly across HR, COI, and regulatory concerns will consistently underperform one calibrated to the specific requirements of each category.

- **Implement case quality reviews.** A periodic peer review process surfaces inconsistencies in how evidence is gathered, documented, and assessed before they become patterns. It also builds investigative consistency across a team over time.

Formula

$$\text{Substantiated Case Rate} = \frac{\text{Total Closed Cases - Unsubstantiated Cases}}{\text{Total Closed Cases}}$$

$$\text{Unsubstantiated Case Rate} = \text{1 - Substantiated Rated \%}$$

Divide your number of substantiated cases by the total number of closed cases. Exclude open cases to eliminate noise from your results.

Repeat the process for the previous period (e.g., quarter, year) to analyze internal trends and areas to improve.

Breaking Down the Numbers

Issue Substantiation

How likely is substantiation at **different resolution times?**

0-30 Days	31-60 Days	61-90 Days	90+ Days
53%	54%	52%	47%

What % of issues were substantiated **within each business sector?**

Finance	49%
Industrial	40%
Commercial	63%
Healthcare	55%

What is the substantiation rate for **different types of reporters?**

Employee	57%
Customer/Related Party	45%
Vendor/Contractor	73%

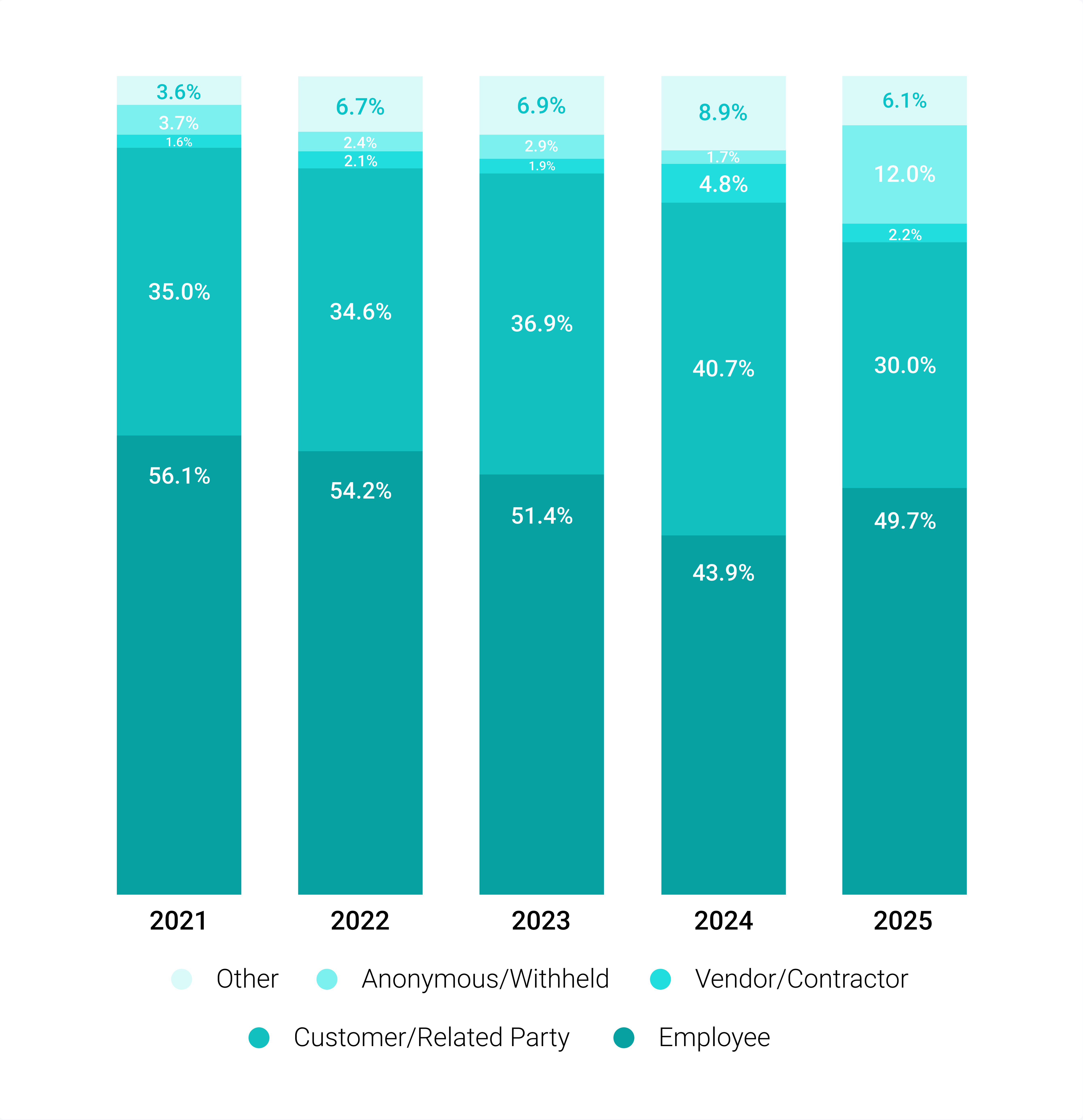
Composition of *Reporter Types*

The 2025 reporter type data contains the single most striking shift in this year's entire dataset. The share of reports submitted by reporters who withheld their identity entirely increased from 1.7% to 12.0% in a single year.

After five consecutive years of decline, this category reversed course with a magnitude that has no precedent in our tracked history. The same environment that drove overall anonymity rates to their highest level since 2020 produced a subset of reporters who have concluded that even the most basic identifying information was a risk they were not prepared to take.

Employee reports partially recovered to 49.7% after falling to a dataset low of 43.9% in 2024. Vendor/Contractor reporting returned to its historical norm of 2.2% after an anomalous spike in 2024.

The urgent program investment question raised by the 2025 data is not about external reporters. It is about the growing share of internal ones who no longer feel safe being known.



Breaking Down the Numbers

Reporter Types

For each business sector, **who are the people submitting issues?**

	HEALTHCARE	COMMERCIAL	INDUSTRIAL/ MATERIALS	FINANCIALS	TECHNOLOGY	UTILITIES/ TELECOM
Employee	61%	71%	78%	45%	95%	84%
Customer/Related	37%	28%	20%	35%	3%	15%
Vendor/Contractor	2%	1%	2%	20%	2%	1%

What % of reporter types are submitting issues in these categories?

	HUMAN RESOURCES	ENVIRONMENT, HEALTH & SAFETY	PRIVACY/ INFOSEC	BUSINESS QUALITY, CUSTOMER RELATIONS	COMPLIANCE, REGULATORY, COI LEGAL	MANAGEMENT/ UNFAIRNESS	BILLING, FINANCE, VENDORS	DISCRIMINATION, HARRASSMENT, RETALIATION	FRAUD, THEFT, PROPERTY DAMAGE	STAFFING
Employee	75%	55%	68%	42%	69%	69%	54%	77%	60%	43%
Customer/Related	23%	43%	30%	56%	28%	28%	45%	21%	34%	55%
Vendor/Contractor	2%	2%	2%	2%	3%	3%	1%	2%	5%	2%

From **Fewer Issues - Most Issues**

THE SILENCE SHIFT:

The Opportunity in a Near-Sevenfold Surge in Withheld Identities

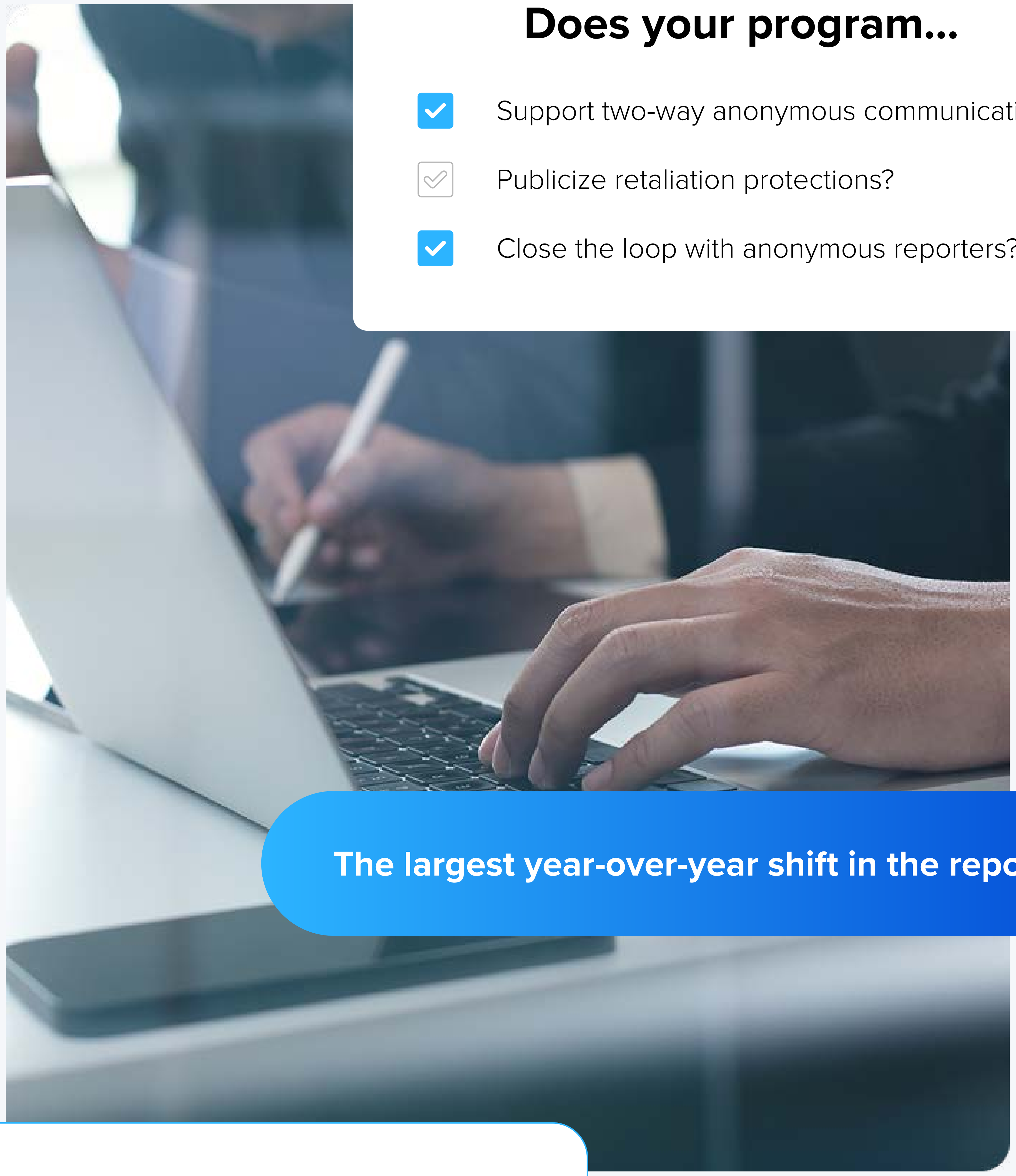
In 2025, reports submitted under an “Anonymous/Withheld” reporter type — meaning the reporter declined to share any identifying information whatsoever, including their relationship to the organization — jumped from 1.7% to 12.0% of all submissions. That is the single most dramatic year-over-year shift in this year’s benchmark dataset. The first instinct for a lot of compliance professionals reading that will be, ‘this looks bad for us.’ But there’s another way to read this data.

The workforce is still reporting. People with concerns about their organizations are still reaching for reporting channels, even in an environment defined by retaliation fear, regulatory uncertainty, and workforce disruption. The question the data is actually asking is not whether trust has eroded. It is whether your program is positioned to rebuild it.

Anonymous reports are not lesser reports. They are reports from people who have made a reasonable judgment about their personal risk threshold, and have decided that surfacing the concern was worth doing. A compliance function that can capitalize on these anonymous reports delivers genuine value to the organization and peace of mind back to the reporter.

Does your program...

- [x] Support two-way anonymous communication?
- [ ] Publicize retaliation protections?
- [x] Close the loop with anonymous reporters?



The largest year-over-year shift in the report

Reports submitted under Reporter Type ‘Anonymous/Withheld’ jumped from

1.7% to 12.0%

Anonymous Reporting

Two-way anonymous communication allows for a reporter to continue to provide valuable risk data without having to sacrifice their identity. By embracing technologies like this, compliance teams can improve the quality of their investigations while respecting the privacy of their reporters.

Now for the bigger opportunity. The shift toward withheld reporting is industry-wide, which means it is being driven by broad structural forces that no single organization entirely controls. But reporter behavior is deeply local. Employees don't make abstract trust assessments about "organizations in general," they make specific assessments about their workplace. Was someone who reported a concern protected? Did anything happen as a result of that report? Does the intake process feel like it's designed to protect me, or like it's designed to collect information?

Those questions get answered by the operational behavior of individual compliance programs, and that means individual compliance programs have the power to pull their own anonymous and withheld rates in a different direction from the industry trend. The organizations that do that work, and can show their identified-report rate moving against the benchmark, will have a genuinely differentiated story about program quality. That story is worth building toward, and the current environment makes the starting point unusually clear. The practical priorities that can build this story are well-defined. Intake is the highest-leverage intervention available, because it operates at the precise point where the trust calculation is made. Reporters don't withhold their identities in the abstract; they withhold them when the experience of reporting feels institutional, cold, or observed.

Solutions and platforms that specialize in empathetic intake shift the risk calculation at the moment it matters most. Organizations that have made that investment tend to show it in their identified-report rates over time.

Retaliation protection is the other lever, and is the one where compliance programs can move most quickly. Publishing clear, specific, and visible anti-retaliation policies is a starting point, but what matters more than policy language is policy demonstration.

Reporters are watching what happens to other reporters. When organizations publicize the outcomes of retaliation investigations, communicate that follow-through occurred, and make visible the protections that reporters can rely on, the risk calculus shifts. That kind of proactive communication is ideal to differentiate your reporting culture and organization from the current landscape.

The organizations that do this work will find that their anonymous reporting infrastructure does more than process concerns efficiently. It functions as a trust-building mechanism in its own right. When employees observe that their organization handles anonymous concerns with rigor and follow-through, the cost of remaining anonymous decreases. And paradoxically, as anonymous reporting becomes a fully credible and well-supported channel, identified reporting tends to follow.

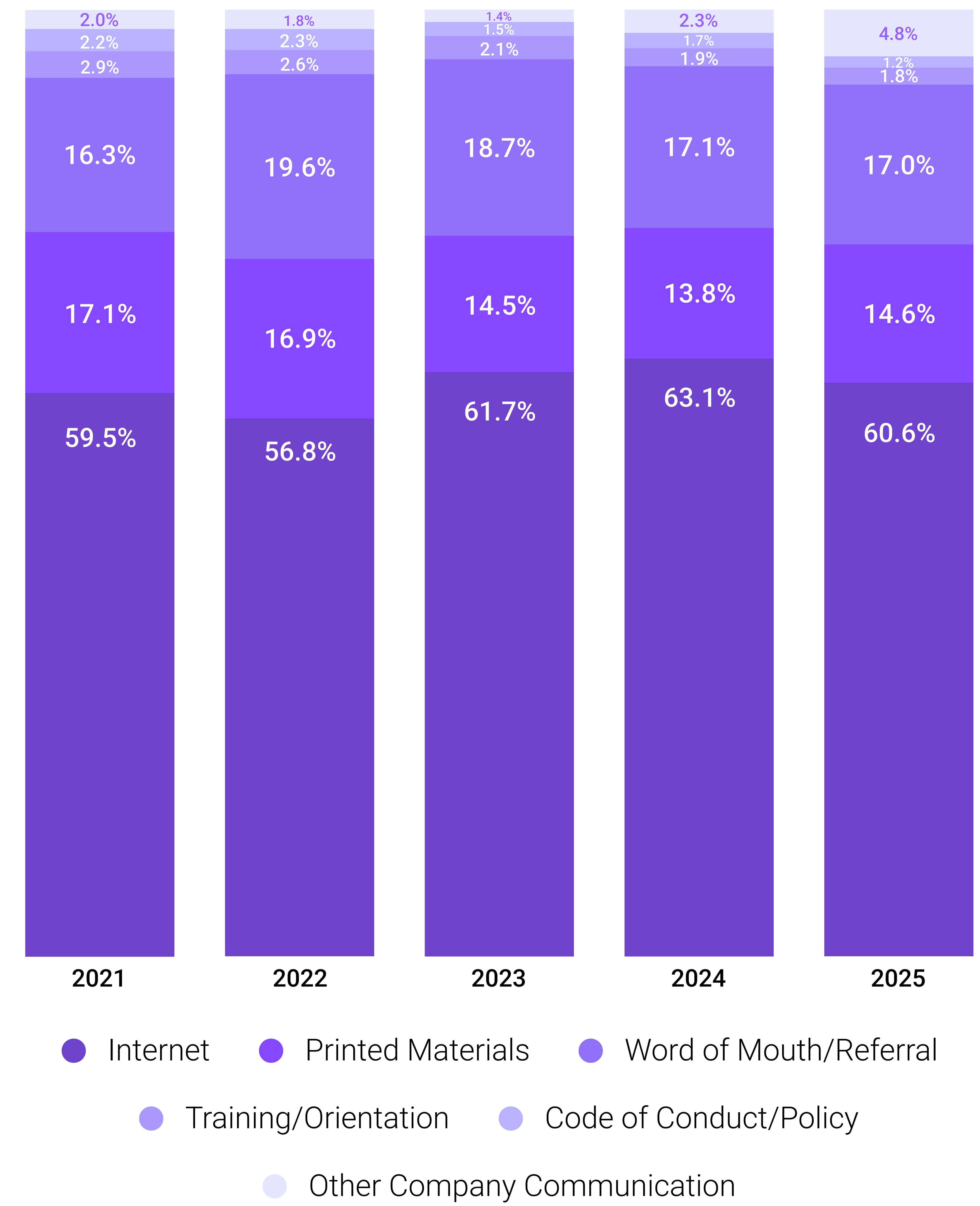
The path back to a higher identified-report rate runs directly through the quality of the anonymous reporting experience. That is not a workaround. It is the strategy.

Awareness Types

The 2025 awareness data delivers a clear and consistent message: employees are finding reporting channels primarily through digital means, and every traditional awareness pathway continues to lose ground.

Internet-based awareness held at 60.6%, Word of Mouth stabilized at 17.0%, and Printed Materials fell further to 14.6%. None of those movements are surprising. The one that demands attention is the sharp rise in Other Communications to 4.8%, more than double the prior year and the largest proportional increase of any awareness category in 2025.

This is the largest single-year proportional increase of any awareness category in the dataset and points toward something genuinely new beginning to emerge in how employees encounter compliance reporting options. Whether that reflects internal messaging platforms, AI-assisted tools, or a new category of digital touchpoint not yet captured in existing classifications, it warrants investigation.



Think *About*

- When an employee searches for a way to report a concern, how many steps does it take to reach your reporting channel?
- Are your digital awareness efforts reaching employees who primarily work in the field, on the floor, or in non-desk environments?
- Are you gathering data on which digital intake methods are most used? Track these metrics to determine which intake methods to invest in.
- Other Communications more than doubled as an awareness source in 2025. Do you know what is driving that number in your own program?

Tips

- **Audit your digital findability regularly.** Conduct periodic search tests using terms an employee might realistically use and evaluate how quickly and clearly your reporting channel appears.
- **Build a centralized ethics portal.** A dedicated internal hub that consolidates all reporting channels and awareness resources reduces the discovery burden for reporters and gives your program a visible, permanent home in the digital workplace.
- **Make awareness multichannel and consistent.** Ensure that every awareness pathway delivers a consistent message about how and where to report.

Formula

$$\textbf{Reporter Awareness Rate} = \frac{\textbf{Reporter Type}}{\textbf{Total Cases}}$$

Identify all issues reported by an individual reporter type and then divide by your total number of issues. Repeat for each reporter type.

Reporter Awareness

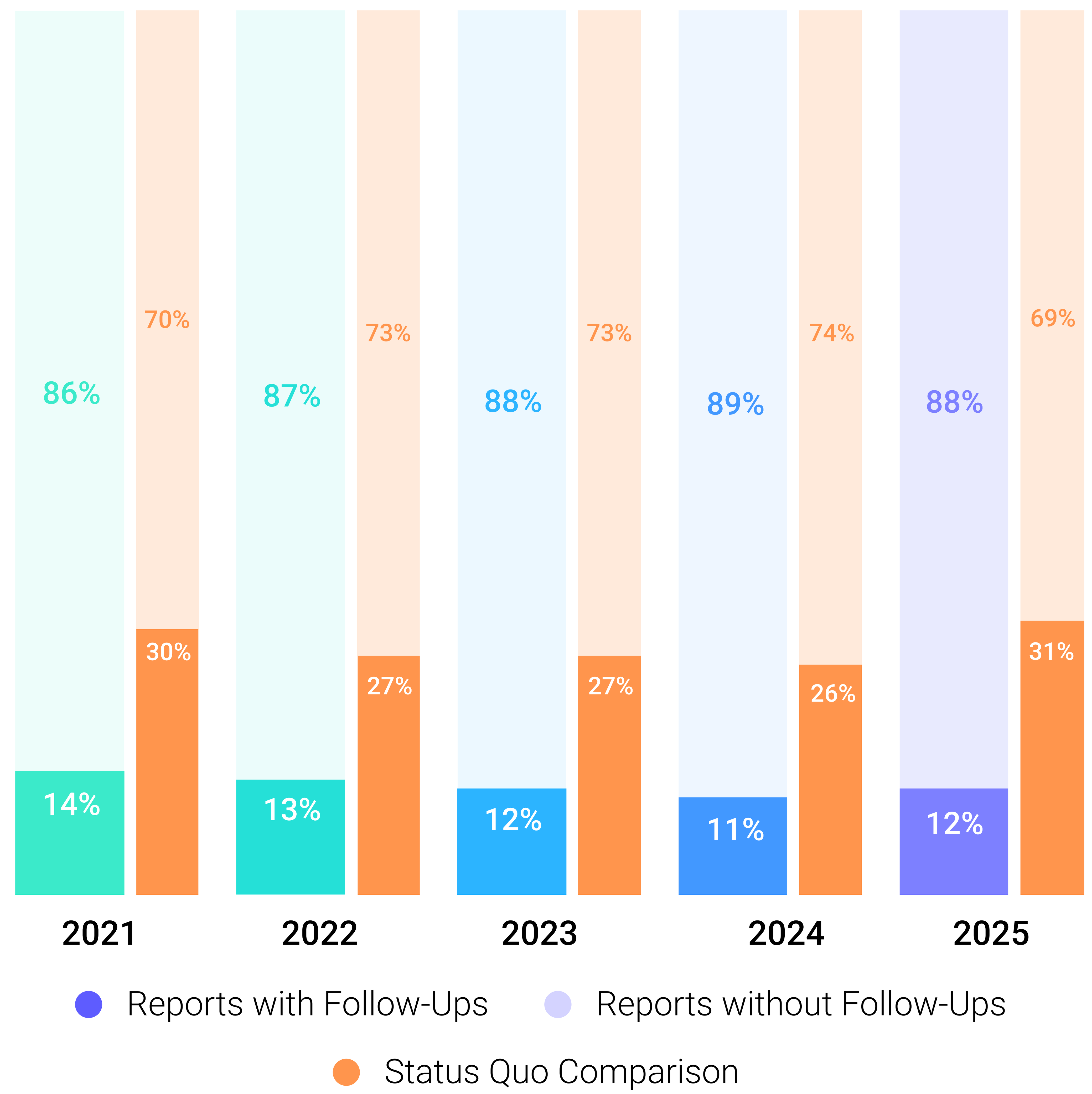
How do people from different business sectors learn about reporting channels?

	HEALTHCARE	COMMERCIAL	INDUSTRIAL/ MATERIALS	FINANCIALS	TECHNOLOGY	UTILITIES/ TELECOM
Internet	54%	56%	23%	58%	49%	49%
Printed Materials	12%	15%	16%	6%	21%	4%
Word of Mouth/Referral	21%	17%	21%	18%	17%	38%
Training/Orientation	5%	8%	3%	8%	5%	7%
Code of Conduct/Policy	5%	3%	2%	9%	5%	1%
Other Communications	3%	1%	35%	1%	3%	1%

From **Fewer Reporters - More Reporters**

Issue Sequence

Trends in ***Issue Follow-Ups***



The proportion of reports with follow-ups held at 12% in 2025, in line with previous years' trend. The stabilization of this metric is an encouraging signal, reflecting the cumulative effect of intake quality improvements that are capturing sufficient detail at first contact to reduce the need for reporter re-engagement.

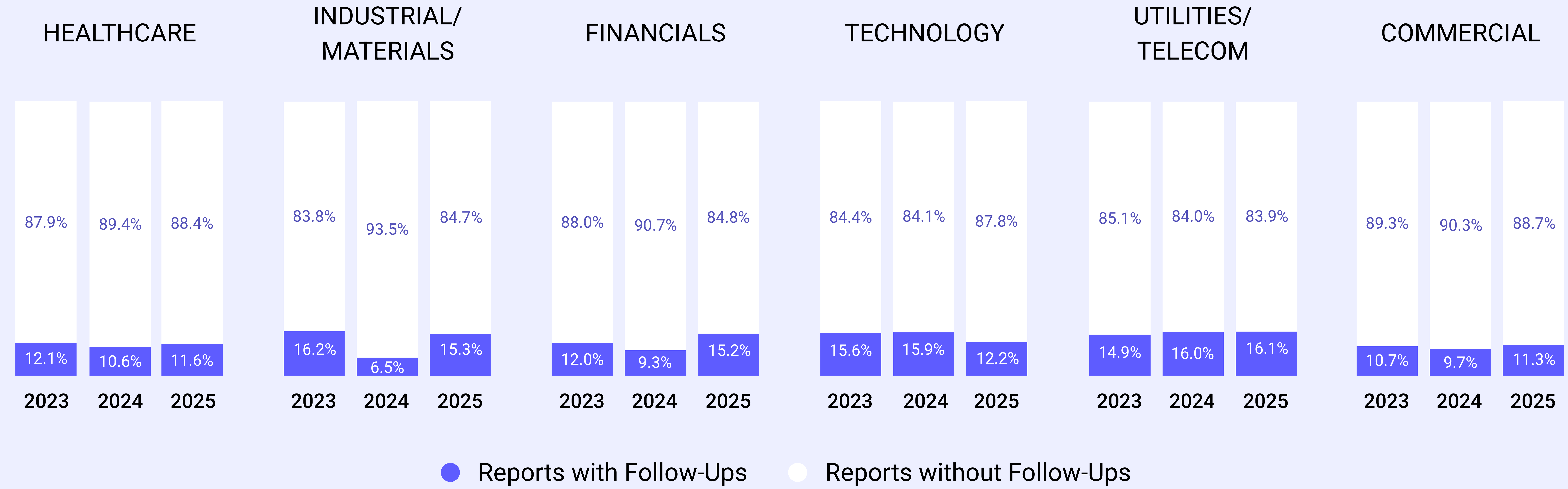
A modest level of follow-up engagement is healthy — it reflects reporters who feel connected enough to the process to return with additional context, and investigators who are maintaining active dialogue with the people who raised concerns.

The current rate of 12% sits within the range that well-managed programs should target: high enough to reflect active reporter engagement with the investigation process, low enough to suggest that intake is capturing the information investigators need to move forward without repeatedly returning to the reporter for clarification.

Leverage expert intake specialists.

Trained specialists & configurable intake forms can greatly decrease follow-ups and improve investigation efficacy.

Issue Follow-Up by Sector



Healthcare held close to its historical average at 11.6%, consistent with a heavily regulated sector that has developed mature intake processes. Technology's follow-up rate declined to 12.2% after several years of elevated figures, a movement most likely connected to the significant workforce reductions in that sector. The most notable sector-level movements in 2025 belong to Industrial and Materials and Financials.

Industrial/Materials jumped to 15.3% after an unusually low 2024 figure, a correction that likely reflects a return to baseline rather than a genuine deterioration in intake quality. Financial sector follow-ups rose to 15.2%, consistent with the growth of COI and financial integrity cases in that sector.

Issue Sequence Question

If your follow-up rate is above sector average, do you know whether that reflects the complexity of your issue mix, or a gap in your intake process?

Think *About*

- Are anonymous reporters in your program able to receive and respond to follow-up communication through a secure two-way channel?
- When investigators initiate follow-up contact with reporters, what are they most commonly asking for?
- If your follow-up rate is elevated relative to your sector average, have you examined whether it is concentrated in a specific issue category, intake channel, or investigator?

Tips

- **Track follow-up rate by intake channel.** Auditing intake quality is the fastest diagnostic to reduce unnecessary investigator re-engagement.
- **Map the most common follow-up requests back to your intake process.** If investigators are repeatedly asking for the same information, those gaps belong in your intake prompts.
- **Set reporter expectations at intake.** An explanation of next steps after initial intake reduces status-check follow-ups without requiring any change to the investigation.

Formula

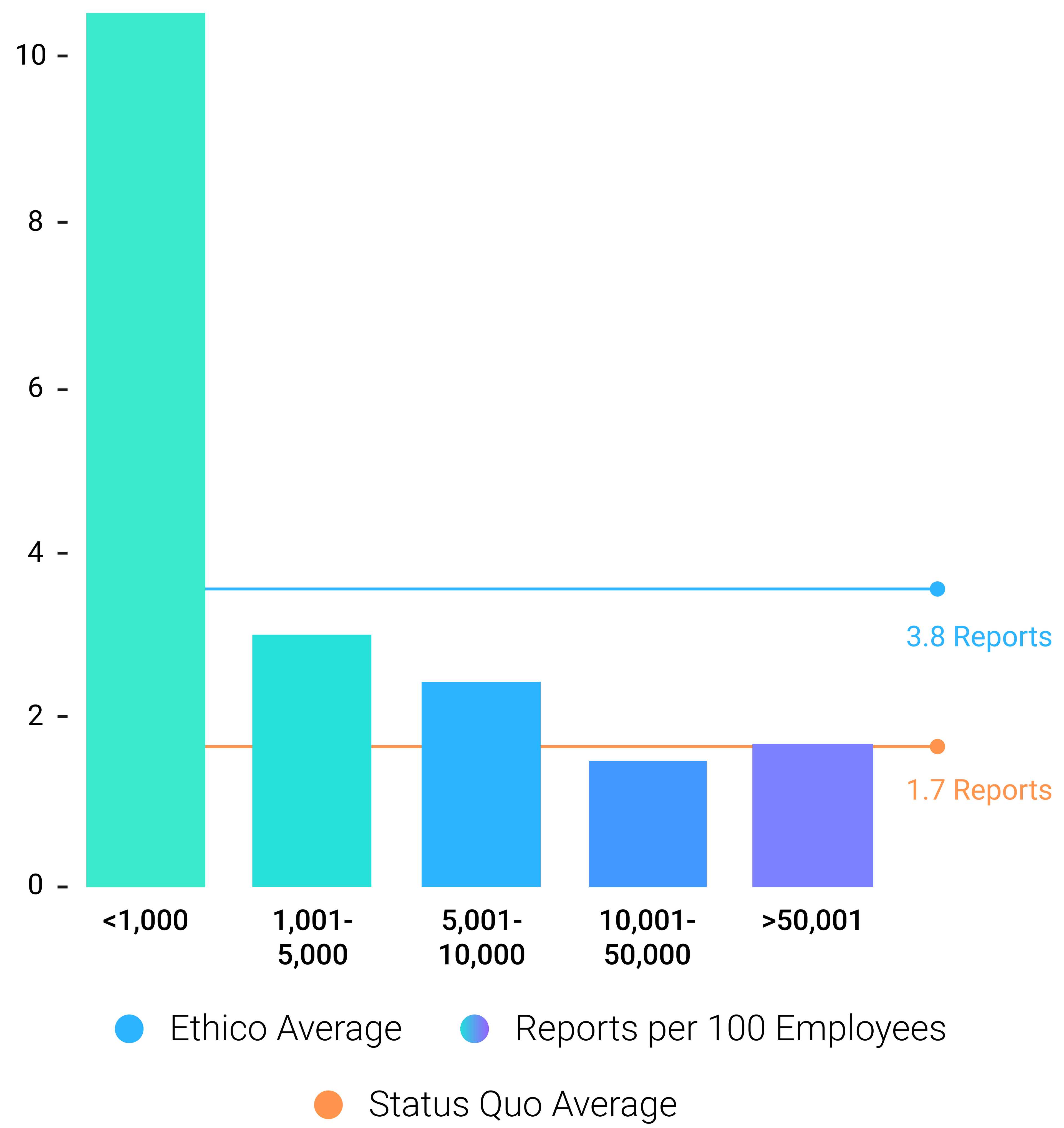
$$\text{Original Issue Rate} = \frac{\text{Total Calls - Follow-Up Calls}}{\text{Total Calls}}$$

$$\text{Follow-Up Rate} = \frac{\text{Follow-Up Calls}}{\text{Total Calls}}$$

Subtract your follow-ups from total cases and divide by total cases to get your original issue rate. Find the numbers of cases where a caller returned to the system to follow-up on a report. Divide this number by your total cases to find the follow-up rate.

Reporting Rate

Average *Reports per 100 Employees*



The overall reporting rate rose to 3.8 reports per 100 employees in 2025, recovering from two years of modest softening. That recovery, in a year defined by elevated retaliation fear and rising anonymity rates, is one of the more encouraging signals in the dataset. It suggests that the programs investing in accessible, multichannel intake infrastructure and visible speak-up culture are sustaining reporting volume even when the external environment is working against it.

Reporting rate should be the first metric compliance leaders reach for when making the case for program investment internally. The correlation between higher reporting rates and reduced organizational risk is well established.

Higher reporting rates are consistently associated with stronger organizational outcomes. Compliance leaders who can articulate that clearly and use their reporting rate as a positive demonstration of program value rather than a number to be managed downward, are the ones building the internal credibility that translates into sustained investment and organizational support.

Support budget requests with hard data.

Pull data on your reporting rate from your case management system to make a compelling case for program investment.

Think *About*

- If your reporting rate is below the benchmark, do you know whether that reflects a cultural trust gap, an awareness problem, or an accessibility issue?
- Are there departments, locations, or employee populations in your organization generating significantly lower reporting rates than others?
- How does your reporting rate compare to where it was two years ago? Can you connect the movement, in either direction, to specific program changes, organizational events, or shifts in your workforce?

Tips

- **Activate middle managers as a formal intake channel.** A structured proxy reporting process that captures informal conversations and feeds them into the compliance workflow recovers risk intelligence that would otherwise be lost.
- **Reinforce anti-retaliation protections visibly and repeatedly.** Regular, specific communication about retaliation protections and visible follow-through converts hesitant reporters into active ones.
- **Analyze reporting rates at the micro level.** Identifying where reporting is lowest and investigating whether that reflects specific factors is where the highest-impact interventions are found.

Formula

$$\text{Reports per 100 Employees} = \frac{\text{All Reports}}{\text{Number of Employees}}$$

Run a report from your case management system that aggregates all of your reports, then divide by your effective number of employees over the year. This is your reporting rate. Multiply by 100 to find your number of reports per 100 employees.

FROM DATA TO DECISIONS:

Turning Your Benchmark Metrics into a Board-Level Story

Does your case management
offer data analytics tools that...

- Store and save your preferred metrics configuration
- Offer automatic time period comparisons
- Generate board-ready visualizations at a click

Give Context To Leaders
Compare your stats to the benchmark to tell a story about your own program's growth.

Go from status update to strategic advisory

So you've made it through most of the report. You've annotated, memorized, and studied. Now what?

This year's benchmark data is unusually rich with narrative potential. By analyzing your own organization's stats against our benchmark, you can tell a coherent story about an organizational risk environment that is genuinely shifting, and the compliance function that is successfully managing it.

The professionals who bring that story to the board, clearly and confidently, are the ones who leave the room with influence.

The practitioner community has been developing a clearer vocabulary for what effective board communication actually requires, and it centers on a distinction that sounds simple but takes discipline to execute: the difference between information and perspective. Information tells the board what happened. Perspective tells them what it means and why they should care.

The move from benchmark comparison to board-level narrative requires one additional step beyond the comparison itself: interpretation. Understanding not just how your numbers compare to the industry benchmark, but how and why.

Utilizing the Benchmark

What makes the delivery of that perspective harder than it should be is the infrastructure gap between the data compliance programs collect and the format in which boards need to receive it. Most compliance professionals are thoughtful analysts who understand what their numbers mean. The gap is in the assembly — in the time and tool infrastructure required to pull real-time data, configure meaningful comparisons, build board-ready visualizations, and get everything into a format that communicates clearly in the fifteen minutes available. When that assembly process is manual, it introduces lag, error risk, and a constant triage problems.

Start with the industry context: where the benchmark sits and what is driving it. Then position your program within that context: above, below, or tracking closely with peers, and why. Then draw the implication: what your relative position means for how the organization should be thinking about compliance risk, resourcing, or program investment.

This sequence meets boards where they are. They understand relative performance, they are comfortable making decisions based on comparison, and they are predisposed to trust analysis that acknowledges a broader context rather than treating your program as the only data point in the universe. The benchmark is context. Using it well is what turns a compliance update into a strategic advisory moment.

The compliance programs that consistently show up to board meetings with well-positioned, benchmark-informed narratives tend to share one operational characteristic: they are not rebuilding their reporting from scratch each quarter.

Their metrics are configured, saved, and refreshed rather than re-exported and reconstructed. Their period comparisons run automatically rather than being calculated manually. Their visualizations update rather than being rebuilt.

When the assembly of your own program's data is automated and reliable, you have the time to think about what it means relative to peers, rather than just verifying that the numbers are right. The board presentation that compares your closure rate to the industry average, positions your anonymity trend within a sector-wide shift, and draws a specific implication from your substantiation performance doesn't just address compliance concerns, but strategic business decisions.

The board member who leaves your compliance update thinking "we are ahead of our peers in the areas that matter, and here is the evidence" is a different kind of advocate than the one who leaves thinking "the numbers seemed okay."

The compliance programs that earn strategic influence at the leadership table are the ones that have learned to speak the language boards understand: relative performance, external context, and clear implication. The 2026 benchmark gives every practitioner the external context. The question is whether your program is set up to use it — to pull your own numbers quickly, position them against peer data accurately, and walk into the board meeting with something more than a status update. The infrastructure to do that is more accessible than it has ever been. The benchmark data to anchor it has never been richer. The only remaining variable is whether your program decides to close the gap between the data you have and the story it can tell.

Methodology

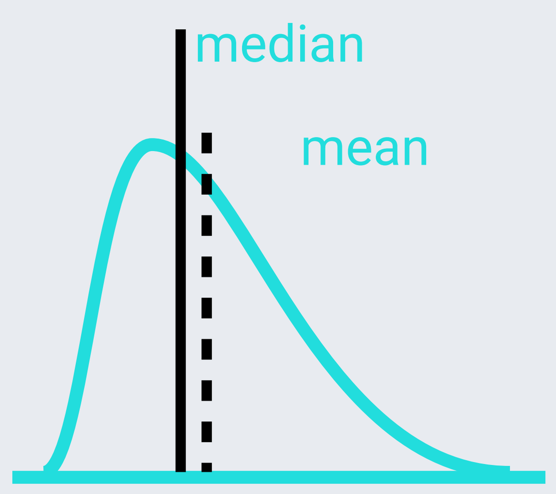
Our sample leverages data from over 1,000 organizations, each generating more than 10 reports during each measurement period. The dataset utilized in this report is comprised of approximately 230,000 reports extracted from these organizations in 2025. To facilitate comparison, we reference the "Status Quo Comparison" standard values, derived from Navex Global's 2025 Risk & Compliance Hotline & Incident Management Benchmark Report[1].

Ensuring statistical significance is paramount in our analysis. With larger sample sizes, results are less susceptible to randomness. While the Status Quo Comparison report contained over 2.1 million total reports, differences in sample sizes are not statistically relevant at these population magnitudes. Comparisons between the Status Quo datasets and our Ethico datasets maintain statistical validity.

To provide perspective on dataset sizes, a statistically significant sample from a dataset the size of the Status Quo report (approximately 2.1 million) with a 99% confidence interval and 1% error rate requires just over 21,000 reports. Our sample size exceeds this threshold by nearly 11 times. Given the similarity in the datasets' nature and the application of consistent steps to ensure statistical accuracy, we posit that both datasets exhibit a comparable degree of aggregate and specific normalcy. Throughout this report, we use aggregated raw ratios, rather than averages of averages and untrimmed data as the basis for our reported benchmarks. This approach provides a more conservative and authentic picture of performance, preserves outliers, and doesn't create unnecessary data smoothing.

For the most important metrics with skewed datasets, the resulting mean values are relatively more conservative than the related medians.

For example, "Reports per Employee" dataset has a **positive skew**, with the median value less than its mean value.



In our view, the purpose of benchmarking is to accurately measure performance and identify ways to improve. In all cases, comparing an organization's actual reporting rate per 100 employees to the median rate of 1.4 rather than the average of 3.8 reports, is less conservative.

Our analysis utilizes a robust dataset and follows best practices to ensure statistical accuracy. We provide a conservative and authentic picture of performance by using aggregated raw ratios and untrimmed data. Comparing an organization's actual reporting rate to the median rate is more conservative and more accurate in identifying areas for improvement.

About Ethico

For over 25 years Ethico has provided leaders who care with corporate integrity solutions that help to crowdsource risk intelligence at scale, improve the bottom line, and reinforce an authentic culture of integrity.

The Ethics & Compliance Optimization System (ecoSystem) is our next-gen integrated risk management platform informed by people working every day to make their workplaces better. It has actually-integrated modules for each of your major goals.

Next-gen workflows eliminate busy work and automatically prioritize your most important risks. Flexible analytics turn data into insights so you know what's working and what's not.

This single integrated platform, supported by our award winning customer service, gives your team the leverage it needs to reduce risk efficiently, gather smart risk intelligence at scale, and reinforce an authentic culture of integrity.

From case management and conflicts of interest/disclosure software, to issue intake and e-learning focused on the human element, to sanction monitoring and exit/stay interviews that drive a positive culture, and incident and third party risk management streamlined to make your life easier -- we are committed to helping you find the right risks while working smarter to make your world better for everyone.

We serve over 9 million employees in more than 150 countries. Our team of highly-trained, compliance-minded professionals has helped E&C leaders investigate over 10 million reports, using leading-edge tech that enables employees to report misconduct without fear of retaliation.

Ethico makes ethics easy by empowering those who care most to **Make The World A Better Workplace.**

- Case Management Software
- Third-Party Risk Management
- Sanction Monitoring
- Conflicts of Interest
- Omnichannel Issue Intake
- Ethics Portal
- Flexible Disclosure Forms
- Exit & Stay Interviews
- Incident Management
- HR & Compliance Training Library
- Awareness and Communications
- Data Analytics & Reporting