

## BACKGROUND

*Act on the Protection of Whistleblowers (Lov om beskyttelse af whistleblowere)* came into force on 17 December 2021. Companies and organizations covered by the Act on Public Disclosure in Administration (*Lov om offentlighed i forvaltningen*) must report annually on whistleblower activity (Annual report) in accordance with §27.

Transparency International Denmark (TI-DK) has collected the annual reports for 2022 (the "Whistleblowing in the Wind" report) and again for 2023 (this report).

To inspire for more granular data in the Annual Report, TI-DK issued a template for free use, as well as a more comprehensive catalogue of ideas and suggestions for information that could be added. The purpose was to improve information about whistleblower activity.

The annual reports were collected in the period February 2024 to April 2024. This report (V1.0) was published in May 2024.

The reports can be downloaded from: <https://transparency.dk/whistleblowers/>.

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# CONCLUSION

## **The number of Whistleblower Reports has increased in 2023**

The number has increased close to 50% from 2022 to 2023.

2022 was the first year the Whistleblower Protection Act entered into force, and was a low starting point.

The increase in 2023 could indicate several positive developments, for example that the whistleblower schemes have now become more visible and there is less concern about reporting.

Denmark is still far below an international benchmark published by Navex.

## **There are still close to 60% rejected WB Reports**

The proportion of rejected WB Reports for 2023 is at the same level as for 2022. This is higher than we expected and suggests that the scheme and what it covers is not yet fully understood and that there are a continued need for communication.

Every rejected WB Report means a frustrated whistleblower and case handlers, who may be left in a vulnerable position on top of that.

The companies may also ask questions about whether the scheme is effective and not just a waste of resources.

It can therefore provide great value for all parties if more is made of the communication around the schemes, so that trust is maintained and their positive potential can be realised.

## **The themes are the same**

Violations of administrative rules and internal processes as well as the working environment are still by far the biggest themes for WB Reports in public companies in Denmark.

## **The number of pending cases has increased**

There is a slight increase in the number of WB Reports that have not been processed completely within the period.

This could indicate that the resources have not kept up with the large increase in the number of cases.

## **The Annual Reports only contain data for a quantitative analysis.**

The Annual Reports for 2023 are still very summary and without much information. This means that there are no basis for a causal analysis of e.g. the many rejected WB Reports, or which laws are reported on.

If the upcoming Annual Reports contain more detailed data on the usefulness and results of the WB Reports, it could increase credibility and thus support for the scheme.

**Transparency International Denmark will particularly follow in the coming years**

- The development in the coming years regarding both the number and content of the WB Reports.
- Whether the number of rejected reports falls proportionately.
- Whether there are examples of reprisals against either the whistleblower or the case handlers in the whistleblower schemes
- Examples of reports that have led to improvements in the company or industry, or that have revealed significant irregularities or actual corruption.

# RECOMMENDATIONS

Based on the Annual Reports for 2023, we have three recommendations for improvements.

## **A potential whistleblower should be able to find confidential, individual guidance.**

Whistleblowing can be perceived as very risky for one's reputation or employment.

There should be an option for confidential, individual advice that can guide and help the whistleblower with the process and organization of the report. The guidance could support confidentiality and anonymity when reporting, and the need to make oneself known if necessary for the investigation of the matter.

Guidance can potentially also reduce the number of baseless or non-covered WB Reports and thus the number of rejects.

The same function could offer a "WB Ombudsman", who could investigate both general compliance with formalities (access to reporting, preparation of the Annual Report, etc.) and who could also investigate material matters (rejected complaints, case processing in relation to the law, etc.). This could be anchored by The National Whistleblower Scheme ("Den Nationale Whistleblower Ordning").

## **The employees of the companies' whistleblower units should be protected.**

The cases reported are often sensitive and may concern parts of the company's management. It can be difficult to clear up sensitive cases, and there can be interests in obscuring the cases.

The case handlers should be protected from blackmail or reprisals, just like the whistleblower.

This can be implemented by an addition to the law.

## **Section 27 of the Act on the Protection of Whistleblowers should be clarified.**

The Annual Report should contain more structured data that makes further analysis and learning possible. Time frames and publication should be clarified.

It should be specified which companies are covered, e.g. by marking in the CVR register.

## DATA BASE

There is no comprehensive list of companies that are covered by the Public Administration Act. The company list is based on extracts from the CVR register, supplemented by a few others. It is the same 235 companies that are included in both the 2022 and 2023 analysis.

	2022	2023	
Number of companies	235	<b>235</b>	
Number of employees (CVR # Employee March'23 / March'24)	954.123	<b>907.537</b>	
Number of Annual Reports	171 73%	<b>168</b> 71%	of # companies
Number of Annual Reports with 0 WB Reports	51 30%	<b>49</b> 29%	of # Annual Reports
Number of WB Reports (open from last year + incoming this year)	779	<b>1.155</b> 148%	of previous year
Number of WB Reports (rejected)	454	<b>609</b>	
Number of WB Reports (processed)	324	<b>409</b>	

*Figure 1 – Data base*

There are still  $\frac{1}{4}$  of the companies that do not publish the statutory Annual Report so that we could find it, and that do not respond to our inquiries.

## WHISTLEBLOWER ACTIVITY

The proportion of companies that have at least 1 WB Report is at a constant level of approx. 70% both in 2022 and 2023.

	2022	2023
Number of companies with 1 or more WB reports	120	<b>119</b>
% companies publishing an Annual Report	70%	<b>71%</b>
Number of employees	663.929	<b>612.855</b>
Number of WB Reports for the year	779	<b>1076</b>
Number WB Reports per 100 employees	0,117	<b>0,176</b>
Number of WB Reports still processed by end of period	79 10%	<b>137</b> 13%

*Figure 2 – Whistleblower activity*

For the same number of companies, there are approx. 50% more WB Reports. There are also more reports in relation to the number of employees in the companies.

This suggests that the scheme is gradually becoming more well-known and that potential whistleblowers may also be more comfortable reporting a relationship.

There is a slight increase in the number of WB Reports that have not been processed at the end of the period. This could indicate that where the number of reports has increased greatly, the resources for case processing have not kept up.

# THEMES

In the Annual Report, the company must indicate the themes covered by the WB Reports. For 2023, we use a simplified, standardized table, and count together how many Annual Reports mention the theme in question.

Number of WB Reports, mentioning the theme	
2022	2023
<b>33</b> Case processing, administration	<b>35</b> Management rules, internal processes
<b>23</b> Punishable conditions, offence	<b>26</b> Working environment and culture, HR
<b>17</b> Working environment and culture	<b>16</b> Law, agreement or breach of contract
<b>12</b> Finances, fraud, theft, bribery	<b>14</b> Finances, fraud, theft, bribery
<b>10</b> Discrimination, violations, harassment	<b>12</b> Discrimination, violation, harassment
<b>9</b> Data protection, - exploitation, IT	<b>9</b> Other conditions
<b>7</b> Competence, nepotism, conflict of interest	<b>7</b> Data and IT abuse
<b>5</b> Other serious conditions	<b>4</b> Competency, nepotism, conflict of interest
5 HR	
1 Supervision obligation	
1 Service and benefits	
1 Safety, danger to life	

Figure 3 – Themes of WB Reports

It is still the violation of administrative rules and internal procedures which is by far the biggest theme, followed by the working environment.

This is typically due to anonymity if a WB Report has to be abandoned due to missing information.

Data abuse, nepotism and conflict of interest are very low.

The categories for 2022 had too much overlap, so we are simplifying the structure for 2023. The highlighted categories are directly comparable.

# BENCHMARK

There is no benchmark that is directly comparable to the Annual Reports from the Danish public companies.

Navex is a private company, based in the USA, which provides whistleblower systems and processes in all parts of the world. They publish an annual benchmark of their activity. This includes both public and private companies in several parts of the world, with most in the United States. For private companies, it is often global companies that have activities in many countries (for example Vestas, Maersk and Rambøll).

The Danish Annual Reports are for public companies and institutions that operate in Denmark only. A direct comparison must therefore be seen with reservations for the large differences between the companies included.

Navex *)	Year	Benchmark
	2018	1,400
	2019	1,400

2020	1,300
2021	1,260
2022	1,470

- \*) 2022 Risk & Compliance Hotline & Incident Management - Benchmark Report / Navex  
2023 Risk & Compliance Hotline & Incident Management - Benchmark Report / Navex

Navex calculates the benchmark as the median number of reports per 100 employees according to the formula: *Number of WB Reports / (Number of employees / 100)*. They only include companies with at least 10 WB Reports.

We use the same calculation method for the Danish Annual Reports.

	2022	2023
# companies publishing an Annual Report	171	<b>168</b>
# WB Reports	779	<b>1.076</b>
# companies with 10+ WB Reports	17	<b>29</b>
# WB Reports for the year *)	387	<b>649</b>
# employees	274.339	<b>353.039</b>
WB Reports per 100 Employees, median (Navex)	0,383	<b>0,232</b>
# companies with 1+ WB reports	120	<b>119</b>
# WB Reports for the year *)	732	<b>928</b>
# employees	663.998	<b>619.465</b>
WB Reports per 100 Employees, median	0,133	<b>0,168</b>
*) <i>Den Nationale Whistleblower Ordning</i> is excluded	48	<b>149</b>

#### Figure 4 - Benchmark

Directly compared for companies with more than 10 WB Reports, public companies in Denmark with 0.232 are far below the Navex benchmark of 1.400.

We do not expect public companies in Denmark to fully meet the Navex benchmark. Even without a directly relatable comparison, it is still thought-provoking that the difference is so great.

Since there are only relatively few Danish companies with more than 10 WB Reports, we also calculate the median for all companies with at least 1 WB Report. Here there is a positive development from 2022.

This benchmark (all with at least 1 WB Report) is interesting to follow for the public Danish companies, and we plan to measure the development for the coming years.

In addition, the figures show an increase in the number of WB Reports to The National Whistleblower Scheme.

## REJECTED WB REPORTS

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	2022	2023
Case not covered by the WB Act		<b>238</b>
Whistleblower not covered by the WB Act		<b>42</b>
Other causes		<b>36</b>
Incomplete basis		<b>31</b>
Error or spam		<b>10</b>
Personal cases		<b>7</b>
Confidentiality		<b>0</b>
# rejections in total	454	<b>609</b>
% rejected of total WB Reports	58%	<b>57%</b>

*Figure 6 – Rejected WB reports*

By far the biggest reason for rejecting a WB Report is that either the case itself or the whistleblower is not covered by the Act.

It is typically due to anonymity that a WB Report must be abandoned due to missing information. An individual, confidential guide can give the whistleblower the confidence to come forward with additional information.

A rejected WB Report leaves a frustrated whistleblower, and both that person and the case handlers may end up in a vulnerable position.

Resources are used to assess and reject a WB Report, and the companies may get the impression that the scheme itself is not effective and that the resources could be better used on other tasks.

Therefore, efforts should be made to reduce the number of rejected WB Reports. The statistics suggest that the Whistleblower Act is not fully understood by those thinking of reporting a relationship.

An information campaign, e.g. repeated annually together with IT security, money laundering or other, could also contain a section on whistleblowing.

We also call for an opportunity to get impartial and confidential advice for those who are considering reporting a relationship. It would move cases not covered by the



Whistleblower Act to other reporting channels and better qualify the cases that are reported.

## WB REPORTS DIVIDED BY REGION

We have measured the number of WB Reports on the companies according to their location in the Regions.

All companies that published an Annual Report						
Region	Share	WB Report	Rejected	% rejected	Share 2022	% rejected 2022
Hovestad	57%	<b>614</b>	<b>333</b>	54%	56%	53%
Sjælland	5%	<b>53</b>	<b>35</b>	66%	12%	76%
Nord	5%	<b>57</b>	<b>39</b>	68%	6%	46%
Midt	9%	<b>92</b>	<b>57</b>	62%	7%	44%
Syd	23%	<b>246</b>	<b>145</b>	59%	19%	71%
		<b>1076</b>	<b>609</b>	57%		58%

*Figure 7 – WB Reports by Regions*

The overall picture is largely unchanged from the year 2022. There are still by far the most in the *Hovedstadens Region*, and the fewest in *Region Sjælland* and *Region Syd*.

This may be because the companies in the *Hovedstadens Region* are larger and may have had whistleblower schemes from before the law came into force in 2021. If this is part of the reason, then we can expect activity to increase in the regions where the scheme is relatively new.

We will follow the development for the coming years.

## THE PARTY COLOR OF THE MUNICIPALITIES

For all municipalities that have published an annual report, we have calculated the number of WB Reports per 100 employees according to the party color of the municipality's mayor.

Party of the mayor	# WB Reports per 100 employees	
	2022	2023
Socialdemokrati	0,088	<b>0,126</b>
Socialistisk Folkeparti	0,062	<b>0,000</b>
Venstre	0,044	<b>0,068</b>
Konservative	0,033	<b>0,042</b>
Radikale Venstre	0,258	<b>0,000</b>
Slesvig Parti	0,045	<b>0,095</b>

*Figure 8 – Benchmark by political party of the Mayor*

There are still twice as many reports in RED municipalities as in BLUE.

With the exception of one municipality with 0 WB reports, however, all have growth in activity.

We do not have data to determine whether it is differences in the work culture, the administration, or perhaps the size of the municipality that is the cause.

It is a measurement we will follow in the coming years.

## ANNUAL REPORT FORMAT

Very few figures are still published in the Annual Reports.

	2022	2023
Annual Reports using TI template	15	<b>22</b>
% Annual Reports completed at year end	64%	<b>80%</b>

*Figure 9 – Annual Report format*

We can see a small growth in the use of our Annual Report template, but the vast majority are still very simple.



2023			
Modtagne indberetninger	Indberetninger der er realitetsbehandlet	Afviste indberetninger	Antal indberetninger, der har givet anledning til politianmeldelse
1	0	1	0

*Figure 10 – The typical Annual Report*

We have a great wish for the Annual Reports to be more comprehensive.

It would provide the opportunity to look more closely at causal relationships for many parts of the statistics. For 2022 and 2023, we can only see that the activity is moving, but not why.

# WHISTLEBLOWING IS A FOCUS AREA

Whistleblowing is a focus area for Transparency International Denmark. It is important to detect conditions that may contain abuse of entrusted power and to have them dealt with in a fair and safe manner.

## **Whistleblowing is important for the individual**

If other methods do not work or seem too risky, then whistleblowing is a protected way of reporting and the reports are dealt with in an independent and impartial way.

The whistleblower must

- feel at ease to come forward
- know there are protection against retaliation
- realize that it changes things
- and know there are others in the same situation

The whistleblower should know

- that they can whistleblow
- that there is an act of law for whistleblowing
- what can be reported
- how to whistleblow
- the options to maintain anonymity

## **Whistleblowing is important for companies**

Cases can always arise which are destructive to reputation, earnings, working environment etc. The company may also be exposed to internal or external crime which results in loss of turnover, earnings or efficiency.

It is important that the cases come to light before they develop too far, and that everyone involved – the whistleblower, the accused and the case handlers – receives safe and fair treatment.

## **Whistleblowing is important for society.**

Crime and criminal corruption should be resolved and prevented. Whistleblowing is an important supplement to getting the cases out and resolved.

Protecting the whistleblower against both informal and formal retaliation creates a necessary sense of security. A good whistleblower process also protects against unjustified or baseless accusations.

## LEGAL BASIS

The following laws and guidelines form the basis of the whistleblower scheme.

- LBK nr 145 of 24/02/2020 (Current)  
Promulgation of the Act on Public Disclosure in Administration
- VEJ nr 9249 of 16/12/2021 (Current)  
Guidance for whistleblower schemes in public workplaces
- VEJ nr 9250 of 16/12/2021 (Current)  
Guidance for whistleblower schemes in private workplaces

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