

# EU Whistleblower Protection Directive

## - EY's full support



### Facts

- ▶ The EU has adopted a new Directive (EU) 2019/1937 which must be transposed into national legislation by **December 17, 2021**, regarding the protection of employees (including former and future employees) who report breaches of Union law (the so-called Whistleblower Protection Directive).
- ▶ The Directive applies to **legal entities in private and public sectors with more than 250 employees**, and it intends to protect whistleblowers from retaliation by implementing organizational-level solutions. Failure to comply with the upcoming duties may **materially and adversely affect the company's operations and reputation**.



### New duties and their implications

#### Duties:

- ▶ Establishment of confidential, secured internal reporting channels (accessible also for third parties), that allow for maintaining communication with the whistleblower
- ▶ Acknowledgment of receipt of the report to the whistleblower within 7 days and feedback on the matter within 3 months;
- ▶ Ensuring that whistleblowers are protected effectively against retaliation
- ▶ Exercising due diligence in the course of internal investigation and other follow-up activities carried out by an impartial person or department.

#### Penalties:

The Directive requires that penalties be established for:

- ▶ Breaches of the duty of maintaining the confidentiality of the identity of whistleblowers
- ▶ Any instances of hindering the reporting process
- ▶ Taking retaliatory or other adverse actions against whistleblowers

Across EU, the proposed penalties for non-compliance with the requirements range from around EUR 40K to EUR 100K, excluding any additional corporate criminal liability fines, if the case.

For retaliation or disclosing confidential information the penalties are even higher, and can lead up to imprisonment in some countries (e.g. France)



### How can we help you?

Comprehensive support in fulfilling the requirements of the EU Whistleblower Protection Directive

#### Program Design and Implementation:

- ▶ Support in designing and implementing an end-to-end whistleblowing framework;
- ▶ Implementation and customization of EY designed reporting and case management tool (VCO);

#### Effectiveness assessment of existing program:

- ▶ Review of the design, operating effectiveness and alignment with legislative requirements of the existing end-to-end whistleblowing process;

#### Program Execution:

- ▶ Triage of allegations and conducting investigations;
- ▶ Training on new processes and requirements;
- ▶ Internal communication of new processes;

#### Legal Advice in cooperation with EY Law:

- ▶ Legal advice on incidents with respect to Labor law;
- ▶ Support with information/consultation with trade unions and with respect to GDPR compliance;



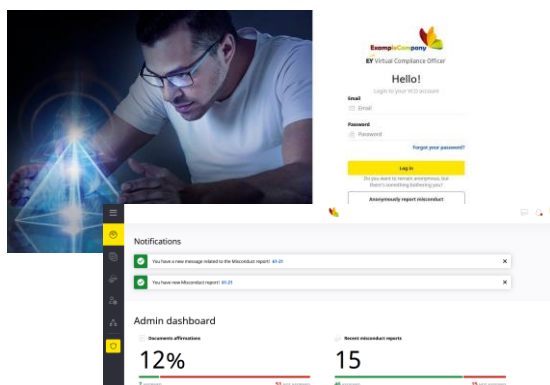
### EY Virtual Compliance Officer (VCO) Platform

Confidential whistleblowing channel and case management tool

Confidential reporting channel available to employees and external whistleblowers (compliant with the Directive)

Maintaining communication with the whistleblower, also in case of anonymous reports

Full audit trail - Monitoring the history of reports and actions



Ease of implementation and intuitive use (access via website and mobile devices)

Intuitive case management - content overview, prioritization, assignment of responsibility etc.

Smart and user-friendly document repository