

The Result of Survey to 10,000 Employees regarding Internal Reporting System under the Whistleblower Protection Act in Japan

**February 2024
Consumer Affairs Agency,
Government of Japan**

Note: This document is the English translation of the survey result published in Japanese this February.

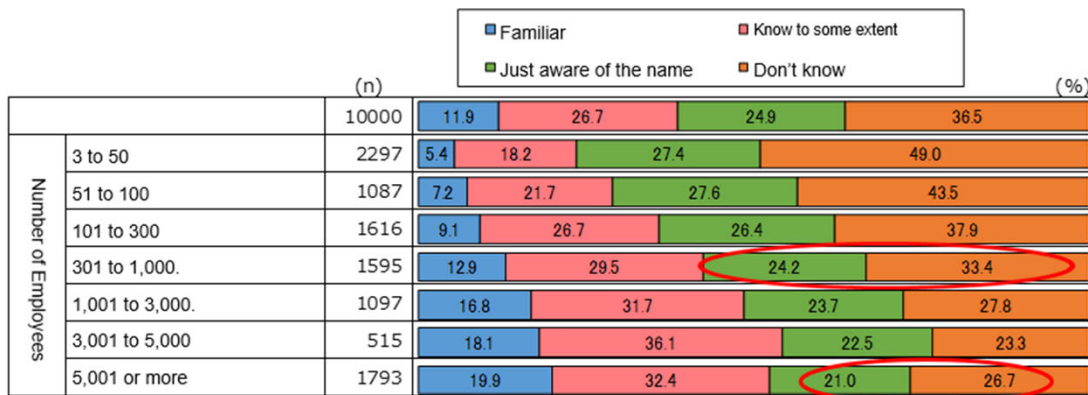
Objective and Method of the Survey

- [Objective]: To assess employees' awareness of the internal reporting system required to be established for companies with more than 300 employees by the Whistleblower Protection Act in Japan and their attitude toward whistleblowing
- [Time of Implementation]: November 2023
- [Method]: Internet
- [Target]: A total of 10,000 valid responses were collected from employees, aged 15 to 79, who work in companies (including public organizations) with at least 3 full-time employees.
- The age group and the area of workplace of the respondents were allocated based on the composition ratio of the “Average Results of National Labor Force Survey (Basic Aggregate) 2022” by the Statistics Bureau, Ministry of Internal Affairs and Communications of Government of Japan.
- The number of respondents were equally distributed between those working in companies with “300 employees or less” and those working in companies with “over 300 employees.”

Result of Survey ①

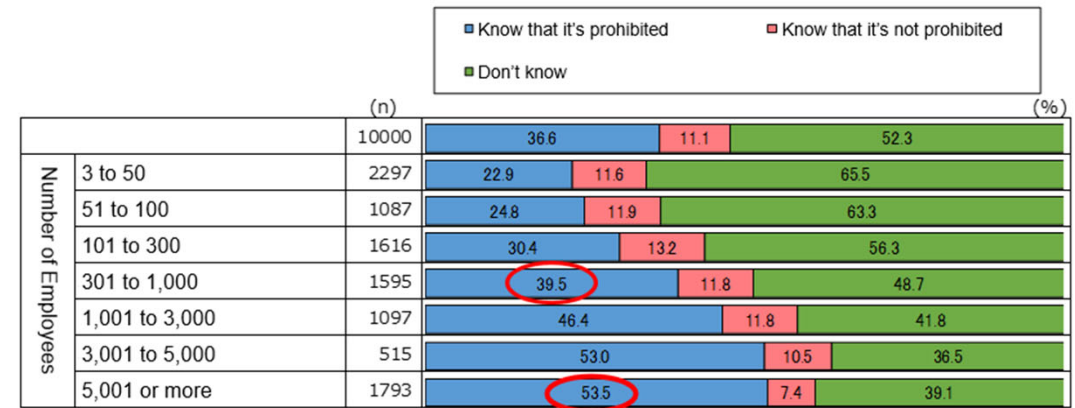
- 57.6% of those working in companies with 301~1,000 employees do not understand the internal reporting system requested by law, and among those working in companies over 5,000 employees, this figure is 47.7%. **【See Fig.1】** A limited number of employees know dismissal/unfavorable treatment due to reporting is prohibited, 39.5% and 53.5% respectively. **【See Fig.2】** Among those who answered they are "familiar" with the system requested by law, the most common opportunity to learn is "training/notice at workplace" **【See Fig.3】**
- The higher the level of understanding, the more motivation to report if they witness serious legal violation at workplace. **【See Fig.4】**

【Fig.1】 Understanding of the internal reporting system



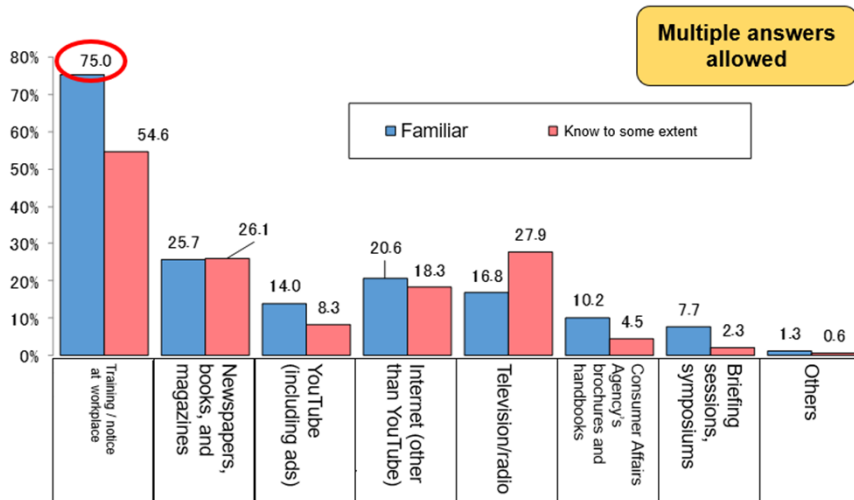
(Ref) Total of over 300 empl. (5000) (16.8%) (31.7%) (22.8%) (28.7%)

【Fig.2】 Awareness of prohibition of unfavorable treatment

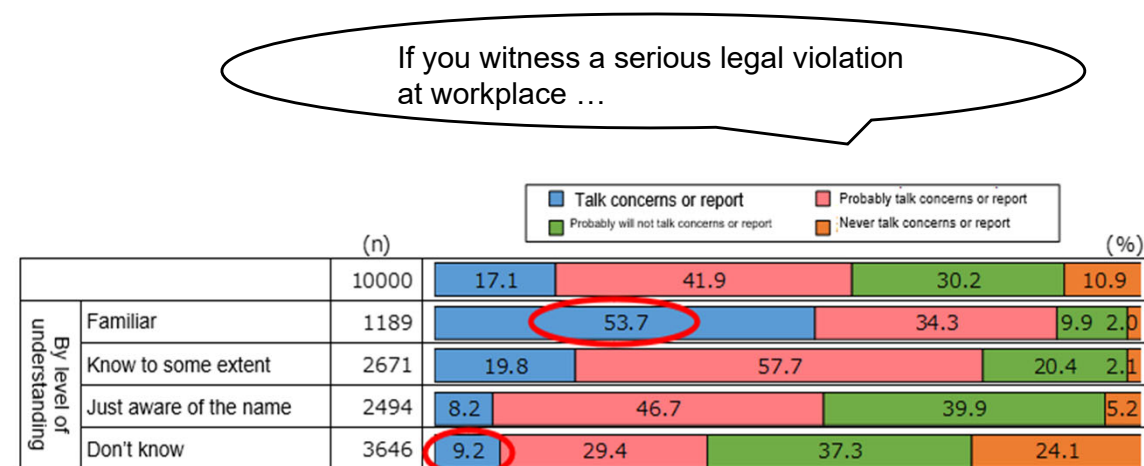


(Ref) Total of over 300 empl. (5000) (47.4%) (10.1%) (42.5%)

【Fig.3】 Opportunity to learn about the system



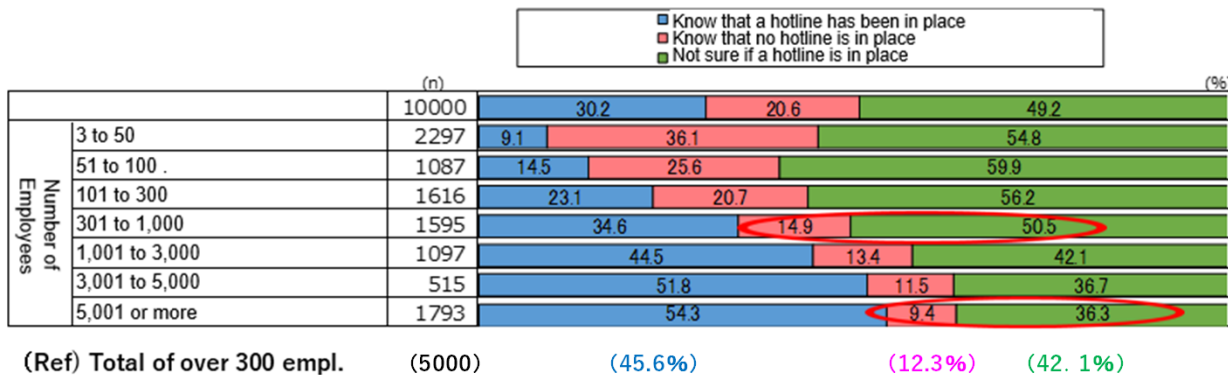
【Fig.4】 Motivation to report by level of understanding



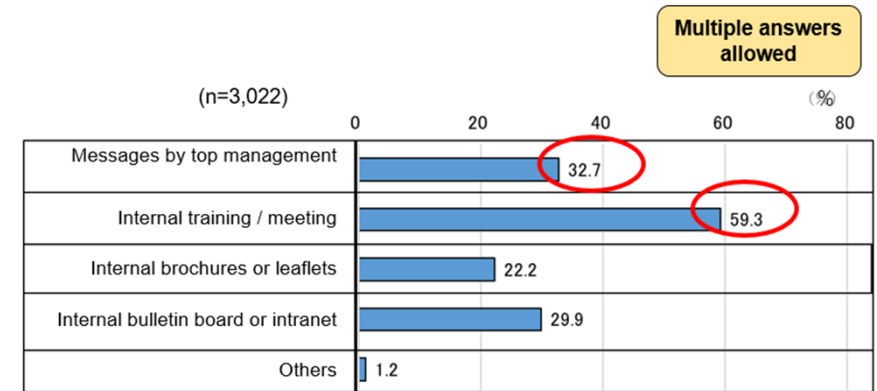
Result of Survey ②

- Regarding **hotline at workplace**, 65.4% of those working in companies with 301~1,000 employees and 45.7% of those with over 5,000 do not recognize its setup. **【See Fig.5】** Most majority of those who recognize a hotline at workplace answered that they got to recognize the existence through the “training/meeting at workplace.” **【See Fig.6】**
- A high ratio of those who recognize an internal hotline answered the first place to report serious violation would be “workplace.” **【See Fig.7】** And the most common reason given by those who would not report serious violation is that they “don’t know who to talk/report.” **【See Fig.8】**

【Fig.5】 Recognition of an internal reporting hotline



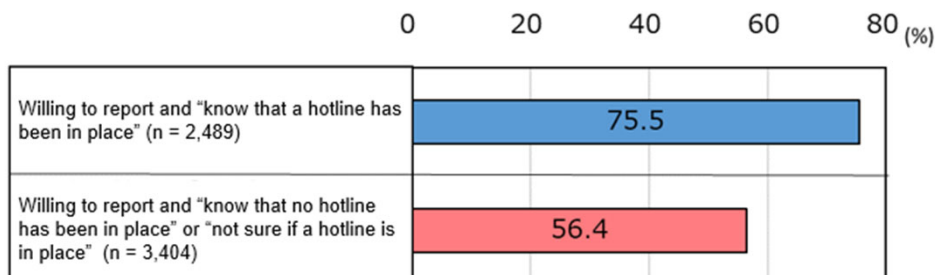
【Fig.6】 Opportunity to recognize hotline at workplace



【Fig.7】 Recognition of an internal hotline and motivation to report

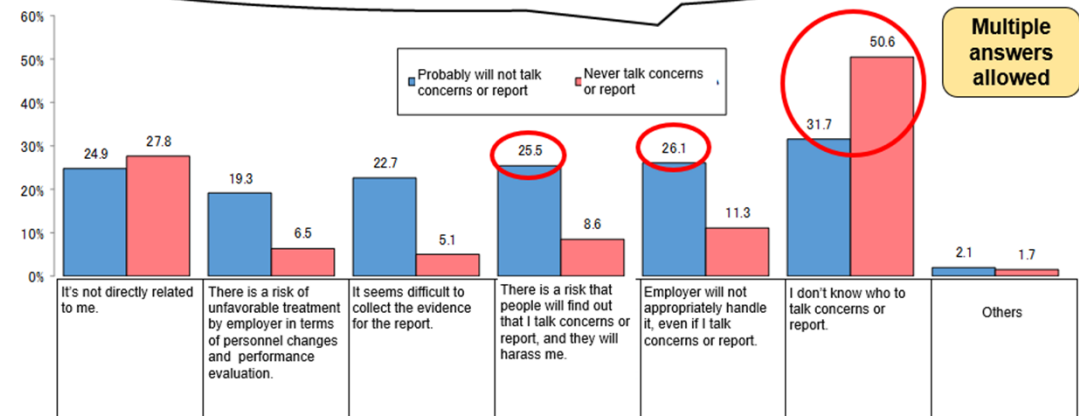
If you witness a serious legal violation at workplace ...

< Proportion of choice: the workplace is selected as the first place to report >



【Fig.8】 Reason for not to talk concerns or report

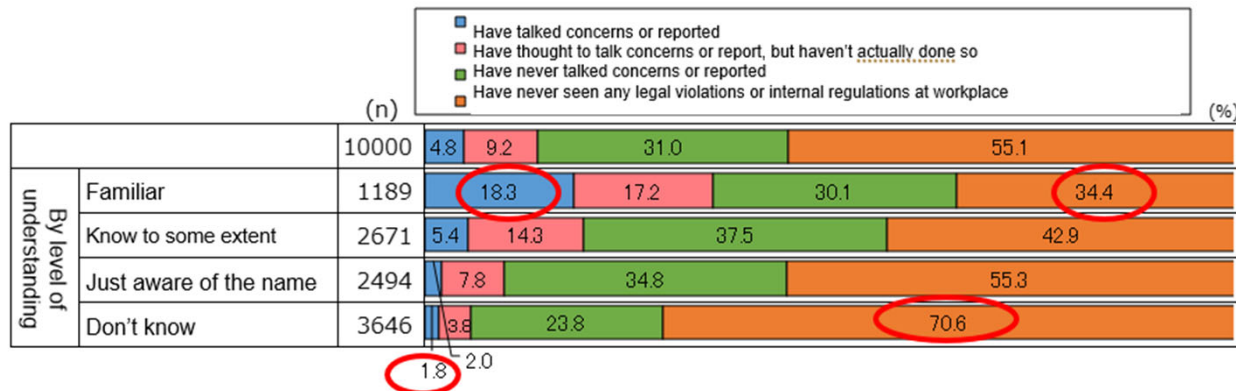
If you witness a serious legal violation at workplace ...



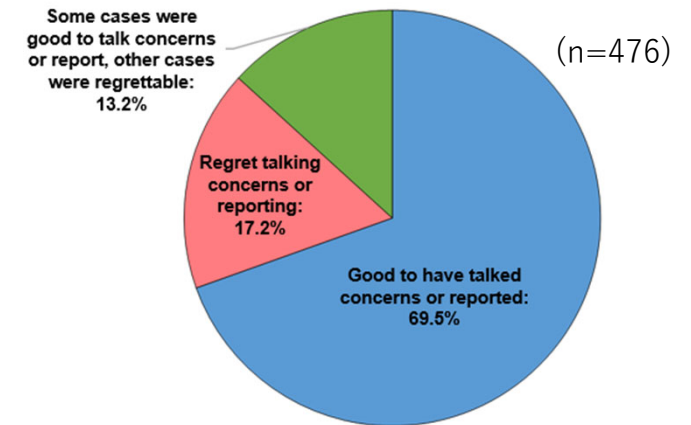
Result of Survey ③

- The higher the level of understanding of the internal reporting system, the more experience of "reported" or "witnessed" legal violations. **【See Fig.9】** Of those who had reported, 69.5% answered that the outcome was "good" while 17.2% answered it was "regrettable" and 13.2% answered "some good, some bad." **【See Fig.10】** The major reason for regret is "no investigation/correction was implemented" followed by "unfavorable treatment" after reporting. **【See Fig.11&12】**
- A high proportion of people answered they prefer "anonymous reporting" when witnessing serious violation at workplace. **【See Fig.13】**

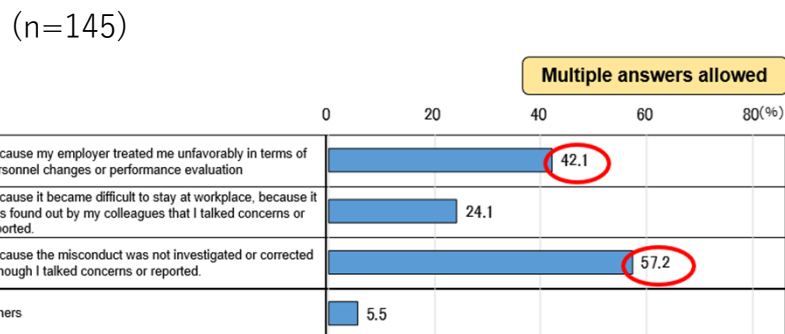
【Fig.9】 Understanding of the system and experience of reporting



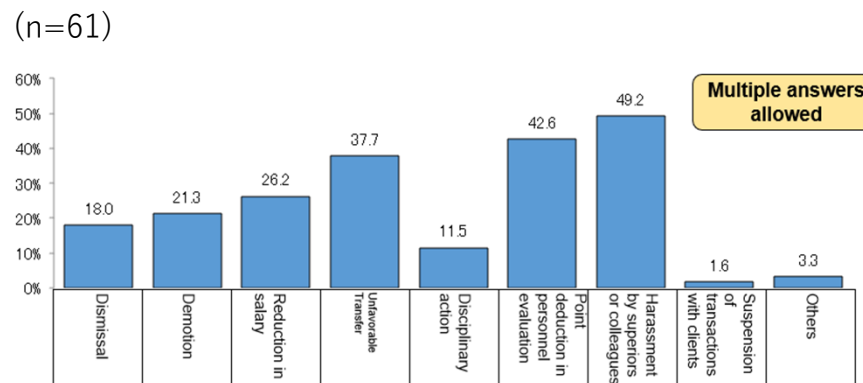
【Fig.10】 Outcome of reporting



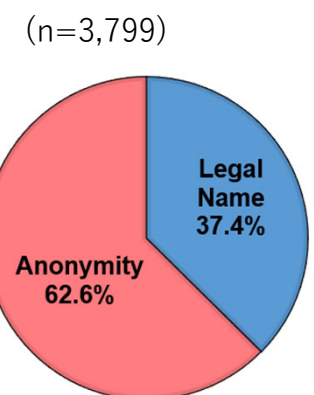
【Fig.11】 Reason for regret after reporting



【Fig.12】 Treatment after reporting



【Fig.13】 Preference of Anonymity

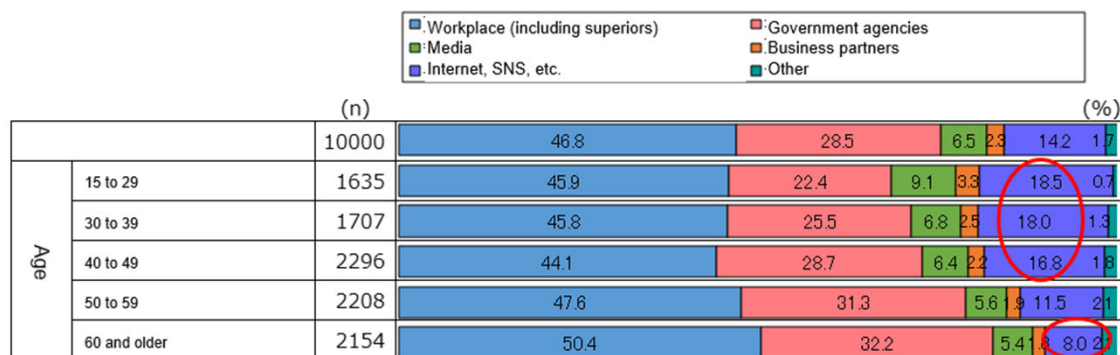


Result of Survey ④

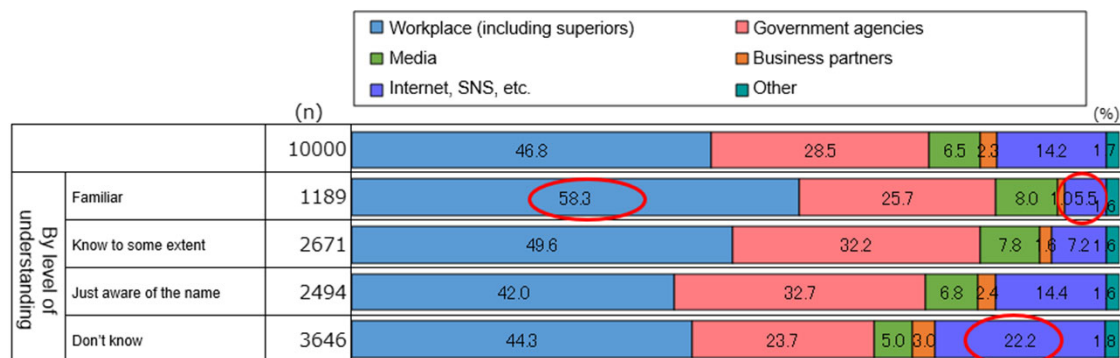
- The younger, the larger proportion of employees who tend to choose "Internet/SNS" as the easiest place to report. 【See Fig.14】
- Higher proportion of employees who answered "familiar" with the internal reporting system requested by law chose "workplace" as the easiest place to report than the other categories, and less likely to choose "Internet/SNS." 【See Fig.15】 By improving the employees' level of understanding of the legal requirements of protection depending on the place to report under the Whistleblower Protection Act, employers can encourage internal reporting and discourage thoughtless posting to SNS, etc. among employees.

WPA: Whistleblower Protection Act in Japan

【Fig.14】 The easiest place to report



【Fig.15】 The easiest place to report by the level of understanding



Place to report and the requirements of protection under WPA. (*1)

- to Companies (Internal hotlines, superiors, etc.)**
=> An employee should believe a violation of laws has occurred.
- to Government Agencies**
=> An employee should have reasonable grounds to believe that a violation of laws has occurred (*2) or believe that the breach has occurred and submit the document including the name of the employee and details of the breach.
- to Media** (necessary to prevent occurrence and extension of violation)
=> An employee should have reasonable grounds to believe that a breach has occurred and any of the followings applies.
example) High risk of the evidence being destroyed, or no investigation being conducted for a certain period of time after reporting

*1. If the report of an employee meets the requirements of protection, the employer must not subject the reporting person to unfavorable treatment, such as dismissal, due to the report, and cannot claim damages.

*2. Criminal acts which violate the applicable laws, acts which are subject to fines, or acts which finally lead to criminal punishment or fines.