

Report on the assessment of human rights impact regarding non-Japanese workers (FY4/2024)

ITO EN is building a system for human rights due diligence based on the UN Guiding Principles on Business and Human Rights and the ITO EN Group Human Rights Policy. A human rights due diligence workshop on the assessment of risk was held in April 2023 and the human rights themes we should address were specified. Based on these human rights themes, we assessed our impact on human rights in the green tea business, the area where ITO EN's procurement capabilities are greater than in any other business.

Scope of survey

In 2023, with the cooperation of Caux Round Table (CRT) Japan, ITO EN looked at non-Japanese workers who are considered to be in weak positions based on the Ministry of Economy, Trade and Industry's Guidelines for Respecting Human Rights in Responsible Supply Chains, etc. Considering the latent human rights risks faced by non-Japanese workers in Japan, we decided to review the working and living environments of technical interns and specified skilled workers. The survey covered our Shizuoka Sagara Factory and the tea producers who directly transact with us in the uppermost level of our supply chains. The tea producers included two kinds of agricultural corporations operating new tea farm businesses* based on the status of employment of non-Japanese workers confirmed in May 2023.




*New tea farm businesses are large-scale businesses for the construction of tea farms on abandoned farmland in Japan. Local municipalities and business operators take the lead in the construction of tea farms and the production of tea leaves, while ITO EN fully provides related technologies and expertise and buys all of the tea leaves produced.

Survey method

In the survey, we visited two agricultural corporations in a two-day period, June 13 and 14, 2023, and visited Shizuoka Sagara Factory on June 26 to directly engage in dialogue. Based on the Dhaka Principles for Migration with Dignity,* the survey focused on (1) appropriate work hours/fair wages, (2) employment contracts, (3) health and safety at workplaces, (4) freedom of association and collective bargaining rights/communication and other issues. To ensure objectivity and neutrality, the interviews were conducted by CRT Japan from a third-party perspective and management supervisors, supervisory organization representatives or ITO EN staff members were not in attendance. We also interviewed management supervisors and representatives of supervisory organizations to stay up to date and exchange views on non-Japanese workers' work and lives. We also visited non-Japanese

workers' homes and checked, with them present, their living environment.

*Published by the Institute for Human Rights and Business (IHRB) in December 2012 after discussions with companies, NGOs, labor unions and the government. They are ten principles organized under two core principles, "All workers are treated equally and without discrimination" and "All workers enjoy the protection of employment law."

	Agricultural corporation A	Agricultural corporation B	ITO EN Shizuoka Sagara Factory
Implementation date	Tuesday, June 13, 2023	Wednesday, June 14, 2023	Monday, June 26, 2023
People eligible for share acquisition rights (Nationality) (Residence status)	<ul style="list-style-type: none"> Two non-Japanese workers (Indonesia) (Specified skilled worker) 	<ul style="list-style-type: none"> Two non-Japanese workers (Vietnam) (Technical intern/specified skilled worker) 	<ul style="list-style-type: none"> Nine non-Japanese workers (Thailand) (Specified skilled worker)
	<ul style="list-style-type: none"> Management supervisors Supervisory organizations' representatives 	<ul style="list-style-type: none"> Management supervisors 	<ul style="list-style-type: none"> Management supervisors Supervisory organizations' representatives
Form of implementation	Group interview *30 mins	Group interview *30 mins	Group interview *Interviewees were divided into two-, three- and four-person groups. *Each interview lasted 40 minutes
During an interview *Provided by CRT Japan			

Results of evaluation

- No instances of long working hours or forced labor were confirmed to have occurred. Their work hours are fixed and they keep working in shifts in a regular manner.
- An employment contract is written in Japanese and the employee's native language and

is signed after all concerned parties understand what is written in it.

- At work sites, they have the smooth communication necessary for their work and can seek advice from coworkers and leaders if they have a question or any concerns. They can also seek advice from the company and the supervisory organization on matters unrelated to their work.
- Their dwelling places are kept clean and tidy and include a living room, a dining room and other common spaces and they have an adequate living environment guaranteed.
- Prices are soaring in Japan and exchange rates between their home countries' currencies and Japanese yen are getting worse than before. Due to these facts and other facts, we need to stay up to date on whether they are guaranteed to be paid a living wage.

Future action

- Regarding the survey assessment results, we continue to investigate the facts of the situation by listening to the opinions and advice of specialists. Going forward, the survey will be extended to other suppliers.