

〈Report〉

Suntory Holdings Limited  
Findings from Interviews with Foreign Workers

-As part of the human rights impact assessment-  
March 8th, 2024

Caux Round Table Japan

CAUX  TABLE

# Interview content and questions

\*The same questions used for both the Tsuzuki factory and the Takatsu factory

Profile		Name, gender, hometown/nationality, language spoken
		Comprehension of Japanese (level of speaking and writing)
		Family, place of residence, frequency of returning home
		Type of employment (e.g., full-time, part-time)
Introduction		How, why, and when did you come to Japan?
		Where did you study Japanese?
		How did you find your job here? How long have you been working here?
		What type of visa are you currently working under? Please tell us about your job.
Questions	Appropriate hours of work/ forced labour	What is your shift pattern and working hours?
		Is there any overtime work? Are you forced to work overtime?
		Are you taking the time to rest and relax on your days off?
	Fair wages	Is your wages being paid on time and in the amount as agreed?
		If you do overtime work, are you paid for it?
	Occupational health and safety	When do you feel a sense of accomplishment at work? Do you enjoy working here? When do you feel rewarded?
		Have you ever been in danger or felt unsafe at work?
		When do you feel that your work is hard? Do you have any dissatisfaction with your job?
	Freedom of association and the right to collective	Does the company have a system where you can voice your opinion to the company?
		Do you think the company is making efforts to improve the work environment?
	Communication	Do you feel that you have sufficient communication with your company and supervisor?
		Do you have a good relationship with your Japanese employees and team?
		Is there anyone at work you can talk to when you are very tired, have a problem, or have a bad day? When you have a problem, who do you go to for advice on how to handle it?
		Have you ever seen someone in a difficult situation at work (is it a specific group of people)? Has anyone ever told you that they are having a hard time? What would you do if someone asked you for advice?
	Others	Do you have any opinions about the company (e.g., suggestions for improvement)?
		Would you be willing to recommend this job to someone?
(Technical internship student) Did you find any differences between the impression you had of your job before you started working and when you actually started working?		

# Scope

## Scope of the interview

Interviews were conducted with a total of ten foreign workers (and seven other managers) at the manufacturing plants (Tsuzuki factory and Takatsu factory) of Izutsu Maisen Co. Ltd., a group company of Suntory Holdings Ltd., with the purpose of better understanding their working conditions.

Schedule: February 2024

Interviewees:

- 1) Foreign workers who have been working at one of the plants for more than 6 months.
- 2) Managers (Izutsu Maisen : on-site managers, Group Business Support manager, Suntory HD : Corporate Sustainability manager & staff, Group Companies Management managers)

Details are as follows.

Factory	Tsuzuki factory	Takatsu factory
Date	February 8, 2024	February 6, 2024
Format	Group interview for an hour	Group interview for 40 minutes
Number of interviewees	5 (only female)	5 (only female)
Nationality	Vietnam(5)	Philippines (5)
Languages used	Japanese, Vietnamese	Japanese, English
Visa status	Technical Intern Training	Technical Intern Training
Interviewers	Caux Round Table Japan Ishida, Morotomi, Giang Nguyen (female, Interpreter)	Caux Round Table Japan Ishida, Morotomi

# Findings from Interviews

# Findings from Interviews(1)

## Summary

- The Tsuzuki and Takatsu factories both maintain a good relationship between the foreign workers and the Japanese staff. The factories have an awareness of the importance of foreign workers as valuable assets to the company. Although the principal language spoken is Japanese, the company's attitude and actual efforts to create a good working environment for foreign workers can be seen, such as providing explanations and posting notices in multiple languages when necessary.
- With very open communication within the factories, there is customary to report any concerns to factory leaders. They have not heard of any bullying or harassment, and although they said that the leaders are friendly, some said that they are a little surprised at how loud another Japanese staff is, which is expected to be addressed to prevent future misunderstandings..
- As for the Vietnamese workers at the Tsuzuki factory, all of them came to Japan with a large recruitment fee debt (approximately 1 million yen), which they repay from remittances to their parents' homes. Due to recent inflation and the weak yen exchange rate, many trainees are remitting 70% to 80% of their salary. Given that many trainees stay home on holidays while hoping to work overtime, it is assumed that they are in difficult economic conditions. If the yen continues to depreciate and inflation increases further, it is likely that some countermeasures will need to be considered. Although it may be difficult for one company to completely eliminate debt, it is expected to promote consideration of low-risk recruitment methods that place less burden on apprentices.
- Five days on shifts and two days off (day shift at the Tsuzuki plant and night shift at the Takatsu plant). Overtime work is on a voluntary basis, and a regular work system is maintained. However, there are cases where workers' understanding of basic working hours and overtime hours differs from the company's explanation, so an easy-to-understand management system and communication without misunderstanding are expected. Evacuation drills are conducted at the Tsuzuki Plant, but not at the Takatsu Plant, and improvements are expected, including disaster drills.
- After the technical internship, there are many trainees who wish to work longer, for example, to switch to a specific skill. This suggests that the working environment is highly satisfactory for trainees.
- Regarding the contract, the trainees receive explanations from the agent in their home country based on a contract written in the local language, which is an effective measure to prevent misunderstandings. However, there is room for improvement in the lack of explanation of workers' rights, including freedom of association and the right to collective bargaining. As far as we could ascertain through our interviews, there were no significant negative human rights impacts on the trainees, such as forced long working hours, non-payment of wages, or working under hazardous conditions.

# Findings from Interviews(2)

## Challenges and countermeasures

- The Japanese language skills of the interviewees are at a certain level (N3, N4 or higher), and measures are being taken such as displaying precautions in multiple languages, etc. However, communication regarding health and safety, such as disaster countermeasures and evacuation drills, should not be limited to the distribution of materials in local languages. It is expected that efforts will be made to facilitate smooth communication with foreign nationals, including giving them hands-on experience.
- With regard to the burden of recruitment fees in the country of origin, it is expected that various studies will be conducted to ensure safe recruitment routes. In addition, if the number of foreign workers is expected to increase in the future, it is expected to establish a system that enables early response to various issues in an integrated manner, including the establishment of a supervisory organization by Suntory or JV, as well as selective selection of sending organizations who can provide full care and trustworthy services to establish strong cooperative relationships with Suntory.
- It is desirable to record and organize a series of Trainees' voices, such as what concerns were raised and requested, and what remedial measures were taken, and to disclose this information externally from the relevant departments and Suntory HD. This can be effectively utilized as part of the complaint handling mechanism.
- Upon hiring, it is expected that the worker's rights should be fully explained in conjunction with the explanation of the contract from the local Agent, and the results of this explanation should also be confirmed and explained in Japan.
- The economic situation for trainees is becoming more difficult due to the depreciation of the yen and inflation, and together with the fact that the attractiveness of migrant workers to Japan itself is deteriorating, it is expected that countermeasures be considered and introduced in response to changes in the external environment.
- Although this interview is an important step as part of human rights DD, Suntory HD's human rights DD should not only repeat the interview with Izutsu Maisen but also follow the UNGPs (United Nations Guiding Principles on Business and Human Rights) as the human rights DD process for the entire Suntory Group. The Suntory Group as a whole is required to conduct human rights due diligence in accordance with the UNGPs and disclose the process and results. That is, (1) conduct a risk assessment, (2) gather information from stakeholders at various business locations based on the results of the risk assessment to narrow down the target, (3) conduct an impact assessment by interviewing workers and communities at high-risk business locations, (4) identify issues and take actions leading to remedies, and (5) confirm that the issues have been resolved. It is expected that the PDCA cycle of human rights DD based on the UNGPs will be continuously implemented, repeated, lead to remedies, and disclosed.

## Tsuzuki factory

Details of the working conditions of foreign workers in the factory as confirmed through this interview.

(Fair wage, reasonable hours of work, forced labour, freedom of association and right to collective bargaining, and health and safety in the workplace)

Reasonable hours of work/forced labour	<ul style="list-style-type: none"> <li>•Work schedule is five days on two days off for 10.5-11-hour day shifts (6:30/7:00 am-5:00/6:00 pm including rest time) in a week. (Note: According to the company, the basic work hours are 7:00 am to 4:15 pm, including a 60-minute morning meal break and a 15-minute afternoon break.)</li> <li>•Days off are 2 days in a week according to the shift.</li> <li>•During the days off, mostly they stay in the dormitory while sometimes go out to the Yokohama or Shibuya.</li> </ul>
Fair wage/ forced labour	<ul style="list-style-type: none"> <li>•Wages and overtime are paid on a monthly basis. Some commented, "it's a good company because they pay me well for the hours I work."</li> <li>•They would like to work overtime but less. (Due in part to inflation and the weak yen, they would like to earn more). Paychecks are in Japanese (they translate them on the internet).</li> </ul>
Occupational health and safety	<ul style="list-style-type: none"> <li>•There is no particularly dangerous work. Warning signs are displayed in Vietnamese, Japanese, and other languages.</li> <li>•The temperature on the third floor of the production line is set at 10 degrees Celsius, and on the second floor at 15 degrees Celsius, so it is a little cold, but it is okay. The factory provides insulated rubber shoes and foot warmers to protect against the cold.</li> <li>•Evacuation drills were conducted. But disaster drills were not.</li> <li>•There is no bullying or harassment, and the leaders are generally kind, although sometimes they scolded them when necessary. However, there are some people who speak loud, which sometimes surprises them.</li> </ul>
Freedom of association and the right to collective bargaining/communication	<ul style="list-style-type: none"> <li>•Consultation is readily available to leaders and section managers. Supervisory agent also come monthly for consultation.</li> <li>•Japanese is the main language spoken at the factory, but trainees who are fluent in Japanese are sometimes available to interpret.</li> <li>•We have received explanations from the local sending agency based on the contract written in the local language, but we have not heard about the rights of the workers.</li> <li>•All employees are very caring, and it is a very comfortable working environment.</li> </ul>
Debt and Living	<ul style="list-style-type: none"> <li>•All of the technical intern trainees borrowed US\$6,800 (about 1 million yen) before they arrived in Japan, which they repay every month out of the money they send to their parents. (mostly 70-80% of salary is saved and/or remitted)</li> <li>•Dormitory rooms are single (3 people) and double (2 people), and monthly rent is 20,000 yen including utilities. The commute to work is 5-10 minutes by bicycle. There is a safety box for each trainee in the room.</li> <li>•They has no problems in their daily life.</li> </ul>
Others	<ul style="list-style-type: none"> <li>•For the recruitment of technical intern trainees, Maisen's factory manager and Maisen's human resources manager visit the site and interview directly with the trainees. Supervisory agent IFORCE is used.</li> </ul>

## Takatsu factory

Details of the working conditions of foreign workers in the factory as confirmed through this interview.

(Fair wage, reasonable hours of work, forced labour, freedom of association and right to collective bargaining, and health and safety in the workplace)

Reasonable hours of work/forced labour	<ul style="list-style-type: none"> <li>•Five shifts, two days off, nine-hour night shift (9:00 p.m. - 6:00 a.m., including breaks, etc.).The start time varies depending on the day's work, but usually starts between 9:00 PM and 10:00 PM. If there is overtime work, the workday ends at 7:00 a.m. Overtime work is not mandatory; only those who wish to work overtime will do so.</li> <li>•Employees take a one-hour break in a designated break room. There are vending machines in the break room where drinks can be purchased. It is also equipped with a refrigerator where lunch boxes and other items brought in for breaks can be kept refrigerated.</li> <li>•Holidays are two days a week, depending on the shift, with pay. On holidays, most of them are spent resting in the dormitory (it costs money to go out and play).</li> </ul>
Fair wage/ forced labour	<ul style="list-style-type: none"> <li>•Salaries and overtime are always paid on time.</li> <li>•Pay slips are in Japanese (translated by translation software on internet).</li> <li>•Due to inflation and the weak yen, they would like to earn more money but overtime is limited.</li> </ul>
Occupational health and safety	<ul style="list-style-type: none"> <li>•Warning signs for dangerous areas, etc. are displayed in Japanese and foreign languages. No particular danger has been perceived.</li> <li>•No evacuation drills or disaster drills are conducted. (Note: According to the company, manuals are distributed.)</li> <li>•There is no bullying or harassment. They get along well with Vietnamese, but they have just arrived and have not yet broken the ice.</li> </ul>
Freedom of association and the right to collective bargaining/communication	<ul style="list-style-type: none"> <li>•An environment where concerns and consultations can be easily discussed with on-site leaders. Leaders are available not only for consultation on site, but also for problems within the residence, and provide support both inside and outside the factory. The supervisory agent come and talk to them once every three months (Note: once a month according to the company's description).</li> <li>•I don't know of any grievance system at office. There is an office phone so you can consult there. It is also possible to talk with the supervisory organization agent via SNS (consultation on immigration, Japanese rules, and problems).</li> <li>•I have received explanation from the local sending agent based on the contract in the local language, but I have not heard about the workers' rights.</li> </ul>
Debt and Living	<ul style="list-style-type: none"> <li>•No debt before or when coming to Japan.</li> <li>•The dormitory costs 20,000 yen per month including utilities in a single room. Commuting time is 30 minutes by bicycle. There is a safe in the room.</li> <li>•Trainees regularly send money to their parents in the Philippines and save for their own future. (mostly 70-80% of salary is saved and/or remitted)</li> <li>•they have no problems in their daily life, but as for their future, they would like to continue working in Japan. Some would like to study Japanese more.</li> </ul>
Others	<ul style="list-style-type: none"> <li>•Recruitment is done locally in the Philippines, and the factory manager actually conducts interviews on site.</li> </ul>



# Snapshots during the Interview

