

Ajinomoto Corporation | ITO EN, LTD. Human Rights Impact Assessment Report on Brazilian Coffee Raw Materials (Summary Version) 2025



The Global Alliance for Sustainable Supply Chain

March 31, 2025

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I. Introduction

In accordance with the Guiding Principles on Business and Human Rights approved by the UN Human Rights Council in 2011 and documents such as the Japanese government's 2022 Guidelines on Respect for Human Rights in Responsible Supply Chains, Ajinomoto Corporation (hereinafter referred to as "Ajinomoto") and ITO EN, LTD. (hereinafter referred to as "ITO EN") have asked the Global Alliance for Sustainable Supply Chain (an NGO that promotes sustainable supply chains in Japan; hereinafter referred to as the "ASSC") to conduct a study (human rights impact assessment*) in relation to the supply chain in Brazil (for coffee raw materials) and to prepare this report.

This study was proposed by the ASSC to Ajinomoto and ITO EN and conducted as a tripartite collaboration in the non-competitive area. To the best of our knowledge, this is the first specific collaboration on human rights (sponsored by a platform) of this kind in Japan.

This time, the ASSC accompanied the two companies on the entire trip, and the study was divided between the two companies in the areas visited with the results having been integrated within this report.

We believe that this type of platform-based study method is effective for collection-based supply chains where it is difficult to identify the place of origin, since the method allows for dialogue to take place with a wider range of stakeholders than would be the case during a study conducted by a single company.

* Human rights impact assessment: An assessment concerning human rights risks made upon having undertaken inspections and confirmations through dialogue in relation to whether responses based on the UN Guiding Principles are being implemented.

II. Study Background and Objectives

Background

The Ajinomoto Group has established a Group Shared Policy on Human Rights based on the UN Guiding Principles on Business and Human Rights. The Group clearly states that it will establish human rights due diligence mechanisms in order to fulfill its responsibility when it comes to respecting human rights and that it will implement those mechanisms on a continuous basis.

In accordance with the United Nations Guiding Principles on Business and Human Rights, the ITO EN Group has established the ITO EN Group Human Rights Policy and the ITO EN Group Fundamental Supplier Policy and is promoting initiatives aimed at respecting human rights in order to realize sustainable supply chain management. In collaborating on the human rights due diligence based on the ASSC proposal, the Brazilian coffee raw material supply chain was selected for study based on the raw materials procured by both companies and priorities based on country-specific human rights risk assessments.

Objective

The objective of this study is to conduct local human rights impact assessments as part of human rights due diligence in accordance with international standards, and to recognize and assess human rights risks through the confirmation of production sites and holding of dialogue with stakeholders. Based on the assessments undertaken, the objective is also to "prevent and correct" human rights violations in order to mitigate the risk of human rights violations.

In addition, with it being indicated at the United Nations General Assembly in 2022 that "access to a clean and healthy environment is a universal human right" and with the Corporate Sustainability Due Diligence Directive (hereinafter referred to as the "CSDDD") requiring environmental due diligence along with the ensuring of human rights, we collected information on local compliance with the Regulation on Deforestation-free Products (hereinafter referred to as the "EUDR") and the Science Based Targets initiative (hereinafter referred to as the "SBTi").

III. Study Method

Prior to the trip, the ASSC reviewed the human rights initiatives of Ajinomoto and ITO EN. Desk research was also conducted to identify human rights risks of general concern in the Brazilian coffee bean supply chain. Next, requests were issued to Ajinomoto and ITO EN's direct business partners (import trading companies), the areas to be evaluated*, the supply chain, and the stakeholders to be visited were selected, and arrangements were made for the visits. After arriving in Brazil, the team visited coffee bean farms, agricultural cooperatives, brokers, exporters, and others, and conducted study through the holding of dialogue. Through the ASSC's network, we have also engaged in dialogue with local organizations such as certification bodies, NGOs, and industry associations in order to gather a wide range of information and opinions.

* Southeastern Brazil (States of Minas Gerais and Espírito Santo)

IV. Study Results

1. Pre-trip Desk Research (General Information)

The information obtained from the UK risk researcher was carefully examined by ASSC and the human rights risks and points of concern in the Brazilian coffee industry were extracted as described below.

- **Forced labor**

The prevalence of modern slavery in Brazil is moderately high, estimated at 5 victims per 1,000 people in 2021. This equates to 1.05 million people, a significant increase from an estimated 369,000 in 2018. There is a high risk of modern slavery being involved when it comes to Brazil's coffee industry. The September 2024 edition of the Brazilian Dirty List¹ shows that 60 coffee producers currently have improvement orders issued to them by the Brazilian government for the reason of modern slavery.

- **Child labor**

Child labor has a high impact on residents of African descent, with an incidence rate as high as 65%, which is 18 times higher than that of white children. Child labor is most prevalent in northern Brazil. It is reported that 6.9% of all children will be child laborers by 2023.

Although child labor does not appear to be widespread on large coffee farms, it is reported to still exist in the Brazilian coffee industry. The 2023 study also identified cases of children engaged in hazardous labor on farms that supply coffee beans to international brands. In addition, children in northeastern Brazil who are of African descent are considered the most vulnerable when it comes to child labor.

- **Recruiting activities**

In the Brazilian coffee industry, it is common to use intermediaries called gatos². Gatos are widely used during the harvest season when large numbers of temporary workers are needed and workers employed by gatos are vulnerable to exploitation. There are instances where labor contracts are not provided or wherein workers must sign contracts drawn up in a language which they do not understand. Workers are sometimes coerced into paying high recruitment fees and other fees and may even go into debt to pay them. This exposes companies to a significant risk of bonded labor.

- **Non-regular labor and wages**

In 2021, 65% of coffee plantation workers, or 140,000 workers, were unregistered. Hiring unregistered workers is illegal in Brazil, and unregistered workers are not protected by labor laws. The use of non-regular workers by coffee farmers creates serious risks in terms of human rights. Brazilian labor law transfers internationally protected human rights into national law. Thus, workers not protected by this law may not be protected from abuse such as overwork, modern slavery, or unhealthy, unsafe, and poor working conditions. Furthermore, the fact that the average income of unregistered agricultural workers is below the minimum wage, and that 42% of these workers earn less than half of the minimum wage, indicates that a high percentage of these workers live in poverty (a factor which serves to induce human rights violations), meaning the possibility of human rights abuses.

- **Seasonal and dispatch workers (non-regular workers)**

In Brazil, the coffee harvest season is usually from May to August. During this period, demand for labor is at its highest, and seasonal workers are hired in large numbers. Workers hired at harvest time are paid according to the amount of work done, which is based on the amount harvested. Regular workers are usually protected by collective bargaining agreements, which guarantee a basic income even if they are unable to work due to bad weather or other factors. Meanwhile, non-regular workers are not covered by such agreements and are therefore exposed to human rights risks when events beyond their control affect them. Most of the workers active at the time of harvest are employed on a non-regular basis.

¹ <https://www.gov.br/trabalho-e-emprego/pt-br/noticias-e-conteudo/2024/Outubro/mte-atualiza-cadastro-de-empregadores-que-submeteram-trabalhadores-a-condicoes-analogas-a-escravidao>

https://www.gov.br/trabalho-e-emprego/pt-br/assuntos/inspecao-do-trabalho/areas-de-atuacao/cadastro_de_empregadores.pdf

<https://www.business-humanrights.org/ja/%E6%9C%80%E6%96%B0%E3%83%8B%E3%83%A5%E3%83%BC%E3%82%B9/brasil-atualiza%C3%A7%C3%A3o-da-lista-suja-inclui-204-novos-nomes-grupo-heineken-%C3%A9-um-deles/> (Case Study: Heineken)

² <https://www.ilo.org/media/341631/download>

• Occupational safety and health

The International Labor Organization (ILO) classifies occupational accidents and risks in the coffee industry as follows.

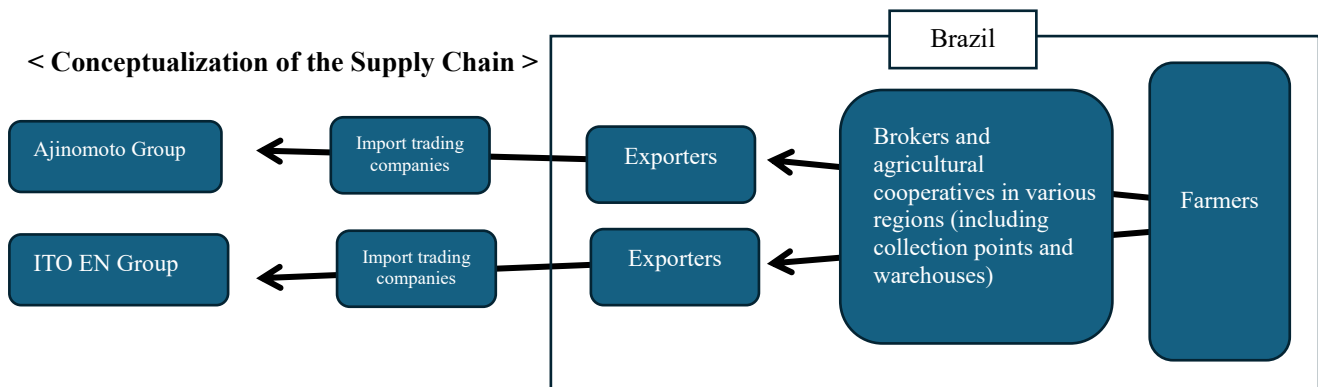
- Snake and insect bites (which can cause injuries and infections such as dengue fever and malaria), lack of access to clean drinking water and sanitation (which can lead to the transmission of infections and diseases and exposure to viruses, bacteria, fungi, and parasites), and so on.
- Injuries sustained while using cutting tools or sustained as a result of contact with moving machinery.
- Injuries that are based on ergonomics and which are caused by repetitive motions, awkward postures, and manual handling of heavy loads.
- Exposure to toxic substances such as pesticides, insecticides, and fertilizers.
- High temperatures (resulting in heat stroke), sunlight (resulting in skin burns), and loud noises (resulting in hearing damage).

• Long working hours

Brazilian law limits agricultural workers to 10 hours of work per day and 44 hours of total work per week. Workers often work well beyond this limit, especially during the harvest season. Labor unions report that workers sometimes work 10 to 14 hours a day.

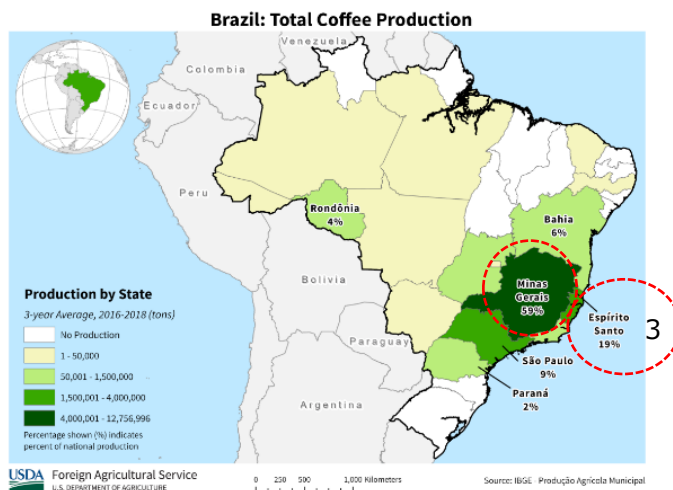
2. Identification or Presumption of Areas and Supply Chains Subject to Assessment

A confirmation concerning the supply chain of coffee raw materials was conducted with the cooperation of business partners.



< Production Areas Visited >

* Parts of states are circled on the map



Brazil_Total_Coffee.png (3300x2 https://ipad.fas.usda.gov/rssiws/al/crop_production_maps/Brazil/Municipality/Brazil_Total_Coffee.png550)

3. Visit-Based On-Site Study (Details herein are based on interviews)

(1) State of Minas Gerais

Farmer A

We visited and engaged in dialogue with a farm which was established about 100 years ago and is now privately owned and operated by the fourth generation of owners. The farm is certified by Rainforest Alliance (hereinafter referred to as "RA")³ and has undergone training provided by the non-for-profit organization Imaflora⁴. The impetus for certification came from a requirement at the time of export and advice from an agricultural consultant called Verde⁵.

The workforce of the farm consists of 15 year-round employees and 25 seasonal workers who are employed only during the harvest season (4 months). The year-round workforce consists mainly of administrative and other clerical workers and agricultural workers who perform the work of pruning the coffee trees. Furthermore, the coffee farm's location on the outskirts of the city has made labor shortages an issue, but the company is making various efforts, such as providing employment support for the workers' families and company housing. As for seasonal workers, applications for employment take place through word of mouth in the neighborhood, and the farm arranges for a shuttle bus to take those workers to the work site. As for documents and forms, the workers are fully provided with pay slips. In addition, we were able to conduct a verification of the certificates of attendance and training participation records for certifications and each of the training sessions.

In terms of occupational health and safety, fire extinguishers are installed in buildings where offices, machinery, pesticides, and fertilizers are placed. Measures are also implemented during the application of pesticides. Specifically, a bulletin board is set up to prevent other workers from entering the spraying area so as to prevent health hazards. In addition, a bulletin board was placed at the entrance to the pesticide storage area to provide information on warnings, work procedures, procedures for wearing work clothes, and the use of showers when one has come into contact with pesticides. Workers also have a brief health check conducted every day. The break room is well equipped and has a first aid kit, Wi-Fi, and a suggestion box. Refrigerators and microwave ovens are also provided. There was a report provided to the effect that the suggestion box is checked once a month and that there is an average submission of 6 to 10 opinion letters on wages and other such issues each month. During the busy harvest season, mobile toilets are set up on the farmland.

Farmer B

A visit was made to a farm which was established in 1939. It is currently operated by two brothers of the fourth generation along with their families. The farm is incorporated. They have been RA-certified for 18 years and the reason they became certified was to demonstrate their fair labor conditions.

The workforce of the farm consists of 15 to 20 year-round employees and 40 to 50 seasonal workers who are employed only during the harvest season (4 months). Some of the year-round workers are people with families who have worked there for three generations. Seasonal workers have also been coming from the same families, which started migrating to the location seasonally from the state of Paraná in southern Brazil about 19 years ago. A report was provided to the effect that the farm is currently experiencing difficulties in terms of securing manpower and in that there is a situation wherein workers will not apply to work for the company unless the benefits are improved. Regarding the securing of human resources, the company has introduced some mechanization in light of the current situation (wherein securing manpower is difficult) while at the same time placing an emphasis on manpower. Newly planted plots are being prepared on the assumption that they will be subject to mechanization. However, existing plantation plots are on sloping land, making mechanization difficult.

Work hours are 8 hours a day from 8:00 a.m. to 5:00 p.m. (with a 1-hour break) during the normal season, and 10 hours a day (meaning 2 hours of regular overtime work) during the harvest season, which is the peak season. Seasonal workers engaged in work at the farm during the harvest season are paid eight times the minimum wage. In terms of occupational health and safety, there is a notice board located in the office which contains emergency contact information, meaning that a safety management system can be confirmed to be in place. In addition, mobile toilets are installed on farmland during the harvest season.

As a benefit for workers, the company maintains 17 company housing units near the farm. Each unit is equipped with a kitchen, a washing machine, and a toilet, and has two private rooms. Wi-Fi has not yet been installed, but the company pays for utilities. The company also provides a commuter bus service for seasonal workers coming from the state of Paraná.

Interviews were conducted at the farm, albeit briefly. We heard from a migrant worker from the state of Alagoas, a worker who has worked at the farm for 48 years, and a worker who started working at the farm because his father

³ [Home | Rainforest Alliance | For Corporations](#)

⁴ [Imaflora](#)

⁵ [Verde Agritech | About Us \(English\)](#)

worked there. The worker from the state of Alagoas said that they had migrated to the area in search of work due to a lack of jobs in the north.

Farmer C

Founded in 1917, Farm C owns a total of 20,000 hectares of land, of which 2,000 hectares are used for coffee farming and the rest is used for livestock farming. It is one of the largest operators in the industry, ranking in the top 10 in terms of land ownership. The farm is certified by the BSCA (Brazil Specialty Coffee Association)⁶, the RA, and Certifica Minas⁷.

The workforce of the farm consists of 400 year-round employees and 800 seasonal workers who are employed only during the harvest season. In terms of year-round employment, there are 200 workers who work on the farm and the rest are office workers and drivers. There was a report provided to the effect that workers engaged in work during the harvest season (which lasts five months beginning in May each year) receive unemployment insurance for four months after October with the remainder of the year being a vacation. Preparation work begins one month before the harvest begins.

Working hours are from 7:00 a.m. to 3:00 p.m. with a 20-minute break and a one-hour lunch period included therein. Human resource brokers recruit people in town, meaning that employees are mostly residents living around the farm. New hires bring their labor record book and undergo a medical examination, after which occupational health and safety training begins. Buses and other means of transportation are used, and workers are provided with funds to cover transportation costs. The company owned a dormitory twenty-five years ago but does not own one now.

The company also utilizes its own app, which allows for remote confirmations to be carried out with respect to the status of harvests and operations. During harvest time, the amount of beans harvested is measured after work and the workers are paid on a percentage basis. A separate small printing machine allows for paper-based confirmation of pay and work performance to take place. In addition, the system in place does not involve a set target yield for harvesting, but if a new hire's yield is low, he or she is paid the minimum wage (based on an hourly rate). In addition to this, a commission that is based on harvest volume has been introduced. Higher rates are set in areas where harvesting is difficult, especially since different coffee trees produce different amounts of beans. As for wages, while the minimum wage is R\$1,518 per month, the company pays R\$2,500 per month. Harvest-time workers in particular are paid as much as R\$5,500 per month.

The process at the coffee plantation consists of the steps of pruning, harvesting, transportation, pruning, drying, sun drying, processing by machine, and the weighing of the green beans, with half of harvesting conducted by hand-picking and half by machine processing. Each person is responsible for pruning 500 trees. The most hazardous operations are considered to be those undertaken by truck drivers and weed cutters, with about 50 incidents (occupational safety accidents) occurring per year. The farm has rest area with plastic sheets pulled over commuter buses, equipped with desks and water (in large bottles) for washing hands. There is also a toilet on the bus.

Furthermore, workers are provided by the farm with lunch boxes and bottles.

There is a preliminary checklist for personal protection equipment, and the attendance status of occupational health and safety training is also audited. With regard to pesticides and chemicals, the pesticide storage room had warning signs set up with a shower also set up (for the whole body and eyes) to be used in the case of pesticide exposure. In addition, an environmental reserve exists on the property.

Employment contracts specify the salary and working hours, and the work rules specify worker obligations, the use of complaint and suggestion boxes, freedom of association, waste disposal, fire prevention during droughts, and so on. Also included are provisions on personnel policies and those concerning discrimination. Payroll is outsourced to a labor and social security attorney. The work rules are said to be reviewed each time the RA certification rules are updated. It has been confirmed that there are written agreements for extended probationary periods and letters of consent for payroll deductions to cover food costs. Occupational health and safety training is also conducted, and training documents, content, and attendance lists were being maintained.

According to interviews with the company's owners, their views on the certification system are as follows. As for certification requirements in Europe, the regulations on deforestation and protected areas are particularly strict, and regulations such as the EUDR⁸ have been imposed. However, company's recognition is that over the company's long history in the coffee industry, it has generally been responding adequately to these regulations. On the other hand, it has been pointed out with regard to RA certification, the system in which standards are set according to the laws and regulations of each country has resulted in an imbalance between countries. Brazil's stricter employment age regulations when compared to African countries was cited as a specific example, with concerns expressed to the effect that such differences in standards between regions are not fair. The company points out that Brazil's laws and regulations are particularly strict in general, which may put the country at a disadvantage when compared to other

⁶ BSCA

⁷ Certifica Minas - O Certifica Minas

⁸ Regulation on Deforestation-free products - European Commission

countries in terms of RA certification. As a specific example, the case of truck drivers was cited. The company says that in cases where it had adopted a two-person operation system which required the presence of protection personnel for safety management purposes, irregular audits could have determined that the company was in violation of regulations. The fact that there are instances where such overly strict regulations hinder corporate activities is seen as a problem.

The company is also of the opinion that the significance of the 4C certification is limited because it is mainly based on Brazilian law and is a simple certification that can be obtained just by submitting documents after an interview. Therefore, the company is focusing on obtaining the Certifica Minas certification, which has stricter standards, instead of the 4C certification.

Exporter A

A visit was made to an exporter established in 2009. The company does business with 20,000 farmers and 90% of its clients are family-run farms. It deals with small-scale farmers, serving as a hub for small farmers with limited access to markets and supplies a selection of high-quality coffee beans to major companies.

The trading process for coffee beans at the company is as follows: after collection from farmers, the beans are stored at an agricultural cooperative and sent to the company, where quality is checked, farmers are identified, and negotiations for the purchase of the entire lot are conducted. Selection is based on SCA⁹ evaluation criteria, with those scoring 83 points or higher being certified as specialty coffees. Ultimately, 50 contract farmers are selected for transactions involving premiumization. The company also has its own protocols created using as references SCS Global Service¹⁰, RA, 4C¹¹, and so on. The company provides the necessary support to farmers to enable them to comply with all the requirements described in those protocols. The company has seven business departments and employs seasonal workers in its warehouse management and logistics departments. In the processing warehouse, there was work taking place involving 60-kg bags of processed beans being moved around the warehouse for transportation, with one worker carrying them on his head. Although it was stated that the company is legally allowed to have workers work without this kind of protective equipment involved, it is assumed that workers engage in long hours of hard labor during the busy season. Although not a legal requirement, the use of personal protective equipment, such as that produced by Marvel, and other personal protective equipment, is recommended due to occupational health and safety concerns.



Exporter B

A visit was made to Brazil's largest exporter (a company backed by Spanish capital), which was established in 2020. The company has acquired Nestle's NQCC (Nespresso AAA Quality Coffee Collection)¹² certification, RA certification, and SMS (Sustainable Management Service) certification.

The company's workforce consists of 100 full-time employees who work in the warehouse and offices, and other contracted staff such as security guards. 98% of the workers live in nearby towns and commute to work on a 24-hour bus service arranged by the company. Recruitment activities are conducted mainly through social media. No recruitment agencies are used. The company has a policy of providing only job descriptions in job advertisements and does not include information on treatment such as benefits.

In terms of health and safety, in addition to monthly disaster drills, fire drills are held once a year with a fire brigade. Occupational health and safety training provided by outside vendors is also conducted on a regular basis. Helmets, safety shoes, earplugs, masks, and uniforms (five per person) are provided when it comes to personal protective equipment, and lockers with locks for personal use are also maintained.

In Brazil, external audits are conducted on an irregular basis, and a company is subject to punishment if it receives three citations for occupational health and safety. Fire extinguishers are installed in the facility's processing warehouse, factory, power generation room, break rooms, and offices, but fire extinguishers were found to not have been installed in some of the fire extinguisher storage boxes outside the power generation room. Water stations are located in restrooms and refreshments are also provided. A worker interview was conducted with one worker who had just joined the company. The worker applied for the job after being introduced to it by his cousin who works for the company. He is engaged in processing and stated that upon joining the company, he was briefed on the contract, provided with personal protection equipment on his first day, and given an orientation on safety and operations.

⁹ <https://sca.coffee/>

¹⁰ [Choose from 100+ Programs to Meet Your Sustainability Goals | SCS Global Services](#)

¹¹ [Home > 4C Services](#)

Exporter C

The exporter in question was founded in Switzerland in 1851 and became part of a long-established grain trading company based in London in 2004. In addition to Brazil, the company has expanded its coffee business to South America, Africa, and Asia, establishing production and export bases. The company also has a trading base in Kobe, Japan. The company has four processing warehouses in Brazil. The office located in the state of Minas Gerais houses the administrative, human resources, and quality management departments, and the company plans to expand its operations by adding a warehouse in three years. It also has a sustainability department with 18 members.

The company operates its own certification system in addition to the external certification systems of RA, Fair Trade, Cafe Practice, and 4C. The company's certification initially focused only on production management at neighboring farms; however, it now uses a two-tiered system where the classifications are comprised of "Excellence," the highest standard, and "Verified," a slightly lower standard level. When starting business with a new farm, the farm starts with the Verified classification, with the regulations of the company also covering the contents of certifications issued by other companies. When asked about the most stringent external certification, the respondents answered that RA has the most stringent standards, and that the company implements a high level of management when it comes to coffee production since the company also exports to Europe.

There is a diverse range of employment types at the company, including full-time employees, temporary workers, and day laborers (12 workers). Working hours are from 8:00 a.m. to 3:30 p.m. and the machines operate 24 hours a day. Short breaks are provided at 9:30 a.m. and 2:30 p.m. and lunch is provided from 11:00 a.m. to 12:30 p.m. Benefits include a monthly meal allowance of R\$750 and breakfast and afternoon snacks (bread, etc.). There is also a fully equipped cafeteria, and the workers are provided with an hour and a half for lunch.

At the factory, the processes of green coffee bean size selection, weighing, storage, bagging, and shipping take place. A stacking limit of up to four bags of green beans was established for storage. The loading of bagged beans in the warehouse is carried out manually with 60 kg bags, but no protective equipment (such as that produced by Marvel) was used, as is authorized by law. In addition, Cecafo's¹³ tracking system has been implemented and tracking numbers are recorded on green bean bags using stickers. As for the safety management system, a safety officer is assigned to each plant, and a safety manager oversees all four sites. No occupational accidents have been reported in the past two years. Unannounced evacuation drills take place on an annual basis and there is mandatory occupational health and safety training provided before work begins.

During the interview with a safety manager, she stated that she was more satisfied with her working environment there than compared with her previous jobs and particularly appreciated how the work environment was receptive to the suggestions and opinions on safety issues. During an interview with a worker who had been with the company for three months, the worker said that she had previously worked night shifts (until 12:30 a.m.) at a nearby warehouse. She said that he decided to change jobs because he was attracted to the company's good working environment. Current work hours are from 8:00 a.m. to 5:30 p.m., with a 1.5 hour lunch break in addition to morning and afternoon breaks. Regarding safety, in addition to occupational health and safety training held at the time of hiring, information on precautionary items is also shared at daily morning meetings. Necessary equipment, such as work uniforms, safety shoes, and masks, are provided by the company. The workers already had a license to operate a forklift. They said that no serious accidents or injuries were reported while they were on duty in the past.

In terms of labor management, the company has introduced attendance management using fingerprint recognition, and appropriate allowances are provided for overtime work. They said that overtime work is not a regular occurrence, but rather an occasional occurrence. For matters related to employment contracts, labor record books have been digitized, and processes now take place online. The terms and conditions of employment are clearly stated in writing and contracts are signed with the consent (signature) of the individual.

As for the consultation system in the workplace, contact information is posted and a mechanism is in place wherein inquiries can be made using mobile phones. Compared to their experience working at other companies in the same industry, they rated their current work environment highly. There is a system set up wherein if health concerns arise, individuals can consult with their leader, and the leader can drive them home or to the hospital. The individual also said that they have developed good relationships with their leaders, who provide them with technical guidance. The worker interview indicates that the company's working environment and safety management system are functioning properly at the practical working level. In particular, it was confirmed that a relationship of trust has been established with site leaders, and that substantial support systems have been established, including a health support system and technical guidance mechanisms.

¹³ <https://www.Cecafo.com.br/>

(2) State of Espírito Santo

Farmer D

A visit was made to a 16-hectare family farmhouse run by six people. Coffee cultivation is done on 9 hectares and black pepper on 4-5 hectares. The rest of the farm's land is classified as a protected plantation area under the law. The owner lives in a town 11 km away from the farm and essentially only visits on weekends. On weekdays, the work is entrusted to a co-owner who lives 2 km away (and travels there by motorcycle) and the owner buys everything that is needed. The work is paid for fifty-fifty with the harvested coffee beans.

During the harvest season, three neighboring families support each other in the harvesting process. Under the arrangement, no payment of expenses is provided, and the harvested coffee beans are the compensation. Since there is no difference in quality, there is no problem in distributing the coffee beans harvested by each household. When Solidaridad¹⁴ visited the farm about five months prior to our visit on this occasion, they asked about in-kind remuneration, and the response given was that there was no issue with it. Confirmation was also made regarding their income, and it was found that individuals are currently earning an income that meets the criteria for the minimum wage for the region. The harvested coffee beans are distributed to Nater Coop¹⁵ (an agricultural cooperative). They feel that they have been able to expand sales channels by selling through agricultural cooperatives.

Work hours are from 6:30 a.m. to 9:30 a.m. After lunch and a break which starts at 12:00 pm, work resumes at 2:00 p.m. and continues until 5:00 p.m. in the evening. Work can end around 3:00 p.m. or 4:00 p.m. depending on weather conditions.

When it comes to the storage of pesticides, they are kept locked and personal protective equipment is prepared by a full-time supervisor. Workers wear personal protective equipment during harvest. The most dangerous work is considered to be pesticide spraying, which is carried out (while wearing protective clothing and masks) early in the morning or evening to avoid the time of day when the temperature rises. The wearing of personal protective equipment is stipulated by government regulations. It is sold by agricultural cooperatives. Training is provided by SENAR (an agricultural support organization). When it comes to the amount of pesticides used, the agricultural engineer of the agricultural cooperative provides instructions for appropriate amounts. Government applications are required for the purchase of pesticides, and the government manages pesticide usage in each region. Pesticides for coffee are designated, and additional applications are required for their use on other crops.

As for the current state of the farm's operations, profitability has been strong in recent years due to the high price of coffee beans. There are no plans to expand the farm, and the proceeds are being used to purchase a car and other items. When it comes to harvesting, the company will enter into a contract with a harvester and consider mechanization in the future. The company plans to utilize machinery owned by a neighboring farmer (operating 120 hectares) and borrow it in exchange for harvested beans. The response given was that the introduction of machinery is expected to enable harvesting at the ripest stage, given that the current 70-day manual harvesting period can be reduced to 20 days.

When asked about action taken in response to the EUDR, the respondent stated that the standard is already widespread in Brazil, that it is even understood at the level of individual farmers, and that they feel that their business partners are placing importance on the action being undertaken in relation thereto.

Farmer E

A visit was made to a small farm owned by a couple. The founder's father emigrated from the state of Minas Gerais and initially owned 120 hectares. After dividing the property up among seven siblings, the owner now operates 25 hectares. It has been in operation for 26 years. Currently, three families manage the farm, two of which reside in owner-provided housing. The harvest takes place completely via hand-picking, with tractors being used for transportation.

Recruitment is conducted in town as needed to provide additional labor during the busy season. Recruitment is done year-round, but out-of-state workers are also accepted during the busy season. The farm provides housing for out-of-state workers. To hire workers, an agent visits the fields one month before the harvest begins, checks the harvest status of the fields, negotiates the unit price per bag with the owner, and returns to secure the necessary personnel. Payments are made by farmers directly to each worker after the harvest. It was not possible to confirm whether the agent was taking a commission or fee for the recruitment being undertaken.

Last year, 10 people were hired during the harvest season. Seven of them consist of workers who come every year and new people brought in by an agent. The employment period ranges from 30 to 150 days. Some will be working for four to five consecutive years with only two to three new hires being made.

¹⁴<https://www.solidaridadnetwork.org/>

¹⁵<https://nater.coop.br/>

Labor contracts are entered into and although the labor contracts state a minimum salary of R\$1,500, the actual payments are made based on a percentage of the amount harvested. Workers receive approximately R\$20,000 for 30 days, which is equivalent to the level at which a motorcycle can be purchased. Compared to the minimum wage in Brazil (R\$1,518 per month), they appear to be earning a substantial amount of money in a short period of time. Each day has 8 hours of work, with work going from 6:00 a.m. to 10:00 a.m. and then to 3:00 p.m. after an hour-long lunch. There are instances where workdays are extended to around 5-6 p.m. depending on the weather. Interviews were conducted with families who were being provided with housing on the farm to work. One 25-year-old family member had been with the company for three years and appreciated the current owner's personality and the certainty of paycheck payments when compared to their past employers. On-farm housing was also provided for seasonal workers during harvest time, and rooms were equipped with beds and simple kitchens for cooking. The owner has prepared the necessary electrical appliances. When we checked with the owner about reports of "child labor and forced labor in Brazil," we were told that no such cases had been confirmed to have occurred in the neighborhood. The view was that some in Europe tended to have an image of Brazil of a place with slavery, but that in actuality, proper working environments were being maintained.

Farmer F

A visit was made to a 10-hectare farm. It is managed by the owner and two to three day laborers. Work takes place Monday through Friday. Day laborers do not have individual contracts and work at other farms when there is no work available at this farm. The basic pay is R\$120 per day, but it can be more when workloads are heavy. The owner provides transportation to and from the farm and provides personal protective equipment. Duties include coffee bean selection. The pesticide application work is not done by day laborers but is rather done by contractors with spraying taking place using drones. The work shifts are from 7:00 a.m. to 11:00 a.m. and 12:30 p.m. to 5:00 p.m. with lunch in between those shifts for a total of 8.5 hours of work. During the harvest season, in addition to the usual three workers, the company employs seasonal workers from states such as Minas Gerais and Bahia. Last year, the company hired three people from Bahia. Workers have contracts with other farms and informally help out with the harvesting processes there. Payments are issued on an individual basis, with compensation based on harvest volumes. The previous year's results showed that they sometimes earned R\$40 per bag and up to R\$400 per day. Compensation varies from farm to farm and payments generally take place on a weekly basis. In some cases, payments take place by bank transfer. The amounts to be paid are determined after prior negotiations with the workers. With regard to hiring, the company has a policy of not hiring workers with small children due to the absence of an appropriate environment for childcare. During the harvest season, the workers work for 8 hours with breaks in between. When asked if there would be "competition for labor during the busy season," a representative from the agricultural cooperative who was present explained that "competition for labor is unlikely to arise because the timing of ripening differs depending on the variety of the crop involved." On the other hand, the ASSC believes that one concern is that one holiday cannot be taken every seven days as a rule.

Farm G

A visit was made to a large farm operated by four brothers, covering a total of 1,500 hectares used for coffee, papaya, black pepper, sugarcane, and cattle ranching. Of the 800 hectares of the farm that was visited, 300 hectares are being used for the cultivation of coffee. Founded 10 years ago by four brothers, the farm holds 4C, RA, and BSCA certifications. They said that the RA audits are the most stringent. The farm aims to improve workers' income and promote initiatives in cooperation with neighboring farms based on a perspective rooted in sustainability. Technology is used to reduce water consumption and reuse coffee grounds and cow manure. The farm is audited annually by Nestle.

It currently employs 30 full-time employees. Due to mechanization, they have not hired any seasonal workers for the harvest season since last year, and they do not plan to hire any this year either. The number of seasonal workers has been significantly reduced from 150 before mechanization to 12 after the introduction of the new system. Further mechanization of harvesting machinery at R\$1.5 million per unit is planned for installation next year (during the worker interview described below, one worker commented that there were about 60 seasonal workers, which is not consistent with the aforementioned, but the background surrounding that is unclear). We were able to interview four workers whose tenures ranged from 6 to 40 years with the farm. Working hours are from 7:00 a.m. to 5:00 p.m. Workers living in the town commute to work on a free bus arranged by the company. If one works overtime and cannot catch the bus home, company staff will pick them up and drop them off. According to an interview with a worker in charge of forklifts, in Brazil, a training course is required to operate a forklift, and the company paid for the course. Another worker, who supervises the entire farm, graduated from night school (university) last December after five years of working a day job and attending classes at night with the support of the company. After receiving their degree as an agricultural engineer, the individual was promoted to a supervisor and had their salary increased. Helmets, ear muffs, masks (worn depending on the work area), and safety shoes, are provided as personal protective equipment. Upon hire, employees undergo an orientation that includes safety training, and by that point contracts will have also already been signed. Education is provided by exporters and responses to the strict demands of Europe are

also undertaken. The company explained that it has a strict policy of hiring only those workers who have signed a contract. However, no confirmation was undertaken with respect to contracts.

Farmer H

A visit was made to a farmhouse run by a family of four and three other workers. Although the farm has been in existence for 40 years, it has only been producing specialty coffees for four years. The farm grows only Conilon coffee beans and is working to improve quality. The farm is currently building infrastructure and purchases specialty coffee beans from other farmers in addition to having coffee beans from its own farm. Of the total area of 70 hectares, 20 hectares are being used for the cultivation of coffee. Some plots are being prepared for irrigation facilities. The trees are being replanted with wider spacing on the presumption that mechanical harvesting will take place. Electricity is supplied by solar panels. Last year's harvest amounted to 25 bags per hectare, of which five to six bags consisted of specialty coffees. All the rest will be semi-washed. As part of regenerative agriculture efforts, brachiaria intercropping takes place to reduce herbicide use, disperse pests, and promote soil water retention. The harvest period is 40-60 days long. Workers from Bahia come to help during the harvest season, and the same people have visited every year for the past seven years. We surmise that there are no employment contracts, etc., since those individuals come to the farm during the vacation periods of their regular jobs. Housing during the stay is provided by the farm.

Warehousing company

We visited a warehouse with 15 employees and interviewed the proprietor of the business. The warehouse is a member of Cecafé and holds monthly meetings with Cecafé to share information on activities so that all parties involved are on the same page.

With newspapers and other media reporting on the risks found in the Brazilian coffee industry, Cecafé conducts weekly checks to ensure that there are no illegal activities taking place. There are 330,000 farmers in this district, but only 61 of them are found on the Dirty List used for all of Brazil. We are aware of the fact that there are actual deficiencies which exist and that some farmers have been convicted of wrongdoing. When we asked about efforts to prevent such violations from occurring, we were told that the cooperative would request member farmers to make improvements if problems were discovered, and if it was difficult for action to be taken, the cooperative would take measures to suspend transactions.

In 2024, the company worked together with Solidaridad to implement a pilot plan for four farmers to test a drainage system with a durability period of approximately 25 years, test water quality, and undertake other tasks. As is the case with Solidaridad's grievance mechanisms, this warehouse also has a consultation service which allows workers to contact someone about their grievances, and when asked what kind of complaints they have, it was said that the most commonly received complaints were about the heat.

Working hours span from 7:00 a.m. to 11:00 a.m. and 12:30 p.m. and 5:00 p.m. with lunch between. During the busy season, workers need to undertake 2 hours of overtime work. Water supply and breaks can be undertaken freely.

Although personal protective equipment is provided, some workers do not wear it because of the heat and it is difficult to ensure its use, as has also been reported to the aforementioned consultation service. In addition, medical examinations are conducted by the company once a year.

Job postings are made, and recruitment is conducted as needed. On the first day of employment, an orientation is held and the workers' understanding of the standards are confirmed through a comprehension test. Only those who have received training are engaged in the operation of forklifts. Although we were told that the fire extinguishers were inspected by an outside contractor, we pointed out on site that the extinguishers we checked during our visit were under-pressurized. American and European companies have established standards such as 4C and RA certifications, and when asked why these standards are required, the understanding was that certification may lead to opportunities for companies to increase sales.

An exporter and agricultural cooperative in the region jointly provide training for farmers. The program lasts three weeks, with 30-40 farmers participating per session and a total of six sessions. Costs are borne by the exporter and the agricultural cooperative. Training content is based on monthly themes, with March focusing on human rights, April on the environment, and so on.

In addition, they began providing agricultural support last year, conducting trials with 20 farmers. The response from producers has been positive, and coffee that meets the standards of the exporter in question are highly valued and tend to fetch higher prices. The projects of the exporter in question were initially comprised only of one type of project, but that has now expanded to eight types. The specific results are not yet known as the program just commenced last year. The criteria for the exporter concerned include approximately 80 evaluation items, 10 of which are mandatory. At least 50% of the remaining 70 items must be completed. The review is conducted by an outside vendor.

Coffee Nursery Farm

A visit was made to a coffee nursery farm where interviews were conducted with workers there. The farm produces 20 million seedlings each year which it sells to farmers. Robusta coffee can be grown using cuttings rather than seeds. Cuttings are purchased from the state of Rondônia.

Employees' social security and taxes are covered by the company. After 12 months of service, the farm grants one month's bonus and one month's paid vacation. Furthermore, an additional one-month bonus is paid as a grand prize. Day labor also exists. A piece-rate system is used and R\$12 is paid for every 1,000 cuttings that are planted. It is possible to earn up to R\$400 per day for 8 hours of work. Many day laborers do not wish to become full-time employees, and the reason for this is a strong desire to avoid being managed, since obtaining a taxpayer identification number would result in the management of all of their income. It was also discovered that the contracts were not being signed.

A female employee who has been with the company for a year found the position through the Internet and had previously worked in nursery-related jobs. A mechanized nursery production method was introduced at this farm, resulting in a reduction of the workload from 45 kg to 15 kg. The retirement age for women is 66 years old, and they receive a medical checkup every year. It was stated that women tended to work at the farm for longer than the men do.

An 18-year-old employee who has been with the company for one month has already attended occupational safety training. Work hours are Monday through Friday from 7:00 a.m. to 5:00 p.m. (with a 1-hour lunch break and two 15-minute breaks with one in the morning and one in the afternoon). Saturday work is treated as overtime, and overtime is applied for verbally. An employee who has been with the company for 1.5 years joined through a referral. He had been working as a day laborer, but his performance was recognized and the company offered him a position as a regular employee. Although the day labor job paid more, the individual was attracted to the bonuses and paid vacation policy offered to a regular employee and thus decided to become a regular employee.

It was explained that the owner manages worker attendance using verbal reports and that an accountant was in charge of payroll, etc. However, management issues do remain, such the ascertaining of the situation in terms of day laborer attendance on workdays.

Broker A

This warehouse has been in the coffee industry since 2000. The owner began growing coffee as a small farmer, and after working as a broker for the region, the business was expanded to the areas of buying and selling coffee in the domestic market. Subsequently, the company expanded into exports and continues to do so to this day. The company has been expanding sales channels in cooperation with exporters and promoting business development while getting referrals in many areas. In terms of major customers, the company distributes coffee to Nestle and 3 Corações¹⁶ (Tres Corações), one of the largest coffee brands in Brazil. During the last fiscal year, 320,000 bags were sold domestically, compared to 75,000 bags which were exported, with the main customers being domestic manufacturers.

There are 40 full-time employees. No temporary workers are employed there. Working hours are from 7:00 a.m. to 5:00 p.m. Interviews were conducted here with three workers and the proprietor.

A worker in their second year of employment applied for the job through an acquaintance and was hired immediately after the interview. The probationary period is two months with no change in salary, and forklift training is undertaken after employment begins. Twice a year, occupational health and safety training (firefighting and evacuation drills) is conducted, and although employees participate in these drills, it was not clear whether all employees have undertaken the training.

A woman in charge of general affairs, who has been with the company for 10 years, applied for the job because her husband works for the same company. She said that office workers do not work on Saturdays, while warehouse workers may work on Saturdays during harvest and other times of the year. She and her husband commute to work by motorcycle or by car, but they do not receive reimbursement for transportation costs. Also, there is no company bus provided. Many of the workers live nearby and many eat at home during their one-hour lunch break. Meal subsidy coupons are provided for lunch, which can be used at supermarkets. Maternity leave is granted for four months. There is no system for shortened working hours after the birth of a baby, but mothers can go home temporarily in the morning and afternoon for breastfeeding.

A worker, who had been with the company for five years, was a local but worked in São Paulo. He returned to the hometown upon marriage and joined the company after being introduced by his cousin. He said that the job was to carry bags of coffee, but that now workers were not carrying them on their shoulders. It was said that while work would take place on Saturdays during peak season, it was only until 11:00 a.m. Fire drills and evacuation drills are conducted annually.

The vacation system is based on the Brazilian calendar, with three days off during Carnival. In addition, 30 consecutive vacation days can be used. Time cards are used to keep track of work, and there is overtime work. Salaries are paid by monthly bank transfer. During the interview with the proprietor, it was explained that Nestle recommends the 4C certification. Of the premium price of R\$6 per kilogram of coffee provided when 4C certification has been obtained, R\$4 is returned to the producer and R\$2 goes to savings. It was stated that the funds saved are given back to the farmers for the purchase of motorcycles. Contract farmers had already obtained 4C, RA, and

¹⁶ <https://www.cafe3coracoes.com.br/>

exporter certifications, but the opinion provided was that RA certification was the most stringent and difficult for small farmers to obtain. It was stated that coffee beans with RA certification will be priced at a premium of R\$20 per kilogram.

Broker B

A visit was made to a brokerage that has been operating since 2018. In addition to storage, the company also conducts bean sorting. They are stored in the condition requested by the customer and prepared for export. The two warehouses can accommodate up to 600,000 bags.

The company employs 36 full-time workers and hires about 30 additional workers, mostly from the neighborhood, during the harvest season. Requests are issued to the Syndicate (laborer organization; intended to refer to a staffing agency) in Portuguese for the arrangement of irregular workers. The Syndicate is also responsible for the insurance premiums. The Syndicate is officially registered as a company and is currently contracted with one temporary staffing agency to dispatch workers as needed. The pay for an irregular worker is R\$150 per day, with take-home pay being approximately R\$110. Overtime pay is R\$15-20, with additional pay for weekends and holidays provided. Medical examinations are conducted for both regular employees and dispatch workers, and for dispatch workers, the dispatch company handles the medical examinations.

We interviewed two people, one responsible for forklifts and the other responsible for warehouse management. The work week is 44 hours, Monday through Thursday from 7:00 a.m. to 5:30 p.m. and from 7:00 a.m. to 4:30 p.m. on Friday. The lunch break is 1.5 hours long. It is closed on Saturdays and Sundays.

The forklift supervisor previously worked in other warehouses and applied for the job in the current warehouse when it was established. The working conditions are better than in the previous warehouse, and the labor record book and labor contract are signed after having reviewed the working conditions. Forklifts are maintained by a contractor every 250 hours. There have been no duct fires or other such occurrences in the warehouse. Firefighting and evacuation drills are held once a year, and workers dispatched by the staffing agency also participate. The distinction between regular and irregular is determined by the color of the T-shirt being worn. Training is provided for new employees, and occupational health and safety checks are conducted weekly by an outside contractor.

Opinions about the company can be submitted through a suggestions box, and a consultation service for interpersonal relationships has also been established. Understanding the company's values is important for long-term employment, and training is provided for this purpose. Forklifts are operated only by regular employees and not by non-regular workers. Personal protective equipment is provided by the company, and workers who do not use it are warned. In accordance with Brazilian law, dismissal is possible after the issuance of three warnings to the individual in question. The only penalty item at this company is failure to wear personal protective equipment. Although there have been no actual visits made by companies like the visit taking place on this occasion, visits by certification staff have been conducted.

Exporter D

We visited an importer/exporter established in 1977 and spoke with them about their activities and certifications. The company is active throughout the value chain, from coffee cultivation to roasting, and is involved in coffee sourcing and producer support in Brazil. The certification of the exporter in question is obtained through a responsible sourcing program designed to enhance the sustainability of the coffee industry. The program aims to benefit producers, traders, and roasters, and create shared value. The project began in 2022 and has been in compliance with the Global Coffee Platform since 2023. The certification has already been obtained by more than 800 farmers and by more than 1,000 farms. Their certification is already EUDR-compliant, but further verification of sustainability criteria could be performed, or due diligence could be performed to comply with the CSDDD.

The certification includes the following five major indicators and consists of 80 practical items of a social, environmental, and economic nature. These are modeled after the Global Coffee Platform's Sustainability Reference Code. In order for a farmer or establishment to be classified as "sustainably sourced," it must comply with all 10 required Critical Indicators, plus at least 50% of the 70 Improvement Indicators. The initial audit will require the achievement of 50%, and the company will support improvement activities on an individual basis where things are lacking during the three-year monitoring period.

< Five indicators >

Reduction of carbon emissions:	Establish baselines and plans to reduce carbon emissions in each supply chain.
Reduction of deforestation:	Implement a deforestation monitoring program and reduction plan.
Promotion of human rights:	Develop projects that protect and strengthen the human rights of farmers and farm workers.
Improvement of living income:	Establish baselines and implement projects to improve the living income of farmers.
Promotion of the adoption of regenerative agriculture:	Introduce indicators to promote regenerative agriculture practices and evaluate their adoption.

The business operator in question conducts various kinds of projects and training in various regions of Brazil, all of which are not conducted alone, but together with clients, industry associations, NGOs, and others. For forest protection, etc., the company is working with Solidaridad. For EUDR-related items, it is working with Ceca  . For human rights, it is conducting initiatives such as occupational health and safety training for farmers and workers with Verit  , the ILO, and SENAR. As for the grievance system, the ILO's "Our Voice Program" started in the state of Minas Gerais. However, it is currently inactive as the U.S. is reconsidering its support. WhatsApp is used for communication. Farms and businesses that are reported are not immediately placed on the Dirty List but rather are subject to a decision at the Local, State, and Country level before it is decided whether or not they are to be put on the list.

We were also shown Serasa's system when it came to the response for the EUDR. Serasa Experian¹⁷, a private credit research organization similar to Teikoku Databank, operates a system for monitoring financial and other information pertaining to farms. Ceca   has borne the cost and added the necessary information to the existing information as part of the response undertaken in relation to the EUDR. It was found that Brazil is more advanced than other countries, with the public and private sectors working together to implement responses in relation to EUDR starting from an early stage.

Local Institutions (Industry Associations, Certification Organizations, District Agricultural Associations, and NGOs)

(1) Ceca  

Ceca  ¹⁸ was created in 1999 as a Brazilian coffee export council and has 126 members. The organization accounts for 96% of Brazil's green coffee exports and exports to more than 150 countries. Ceca   is focused on promoting the sustainable development of the Brazilian coffee industry and gaining confidence in the international market. The organization is especially focused on continuous improvements and the establishment of a transparent production system achieved through public-private partnerships. An explanation was provided with respect to Ceca  's efforts to realize the concept of "decent work" in the Brazilian coffee industry.

Based on the empirical results of the Human Development Index (HDI)¹⁹ analysis (which showed that the larger the coffee-growing area, the higher the development index), Ceca   focuses on supporting small farmers and improving their income and contributes to the overall development of local communities through the strengthening of producer organizations and the providing of technical assistance.

In an effort to improve working conditions, Ceca   launched the "Produtor Informado" program in 2006, which has provided comprehensive education to more than 7,000 coffee growers. In 2023, the organization launched an online learning platform, offering free courses on digital technology and sustainability. Specific improvement activities have also been implemented, such as the sharing of knowledge on labor laws, non-violent communication training for field technicians, and infrastructure improvement on farms (water quality improvement and installation of sanitation facilities). These are provided through partners such as domestic and foreign companies and cooperatives.

The organization is also working with the National Pact for the Eradication of Slave Labor in Brazil (nPACTO)²⁰ to develop a sectoral agreement on social sustainability in the coffee sector. When it comes to responses to the EUDR²¹, Brazil exports all products covered by the EUDR (beef, soybeans, coffee, cocoa, palm oil, timber, and rubber), and a public-private partnership task force has been established to handle responses. The task force is coordinated by the Ministry of Foreign Affairs and Ceca   participates as the representative of the coffee sector. In addition, when it comes to EUDR and ESG measures, a protocol foundation called the Caf  s do Brasil Traceability Platform (electronic monitoring) has been established, establishing a comprehensive management system covering 98% of shipments to the EU. The platform has 52 members (cooperatives, domestic and international companies) and is working to ensure elements such as zero deforestation, compliance with relevant laws and regulations, and monitoring of land use. It is also actively involved in monitoring the Dirty List and has created a customized version specific to the coffee industry to identify and monitor only those businesses that are relevant to the coffee value chain. In conjunction with government audits, the organization promotes the holding of a strict policy of not sourcing coffee from producers on the Dirty List, proactive education for farmers, and the elimination of improper labor practices. The organization says that this effort has kept the number of Brazilian coffee producers on the list extremely low, with only 61 (0.02%) of the 264,000 Brazilian coffee growers on the list.

¹⁷ <https://www.serasaexperian.com.br/>

¹⁸ <https://www.Ceca  .com.br/>

¹⁹ <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>

²⁰ <https://inpacto.org.br/>

²¹ [Regulation on Deforestation-free products - European Commission](#)

(2) Rainforest Alliance

Rainforest Alliance is an international non-profit organization that promotes environmental conservation, sustainable agriculture and forest management. Founded in 1987 in New York, USA by environmental activist Daniel Katz, the organization aims to promote sustainable land use and responsible business practices.

Brazil is a country that is home to the Amazon, the largest tropical rainforest on earth. It is a very important region for RA's activities, with the following initiatives being undertaken.

1. **Promotion of sustainable agriculture**
Brazil produces many agricultural products such as coffee, cacao, tea, and bananas. RA assists these farmers in adopting sustainable agricultural practices and reducing the environmental impact of agriculture. The RA certification offered by the organization ensures that agricultural products are produced in a sustainable manner and serves to promote the improvement of farmers' livelihoods and the protection of biodiversity.
2. **Forest conservation and restoration**
Brazil's Amazon rainforest is a treasure trove of biodiversity and plays an important role in mitigating climate change. The RA is developing projects to curb deforestation and improve the sustainability of forest management. Working with local communities and indigenous peoples, the organization provides a means to earn a living while properly managing forest resources.
3. **Climate change measures**
Deforestation and improper agricultural practices serve as causes of the acceleration of climate change. The RA conducts initiatives to curb these activities and aims to reduce carbon emissions and increase carbon sequestration.
4. **Empowerment of local communities**
Local communities and indigenous peoples in Brazil play an important role in the conservation of natural resources. The RA supports these communities and implements projects that combine environmental conservation with economic benefits.

RA Certification Mark: This mark is attached to products produced based on sustainable agriculture and forest management.

The RA aims to balance the environment and the economy, and its activities are particularly significant in a region as rich in nature as Brazil. Through the organization's projects, it aims for a future in which sustainable development and the protection of the natural environment are one and the same thing. RA certification is a comprehensive program aimed at achieving sustainable agriculture and responsible supply chains. To obtain this certification, farms and companies must meet the following key requirements.

< Requirements for farms >

1. **Environmental conservation**
Ecosystem protection: Promote the maintenance and restoration of the natural environment, including the preservation of forests and biodiversity, and the protection of water sources.
Pesticide management: Reduce the use of harmful pesticides, introduce Integrated Pest Management (IPM), and minimize environmental impacts.
2. **Workers' rights and welfare**
Safe and fair working conditions: Provide workers with safe working conditions and fair treatment and prohibit child labor and forced labor.
Community support: Emphasize cooperation with the community, including in terms of improving community welfare and supporting education.
3. **Agricultural productivity and sustainability:**
Sustainable agriculture practices: Adopt environmentally friendly agricultural practices, such as maintaining soil health and efficient use of water resources.
Adaptation to climate change: Implement measures to mitigate the effects of climate change and increase farm resilience.

< Requirements for companies >

4. **Responsible business practices:**
Supply chain transparency: Promote sustainable procurement by clarifying how products are produced and distributed.
Fair trade: Encourage producers to pay fair prices and build long-term partnerships.
5. **Environmental considerations:**
Efficient use of resources: Work to optimize energy and water use and reduce waste.
Climate change measures: Reduction of greenhouse gas emissions, the introduction of renewable energy, and other efforts to reduce environmental impacts.

These requirements are detailed in the RA's Sustainable Agriculture Standard, and in order to obtain certification, a farm must pass a rigorous audit conducted by an independent auditor. Through this process, producers and companies are expected to build sustainable business models while fulfilling their environmental conservation and social responsibilities.

(3) IDH

IDH²² is an international organization founded in the Netherlands. With offices around the world, the organization is working to improve the sustainability and inclusiveness of agricultural markets. The person we spoke with was in charge of soybeans and sugarcane, and we asked about the actual status of audits in Brazil.

It is said that Brazil's soybean and sugarcane laws and regulations are among the strictest in the world, and penalties for violations are severe. However, the actual auditing system is not sufficient, and issues remain regarding the effectiveness of the laws and regulations. Soybeans in particular, are subject to EUDR and Brazilian domestic regulations, which is said to be an important issue when it comes to export. The most serious problems have to do with logistics and ensuring traceability, with similar issues having been identified for sugarcane.

When it comes to the auditing system, the possibility of cases involving false reporting in order to pass an audit cannot be denied. In response to this situation, it is considered important to promote understanding and raise awareness through education, not just undertake crackdowns through auditing. With regard to soybean production in particular, it is said that the establishment of a sustainable production system has become a challenge given that responses to climate change are required alongside the striking of a balance between the economic development and the protection of human rights and the environment. Specific initiatives at IDH include the introduction of environmentally friendly production methods, such as those involving the minimizing of the use of pesticides.

Through these efforts, the organization aims to build a sustainable agricultural production system while going about raising awareness and making practical improvements among producers.

(4) Solidaridad

Solidaridad²³ is an international non-profit organization (foundation) with over 50 years of experience and has been active in Brazil for more than 15 years. Originally targeting banana growers, the organization now deals with eight different grains in Brazil, especially sugarcane in the state of São Paulo, yerba mate in the south, and so on. With a staff of 1,000 individuals worldwide and 80 in Brazil, the organization's main focus is on supporting producers in terms of economic, social, and environmental aspects.

Regarding the agricultural business and human rights situation in Brazil, the production in Brazil, with its vast land, is large in scale and highly dependent on market prices. Child labor is relatively low, environmental laws are strict, and 80% of the land is in need of protection with only 20% being available for activity. However, the vast land area makes it difficult to conduct audits, and there is said to be discrepancies between the strictness of the law and actual compliance. It has been pointed out amid such a situation that compliance with foreign regulations such as the EUDR is difficult in practice. Particularly with regard to deforestation, there are many gray areas when it comes to regulatory compliance because the definition of large forests is ambiguous and interpretations varies from region to region. An example of the vastness of Brazil is that the entire country of Germany is as large as a single Brazilian state, and attempts are being made to ensure traceability to manage such a vast land mass through means such as the attachment of photographs and stickers. When assessing deforestation, changes from 20 years ago are often used as a criterion, and since there have been no significant changes over the past 20 years in states such as Minas Gerais, an assessment can be made to the effect that no deforestation is present. Meanwhile, there are also reports of situations that lead to deforestation, such as those involving the development of other states and the expansion of soybean producers into indigenous areas.

There are significant differences among producers in their perceptions of deforestation. Some producers have a limited understanding of the importance of environmental protection, while others deny climate change itself. Although deforestation is less of a concern in Minas Geras because there are no areas available for expansion, changes that indirectly affect the environment have also been observed, such as the conversion of coffee plantations to sugarcane and the relocation of coffee production from one area to another due to climate change.

With regard to the human rights of indigenous peoples, it was stated that there were reports of cases involving pressure being felt by small producers and indigenous peoples due to political corruption and due to pressure being put on them by large producers. Under the previous government, there were no human rights protection activities undertaken for indigenous peoples, but now protection activities are gradually spreading through private sector activities (the lack of support from the U.S. is also cited as a factor). As an example of a failed attempt, Solidaridad attempted to use GPS to identify indigenous areas in the northern province of Maranhão. However, it was stated that

²² <https://idh.org/contact/brazil>

²³ <https://www.solidaridadnetwork.org/>

in the past, the organization had not been able to implement this due to relevant parties refraining from disclosing location information due to security concerns.

Regarding seasonal workers deployed for coffee harvesting, there are cases where workers themselves intentionally choose informal labor. This is attributed to the fact that formal employment contracts would make them ineligible for government benefits. Once a formal contract is signed, these benefits are terminated, and furthermore, the amount of take-home pay is reduced as premiums and pensions are deducted from the salary. This situation is especially clear when it comes to employment on small farms. As an example, it was stated that when accusations of improper payroll payments were made at a 200-worker farm, there was a case of backlash with 199 workers against one accuser, highlighting the reality that this practice is commonplace. In response to these issues, Solidaridad is conducting educational activities to raise awareness on elements such as harassment and pay disparities. In addition, small farms have less market negotiation power than large farms and face difficulties in when it comes to elements such as introducing new varieties, and support activities are being conducted to help solve these problems.

When it comes to a monitoring system for working conditions, Brazil operates a Dirty List system. Companies can be placed on this list if they are found to have inappropriate working conditions or illegal employment, but due to a lack of auditing systems, it is said that actual detection tends to rely on accusations brought forth by workers. Studies by the government can take several months, and if a violation is confirmed, the company in question will be ordered to pay for damages or provide refunds. Private-sector audits, on the other hand, are more rapid but do not include monetary compensation. In addition, as part of the certification system, companies are required to set up contact points for complaints. It was stated, however, that the effectiveness of these systems is highly dependent on the attitudes of companies themselves. As for the sugarcane industry, it requires a lot of labor during the planting and harvest seasons. Since 2014, pre-harvest burning has been banned in the states of São Paulo, Goiás, and Minas Gerais, and mechanization is underway. Solidaridad and UNICA (described later) are working together to provide agricultural training to workers who have lost their jobs since one machine can cover the labor of about 80 people. In the north, on the other hand, topographical constraints make mechanization difficult, and many migrant workers from other states are found there. It is said that in some cases, the progress of mechanization has been hindered by opposition from local residents who are concerned about the loss of jobs due to mechanization.

(5) UNICA

UNICA²⁴ is an industry association for the production of sugarcane, ethanol, and bioelectricity, formed in 1997 through the merger of organizations in the state of São Paulo following Brazil's sector-based deregulation. It is governed by a council composed of representatives from member companies and a team of experts. International offices were opened in the United States at the end of 2007 and in Europe in 2008, providing information to entities such as governments, NGOs, companies, consumers, and the media.

When it comes to sugarcane production, regional and climatic differences exist between the south-central and northern regions. In terms of harvesting methods in particular, the south-central region is seeing increasing mechanization, while manual harvesting is the norm in the north. This difference has a major impact on the environment and human rights. On the environmental side in particular, carbon dioxide emissions resulting from the burning of sugarcane (which is required during manual harvesting) are said to pose a challenge. In São Paulo, 98% of the harvest has become mechanized, with the remaining 0.02% being small farmers.

The audit system for working conditions and environmental protection has a multi-layered structure in Brazil. With regard to labor, a dual auditing system is in place (involving national government and state government audits), with national government audits being conducted by the Ministry of Labor and state government audits being undertaken by state labor inspectors. There are three tiers of environmental audits: national, state, and city. For the sugarcane industry in particular, there are also special audits conducted with respect to burning, which are conducted by a national fuel auditing agency. As for the scope of audits, labor audits may cover a 50 km radius from the location of the subject company, and environmental audits, for example, require the submission of a list of suppliers when it comes to pesticide use. If problems are found, the entirety of suppliers may become subject to an audit. In the south-central region of Brazil, there are relatively few labor problems due to mechanization and strict auditing, while in the north, manual harvesting is the norm and auditing is inadequate, so it is said that there is a high possibility of problems such as unfair labor contracts occurring at suppliers.

The organization also expresses concern that the Brazilian audit system is stricter than the international community recognizes, and that the only thing that tends to get reported on abroad are a portion of negative cases. It was said that, in fact, illegal activities are "rare" because sugarcane production is relatively easy to audit since it takes place near highways, and that multiple certifications are mandatory in the supply chains connected to major companies. It was stated that these auditing systems are the same for other agricultural products, such as coffee, and while the basic structure is similar, there are slight differences from crop to crop.

²⁴ <https://unica.com.br/en/>

The effectiveness of the certification system, especially when it comes to discrepancies between certifications and actual conditions in the coffee industry, constitutes an important issue. The main reason for this divergence is due to differences in labor laws in different countries. When a single international standard is applied to a whole country, legal and cultural differences between regions may cause discrepancies between the certification standard and local realities. To address this issue, some certification programs have adopted an approach that sets standards tailored to the labor laws of each country. It is hoped that this will serve to harmonize international certifications with local legal frameworks and result in a more effective monitoring and evaluation system. As for why sugarcane is not included in the EUDR, the exact reason is not known by UNICA, but the organization speculates that the reason may be that sugarcane is not exported in its raw state but is rather processed into ethanol or biomass for export. However, Brazilian domestic regulations cover sugarcane as well as soybeans and coffee, and certification is required for European exports. In addition, certification is always required for sales to major companies.

With respect to women's active participation, an example of the increasing scope of such participation was given as follows: As a result of the employment of women in machine operation training conducted from 2008 to 2012, it was found that harvesting was done more efficiently by female machine operators than male machine operators.

(6) Imaflora

Imaflora²⁵ is a non-profit organization founded in 1995. In Minas Gerais, the organization provides companies with information on audits and forest protection. Efforts are underway to ensure production while maintaining sustainability, and the organization is working with cooperatives to promote certification. They also strive to prevent risks and sometimes conduct audits at the request of branded companies such as Nestle. The organization has also focused on establishing a contact point for complaints and on efforts undertaken with other organizations in terms of certification training.

Regarding regional differences in terms of human rights violations, it was stated that the Cerrado region is flat and highly mechanized, resulting in fewer human rights violations, while the state of Espírito Santo has a higher risk of human rights violations due to its predominantly manual labor. The audits focus on compliance with the law, including when it comes to workplace safety, racial discrimination, availability of counseling services, child labor, and long working hours.

As for child labor, it was stated that there is still employment taking place through intermediaries called *gatos*, but also that the actual situation in terms of elements such as the proper payment of salaries cannot be confirmed. Areas with many problems include small farms in Espírito Santo, Bahia, and other states. It was stated that in some cases, the employment of seasonal workers through *gatos* is chosen because of the high cost burden that would be involved in hiring them. It was stated that while audits were strictly conducted on sugarcane plantations in the past, it is expected that the same audits will be conducted on coffee plantations in the future. Regarding follow-ups taking place after audits, in the case of government audits, a notice is issued, and if forced labor is confirmed to have taken place, remedial measures are implemented, or severance payments are provided to the subject individual. If there is no improvement seen, the employer's tax payment certificate is put on a blacklist. On the other hand, audits supported by Imaflora involve the provision of support with a correction period, and if no improvement is seen, the certification will be withdrawn. Specific violation cases which have been identified include those involving the failure to provide protective clothing, the provision of poor accommodation, and having workers working more hours than stipulated. It was stated that Imaflora has no legal authority to file charges, and that when it discovers serious violations, it reports them to its business partners and leaves the decision on what to do up to them. Regarding the strictness of the audit criteria, it was stated that RA is the most stringent, while C4 has more simplified requirements. In addition, consumer demand is cited as the main motivation for producers to obtain certification, and it is hoped that consumer awareness will be improved in the Japanese market as well.

(7) COOMAP

COOMAP²⁶ has been operating as a multi-functional agricultural cooperative in Paraguaçu for 68 years and is also involved in exporting abroad. Currently, the organization has dealings with 850 farms as partners, 50% of which are 5-10 hectares or smaller, and 20% of which are 10-20 hectares. For the past three years, the cooperative has been implementing projects in line with the EUDR and developing educational activities as a cooperative. In particular, it was stated that family farms, which account for 75% of the total, are easier to educate, but they also face challenges such as opposition to change and responses to climate change.

Regarding human rights issues on family farms, it was stated that the recognition of the situation is that human rights issues have essentially not occurred because the farms are operated on a family basis. For 25% of the farms with which the organization has dealings, COOMAP's labor department is responsible for education. The recognition of the organization is that while forced labor and irregular labor are reported by the media, those are rare cases in

²⁵ <https://imaflora.org/>

²⁶ <https://coomap.com.br/en/home-english/>

actuality. However, it was stated that there are cases seen here and there wherein workers choose to work irregularly to avoid losing their government benefits.

As for child labor, it was stated that it is not a serious problem in the Minas region. It was stated that the understanding of the organization was that children attend school and that they are essentially not subjected to heavy labor. A situation involving high school students helping out with farm work is considered acceptable as long as this takes the form of something like an internship. The person we interviewed mentioned that children basically spend the day at school, and that only in the case of high school students is help with work tasks sometimes undertaken. Regarding land rights in relation to the EUDR, the individual stated that the issue of land seizures has not arisen because there are no ethnic minorities living in the Minas area. While it is possible that occurrences such as the occupation of a quilombo area could take place, land development in Brazil is regulated by documents issued by the state. It was stated that indigenous people live in the northern part of the country and that COOMAP is working to expand awareness of land rights issues to all partners.

V. Summary

Through this study, we traced the supply chain of coffee beans from the production areas (farmers) to where beans are shipped in Japan and other countries, and conducted as much research as possible, through dialogues (with the proprietor and workers) undertaken pertaining to subjects such as working environments, working conditions, occupational health and safety, and deforestation, and also exchanged information and opinions with local institutions (industry associations, certification organizations, district agricultural associations, and NGOs).

We believe that we were able to communicate with many stakeholders in the coffee industry and hear about their activities and opinions on human rights and the environment thanks to the cooperation of Japanese business partners (importers) and of Ajinomoto and ITO EN, who participated in this study.

The information obtained from this study shows that the risks in terms of human rights in the Brazilian coffee industry include: (1) working conditions and living conditions for seasonal workers during the peak season, (2) the existence of brokers and agents for seasonal workers, (3) engagement in short-term work without formal employment procedures being undertaken (although in some cases, this is the worker's own choice), and (4) occupational health and safety deficiencies such as those having to do with pesticide management warehouses and dormitories. Attention also needs to be paid to the presence of child labor, which did not emerge during this study but was pointed out in the reports of local NGOs and during preliminary desk research. This visit reaffirmed the importance of visiting during the harvest season when seasonal laborers are working and checking local sites (since this was not the coffee bean harvest season, we look forward to the next visit). In addition, occupational health and safety issues may be mitigated through cooperation with local institutions (Brazilian government, NGOs, etc.), and Japanese companies should consider providing support.

During interviews with stakeholders, including farm proprietors, we confirmed that the Brazilian government's labor policy has been strengthened, and laws have become stricter. On the other hand, there is a slight gap between the speed at which laws are being tightened and the responses undertaken in the field, and it seems that NGOs, industrial organizations, and agricultural cooperatives are working to close this gap. In Brazil, coffee is an important industry, and we feel that public and private sectors are working together, but we cannot say that all the issues have been resolved. However, we could definitely see that efforts to improve the situation are beginning to permeate the industry (including among small farmers).

Although no significant human rights violations were found in the supply chain within the scope and during the timing of this on-site study, monitoring and the provision of necessary information must be continued as activities which serve to contribute to business and human rights on the buyer side.

VI. Recommendations from the ASSC

Based on the visit to Brazil, the ASSC offers the following recommendations to Ajinomoto and ITO EN.

- * These recommendations are made with the collaboration of two companies in mind, not just an individual company. The ASSC believes that a collaboration of a larger number of companies is more effective than a single company's activities, given that such collaborations allow for dialogue to take place with a wider range of stakeholders and also results in a greater influence on general market purchases and collection-based supply chains.

In addition, we believe that by providing training and implementing measures in collaboration with other Japanese companies, Japanese companies will be able to increase their presence internationally in a manner where the efforts undertaken will also be recognized as sustainable activities of Japanese companies and individual companies.

Recommendation 1: Perform human rights due diligence on a continuous basis

- Conducting of another visit during harvest season and holding of dialogue with seasonal workers
 - Improvement of transparency in the supply chain (e.g., implementing supply chain transparency questionnaires)
 - Confirmation of sources of short-term or seasonal labor (conducting labor-related and supply chain-related due diligence)
 - Identification of prime procurement sources (dispatch companies, intermediaries, agents, etc.)
 - Continuous supplier monitoring
 - Support for business partners and local stakeholders (awareness-raising activities)
- < Examples of themes >
- Improving productivity through labor-management relations
 - Creation and dissemination of information on best practices at suppliers
 - Establishment of grievance resolution consultation services and dissemination of information on the purpose of said services
 - Formulation of a policy for seasonal workers (migrant worker/foreign worker policy) and providing of information to suppliers in relation thereto
 - Provision of pesticide use management training to reduce environmental impacts
 - Provision of occupational health and safety training (ensure that personal protective equipment is worn and require more equipment than the law requires)

Recommendation 2: Utilize sustainability-certified products and good suppliers (that address human rights and environmental issues)

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