

Third-party Opinion



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There are two key aspects to assessment of CSR reports: the propriety of CSR initiatives themselves and the quality of disclosure in the

report. Viewed from these perspectives, I believe the ITOCHU Corporation's CSR Report has several notable features, as follows.

To begin with initiatives to CSR themselves, I think the President's commitment conveys ITOCHU Corporation's strong determination to deal with CSR as a major management task. In his commitment, President Kobayashi delivers a simple admonition of avoiding wrongdoing and falsehood to ITOCHU employees as businesspeople in pursuit of fulfilling the corporate credo of being "Committed to the global good." These days, when reports of product mislabeling and other unethical corporate acts are a virtually daily occurrence, his straightforward comments struck me as words I could really trust.

I was also favorably impressed by the inclusion of responses by members of the top management in the abstract from the stakeholder dialogue. In Japan, companies often stage dialogues with stakeholders but fail to put the results into practice. I take the management responses to this dialogue as a form of commitment that plays the key role of guaranteeing reflection of the results on their action.

At ITOCHU, CSR is distinguished by efforts to build a sustainable society through its core businesses. In line with this policy, CSR is built into the management plans, and specific action plans on CSR are formulated by each Division Company. ITOCHU also held the conference on the corporate credo to discuss issues between labor and management, and probes ways to permeate and embody the credo in the organization. The existence of such a definite policy, deep involvement by the top management, and awareness sharing by all in the organization are each

indispensable elements for CSR endeavors. They all lend credence to the President's assertion that CSR is a key management priority.

In the disclosure aspect, I was impressed with the care taken in preparation of the report. In recent years, the focus of reports on corporate responsibility has rapidly been shifting from the environment to CSR. In the process, companies tend to focus on creating a good image by publishing CSR reports, and this is resulting in a deterioration of the information disclosed. ITOCHU's report, in contrast, paints a both detailed and systematic picture of its overall CSR activities. As such, it must be termed a high-quality work as a CSR report.

Nevertheless, the report also has some shortcomings that must be pointed out. I think the most important thing has to do with the efficacy of the initiatives. CSR fulfillment requires organized action. Good results cannot be expected unless activities are controlled companywide by the strong leadership at the top.

In ITOCHU's case, however, it is the Division Companies that take a lead in CSR activities, as they do for business operations. Apart from companywide, interdivisional measures, the autonomy of these Division Companies appears to be high. It is not entirely clear from the report why the agenda noted in the statement of commitment by the president of each Division Company were taken up in the context of the corporate-wide CSR policy. Ordinarily, to address the broad spectrum of CSR issues with limited business resources, a company must identify the most important issues and take priority initiatives for them. The action plans of the Division Companies do not manifest this kind of logical process, and seem to have a weak connection with the policy held by the top management. In future efforts, I am looking forward to improvement in this respect.

CSR Report 2007 editing task force member

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