

CSR and Our Business

CSR at the Textile Company

Medium- to Long-Term Growth Strategies

Our scope of business covers the entire area of lifestyle categories, and, as a customer-oriented marketing company, we have developed businesses that cover the entire textile industries, from raw materials / fabrics to garment manufacturing, brands, and industrial materials.

In Japan, with our expertise in developing brands, we are expanding further from fashion to the entire area of lifestyle categories. Furthermore, we are planning to strengthen life & healthcare businesses as well.

We will continue to promote brand businesses overseas in North America, Europe, and China. In addition, we will also accelerate brand development in emerging countries in the ASEAN region, the Middle East, and Latin America, where consumer markets are expected to expand. Furthermore, in Asia we will enhance our production capabilities to meet our customers' needs.



Hitoshi Okamoto
President, Textile Company

CSR at this Division Company

A marketing company that adopts a social perspective

In its CSR activities, the Textile Company places a top priority on further improving the safety of its products and services as well as customer satisfaction. It also strives to promote society- and environment-friendly businesses and expand its CSR activities into our group companies.

CSR Action Plans

■ Key points of our FY2014 action plans

We will continue conducting monitoring surveys of overseas manufacturing plants belonging to group companies, and will target further advancements in supply chain management through employee education. We will also continue to promote society- and environment-friendly businesses.

Divisions/ Departments	CSR Issues/ Societal Issues	FY2013 action plans	Status*	FY2013 results	FY2014 action plans	Basic Policies for CSR Promotion
All Divisions	Supply chain management	Pursue stronger supply chain management across all business divisions and also conduct site visit surveys among Group companies.		At ITOCHU alone, sales representatives visited 20 suppliers to conduct surveys.	Visit suppliers and conduct surveys to enhance supply chain management. Select 20 suppliers from the sales sections of ITOCHU itself and a total of three Group companies which conduct survey of their suppliers, and seek to resolve social issues.	3. Supply Chain
All Divisions	Promote environment-conserving businesses	Promote environment-conserving businesses across all the business divisions. Expand the businesses of pre-organic cotton project, promote to develop "Fashion Earth PROJECT", and other.		<ul style="list-style-type: none"> The Pre Organic Cotton Program was approved as an initiative of BCtA. The Fashion Earth PROJECT has expanded, and now boasts 16 participating companies and 52 participating brands. 	Promote environment-conserving businesses <ul style="list-style-type: none"> Expand the businesses of pre-organic cotton project Promote to develop "Fashion Earth PROJECT", and other. 	2. Social issues

<p>All Divisions</p>	<p>Strengthen response to customers and consumers</p>	<p>Deepen understanding and raise awareness of compliance through seminars at Group companies of the Textile Company, strive to prevent a variety of societal issues.</p>	<p>At the Group companies of the Textile Company, instructors were dispatched to conduct training. By deepening understanding of compliance and raising awareness, compliance issues were fully disseminated to ensure that various risks can be monitored.</p>	<p>Endeavor to educate employees, deepen their awareness and prevent various risks by actively taking part in Headquarters-organized seminars, training and industry lectures.</p>	<p>4. Education</p>
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※ : Achieved : Nearly achieved : Unachieved

Major CSR Initiatives

■ Pre-Organic Cotton Program

ITOCHU and KURKKU Co., Ltd. jointly plan and operate the Pre Organic Cotton Program, which helps farmers in India to transfer cotton farming to organic cotton cultivation. The program aims to stop the vicious circle of environmental damage, health hazards, and economic burdens on farmers caused by pesticides and chemical fertilizers. To that end, the program includes giving guidance on organic farming and supporting acquisition of organic farming certificates during a three-year transition. Since the program began in 2008, 2,346 farming households have taken part, and 1,184 of these have acquired organic farming certificates. In addition, with products from upward of 40 companies, including apparel and natural cosmetics manufacturers, having been introduced, in 2012 the volume of cotton handled reached 1,000 tons. In 2013 initiatives with major customers are expected to driver higher POC sales and an expansion of the POC market, and to generate volumes of 1,500 tons. In 2012, the project was approved as an initiative of the Business Call to Action (BCtA), which is a global initiative led by the United Nations Development Programme (UNDP) as a business achieving commercial activities and sustainable development. Moving forward, we will work to further expand the Pre Organic Cotton Program, supported by understanding and empathy among companies, organizations, and consumers.



Cotton harvesting on one of our farms in India



Please refer to the pages 15-16 for more about Pre Organic Cotton.

■ A platform for environmental conservation activities in coordination with consumers - Fashion Earth PROJECT

Amid the advance of global warming, efforts aimed at environmental conservation have become a major challenge facing companies in the apparel industry. In response, in 2010 ITOCHU Corporation worked in conjunction with Hakuodo DY Media Partners, Inc. to launch the Fashion Earth Project (FEP), an environmental conservation activity that spans the apparel industry.

Using CO₂ emission credits from a number of sources, including an UN-certified wind power generation project in India, the project began selling hang tags incorporating CO₂ emission rights (blue FEP hang tags) to apparel manufacturers. Additionally, in 2011, with the cooperation of more trees, a general incorporated association operating forest conversation activities (representative: Ryuichi Sakamoto), FEP began offering green FEP hang tags to contribute to domestic forest conservation efforts.

Since FEP allows the development of environmental conservation activities in coordination with consumers through messages on hang tags, by January 2013 the tags had been adopted by 53 brands across 17 apparel manufacturers, leading to a reduction of 4,220 tons in CO₂ emissions.

By deploying this knowledge in a variety of projects in the future, ITOCHU will further develop the platform for environmental conservation activities that bring together a diverse range of stakeholders including manufacturers, consumers and NPOs.



Fashion Earth PROJECT

CSR Initiatives by Major Group Companies

■ Supporting the Biodiversity Conservation Activities of Hunting World

Towards achieving the “coexistence with nature” advocated by its founder, Hunting World supports the biodiversity conservation activities being pursued by NPO Borneo Conservation Trust Japan in Borneo, situated in South East Asia.

The Trust is engaged in a range of activities to ensure that a sustainable global environment in which people and nature coexist can be handed down to the next generation, and its efforts are particularly focused on the Green Corridor Plan, an initiative to restore migratory pathways that link sections of forest, allow wild animals to come and go and connect ecosystems, which have been fragmented by the rapid expansion of palm oil plantations in the area.

To support these activities, Hunting World has designed charity goods and contributes 1% of their proceeds to the cause. Recently, progress has been made establishing a wild animal rescue center, a facility for the temporary protection, treatment and taming of Bornean elephants, and part of the support funds raised from the charity goods are being utilized for this purpose.

Going forward, Hunting World will continue to promote initiatives for enabling our co-existence with nature.



Borneo bag by Hunting World



Panoramic view of the rescue center

CSR at the Machinery Company

Medium- to Long-Term Growth Strategies

We will continue to pursue IPP, water supply, environmental, and other social infrastructure businesses with consideration for environmental impact. We will also augment our earnings platform through the marine business, aircraft leasing, and retail finance of automobiles and construction machinery. At the same time, we will bolster and accelerate our operational initiatives in new growth business areas that will become primary sources of future earnings. We will strive to maximize our earnings from trade related / peripheral to acquired assets and investment. In healthcare, under the medical value chain concept we will further expand trade in domestic and overseas markets.



Takao Shiomi
President, Machinery Company

CSR at this Division Company

Assuming the role of providing prosperity to the next generation through environment-conserving businesses

With the aim of handing down a better global environment to the next generation, we promote environment-conserving businesses and strive to contribute to the realization of a sustainable, healthy society that is in harmony with the environment.

CSR Action Plans

■ Key points of our FY2014 action plans

In FY2014, we will continue our commitment to implementing management considering environmental and CSR issues. We will also aggressively work on businesses related to renewable energies including wind power and geothermal, participating in Energy from Waste projects as well as water-related projects including desalination. Furthermore, we will supply local governments and related organizations in Japan with equipment to prevent epidemics and protect against disasters, conduct awareness-raising activities and endeavor to help maintain a sense of well-being in society.

Divisions/ Departments	CSR Issues/ Societal Issues	FY2013 action plans	Status*	FY2013 results	FY2014 action plans	Basic Policies for CSR Promotion
Plant Project, Marine & Aerospace Division	Conservation and development of water resources; supplying of safe, clean water	Participate in desalination plant projects and water/wastewater businesses		Construction for desalination project in Melbourne was completed.	➔ Work on desalination, water supply and sewage projects.	2. Social issues
	Effective use of renewable energy	<ul style="list-style-type: none"> Introduction of binary technology developed by Ormat Technologies Inc. to geothermal power generation in Japan Supply clean electric power through wind power generation businesses 		<ul style="list-style-type: none"> Promoted the introduction of Ormat binary technology to Japan and won contract for Kyushu/Ibusuki project. Completed procedures for transition to FIT system for Horonobe wind power project. 	<ul style="list-style-type: none"> Introduction of binary technology developed by Ormat Technologies Inc. to geothermal power generation in Japan Supply clean electric power through wind power generation businesses 	2. Social issues
	Improve convenience and safety in the air transportation business area	Propose state-of-the-art security systems, mainly to government agencies responsible for safeguarding and managing critical infrastructure, such as airports, customs, police, and Self-Defense Forces.		Conducted aggressive proposal activities for commercial security products including large machinery and radar.	➔ Continue promoting the same measures	5. Local and international community
	Maintain and improve public health				➔ Participate in Energy from Waste Projects (EfW).	2. Social issues

Automobile, Construction Machinery & Industrial Systems Division	Better communication with stakeholders	Contribute to society through improved CS, safety and energy efficiency by continuously holding seminars on ways to improve transportation efficiency, reducing accidents, fuel-efficient driving, and other topics	🌱	Planned and implemented seminar titled "Better Mileage and Safe Driving Training" in conjunction with automobile manufacturer.	➡️	🔄 Continue promoting the same measures	1. Communication
	Promote environment-conserving businesses	Promote equipment to help reduce the energy consumption and conserve the environment, such as battery storage systems and LED lighting.	🌱	Expanded sales of battery storage systems to hospitals, mega solar operators, businesses, regular households and other customers, and promoted the widespread adoption of LED lighting.	➡️	Promote equipment to help reduce the energy consumption and conserve the environment, such as battery storage systems and LED lighting.	2. Social issues
	Support for measures against disaster	Supply disaster equipment to local governments, Self-Defense Forces, police, fire departments, and others. Spread information about disasters by carrying out awareness-raising activities in cooperation with Japan Medical Partners, a consortium of various companies.	🌱	Supplied disaster equipment to local governments, hospitals, fire departments and others, provided related information, and cooperated with workshops on measures against infectious diseases for local governments (held in December) through Japan Medical Partners.	➡️	Supply disaster equipment to local governments, Self-Defense Forces, police, fire departments, and others. Spread information about disasters by carrying out awareness-raising activities in cooperation with Japan Medical Partners, a non-profit organization consisting of private companies.	4. Education

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Major CSR Initiatives

■ Participating in a Geothermal Power Generation Plant in Indonesia

In April 2013, we concluded an energy sales contract with Indonesia's state-owned electricity company for a 330-MW geothermal IPP project in the Sarulla district of Northern Sumatra in Indonesia.

Geothermal power generation is a technology for generating electricity using high-temperature and high-pressure steam and hot water extracted from geothermal reservoirs deep underground. Geothermal power enables almost indefinite use by reinjecting ground water properly back into the reservoir, and is a renewable energy whose future utilization holds promise around the world. It has less impact on the environment since CO₂ emissions during generation are very small, it is also capable of stable supply throughout the year since it is not affected by weather, unlike other renewable energy resources.



Scene of the signing ceremony

■ The Second Project of Energy-from-Waste in England

In March 2013 ITOCHU participated in SITA Cornwall Holdings Limited, a waste management PFI partnership in Cornwall (located around 350 kilometers to the west-southwest of London), England. Under the project, waste management services will be provided over the next 26 years. This marks ITOCHU's second Energy-from-Waste PFI project after the South Tyne and Wear Waste Management Partnership it joined in April 2011. ITOCHU will utilize the experiences gained through these projects to help reduce its environmental impact through participation in Energy-from-Waste projects in the future.



Cornwall Waste Incineration and Power Generating Plant

■ World's Largest Wind Farm Goes into Operation

The Shepherds Flat Wind Project (845 megawatt) in the State of Oregon, the United States, has been in full operation since 2012. It is one of the world's largest wind farms, able to supply electricity to more than 235,000 average U.S. homes, and helps to achieve a reduction of 1.48 million tons of carbon dioxide per year, equivalent to the annual amount of carbon dioxide from approximately 200,000 passenger vehicles. This project is the second project implemented under the memorandum on business collaboration concerning co-investment in renewable energy worldwide, concluded between ITOCHU and General Electric Company. Moving forward, the Machinery Company will continue to actively seek out investment opportunities for wind power generation projects through cooperation with various companies.



The Shepherds Flat Wind Project

■ Supporting disaster control by supplying medical equipment

We supply equipment for disasters to local municipalities, Self-Defense Forces, police, and fire department, etc. Japan Medical Partners, for which ITOCHU is the leading member, is a non-profit organization consisting of private companies. It helps ensure the continued provision of medical services at times of disaster and supports local municipalities in educational activities and operations involving countermeasures against infectious diseases and disasters.

We create "products and services," "information," and "operational knowhow" by combining and merging the functions of member companies of Japan Medical Partners. By providing them, we spread the correct knowledge about disasters daily, help take related initiatives, and help ensure the continued provision of medical services in the event of disaster.



A training session for healthcare workers on measures for preventing infections

CSR at the Metals & Minerals Company

Medium- to Long-Term Growth Strategies

The Metals & Minerals Company is working to expand its equity interests in order to secure stable supplies of metals and mineral resources underpinning the industrial framework. In addition, we are working to build a value chain that starts from equity interests and to create added value in the trade business by leveraging the ITOCHU Group's comprehensive strengths. Furthermore, we are working to secure non-ferrous metals, rare metals, rare earth metals, and other natural resources that have become increasingly difficult to procure in recent years. In response to growing international concern with environmental problems, we are also actively involved in such areas as solar power; biomass fuels-related business; and the trading of greenhouse gas emission credits.



Ichiro Nakamura
President, Metals & Minerals Company

CSR at this Division Company

Promoting CSR through the development and stable supply of mineral resources

We promote CSR with the entire ITOCHU Group, while pursuing the following missions:

- 1) development and stable supply of mineral resources; and
- 2) initiatives for solar- and recycling-related businesses that are ecological to the earth.

CSR Action Plans

■ Key points of our FY2014 action plans

As a global company, we will promote environmental management both domestically and at overseas Group companies. As well as promoting the consideration of safety and environmental factors with partner companies when we engage in the development and exploration of mineral resources, we will take on the challenge of businesses that are friendly to the global environment, such as solar businesses and other initiatives aimed at the sustainable utilization of resources. We will also continue to promote CSR education and training based on the social issues facing the industry.

Divisions/ Departments	CSR Issues/ Societal Issues	FY2013 action plans	Status*	FY2013 results	FY2014 action plans	Basic Policies for CSR Promotion
Metals & Mineral Resources Division	Ensuring safety in mining and exploration businesses	<ul style="list-style-type: none"> Start implementing the Environment, Health and Safety (EHS) guidelines. 		Started implementing EHS guidelines when considering projects and made amendments based on actual circumstances while ensuring organizational members understand the details and thoroughly disseminating information on the implementation.	→ (Transferred to all divisions)	<ul style="list-style-type: none"> 3. Supply Chain 4. Education
	Appropriate treatment of wastes, and prevention of ozone destruction	<ul style="list-style-type: none"> Expand the penetration of electronic manifest software for industrial waste management. Maintain the system for the proper disposal of greenhouse gases (fluorocarbons) and improve the monitoring system. 		<ul style="list-style-type: none"> Continued to verify introduction of electronic manifests for each division company as waste-discharging enterprises and implemented trial introduction at some of them. Received reports each month from waste handling contractors throughout the year, built database and continued to share information with stakeholders. 	→ <ul style="list-style-type: none"> Expand the penetration of electronic manifests (electronic industrial waste management) to Group companies and client companies. Maintain the system for the proper disposal of greenhouse gases (fluorocarbons) and improve the monitoring system. 	<ul style="list-style-type: none"> 2. Social issues 4. Education

Coal, Nuclear & Solar Division	Exploring environment-friendly energies and providing a stable supply of them	Strive to reduce the impact of coal extraction and mining on the environment (together with JV partners).	☘	Worked in coordination with JV partners.	➡	Share the thorough implementation of safety management during coal mining and exploration with JV partners.	1. Communication 3. Supply Chain 5. Local and international community
	Exploring environment-friendly energies and providing a stable supply of them	Actively promote projects that help realize a low-carbon society, and expand the supply of energy with a low environmental impact.	☘	<ul style="list-style-type: none"> Promoted development and installation of mega solar projects in Japan and overseas. 	➡	Actively promote projects that help realize a low-carbon society, and expand the supply of energy with a low environmental impact.	2. Social issues 5. Local and international community
All Divisions	Further strengthening supply chain management and advancing CSR initiatives at a group-wide level	Continue to examine and check supply chains, conduct environmental enlightenment activities for business partners, and raise awareness of CSR among overseas Group companies.	☘	<ul style="list-style-type: none"> Conducted surveys of targeted companies to confirm that no CSR-related problems were present. Conducted awareness-raising among partners. 	➡	Continue to examine and check supply chains, conduct environmental enlightenment activities for business partners, and raise awareness of CSR among overseas Group companies.	3. Supply Chain 4. Education
	Ensuring safety in mining and exploration businesses				➡	<ul style="list-style-type: none"> Continue implementing the Environment, Health and Safety (EHS) guidelines. 	3. Supply Chain 4. Education

☘☘☘☘ : Achieved ☘☘ : Nearly achieved ☘ : Unachieved

Major CSR Initiatives

■ Integrated Recycling Business at Dalian Changxing Island, China

In 2010, the Metals & Minerals Company, together with a major Japanese recycling company and Chinese partners, established an integrated recycling business primarily for steel scrap, Dalian New Green Recycle & Resources Corporation, at Dalian Changxing Island Harbor Industrial Zone, the gateway to the China's Northeast. The business promotes the recycling of metal resources with cutting-edge technologies and is the first foreign company to have acquired certification as a Model Facility for a Scrap Steel Delivery Center by an industry group. It is the only recycling facility licensed by the Chinese Government at Dalian Changxing Island Harbor Industrial Zone, and as China's first large-scale integrated recycling center, the aim is for the facility to serve as a model for future recycling centers in China.



The state-of-the-art ultra-large shredder equipment is made in the United States and boasts 6,000 horsepower

■ Construction Started on One of Africa's Largest Solar Power Plants in South Africa

In the first and second bids for solar power generation projects conducted by South Africa's Department of Energy, Norway-based solar power generation system integrator Scatec Solar, where ITOCHU Corporation owns a 37.5% stake, was selected for solar power generation projects with a combined output of 190 MW, and subsequently concluded an agreement with the South African state-owned power utility Eskom to sell power for a period of 20 years. The South African government has established a target of increasing its total power generating capacity up to 85 GW by the year 2030 and plans for renewable energies to account for roughly twenty percent of the increase. This project is being conducted as a part of this effort.

A financing agreement has been established with a local bank, and construction is underway with the aim of starting operations in 2014. Under the project, a 265-hectare site will be carpeted with more than 750,000 solar panels, expected to generate over 370 GWh annually. As well as covering the energy consumption of the equivalent of 88,000 homes, this is expected to have an annual CO₂ reduction effect of 315,000 tons.

With this project, Scatec Solar has firmly established its position in Africa as a solar power generation system integrator involved in all facets of solar power plants from development to construction and ownership.



The 75-MW solar power generating system selected in the first bid, currently under construction

CSR at the Energy & Chemicals Company

Medium- to Long-Term Growth Strategies

Energy Area

In development, we plan to expand existing projects and participate in promising new projects while minimizing risks, leveraging our expertise to expand our business in this area. With regard to trading, we will continue to expand the traditional flow of business—importing and wholesaling products from the Middle East to countries in Asia. Meanwhile, we will take advantage of the opportunity presented by growing unconventional crude oil and gas production in North America to encourage the new flow of trade from North America to Asia. We will also work to expand our trading business by utilizing our natural gas interests in North America.



Yuji Fukuda
President, Energy & Chemicals Company

Chemicals Area

Based on worldwide trading operations in the areas of organic chemicals, plastics, and fertilizer and other inorganic chemicals, the division will advance projects in upstream areas to secure competitive raw materials. In addition, in downstream areas the division will take steps to expand its business and bolster its supply chains, especially in the retail including pharmaceuticals, plastics processing, and electronic materials areas.

CSR at this Division Company

Promoting CSR through environmental preservation and the stable supply of high-quality products

Affording maximum consideration to the environment, we ensure safe and secure high-quality products, as well as their stable supply and contribute to the realization of a sustainable society through the development of energy resources and infrastructure, the securing of upstream products and materials and the strengthening of downstream supply chains.

CSR Action Plans

■ Key points of our FY2014 action plans

Our group promotes businesses that are friendly to the global environment such as bioethanol, renewable natural energy, DME, and lithium battery-related projects as well as the stable securing and supply of energy resources through the development of conventional oil fields. We will also continue to provide education on related laws, regulations and safety tips to energy and chemical products.

Divisions/ Departments	CSR Issues/ Societal Issues	FY2013 action plans	Status*	FY2013 results	FY2014 action plans	Basic Polices for CSR Promotion
Energy Division No. 1&2	Promoting initiatives to prevent accidents and protect the environment effectively, and contributing to local communities	<ul style="list-style-type: none"> Conduct regular seminars to promote a broad awareness of security management in ship chartering. Promote energy businesses with low environmental impact. Build, maintain, and strengthen good relations by making educational and cultural contributions to the local communities where project sites are located. 		<ul style="list-style-type: none"> Held workshops and training on practical operations for employees. Repeatedly confirmed HSE (Health, Safety & Environment) status at partner meetings, and continued safe operations. Donated PCs and other equipment to orphanages in provincial cities in Azerbaijan. And conducted charitable donation activities. 	<p>Further enhance employee training to prevent accidents, encourage operators through steering committees and environmental councils to achieve environmental measures. Engage in initiatives such as community dialogue and regional contribution in regional areas of project sites.</p>	<ul style="list-style-type: none"> 2. Social issues 4. Education 5. Local and international community
	Measures to reduce CO2 emissions	Increase bioethanol production taking local environment into account.		Crushed sugar cane to produce ethanol, renewable energy. In addition, all electric power consumed at plants used sugar cane bagasse. Endeavored to reduce CO2 emissions.	<ul style="list-style-type: none"> Promote businesses that conserve the environment. Promote businesses that produce plant-derived energy. 	<ul style="list-style-type: none"> 2. Social issues

Chemicals Division	Management of hazardous and harmful chemical substances	Host a full range of seminars and training (training sessions and guidebook distribution) on the amended Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and similar laws in Japan and overseas in an effort to share information and boost consciousness around legal and regulatory compliance.		In addition to workshops such as education for personnel with specific duties, provided instruction on laws and regulations related to chemical substances to sales organizations operating under divisions through daily business, and endeavored to improve division-wide awareness of related laws and regulations and boost consciousness around legal and regulatory compliance.	Conduct in-house training by holding a range of workshops aimed at thoroughly disseminating information about laws and regulations related to chemical substances such as the amended Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and promote the sharing of information with overseas subsidiaries.	3. Supply Chain
	Procure safe and reliable products	Expand transactions in lithium-ion battery-related businesses (lithium resources, battery-related materials and parts).		Invested in Toda Kogyo Corp., a leading company in the field of lithium-ion battery cathode materials (retaining 20.7% of issued shares in the company).	Expand and increase sophistication of the lithium-ion battery component business.	2. Social issues

※  : Achieved  : Nearly achieved  : Unachieved

Major CSR Initiatives

■ Initiatives in the Development of U.K. North Sea Oil Fields Aimed at Secure Stable Resources

For new cluster of oil fields (Western Isles Development Project, "WIDP") discovered at a block owned (23.08% ownership ratio) by CIECO Exploration and Production (UK) Limited (100% owned subsidiary of ITOCHU Corporation) in U.K. North Sea, ITOCHU Corporation decided to make a joint investment with block operator Dana Petroleum (E&P) Limited. Subsequently, the development plan was approved by the British government in December 2012. Since 1993, ITOCHU has engaged in oil development projects in the North Sea, including the additional acquisition of Alba Oilfield interests in 2005, and strived to secure a stable supply of resources. ITOCHU has taken part in the WIDP since exploratory drilling was carried out in 1996, and the project has now transitioned to the development phase. With production commencing in 2015, the volume from ITOCHU's oil and gas interests is expected to increase to approximately 10,000 barrels / day (during peak production). Utilizing the technical and commercial expertise developed in the North Sea, ITOCHU aims to transition the WIDP into production and further expand its operations.

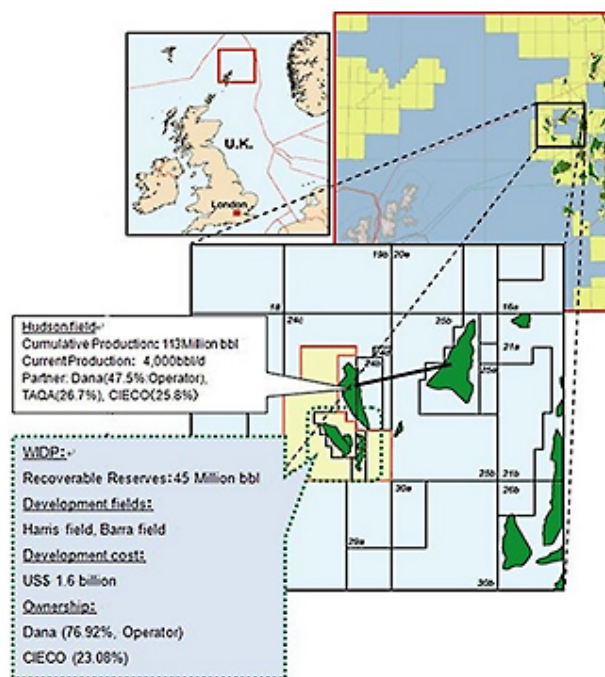


Diagram showing the WIDP Mining Block

■ Food Stability through Fertilizer Manufacturing and Sales Business

ITOCHU has acquired shares in Agromate Holdings Sdn Bhd ("Agromate"), one of the largest fertilizer manufacturers and distributors in Malaysia. Maintaining seven distribution centers in Malaysia and two in Indonesia, and handling around 1.3 million tons of fertilizer annually, Agromate is one of the largest fertilizer distributors in Malaysia and Asia. The company also owns an NPK (nitrogen, phosphoric acid and potassium) fertilizer plant boasting a production capacity of 200,000 tons annually in Sabah, Malaysia. The demand for fertilizer in Asia is expected to expand in the future, particularly in countries like China and India, and from a global perspective, the demand for fertilizer



Agromate products

resources will likely tighten in the medium-to-long term through the increased demand for food associated with population growth. By investing in new fields of fertilizer resources and building a robust Asia-centric sales structure on a joint basis with Agromate, ITOCHU is playing a part in ensuring the stable supply of food.

■ Initiatives in Lithium-ion Battery-related Business

The Chemicals Division is focusing on lithium-ion batteries, where demand is expected to grow for use in electric vehicles and hybrid vehicles, with business advances made to date in the area of component and materials production.

Through Simbol Materials, a U.S. company in which ITOCHU invested in June 2010, ITOCHU participated in the production of high-purity lithium carbonate for lithium-ion batteries (LiB).

Simbol is developing and promoting operations whereby lithium compounds are produced by extracting lithium from used geothermal brine at geothermal power plants. Simbol's manufacturing technology is being further developed and refined ahead of commercial production.

High-purity lithium carbonate is used as a raw material for electrolyte salts (LiPF₆) used in electrolyte solution, one of the main components for LiB. It is used in LiB for electric cars, for which a demand is expected to grow rapidly in the near future, as well as in stationary rechargeable batteries and in the clean energy field.

Also, together with KUREHA Corporation and KURARAY Co., Ltd., we are involved in the joint development and commercialization of hard carbon for LiB anode material including "Biocarbon", a new hard carbon material derived from plants.

Please refer to the pages 17-19 for a featured article, the Documentary Report Project on Supply Chains vol.5, Producing Lithium-Ion Batteries.



Geothermal brine well in southern California

CSR at the Food Company

Medium- to Long-Term Growth Strategies

In the implementation of the Food Company's SIS strategy, we have further accelerated our initiatives, including capital / business alliances in the retail sector and integration of Group companies in the distribution and marketing area in Japan (Step 1). We have also broadened the foundations for our SIS strategy through its horizontal extension and development across the food value chain overseas. We have achieved this through joint initiatives with strategic partners in China and other Asian countries such as TING HSIN (CAYMAN ISLANDS) HOLDING because we recognize that although the Japanese market is shrinking due to a falling birthrate and an aging population, demand in fast-growing emerging countries is rising (Step 2). The recent acquisition of the Dole businesses will enable the Food Company to organically combine its existing food value chain with Dole's global brand and production and sales network. To accelerate the rollout of our global SIS strategy, we will expand sales of existing products and develop new products and businesses that leverage the Dole brand (Step 3).



Yoshihisa Aoki
President, Food Company

CSR at this Division Company

Responding to the needs of consumers and society with environmental consideration

We aim to conduct quality businesses that can contribute to society by ensuring a stable supply of safe products, checking multiple aspects of food safety, and paying attention to preserving the environment. In this manner, we strive to earn the trust of our customers and local communities.

CSR Action Plans

■ Key points of our FY2014 action plans

We will continue advancing initiatives that meet a variety of societal needs, such as ensuring the stable supply of food resources, protecting the environment, strengthening convenience store functions as social and lifestyle infrastructure, developing healthier foods and improving inspection systems to ensure food safety.

Divisions/ Departments	CSR Issues/ Societal Issues	FY2013 action plans	Status*	FY2013 results	FY2014 action plans	Basic Policies for CSR Promotion
All Divisions	Improve the level of food safety and compliance management	<ul style="list-style-type: none"> Verify compliance with food safety management manual/compliance program. Support food safety management for business partners in China. 		<ul style="list-style-type: none"> Visited each department and office to conduct a food safety and compliance audit. Visited the manufacturing plants, restaurants, and suppliers of business partners in China to conduct a food safety audit, and gave advice and proposed improvements. 	<ul style="list-style-type: none"> Verify compliance with food safety management manual/compliance program. Support food safety management for business partners in China. Compliance management support regarding Dole business 	1. Communication
Provisions Division	Ensure a stable supply of safe and reliable raw materials	<ul style="list-style-type: none"> Promote a food-resource procurement business and establish stable supplies. Help ensure industry sustainability by improving the lives of farmers and conserving the environment in producing countries. 		<ul style="list-style-type: none"> Continued stable supply of food through U.S. west coast export terminals despite serious drought in North America. Continued farmer autonomy support activities in Guatemala and joined with JICA in Africa to promote plans such as improvements in varieties to aid in farmer autonomy. 	<ul style="list-style-type: none"> Promote a food-resource procurement business and establish stable supplies. Help ensure industry sustainability by improving the lives of farmers and conserving the environment in producing countries. 	3. Supply Chain
Fresh Food & Food Business Solutions Division	Improve and strengthen the management system for production bases inside and outside Japan	Strive for measures that improve the accuracy and effectiveness of plant audits (Introduce training for plant auditors and partial audits by experts).		Actively participated in company-organized training including training themed after "points to remember when conducting food plant inspections." Conducted approximately 65 plant audits in total.	Strive for measures that improve the accuracy and effectiveness of plant audits (Introduce training for plant auditors and partial audits by experts).	4. Education

<p>Food Products Marketing & Distribution Division</p>	<p>Contribute to consumers and local communities</p>	<p>Develop added-value products that promote health benefits to respond to consumer needs through initiatives in conjunction with food retailers.</p>		<p>Developed bread with health-promoting benefits, added value yoghurts and Japanese-style wagashi ice cream that doesn't use milk or eggs, and sold products at FamilyMart, Uny, Circle K Sunkus.</p>	<p>Develop products that promote health benefits and added-value products such as those that are simple to use to respond to consumer needs through initiatives in conjunction with food retailers.</p>	<p>2. Social issues</p>
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※  : Achieved  : Nearly achieved  : Unachieved

Major CSR Initiatives

■ Promotion of food resource procurement focused on stable supply and assured safety

Populations and income levels are rising sharply around the world, including in Asian countries, and global demand for grains is expected to increase in the future. Meanwhile, consumers are increasingly aware of food safety, with rising demands for assuring safety and establishing traceability. The Food Company will pursue efforts to secure raw material centers on a global scale, including grains in North America, coffee in Central and South America and dairy products in the Oceania region, and continue to make significant contributions to the safe, secure and stable supply of food to customers in Asian markets including Japan and China. Even a grain export terminal on the United States west coast (pictured), which went into full-scale operation in February 2012, has managed to achieve stable operation primarily as a grain supply center for Asia in the midst of North America suffering from an historic drought.



Grain elevator

■ Supporting Agriculture in Africa (Initiatives for Africa Food Development Association)

With the global population expanding, securing food resources is an increasingly important issue. In this setting, ITOCHU and 14 food manufacturers established the Africa Food Development Association in July, 2012. In conjunction with the Triangular Cooperation Programme for Agricultural Development of the African Tropical Savannah among Japan, Brazil and Mozambique (ProSAVANA-JBM)—an agricultural development project based on triangular cooperation that is being promoted by the Japanese Government—the association is working to promote the stable procurement of food resources. This project is focused on the Mozambique tropical savannah. The Japan International Cooperation Agency (JICA) is working in cooperation with a public agricultural institution in Brazil that is a leader in tropical agriculture.



A soy field in Mozambique

The project's aim is to contribute to the resolution of poverty issues in the host country and to the stable procurement of food resources for Japan and the rest of the world by developing a sub-Saharan savannah grasslands zone into competitive agricultural land.

With ITOCHU taking the lead, the Association is supporting this project. A key focus will be soybeans and sesame, which have high nutritional value. Working together with food manufacturers that have world-class R&D technologies, the Association will select products for the Japanese market. These will include non-GM soybeans and sesame that meet the tastes of Japanese consumers. Moving forward, plans call for the selection of seeds that can be used in Mozambique in fall 2013 and for the development of new varieties.

Approximately 80% of the population of Mozambique works in agriculture, and about 90% of those are small-scale farmers. Through the introduction of agricultural technologies and systems, this project is expected to contribute to improvement in the standard of living of farmers and to the establishment of a sustainable agricultural model.

■ Initiatives to develop foods for healthier lifestyles

ITOCHU Corporation is committed to developing value-added foods which satisfy consumers who are increasingly health-conscious.

In October 2012, the Karada Smile Project, which was established in 2008, launched Nagomi no Ice, an ice cream themed after Japanese sweets which makes use of the flavors of the ingredients without using any milk or eggs. The product went on sale as part of a joint project being pursued by four companies, Uny, Circle K Sunkus, FamilyMart and ITOCHU Corporation, in cooperation with food retailers.

On another front, in 2008 ITOCHU established a capital and business alliance with euglena Co., Ltd., a company involved with the mass cultivation of and research and development into Euglena (Japanese name: Midori Mushi), a type of algae that has been attracting attention

as a rich source of nutrients. ITOCHU is considering business development from multiple perspectives. Supplements and hard biscuits which use the Euglena developed by the company have already been commercialized, and the development of further uses are being pursued. For instance, in August 2012 the ITOCHU employee cafeteria began serving a "Midori Curry" dish that uses Ishigaki-produced Euglena. Moving forward, ITOCHU even expects to develop new products that make use of the synergy between the Karada Smile Project and euglena, and will further promote the development of various products to achieve healthier lifestyles in Japan and overseas.



"Midori Curry" dish containing Euglena

■ Ensuring food safety through regular auditing of overseas suppliers

Against a backdrop of increasingly diverse dietary lifestyles, the globalization of food distribution and increased awareness of health, consumers are taking an even greater interest in the safety and security of food. Meanwhile, incidents and problems have been occurring that threaten the safety and security of food, such as the BSE problem, violations of residue standards with pesticides and other substances, and the distribution of foods using additives untested for safety. In FY2002, ITOCHU Corporation set up the Food Safety and Compliance Management Office and has since taken broad measures to ensure safety in the trading of food. Since FY2011, as part of these measures, ITOCHU has been regularly visiting and auditing food processing plants of overseas suppliers for imported food. ITOCHU sets the suppliers to be audited and the frequency of the audits based on individual circumstances such as management systems in the other country, product characteristics and hygiene risks during processing. Employees or local staff then conduct audits by actually visiting the sites concerned. Audits confirm the management status based on 125 check items and suggest improvements as required. In FY2013, a total of 175 on-site audits of 115 suppliers were conducted. We regularly conduct trainings on audit methods for the whole ITOCHU Group to improve the quality of audit.



A food audit underway

CSR at the ICT, General Products & Realty Company

Medium- to Long-Term Growth Strategies

As the ICT, General Products & Realty Company is involved in a broad range of areas, our basic approach is to add and expand the specialist strengths in each division and sector, while at the same time building a robust earnings platform spanning all organizations. For instance, in the paper and pulp category we have solidified our position as a leading pulp producer through investments in CENIBRA and METSA FIBRE.

Next, to expand earnings we are adopting a holistically cooperative approach that transcends individual departments and sectors. Looking at construction, for example, we are now expanding transactions involving ICT, paper and pulp, and logistics with an IT company that we dealt with initially in the area of real estate transactions.

These moves aim to create "new value" in the sense that they involve new transactions generated by pursuing additional and overlapping earnings. We are also taking on the challenge of creating "true value," meaning the development of ongoing business that does not end with one-time non-recurring transactions.



Tomofumi Yoshida

President, ICT, General Products & Realty Company

CSR at this Division Company

Raising environmental awareness and contributing to the development of prosperous communities and societies

Through the provision of environment-friendly products and services as well as products and solutions that help realize more prosperous societies by responding to regional and social needs, we will contribute to advancing the development of regional communities and the international society as a whole while also supporting safe and affluent lifestyles.

CSR Action Plans

■ Key points of our FY2014 action plans

We will trade internationally certified forest products that will lead to the sustainable use of resources, develop environment-friendly condominiums and promote eco-friendly businesses such as energy management solution businesses that utilize IT. We will also contribute to the development of the international community and the realization of prosperous societies through the promotion of businesses with local partners in the areas of distribution network building, construction and finance in China and throughout Asia. Meanwhile, we will continue to undertake steady efforts to enhance our supply chain management and ensure compliance with related laws and regulations.

Divisions/ Departments	CSR Issues/ Societal Issues	FY2013 action plans	Status*	FY2013 results	FY2014 action plans	Basic Policies for CSR Promotion
Forest Products & General Merchandise Division	Enhance the traceability of raw materials and ensure the observance of labor laws and regulations	Update survey items and survey recipient data; carry out traceability surveys.		Conducted surveys of 99 subject companies on traceability and compliance with labor laws by visiting them or sending questionnaires. Received responses from 88 of the 99 companies.	Update survey items and survey recipient data; carry out traceability surveys.	1. Communication
	Handle internationally certified forest products as well as health-safe products	<ul style="list-style-type: none"> Maintain and increase the ratios of FSC-certified materials handled (pulp: 80%, wood chips: 50%) by continuing to request that non-certified suppliers acquire certification. 		<ul style="list-style-type: none"> Ratios of FSC-certified materials handled were pulp: 92% and chips: 50%. Target levels were maintained. 	<ul style="list-style-type: none"> Maintain and increase the ratios of FSC-certified materials handled (pulp: 80%, wood chips: 50%) by continuing to request that non-certified suppliers acquire certification. 	3. Supply Chain

ICT, Insurance & Logistics Division	Provide products and services for realizing a reliable, safe and prosperous society	Enhance green tech solutions utilizing IT to increase the number of customers.		<ul style="list-style-type: none"> An energy management solution services is being expanded and developed. The number of customers are being increased (by 15%) 	Enhance green tech solutions utilizing IT to increase the number of customers.	2. Social issues
	Creating businesses based on the 3R philosophy	Discuss and enact various measures to promote penetration of the MOTTAINAI philosophy		<ul style="list-style-type: none"> New product development and various events (Nippon Access, KidZania) were implemented. Promoted the Reconstruction Assistance Housing Eco-point System. 	Discuss and enact various measures to promote penetration of the MOTTAINAI philosophy	2. Social issues
	Strengthen supply chain management	<ul style="list-style-type: none"> Review content of questionnaire for logistics companies in China and implement survey. 		<ul style="list-style-type: none"> The questionnaire for logistics companies in China was conducted as planned. 	<ul style="list-style-type: none"> Continue promoting the same measures. 	3. Supply Chain
Construction, Realty & Financial Business Division	Supply quality facilities with emphasis on safety and security	<ul style="list-style-type: none"> Reinforce system for ensuring compliance with related laws. Check status of individual projects by holding project inspection meetings, etc. 		<ul style="list-style-type: none"> There were no problems with the state of compliance with related laws. Regulations on management systems were created to strengthen legal compliance systems. Inspection meetings for individual projects are held every six months to check project status. 	<ul style="list-style-type: none"> Continue promoting the same measures. 	1. Communication 2. Social issues
	Care extensively for the environment	<ul style="list-style-type: none"> Aggressively promote environmentally friendly businesses. 		<ul style="list-style-type: none"> In condominiums developed by ITOCHU Property Development, environmentally friendly homes with features such as solar power generation, storage batteries and support for electric vehicles are being supplied. 	<ul style="list-style-type: none"> Actively supply environmentally friendly homes in condominiums and elsewhere. 	1. Communication 2. Social issues
	Participate in local and international communities and contribute to their development	<ul style="list-style-type: none"> Contribute to the development of local and international communities by steadily promoting each project. 		<ul style="list-style-type: none"> Continued to engage in promotion to attract Japanese companies to the Karawang Industrial Park in Indonesia. Contributes to the development of the local community as well as the overseas expansion of Japanese companies. Responded to the private funding needs of the growing segment of moderate-income families through support for companies engaged in retail finance operations in Asia and Europe. 	<ul style="list-style-type: none"> Seek to newly uncover and develop businesses in the fields of construction and finance through enhanced communication with local partners in Asia and around the world. 	1. Communication 5. Local and international community

※ : Achieved : Nearly achieved : Unachieved

Major CSR Initiatives

■ Sustainable forest management of CENIBRA in Brazil

ITOCHU's Group company CENIBRA in Brazil has consistently engaged in everything from forest management to pulp production. In 2005, CENIBRA obtained forest certification from the Forest Stewardship Council (FSC) as well as CoC certification (certification for management of processing and distribution processes). Of the roughly 250,000 hectares of land the company owns (equivalent to the area of Kanagawa Prefecture), about 130,000 hectares are used to plant trees and produce pulp, while the other approximately 100,000 hectares are preserved as permanently protected forest or legally protected forest, maintaining the ecosystem. The company also addresses the restoration of natural forests. Each year it plants some 70,000 tree samplings of the four varieties that make up the native forests in an initiative that spans as much as 300 hectares each year.

Protective breeding activities for endangered species of bird are also underway at Macedonia Farm in a protected zone of natural forest. Scarce wild birds such as the pheasant family bird, mutum are protected and bred at the farm and later released into the wild.



One of CENIBRA's vast plantations

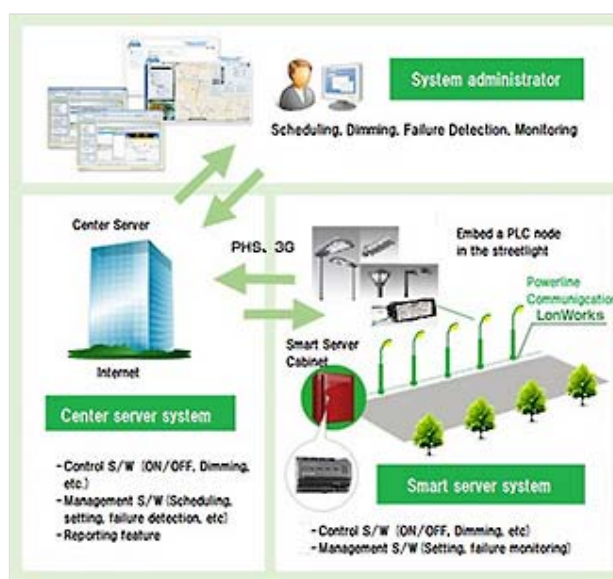


The rare mutum at Macedonia Farm

■ Active Development of Smart IT Infrastructure Business

For the "Smart Streetlight Service," a smart business with streetlights that use advanced technologies, ITOCHU won the Grand Prize for Energy Saving Service at the 9th Eco Products Awards in 2012.

For this service, devices compatible with power line communications will be attached to each streetlight. These devices will enable remote control of each streetlight, including fine adjustment of the brightness level in accordance with the environment. We are currently conducting demonstration testing of this service in Tsukuba City in a project commissioned under a Ministry of the Environment program "For model businesses providing focused support for the development of low-carbon regions." Moving forward, we will continue to strengthen our energy and smart IT infrastructure business and to promote energy management. In this way, we will strive to contribute to the realization of a low-carbon society.



Conceptual diagram of Smart Streetlight Service

CSR Initiatives by Major Group Companies

■ Contributing to environmental conservation just by living Adoption of "Green Power" generated with natural energy

ITOCHU Property Development, Ltd.

Green Power is electric power generated using natural energy such as wind power, hydraulic power, and biomass (biological resources), which is available to companies, etc. for use as one of their voluntary environmental measures. Under the system of Green Power, the environmental added value of power generated using natural energy is traded in the form of the "Certificate of Green Power," and companies and organizations that hold this certificate are recognized as having improved the environment based on the amount of power described on the certificate and thus as having contributed to the promotion of natural energy.

ITOCHU Property Development, Ltd. purchases 1,000,000 kWh/ year of Green Power (equivalent to reduction of CO₂ by 370 tons per year *1) from Japan Natural Energy Co.,



Process of issuing Certificate of Green Power

Ltd. The company allocates the purchased Green Power (amount for the first year) to power consumed in the communal areas of the condominiums it sells *2 . This means that residents of the condominiums can contribute to reducing CO₂ emissions.

*1 Calculated using Tokyo Electric Power Company's emissions factor after adjustment for fiscal 2010, which is of 0.000374t-CO₂/kWh.

*2 In principle, the introduction of Green Energy to newly offered condominiums is undertaken only in projects operated solely by ITOCHU Property Development, Ltd., which is subject to change in future.

CSR at Overseas Offices

ASEAN Southwest Asia Bloc: KIIC and Tenants Developing a Better Future with CSR Program

Sonia Adriaty Karawang International Industry City (KIIC)

Karawang International Industrial City (KIIC), an industrial estate in Karawang, West Java, Indonesia, and a joint venture between ITOCHU Corporation from Japan and Sinar Mas from Indonesia, has been engaging in several CSR activities in the surrounding villages.

As part of KIIC's CSR actions, we support the establishment of community baby health centers. On 28 February, additional two centers opened in the neighborhood. With these two additions, KIIC has supported development of eight community baby health centers. This effort to help children also includes donating foods for malnourished babies. Since keeping good relationships with midwives is very important in running these centers, KIIC conducts evaluation and coordination with midwives every year and provides them with baby health center equipment and uniforms.

In addition, KIIC has been supporting CSR activities by its Tenant Association since 2000. The Tenant Association's CSR activities include scholarship programs for senior and junior high schools, donations to orphans and baby food donations as well as helping elderly people to celebrate Islamic traditional festivals such as Idul Fitri and Idul Adha. In April, the association donated baby foods (milk and cereals) to 3,178 babies who lived in the neighboring areas. Further, KIIC together with 23 tenants conducted a joint CSR program called "Telaga Desa Agro Enviro Education Park." Telaga Desa is a center of research, training/education, empowerment in agriculture, and environmental conservation.

We believe the activities we conducted not only provided benefits in the form of charity but also will be recognized as the new practice of CSR efforts.



Sonia Adriaty
Karawang
International Industry
City (KIIC)



Comment from Ms. Fatma, a midwife working at a baby health center



We appreciated the cooperation of KIIC and thanked them for supporting healthy lives of malnourished children in the vicinity.

ASEAN Southwest Asia Bloc: The 17th Annual JBAH Charity Bazaar was a Blossom

Phan Pham Ngoc Son The Representative Office in Ho Chi Minh City

February 24 was indeed a joyful and memorable day for ITOCHU Ho Chi Minh City (HCMC). We were honored to be this year's host of the annual Japan Business Association of HCMC (JBAH) charity bazaar, which is carried out annually to raise funds for helping the disabled and impoverished hospital patients in Vietnam.

After weeks of preparation and excitement, we were ready to open shop in 800 square meters of the 3,000-capacity Nguyen Du stadium, and attend to customers who came to shop at the bazaar. The event went on without a hitch like the well-timed rhythms of a Japanese taiko drum; with lightened up faces of astonishing attendants and busy volunteers making great effort for their jobs. Yet, the event would not be blissfully complete without the unique dance performance by Vietnamese disabled students gave a unique dance performance in the afternoon.



Phan Pham Ngoc Son
The Representative Office in Ho Chi Minh City


Inarguably, the event ended with a toast. Thanks to all our great sponsors, volunteers and nearly 2,000 guests, a total of 1.2 billion Vietnamese dong (approx. 57,000 U.S. dollars) was raised from selling entrance tickets, clothes and consumer goods donated by members of JBAH, sponsoring organizations and other individuals.

The funds were honorably presented to the Sponsoring Association for Poor Patients during a solemn donation ceremony held at the HCMC Hall of the Vietnamese Fatherland Front on March 29. The funds were then donated to the Pediatric Hospital 2, the Odonto – Maxillo – Facial Hospital, and the Trauma and Orthopedic Hospital, expected to provide a considerable amount of assistance in providing many impoverished hospital patients in HCMC access to better and more technologically advanced treatment conditions.

We succeeded! We created the perfect mixture of thoughtfulness and joy to the 17th annual JBAH charity bazaar.



A very moving message from a young patient getting treated for her cleft lip and palate:



“I felt so miserable and never dared to look at myself in the mirror. And since my family is too poor, I thought I had to live with this flaw for the rest of my life. Now, I can smile with the world and know that I am pretty. Thank you for loving and caring for me. You are my fairy god mothers and fathers.”

ASEAN Southwest Asia Bloc: Exploring the Relevance of Human Rights in Today’s Business at ITOCHU Malaysia

Lim Shenji
ITOCHU Malaysia Sdn. Bhd.

In conjunction with related CSR initiatives, ITOCHU Malaysia held a seminar on human rights on January 18th centered around an invitation to a veteran consultant and trainer, Mr. Kow Ko Leong from LNY Management, who specializes in Corporate Social Responsibility and Quality/Environmental Management.



Lim Shenji
ITOCHU Malaysia Sdn. Bhd.

The participants, who were all employees of ITOCHU Malaysia, were initially skeptical about the theme and had difficulties in relating human rights to today’s business world. The seminar began with a short quiz that tested the participants’ understanding and knowledge about human rights. The speaker then invited the audience to define the term “human rights” in order to determine the level of knowledge his audience had about contemporary human rights. He kicked off his

lecture on the topic by explaining how human rights are conceived as universal and equally applicable to everyone, and how they also provoke a lot of skepticism and debate as regards their nature, content and justification.

The seminar also incorporated some eye-opening Internet videos which furthered our understanding on the realities of human rights issues in today's business world. Some videos described irresponsible companies that employ child labor and contract sweat shops in developing countries, and these presented the subject of human rights in a different manner that prompted our further interest and attention. It was at this point that the employees of ITOCHU Malaysia started to see how the issues of human rights are relevant in today's business world.

His dynamic presentation was not only limited to verbal lectures and Internet videos as he also intelligently included discussions of business case studies concerned with companies with irresponsible business practices that violate and abuse human rights.

From the seminar, we brought home valuable lessons, having learnt that the preservation and respect of human rights are also the responsibility of businesses like ITOCHU, and that companies should be ready to pay a hefty price in reputation as well as money if they neglect or violate these universal and equally applicable human rights.

CIS Bloc: CSR Activities Begin at the Kiev Representative Office

Elena Stuzhenko
ITOCHU Kiev Representative Office

Being greatly inspired by the constant CSR initiatives of ITOCHU Group companies, which are true commitments to sustainable development and becoming responsible and caring citizens, the ITOCHU Kiev Representative Office has begun its own CSR efforts. We aim to contribute to the good practices of ITOCHU by taking a precautionary approach to environmental challenges and promoting greater environmental responsibility. In 2011, we joined Ukrainian A4 Club, a participant of the National Go Green Campaign initiated by the United Nations Office in Ukraine under the auspices of the Global Compact Network aimed at reinforcing the role of environmental protection. Since that time, besides the introduction and promotion of energy and paper conservation measures within the office, we have actively participated in the implementation of the Green-Office concept through waste paper collection for further recycling. We strongly believe that even such a smallscale activity helps to reduce our burden on the environment and to build an eco-friendly image of us as a business entity.



Elena Stuzhenko
 ITOCHU Kiev
 Representative Office

We would like to share our favorite phrase:

"It's no longer a zero-sum game— things that are good for the nvironment are also good for business."

Jeffrey Immelt, Chair and CEO of GE (2005)



Recycling activities in an office



Cardboard boxes made out of recycled paper



A recycling box installed for the collection of used papers

A4 Club Member

Our activities are aimed at the practical realization of the Green-Office concept, namely popularization of recycling and consumption of recycled paper. And we are pleased to find more and more partners whose main objective is improving the ecoefficiency of their offices, which will result in the reduction of wasteful consumption.

Middle East Bloc: Blood Donation in Al Khobar

Ahmed Alghamdi Al Khobar Office

The ITOCHU Al Khobar Office has started implementing a CSR program by engaging in the following three events: Donating blood, Gifts for sick children and Plants for the office building entrance. The idea was to create opportunities for employees to contribute towards the local community as a part of our basic CSR policies.

I would like to introduce the blood donation that took place on September 17, 2012. On this occasion, six staff participated in the program at the King Fahd Medical Hospital; unfortunately, four were rejected due to health reasons. The medical staff at the hospital were deeply moved by our staff volunteering to give blood and offered their heartfelt thanks for such a noble gesture.



Ahmed smiles while donating blood



Ahmed Alghamdi
Al Khobar Office

East Asia Bloc: ITOCHU Korea Participate in Forest Clean Up on Mt. Gwanak

Park Jin Seong ITOCHU Korea LTD.

CSR volunteer activities are a regular occurrence at ITOCHU Korea. Our sixth round of volunteer activities was held on September 1, and saw 25 employees from ITOCHU Korea and operating companies take part in a Mt. Gwanak forest care volunteer activity. Mt. Gwanak is a famous mountain among those that encircle Seoul, and is home to many cultural resources, such as Wongaksa Temple, Yeonjuam Hermitage, Sammaksa Temple, and Gwaneumsa Temple. The mountain is a favorite destination for city dwellers looking for a short getaway, but is also highly prized from an ecological preservation standpoint. Waterways are extremely important for mountains. Removing earth, sand and fallen leaves from them helps to prevent landslides triggered by rainfall, and also helps protect the surrounding ecosystem.



Park Jin Seong
ITOCHU Korea LTD.



This year ITOCHU KOREA held its 6th volunteer activity

In the Mt. Gwanak forest care activity, ITOCHU Korea was responsible for cleaning the local waterways. Our team was joined by seven volunteers from the main sponsor of the event. Men and women alike took shovels in hand and worked hard to clear clogged waterways of dirt and leaves. Part of our work included carting dirt and leaves away to a flat area to avoid having them clog up waterways again after the next rainfall.

When the work was finished and we came down from the mountain, we looked like we had all been working in a coal mine, since our faces and bodies were darkened with a mixture of dirt and sweat. There were also a lot of people who found that their arms and legs had been attacked by mosquitoes.

It was harder than I thought to shovel the waterways clear as the sand and dirt was mixed in with tree roots and other material. But all of us who took part found ourselves smiling with satisfaction when we saw those clear waterways flowing.

Latin America bloc: ITOCHU Latin America, S.A. Participates in Reforestation Activity in Parque Nacional Camino de Cruces

Lilly Garay
ITOCHU Latin America, S.A.

Based on the proposal of our colleague Arturo Sanchez, ITOCHU Latin America, S.A. (ILASA) decided to engage in CSR activities in October. After examining our options, we made contact with ANCON, which is a private non-profit organization founded in 1985 to conserve biodiversity and natural resources. ANCON has a program called "Reduce your carbon footprint with ANCON." We chose to participate in a reforestation activity in Parque Nacional Camino de Cruces. We were assigned an area of 500 m2 to plant 300 trees.



Lilly Garay
 ITOCHU Latin America, S.A.



41 members of ILASA including families

We arrived at the park very early, and were transported to the assigned area by pick-up truck. The adventure on the pick-up truck was exciting as the road was very rough. Many of us were screaming all the way. Our task was to plant the trees in holes (mahogany among others). I was taking pictures, so I was the cleanest at first, but I finished up just as muddy as all the others. Each of us planted about 5–20 trees. We were exhausted as the humidity was very high. However, the feeling of doing something good for the reforestation of our planet, even just planting a small tree, was priceless.

Message from ANCON



We are pleased to provide our collaborators from ILASA with recreation space, environmental education and an opportunity to contribute to conservation efforts through a planned tour to the Camino de Cruces National Park, a protected area and buffer site of the Canal Watershed of Panama. We want our collaborators from ILASA to be aware of the importance of taking steps to mitigate polluting factors and prevent natural resource depletion.

**ASEAN & South West Asia Bloc:
 Shining Light ("Jyoti") on Children with Disabilities by Donating to Their Care Home**

Harish Milwani
ITOCHU India Pvt. Ltd.

ITOCHU India Pvt. Ltd., (IIPL) India office has been contributing old cloths and food to a care home run by the Missionaries of Charity of Mother Teresa, known as Jeevan Jyoti Home. Jeevan Jyoti is a Hindi phrase, which has a very deep meaning! "Jeevan" means life and "Jyoti" means light. This home cares for 82 children with physical and mental disabilities. The children are cared for 24 hours a day by the Missionaries of Charity sisters who perform difficult tasks all day long to care for and nurture these kids. The work is constant and intense, as cleaning, feeding and helping these orphans, all with significant handicaps, is extremely challenging. Everyone at IIPL was warmed and humbled by the terrific work being done at this home for the joy of the small children. The sisters of the Missionaries of Charity are doing unbelievable work. We at IIPL look forward to contributing something to such Missionaries, even though it might be a small step.



Writer, Harish Milwani In front of the Jeevan Jyoti Home

ITOCHU Singapore Activities With Under-privileged Children And the Elderly

ITOCHU Singapore has organized a Social Committee that provides opportunities for employees to participate in volunteer activities from the perspective of contributing to the local community. Since the year 2010, ITOCHU Singapore had been arranging outings for under-privileged children and also for the elderly.

In 2011, ITOCHU Singapore worked with the Asian Women's Welfare Association (AWWA) to arrange the outings with the under-privileged children and the elderly.



Jacqueline Neo
ITOCHU Singapore

On December 16, 2011, about 10 volunteers from ITOCHU Singapore held a Children's Party at McDonalds for about 30 children. The party started with lunch that came with toys for the children. It was followed with games for the children and the volunteers joined in to encourage and support the children in the games. Balloon sculptures were also given to the children. At the end of the party, each of the children were presented with a goodies bag that consisted of a school bag and stationeries. You could see the expressions of delight and joy on the faces of the children.

On January 13, 2012, an outing with about 40 elderly people was arranged with about 10 volunteers from ITOCHU Singapore. The event started with a sumptuous lunch at the Oasis Restaurant. Following which the participants were taken for a ride on the Singapore Flyer, the world's largest observation wheel. They had a breathtaking, panoramic view of the island which they have never seen before. At the end of the event, the participants were each given a \$20 Ang Bao, 2 oranges * and a goodies bag that included toiletries and food. The volunteers could see the happiness and gratitude on the faces of the elderly participants.

At the end of these two activities, the volunteers realized that there are unfortunate and deprived communities in Singapore. The CSR activities that we organize, though small in magnitude, can go a long way in helping these needy communities.

* In Singapore, oranges are said to be a lucky fruit that brings good fortune, and there is a custom during Chinese New Year of giving an auspicious even-numbered number of oranges.

Comment from Stakeholder



From the MacDonald's Party

Mohammad Fandi Adam
Social Worker, Asian Women's Welfare Association (AWWA)

"I am taking this opportunity to thank the ITOCHU Singapore Team for organizing the wonderful MacDonald's Party! The children enjoyed the event and I hope your team did too. The children were also excited with the goodies bags, balloons and toys that they received. Last but not least, we look forward to working together with everyone again in the future."