

Third-Party Opinion

This third party opinion was written based on the content of the ITOCHU Corporation CSR Report 2011, and interviews with ITOCHU personnel from three Division Companies, namely the ICT & Machinery Company, the Food Company, and the Chemicals, Forest Products & General Merchandise Company, as well as personnel with responsibilities in the areas of compliance, human resources, the environment, logistics and CSR.

In my opinion, ITOCHU has begun to implement PDCA management cycles in its CSR activities across an expansive range of subjects. These items range from measures to reduce the environmental impact of operations to efforts to promote and enhance diversity in the workforce.



Hideto Kawakita
Chief Executive Officer
International Institute for
Human, Organization and the
Earth (IIHOE)

Areas of Excellence

In regard to strengthening compliance, ITOCHU has prepared and distributed a Compliance Handbook based on concrete examples covering a wide range of subjects. The Company conducted a test to confirm understanding of handbook contents via an e-learning module, and has launched Group-wide expansion initiatives. Looking ahead, we hope that ITOCHU will increase case examples and training regarding knowledge and responses required in each field and business. We also hope that ITOCHU starts actively opening lines of reporting from outside the company.

In regard to the promotion and enhancement of diversity in the workforce, ITOCHU has been advancing a global human resources strategy since fiscal 2008. The Company has taken proactive measures and put in place a system for achieving truly global management and organizational frameworks. For example, it has used the ITOCHU Global Classification (IGC) as a common measure of job level/level of responsibility for all jobs and positions worldwide. At the same time, it has amassed a database of management personnel at overseas subsidiaries in various countries around the world.

In regard to providing even more comfortable working conditions that enable employees to continue their careers, we highly commend the fact that 6.14% of all ITOCHU employees were able to take advantage of leave, holidays, or shorter working hours to provide child care, or nursing care for infirm or elderly family members. We hope that similar programs will spread throughout the rest of the ITOCHU Group. We particularly hope to see the Company increase the number of program participants and raise the level of understanding and support for such programs, by providing examples of employees using nursing care programs. Such employees are expected to grow in number going forward.

Similarly, in regard to providing comfortable working environments for employees, ITOCHU offers health management support to employees with regard to mental health. There is a system in place whereby employees in their 2nd, 4th and 10th year at the Company have the opportunity to receive counseling during one-hour interviews.

Areas Where Progress is Recognized Yet Further Efforts Are Desired

The reduction of the environmental impact of one's business, including reducing CO2 emissions at business partners, has become a key issue for companies across the globe. Accordingly, we hope that, as an important common priority for all Division Companies, ITOCHU will disclose results on how far it has reduced its environmental impact so far, and its forecasts regarding the extent of future reductions in environmental impact over the medium term.

Regarding the promotion of CSR initiatives in supply chains, ITOCHU conducts traceability surveys of 100 paper, pulp and wood material suppliers—almost all of its suppliers in these fields. ITOCHU conducts on-site surveys of 79 of these suppliers. While applauding these efforts, we hope that ITOCHU will obtain a more detailed understanding of the activities of its suppliers, and develop survey questions that encourage the suppliers themselves to identify issues and develop solutions. We also hope that ITOCHU will develop a system for recognizing suppliers that conduct outstanding

activities with awards and sharing best practices with other companies.

In regard to reducing environmental impact, we commend ITOCHU's fact-finding surveys of Group companies, which target roughly 20 such companies a year. At the same time, we hope for greater disclosure of information on the activities of each company in order to encourage Group companies to reduce their environmental impact and work to preserve the environment on their own initiative.

In regard to social contribution activities through its businesses, we highly commend ITOCHU's progress with efforts to optimally utilize food resources. For example, the ITOCHU Food Company has developed deli pastries using pork grown on feed produced from recycled unsold boxed lunches and bread from supermarkets and convenience stores. Canned food products have also been donated to organizations operating food banks. We hope that similar perspectives and initiatives are implemented by ITOCHU's other Division Companies.

Areas Where Further Efforts Are Desired

We understand that ITOCHU, despite being a single entity, is general trading company and as such operates on front lines all over the world through a multitude of varying business models. We also understand that this makes the global application of a uniform CSR management policy across all operations difficult. However, we hope that in its major business models ITOCHU can find certain elements of its CSR management that can be standardized or shared across different task areas to allow for a more comprehensive approach, be it as part of aggressive CSR initiatives, or a more defensive tack.



Hideto Kawakita, Chief Executive Officer

International Institute for Human, Organization and the Earth (IIHOE)

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Established in 1994, IIHOE is a non-profit organization (NPO) dedicated to promoting "balanced and democratic development for all life on earth." Alongside its main activity of providing management support to civic groups and social entrepreneurs, IIHOE also offers CSR-related support to leading companies.

Response to Third Party Opinion

ITOCHU conducts businesses in a wide range of areas all over the world. As such, the Company faces markedly different social issues depending on the industry and region. Therefore, having established basic policies for CSR promotion for the entire company, CSR activities are promoted by each of ITOCHU's organizations in Japan and overseas, including business divisions, centered on our five Division Companies, and administrative divisions. In this process, these organizations identify material issues they face, formulate CSR action plans, and implement CSR activities according to PDCA management cycles.

In response to this third party opinion, ITOCHU will seek to incorporate several initiatives into its CSR activities, including providing disclosure of more detailed information to stakeholders, and promoting development of best practices and progressive initiatives throughout the Company, as it strives to increase the precision of these activities. At the same time, we will continue to enhance two aspects of our CSR activities that were highly commended, namely compliance and employee relations, while continuing to listen carefully to the opinions of employees on the front-lines.

Almost all business models of general trading companies are premised on collaboration with business partners, not standalone operations by a parent company like ITOCHU. We recognize that in promoting CSR, we must also work tirelessly to foster an understanding of ITOCHU's principles and policies, as well as activities, among our customers and business partners. Accordingly, we will work to prepare reports and disclose information from the readers' perspective.

Looking ahead, we will redouble our efforts in regards to strengthening communication with stakeholders through a front-line approach, one of our basic policies for CSR promotion. Through these efforts, we aim to help realize a sustainable society by deepening dialogue with the diverse array of stakeholders we face in each industry, while sharing a common understanding of issues and building shared values. As such a corporate citizen, we will continue working to fulfill the ITOCHU Mission—"Committed to the Global Good."

Yoshio Akamatsu

Director

Senior Managing Executive Officer

CAO & CCO