

Basic Policies for CSR Promotion and Internal Penetration at ITOCHU

ITOCHU Corporation is a *Sogo Shosha* that adopts a Division Company system. Its seven Division Companies are engaged in diverse business activities in their respective industries.

The following reports on, as a company with those characteristics, our basic policies and measures for internal penetration to promote CSR in a practical and effective way.

Basic policies for CSR promotion during "Frontier[®] 2010"

To become a "global enterprise," we need to evolve our management system into one befitting global standards. To incorporate CSR into its management system, ITOCHU Corporation defines "basic policies for CSR promotion" when establishing management plans.

We have been striving to consistently promote and deepen our CSR in our mid-term management plan for fiscal 2007 to 2008. For the term of "Frontier[®] 2010," our mid-term management plan for fiscal 2009 to 2010, we have established basic policies for promotion as shown on the right and will promote each item on a global scale.

Basic policies for CSR promotion "Frontier[®] 2010" Promote the following 4 items on a global scale

1. Strengthening communication with stakeholders
2. Ensuring and enhancing safety and reliability in the product, service, and human aspects
3. Promoting CSR-related education and enlightenment
4. Strengthening supply chain management (Respect for human rights)



Basic policies for environmental activities*

* For the environment, which is an important CSR issue, we promote activities according to separately defined basic policies for environmental activities.

During the term of fiscal 2007 to 2008, we focused particularly on expanding the scope of our CSR promotion to overseas bases, group companies and supply chains. We realized the roll-out to all regions of our overseas bases, and also made a certain progress in the roll-out to group companies.

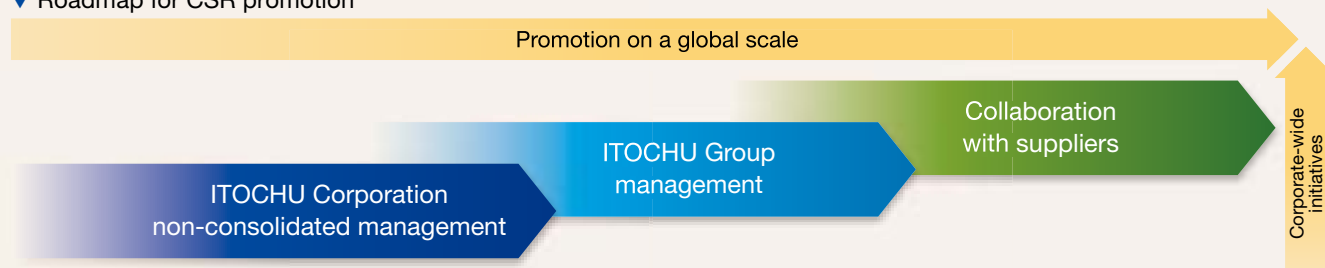
Meanwhile, as regards the expansion to our supply chains, we started working on supplier checks in fiscal 2007. Supply chain management, centered on the issues of human rights and labor problems, is a particularly important CSR issue. Therefore, we positioned supply chain management

as one of our basic policies for CSR promotion in "Frontier[®] 2010" as a corporate-wide issue to strengthen. As specific measures, we established the "ITOCHU Corporation's CSR Action Guidelines for Supply Chains" in April 2009 and are promoting dialogues with our suppliers (see page 16).

Note that for the establishment of the basic policies, we went through a process of referring to opinions of external stakeholders* and employee questionnaires (see page 10).

* In February 2009, we conducted a questionnaire survey of 13 experts that had attended stakeholder dialogues and meetings with third parties in the past.

▼ Roadmap for CSR promotion



Implementing CSR initiatives at group companies

Since fiscal 2006, we have been gradually expanding CSR promotion for major group companies, based on the model methods of ITOCHU Corporation; establishing CSR action plans and executing these in PDCA cycles. By fiscal 2008, an accumulated total of 45 companies established CSR action plans. We will continue to promote CSR development tailored to the business content and size of each group company including those overseas also using other techniques.

▼ Group companies targeted for CSR implementation at a glance

Organization	Companies targeted
Textile Company	ITOCHU FASHION SYSTEM Co., Ltd., ROY-NE CO., LTD., ITOCHU MODEPAL CO., LTD, CI SHOPPING SERVICE CO., LTD., ITOCHU Home Fashion Corporation
Machinery Company	ITOCHU Plantech Inc., ITOCHU Automobile Corporation, ITOCHU CONSTRUCTION MACHINERY CO., LTD.
ICT, Aerospace & Electronics Company	ITOCHU Techno-Solutions Corporation, ITC NETWORKS CORPORATION, ITOCHU ELECTRONICS CORP., CAPLAN Corporation, JAPAN AEROSPACE CORPORATION, NANO Media Inc., ITOCHU Sanki Corp.
Energy, Metals & Minerals Company	ITOCHU Metals Corporation, ITOCHU Petroleum Japan Ltd., ITOCHU Oil Exploration Co., Ltd.
Chemicals, Forest Products & General Merchandise Company	ITOCHU KENZAI CORPORATION, ITOCHU CHEMICAL FRONTIER Corporation, ITOCHU PLASTICS INC., ITOCHU PULP & PAPER CORP., ITOCHU CERATECH CORPORATION, The Japan Cee-Bee Chemical Co., Ltd., Chemical Logitec Co., Ltd., VCJ Corporation, ITOCHU Forestry Corp., ITOCHU Windows Co., Ltd.
Food Company	Family Corporation Inc., Yayoi Foods Co., Ltd., ITOCHU Feed Mills Co., Ltd., ITOCHU Rice Corporation, ITOCHU Sugar Co., Ltd., I-FOODS Co., Ltd., ITOCHU FRESH Corporation, Universal Food Co., Ltd., NIPPON ACCESS, INC.
Finance, Realty, Insurance & Logistics Services Company	ITOCHU PROPERTY DEVELOPMENT, LTD., ITOCHU Urban Community Ltd., I-LOGISTICS CORP., FX PRIME Corporation, ITOCHU Orico Insurance Services Co., Ltd., Superex Corporation, Naigai Travel Service Co., Ltd.
Headquarters	ACRONET Corp.

Measures for internal penetration of CSR at ITOCHU

1 CSR seminars

We regularly organize "Internal CSR Seminars" to incorporate the views and opinions on various CSR issues from outside experts.

In fiscal 2008, we held the fourth seminar on the topic: "Loss and Recycling in Food Distribution," focusing on the steep rise in food prices and the low self-sufficiency for food. The attendants learned about the current food loss both from the standpoint of distributors and from the standpoint of consumers, and there was a lively exchange of opinions on what to do about this.

We plan to continue CSR seminars focusing on CSR issues that require particular attention.



The fourth internal CSR seminar on February 23, 2009

3 CSR workshops

One of our measures for CSR promotion is to produce videos on an important CSR issue for internal education, distribute them to every division and site in Japan and overseas, and then organize participative training "CSR workshops" at each organization. In these workshops, the attendants watch a video and then discuss it.

In the CSR workshops of fiscal 2008, attendants watched a digest of the stakeholder dialogue held in 2008 (subject: "Considering Upstream Issues in the Cornerstone Businesses Comprising Society") and had a lively discussion on the current situation as well as issues and measures with respect to this topic. During this discussion, a variety of opinions was voiced, for example, on initiatives to reduce environmental impact, the promotion of new energies and other eco-friendly businesses, or the importance of communicating to the consumer (see the table at the right for an outline).



Video for internal education on CSR in fiscal 2008



CSR workshop at our London office

2 CSR Report 2008 questionnaire for employees

As every year, we conducted a questionnaire survey directed to all employees on the CSR Report 2008 over the intranet. We received replies from 5,302 out of 7,046 employees (reply rate: 75.2%). With employees becoming increasingly aware of CSR, this is an important tool to accumulate our employees' frank opinions on CSR.

In the results of the survey, the top CSR issue that ITOCHU should address was "creating businesses contributing to the conservation of the global environment, etc. / consideration for the environment in our business." We will continue to give feedback on the voices of our employees to the relevant sites to promote CSR through our business activities.

Replies to the CSR Report 2008 questionnaire for employees

	Questionnaire for employees of ITOCHU Corporation	Questionnaire for employees of overseas blocs	Total
Number of employees	5,188	1,865	7,053
Number of replies	4,171	1,131	5,302
Reply rate	80.4%	60.6%	75.2%

Topics discussed during the CSR workshops (excerpt)

Organization	Topics
Textile Company	Promotion of resource-recycling business / communicating to the consumer / promotion of the PRE-ORGANIC COTTON PROGRAM / securing of traceability / reduction of environmental impact in the apparel production process
Machinery Company	Promotion of business contributing to a reduction of environmental impact / reinforcement of investments and examinations from a CSR perspective / recognition of issues related to the automobile industry / reinforcement of communication and spread and expansion of eco-friendly products / consideration for social and environmental aspects in business activities
ICT, Aerospace & Electronics Company	Promotion of green IT / promotion of recycling business / promotion of communication to raise awareness (including MOTTAINAI) / indexing of environmental impact using IT and construction of traceability system
Energy, Metals & Minerals Company	Reinforcement of communicating and disclosing information related to initiatives for the reduction of environmental impact / development of new energies, promotion of environment business / selection of partners in consideration of CSR (environmental) aspects / reimbursement and re-investment (for the local community or the environment)
Chemicals, Forest Products & General Merchandise Company	Reinforcement of communication and spread and expansion of eco-friendly products / promotion of supply chain management (continue checks and control/guidance) / acceleration of the discovery of and investments into eco-friendly products and businesses
Food Company	Continual efforts to grasp accurate information / promotion of consumer education through communication / reduction and effective use of waste and overhead / promotion of development and spread of eco-friendly products
Finance, Realty, Insurance & Logistics Services Company	Reduced consumption and saving of paper, electric power and other resources / requests for the promotion of environmental initiatives to contractors and subcontractors for construction work / promotion of rationalization, modal shifts, etc. from the aspect of reducing CO ₂ emissions / consulting, education and support for response on the basis of expert knowledge of construction, distribution and insurance, internally or for group companies or business partners
Headquarters	Promotion of initiatives to reduce environmental impact at offices / reinforcement of communication and corporate PR / development of a mechanism for returns (of profits) inside the own company
Domestic branch offices	Promotion of consumer education through communication
Overseas offices	Promotion of products and businesses contributing to a reduction of environmental impact / promotion of efforts to reduce environmental impact at the office / promotion of consumer education through communication