

# Third-Party Opinion

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Same as in the past year, ITOCHU listened to the voices of a large number of external experts and also continued the fact-finding investigations in the supply chain. Moreover, ITOCHU revised its corporate credo, signed the Global Compact, started the projects to commemorate the 150th anniversary and pursued other activities in this year - I think that this report excellently communicates ITOCHU's high aspiration. CSR is important for any company, but I believe that particularly for a general trading company (*Sogo Shosha*) like ITOCHU, CSR has a special significance. The reason for this is that while the activities of a general trading company are in many cases observed by society with the suspicion that the negative impact may be large, there are also strong expectations that the functions of a general trading company could potentially resolve various problems.

The difficulty in the CSR of general trading companies lies in the great diversity of the business fields they are engaged in. As general trading companies handle any kind of product or service in any place of the world, they are also possibly related to any problem involving sustainability. One could even say that there is no problem to which general trading companies are not related, for example, the water problem, the food problem, resource development, eco-system conservation, climate risk measures, chemical substances, economic development in developing and least-developed countries or the human rights of the local people. Since the problems faced are completely different in each business field, it is necessary to consider what issues are most important in each business. In this sense, I believe that it is an adequate method to pursue specific efforts by establishing individual action plans for CSR activities in each Division Company under the corporate-wide ITOCHU mission and basic policies for CSR promotion.

Another issue is that the overall picture is difficult to grasp. One reason for this is the wide range of products handled, but since the power of influence has a different scope for each trade, it is also difficult to establish boundaries regarding the question of how far certain results can be attributed to the activities of the own company, or how far they are the own responsibility. There

are probably many different situations, ranging from cases where the rights of decision are substantially with the seller or buyer, up to cases like business investments where ITOCHU itself has great power. However, even so, I think that it is important that we grasp the overall picture for each problem area.

For example, I think that the program to restore tropical rainforest in Borneo, which is one of the projects to commemorate the 150th anniversary, makes much sense, and the participation from employees is also wonderful. The report also describes the management based on environmental risk assessment by product. For this very reason, it is probably necessary to show the overall picture of ITOCHU's business related to timber and forests to respond to the doubts of the readers who think that while ITOCHU is planting forests, it may also be cutting them down. I believe that especially for fields that are easily suspected of having a negative impact, not just single topics but the overall picture should reliably be grasped and explained to achieve trust. Such fields include, for example, the impact on developing countries and eco-system conservation in the development of resources, or topics related to biofuel and the food problem.

Meanwhile, the power of creating businesses connecting many technologies, know-how and companies to resolve problems is one of ITOCHU Corporation's strengths. Such businesses include, for example, the solar energy business or the PRE-ORGANIC COTTON PROGRAM presented in the Highlights, or the Water Forum revolving around the Machinery Company. I admire the Rainforest Alliance-certified coffee beans, the "CHIKYUGI" business, the CDM business and every single other business presented in the Major CSR Initiatives. If talented staff of ITOCHU with imagination and executive ability started to practice ITOCHU's CSR philosophy of "contributing to society through business activities" all over the world, there would be so much we could realize. In this sense, I have high expectations in ITOCHU.

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