

Third Party Opinion

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In his Top Commitment, the President Masahiro Okafuji states, “We should shift our CSR approach away from being hidebound by rules and regulations to the next phase of liberal, open-minded actions and decisions based on our own good judgment.” I was suddenly reminded of the quote by Confucius, “I could follow what my heart desired, without transgressing what was right.” Achieving CSR through the results of acting freely by one’s own judgment may be the ideal form of CSR. While it is important for any companies that their employees to be grounded in the company’s CSR philosophy, I think that it is particularly important for a type of business like a general trading company, because it deals in a huge range of products and services, which are relevant to every issue of society’s sustainability. Centralized control from the headquarters can in no way succeed without the considered and appropriate action by everyone at the worksite. Ideas and innovation at the worksite, and the passion of the people who actually put them into practice, are also key to making contributions through the company’s business in such areas as mitigating global warming and resource recycling.

In this sense, I think that it is appropriate to promote CSR by creating action plans for each Division Company. The examples of key initiatives by each Division Company highlighted in this report are also encouraging. This kind of reporting style, however, also always raises concerns that the big picture is not visible, or that only favorable information has been highlighted. This is because we are used to understanding corporate activities through comprehensive figures like net sales and profits. But there are no comprehensive figures that express CSR. There is probably no other way than to earn trust by continually showcasing initiatives one by one.

On the other hand, however, it is also important to maintain an all-inclusive perspective. I have the

impression that not all of your activities are linked to specific topics like mitigation of global warming or preserving ecosystems, but rather that the majority of your operations are routine business transactions, but this perspective means confirming that your activities overall at least do not violate the sustainability of society. I can rate highly the supplier CSR surveys by each Division Company described in this report, as a first step toward this all-inclusive perspective. I suggest that moving forward, you further expand your perspective, draw a line that you will not cross (for example, you will not destroy ecosystems or be involved in unethical weapons), and assess all businesses of each Division Company. As the President Okafuji states, businesses that violate good sense will not last long.

The problem is where to draw this line. What is really hard is to make an ultimate decision when there is a potential conflict of interest between business and society. This is when the value standard of “integrity” is truly tested. I think that holding CSR workshops at each Division Company is an effective way to share these issues and become aware of them. Experiencing nature first-hand, like reforestation tours to the rainforest restoration project in Borneo, is also valuable. In addition to your company reforestation tour, I believe that many people at your company also have contact with a wide range of outside NGOs and NPOs. Getting more people in your company as models of varied viewpoints and values will be the key to realizing the ideal of CSR through liberal and open-minded action.

■ Response to third party opinion

ITOCHU Corporation does a great variety of businesses around the world. We believe that each employee must carry out CSR through our main businesses, and we have long been committed to advancing CSR based on our CSR action plans. In order to raise profits in an increasingly complex international community, and be able to make a contribution to the realization of a sustainable society, every employee involved with our business activities must have correct values so that they act with freedom and open minds, and exercise their full potential.

Meanwhile, it is my understanding that the opinion pointed out that the very variety of our businesses makes it all the more vital to continually assess our many corporate activities that impact society, including both positive and negative aspects, and conduct multi-faceted reviews with a holistic view of the business as a whole. I will promote the development of human

resources with an awareness of CSR, enabling each employee to continually review and make correct decisions regarding the businesses assigned to him or her, in accordance with the demands of society, diverse values, and our compliance programs.

I remain committed to making ITOCHU Corporation into a company that continues to be trusted and needed by society, fulfilling the ITOCHU Mission of “Committed to the Global Good.”

Yoshio Akamatsu

Chairman, CSR Committee
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